



# PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER  
THIRTEENTH INTERNATIONAL TRADE LAW CONFERENCE  
CANBERRA - 3 NOVEMBER 1986

DISTINGUISHED GUESTS, LADIES AND GENTLEMEN,

OVER THE LAST TWO DAYS YOUR GROUP HAS CONSIDERED A WIDE RANGE OF INTERNATIONAL TRADE LAW ISSUES BEARING UPON THE DEVELOPMENT OF TRADE BETWEEN AUSTRALIA AND THE REST OF THE WORLD. HOWEVER, I SEE THIS CONFERENCE IN PART AS A SEQUEL TO THE HIGHLY SUCCESSFUL AUSTRALIA-CHINA TRADE AND INVESTMENT LAW CONFERENCE HELD IN BEIJING AND SHANGHAI IN OCTOBER LAST YEAR. ACCORDINGLY, I COME TO ADDRESS YOU THIS MORNING WITH A PARTICULAR INTEREST AND FOCUS. THAT IS THE POTENTIAL FOR YOUR DISCUSSIONS TO IMPROVE THE UNDERSTANDING AND HARMONISATION OF AUSTRALIAN AND CHINESE TRADE LAW SO THAT WE CAN BUILD FURTHER ON THE RAPID GROWTH IN TRADE BETWEEN OUR TWO COUNTRIES. FOR THIS REASON I AM PLEASED THAT TODAY'S DISCUSSIONS WILL BE ON PRECISELY THAT TOPIC.

I WOULD LIKE THEREFORE TO EXTEND A WARM PERSONAL WELCOME, AND A WELCOME ON BEHALF OF THE AUSTRALIAN PEOPLE, TO THE DELEGATION FROM CHINA LED BY MR JING SHUPING. YOU HAVE COME TO AUSTRALIA AS FRIENDS AND I TRUST YOU WILL MAKE NEW FRIENDS HERE AND LEAVE OUR SHORES WITH EVEN STRONGER CONFIDENCE IN THE FUTURE OF THE WARM RELATIONS BETWEEN OUR PEOPLES.

OVER THE YEARS AND ESPECIALLY IN THE LAST THREE YEARS, CHINA AND AUSTRALIA HAVE DEVELOPED AN EXCELLENT RELATIONSHIP AT ALL LEVELS - COMMERCIAL, CULTURAL AND OF COURSE, POLITICAL. INDEED AUSTRALIA'S FRIENDSHIP WITH CHINA NOW HAS SUCH A SPECIAL CHARACTER AND WARMTH, AND THE COMPLEMENTARITY OF OUR ECONOMIES IS SUCH, THAT I BELIEVE WE CAN LOOK FORWARD WITH ENORMOUS ENTHUSIASM TO STRONG GROWTH IN TRADE AND INVESTMENT CO-OPERATION OVER THE NEXT FEW DECADES FOR THE GREATER PROSPERITY OF BOTH OUR NATIONS.

LIONEL BOWEN HAS SPOKEN TO YOU ABOUT THE RANGE OF INITIATIVES ON INTERNATIONAL TRADE LAW IN WHICH AUSTRALIA IS TAKING PART. I DO NOT THEREFORE NEED TO COVER THAT IMPORTANT GROUND IN ANY DETAIL. RATHER, I WOULD LIKE TO SHARE SOME THOUGHTS WITH YOU ON THE TRADING OPPORTUNITIES THAT YOU CAN HELP CREATE AND EXPLOIT FOR AUSTRALIA AND CHINA THROUGH YOUR LEGAL EXPERTISE.

