



**PRIME MINISTER**

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TRANSCRIPT OF PRESS CONFERENCE AT JINLING HOTEL, NANJING  
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PM: Well, ladies and gentlemen there are probably some other matters that you wish to talk to me about but can we deal with this area first. You will recall that when General-Secretary Hu Yaobang was in Australia last year one of the areas of co-operation which we agreed should be developed was in wool and textiles and it is a matter of great pleasure and pride to me that in the period since then already three joint venture agreements in the area wool textiles have been signed. And today we have seen the signing of an agreement in regard to the wool handling store and I certainly want to thank David Asimus (International Wool Secretariat & Australian Wool Corporation) for the way in which as Chairman of the Australian Wool Corporation they picked up and worked assiduously in this area. I have with me also Vice Minister He who is the Vice Minister on the Chinese side responsible in this area. So I would like to hand over to David and Vice Minister to say a few words about developments in this area and answer any questions you may have and then once that is done, if there are any other matters you would like to talk to me about well, then I am available.

ASIMUS: Well, I think the main comment from our side is that we are very pleased that this has come to fruition. China this year is now the second biggest purchaser of Australian wool - something like 63 million kilograms which is about \$260m worth so far in this wool selling season. So you can see the significance of the market here to us and the wool store if you like is going to be used solely for Australian wool and it is designed to service the wool textile industry in this province, improve the efficiency of storage handling and distribution of wool and as part of that it will also serve as a base if you like for technical seminars and fit into the general pattern of co-operation we have had now for many years with the Ministry of Textile Industry in the area of raw wool processing and so on. And, of course, the other aspect that the Corporation is involved with Ministry of Textile Industry is through its position as a major shareholder in the International Wool Secretariat where we provide a full range of technical service of design, styling, fashion and so on. And in addition one of the achievements we are quite pleased with and with the co-operation of Minister He we have now launched the Wool Mark in China. We have switched on for example, in Shanghai a fortnight ago, a big neon Wool Mark

sign and we are looking forward to help from the Ministry of Textile Industry here to develop Wool Mark products for the home consumer market in China as well as of course assisting them with their exports. I should mention that the project is jointly funded by the Wool Corporation and the Australian Government through ADAB. It is store of, I think, 15,000 square metres capable of holding 20,000 bales of normal density or 80,000 bales of high density dump wool. It will be the most modern construction available in Australia. As you know the Corporation is probably the biggest commercial warehouser in the Southern Hemisphere not just Australia. So we have some expertise in this area not only in the building and construction but also in the operation of storage like this. And it is in that technical area that we will be continuing to give some assistance for some time after the store is built.

PM: Any questions you wish to address to Mr Asimus?

JOURNALIST: What is the total investment of the AWC in China now?

ASIMUS: Well, our ongoing expenditure both here and through this the wool store will cost we estimate about \$2m, the Chinese side of course are providing the site, filling and labour and we are providing a prefabricated structure built in Australia and to be brought here and also construction and design. Our ongoing program both individually and through IWS would be in excess of something like \$2m a year I would estimate.

JOURNALIST: Is there scope for further such facilities in China or this adequate to handle the current flow from Australia?

ASIMUS: We wouldn't be planning to do this again very quickly. We would see now we would be looking to develop our relationship with China, the Ministry for Textile Industry particularly in the area of the development of the domestic market for wool products. It is certainly I think an objective of the Ministry and the Chinese Government to improve the quality of products available to the consumer. We through IWS and through the Corporation itself can certainly assist with that. Obviously the Chinese side see an advantage in our co-operation to the point of view of improving the quality and ability of their textile exports to compete internationally. So if you like there is a trade-off there between us. Our interest and our understanding from the Ministry is that they have undertaken that there will be an expanding market for Australian wool consumed domestically in China. And we of course help any country that is producing wool products that is prepared to let us work in their domestic market. And the Wool Mark of course, we have got over 100 mills licenced here now in China to use the Wool Mark, full quality control facilities, ability to enter mills, inspect their products, test them for quality and so on and the full range of services that goes to a mill that is licenced. The same as we might be doing in West Germany or Japan or anywhere else.

PM: Is there anything else in this area? Any questions for Mr Hu?

JOURNALIST: Mr Hawke, have you yet spoken with Mr Fraser since he returned to Australia on the South African question and will you be meeting with him when you return to Australia?

PM: I haven't spoken to him since he has returned and it is quite likely I will talk with him on my return. I have spoken once with him already in Australia earlier this year and I spoke to him by phone in Washington. I think it is very likely I would speak to him when I get back to Australia.

JOURNALIST: Do you believe we are now facing the likelihood of a much more severe imposition of sanctions on a co-ordinated basis against South Africa?

PM: Well that has to be seen as a possibility Paul. As you know I have asked for the preparation of a Cabinet submission for early consideration upon my return and this will be one of the matters that I will be directing my attention to as soon as I get back to try and get as clear an appreciation as I possibly can of how extensive the damage is that has been done to the eminent persons group process by this devastating action of the South African Government. I have no doubt that there will be pressures for the sort of action that you are talking about. But I want to find out particularly is what the view of the members of the eminent persons group and the views of the front line states. It may be and I say this obviously subject to being informed directly, it may be that they still see some hope in the process which it seemed to me had been fairly well established by the work of the eminent persons group.

