

1 April 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD MP  
PRESS CONFERENCE, DIAOYUTAI STATE GUEST HOUSE  
BEIJING, CHINA**

**E & OE.....**

Well ladies and gentlemen we are coming to the end of the visit to China. I want to say that I believe this visit and the talks that I have held with Chinese leaders have been highly successful. I have yet to meet the Vice Premier Mr Zhu Rongji and that meeting will take place later this afternoon and there are one or two other engagements on the programme.

But the discussions that I've had with both the Premier, Li Peng and President Jiang Zemin, confirm my belief that Australian and China have a very strong and sensible relationship. That relationship is built on the twin pillars of mutual interest and mutual respect. The great advantage of this visit has been that I have, for the first time, established a personal contact with the Premier, Li Peng. I have renewed contact with President Jiang Zemin. We had a very successful discussion in Manila and we built on that further today.

The economic links between Australia and China have been deepened and broadened as a consequence of this visit. I have already outlined the decision of the Chinese government to send a team to Australia within the next few months to conduct a feasibility study regarding directly reduced iron and the potential if that feasibility study turns out to be positive, the potential that that offers for an expanded export market for Australia and commensurate benefits for China. In many respects the Australian and Chinese economic relationship is built firmly on the complementarity of our economies.

For years Australia has been a reliable supplier of raw materials, of commodities, of things such as wheat and wool. As I pointed out to the President today, we have been a strong and reliable supplier of those things on occasions when the political relationship between Australia and China has not been as good as it is at present.

Having a very senior delegation of business men and women with me has emphasised the importance of cooperation. It has made the point to our Chinese hosts that the government and the business community work together when the Australian national interest is involved and work together in dealings with overseas governments and overseas companies. Those

companies have had excellent opportunities during this visit to renew contacts and to establish fresh ones. I was delighted to open the Beijing Branch of the ANZ Bank. I was also delighted to open the seminar being conducted as it happens on the 10th anniversary of the formation of the Australian Stock Exchange. I made the point there and I repeat it again that the economic links between Australian and China are not only to be found in the more traditional areas, if I could put it that way, of international trade such as wool and wheat and manufactures but also to be found in the service sector. And the presence in China of so many representatives of major Australian legal firms, the business delegation itself, included the managing partner of Ernst & Young one of the large accounting firms. All of those things drive home the diverse character of the relationship between Australia and China.

Most of my discussion with President Jiang Zemin was devoted to a sweep of regional and world affairs. Both of us reaffirmed to each other the importance of the APEC link the continued commitment of China to opening up her economy and the reaffirmation as the Chinese leadership has already given in the wake of Deng Xiao Ping's death of the economic reforms he commenced in 1978 and which have so obviously had their mark all over China. I made the point to him again as I did to the Premier yesterday that Australia does not see China as a threat. And that that is a view that Australia has put to other countries.

The three of us have agreed that if you have an effective framework in place then if difficulties and differences do arise, as inevitably they will in any relationship, particularly between countries that have different systems and different histories, if you have the right framework in place than those differences can be effectively managed and dealt with in a way that does not do any damage to the broader relationship and dealt with in a way that doesn't in any way prevent the maximisation of the goals that we have in common.

I've renewed my invitations to both the Premier and the President to visit Australia and I also raised with the President today, and he agreed it would be desirable if Australia and China renewed or certainly stepped up a notch or two the contacts between Defence Ministers and between the militaries of our respective countries.

Overall can I say ladies and gentlemen I believe this has been a very valuable visit. We do have a strong and sensible relationship built on those twin pillars of mutual interest and mutual respect and I believe that the interests of Australia lie in sensibly and realistically fostering that relationship. And I think the contacts that have been made both at a government and at a business level in order to achieve that have been very good and that the visit has been a very valuable one for the Australian national interest.

Do you have any questions? Mr Milne.

**JRNLSST:**

Prime Minister, Glenn Milne from the Seven Network Australia. A Chinese Foreign Ministry official at there briefing yesterday made the point that Premier Li Peng raised the Australia/US security agreement. Could you tell us in what terms he raised it and whether he has any expectations about how that, that pact should proceed between Australia and the US?

**PRIME MINISTER:**

I don't recall him raising it. It must have been a very brief raising I don't remember it. Paul

**JRNLS:**

Prime Minister, Paul Smith from the Ten Network Australia. The Labor Party, apparently back home, says that they had a human rights dialogue with China and questioning the need or why you're instituting another one. Could you tell us why that is different and why it is better than what Labor had? And on the issue of James Peng, do you accept that China could have said something other than what it said given that you were asking for his release on humanitarian grounds?

