



PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**SPEECH BY THE PRIME MINISTER
PARLIAMENTARY DINNER IN HONOUR OF CHANCELLOR KOHL
PARLIAMENT HOUSE
CANBERRA - 4 OCTOBER 1988**

Federal Chancellor,
Distinguished guests,
Ladies and gentlemen.

It is a great pleasure to welcome you and Mrs Kohl and the members of your distinguished party to dinner in the Parliament of the Commonwealth of Australia.

I know this is not your first visit to Australia. In 1972 you visited us in your capacity as Premier of the State of Rhineland Palatinate. But because you are the first Chancellor to visit Australia, your visit and our welcome to you take on a very special significance and a very special warmth.

I extend to you our deep regret at the sudden death of your coalition partner, Dr Strauss, and we fully understand that in these unfortunate circumstances you have been forced to cut your visit short. But you and your distinguished party are very welcome among us.

Mr Chancellor,

This visit, in the year in which Australians celebrate the Bicentenary of European settlement, takes on special meaning when we recall the long links between Germany and Australia.

These links predate 1788. Captain Cook, for example, was accompanied on his second world voyage by a Prussian scientist Johann Forster, one of whose noteworthy contributions was this prediction about the future of Australia which he made in 1787: "New Holland, an island of immense size, or, if you like, a third terra firma, is the future dwelling place of a new society which, insignificant though its beginnings may seem, promises to be very important very soon."

We may say with pride: they were indeed words of prescience. For what we are celebrating in this Bicentennial is the creation by Australians over two centuries of a great society of freedom and prosperity. We celebrate in particular the immeasurable enrichment of our society not only by the Aboriginal people who settled this land for more than 40,000 years but also by the wave after wave of immigrant people who came, and who still come, from all corners of the globe to find a new home here.

Among these immigrant peoples, the contribution of the Germans is impossible to overlook.

Germans were among the initial shiploads of people who arrived in Australia - some of them free settlers and some convicts.

The very man selected to lead the First Fleet to Australia and to be the first governor of the new colony, Captain Arthur Phillip, was himself of German ancestry; his father Jakob was born in Frankfurt. Phillip was a fluent German speaker and was deeply influenced by the ideas of the German Enlightenment.

And among the first settlers of South Australia were Germans who arrived near Port Adelaide in 1838 - 150 years ago - to live in religious freedom in a new land.

I am delighted that you will still be able to spend some time in South Australia tomorrow.

More immediately, you can experience one of the great achievements of the Germans in South Australia tonight. Some of the wine being served here is South Australian and therefore very much the fruit of our proud German-Australian heritage.

Mr Chancellor,

The development of Australia - economic, cultural, scientific, spiritual and in many other ways - owes a great deal to the achievements of energetic, dedicated settlers from Germany who made their home here.

Indeed the richness of this heritage has greatly enhanced our appreciation of the Federal Republic's contributions to the Australian Bicentenary. I am thinking of the generous grant which has made possible the Australian Opera's highly acclaimed performance of Richard Wagner's "Die Meistersinger". I recall too the splendid spectacle of the German naval training vessel "Gorch Fock" among the Tall Ships in Sydney Harbour in January this year, and of course your magnificent pavilion at Expo in Brisbane.

Of course the links between Australia and the Federal Republic of Germany do not all reflect the past: on the contrary they are diverse, dynamic and forward looking.

3.

Here let me make a relevant but more general observation about Australian foreign and economic policy.

It is, these days, a commonplace that Australia is part of Asia and the Pacific. That represents a relatively recent and historically important change in Australia's thinking about its place in the world. It is an accurate description not just of our geography but, to a significant extent, of our security and of our economy.

But let there be no misapprehension about what Australia's enmeshment into the Asia-Pacific region means for our relations with the countries of Europe.

Western Europe matters to us greatly as a centre of free democratic values, as a vital hub of commerce and of finance, and as a cornerstone of the Western security system - and I mean all of Western Europe. Notwithstanding our historical ties to Britain, we are not inhibited in adapting our foreign and economic policies to new realities.

Moreover, far from weakening our ties with Europe, Australia's increasing integration into the Asia-Pacific region creates unique opportunities for our economic co-operation with countries like Germany.

Australia has a heritage of European parliamentary democracy, institutions, law and culture. We are politically stable.

