



## PRIME MINISTER

TRANSCRIPT - PRESS CONFERENCE - SEOUL - SHILLA HOTEL 7 FEBRUARY 1984  
FROM FILE 828/1/29

FOR PRIME MINISTER'S PRESS OFFICE IN PARLIAMENT HOUSE

E AND O E PROOF ONLY

P.M.: LADIES AND GENTLEMEN I WOULD SAY AT THE OUTSET HOW MUCH I AND THE AUSTRALIAN PARTY HAVE ENJOYED OUR BRIEF VISIT TO YOUR COUNTRY. I'VE HAD THE OPPORTUNITY OF HAVING VERY SERIOUS DISCUSSIONS WITH PRESIDENT CHUN AND WITH YOUR PRIME MINISTER, DEPUTY PRIME MINISTER AND FOREIGN MINISTER, WITH OFFICIALS AND, OF COURSE, ALL OF MY OFFICIALS HAVE HAD THE OPPORTUNITY ALSO OF PARTICIPATING IN DISCUSSIONS WITH YOUR COUNTERPARTS.

THE RANGE OF MATTERS THAT WE HAVE DISCUSSED ARE AS FOLLOWS: FIRSTLY, THE REGIONAL SECURITY CONSIDERATIONS, MOST PARTICULARLY RELATIONS BETWEEN YOUR COUNTRY AND THE DPRK, AND BROADER REGIONAL SECURITY CONCERNS WE BOTH SHARE. SECONDLY, WE HAVE DISCUSSED BILATERAL ECONOMIC RELATIONS BETWEEN OUR TWO COUNTRIES AND WE HAVE AGREED THAT THERE IS ROOM FOR AN EXPANSION, I BELIEVE A CONSIDERABLE EXPANSION, OF TRADE BETWEEN OUR TWO COUNTRIES - AND WITHIN SUCH EXPANSION THE OPPORTUNITY OF SOME REDRESS IN THE UNFAVOURABLE IMBALANCE AGAINST KOREA IN THEIR TRADE RELATIONSHIP. WE BELIEVE THAT CAN COME MOST PARTICULARLY BY KOREA SEEKING TO EXPAND ITS SHARE OF THE EXISTING IMPORT MARKET IN AUSTRALIA. THE NUMBER OF CATEGORIES WHERE WE HAVE VERY SUBSTANTIAL INPUTS, THE SHARE OF KOREA IS VERY VERY LOW INDEED. SO WE BELIEVE THAT TOGETHER WE CAN MOVE TO ASSIST KOREA TO OBTAIN SOME EXPANSION IN THAT SHARE.

WE ALSO TALKED ABOUT THE DESIRE WE BOTH HAVE FOR A FREEING UP OF INTERNATIONAL TRADE, THE SUPPORT THAT WE GIVE TO A CALL FOR A NEW MULTILATERAL TRADE NEGOTIATION ROUND. AND IN THAT CONTEXT PRESIDENT CHUN INDICATED SUPPORT OF KOREA FOR THE INITIATIVE THAT WE HAVE TAKEN IN TRYING TO MOVE TOWARDS ARRANGING A MEETING OF THE COUNTRIES IN THE REGION TO ATTEMPT TO SECURE AN AGENDA FOR SUCH A NEW MTN ROUND WHICH TAKES ACCOUNT OF THE INTERESTS OF THE COUNTRIES IN THE REGION.

NOW THAT IS NOT AN EXHAUSTIVE ACCOUNT OF ALL THE THINGS THAT WE HAVE DEALT WITH IN OUR DISCUSSIONS YESTERDAY, BUT THEY COVER SOME OF THE IMPORTANT AREAS. AND NOW I'D LIKE TO TAKE SOME QUESTIONS FROM YOU.