**PRIME MINISTER:**

Well the Chinese response on James Peng was a serious response as best I could judge it. It's a difficult issue, I saw it very clearly as my obligation and my role as Prime Minister because James Peng is an Australian citizen to raise the matter. I'm not going to try and put actions or words into the mouths of my Chinese hosts. I raised it seriously and it received a serious response. That matter will continue to be pursued in an appropriate fashion. Mr Peng is visited regularly by consular people and in different ways the matter will be further pursued. I think it was correct that it be raised and raised very directly and very openly. I understand the Chinese response obviously it is one of those matters that has to be dealt with in a sensible fashion. As far as the Labor Party back home saying things (tape breaks)

**JRNLS:**

Laura Tingle, from the Age, Prime Minister. Just on a related subject to James Peng - you mentioned yesterday that there was a willingness on Australia's part to discuss a bilateral arrangement on consular agreements. Previous governments have not been prepared to do that, partly, as I understand it because they felt it might result in a downgrading of consular representation in China in areas such as visits to gaols. What ground did you give to the Chinese yesterday and how do you see the agreement actually being formed?

**PRIME MINISTER:**

Well what I said was that previously the Chinese Government had pressed Australia to have a separate agreement and not allow the consular affairs of the two countries to be governed by the Vienna Convention. And I said that in view of the Chinese desire to have a separate agreement we would revise our previous position and positively discuss what form that agreement might take. Now, obviously that doesn't mean to say that we will sign up on any form of agreement that is proposed to us by the Chinese. We need to negotiate about the form the agreement would take. We are obviously not going to enter into an agreement that gives us a less than adequate outcome as far as consular access is concerned. That's quite basic but it's important to the Chinese and we thought it was one of those things where, particularly, having regard to the significant number of Australian citizens now, and permanent residents of Australia, who have Chinese links and Chinese ancestry, that it was reasonable to alter our view. But obviously it has to be an agreement which is satisfactory to Australia.

**JRNLSST:**

Camille Furnell, ABC, firstly on this framework for human rights dialogue - given that Li Peng said that Chinese side said they noted this what hope do you have that there will actually be some sort of dialogue on human rights in a new framework and also given that you raised issues of human rights concern, is Australia prepared to help anyone of the forty Chinese political exiles that are now in Hong Kong who fear that after the hand over that they will find themselves in Chinese gaols.

**PRIME MINISTER:**

Well, as far as my expectations about the dialogue are concerned I think we have to take it as it comes. The tenor of the discussion yesterday was very much to the effect that China would agree, or that China wanted a dialogue on human rights rather than public exchanges. We specifically proposed that there be a dialogue and I gave some brief outline of the form that it might take at the press briefing yesterday. And there will be some further discussion immediately, or in the near future, between Australian officials and Chinese officials about the form that it will take.

I would hope that the Chinese response will be a serious one and I have no reason to doubt from what was said yesterday that the commitment to having a dialogue is serious on the part of China. Equally, I understand that China has different views on human rights issues than from those held by Australia. I mean, we understand that and I'm not expecting overnight changes. Equally, I have the view and I went to the meeting yesterday that it was just not realistic or appropriate for human rights never to be on the agenda in discussions between Australia and China, but it was important given the overall goals of the relationship to handle it in a way that allowed for a proper expression of view but also ensured that it was not something caused unnecessary difficulty in the relationship.

So far as the people in Hong Kong are concerned I think it is a question that I'm not going, in a sense it is hypothetical at this stage and I think it is more appropriate that we keep that situation under notice. I did make the point in my discussion yesterday that Australia wanted conditions of free exchange of information, wanted the preservation of the rights that exist in Hong Kong at the present and I did receive a general assurance to that effect.

**JRNLSST:**

Paul Kelly from the Australian newspaper. Prime Minister in the recent discussions that you've just held with the President on regional and global affairs was there a discussion of Australia's relationship with the United States and how that alliance with the United States is relevant and impinges upon our relationship with China?

