



PRIME MINISTER

SPEECH BY THE PRIME MINISTER NANJING UNIVERSITY - 23 MAY 1986

I AM MOST GRATEFUL FOR THE HONOUR WHICH YOU HAVE PAID TO ME TODAY. I APPRECIATE GREATLY THE OPPORTUNITY TO TALK AT THIS ILUSTRIOUS UNIVERSITY, AN INSTITUTE OF LEARNING WITH WHICH AUSTRALIA IS DEVELOPING AN ADMIRABLY CLOSE RELATIONSHIP. NANJING UNIVERSITY NOW HAS FORMAL EXCHANGE ARRANGEMENTS WITH FOUR UNIVERSITIES IN MY COUNTRY. WE HAVE BEEN DELIGHTED TO HOST VISITS TO AUSTRALIA IN RECENT TIMES BY THE DEPUTY CHANCELLOR AND A NUMBER OF PROFESSORIAL STAFF.

THESE LINKS ARE BUT PART OF THE EXPANSION AND STRENGTHENING OF RELATIONS BETWEEN AUSTRALIA AND CHINA, WHICH HAVE ACCELERATED IN RECENT YEARS. IT IS ABOUT OUR RELATIONSHIP AND OUR PLACE IN THE WORLD THAT I WISH TO SPEAK TO YOU TODAY.

NANJING UNIVERSITY IS CELEBRATING ITS 84TH YEAR. SINCE THIS INSTITUTION WAS FOUNDED IN 1902 YOU HAVE WITNESSED CHANGES IN CHINA AS MOMENTOUS AS THOSE EXPERIENCED BY ANY COUNTRY IN THIS CENTURY. SOME OF THESE CHANGES HAVE BEEN HAPPY ONES FOR THE CHINESE PEOPLE. SOME, I KNOW, HAVE NOT BEEN. BUT, AS ALWAYS, HISTORY IN CHINA HAS BEEN PLAYED OUT ON A GRAND SCALE AND TODAY THE PROCESS OF DRAMATIC CHANGE IS CONTINUING.

I FIRMLY BELIEVE THAT THE LATEST CHAPTER IN THIS HISTORY CAN HAVE DEEPEST IMPLICATIONS FOR CHINA, FOR AUSTRALIA, FOR THE ASIA-PACIFIC REGION AND INDEED FOR THE WORLD. SINCE 1978 AUSTRALIA, LIKE OTHER COUNTRIES, HAS WATCHED WITH INTENSE INTEREST THE BOLD POLICY OF MODERNISATION ON WHICH CHINA HAS EMBARKED. WE RECOGNISE ITS POTENTIAL TO RANK WITH THE GREAT BENEFICIAL LANDMARK DEVELOPMENTS OF OUR TIMES. THE PROGRAM HAS BEEN IMAGINATIVE IN ITS CONCEPTION AND REMARKABLE IN ITS CONSEQUENCES.

RECENT ACHIEVEMENTS IN THE GROWTH OF CHINA'S ECONOMY HAVE BEEN IMPRESSIVE. THE MACRO-ECONOMIC FIGURES TELL PART OF THE STORY: CHINA'S AVERAGE ANNUAL REAL GNP GROWTH OVER THE FIVE YEAR PLAN WHICH ENDED LAST YEAR WAS A HEALTHY 10 PERCENT. THE CORRESPONDING RATES FOR AGRICULTURE AND INDUSTRY WERE 8 PERCENT AND 12 PERCENT RESPECTIVELY. BUT FOR THE PEOPLE OF CHINA THESE ARE NOT, OF COURSE, ABSTRACT NUMBERS - THEY TRANSLATE DIRECTLY INTO IMPROVED STANDARDS OF DAY TO DAY LIFE AND HOPE FOR THE FUTURE.

BUT IF WE ARE IMPRESSED IN AUSTRALIA BY THE VERY GOOD START CHINA HAS MADE, WE ARE ALSO CONSCIOUS THAT CHINA ITSELF SEES THIS AS ONLY THE OPENING STAGE IN A VERY LONG-TERM PROCESS. YOU HAVE THE GOAL OF QUADRUPLING OUTPUT BY THE TURN OF THE CENTURY. THAT WOULD BE A TREMENDOUS ACHIEVEMENT, BUT STILL, AS HAS BEEN SAID, ONLY THE FIRST HOP IN A TRIPLE JUMP.

A TRIPLE JUMP IS NOT, OF COURSE, THE EASIEST ATHLETIC FEAT TO

ACCOMPLISH. WE ARE ALL REALISTS. WE KNOW THAT PLANNING SOMETHING IS DIFFERENT FROM ACCOMPLISHING IT. AS THE COUNTRY WITH THE OLDEST CONTINUOUS HISTORY AND CIVILISATION IN THE WORLD, CHINA HAS FAR TOO MUCH WISDOM TO FAIL TO UNDERSTAND HOW EVENTS AND CIRCUMSTANCES WILL NECESSARILY COMPEL ADJUSTMENTS TO EVEN THE BEST LAID PLANS. THE ACHIEVEMENT OF ECONOMIC GROWTH AND DEVELOPMENT INEVITABLY INVOLVES THE UNCERTAINTY AND SOMETIMES THE AGONY OF CONSTANTLY READJUSTING AND DEVELOPING POLICY TO MEET NEW CIRCUMSTANCES AND PROBLEMS.