JOURNALIST: (INAUDIBLE)

P.M.: ...WILL I BE DISCUSSING IN PEKING THE QUESTIONS THAT WERE RAISED HERE IN RESPECT OF THE KOREAN SITUATION. IS THAT THE QUESTION. ... YES I HAVE INDICATED THAT I WOULD IN DISCUSSION THAT I WILL INEVITABLY BE HAVING WITH THE CHINESE LEADERSHIP ABOUT REGIONAL AND GLOBAL SECURITY QUESTIONS, I WILL BE CONVEYING THE VIEW OF THE LEADERSHIP OF THIS COUNTRY. AS TO THE OTHER MATTERS THAT I'LL BE DISCUSSING IN CHINA - CLEARLY, THERE'S A BROAD RANGE OF ISSUES THERE. BECAUSE YOU MUST UNDERSTAND THAT AUSTRALIA HAS A VERY CLOSE RELATIONSHIP WITH CHINA WHICH COMMENCED WITH THE ELECTION OF THE PREVIOUS LABOR GOVERNMENT AT THE END OF 1972 - THE EARLY RECOGNITION BY AUSTRALIA OF CHINA. AND THAT RELATIONSHIP WAS BUILT UPON BY THE PREVIOUS CONSERVATIVE GOVERNMENT. SO IN THE COURSE OF THE LAST DECADE A CLOSE RELATIONSHIP HAS BEEN DEVELOPED IN A RANGE OF AREAS OF ECONOMIC AND CULTURAL AS WELL AS POLITICAL. SO ONE OF THE AREAS THAT WE WILL BE TALKING ABOUT IS PRECISELY THOSE CLOSE BILATERAL RELATIONS, HOW THEY'RE OPERATING AND WHAT OPPORTUNITIES THERE ARE FOR EXPANDING THEM. WE WILL ALSO CLEARLY BE TALKING ABOUT REGIONAL ISSUES, NOT THE LEAST IMPORTANT OF WHICH OF COURSE AS FAR AS AUSTRALIA IS CONCERNED IS THE QUESTION OF INDO-CHINA. WE WILL BE TALKING ABOUT THE INTERNATIONAL ECONOMIC, POLITICAL AND STRATEGIC SITUATION - AND THOSE ARE THE BROAD RANGE OF ISSUES ABOUT WHICH WE WILL BE TALKING. AND I BELIEVE THAT IN THAT CONTEXT OBVIOUSLY I WILL BE REFERRING TO THE MATTERS RAISED HERE WITH ME.

JOURNALIST: ABOUT YOUR DISCUSSION WITH THE CHINESE LEADERSHIP ABOUT THE KOREAN SITUATION, WHAT ... TO RENOUNCE THE VIOLENCE AND BEGIN FACE TO FACE TALKS WITH SOUTH KOREA?

P.M.: WELL, I DON'T WANT TO OVERESTIMATE THE POWER OF AUSTRALIA. FROM THE TIME WE CAME TO OFFICE WE HAVE BEEN AT PAINS TO EMPHASISE THAT WE ARE A SMALL NATION WITH LARGE RESOURCES, BUT A SMALL NATION OF FIFTEEN AND A HALF MILLION PEOPLE. WE DON'T WANT TO EXAGGERATE THE INFLUENCE THAT WE BRING TO BEAR IN INTERNATIONAL COUNCILS. BUT HAVING SAID THAT I THINK IT IS TRUE THAT OURS IS A VOICE WHICH IS LISTENED TO AND THEREFORE WE WILL BE SAYING IN WHATEVER FORUM, WHETHER IT BE IN BILATERAL DISCUSSIONS WITH IMPORTANT COUNTRIES LIKE CHINA OR IN INTERNATIONAL FORUMS, WE WILL BE MAKING IT CLEAR THAT THE REALITY WHICH MUST BE FACED BY THE DPRK IS THAT THERE ARE TWO GOVERNMENTS ON THE KOREAN PENINSULA AND THAT THE REPUBLIC OF KOREA IS VERY MUCH A VIBRANT, VIABLE REALITY. IT MUST BE RECOGNISED AND DEALT WITH. AND THAT THE PROPOSITION THAT HAS BEEN ADVANCED BY THE DPRK FOR TRI-PARTITE TALKS IS NOT REAL. THAT THERE MUST BE FACE TO FACE DISCUSSIONS, DIRECT NEGOTIATIONS BETWEEN THE DPRK AND THE ROK AND THAT THAT IS THE ESSENTIAL INGREDIENT FOR ANY ULTIMATE RESOLUTION OF THE CONFLICT ON THE PENINSULA. AND THAT ONCE THAT IS UNDERSTOOD, THERE IS ROOM FOR PERHAPS QUADRIPARTITE DISCUSSIONS OR EVEN AS HAS BEEN SUGGESTED, A LARGER FORUM, TO WHICH COULD BE ADDED JAPAN AND THE SOVIET UNION. BUT WHATEVER THAT LARGER FRAMEWORK THE ESSENTIAL PART OF IT IS THE DIRECT FACE TO FACE NEGOTIATIONS BETWEEN THE TWO REALITIES, AND THE TWO PRESENT REALITIES, ON THE PENINSULA. NOW THAT IS THE ESSENTIAL UNDERSTANDING, THE POSITION OF MY GOVERNMENT. WE'LL PUT THAT, AS I SAY, IN WHATEVER BILATERAL DISCUSSIONS WE HAVE WITH RELEVANT COUNTRIES OR IN ANY INTERNATIONAL FORUM.