**PRIME MINISTER:**

No there wasn't. There was a reference to the United States which flowed out of a question I asked the President about his meeting with Vice President Gore and he spoke very positively of that meeting and used the metaphor of the "cloud clearing and the rain stopping" - which I thought was an interesting observation. I told the President that when President Clinton had been in Canberra, in October, he, President Clinton had told me that he wanted a positive

relationship with China and that it was the desire of the United States to fully engage China in the affairs of the world. Now, it is, of course, for China and the United States to make the pace of their own relationship. Our position in these matters is well known. We see China's engagement in the world. We particularly see China's regional engagement. We have an alliance with the United States born out of a clear headed and independent assessment of our national interest and that has been our position for a long time and it will always be our position, but barring a change of circumstances so far as the strategic character of that relationship is concerned. But, the US-Australia link is not one that has arisen.

**JRNLS:**

Prime Minister, Terry O'Connor, from Australian Associated Press. You said that President Jiang Zemin had suggested greater links between the military...

**PRIME MINISTER:**

...well I actually raised it.

**JRNLS:**

Can you expand a bit on that?

**PRIME MINISTER:**

No, I can't. I simply have in mind that - in the past we've had some liaison. I don't want to over emphasise the significance of it at this stage but it was something that I raised and he responded very positively and there will be some discussions. I think it will evolve. General Baker, I think, came to China last year and we're not proposing some sort of, anything dramatic in this area, but having liaison is a good thing and I raised it and he responded very positively.

**JRNLS:**

Would you see some greater, or more formal process of discussion between the two sides in the future on military issues?

**PRIME MINISTER:**

Well, I wouldn't foresee it. All I can foresee at the moment is a resumption of liaison. What flows out of that is something we'll just have to see. But I don't, it was a specific thing that I raised and he agreed to it, but I don't want it to be seen as some sort of dramatic upgrading of the links in that area. But, equally there is value and it is, I guess, a positive sign that he should respond so positively. It has existed, I think, in various forms in the past and it's obviously a sign of, I hope, more positive times that there is a ready agreement that it should return.

**JRNLS:**

Michael Millet, Sydney Morning Herald - I was just wondering if there was any further concern expressed today by the Chinese about a possible .... declaration on human rights?

**PRIME MINISTER:**

Today, no

**JRNLS:**

Louise Dodson, Financial Review, Mr Howard. Was the question of access, the question of wool raised, access to the Chinese market?

**PRIME MINISTER:**

Wool in my discussion today, no I don't, that was, I mean it certainly was discussed yesterday in some detail in relation to the tariff quota. The nature of the discussions today and yesterday were somewhat different. In a sense, yesterday was a large micro discussion. Today's was more a macro discussion.

**JRNLS:**

Can I just ask one other question. In yesterday's opening of the meeting with Premier Li Peng, he described the overall relationship as quite good. Have you any idea why he just described it as quite good?

**PRIME MINISTER:**

Because it is.

**JRNLS:**

But quite, not very. On the whole, he said on the whole it was quite good. Did you see that as a warm endorsement?

**PRIME MINISTER:**

Well I saw it for what it was. It was his opening words, it was his opening comment through the words of the translator. Look, this relationship is good, it's positive. Some people would say it's quite good, some would say it's very good. I would say it, I would describe it in the terms that I used at the opening of my press conference that I think we have a strong relationship. It is realistically based and it's based on the twin pillars of mutual interest and mutual respect. I think it's important in these relationships to avoid needless hyperbole and it's also important of course to avoid needless agonising over a particular adjective.

**JRNLS:**

Jim Middleton from ABC Television. Prime Minister, just on this question of the defence links and the upgrading of.

**PRIME MINISTER:**

Well they're not, I think defence links are too strong an expression. I think it's, they've agreed to have a yarn.

**JRNLS:**

Well that's exactly what I was going to ask. In responding to your suggestion you said that the President responded very warmly, did he say specifically they should go ahead, and he suggested a framework for doing so, did he?

**PRIME MINISTER:**

Well look, I raised it and he said yes, it's a good idea, it should happen and it will, they will have a yarn.

**JRNLS:**

Malcolm Farr from the Daily Telegraph. Why didn't you raise the US defence ties, the Australia/US link given that there was apprehension about it earlier and that the Chinese have made clear their discontent?

