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PRIME MINISTER

31 March 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
DOORSTOP INTERVIEW, CADBURY FACTORY, BEIJING**

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Journalists:

Prime Minister you're visiting a British owned factory here in China, what's the relevance of that to Australian investment here today?

PRIME MINISTER:

Well the investment here originated out of a decision made by the Australian arm of that operation and it's a factory built according to Australian specifications, it's managed by an Australian, there are obviously benefits for Australians in that. I don't think we should ever adopt such a sub-divided, small minded view of the world that says unless something is entirely Australian owned without any involvement of any other country that you don't even look at it. Cadbury's is a company that has operated in Australia for long time and it's employed hundreds of thousands of Australians over the years and world-wide prosperity of that company is obviously of benefit to those Australians

JRNLS:

Do profits from here go back straight to Australia?

PRIME MINISTER:

Well it's no different from any other part of the company's operation.

JRNLS:

So, what are the benefits to Australia (inaudible)?

PRIME MINISTER:

Well I think if you have a company which is strong world-wide I think the demonstration to the people here of Australian managerial expertise, the quality of that factory matches Australian specifications and that is very considerable. And the fact that Australian managerial expertise is part and parcel of the operation and a very important part of the operation, of course that is beneficial. But the fact of Australian investment and Australian economic activity in China has many features and I don't think it diminishes the overall impact of that. Of course expected along the way some of the investment will come through companies whose parentage is not Australia.

JRNLS:

Prime Minister, what initiatives will you be unveiling in your speech this afternoon?

PRIME MINISTER:

Well, I'll be emphasising that I see the relationship between our two countries as a partnership in growth. The growth potential of China is there to be seen and we must take every opportunity to involve ourselves as partners realistically seeing the complementary character of our economies. We have very complementary economies. We are reliable suppliers of raw materials, we have world class managerial expertise, we have top quality technology, particularly in the mining and other sectors. One of the things China needs is a governmental and service sector infrastructure and the capacity of our service industries in law and accountancy, and indeed in the public service. China needs advice and help and counsel in providing a public service infrastructure throughout such a vast country and the capacity of Australia to provide that is immense.

JRNLS:

So we may be able to see Australian departments selling services overseas to China?

PRIME MINISTER:

Well, I have a very broad minded view about that. I think you have to be flexible, you have to recognise (inaudible) changes and I would imagine that in a number of areas the expertise of the Australian Public Service, which is very widely respected around the world will be available and it is one of the things I intend to raise with the Chinese government.

JRNLS:

(inaudible)

PRIME MINISTER:

Well, one area that's already been under discussion is the subject of, here between Senator Newman and a member of the Chinese government there is the possibility of that area needing to be explored. So we shouldn't just see that partnership as being overly in the private sector. The point I made yesterday and I will make again today is the congruence of the government and the business facets of administrative projections in China is very (inaudible) that is how things are seen here and it is a question of us adapting to the circumstances of the markets. It would be foolish to allow any opportunity to get in the way of getting a share in the activity and a share of the market.

JRNLS:

Mr Howard, human rights groups are (inaudible) for it's approach to the human rights issue?

PRIME MINISTER:

Well I will be taking the approach that best serves Australia's national interests. My response to that is to promote and look after and defend the position of Australia, the values of Australia, the prosperity of Australia, the interests of Australia. I am happy for what I do in China to be measured by one criterion and one criterion alone. Was it good for Australia? I am not interested in any other measurement because that is my responsibility. I am the Prime Minister of Australia. I go overseas representing the interests of Australia in the broadest definition of that expression and I am quite content for others to judge what I do according to whether it is Australia's interests or not. That is the only thing that concerns me.

JRNLS:

To that end, Prime Minister, do you expect to have any success on the matter of James Peng on this visit? Do you expect he may be released?

PRIME MINISTER:

I am not going to flag every detail of what may be discussed between myself and the Chinese Premier or the Chinese President. I think you, all of us have to be realistic about what can be achieved, all of us have to be realistic about what approach is most likely to bring results. It's easy to proclaim loudly on a soapbox from afar. It is so sensible to recognise what can be achieved by the steady building up of a close relationship. It is often the close relationship which over time started quietly which yields the stronger result than a relationship begun in sound and fury but over time not producing such a result and therefore let us measure these things by results and the results are what counts but results according to the national interest of Australia. That's what matters, the national interests of Australia.

JRNLS:

(inaudible)

PRIME MINISTER:

I think I have a responsibility first and foremost as the Prime Minister of Australia and as Prime Minister of Australia everything I do here will be calculated to advance the interests of Australia. It is in the interests of Australia to have a close relationship with China. It's also in the interests of Australia never to be reluctant to defend the values and principles both at home and abroad so what I seek to do is achieve a balance, a synthesis and a mix, if you like, between those two things because all of them go to the Australian national interest. Thank you.