AS A POLITICAL PRACTITIONER I KNOW THIS WELL. AND I AM AWARE THAT CHINA HAS ENCOUNTERED PROBLEMS IN SUCH AREAS AS THE BALANCE OF PAYMENTS, THE AVAILABILITY OF FOREIGN EXCHANGE AND CONTROL OF DOMESTIC ECONOMIC ACTIVITY.

BUT I ALSO KNOW WELL THE LEADERS OF CHINA. I KNOW THEIR DETERMINATION TO SURMOUNT THESE ECONOMIC DIFFICULTIES AND THE STRENGTH OF THEIR COMMITMENT TO THE MODERNISATION PROCESS. THIS WAS CONFIRMED TO ME AGAIN DURING MY DISCUSSIONS IN BEIJING, IN CHENGDU AND HERE IN NANJING. THE VISION OF MODERNISATION IS NECESSARILY A LONG-TERM ONE, SEEN AS REQUIRING A SUSTAINED EFFORT THROUGH THE YEARS AHEAD.

FOR AUSTRALIA THE DEVELOPMENT OF CHINA IS NOT SIMPLY A MATTER OF ACADEMIC INTEREST. WE DO NOT WATCH YOUR PROGRESS AS DETACHED OBSERVERS. THE IMPLICATIONS ARE VITAL FOR US BECAUSE WE ARE, WITH YOU, PART OF THE ASIA-PACIFIC REGION AND WE HAVE THE CAPABILITY TO BE A PARTNER IN YOUR DEVELOPMENT.

AUSTRALIA HAS ALREADY EXPERIENCED THE ECONOMIC BENEFITS OF CLOSE COMMERCIAL RELATIONS WITH COUNTRIES BORDERING ON THE PACIFIC. THE PROCESS OF CO-OPERATION BEGAN IN THE 1950'S WITH THE INITIATION OF OUR COMMERCIAL RELATIONS WITH JAPAN, NOW OUR LARGEST TRADING PARTNER. BEGINNING IN THE 1960'S THESE REGIONAL TRADING RELATIONS WERE EXTENDED TO INCLUDE THE NEWLY INDUSTRIALISED ASIAN COUNTRIES. THE CO-OPERATION WE ARE BUILDING WITH CHINA, WHILE SPECIAL IN ITSELF IN THE 1980'S, IS THEREFORE, FOR US, PART OF A WIDER SCHEME OF CONSTRUCTIVE INTEGRATION WITH REGIONAL ECONOMIES. THIS IS AN IMPORTANT PART OF WHERE THE FUTURE OF AUSTRALIA LIES.

THE STRONG EFFORT WE ARE MAKING IN DEVELOPING CO-OPERATION WITH CHINA ALSO REFLECTS A LONG-STANDING COMMITMENT TO THE RELATIONSHIP BY MY POLITICAL PARTY, THE AUSTRALIAN LABOR PARTY. IT WAS THE PREVIOUS LABOR PRIME MINISTER, GOUGH WHITLAM, WHO IN 1972 OPENED OUR RELATIONS WITH CHINA AND WHO, I AM VERY PLEASED TO SAY, WILL HAVE AN IMPORTANT CONTINUING ROLE AS CHAIRMAN OF THE AUSTRALIA-CHINA COUNCIL. SUBSEQUENT GOVERNMENTS IN AUSTRALIA BUILT UPON THIS OPENING TO CHINA AND MY GOVERNMENT HAS SOUGHT TO ACCELERATE THIS PROCESS SINCE COMING TO OFFICE THREE YEARS AGO.

ACCORDINGLY, IT IS ENTIRELY DELIBERATE THAT THIS VISIT I AM MAKING TO CHINA IS THE MOST EXTENSIVE VISIT I HAVE PAID TO ANY COUNTRY AS AUSTRALIA'S PRIME MINISTER. IN ADDITION TO BEIJING AND NANJING, I HAVE VISITED CHENGDU AND WILL BE GOING ON TO XIAMEN AND GUANGZHOU.

AUSTRALIA, LIKE CHINA, IS A VERY LARGE COUNTRY. WE KNOW BETTER THAN MOST THAT IT IS IMPORTANT FOR VISITORS WHO COME TO SEE US TO TRAVEL OUTSIDE OUR CAPITAL CITY IF THEY ARE TO UNDERSTAND THE COUNTRY AND PEOPLE PROPERLY. THIS IS EVEN MORE TRUE OF CHINA. YOUR COUNTRY HAS NOT JUST IMMENSE GEOGRAPHIC SIZE, BUT GREAT CULTURAL AND ECONOMIC DIVERSITY, AS MUST BE THE CASE IN A NATION OF ONE BILLION PEOPLE. BUT APART FROM THESE FACTORS, THE EXTENT OF

MY VISIT SYMBOLISES MY GOVERNMENT'S AWARENESS OF THE IMPORTANCE OF THE MODERNISATION TAKING PLACE HERE AND THE IMPLICATIONS OF THAT FOR OUR RELATIONSHIP.

IT TAKES ONLY A GLANCE AT THE MAP AND THE READING OF ANY STANDARD REFERENCE TO SEE THAT WE ARE AT DIFFERENT ENDS OF THE WESTERN PACIFIC OCEAN; THAT WE HAVE DIFFERENT POLITICAL AND CULTURAL TRADITIONS; AND THAT OUR ECONOMIES CONTRAST IN CERTAIN FUNDAMENTAL RESPECTS. NEVERTHELESS WE DO OCCUPY THE SAME GENERAL REGION OF THE WORLD. OUR DIFFERENT SYSTEMS DO NOT MEAN THAT OUR PEOPLES HAVE DIFFERENT ASPIRATIONS FOR SECURITY AND FOR A BETTER LIFE. AND OUR DIFFERENT ECONOMIC STRUCTURES ARE ACTUALLY A SOURCE OF STRENGTH FOR OUR BILATERAL PARTNERSHIP.