JOURNALIST: MR PRIME MINISTER, YOU ARE TALKING ABOUT THE FUTURE OF ECONOMIC RELATIONS OF KOREA AND AUSTRALIA. WHAT POINT DO YOU THINK WE CAN PICK UP ON. WE HAVE A DISFAVOUR IN KOREA'S SIDE OF 2 TO 1 AND WHAT ARE THE SPECIFIC POLICIES OF AUSTRALIA ON THIS POINT. AND THERE ARE A LOT OF IMPORT RESTRICTIONS ON KOREAN MANUFACTURED GOODS, WHAT IS THE AUSTRALIAN GOVERNMENT'S POSITION ON THIS?

P.M.: LET ME CLARIFY ONE MISTAKE IN YOUR QUESTION FIRST, THEN I'LL ANSWER THE OTHER PART OF IT. THERE ARE NO RESTRICTIONS ON KOREAN GOODS. WE DON'T DISCRIMINATE AGAINST KOREA. TO THE EXTENT THAT MOST OTHER COUNTRIES IN THE WORLD HAVE SOME ELEMENTS OF PROTECTION FOR PARTS OF OUR DOMESTIC INDUSTRIES, THEY ARE NON-DISCRIMINATORY AGAINST COUNTRIES. SO DON'T LET THERE BE ANY SUGGESTION THAT WE DISCRIMINATE AGAINST KOREA BECAUSE WE DON'T.

AS TO THE QUESTION OF HOW WE MAY BE ABLE TO ASSIST IN REMEDYING THIS IMBALANCE WHICH IS OF THE ORDER OF 3 TO 1 AGAINST KOREA, I'D MAKE THESE OBSERVATIONS. FIRST, YOU MUST UNDERSTAND THAT TO SOME EXTENT THAT IMBALANCE REFLECTS THE DIFFERING STRUCTURES AND DIFFERENT MEANS OF OUR ECONOMIES. WE HAVE BECOME A MAJOR SUPPLIER OF RAW MATERIALS FOR YOUR DEVELOPING INDUSTRIES, PARTICULARLY IN IRON ORE AND COAL FOR YOUR INNOVATED IRON AND STEEL COMPLEX.