SINO-AUSTRALIAN TRADE HAS GROWN BY AN ASTONISHING 135 PER CENT OVER THE LAST THREE YEARS, THOUGH THIS HAS BEEN FROM A FAIRLY SMALL BASE. BY TAKING ADVANTAGE OF THE COMPLEMENTARY FEATURES OF OUR TWO ECONOMIES, CHINA HAS BEEN ABLE TO DRAW UPON THE STRENGTHS OF THE AUSTRALIAN ECONOMY TO HELP CARRY FORWARD ITS MODERNISATION PROGRAM. AUSTRALIA TOO HAS BENEFITED SUBSTANTIALLY FROM THE COMPLEMENTARITY THAT EXISTS IN OUR MINERALS, STEEL, AGRICULTURAL AND TRANSPORT AND COMMUNICATIONS INDUSTRIES.

IN RECOGNITION OF THESE MUTUAL DEVELOPMENT ACHIEVEMENTS AND PROSPECTS, THE AUSTRALIAN AND CHINESE GOVERNMENTS HAVE PUT IN PLACE FORMAL SECTORAL INITIATIVES FOR IRON AND STEEL, NON-FERROUS METALS, WOOL, TRANSPORT AND EDUCATION. REINFORCING THESE INITIATIVES, THE AUSTRALIAN TRADE COMMISSION HAS DEVELOPED A CHINA ACTION PLAN DESIGNED SPECIFICALLY TO CO-ORDINATE AND FOSTER OUR TRADE PROMOTION EFFORTS WITH CHINA.

YOU IN THE AUDIENCE FACE BOTH A CHALLENGE AND A RESPONSIBILITY, SHARED WITH THE TWO GOVERNMENTS, TO ENSURE THAT OUR LEGAL SYSTEMS DO NOT UNNECESSARILY IMPEDE THE PURSUIT OF TRADING OPPORTUNITIES. THIS REQUIRES US TO DEVELOP AN UNDERSTANDING OF EACH OTHER'S LEGAL SYSTEMS AS THEY BEAR UPON TRADE AND TO WORK TOGETHER IN REMOVING UNNECESSARY TRADE IMPEDIMENTS AND CREATING A MORE CERTAIN ENVIRONMENT IN WHICH TRADE CAN BE CONDUCTED.

YOU ALSO HAVE A KEY ROLE TO PLAY IN ADVISING GOVERNMENTS ON THE DEVELOPMENT, STREAMLINING AND REFORM OF LEGAL ARRANGEMENTS AFFECTING TRADE AND INVESTMENT BETWEEN AUSTRALIA AND CHINA.

CONSIDERABLE PROGRESS IN THESE ASPECTS OF TRADE LAW HAS BEEN ACHIEVED ALREADY UNDER THE UMBRELLA OF THE MEMORANDUM OF UNDERSTANDING ON LEGAL EXCHANGES BETWEEN CHINA AND AUSTRALIA. THE LEGAL EXCHANGE PROGRAM IS BEARING FRUIT AND THE ATTENDANCE LAST YEAR OF 50 AUSTRALIAN LAWYERS AT THE AUSTRALIA CHINA TRADE AND INVESTMENT LAW CONFERENCE IN BEIJING AND SHANGHAI UNDERLINES THE COMMITMENT OF OUR LEGAL PROFESSIONALS TO IMPROVING THEIR UNDERSTANDING OF THE TWO COUNTRIES' LEGAL SYSTEMS.

WE ARE DELIGHTED WITH THE FINALISATION A COUPLE OF MONTHS AGO OF LEGAL ARRANGEMENTS FOR CITIC'S INVOLVEMENT IN THE PORTLAND ALUMINIUM SMELTER. THROUGH THE EXPERIENCE GAINED IN THOSE DISCUSSIONS, CHINA WILL BE BETTER PLACED TO CONDUCT NEGOTIATIONS ON THE MANY NEW COMMERCIAL OPPORTUNITIES WITH AUSTRALIA THAT UNDOUBTEDLY WILL ARISE IN THE FUTURE.

WE HAVE BEEN GIVEN FURTHER ENCOURAGEMENT VERY RECENTLY BY THE PROSPECT OF CO-OPERATION BETWEEN THE AUSTRALIAN WHEAT BOARD AND CHINA'S MINISTRY OF COMMERCE IN ESTABLISHING A TRAINING BAKERY IN CHINA.