JOURNALIST: Mr Hawke, Australian rugby players may be going to follow the Australian cricketers to South Africa. Do you have any message for them?

PM: Well, I have made it clear in the past what my view is about this area. We will not be adopting the action of dictatorial states by withdrawing passports. But I simply would say in the most friendly and constructive way that I possibly can to Australian rugby union players that surely they must understand with the increasing bloodshed that there is in South Africa and the increasing worldwide condemnation of the abhorrent apartheid regime that it is not becoming for Australians to be associated in any way in giving aid or comfort however direct or indirect. It is running counter to the increasing welling up of world opinion.

JOURNALIST: Mr Hawke, you seem to be saying that the actions by South Africa may already have destroyed the work that the eminent persons group was hoping .....?

PM: What one must be certain of is that it has set it back very considerably. I have tried to make it clear Butch, that until one gets direct information from all sources and I would think particularly until I have the opportunity of talking

with Mr Fraser that you can't make a final judgement. I express I suppose the hope seeing that we were so much responsible for the initiation of a process which has grown in strength and attractiveness to a wide range of people that you don't want to see it destroyed. But I can understand that it must have been a devastating blow to many who had been prepared to invest a lot of hope in it. I remind you that when the initiative was first launched by us in the Bahamas at the Commonwealth Heads of Government meeting that there was some scepticism on the part of some of the front line states and certainly some expressed on behalf of the ANC. But interestingly as the process developed all the front line states and the ANC expressed their preparedness to co-operate as they did with the process. And it has become increasingly recognised as the only process now in existence which was offering some hope however slight you may judge it. There was a general recognition that it was the only hope for a possible avenue to dialogue and peaceful resolution. It will be a tragedy if by the action of the South African Government that hope has been destroyed. Perhaps it hasn't been but I repeat I can't from here be definite about that until I have the opportunity of full discussion.

JOURNALIST: Mr Hawke, have you any plans to contact Mrs Thatcher directly or the other leaders of the small group controlling this eminent persons committee and have you any comment on the attitude Mrs Thatcher has expressed?

PM: My immediate plans will be to become, on my return, as thoroughly informed about the developments as I possibly can. I will make up my mind in the light of that information as to what is the appropriate course of action for us to take.

JOURNALIST: Mr Hawke, during your discussions with Hu Yaobang last night was the South African question raised and if so what was raised to the extent of a joint diplomatic initiative on South Africa?

PM: Well let me say this, I am genuinely not able to go to the detail of the discussions that I had with General-Secretary Hu Yaobang. I can say that at his request we are going to have further discussions tonight after the banquet. I can't go into details but I will say this - no, the answer to your specific question about South Africa.

JOURNALIST: Mr Hawke, in Canberra today Mr Willis apparently said that regardless of the outcome of the June 5 meeting the Government would have to review wages policy and Senator Walsh has also said that all economic indicators point one thing and that is there must be a cut in real wages. But how to achieve it is the point of conjecture. Do you agree with the statements by both those Ministers.

PM: There is certainly not a point of conjecture which I am going to pursue here in Nanjing. I will certainly be having discussions not only with these two Ministers but with all my Cabinet colleagues upon these and associated matters when I return.

JOURNALIST: I just want to ask you a question about China. Pretty radical I know. Could you just give us your impression please of this visit to China, not necessarily in a political sense but what you have seen?

PM: Yes I will. These things - firstly, I have been tremendously pleased for Australia that the leadership of the Chinese people attaches such obvious importance to the relationship with Australia. I think it is true to say that no other country has been provided with the sort of access and opportunity that have been given to me as Prime Minister of Australia on this trip and as I say on behalf of the people of Australia I am very appreciative of that. I think it is enormously important for Australia for the rest of this century and beyond that we can have such an obviously cordial positive constructive relationship with this large and growing country. Secondly, I have had confirmed the conviction that I have expressed as you know before coming here that what's happening in China is in my judgement the single most important thing that is happening in the world. There is a renewed commitment to the processes of reform and of opening up to the rest of world. A commitment which has obviously been strengthened by the success of the Sixth Five Year Plan. Now the extension of those principles into the urban economy raises enormous opportunities for growth, to raise also enormous challenges. One of the most attractive features I think of the Chinese leadership is that while they have the sense of commitment and excitement about the process of reform they are totally straight forward in acknowledging the problems that they have confronted and acknowledging the problems that they will face in the future. I would say then from that that what has been particularly gratifying as well on this visit is that I have had the opportunity of going away from Beijing out to Sichuan and now here and I have had the opportunity of seeing in action the principles and the program which have been expounded to me by the leadership. And you can see the total commitment of the leadership at all levels in China and the people with whom they are associated and I can't think of anything more exciting than to be in a country of 1 billion people undergoing the most radical transformation that you could possibly imagine. The great flexibility which they are exhibiting in casting aside some of the rigidities of the past, tapping the initiative of individuals and groups, giving them a capacity for decision making that they didn't have in the past to make their own decisions, to make their own mistakes if you like. Now this is releasing an enormous immeasurable reservoir of talent, initiative and entrepreneurialship. The exciting thing about that is that no country is better placed in terms of the attitude of the Chinese leadership to be associated with that exciting development than Australia.

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