AUSTRALIA HAS MANY FEWER PEOPLE THAN CHINA BUT, AT THE SAME TIME, A MUCH LARGER PER CAPITA ENDOWMENT OF NATURAL RESOURCES. WE HAVE TECHNOLOGICAL SKILLS AND INDUSTRIAL CAPABILITIES. THESE FACTORS ENHANCE OUR POTENTIAL IMPORTANCE TO EACH OTHER. AUSTRALIA IS WELL POSITIONED TO MAKE AN IMPORTANT CONTRIBUTION TO THE REALISATION OF CHINA'S SEVENTH FIVE YEAR PLAN, AND BEYOND. THIS CONTRIBUTION CAN BE MADE NOT ONLY THROUGH TRADE, BUT ALSO THROUGH RECIPROCAL INVESTMENT IN EACH OTHER'S INDUSTRIES, TECHNICAL CO-OPERATION AND DEVELOPMENT ASSISTANCE.

THIS ECONOMIC COMPLEMENTARITY IS ALREADY EVIDENT IN THE PATTERN OF OUR TRADE. LAST YEAR THE MAJOR ITEMS IN OUR EXPORTS WERE WOOL, IRON ORE AND ALUMINIUM. THE MAJOR ITEMS IN CHINA'S EXPORTS TO US WERE LABOUR-INTENSIVE MANUFACTURED GOODS, SUCH AS TEXTILES, CLOTHING AND FOOTWEAR.

I WANT, AND CHINA'S LEADERS WANT, THE RELATIONSHIP BETWEEN AUSTRALIA AND CHINA TO STAND AS A MODEL FOR OTHERS IN OUR REGION AND OTHERS IN THE WORLD, A MODEL OF FRIENDLY AND MUTUALLY BENEFICIAL CO-OPERATION BETWEEN DIFFERING ECONOMIC AND POLITICAL SYSTEMS. THIS APPROACH WAS REAFFIRMED IN DISCUSSIONS I HAVE JUST HAD IN BEIJING. THAT OUR TWO COUNTRIES ARE ALREADY ACCOMPLISHING THIS IS PROVEN BY THE INCREASE IN OUR TWO-WAY TRADE LAST YEAR OF ALMOST 38 PERCENT.

I WELCOME CHINESE POLICY ON THE QUESTION OF ECONOMIC RELATIONS BETWEEN CHINA AND THE ADVANCED INDUSTRIAL COUNTRIES. YOUR POLICY RECOGNISES THAT THERE IS A TREMENDOUS POTENTIAL FOR CO-OPERATION SO LONG AS BOTH SIDES SCRUPULOUSLY OBSERVE THE PRINCIPLES OF EQUALITY AND MUTUAL BENEFIT FOR THEIR COMMON PROSPERITY. THIS IS A WISE APPROACH, AND ONE WE SHARE.

IN THE COURSE OF THIS VISIT I HAVE WITNESSED FOR MYSELF THE TANGIBLE EVIDENCE OF THE CO-OPERATION AND CONTACT WHICH IS DEVELOPING AND WHICH MY GOVERNMENT HAS ACTIVELY SET OUT TO FACILITATE AND ENCOURAGE, INCLUDING IN JIANGSU. YOUR PROVINCE IS THE SISTER STATE OF THE AUSTRALIAN STATE OF VICTORIA. BOTH GOVERNORS AND PARTY SECRETARY HAVE VISITED MY COUNTRY. THE PREMIER OF THE STATE OF VICTORIA, MR CAIN, WAS IN NANJING ONLY LAST WEEK.

JIANGSU HAS BEEN A MAJOR FOCUS OF OUR CHINA ACTION PLAN, A PLAN WE DEvised TO REALISE THE OPPORTUNITIES FOR MUCH CLOSER BILATERAL ECONOMIC COLLABORATION THAN IN THE PAST. JIANGSU IS ONE OF THE MOST DYNAMIC PROVINCES IN CHINA AND AT THE FOREFRONT OF THE MODERNISATION PROCESS, AND WE WANT TO CONTRIBUTE TO THAT PROCESS.

WE SEE THE POLICY OF MODERNISATION AS CLOSELY CONNECTED TO YOUR POLICY OF THE OPEN DOOR. THE OPENING OF CHINA'S DOOR TO THE

OUTSIDE WORLD IS A MARK OF YOUR CONFIDENCE AS A GREAT PEOPLE THAT YOU CAN BOTH DRAW BENEFITS FROM OTHER COUNTRIES AND GIVE BENEFITS BACK TO THEM. IT WAS MOST WELCOME TO US THAT PREMIER ZHAO, IN HIS SPEECH ON THE SEVENTH FIVE YEAR PLAN AT THE NATIONAL PEOPLE'S CONGRESS IN MARCH, STRONGLY REAFFIRMED CHINA'S COMMITMENT TO THIS POLICY. WE WISH YOU SUCCESS IN CONSOLIDATING MAJOR ECONOMIC REFORMS MADE TO DATE, AND WE LOOK FORWARD TO THE CONTINUATION OF THE PROCESS OF MAKING THE CHINESE ECONOMY MORE RESPONSIVE AND MORE OUTWARD LOOKING.