AND OF COURSE, THE RECENTLY CONCLUDED AGREEMENT ON PRINCIPLES OF DISPUTE RESOLUTION FOR INCLUSION IN THE AUSTRALIA-CHINA TRADE AGREEMENT IS A MAJOR STEP FORWARD. THESE PRINCIPLES ENCOURAGE THE USE OF FRIENDLY CONSULTATIONS AND CONCILIATION AND IN THE UNLIKELY EVENT THAT THE NEED ARISES, OF ARBITRATION IN A THIRD COUNTRY. THIS WILL HAVE THE DESIRABLE EFFECT OF PROMOTING GREATER CERTAINTY AND PREDICTABILITY IN OUR COMMERCIAL DEALINGS WITH EACH OTHER.

I CANNOT STRESS ENOUGH THE IMPORTANCE MY GOVERNMENT ATTACHES TO AUSTRALIA'S RELATIONSHIP WITH CHINA. NOR CAN I OVEREMPHASISE THE RESPONSIBILITY OF THE LEGAL PROFESSION IN FACILITATING AND ENCOURAGING THE COMMERCIAL TIES BETWEEN OUR TWO COUNTRIES.

WHILE I HAVE FOCUSED ON THE GROWING IMPORTANCE OF CHINA TO AUSTRALIA, MUCH OF WHAT I HAVE SAID ALSO APPLIES TO THE DEVELOPMENT OF OUR RELATIONSHIP WITH OTHER COUNTRIES IN THE ASIA/PACIFIC REGION. WE MUST ACTIVELY PURSUE THE OPPORTUNITIES PRESENTED TO US BY THE RAPID DEVELOPMENT OF THIS REGION.

COUNTRIES IN THE ASIA/PACIFIC REGION HAVE COME TO ACCOUNT FOR A MAJOR PORTION OF AUSTRALIA'S TRADE: OUR ASIAN NEIGHBOURS ALONE PURCHASED AROUND 60 PER CENT OF OUR EXPORTS LAST YEAR.

YET, DESPITE THE GEOGRAPHIC AND SUPPLY POSITION ADVANTAGES WE ENJOY IN THE REGION, AUSTRALIA'S SHARE OF THESE MARKETS HAS BEEN DECLINING. THIS MAY BE EXPLAINED IN PART BY THE COMPOSITION OF OUR EXPORT PRODUCTS COMPARED WITH THE CHANGING DEMANDS OF THESE COUNTRIES AS THEY GROW AND DEVELOP. BUT AUSTRALIAN MANAGEMENT ITSELF AT TIMES HAS ADMITTED THAT IT HAS NOT ALWAYS BEEN AGGRESSIVE ENOUGH IN SEEKING OUT NEW OPPORTUNITIES AND NEW MARKETS. TO HELP PROMOTE OUR SUCCESS IN THE REGION AUSTRALIA HAS IN PLACE STRATEGIES NOT ONLY FOR CHINA, BUT MEASURES TO IMPROVE OUR TRADING PERFORMANCE IN THE REGION AS A WHOLE.

BUT AS WITH CHINA, THE CHALLENGE FOR TODAY'S AUDIENCE IS TO SEEK WAYS OF ENCOURAGING GREATER UNDERSTANDING AND HARMONISATION OF THE LEGAL SYSTEMS OF OTHER COUNTRIES IN THE REGION IN ORDER TO ENSURE THAT TRADE AND INVESTMENT FLOWS ARE NOT UNNECESSARILY INHIBITED. OUR COUNTRIES HAVE SHOWN A WILLINGNESS AND ABILITY TO CO-OPERATE REGIONALLY ON A MULTILATERAL STRATEGY THROUGH THE REGIONAL TRADE INITIATIVE. I FEEL CONFIDENT THAT WE CAN ACHIEVE SIMILAR SUCCESS IN DEVELOPING AN UNDERSTANDING OF ONE ANOTHER'S LEGAL SYSTEMS AS THEY AFFECT TRADE AND INVESTMENT.