THE FACT THAT YOU HAVE REQUIRED LARGE QUANTITIES OF THOSE RAW MATERIALS, WHICH HAVE ENABLED YOU TO DEVELOP YOUR IRON AND STEEL INDUSTRY AND EXPORT AS A RESULT OF THAT, THEY'RE NOT OF ITSELF A BAD THING IN THE INITIAL IMBALANCE THAT EXISTS BETWEEN US. JUST LET ME PUT IT TO YOU THIS WAY - IF YOU WANT TO BUILD UP, AS YOU HAVE, AN IRON AND STEEL COMPLEX WHICH IS GOING TO ENABLE YOU TO HAVE SUBSTANTIAL EXPORTS TO OTHER COUNTRIES AND AUSTRALIA HAVING ITS OWN IRON AND STEEL INDUSTRY, THE FACT THAT WE FACILITATE THAT EXPANSION ON YOUR PART WHICH GIVES YOU THE OPPORTUNITY TO HAVE SUBSTANTIAL EXPORTS TO OTHER COUNTRIES BUT NOT OF THAT PRODUCT TO AUSTRALIA. IN OVERALL TERMS THIS IS VERY MUCH TO THE ADVANTAGE OF KOREA EVEN THOUGH IN THE INITIAL PROCESS IT INVOLVES A SIGNIFICANT IMBALANCE BETWEEN AUSTRALIA AND KOREA. IN OTHER WORDS THE POINT THAT I'M MAKING IS THAT ANY COUNTRY MAKING A JUDGMENT ABOUT ITS TRADING POSITION, IT'S TOTAL EXTERNAL RELATIONSHIPS - YOU SHOULD NOT SIMPLY LOOK AT ONE COUNTRY AND SAY, WELL THERE IS AN IMBALANCE, IF IN THE PROCESS OF ACQUIRING THAT IMBALANCE, IF YOU LIKE, YOU ARE FACILITATING AN OVERALL ACHIEVEMENT IN YOUR EXTERNAL RELATIONSHIPS. THAT'S THE FIRST POINT.

THE SECOND, WHICH FLOWS TO SOME EXTENT FOR IT, IS THIS. THAT I'VE REMINDED OF MINISTERS AND OFFICIALS WITH WHOM I'VE SPOKEN HERE THAT IF YOU LOOK AT THE PARTS OF TRADE RELATIONSHIPS BETWEEN AUSTRALIA AND JAPAN YOU WILL SEE THAT IN THE EARLY STAGES WHERE JAPAN WAS BUILDING UP IT'S BASIC INDUSTRIES AND WE WERE SUPPLYING RAW MATERIALS, THERE WAS THE SAME SORT OF VERY SIGNIFICANT IMBALANCE. NOW AS THROUGH TIME THE STRUCTURES OF ECONOMIES CHANGED THAT GROSS IMBALANCE IN THE JAPAN/AUSTRALIAN TRADE RELATIONSHIP WAS DIMINISHED.

THE THIRD POINT I MAKE IS COMING TO WHAT ARE THE IMMEDIATE SORTS OF THINGS THAT WE CAN DO. WE HAVE SAID TO THE GOVERNMENT HERE, TO OFFICIALS, THAT IF YOU LOOK AT AUSTRALIA'S IMPORT PATTERN THERE ARE VERY MANY CATEGORIES THERE WHERE WE IMPORT HUNDREDS OF MILLIONS OF DOLLARS WORTH OF GOODS FROM A RANGE OF OVERSEAS COUNTRIES WHERE KOREA HAS AN INFINITESIMALLY SMALL SECTION. FOR EXAMPLE, IN REGARD TO CATEGORIES OF WOVEN FABRICS WHERE OUR IMPORT RATE... JUST OVER \$100 MILLION. IN SOME OF THOSE CATEGORIES KOREA HAS A SHARE OF LESS THAN 0.5%, LESS THAN HALF OF ONE PERCENT. WHAT WE'VE SAID TO THE GOVERNMENT AND YOUR OFFICIALS IS THAT WE WILL TOGETHER, OR OFFICIALS AND YOUR, SIT DOWN AND DISCUSS HOW WE CAN HELP KOREAN ENTREPRENEURS BECOME MORE AGGRESSIVE IN THE AUSTRALIAN MARKET TO INCREASE THEIR SHARE. SO WE STAND READY TO DO WHAT WE CAN TO ASSIST IN THOSE AREAS WHERE THERE IS REALLY SIGNIFICANT ROOM FOR AN INCREASE IN KOREAN EXPORT.