YOU CAN BE SURE THAT AUSTRALIAN POLICY WILL REMAIN THE POLICY OF THE OPEN DOOR AS WELL. THE IMPORTANCE TO MY COUNTRY OF FOREIGN MARKETS AND OVERSEAS CAPITAL, AS WELL AS THE VERY CLOSE BONDS FORGED BY IMMIGRATION, MAKE TODAY'S AUSTRALIA INTERNATIONALIST BY NATURE. IN A WORLD OF FREE AND INTELLIGENT CO-OPERATION BASED ON MUTUAL BENEFIT, OUR TECHNICAL SKILLS AND NATURAL RESOURCES CAN BE MADE AVAILABLE TO COUNTRIES THAT NEED THEM.

AT THE SAME TIME WE REALISE THAT OUR SMALLER ECONOMY CANNOT DO EVERYTHING. WE CAN DRAW FROM OTHER COUNTRIES' SPECIALISED PRODUCTS WHICH WE CANNOT PRODUCE EFFICIENTLY FOR OURSELVES. WE CAN ALSO DRAW FROM OTHER COUNTRIES' PRODUCTS WHICH ARE BEST MADE WITH LARGE AMOUNTS OF LABOUR. SUCH CO-OPERATION, FOR WHICH AUSTRALIA AND CHINA ARE NATURAL PARTNERS, MAKES BOTH COUNTRIES RICHER.

I HAVE SPOKE OF CHINA'S VISION OF MODERNISATION. BUT ALL COUNTRIES HAVE VISIONS OF THE FUTURE THEY DESIRE SIMPLY BECAUSE ALL PEOPLES, WHEREVER THEY LIVE, HAVE ASPIRATIONS. THIS IS HUMAN NATURE AND IT IS AS TRUE OF AUSTRALIA AS IT IS OF CHINA.

AUSTRALIA'S MODERNISATION INVOLVES RENEWING OUR RECEPTIVENESS TO NEW TECHNOLOGY AND TO OPPORTUNITIES FOR INTERNATIONAL ECONOMIC CO-OPERATION. IT INVOLVES PUTTING IN PLACE NEW PATTERNS OF PRODUCTION THAT ARE NECESSARY TO MAINTAIN OUR STANDARD OF LIVING IN A CHANGING WORLD. WE KNOW THAT WE TOO MUST ADJUST AND RESTRUCTURE. WE ARE DOING SO IN ORDER TO DIVERSIFY AUSTRALIA'S ECONOMY AND TO ENHANCE AUSTRALIA'S ABILITY TO TRADE AND INTERACT WITH THE WORLD IN A WIDER RANGE OF PRODUCTS AND SERVICES.

GROWTH AND MODERNISATION ARE GOALS WORTH PURSUING IN THEMSELVES, BUT THEY ALSO HAVE THE EFFECT OF ENHANCING A COUNTRY'S ROLE AND INFLUENCE ON THE WORLD ECONOMIC AND POLITICAL STAGE. ON THIS STAGE CHINA CAN THEREFORE ONLY BECOME A STILL GREATER PLAYER. THIS MEANS THAT THE SCOPE FOR CONSTRUCTIVE CO-OPERATION BETWEEN AUSTRALIA AND CHINA WILL INCREASINGLY EXTEND BEYOND MATTERS OF BILATERAL INTEREST AND INTO THE WIDER INTERNATIONAL DOMAIN.

WE EACH HAVE THE CAPABILITY OF UNDERSTANDING INTERNATIONAL COMPLEXITIES., EXTENSIVE FRIENDSHIPS, WORLD-WIDE INTER-GOVERNMENTAL CONNECTIONS AND INVOLVEMENT IN INTERNATIONAL FORUMS., AND COMMON INTERESTS IN INTERNATIONAL ORDER, PROSPERITY AND SECURITY. WE ALSO HAVE MUTUAL TRUST AND UNDERSTANDING. THESE PERMIT A VERY GOOD RELATIONSHIP TO BE SUSTAINED EVEN WHERE AUSTRALIA AND CHINA HAVE DIFFERENT PERSPECTIVES ON A PARTICULAR INTERNATIONAL OR REGIONAL ISSUE.

PREMIER ZHAO HAS SAID THAT THE WHOLE WORLD IS CONFRONTED WITH TWO MAJOR CHALLENGES, TO MAINTAIN PEACE AND TO PROMOTE DEVELOPMENT. ON THESE FUNDAMENTALS I ABSOLUTELY AGREE.

HOW CAN EITHER AUSTRALIA'S ASPIRATIONS OR CHINA'S VISIONS BE

REALISED IN A WORLD WHICH IS NOT AT PEACE?

FURTHERMORE IN A NUCLEAR WORLD IT IS AN OBVIOUS BUT VITALLY IMPORTANT TRUTH THAT CONFLICT COULD MEAN NOT JUST A TEMPORARY SETBACK TO SOME OF OUR HOPES, BUT THE LITERAL OBLITERATION OF ALL OUR HOPES. THERE MUST THEREFORE BE INTERNATIONAL STABILITY. THERE MUST BE ARMS CONTROL AND THERE MUST ULTIMATELY BE DISARMAMENT. THOSE ARE CRUCIAL OBJECTIVES WHICH CHINA AND AUSTRALIA SHARE.

