



PRIME MINISTER

FOR MEDIA

SATURDAY, MAY 1 1982

DINNER IN HONOUR OF

THE VICE-PRESIDENT OF THE UNITED STATES OF AMERICA

MR GEORGE BUSH AND MRS BUSH

Mr Vice President, Mrs Bush, ladies and gentlemen.

Last night, Mr Vice President, we celebrated the 40th anniversary of the Battle of the Coral Sea together in Sydney. Tonight I welcome you and Mrs Bush to Melbourne.

This is a time when our two countries commemorate the Australia/United States relationship and in particular the commitment of our peoples in that most critical of battles of the Pacific

Your own actions in those years, Mr Vice President, form a strand in what we celebrate this week. The career that brought you to your present office started in 1942 with your service as the youngest United States Naval Aviator in the Pacific, where you were awarded the Distinguished Flying Cross. Your subsequent career has involved you significantly in the affairs of the Asia/Pacific region, and has given you an exceptional capacity to understand and influence the role your country has played.

Last night I spoke of the reasons why we remember the Coral Sea Battle each year, of how that battle, together with the actions of our own troops on the Kokoda Trail, secured Australia against invasion and had a profound influence on the lives of all Australians.

When the United States entered the war none of us understood that the efforts of those years were only the beginning of a long-fought campaign—a campaign sustained in peace as well as in war; a campaign which has lasted over the 40 years since; and which was never more important than today. In this campaign the servicemen and women of your country and mine have served side-by-side to support peace and democracy, either in peace-keeping forces or in action, in every one of the last 40 years.

It is not surprising that we have been involved together, for Americans and Australians have a common commitment to freedom and democracy and a shared view of the kind of life we want for our children.

After 1945, America had to assume a world leadership role if the gains won in the war were not to be lost to a different tyranny, or peace put at risk. And in accepting that role, the United States applied principles which were far-sighted and generous. She set about nothing less than the implementation of a new world order - an open order in which the war-shattered economies of Europe could be quickly rebuilt, an open order which would encourage the growth of peaceful intercourse between nations, an order in which the prosperity of the Western World could grow and spread.

The institutions which were created in the early post-war years to carry this enterprise forward could not have come into existence without the willingness of the United States to sponsor them and to press other governments to give them their support. No country in the history of the world has responded so readily and so generously to the desperate situation of others.

The implementation of the Marshall Plan involved the redirection of billions of dollars of United States income away from America's own needs towards the rebuilding of Europe, a Europe which included countries who were so recently America's foes. It transformed the circumstances of social and political decay which Western Europe faced in 1945, and it made possible the Western Europe we have known for the last two decades, a Europe of unprecedented affluence and achievement.

Moreover, through the U.S. commitment to the Liberal system of international trade and payments, world trading conditions have been created in which a good many developing countries of the South have been able to expand their own production and living standards, and U.S. congresses have voted billions of dollars in aid to the developing world countries.

During these same decades, Mr Vice President, your country has had to stand up against ongoing threats to the world's peace and security, and has had to steel itself to resist aggression, not only against contingent possibilities but against specific tests.

Too few people in the West remember the Soviet Union's blockade of West Berlin. They tried to force the Western powers to abandon their rights in that city, and they increased their army of occupation in East Germany to 40 divisions, against the 8 divisions deployed in the allied sectors, in an effort of intimidation. For eleven months in 1948 and 1949, the Western airlift carried nearly 2½ million tons of food, fuel and machinery needed to keep life going in West Berlin. It was the largest sustained airlift ever, and it demonstrated Western resolve to achieve peace and stability by peaceful means, when in earlier times the more likely response might have been to meet force with force.

There are more people who remember Cuba in 1962. The level of danger was incalculably greater than fourteen years earlier, not least because the Soviet Union had acquired a significant nuclear capacity. At issue was the rapid build-up by the Soviet Union of an offensive nuclear missile and strategic bomber capacity in close range of the major U.S. cities. It was properly described by the Australian Government of the time as an act of monstrous blackmail. The consequences, had the United States shown weakness over Cuba, would have been profound and far reaching. It would have touched off a wave of appeasement throughout the Western World.