I SIMPLY MAKE THE POINT FINALLY THAT THE ROOM FOR IMPROVEMENT IS NOT ALL ONE WAY. WE BELIEVE THAT IN THE AREA OF RAW MATERIALS IN ECONOMIC TERMS WE ARE A COMPETITIVE AND RELIABLE SUPPLIER AND WE BELIEVE THAT IN POLITICAL TERMS THERE IS NO MORE STABLE A SUPPLIER IN THE WORLD AND A MORE STABLE POLITICAL COMMUNITY THAN AUSTRALIA. AND WE BELIEVE THAT THERE IS ROOM FOR AN INCREASE IN THE IMPORT OF OUR IRON ORE AND COAL INTO THIS COUNTRY. AND WE WOULD ALSO SAY IN RESPECT OF WHEAT THAT THERE IS ROOM FOR AUSTRALIA TO HAVE A SHARE OF YOUR WHEAT IMPORTS.

SO BOTH AGREE TO SEE WHAT WE CAN DO TO IMPROVE EACH OTHER'S ACCESS TO THE MARKETS.

JOURNALIST: IT IS REPORTED THAT YOU CALLED FOR A REGIONAL CO-OPERATION AMONG THE PACIFIC BASIN COUNTRIES DURING YOUR VISIT TO BANGKOK LAST NOVEMBER. WILL YOU PLEASE SAY OF THE CONCRETE CONTENTS OF YOUR IDEAS OF THE SO-CALLED REGIONAL CO-OPERATION.

P.M.: AT THAT STAGE WHAT I WAS TALKING ABOUT WAS THAT TO WHICH I REFERRED IN MY OPENING REMARKS, AND THAT IS THAT THERE HAD BEEN IN THE LAST TWELVE MONTHS CALLS, MOST PARTICULARLY BY PRIME MINISTER NAKASONE AND BY US SPECIAL TRADE REPRESENTATIVE BROCK FOR A NEW MTN ROUND REFERENCE TO WHICH WAS FIRST MADE AT THE GATT MINISTERIAL MEETING IN NOVEMBER OF 1982.

WE WANT TO GIVE SUPPORT TO THAT CALL FOR A NEW MTN ROUND. BUT WHAT I WAS SAYING IN BANGKOK IN THAT SPEECH ON 22 NOVEMBER WAS THAT IF YOU LOOKED AT THE PREVIOUS MTN ROUNDS THE INTERESTS OF MANY OF THE COUNTRIES IN OUR REGION HAD BEEN EXCLUDED, PARTICULARLY IF YOU LOOK AT AUSTRALIA'S CONCERNS - AGRICULTURAL PRODUCTS, PROCESSED MINERAL PRODUCTS-HAD BEEN EXCLUDED. WE WERE SAYING THERE AND MY OFFICIALS HAVE BEEN DEVELOPING THIS TRAVELLING ROUND THE COUNTRIES OF THE REGION BEFORE MY VISIT, THAT IT MAKES SENSE FOR THE COUNTRIES OF THIS REGION TO MEET TOGETHER AS SOON AS WE CAN TO IDENTIFY A SORT OF AGENDA, ITEMS OF THE AGENDA OF SUCH AN MTN ROUND, WHICH WE WOULD WANT TO HAVE ON IF THAT NEW MTN ROUND WAS GOING TO BE MEANINGFUL. THERE'S NO POINT IN MOST OF THE COUNTRIES IN THIS REGION IN HAVING MERELY A REPEAT OF WHAT HAPPENED BEFORE WHERE YOU HAVE A LIMITED AGENDA DEALING ONLY WITH THOSE ITEMS WHICH CONCERN MAJOR TRADING GROUPS OF COUNTRIES. SO WHILE WE IN AUSTRALIA SAY, WELL WE CAN IDENTIFY SAY PARTICULARLY AGRICULTURAL PRODUCTS, PROCESSED MINERAL PRODUCTS AS MATTERS OF CONCERN TO US WHICH WE KNOW WOULD BE OF CONCERN TO SOME OF THE COUNTRIES OF THE REGION - WE THINK THAT THE COUNTRIES SHOULD GET TOGETHER SO THAT TOGETHER WE CAN SAY WELL THESE ARE THE MATTERS THAT WE WANT TO DISCUSS. THAT WAS IN THE BANGKOK SPEECH, THE SORT OF CO-OPERATION ABOUT WHICH I WAS IMMEDIATELY SPEAKING. LET ME MAKE THIS POINT THAT THAT WASN'T BEING PUT BY AUSTRALIA AT THAT TIME AS EXHAUSTING THE AVENUES OF MORE REGIONAL CO-OPERATION. WE HAVE IN FACT TAKEN PART IN THE DISCUSSIONS WHICH HAVE BEEN GOING ON OVER SOME RECENT YEARS IN WHICH WERE REFLECTED IN THE BALI MEETING. WE HAD AUSTRALIAN REPRESENTATIVES THERE WHO REPORTED BACK TO ME. YOU KNOW THAT THAT PECC CONCEPT WHICH WE'VE BEEN INVOLVED IN WILL BE REFLECTED NEXT YEAR IN SEOUL IN APRIL OF 1985. AS A GOVERNMENT WE WILL BE CO-OPERATING WITH OUR PEOPLE HEADED BY SIR JOHN CRAWFORD IN AUSTRALIA, WE'LL BE INVOLVED IN THOSE DISCUSSIONS, WE'LL BE REPRESENTED HERE IN 1985 AS WE WILL AT THE TPRC MEETINGS HERE, I THINK, IN APRIL OF THIS YEAR. SO THERE ARE OTHER SORTS OF DISCUSSIONS WHICH ARE GOING ON ABOUT OTHER POSSIBILITIES FOR REGIONAL CO-OPERATION. WE ARE ASSOCIATED WITH THOSE DISCUSSIONS, BUT LET ME MAKE IT CLEAR THAT ANY CONCEPT OF A REGIONAL ORGANISATION IN AN IMMEDIATE AND FORMALISED SENSE WE THINK IS NOT YET APPROPRIATE ALTHOUGH WE ARE HAPPILY TAKING PLACE IN THE ACTUAL DISCUSSIONS WHICH ARE GOING ALONG IN A GRADUAL SENSE. AND I REPEAT IN BANGKOK IN NOVEMBER AND WHAT I'VE BEEN TALKING ABOUT NOW IS DIRECTLY RELATED TO A PROPOSED MTN ROUND.

