



## PRIME MINISTER

E. & O.E. - PROOF ONLY

TRANSCRIPT OF PRESS CONFERENCE WITH CHINESE JOURNALISTS  
19 SEPTEMBER 1984

---

HAWKE: We are here today on the occasion of the inauguration of the air services between our two countries.

This is more than just a mere formal ... expression to you because since the visit of Premier Zhao in April 1983 and my visit to your country in February this year, there has been a quite dramatic strengthening and deepening of relationships with our countries and this inauguration of direct air services is a very definite manifestation of that development and indeed a facilitation of it.

I don't want to exhaustively list all those developments to which I refer, but let me say that we are particularly pleased with the very rapid progress which has been made in the integration plans for our iron and steel industries.

That was formalised with the signing of the economic and technical co-operation agreement during Vice Minister Lin Hua's visit here last month.

There have been many other elements of this integration plan both in enhanced export of some of our raw materials, the arrangements for technical co-operation in your country in the development of your steel industry and particularly the agreement that has been signed to conduct the feasibility studies into a joint venture iron ore mine between us in the Pilbarra.

In the important area of agriculture we were also pleased that earlier this year an agriculture co-operation agreement was signed when my Minister for Agriculture was in China. I believe that will lead to important co-operation between us in that area.

In the area of trade generally we have formulated the China Action Plan. The purpose of that is to try and assist the growth of your exports to Australia.

And, as I said earlier, we are also developing our relations beyond the economic area - in the fields of science and sports and culture.

So, you can appreciate that it is against the background of that very substantial and dramatic development in our relations in the economic and commercial, cultural, scientific, trading, agricultural fields - it is against the background of those developments that the partnership now that has been created between your national airlines, CAAC, and QANTAS, our national airline to establish a direct link, assumes a very great importance. It is not merely the fact of the service, but as I said in my opening remarks, it will be a facilitator for the other important growing links between us.

I'm going to conclude these opening remarks by saying that all these developments that I have referred to I hope confirm to you the fact that I and my Government attach the very highest importance to our relations with China. We put them at the very highest category of importance as far as we are concerned. I have established warm personal relationships with Premier Zhao, my counterpart, and also with others in the leadership. And we will in the months and the years ahead do everything that we can to assist in the deepening and the broadening of that relationship. It will remain central to our development of our relations in the region and I believe that we share common aspirations for the economic development of our own countries - we can help one another very significantly, and will continue to do that. And I believe together we can also play a role in trying to achieve a peaceful environment in our region which will be so important to the plans which we both have to strengthen our economy and to improve the standards of living for our people.

I ask you all to convey in the opportunities available to you to the people of China our warmest good wishes for their future wellbeing.

Q: The journalist from the Peoples' Daily wondered if you could just speak briefly about developments which will arise out of the opening of this new flight.

HAWKE: I think we can really put it in two categories. Firstly, I hope that it will lead to an increase in people exchanges. We had, as I understand, last year 55,000 Australians visiting China. And in the discussions I had earlier with your leaders established the fact it is far and away the highest per capita visitation from any country in the world. While Japan and the United States have higher absolute numbers, on a per capita basis, with less than 16 million people here, our 55,000 represents the biggest level. Now we hope that with the inauguration of the direct air services that even more people from Australia will visit China and from China to Australia. And that will broaden and deepen the relationships between our two countries, that I alluded to before. The second category of importance, I think, is that you will see from what I have said before, that there are very important economic relationships developing between us. We are hoping to be of assistance to China in the areas of technological assistance, particularly in the development of your iron and steel industry but in many other areas - in agriculture and similarly we hope to draw upon your experience and market possibilities. And so the very fact that we have a direct air service now will mean that constant flow of people that we have in the area of commercial and economic development

will be made easier and we see great benefits for both our countries in an increasing degree of integration between us - not just in iron and steel, but in other areas and clearly therefore the emergence of a direct air link will facilitate those goals.

Q: This journalist is from the Guangdong Daily, a newspaper, part of Guangzhou. Of course Guangdong Province has special relations with Australia through its relations with the State of NSW and many Australians overseas - Chinese come from Guangdong Province and now really opened .... paths and special economic zones in Guangdong. It is playing an important role in China's new open door policy. I wonder if you would like to make a few comments on China's open door policy.