The great tests of U.S. leadership and resolve - of which Berlin and Cuba are but two very visible examples - have taken place in a world that has grown steadily more complex and difficult. And the responsibilities of Western nations is made no easier - as the war in Vietnam showed - by the need for democratic governments to sustain continuing public support for their objectives however difficult these might appear to be.

But whatever the difficulties and challenges, the period lasting from the Second World War at least until recent years, was one in which the political and economic systems created after 1945 worked to great effect, and the system of alliances - of which NATO is the centrepiece - was successful in holding potential aggression at bay.

How different is the international scene which we face in May 1982. The fabric built up over the last 3 decades and more, a fabric for which the United States, more than any other country, has been responsible, is under challenge on two fronts. The first arises from the profound economic difficulties in the West, and the elusive nature of agreement on solutions to those problems; and the second from the deployment of unprecedented Soviet power around the world.

The conjunction of these two events presents problems of significant proportions, the nature or dimensions of which I do not believe have yet been fully identified. There are many questions we need to ask ourselves. In the early post-war years there would have been fairly general understanding and agreement on the nature of the Soviet Union's intentions. That agreement led to the formation of NATO and the continuation of the Western Alliance. Is there still the same understanding of the nature and purposes of the Soviet Union? Are the differences that sometimes appear in the alliance caused by different perceptions now of the Soviet threat? Is there the capacity to achieve agreement about the way we should conduct our relations with the Soviet Union? Is the West making itself a hostage to fortune by building dependence on Soviet markets and on Soviet strategic supplies? And these questions come on top of the economic difficulties in the Western industrialised democracies which threaten the cohesion and purpose of Western countries.

Looking to the Soviet Union, we see the continued provocation and aggression of Soviet policies in the occupation of Afghanistan, in the repression of Poland, in its support for Vietnam's continued occupation of Kampuchea. We see it operating directly and indirectly in Central America and in Africa, and in parts of the Middle East. And the Soviet Union's increased capability to project both nuclear and conventional military power is serious in itself.

But we have been greatly encouraged by the determination of President Reagan to effect the revival of Western power, a power even more vital to the defence of freedom now than at any time since the end of the Second World War.

The Australian Government has been consistently arguing since the mid-1970s for a clearer perception and adequate response by the West to the Soviet Union's international actions, for we detected a tendency to overlook how frequently the advantages of the policies of detente seemed to flow one-way to the Soviet Union.

The persistence of the Soviet Union in continuing to devote some 13 per cent of its national product to military purposes cannot be taken lightly, when by comparison, even with its present efforts to increase defence spending, the United States' proportion is no more than 6 per cent.

It is against this background of the conjunction of economic, political and strategic issues that the summit meetings that are going to take place early next month, the summit of the major economic powers in Versailles, and the meeting of the NATO heads of government in Bonn, take on special urgency. Those meetings face difficulties which are compounded by people who do not want Western Europe properly armed against the most modern and devastating Soviet weapons, by the economic problems in Western countries, by the temptation for countries to adopt beggar-thy-neighbour policies which not only set back economic revival but which can easily sow discord among partners.

The conjunction of the two meetings means that economic and security factors can both be addressed, and the linkages between them given proper emphasis. Australia is not directly involved in these discussions, but we and most other free peoples will be profoundly affected by their outcome. We therefore value the opportunity your visit has given us to benefit from your informed perceptions and to give you some insights of ours which might be helpful.

I very much welcome the opportunity to continue these discussions with President Reagan in two week's time. Mr Vice President, we very much appreciate the fact that you have been amongst us, that you have demonstrated a real concern for the countries of the Western Pacific. I also hope you have had some time to enjoy yourself here.

On your return to Washington, I ask you to give President and Mrs Reagan warmest good wishes from Tamic and myself for the great task ahead. We are delighted you both have been able to make this visit, and we look forward to the time when you will visit us again.

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