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PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**SPEECH BY THE PRIME MINISTER OF AUSTRALIA,
THE HON R J L HAWKE AC MP
DINNER HOSTED BY THE LORD MAYOR OF LONDON
MANSION HOUSE, LONDON - 21 JUNE 1989**

My Lord Mayor,
Your Royal Highnesses,
Your Excellencies,
My Lords,
Aldermen,
Sheriffs,
Ladies and Gentlemen

That great citizen of London, Dr Johnson, declared more than two hundred years ago that the man who was tired of London was tired of life itself.

I have visited London on many occasions - as a student on my way through Oxford, as a trade unionist, and as Prime Minister - and I have never tired of it, nor failed to be fascinated by some new discovery in it.

But perhaps this is not so surprising in a city which, as you have said, Lord Mayor, this year celebrates the 800th anniversary of the appointment of the first Lord Mayor of London by King Richard I.

May I say there is something very fitting about that - the historic association of Richard the Lion Heart with this lion-hearted city.

I congratulate you, Lord Mayor, on this very notable anniversary, and I thank you for this opportunity to address such a distinguished gathering in this historic house.

Last year we in Australia, of course, celebrated our Bicentenary. Australia was settled in the era of the great revolution in America and indeed as a direct result of it; and at the time of the revolution in France. But, our local dramas of Vinegar Hill, the so-called Rum Rebellion, and the Eureka Stockade notwithstanding, there was never going to be a revolution of the Australian colonies.

There was instead an evolution - the gradual attainment by Australians of political and judicial authority over our own affairs; an irresistible emergence of an independent, self confident Australia from beneath the protective cloak of our British founders; an ungrudging and peaceful disengagement, characterised by a shared commitment to democratic and constitutional government, and to the supremacy of individual freedoms within the rule of law.

There are some commentators, in both our countries, who seem to think that the history, heritage and traditions we share are mere anachronisms.

They see that Britons have claimed their future as part of a large and integrated Europe, while we Australians have moved to enmesh ourselves with the dynamism of Asia and the Pacific; and they wrongly conclude that Australians and Britons are irreversibly drifting apart.

But the truth is that we still need each other as we enter the 1990s together. For today it is our privilege - and our profound challenge - to be living in a rapidly changing world - one in which the values of individual liberty we uphold, the democratic freedoms we champion, the social justice we enjoy, the commitment to the path of peace and the rule of law, that we share, have never been so relevant.

My Lord Mayor,

There is no city in the world to which the cause of democratic freedom owes so much. For 800 years London has been in the vanguard in establishing the rights of citizens. Of no other city in the world could it have been said, as was so truly said of London just on fifty years ago, that upon its survival depended the survival of freedom in Europe and far beyond.

And not least because of the steadfastness and sacrifice of that generation of Londoners in 1940, we as free men and women in the democratic West are now privileged to be witnesses to the drama of democracy extending its influence in societies previously marked by the untrammelled imposition of centralised power.

Whether we look to the creative and, indeed, courageous programs of Glasnost and Perestroika being implemented by President Gorbachev, the positive nature of which was, to her credit, identified at an early stage by Prime Minister Thatcher; or to the emerging pluralism in other parts of Eastern Europe; or to the dramatic demonstrations for democracy in Beijing and their tragic suppression; what we are seeing is a political and economic system - a system predicated on a fundamental fraud on human aspirations - being strained to breaking point.

We may look briefly at just a few of the astonishing specifics of this process of change.

In the Soviet Union, we have seen political bosses rejected in humiliating circumstances by the people; we have heard genuine debate for the first time in living memory in political institutions where sterile unanimity has been the norm, we are witnessing the open expression of views which were once the preserve only of a courageous and persecuted minority.

In Poland, Solidarity has achieved an overwhelming election victory.

The new direction in Hungarian politics was given powerful symbolism by the reburial last Friday of Imre Nagy. We are seeing there the emergence of genuinely independent political organisations sanctioned by a once monolithic party.

