



**PRIME MINISTER**

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**SPEECH BY THE PRIME MINISTER  
PARLIAMENTARY DINNER FOR PREMIER LI PENG  
CANBERRA - 17 NOVEMBER 1988**

Mr Premier, it is with great pleasure that I welcome you to Australia in this, our Bicentennial year.

We are delighted that, with your first visit overseas as Premier, you bring to a fitting culmination China's generous participation in our Bicentennial celebrations.

The People's Republic of China was involved in these celebrations from the very beginning, with tremendous fireworks displays in all of the capital cities of Australia on New Year's Day and with a televised message from General Secretary Zhao Ziyang.

The Chinese Pavilion at Expo, your Government's handsome gifts to our new Parliament House, visits by a succession of impressive Chinese cultural groups - not to mention the brief period of residence in Melbourne and Sydney of those quintessential and enormously popular symbols of China, Fei-Fei and Xiao-Xiao - have not only reminded Australians of China's great natural and cultural heritage but have reflected and strengthened the warm friendship between our two countries and people.

The Chinese community in Australia has likewise left a positive mark on our Bicentennial celebrations. Indeed Chinese-Australians have loomed large in Australian history, as one of the longest-established ethnic communities in Australia's multicultural society.

Their contributions to Australia's economic and cultural development stretch back well into the nineteenth century - though it needs to be added that there have been times when these contributions have not been recognised and when the Chinese community in Australia suffered the blight of racism.

My Government is committed to ensuring that there is no return to those days, either through racial discrimination in Australia or by the reintroduction of racial discrimination in the migration program.

The example of the industry and participation of Chinese Australians in every aspect of life has played a vital role in promoting in the broader community the values of tolerance, understanding and acceptance of cultural diversity.

Tonight we will see the Chinese Youth League of Australia perform a dance drama entitled 'The Dragon Down Under', which tells the story of the Chinese community in Australia. Mr Premier, in this Year of the Dragon, a year of good luck, virtue, wealth and harmony, these young people represent the future. They are an important part of the human link between our two countries and cultures - a link which fully complements the outstanding Government-to-Government cooperation built up since relations between Australia and China were normalised sixteen years ago at the time of Gough Whitlam's Labor Government.

Mr Premier,

The future of Australia and of China are inextricably linked. As your former Vice-President Ulanhu so rightly put it earlier this year, we are building a relationship not for 10 or 20 years, but for generations - for our children and for our children's children.

In building that relationship, both Australia and the People's Republic of China are, in their different ways, undergoing profound processes of change.

The far reaching economic reforms introduced in your own country since 1978 have constituted an enormously powerful force to reshape conditions within China. They have produced spectacular growth in the Chinese economy and rising living standards.

More than that, however, these reforms constitute a significant reshaping of the very framework of relationships throughout the region.

While there may be some modifications, the direction of reform is irreversible.

Australia has, from the outset, welcomed these policies of modernisation and opening up to the outside world. We have done so, not only because of the mutually advantageous opportunities these policies give us for trade and economic cooperation but, above all, because they will contribute to the peaceful and prosperous development of China as well as of the Asian-Pacific region and beyond.

I have observed personally through my visits to China the improvements over the last decade in the material well-being of the Chinese people. The extent to which the policies and benefits of reform have enhanced China's international standing and influence are equally dramatic.

These are all matters in which Australia and China share particular interests in common and on which we are able to talk to one another with complete candour. In fact, as I have experienced during my many hours of conversation with the Chinese leadership, our relationship has moved to that high ground of maturity on which there is no subject that cannot be usefully discussed between us. I am pleased to add, Mr Premier, that our talks today confirmed and strengthened that mature and very positive relationship between our two countries.

Mr Premier,

In international and regional affairs we are witnessing important changes.

One important development that Australia very much welcomes is the recent improvement in Sino-Soviet relations. The Soviet Union under Mikhail Gorbachev has launched a wide-ranging political and economic reform agenda, the outcomes of which have still to be tested, but which nevertheless is cause for some optimism. The success of these reforms is a matter of the closest interest to China, Australia and other countries of the Asia/Pacific region.

Indeed, I believe we can be reassured by the fact that in the world at large, and in our own Asia/Pacific region, we have begun to see the emergence of an international framework that could hold for us the promise of a less turbulent, less violent and less daunting future than has characterised so much of this century.

