



PRIME MINISTER

FOR MEDIA

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SPEECH IN RESPONSE
TO THE WELCOME BY
THE PREMIER OF CHINA

I am very pleased to be here in China again to have the opportunity to get to know many of you personally. I am looking forward with great interest to exchanging views with Chinese leaders on a number of issues of common concern, and thus helping to strengthen the productive relationship which has been built up between our countries.

At the base of a close relationship lies mutual understanding not just between Governments, but between peoples. Since my last visit here relations between our peoples have strengthened and laid the foundations of diverse and widening contacts. The Australian Government has embarked on a policy to encourage an active interest and knowledge of China, and in pursuit of that policy we established the Australia/China Council after my last visit here.

Australians have a very keen interest in China and its culture, and that interest is reflected in the attention which China receives in our newspapers, on our television and in our education. It is also reflected in the large number of Australian tourists who visit your country each year and return with an enthusiasm which guarantees that China will continue to attract large numbers of Australians. We now have a sister relationship between Chinese provinces and Australian states and our people have participated together in numerous sporting and musical events. These personal contacts between our peoples have done much to bring our two countries together.

This spirit of co-operation is becoming a notable feature of the Asia/Pacific region. In recent years our region has in general benefited from a degree of political stability which has led to a growth in economic prosperity not found in other parts of the world. It is not by chance that this region has prospered and continued to prosper in spite of the world recession. The average growth rates for ASEAN countries, for example, during the 1970's ranged from 3.4% to 6.7% a year.

I have just come from Malaysia and have been impressed by what I have heard about the efforts of the ASEAN partners to work together more closely. Their determined and successful efforts to develop their economies and to pursue political cohesion, have done much to keep South East Asia largely free from the troubles which have characterised so many other parts of the globe.

It is in the interests of both our countries that ASEAN be encouraged and that its cohesion be strengthened, for it has done a great deal to build up the resilience of South East Asia and to help bring security to the region. Next week I shall be attending a meeting of South Pacific leaders who will be looking for ways of enhancing co-operation to augment regional security and to promote mutual prosperity. That is another example of constructive co-operation in the region, co-operation which will help our region prosper politically and economically in a difficult and complex world.

The last six years have brought many changes to the world and to our countries. In recent years you have made great efforts to modernise China's economy and to develop your economic ties with the outside world. That has led to a great expansion in Australia's trade with China which has been to the benefit of both China and Australia, and which has sown the seeds of greater co-operation between our two economies.

Today there are many challenges before us. The world economy is going through a period of recession which has lasted longer and become more serious than anyone anticipated. It has had a detrimental impact on the development of nearly all countries, including China and Australia. Australia has had comparatively high economic growth in recent years but as a substantial trading nation, dependent largely on exports for our economic growth, we cannot escape the effects of the world recession. The situation has been worsened as countries have tried to insulate themselves, by increasing protectionist devices and export subsidies. Such measures are depressing the volume of world trade and together with falling commodity prices contributed to a fall in the value of world trade last year for the first time in over 20 years.

In the case of Australia our agricultural exports to Europe, which were so important to us, have been decimated over the last decade by protection more generally, about 50 per cent of our exports are now subject to non-tariff barriers. The Australian Government believes that to break out of the economic situation in which negative influences constantly feed upon each other the international community needs to take some positive action to revive trade and restore economic growth.

It is in this context that the Australian Government has put forward proposals to help regenerate growth in world trade. These proposals call for a freeze on increases in trade protection, a progressive reduction in levels of protection, and the abolition within five years of export subsidies and incentives. These proposals have been well received by a number of countries, and they are to be discussed later this year by the GATT. To be effective, these proposals would have to be adopted by nations acting in concert. They would call for a real commitment of will, as few if any countries would find it easy to adopt every part of them. But we believe that if they could be acted upon they would help return us all to the high growth rates in world trade which we experienced in the 1950s and 1960s, and which contributed significantly to the growth of living standards through those years.