We see, apparently, a new tolerance of diversity in a Warsaw Pact alliance once marked by iron conformity.

The question we naturally ask is whether these developments are superficial, or are they fundamental?

This much is clear. The ideology based on the centralised command economy has not only failed - it is being abandoned, scuttled by its own disillusioned disciples. To be sure, not yet everywhere; but in enough countries for us truly to be able to talk of this as one of the most profound trends of the late twentieth century.

I believe we are seeing not merely temporary setbacks to an otherwise viable system, but profound failures in the system itself, failure at its very heart.

In China, the ruthless and repugnant suppression of democratic aspirations may succeed in the short term in securing the power of an isolated few. But let there be no doubt in anyone's mind that the massacre in Tiananmen Square is a supreme expression of the failure of a system.

The democratic aspirations of the Chinese people are certain to re-assert themselves. The Chinese leaders will have to adapt in time to that reality or be swept aside by it.

The developments I have referred to are all symptoms of far-reaching change which is shaking the foundations of Marxism/Leninism. As an experiment which began in the early years of this century, we know, in its closing years, that it is an experiment which has failed.

My Lord Mayor, ladies and gentlemen,

As democrats, we must develop a response to these historic developments more sophisticated and more far-sighted than mere gloating.

Those communist countries which recognise the need for change face a very difficult transition.

And we ourselves should never forget that the West has reached its present position of hope by many paths, often tortuous and difficult.

We cannot deny the trauma of our own history in trying to adapt our political processes to the imperatives of economic change. There was no easy or inevitable symmetry between the evolution of the competitive market economy and the development of parliamentary democracy and social justice.

As an inheritor - a proud standard-bearer - of the great Australian Labor tradition, as a life-long unionist, I know that social democracy and trade unionism have had to struggle and sacrifice to make their immeasurable contribution to the social justice which characterises Western societies.

But there has never been a single recipe for success. Within our own political and economic system, no side can claim a monopoly of wisdom. Indeed, the contest of ideas is the very essence of democracy.

It is precisely because, as a result of long, hard struggle, we have as Western societies achieved the conjunction of democracy, economic progress, and social justice, that we can stand at the bar of history and call on others to accomplish that same conjunction. Moreover, because we achieved it, we can help them to do so too, albeit within the framework of their own traditions and cultures.

So we must not merely cheer the failure of an ideology which was always objectionable to those who cherished the liberty of the individual. We must, more positively, make the most of the opportunities offered by the success of an idea - the idea of openness and diversity which is the hallmark of the free society.

Ladies and gentlemen,

The Western policy of detente of the early 1970s failed, because, in seeking to moderate Soviet international behaviour, it made no demands for reform or the extension of human rights in the Soviet system itself. That policy effectively only allowed the old Soviet rulers to delay the inevitable reforms that Mr Gorbachev has now undertaken.

But I believe that we should continue the current policies of the West towards the Soviet Union, which are bringing about what I see as a genuine detente. Reforms are occurring inside the Warsaw Pact. Human rights are being extended to the peoples of Eastern Europe. And at the same time, after Afganistan, after INF, after Namibia, who can deny that Soviet behaviour is moderating?

So the first thing we must do is to be prepared to recognise progress in Eastern Europe, to do what we can to encourage it, to take the initiative in arms control as President Bush has so outstandingly in recent days.

Further, we must ensure that our own behaviour in supporting the values which have made our society strong remains a model. We must ensure that we do not fail, in the standards we set ourselves, to uphold and advance those elements of our system on which our own prosperity and political freedoms are based.

On many occasions, I have commented elsewhere on what I consider the ultimate paradox of our times: the paradox that at the very time the centralised command economies are attempting to move towards greater competitiveness and openness, the market economies continue to close up in key areas of trade. Thus, at a time of optimism, based on the increasingly intelligent political relations between the superpowers, the vision of a saner world is distorted by a shortsighted reluctance to liberalise the world trading system on which the prosperity of the market economies has been built and on which the prosperity of the world as a whole depends.