MY GOVERNMENT HAS NEVER ACCEPTED THAT PEACE IS AN ISSUE OF LEGITIMATE INTEREST ONLY TO THE BIG POWERS OR THAT OTHERS CANNOT HAVE IDEAS AND EXERT INFLUENCE. INDEED MY GOVERNMENT HAS MADE A STRONG EFFORT TO DO JUST THIS. THROUGH A RANGE OF POLICIES, INCLUDING ADVOCACY OF A COMPREHENSIVE NUCLEAR TEST BAN, AUSTRALIA HAS ACTIVELY SOUGHT A MORE STABLE AND SECURE ENVIRONMENT AND TO ENCOURAGE PROGRESS TOWARDS DISARMAMENT.

NONETHELESS, WE DO SEE COUNTRIES WITH NUCLEAR WEAPONS, INCLUDING CHINA, AS HAVING SPECIAL RESPONSIBILITIES TO CONTAIN AND WIND BACK BOTH VERTICAL AND HORIZONTAL PROLIFERATION OF NUCLEAR WEAPONS. IT IS A FURTHER DIMENSION OF THE GROWING RELATIONSHIP BETWEEN OUR TWO COUNTRIES THAT WE DISCUSS THESE VITAL ISSUES MUCH MORE REGULARLY AND IN MUCH GREATER DEPTH THAN BEFORE.

I APPRECIATE THE SUPPORT CHINA HAS GIVEN THE INITIATIVE TAKEN BY COUNTRIES OF THE SOUTH PACIFIC, AUSTRALIA INCLUDED, TO ESTABLISH A SOUTH PACIFIC, AUSTRALIA INCLUDED, TO ESTABLISH A SOUTH PACIFIC NUCLEAR FREE ZONE. THE TREATY WHICH HAS BEEN NEGOTIATED WAS UNANIMOUSLY ENDORSED LAST YEAR BY THE SOUTH PACIFIC FORUM AND HAS BEEN SIGNED BY NINE COUNTRIES AND RATIFIED BY THREE. THERE IS NO DOUBT THAT CHINA, IN TAKING THE POSITIVE APPROACH IT HAS, HAS RESPONDED WITH SENSITIVITY TO DEEPLY FELT SENTIMENTS IN THE SOUTH PACIFIC. THE TREATY REPRESENTS A SIGNIFICANT ACHIEVEMENT AS AN ARMS CONTROL MEASURE AND AS A CONTRIBUTION TO SECURITY AND STABILITY IN OUR REGION.

THE SECOND GREAT THEME ON WHICH THE WORLD COMMUNITY HAS FOCUSED IN THE PAST THIRTY YEARS, ECONOMIC DEVELOPMENT, IS INTIMATELY BOUND UP WITH THE FIRST, THE SEARCH FOR PEACE.

SOME PROGRESS HAS BEEN MADE IN IMPROVING THE POSITION OF THE DEVELOPING COUNTRIES, NOT LEAST BY THE ADOPTION OF CREATIVE DEVELOPMENT POLICIES ON THE PART OF MANY OF THOSE COUNTRIES THEMSELVES. THERE IS NO SUBSTITUTE FOR THIS, AS CHINA IS DEMONSTRATING TO THE WORLD TODAY.

SINCE THE 1973 OIL CRISIS, OUTPUT GROWTH HAS STAYED AHEAD OF POPULATION GROWTH IN ALL MAJOR REGIONS OF THE WORLD WITH THE TRAGIC EXCEPTION OF SUB-SAHARAN AFRICA. NEVERTHELESS MUCH REMAINS TO BE DONE, AND THE UNSTABLE ECONOMIC ENVIRONMENT HAS MADE IT MORE DIFFICULT FOR ALL COUNTRIES TO ACHIEVE THE GROWTH TARGETS THEY HAVE SET THEMSELVES.

RELATIONS BETWEEN NORTH AND SOUTH MUST BE BASED ON BOTH LONG TERM POLITICAL COMMITMENT AND ECONOMIC GOOD SENSE. AUSTRALIAN POLICY RECOGNISES THE IMPORTANCE OF AID, AND WE PROVIDE IT. BUT WE ALSO RECOGNISE THAT THIS IS NOT ENOUGH.

TRADE IS A MAJOR CONTRIBUTOR TO GROWTH AND DEVELOPMENT. THIS IS ONE REASON WHY I AM SO CONCERNED THAT WE MUST RESIST PRESSURES FOR PROTECTIONISM AND WHY I INSIST THAT INTERNATIONAL NEGOTIATIONS MUST BE BASED ON SECURING AN OPEN TRADING SYSTEM.

AGAIN ADJUSTMENT IN THE DEVELOPED COUNTRIES IS IMPORTANT, PARTICULARLY IN THOSE SECTORS WHERE DEVELOPING COUNTRIES HAVE A REAL CHANCE OF GAINING MARKETS BECAUSE OF THEIR COMPARATIVE ADVANTAGE. INVESTMENT IN DEVELOPING COUNTRIES NEEDS TO BE PURSUED WITH VIGOUR BY THOSE COUNTRIES WHICH ARE CAPITAL EXPORTERS.

AS THE FIVE PRINCIPLES OF CHINA'S FOREIGN POLICY RECOGNISE, AND AS THE CHARTER OF THE UNITED NATIONS DOES ALSO, A WORLD ORDER BASED ON NORMS OF BEHAVIOUR FOR ALL COUNTRIES, GREAT AND SMALL, DEVELOPED AND DEVELOPING, WILL BE BETTER THAN ONE BASED ON NAKED POWER AND FEAR OF THAT POWER. CHINA AND AUSTRALIA ARE IN FUNDAMENTAL AGREEMENT ON THIS. THE WELL-SPRING FOR SUCH NORMS OF INTERNATIONAL CONDUCT IS THE COMMON DESIRE FOR PEACE, SECURITY AND A BETTER LIFE WHICH ALL HUMAN BEINGS SHARE AND WHICH TRANSCEND IDEOLOGICAL DIFFERENCES. WE CANNOT IN THE FACE OF POTENTIAL DANGERS BE NAIVE IN OUR FOREIGN OR OUR DEFENCE POLICIES BUT WE MUST RETAIN OUR IDEALS IF PEACE AND DEVELOPMENT ARE TO BE FURTHERED OVER THE LONG TERM.