I have in mind current trends, for example, in relations between the super-powers, in the role and standing of the United Nations, in the sphere of disarmament and arms control, and in relation to Indochina.

There is, too, a growing awareness of the fundamental futility of protectionism, as a threat to the orderly and rational expansion of international trade. Countries such as Australia and China share an interest in working to persuade those who pursue protectionist policies that if we do not take direct action the international community as a whole will bear the cost of distortions in world commodity prices.

Mr Premier,

The pattern of regional specialisation is shifting in ways which are bringing about greater economic and political interdependence between countries. This will, clearly, influence the nature of our own bilateral relationship. In particular, the greater emphasis being given by the more developed regional economies to knowledge intensive industries is allowing other countries in the region to move into the export of more labour intensive products.

The economic relationship between Australia and China now encompasses two way trade amounting annually to more than two billion Australian dollars, and increasingly substantial two way investment. There are now more than thirty Australian ventures working in a dozen provinces in China. China's investments in Australia include the aluminium smelter at Portland in Victoria and the iron mine at Mount Channar in Western Australia. I was particularly pleased that you were able to visit Channar on Tuesday as Chinese involvement in that project originated in a feasibility study undertaken following my own visit to China in 1984.

Australia is well known for the efficiency and scale of its farming and the richness of its natural resources.

Many of our best technical innovations - and hence many of our potential exports - enhance the abundance of our land or reduce the difficulties of life in this vast and sometimes harsh continent: remote area telecommunications, long distance road and rail transport, computer software, medical technology, energy and space equipment. I know, Mr Premier, that you have seen much of this during your stay in Australia.

So while the staples of the trading relationship on the Australian side are commodities such as wool, iron ore and wheat, and while those commodities will continue to be very substantial elements in our trade for years to come, Australians are keen to diversify our exports.

Trade in services, in particular education, is becoming an increasingly important element in our relationship, not just as an economically beneficial development but as a means of building deeper mutual understanding. It is very gratifying to see that since I discussed this matter with your predecessor Zhao Ziyang in May 1986, the number of visas issued to students from China to study in Australia has risen dramatically - from some 600 in 1985/86 to nearly 8,000 in the financial year just concluded.

For China's part, there is room for exports not only of textiles, clothing and footwear but also a potential for machinery and transport equipment.

Mr Premier, the prospects for Chinese-Australian co-operation to launch the Aussat II satellites on your "Long March" rockets constitute an important new step in our relationship. Australia wishes this project to go ahead, not just for its own sake but as a forerunner of the type of venture our two countries need to undertake as we enter the twenty-first century.

Many of these elements come together, Mr Premier, in the Australian Government's decision to assist a new joint venture that arises, after two and a half years' work, from the 1986 Australia-China joint working group on iron and steel.

I am pleased to announce that Australia has allocated \$8.5m over the next six years to the Wuhan Iron and Steel Training Centre - a project aimed at assisting China to improve the productivity of its iron and steel industry by strengthening its training strategy.

This project will contribute to the growing relationship between our iron and steel enterprises, will further extend our close commercial links, and will strengthen the individual links between our two countries.

Another new initiative, with which the Australian Government is proudly associated through the Australia-China Council, is the establishment at Sydney's Macquarie University of a Centre for Chinese Political Economy. We look forward to this Centre developing into a centre of excellence in the study of Chinese trade, finance and economics in the years ahead.

Mr Premier, it is important that the business communities in both our countries continue to work at developing a high level of trust and confidence in each other as competent and reliable partners. At the governmental level Australia and China seek to promote trust and confidence through the creation of high level consultative groups such as the Joint Ministerial Economic Commission and Joint Working Groups covering a wide range of industries. These links are complemented in the business area by such bodies as the China Enterprise Management Association, the Australia/China Business Co-operation Committee and the Australia/China Chamber of Commerce and Industry.

Mr Premier, my Government has an enduring commitment to Australia's relationship with China. The maintenance and further development of that relationship is one of the central elements in my Government's foreign policy. We see the relationship as aimed at enriching the lives of our peoples. That is our long term goal. We seek to achieve it in close partnership with your Government.

Mr Premier, you are a most welcome and honoured guest. It is our privilege to have you with us this evening. Your visit has provided Hazel and me with an opportunity to repay something of the generous hospitality we have received in China. Your visit continues the pattern of high level exchanges and dialogue established in recent years. I hope that this contact will continue to characterise the friendly and mutually beneficial relationship which has been developed between Australia and China.

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