THIS CONFERENCE ON INTERNATIONAL TRADE LAW IS TAKING PLACE AT A TIME WHEN THE INTERNATIONAL RULES ON FAIR TRADING ARE BEING BENT, MANIPULATED AND BROKEN IN SUCH A CAVALIER FASHION THAT THE VIABILITY OF THE WORLD TRADING SYSTEM HAS BEEN PUT UNDER THREAT. DURING THE LAST DECADE OR SO, GOVERNMENTS AROUND THE WORLD HAVE BECOME MORE PROTECTIONIST AND FAR MORE PRONE TO USING NON-TARIFF BARRIERS TO CIRCUMVENT INTERNATIONAL TRADING RULES.

IN MANY INSTANCES SAME COUNTRIES HAVE DUMPED ONTO WORLD MARKETS ENORMOUS SURPLUSES, ESPECIALLY OF AGRICULTURAL PRODUCTS, BROUGHT INTO PRODUCTION BY THE DOMESTIC PRICE SUPPORT AND EXPORT SUBSIDY PROGRAMS OF THEIR GOVERNMENTS.

IN RESPONDING TO SHORT-TERM POLITICAL PRESSURE BY RAISING NON-TARIFF BARRIERS - SO-CALLED "NEO-PROTECTIONISM" - GOVERNMENTS HAVE SACRIFICED THE FREE FLOW OF TRADE AND ALONG WITH IT, THE PROSPECT OF IMPROVED LIVING STANDARDS NOT ONLY IN OTHER COUNTRIES BUT IRONICALLY, AT HOME.

UNTIL RECENTLY, THE DOMESTIC COSTS OF PROTECTION HAVE BEEN ALL BUT INVISIBLE, IN SPITE OF THEIR VERY GREAT MAGNITUDE AND THEIR VERY REAL HUMAN DIMENSION. THE SHROUD OF PROTECTIONISM TOUCHES EVERYONE IN THE COMMUNITY, THROUGH THE HIGHER PRICES THAT MUST BE PAID FOR THE PRODUCTS OF PROTECTED INDUSTRIES AND THROUGH LOST JOB OPPORTUNITIES.

JUST ONE INDICATION OF THE HUMAN DIMENSION OF THESE COSTS IS THE MILLION OR SO EXTRA PEOPLE THROWN ONTO THE DOLE QUEUES OF EUROPE BY THE DISTORTING EFFECTS OF THE COMMON AGRICULTURAL POLICY.

IN PLAYING THE PROTECTION GAME, GOVERNMENTS HAVE BEEN GETTING THEIR FINGERS BURNT. RETALIATION BY AGGRIEVED NATIONS HAS ESCALATED BORDER SKIRMISHES TO MUCH WIDER TRADE CONFLICTS AND IN THE CASE OF AGRICULTURE, TO AN ALL-OUT TRADE WAR.

FORTUNATELY, THE FUTILITY OF INTERNATIONAL TRADE CONFLICTS IS NOW BEGINNING TO FIND EXPRESSION IN WHAT HAS BEEN UNTIL RECENTLY A SILENT MAJORITY. SOMETHING IN THE ORDER OF \$US100 BILLION A YEAR IS BEING CHANNELLED INTO AGRICULTURE BY THE EUROPEAN COMMUNITY THROUGH PRICE SUPPORT AND DIRECT BUDGETARY SUBSIDIES. THE COST TO AMERICAN TAXPAYERS OF THE US FARM ACT IS EXPECTED TO BLOW OUT THIS YEAR FROM \$US35 BILLION TO AROUND \$US50 BILLION.