Australia is not only a modern diverse economy in its own right, it is a stable platform to the fastest growing region in the world. We are part of that region, yet our kinship with Europe provides the familiarity and ease of doing business so important to establishing a sound commercial base in the region.

This, in a sense, affords Germany and other European countries the best of all possible worlds as far as investment in the Asia/Pacific region is concerned.

So we welcome German investment in Australia, and we assert with conviction, Mr Chancellor, that our unique position in the region makes us a very attractive place for investment from your country and the other countries of Europe.

It is in this context, Mr Chancellor, that I stress the very great importance we attach to your visit as a symbol of the vital and growing links between Australia and the Federal Republic of Germany.

The Federal Republic has firmly anchored itself in the Western Alliance. We share your convictions and values in that respect absolutely.

You supply an increasing number of tourists to Australia - some 60,000 this year. We welcome them warmly.

You are about to send an investment mission from the Federal Association of German Industry later this month. We look forward to that visit with confidence.

And you are one of our major trading partners, ranking third as a source of Australia's imports, and ninth as a market for our exports. We value that relationship deeply.

Mr Chancellor,

For all these reasons I was gratified to hear you speak today in our talks of opening a new chapter in relations between our two countries. I welcome that hope and place great value in it.

The Federal Republic's economic achievements over recent decades have given it an important leadership role both in the EC and indeed in the world economy. Such a role carries responsibilities especially as the world currently faces external imbalances in major countries.

Such imbalances will be corrected: it is a question of how. Does the correction come through deflation in the deficit countries or some 'shock' to the international system, or through complementary policy change in a number of countries?

While the Federal Republic's leadership role is in evidence through its anti-inflationary policies, the very success of these policies and its large external surplus means that the world community expects the Federal Republic to shoulder more of the burden of contributing to world growth.

The Federal Republic of Germany will also continue to have a vital role to play in bringing about greater security and confidence at the global level and within Europe.

We observe with interest the development of your relationship with your European neighbours East and West. And we recognise and applaud your notable contribution to the conclusion of the treaty on the elimination of intermediate-range nuclear weapons.

I believe that we are witnessing a time of enduring progress in arms control. The INF Treaty established a climate of practical co-operation between the super-powers which I strongly hope and expect will yield further practical results, not only in nuclear disarmament.

Australia is also profoundly interested in the progressive development of policies in the European Community.

We congratulate you on the highly successful German Presidency of the European community in the first six months of this year.

The development of a single market with 320 million inhabitants - constituting a market larger than any other industrialised market, including the United States - will surely have a profound impact on global economic and trading relationships, and the Federal Republic will surely exert a major influence in the events leading to 1992.

Australia views the emergence of such a market positively, in the expectation that we will be able to continue the dynamic relationship we have currently with the EC member States.

I was heartened this morning that you understood the concerns of many about a "Fortress Europe" and that you said your aspirations for Europe would be thwarted if the new single market was built on protectionism.

The Australian Government's interest in achieving reform in agricultural trade will be well known to you. We acknowledge that the Brussels Summit Meeting under your chairmanship saw a significant first step towards bringing an end to the extravagant excesses of production of agricultural commodities that have so distorted market mechanisms.

I know your Government sees special problems in winding back the financial and other arrangements underpinning the Common Agricultural Policy as quickly as we and other Cairns Group nations would like. I can only emphasise that we see further reform of the CAP, with a view to the elimination of agricultural subsidies, as vital, both to the efficient and fair operation of world agricultural markets and for the health of the world trading system more generally. The United States has just in the last day or so pledged its support for a down-payment on the winding back of subsidies, conditioned on their elimination in the long term. We are therefore all looking to the mid-term review of the Uruguay round of trade negotiations as an important opportunity to embark on real reform. I was glad to hear this morning that you also wanted a satisfactory result to the mid-term review.

Mr Chancellor,

Our two countries share very many common ideals and values. There are bonds of kinship between our peoples which we continue to value highly. And there is scope for our two countries to work more closely in the future.

Your visit has served to remind us of important past associations and to awaken the prospect of a more active and visible German presence in the Asia and Pacific region and in Australia itself. We welcome that prospect and look forward to an intensification of contacts at all levels in the future.

In particular, Mr Chancellor, I look forward to taking up your invitation to visit the Federal Republic of Germany in the middle of next year.

With that visit I hope to build further upon the impetus to strengthen relations between our two countries provided by your visit to us. We thank you for coming, we welcome you and we wish you a safe return home.