JOURNALIST: WILL AUSTRALIA BE EXPORTING URANIUM TO SOUTH KOREA AND IF SO, IS AUSTRALIA SATISFIED WITH THERE WILL BE PROPER SAFEGUARDS.

P.M.: THERE ARE CONTRACTURAL ARRANGEMENTS BETWEEN AUSTRALIA AND KOREA AND THE POLICY OF THE PREVIOUS GOVERNMENT WHICH HAS BEEN STRINGENTLY FOLLOWED BY MY GOVERNMENT. BUT THERE WILL BE NO EXPORTS OF AUSTRALIAN URANIUM TO ANY COUNTRY ... EXCEPT UNDER THE MOST STRINGENT SAFEGUARDS. AND IT IS ACKNOWLEDGED BY THE INTERNATIONAL ATOMIC ENERGY AGENCY THAT AUSTRALIA HAS THE MOST STRINGENT SAFEGUARDS AND WE CURRENTLY AS A GOVERNMENT APPOINTED AN ENQUIRY, THE SLATCHER ENQUIRY, WHICH IS EXAMINING AUSTRALIA'S PLACE IN THE NUCLEAR CYCLE AND TO SEE WHETHER THERE ARE ANY ADDITIONAL PROVISIONS THAT NEED TO BE INCORPORATED INTO OUR SAFEGUARDS PROGRAM. IF PROFESSOR SLATCHER SO INDICATES IN THE REPORT WHICH I EXPECT TO RECEIVE IN MAY OF THIS YEAR AT THE LATEST, THEN OF COURSE THE GOVERNMENT WILL TAKE THOSE INTO ACCOUNT. SO I REPEAT THAT WE HAVE CONTRACTURAL ARRANGEMENTS WITH KOREA AND THEY HAVE BEEN ADHERED BUT UNDER THE STRICTEST SAFEGUARD REGIME OF ANY SUPPLYING COUNTRY IN THE WORLD.