IN MY COUNTRY WE HAVE INTENSE POLITICAL DIALOGUE ON MANY ISSUES, BUT THERE IS A HARD KERNEL OF FOREIGN POLICY PRINCIPLES WHICH I WOULD SAY ARE BEYOND PARTISAN DEBATE. ONE OF THEM IS THE PRIORITY AUSTRALIA MUST PLACE IN OUR VIEW OF THE WORLD, ON ASIA AND THE PACIFIC.

SEEN FROM MY COUNTRY, THE REGION WHICH AUSTRALIA AND CHINA SHARE IS RELATIVELY STABLE IN POLITICAL TERMS, GENERALLY BENIGN IN SECURITY TERMS AND ECONOMICALLY DYNAMIC. THERE HAVE BEEN ENCOURAGING DEVELOPMENTS OVER THE YEARS. THE REGION IS NO LONGER DOMINATED BY CONFLICT AS IT WAS IN THE LATE 1960'S AND 1970'S. I HAVE ALREADY REFERRED TO THE CONTRIBUTION BEING MADE BY CHINA'S POLICIES OF MODERNISATION AND THE OPEN DOOR. I HAVE ALSO REFERRED TO THE HIGH ECONOMIC GROWTH RATES ACHIEVED IN A NUMBER OF ASIAN COUNTRIES. THERE HAS BEEN SUCCESSFUL INSTITUTION-BUILDING AMONG OUR SOUTH-EAST ASIAN FRIENDS WITH THE FORMATION OF ASEAN. POST-COLONIAL STABILITY, ECONOMIC DEVELOPMENT AND INSTITUTION-BUILDING HAVE OCCURRED IN THE SOUTH PACIFIC ISLANDS. THERE IS INCREASED REGIONAL CONSULTATION AND CO-OPERATION IN A NUMBER OF FORUMS.

HOWEVER, AUSTRALIA AND CHINA KNOW THAT THERE ARE STILL AREAS OF DIFFICULTY IN THE REGION.

WE SHARE WITH CHINA THE GOAL OF SEEING THE COUNTRIES OF INDO-CHINA BECOME GENUINELY INDEPENDENT AND NON-ALIGNED AND, LIKE YOU, WE WANT AN END TO VIETNAM'S MILITARY OCCUPATION OF CAMBODIA. AUSTRALIA'S APPROACH HAS BEEN TO EXPLORE AVENUES FOR A PEACEFUL POLITICAL SETTLEMENT OF THESE PROBLEMS. WE ARE UNCOMFORTABLE ABOUT THE INCREASED MILITARY PRESENCE OF THE SOVIET UNION IN THE REGION. WE ARE PLEASED TO SEE THE INCREASED CONTACTS THAT ARE NOW TAKING PLACE BETWEEN THE DEMOCRATIC PEOPLE'S REPUBLIC OF KOREA AND THE REPUBLIC OF KOREA, BUT THE SITUATION ON THE KOREAN PENINSULA IS STILL NOT FREE OF TENSION. HERE OUR TWO COUNTRIES START FROM DIFFERENT PERSPECTIVES, BUT WE SURELY HAVE A COMMON INTEREST IN A RELAXATION OF TENSIONS ON THE PENINSULA.

IN THE SOUTH PACIFIC, THE CHALLENGE OF THE ECONOMIC DEVELOPMENT OF SMALL ISLAND STATES REMAINS AND THERE ARE SOME UNCERTAINTIES ABOUT POLITICAL STABILITY, FOR EXAMPLE IN NEW CALEDONIA.

AGAINST THIS BACKGROUND, AUSTRALIA TRIES IN ITS DIPLOMACY AND IN OUR CO-OPERATIVE PROGRAMS IN THE REGION TO BE A CONSTRUCTIVE

INFLUENCE. WE ARE ACTIVELY DEVELOPING OUR RELATIONS WITH FRIENDLY COUNTRIES, INCLUDING CHINA, AND WITH REGIONAL ORGANISATIONS. WE GIVE AID AND WE ENCOURAGE TRADE THROUGH ACCESS TO THE AUSTRALIAN MARKET. WE SEEK, AS I HAVE SAID, TO CONTRIBUTE TO POLITICAL STABILITY AND TO IMPROVED REGIONAL SECURITY.

MY GOVERNMENT FULLY SUPPORTS THE SINO-BRITISH AGREEMENT ON HONG KONG AND WE LOOK FORWARD TO THE SMOOTH IMPLEMENTATION OF THE AGREEMENT IN A WAY THAT INCREASES PROSPERITY IN HONG KONG AND STRENGTHENS THE PEOPLE OF HONG KONG'S CONFIDENCE IN THEIR FUTURE AS A PART OF CHINA. WE LOOK FORWARD, TOO, TO THE DAY WHEN THE CHINESE PEOPLE ON BOTH SIDES OF THE STRAITS OF TAIWAN CAN BE REUNITED AS A RESULT OF PEACEFUL NEGOTIATIONS BETWEEN THEM. WE REGARD THE TAIWAN QUESTION AS AN INTERNAL AFFAIR OF CHINA. PEACEFUL SETTLEMENT OF THESE ISSUES WILL FURTHER ENHANCE STABILITY IN THE ASIA-PACIFIC REGION.