The economic integration of Western Europe has been one of the most bold, creative and positive developments of this century, enhancing the living standards of its peoples in a dramatic fashion.

In 1992, you will be moving to a new stage of your evolution, creating a single market of vast proportions - 320 million people - which will further enhance the economic opportunities and efficiency of Western Europe.

This development sends the most powerful signal possible to the East that if they wish to advance they will need to continue their own process of economic reconstruction.

I cannot say too strongly, however, that this powerful message of efficiency and competition is blurred and muted by Europe's equivocation on the issue of protectionism.

With what effectiveness and credibility can we encourage the emulation by, and foster the global integration of, the so-called command economies, if we do not continue to practice the trading rules on which our own prosperity is built?

Now this is not the place for a technical dissertation on the world trading system, or for detailed representations on features of the European Community which cause concern to Australia.

But I do make the point that the West is itself capable of economic irrationality for which, if it continues, we will pay dearly. In agriculture, you have in Europe created a monster that not only hurts us but hurts you.

Let me tell you now hurtful and how wasteful, is this monster.

Last year the Common Agricultural Policy accounted for around two thirds of EC budget expenditures, or some 17.5 billion pounds.

Do Europeans realise that their agricultural producers are receiving on average nearly 40 per cent of their total income in subsidies from the taxpayer?

European consumers are paying two to three times world price for many basic foods.

Let me put it even more simply: Do Europeans realise that for every cow in their dairy farms, they are paying, in the form of subsidies and higher prices, some 555 pounds - per cow!

Let me give another example. Australia is an efficient coal producer. But the subsidies and other support measures in Japan and the European Community - especially, I point out, in the United Kingdom and in West Germany - are costing our producers billions of dollars in lost export opportunities.

Subsidised British coal prices are some 180% of the price of imported coals; again, it is consumers who bear the brunt of this inefficiency. Throughout the EC, in 1986 they subsidised every employee in the coal industry to the tune of some 17,000 pounds.

So, as Europe approaches the critical transformation of 1992, Australia will not simply be an uninterested bystander. We can't afford to be.

Let me make it clear. We don't seek anything like a return to the pre-Common Market days when Australian agricultural products had preferred access to British markets.

We don't seek favours or special deals.

All we seek is fair access and the ability to compete on an equal basis. A single integrated European market will create tremendous opportunities for us, for you, and for the world.

It is in the interests of no-one if, at this crucial stage, access is restricted and if efficiency is retarded, by the creation of a fortress Europe after 1992.

But, ladies and gentlemen, my comments tonight are not meant to have purely an economic perspective.

Because the European quest for integration was never, in the minds of the visionary architects of the European Community in the early post-war years, simply a narrow, technical economic exercise. They knew it had a wider potential and so, in practice, it has proved.

Europe is acquiring the habits, and creating the institutions, of co-operation - and that constitutes a truly remarkable historical change.

After centuries of shifting alliances and, too often - including twice in this century - bitter and debilitating war, you have, together, ushered in an era of peaceful collaboration, and of ever deepening commitment to democracy by all the peoples of Western Europe.

I appreciate, of course, that 1992 will not provide a recipe for political unity or even for a united European position on international political and security questions. But I do believe it symbolises and expresses the trend towards West European co-operation which simply must in the future make Western Europe a more influential voice in the world. We welcome that, without reservation.

My Lord Mayor, ladies and gentlemen,

The West must do more than set an example of an efficient economic model at work, important though that is. We must continue to be responsive to the demands of our people, and we must continue to be prepared to shape the international agenda for change.

Perhaps nowhere is this more pressing than in the need to ensure we bequeath to future generations not only a planet free of the threat of nuclear holocaust but one not despoiled by our own shortsighted habits of pollution.

Already, the roll call of environmental disaster is appalling: Bhopal, Chernobyl, the Exxon Valdez, the Amazon basin, acid rain, the depletion of the ozone layer, the greenhouse effect.

We can't solve these by ourselves - but we must solve them together.