THERE ARE SIGNS THAT TAXPAYERS AND CONSUMERS ARE BECOMING INCREASINGLY UNCOMFORTABLE ABOUT BEING CALLED UPON TO SUBSIDISE INEFFICIENT INDUSTRIES. THIS DAWNING REALISATION OF THE FUTILITY OF TRADE CONFLICTS APPEARS TO HAVE BEEN A MAJOR DRIVING FORCE BEHIND THE RECENT MINISTERIAL AGREEMENT AT URUGUAY TO LAUNCH A NEW ROUND OF MULTILATERAL TRADE NEGOTIATIONS.

THE MINISTERIAL DECLARATION LAUNCHING A NEW ROUND PROVIDES, FOR THE FIRST TIME, A BASIS UPON WHICH AGRICULTURE AND SERVICES CAN BE DISCUSSED MEANINGFULLY IN INTERNATIONAL TRADE NEGOTIATIONS - ALONG WITH THE MORE TRADITIONAL DISCUSSIONS THAT HAVE TAKEN PLACE IN THE VARIOUS MTN ROUNDS ON TRADE BARRIERS AFFECTING MANUFACTURED GOODS. THE TASK NOW IS TO PROCEED WITHOUT UNDUE DELAY TO TRANSLATE THOSE WORDS INTO A SET OF BINDING OBLIGATIONS THAT ARE PUT INTO PRACTICE.

THAT ENTAILS DEVELOPING A SET OF SUSTAINABLE INTERNATIONAL TRADING RULES AND DISPUTE SETTLEMENT PROCEDURES WHICH ENGENDER IN NATIONS RENEWED CONFIDENCE THAT THEY ALL CAN SHARE IN THE ENORMOUS POTENTIAL GAINS FROM UNFETTERED INTERNATIONAL TRADE.

AUSTRALIA LOOKS FORWARD TO WORKING WITH CHINA IN SECURING IMPROVEMENTS IN THE EFFECTIVENESS OF THE GATT. WE HAVE ACTIVELY SUPPORTED CHINA'S INTEREST IN JOINING THE GATT AND OUR OFFICIALS HAVE WORKED TOGETHER IN CANBERRA ON HOW CHINESE MEMBERSHIP MIGHT BE MOST EFFECTIVELY PROGRESSED. WE ARE ALSO PLEASED TO BE PROVIDING, UNDER A MEMORANDUM OF UNDERSTANDING SIGNED DURING MY VISIT TO CHINA IN MAY THIS YEAR, A CONSULTANT TO WORK IN CHINA SPECIFICALLY ON THIS ISSUE.

THROUGH ITS PARTICIPATION AS AN OBSERVER AT THE GATT MEETING IN PUNTA DEL ESTE, CHINA HAS BEEN ABLE TO KEEP ABREAST OF DEVELOPMENTS ASSOCIATED WITH THE LAUNCH OF THE NEW MTN ROUND.

CHINA'S ACCESSION TO THE GATT WILL FURTHER CONTRIBUTE TO A STABLE AND SECURE FRAMEWORK OF LAW, POLICY AND PRINCIPLE WITHIN WHICH ENTERPRISES FROM CHINA AND AUSTRALIA CAN TAKE FULL ADVANTAGE OF THE SUBSTANTIAL OPPORTUNITIES FOR TRADE AND INVESTMENT BOTH WAYS, TO OUR MUTUAL BENEFIT.

TO CONCLUDE, I WOULD SUGGEST THAT THE ROLE OF THE LEGAL PROFESSION IN FACILITATING AND EXPANDING INTERNATIONAL TRADE HAS NOT BEEN WELL RECOGNISED TO DATE. BUT I CAN ASSURE YOU THAT, AS PRIME MINISTER OF A NATION TO WHICH TRADE IS VITAL, I FULLY UNDERSTAND AND APPRECIATE THE CHALLENGES AND RESPONSIBILITY OF LAWYERS IN IDENTIFYING AND EXPLOITING TRADING OPPORTUNITIES. I AM HEARTENED BY YOUR ATTENDANCE AT THIS IMPORTANT FORUM AND I WISH YOU WELL IN YOUR DELIBERATIONS.

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