BEYOND PARTICULAR ISSUES OF SPECIAL INTEREST TO CHINA, AUSTRALIA'S HOPE IS THAT YOU WILL CONTINUE TO PLAY A STRONG CONSTRUCTIVE ROLE IN REGIONAL AFFAIRS GENERALLY.

I HAVE SPOKEN TO YOU TODAY AS THE LEADER OF MY GOVERNMENT BUT I TAKE THE VIEW THAT A STRONG, POSITIVE AND ENDURING RELATIONSHIP MUST GO BEYOND POLITICAL AND TRADE CONNECTIONS, HOWEVER GOOD THESE MAY BE THEMSELVES. THE VERY BEST FOUNDATION FOR A RICH AND LASTING RELATIONSHIP WILL BE THE GREATEST DIVERSITY OF FRIENDLY TIES AT ALL LEVELS, AND IN ALL FIELDS, BETWEEN THE PEOPLES OF OUR TWO COUNTRIES. WHAT AN EXCITING PROSPECT THIS IS. OUR FOREIGN MINISTER DESCRIBED THE ATTITUDE OF AUSTRALIANS TO CHINA WELL, WHEN HE SPOKE OF THE 'EXHILARATION' OF AN ENCOUNTER WITH THIS ENORMOUS ANCIENT CULTURE, AN ANCIENT CULTURE WHICH IS NOW THRUSTING INTO THE FUTURE.

GOVERNMENTS HAVE A MAJOR, BUT NOT EXCLUSIVE, ROLE IN FACILITATING THIS PEOPLE-TO-PEOPLE CONTACT. CLOSE TO 80,000 AUSTRALIANS CAME TO CHINA LAST YEAR TO SEE FOR THEMSELVES THIS COUNTRY'S MARCH OF MODERNISATION. WE ENCOURAGE, AND CHINA WELCOMES, THESE VISITORS. OFFICIALLY AUSTRALIA NOW HAS AGREEMENTS WITH CHINA FOR EXCHANGES IN SCIENCE AND TECHNOLOGY, CULTURE, EDUCATION, THE MEDIA, LAW AND AGRICULTURE. THESE EXCHANGE PROGRAMS MAKE A VITAL CONTRIBUTION TO THE DEVELOPMENT OF OUR BILATERAL RELATIONS NOT ONLY THROUGH THE SPECIFIC ACTIVITIES OF EXCHANGE BUT ALSO THROUGH THE DIRECT PERSONAL CONTACTS THUS ESTABLISHED.

THESE PROGRAMS CAN ALSO HAVE A REAL IMPACT ON CHINA'S MODERNISATION.

LOOK AT EDUCATION:

THERE ARE CLOSE TO 500 CHINESE STUDENTS IN AUSTRALIA, MANY OF THEM PURSUING FORMAL POST-GRADUATE DEGREE COURSES. OFFICIAL LINKS HAVE BEEN ESTABLISHED BETWEEN AT LEAST TWELVE AUSTRALIAN UNIVERSITIES AND COLLEGES OF ADVANCED EDUCATION, AND CHINESE TERTIARY INSTITUTIONS, INCLUDING THIS GREAT UNIVERSITY. THERE ARE 16 AUSTRALIAN STUDENTS STUDYING IN CHINESE UNIVERSITIES UNDER FULL GOVERNMENT SCHOLARSHIPS. THERE 20 MORE GOVERNMENT SPONSORED SELF-FUNDED AUSTRALIAN STUDENTS AND A SMALLER NUMBER OF TOTALLY PRIVATE STUDENTS. THESE NUMBERS IN BOTH DIRECTIONS ARE FAR TOO SMALL AND WE WILL BE WORKING TOGETHER TO ACHIEVE A SIGNIFICANT INCREASE FOR OUR MUTUAL LONG TERM BENEFIT. THE AUSTRALIAN MINISTER FOR EDUCATION WILL BE TAKING UP THIS ISSUE DURING HER VISIT TO CHINA IN SEPTEMBER THIS YEAR.

WE WILL ALSO LIKE TO INCREASE CONTACTS BETWEEN AUSTRALIAN AND CHINESE ACADEMICS. THE STUDY OF CHINESE LANGUAGE, HISTORY AND SOCIETY IS INCREASING IN AUSTRALIA, AND IT IS PLEASING TO NOTE THE DEVELOPMENT OF AUSTRALIAN STUDIES PROGRAMS IN SEVERAL LEADING CHINESE UNIVERSITIES. THERE ARE MANY OBVIOUS AREAS OF MUTUAL INTEREST FOR RESEARCH INCLUDING THOSE ECONOMIC AND POLITICAL ISSUES FACING ASIA AND THE PACIFIC TO WHICH I REFERRED EARLIER.

I WANT ALSO TO MENTION EXCHANGES TAKING PLACE IN OTHER SPECIALISED AREAS.

A LEGAL EXCHANGE PROGRAM WAS ESTABLISHED IN 1984 TO PROMOTE BETTER MUTUAL UNDERSTANDING OF EACH COUNTRY'S LEGAL SYSTEM, INSTITUTIONS AND LAWS. THIS IS OF ENORMOUS RELEVANCE AT A TIME WHEN CHINA IS FOCUSING ON THE DEVELOPMENT OF ITS OWN LEGAL FRAMEWORK AND LEGAL EDUCATION.