HAWKE: Yes indeed. From the time of my first meeting with Premier Zhao in April of last year I was struck immediately by the importance of the changes in policies that he was outlining to me then. And indeed I took it upon myself following those discussions I had with him to explain not only here in Australia, but overseas when I went over to Europe and America a few months after that, to explain what I saw as the fundamental significance of these new developments. And my understanding of them was further enhanced when I had the opportunity in February of many hours of discussion with Premier Zhao. And I was able to be informed of the very great success of these new directions and economic policy - in the first place of course in the rural areas and the dramatic improvements in production and incomes amongst the people of the rural areas of China. Those achievements in the last few years have been absolutely dramatic and with the development of these concepts gradually into the rest of the economy - that is very important not merely for the people of China itself, but as you say, a part of the important part of these new directions is the opening up to the rest of the community the way which is very sensibly - in my judgement - being pursued by China for its benefit so that you will be able to have the advantage of technology from countries who are further down those paths. And of course it is a two-way benefit. While that is going to assist China in its modernisation plans, its new concepts of increasing the efficiency of production and the level of production. Of course at the same time that is of benefit to those of us in the rest of the world who are going to have the opportunity of being associated with you in these new directions. Now all that I have said in answer to your question so far has been put in economic terms, in material terms, but I think you should not overlook the importance to us all that the more we can have co-operation in economic and commercial terms, the more I believe that means we are going to be able to learn to understand one another, our different systems, if you like, our different backgrounds. And that, I believe, makes it important in creating a better environment for peaceful relationships in the world. So it has, if I may sum it up. I see the changes in China as being of fundamental importance for the future welfare of China. I am excited about changes that have taken place and are appearing. We want very much to be associated with them. And as I say, finally, we see them as important in economic terms but having that wider significance as well.

Q: Thank you very much for what you had to say. Of course, as you know, and have just explained, the special relationship between the people of Guangdong Province and Australia. I wonder if you have a few words which you would care to have conveyed to the people of Guangdong Province?

HAWKE: Yes, I would simply say this to the people. If you would relay to the people of Guangdong Province my personal best wishes for the success of their developments plans and say that we are very pleased that there is this special relationship with the Province and that I will certainly give every encouragement to Australian enterprise being associated in whatever way is desired to assist in the plans you have for development in the province.

Q: The gentleman is from an economic paper ..... and he was wondering if you could say perhaps a little more about development bilaterally, but also about Australia's own plans for development because it is something which his readers in China are very interested in.

HAWKE: Yes, well I think as well as the bilateral relations are concerned, I have said already a fair amount about that. Perhaps it would be best if I concentrated on the second part of the question of what we have in mind here. We have a clear view in Australia that we have to develop our economy in a way which is going to enable us to integrate more effectively with the region. We live in a part of the world which has been experiencing and in our judgement will in the future continue to experience high rates of economic growth. And we expect Australia to also be amongst those growth leaders in the years ahead, as they are already starting to be. Now that means in Australia we have to be prepared to make quite significant changes in our economic structure. Our first responsibility in getting into government was to arrest the general economic downturn that Australia faced and get the economy growing again. We have done that. Our rate of economic growth in the last twelve months was the fastest of all the OECD countries. But we have now to translate that turn-around in growth. We were able to create by a range of economic policies into a gradual re-structuring of our industry so that we can become more internationally competitive to develop those sorts of industries where we can create certain advantages. Now to illustrate to you that this is not merely words we have already taken action at this time in two of our important industries - steel and motor vehicles. We have in co-operation with the major enterprise in steel - that is Broken Hill Propriety - and the unions and government developed a steel industry plan which involves more investment by the industry itself, greater co-operation for increased productivity on the part of the unions and governmental assistance in a way which is not going to increase the downstrength of steel products. Now in the event, the steel industry has been turned around from a position where it was a question whether it was going to survive into one where it is now productive, profitable and competitive. Now, in the motor vehicle industry we have looked at it and said it is not as presently structured relevant to either the best interests of the domestic market or our external competitive position. So we have