The Australian trade proposal was put to the Versailles Summit two months ago. I believe the Summit could have given a stronger lead to help revive world trade, not necessarily by adopting the Australian proposals, but by at least taking some concrete action. In Australia, we have made significant reductions in our own levels of protection, but any further unilateral reductions at this time which weren't reciprocated, would cause serious economic and social dislocation in Australia. There is all the difference in the world between countries acting in concert, providing incentives for each to concentrate on the things they do best, and countries acting unilaterally in these matters, giving advantages to others which are not reciprocated. To ignore this fundamental distinction, as some of my Australian critics do, is to misjudge the attitude and policies of the Australian Government very seriously indeed.

These remarks are not, of course, in any way a commentary on the trade relationship between Australia and China. I make them because I want the Australian Government's trade policies to be clearly understood.

Nobody should forget that the countries hardest hit by the world recession and trade protection have been the developing countries. These countries have a particular interest in the success of constructive trade proposals. A joint UNCTAD/FAO study in 1972 estimated that the gains in export earnings to developing countries of removing all barriers to their agricultural trade would be, in 1981 dollars, equivalent to \$US34 billion. Without those obstacles to their trade, developing countries would be much more able to stand on their own feet and would require much less aid. Australia believes it is imperative that ways be found to help developing countries break out of the trap of poverty and deprivation. Both of our countries have given support for the launching of global negotiations on international economic development issues and so far it is disappointing that those negotiations have not proceeded. The will must be created to bring all countries together to help find solutions to economic development problems.

That same will seems to be lacking in the context of the Law of the Sea Convention. The Australian Government shares China's view that the failure so far to get global agreement on a draft Law of the Sea Convention is most regrettable. If there is no progress towards a solution to the problems of world poverty, and something as fundamental as the Law of the Sea, then it will be all the more difficult to create a stable world for ourselves and our children.

The goal of world stability has continued to elude us. Armed conflict and disputes continue to erupt, often with little warning. Who would have predicted war between Iran and Iraq, or conflict in the South Atlantic? There are also continuing crises in Central America, Southern Africa and South-East Asia.

The Soviet Union has played a part in exacerbating this instability. Its objective is expansion of its influence and the subjugation of sovereign peoples, and we are at one with China in opposing Soviet hegemony. In all the years since 1945, the Soviet Union has been determined to spread its influence. It has invaded Hungary and Czechoslovakia. Its troops are still in Afghanistan in large numbers. It has engineered pressure on Poland. It has given and continues to give massive support to the Vietnamese in their invasion of Cambodia. It has used and is still using the Cubans and East Germans to interfere in Africa and Central America. And it has interfered directly in the Yemen and Ethiopia. That is a shameful record.

I have long admired China's determination and strength in opposing the expansion of Soviet power and I have also been encouraged by the resolve of the United States under President Reagan to deal with the Soviet Union from a position of strength. It is only by dealing with the Soviet Union with strength that we can counter it and a strong America is a prerequisite for world peace.

I believe a good relationship between China and the United States is very important in preserving world peace, just as is a united and powerful Western alliance. There are times when, in order to achieve the objectives of world peace and the prevention of nuclear war, we all have to exhibit a degree of tolerance and understanding so we can work together in a common cause. In the case of our region, relations between China and Japan, and between China and the United States are of very great importance.

If international peace and stability are to prevail it is essential that all nations adhere to a code of international law and conduct based on the principles of self-determination, respect for territorial integrity, and the rights of mankind.

Mr Premier, in an unstable and complex world both our countries have set an example of how, despite our different cultures, political systems and approaches, countries can recognise their common interests and build close and valuable relations based on mutual understanding, mutual trust and mutual respect.

It is in recognition of what we have achieved in the last decade that I propose a toast to Chairman Hu Yao Bang, to Your Excellency Premier Zhao Ziyang, to all distinguished guests here tonight, and to the further development of the relationship between our peoples.

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