UNDER THE OFFICIAL SCIENCE AND TECHNOLOGY AGREEMENT SIGNED IN 1980, AND SUBSEQUENT AGREEMENTS BETWEEN THE AUSTRALIAN AND CHINESE ACADEMIES OF SCIENCE, OUR SCIENTISTS HAVE BEEN WORKING TOGETHER IN A WIDE RANGE OF FIELDS INCLUDING GEOLOGY, METEOROLOGY, CLIMATOLOGY AND ASTRONOMY. THE FUTURE FOR SUCH CO-OPERATION IS VERY BRIGHT. FOR EXAMPLE, AUSTRALIA AND CHINA SHARE A COMMON INTEREST IN THE SCIENTIFIC STUDY AND COMMERCIAL EXPLOITATION OF RARE EARTHS. AUSTRALIAN EXPERTS VISITED CHINA LAST YEAR TO SEE FOR THEMSELVES WHAT CHINA IS DOING. A CO-OPERATIVE EFFORT TO UNDERSTAND BETTER AND DEVELOP THESE RESOURCES IN BOTH COUNTRIES, AN EFFORT BASED ON THE PRINCIPLE OF MUTUAL BENEFIT, IS AN OUTCOME WE SHOULD BOTH STRIVE TOWARDS.

DISCOVERIES ARE ALSO UNDER WAY ON A CO-OPERATIVE VENTURE IN BIOMEDICAL TECHNOLOGY. THIS RESEARCH INITIATIVE COULD LEAD TO JOINT DEVELOPMENT OF ARTIFICIAL HEART VALVES AND OTHER COMPONENTS USEFUL IN TREATING HEART DISEASE. IN RELATION TO HEALTH, AUSTRALIA HAS COLLABORATED WITH CHINA IN FIELDS RANGING FROM NUTRITION TO FAMILY PLANNING, FROM LEUKEMIA RESEARCH TO SPORTS MEDICINE. MANY CHINESE MEDICAL WORKERS AND OFFICIALS HAVE VISITED AUSTRALIA IN RECENT YEARS TO STUDY RURAL HEALTH CARE, HOSPITAL MANAGEMENT, NURSING AND SURGERY.

OUR CULTURAL RELATIONS PROGRAM FOR 1986 AND 1987 INCLUDES A GREAT RANGE OF EXCHANGES IN THE ARTS - IN DRAMA, DANCE, MUSIC, CRAFT AND LITERATURE. ALSO IN SPORT - SWIMMING, ATHLETICS, SAILING, SOCCER, AND NOW TENNIS. WHAT BETTER WAY TO BUILD BRIDGES OF FRIENDSHIP, TO UNDERSTAND OUR DIFFERENCES WHILE SHARING A COMMON HUMANITY, THAN THROUGH THE CREATIVE EXPRESSION AND PHYSICAL PROGRESS OF THE CHINESE AND AUSTRALIAN PEOPLE.

TAKING THESE VARIOUS STRANDS TOGETHER THEN, OUR TWO COUNTRIES ARE WELL UNDER WAY IN CONSTRUCTING A STRONG AND WELL ROUNDED RELATIONSHIP COVERING COMMERCE, FOREIGN POLICY DIALOGUE AND CO-OPERATION, AND CULTURAL EXCHANGE IN THE BROADEST SENSE. THIS WORK WE ARE DOING TOGETHER IS FOUNDED ON FRIENDSHIP AND OPPORTUNITY. IT WILL IN TURN CREATE MORE FRIENDSHIP AND OPEN UP MORE OPPORTUNITY FOR US BOTH IN THE FUTURE.

TO HAVE SUCH A RELATIONSHIP IS NO SMALL THING, IN A WORLD WHICH IS OFTEN ANTAGONISTIC, RELATIONSHIPS OF WARMTH AND UNDERSTANDING ARE TO BE PRIZED. IN A WORLD WHERE THERE IS OFTEN SUSPICION OF ONE COUNTRY BY ANOTHER, FRANKNESS AND TRUST ARE VALUABLE COMMODITIES. IN A WORLD WHEN MANY PEOPLE SEE ONLY PROBLEMS

AND DIFFICULTIES, SOURCES OF OPTIMISM ARE TO BE VALUED. I HAVE FOUND ALL THESE THINGS - WARMTH, UNDERSTANDING, FRANKNESS, TRUST AND OPTIMISM - IN THIS MEMORABLE VISIT TO CHINA, AS I KNEW I WOULD.

THEY ARE THE CHARACTERISTICS NOT ONLY OF THE PERSONAL CONTACTS I HAVE HAD WITH CHINESE LEADERS BUT OF THE RELATIONS BETWEEN OUR TWO NATIONS AND OUR TWO PEOPLES. WE CAN THEREFORE LOOK FORWARD CONFIDENTLY TO A LASTING RELATIONSHIP OF REAL MUTUAL BENEFIT, THE RIPPLES FROM WHICH CAN EXTEND OUTWARDS TO BENEFIT OTHERS AS WELL. FOR WHAT WE HAVE ALREADY BEEN ABLE TO DO IN CO-OPERATION, I GIVE YOU MY THANKS. FOR WHAT WE CAN AND WILL DO IN THE YEARS AHEAD, I GIVE YOU THE PLEDGE OF MY CONTINUING COMMITMENT TO THIS GREAT CAUSE.

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