I know your Prime Minister, Mrs Thatcher, has demonstrated her commitment to the environment - and recently, showed the way by hosting a very important conference on the ozone layer. I look forward to an era when Governments around the world will be working to avoid the catastrophe we would otherwise face.

Let me draw your attention in particular to one initiative Australia has taken. Antarctica is the last of the world's pristine continents and wildernesses. It must be protected. It must not be mined.

Australia has refused to sign the Antarctic Minerals Convention because we believe a tighter safeguard is needed - a comprehensive environment protection regime, creating an International Wilderness Reserve.

Britons, from Cook on, played a leading role in the discovery and charting of the Antarctic. I was delighted to receive recently a letter from Sir Peter Scott - son of Scott of the Antarctic. He has, it might almost be said, an hereditary right to speak on this issue - and Sir Peter very forcefully supports our stand.

To all people I say: join us in this vital quest to safeguard the earth's last continental wilderness.

Ladies and gentlemen,

In this world, it is very much in the interests of both of us that Australia and Britain work closely together to achieve our goals.

Don't let anybody pretend that Australia and Britain have no further use for each other.

Our relationship is too close, too valuable, too mutually beneficial, to be easily put aside.

Australians and Britons have met on many occasions and in many circumstances. We have met always as comrades on the battlefield; always as rivals on the cricket pitch. We have met as friends and relatives, as tourists in each other's countries, as partners and competitors in business.

Surely, as Australian businesses continue to look to Britain as a doorway into Europe, and as British businesses continue to assess Australia, rightly, to be a powerful springboard into the vast opportunities of the Asian markets, our commercial ties can only increase.

Tomorrow, some 300 executives of British and Australian companies will gather in a Trade and Investment Conference which will explore the prospects for enlarged cooperation.

Let me express my thanks to the British Government for its active support for this very important conference.

I acknowledge, in particular, the personal commitment Mrs Thatcher made towards the re-invigoration and modernisation of the British-Australian relationship.

In the United Kingdom we see a strong friend, vital both to the economic well-being and the physical security of the world - a nation with whom we can talk as partners, a society devoted to the freedoms we believe in and an economy of great opportunity.

Our shared language and culture, the strong bonds of history and of kinship, our familiar institutions of political, economic, legal and academic life - all these mean that though Australians now arrive here as foreigners, we can never arrive as strangers.

Tonight I want to add one further strand to the web of our associations. The British-Australian Bicentennial Trust exists because of British generosity. The Australian Government will match the British contribution with a grant of \$300,000 for a Scholarship and Fellowship fund to encourage the two-way movement of young students between our countries.

My Lord Mayor,
Your Royal Highnesses,
Ladies and gentlemen

In this historic room, in the heart of London - this citadel of freedom - the memory of all those famous names who have been here before us forms an almost palpable presence.

It was here in this very place in 1943, that Winston Churchill was able to describe the full extent of our victory at El Alemein - the turning point in the war in which the Australian 9th Division had played so crucial a role.

It was then - and here - that Churchill delivered the prophecy that has passed into history - that El Alemein was not the end or even the beginning of the end, but the end of the beginning.

Today, we can look to new beginnings in that same spirit of firm confidence and hope, informed by a watchful caution.

We can and must make new beginnings towards fairer and freer world trade.

We can and must make new beginnings in the relations between East and West.

We can and must make new beginnings to save the earth from environmental disaster.

And our two countries, Britain and Australia, can work - as we are working - for new beginnings and new opportunities to build on the grand partnership we have had for two hundred years.

And each of those tasks, however different, however difficult, call for special qualities of energy and enterprise, of will and intellect. It will call, at times, for courageous decisions; and, above all, it will call for the application of the values of human dignity and human freedom.

My Lord Mayor,

I mean no idle compliment when I say that those are precisely the qualities and values which have progressively enriched, generation after generation, for eight hundred years the life, the splendour and the achievement of the city of London.

It is with great pleasure that I reciprocate your toast.

I give you, the Lord Mayor and Corporation of London.