brought in a plan which will involve a gradual lowering of protection through to 1992. It will involve the rationalisation of the industry in a situation where there are some 13 different models being produced now down to a very small number of models, the reduction from five different manufacturing entities down to a lesser number. And in that way we believe that this industry will become more competitive and able to take a role in the ... of Australian industry in the region. Now I give those as examples of our commitment to change the structure of Australian industry in a way which will enable us to compete in the markets of the region and to do it in a way which, I think, is very important from your point of view - to do it in a way which is not going to rely on high and increasing levels of protection in our community, to a gradual lowering of the levels of protection so that as we increase our own exports of primary products and raw materials as well as raw manufactured goods, we will also be more open to imports from countries including China. Now, I apologise if that is rather lengthy, but as lengthy as the answer is, it doesn't do justice to all the details of our plans for the future, but I hope it gives you a basic indication of future thrusts of Australian economic policy.

Q: This man is from the China Daily ..... (inaudible) and a large portion of the readers of the China Daily are foreigners ..... He was wondering if you could say some indication - what are the sort of things that Australians most like to know about China ....

HAWKE: That's a good question. ... According to my impression it may be that if you asked others they would have some different emphases, but I think if you look at recent experience you would have to say that there is a great fascination in Australia for the ancient civilisation of China. The exhibitions that have been brought to Australia recently have had a tremendous reaction. I believe that the statistic for the Australians who visited the entombed warriors exhibition was one in twenty - I think that is correct. One in twenty of all Australians visited that exhibition. Now when you come to think of it that is a truly remarkable figure and it would lead me to suggest that that is an aspect of China's history - what it has to offer that is particularly significant to Australians. I think if I can be quite direct about it as well, as we know from our relatively recent history that China was seen as - if not an antagonist country and I go back to the experience in Indo-China and the conflict there, there was a mystery, a separation between us and I think, as so often happens, once you have a bringing to an end of that position of non-recognition of actual potential conflict which was brought to an end with the election of the Labor Government here at the end of 1972, the actual people here in Australia were, I think, greatly relieved that this possible tension had been removed and they simply wanted to get to know as quickly as they could the country and its people in all its manifestations and so I think that explains why - and if I could pay tribute to my predecessor - the previous government under Mr Fraser took up the initiative and the attitude that was established by Mr Whitlam, and so Australians were encouraged to get to know China in respect not merely of cultural areas that I talked about, but in the areas of how you go about the business of running the

economy of such a vast country. And I think Australians are fascinated by the fact that we're a country of just over 15 million people and we find it hard enough to run a country of 15 million people - some find it harder than others I might say, or have found it harder than others - but the sheer magnitude of administering a country of a billion people is fascinating to Australians. So I think one of the things that Australians are interested about is simply just how you do run the business of a country of a billion people. I am sure that is one of the elements of fascination. But what we are seeing now is such a surge of interest and it is a fundamental - I mean it is not merely there as a country we want to see as a tourist, but there is a fascination about how China functions. And I would say to you therefore that the sorts of areas of interest that have been opened up in sport, agriculture, commercial relationships are to be seen, in my judgement, as part of a whole of a real interest in how you are going about the business of meeting the needs of your one billion people - how you do it in a technical administrative sense and how your people live and how they derive their happiness, their satisfaction - that sort of thing. And that is why I believe that the changes that are taking place in China that I referred to before are increasingly being watched with great interest by Australians because we know the difficulties that you have in looking after so many people and the challenges that confront you in the way you very successfully are seen to be meeting it is a matter of great interest to us.

Q: This man is from the Beijing Daily - having come from the capital of China to the capital of Australia he wondered if you could say a few words to the people of China's capital.

HAWKE: Yes, I would firstly like to convey my warm greetings to the people of Beijing and to say .... how much I, my wife and my colleagues appreciated the warmth of the reception that we received when we were in your city in February this year. I'm glad the people were warm because your climate wasn't. Nevertheless we recovered from the weather very quickly because of the way which the people matched the warmth of Premier Zhao and the other leaders that we met. May I say that I was impressed with the way which there was evidence of work being done to improve the housing conditions of the people of Beijing. I would merely say to them that we here in Australia are excited about the opportunities that are ..... up for us here in Australia to be associated with you in meeting the great challenges that you have in developing the standards of living for your people. We hope that in our small way we will be able to play a part with you in meeting those challenges.