**PRIME MINISTER:**

Well I thought that would have been in, it may well have sounded somewhat defensive. Why do you raise something that you are completely comfortable and relaxed about and believe it is correct and in the Australian national interest unless it is raised by someone else. I mean, the Australian/US relationship is not directed at anybody. I've made that very clear. I hope, I am encouraged to believe that perhaps is understood within the Chinese Government that we do have bona fides on this issue, that our association with the United States has got nothing to do with any hostility on our part or on the part of the United States to China. It clearly hasn't. That's not why we entered into it in 1951. It's certainly not why we maintained that relationship now. It represents an expression of an independently refined view by a sovereign country about its own self interest and I don't feel it necessary going abroad as Prime Minister of Australia to answer for the decisions that we have made in our own national interest unless the issue is raised. I think that is altogether striking the wrong note, giving the wrong signal and sounding altogether too defensive and I don't think that is in Australia's interest.

**JRNLS:**

Louise Maher, Radio 2 UE. Mr Howard, how would you describe the concrete or explain the concrete benefits of this trip to ordinary Australians beyond what many might think is just rhetoric about better ties both economically and politically?

**PRIME MINISTER:**

Well the fact that we are able to get another banking license, that we're able to get a feasibility study that could open up a project, that could earn a half a billion dollars export income for Australia and 2000 jobs and further sales of LNG in Western Australia, that we have made it more rather than less likely that China will be part of the World Trade Organisation and that could carry with it better access for Australian primary products such as wool, now they're some of the things that I would describe as benefits of this trip.

**JRNLS:**

Fran Kelly, ABC Radio. Just back to human rights briefly, before this trip, very close to you leaving for China there was a, I think it was a leaked cable, it was described as from Foreign Affairs, that talked about China saying quite clearly it would be unyielding on the issue of human rights. Through all your talks today and yesterday and your mention of the framework and the fact that Premier Li Peng asked Australia not to sign the UN resolution and raised the issue, wanted reaffirmation of China's sovereignty on Tibet and Taiwan, did you get any sense that there was any chance of China yielding at any point on human rights?

**PRIME MINISTER:**

Well, I am not going to try and respond to a document, leaked or otherwise. I can merely repeat that I put it to the Premier that inevitably in a relationship such as ours there would be differences on certain issues, and human rights were one of these issues. I said to him what I have said publicly both here and in Australia, that we haven't come to hector and lecture and moralise but we do have views on these issues and I put it to him that the right way of handling it was within the framework of a dialogue and he seemed receptive to that idea. I don't want to sort of pre-judge the issue. I don't think that helps. I mean, we will maintain our position. We have certain attitudes and values and principles as a community, as a nation. We respect China's right to have hers. There will be differences. They should be managed in a sensible fashion and I believe that what I put to the Prime Minister fully equips the commitment of an Australian Prime Minister to the principles and the values of his country but also recognises the realities and the complexities of dealing with other societies and they're nations that have their own well defined views on these things that are different from ours. I don't want to try and judge, be judgemental about the Chinese response beyond what I have said, and I certainly don't want to use the benchmark of someone else in a document which has apparently been leaked.

**JRNLS:**

Paul Smith. Prime Minister, in relation to the fact that you're here to size up the Chinese Government to an extent and no doubt they're doing the same to you, how do you think they're perceiving you as different from the previous government that managed the relationship for 13 years or how have you tried to make that point of difference?

**PRIME MINISTER:**

No I haven't the faintest idea. You'd have to go and ask them. The only thing that I have accepted as a benchmark on this visit is that at every point I try and advance the national



interest of Australia. I am not really interested in comparisons with Paul Keating or Bob Hawke or Malcolm Fraser or Gough Whitlam. Others will make those comparisons, perhaps even some in this room will presume to make those comparisons but I am going to keep a long way away from those and if you want to know the Chinese attitude, well go and ask them. That's a matter for them. Look, there's quite a lot of continuity in this relationship. I made that point at the luncheon yesterday. I made it again this morning at the opening of the ASX and it doesn't help the interests of Australia for a Prime Minister overseas to needlessly point out differences and try and claim superiority or superior achievement over his predecessors. That doesn't advance Australia's interests one iota.

**JRNLS:**

Richard McGregor from The Australian newspaper. Mr Howard, given that the Chinese official media has been full of, had many articles criticising the US relationship with Australia or the renewed security alliance, how have you been encouraged to believe, as you told Malcolm that it's not an issue for the Chinese leaders, that they do believe it's an arrangement which doesn't affect them if you haven't actually discussed it with them?

**PRIME MINISTER:**

Well the point is that I would have thought that if in a discussion between Leader A and Leader B, Leader A was really unhappy about something, then Leader A would raise it.

**JRNLS:**

Mr Howard, David Penberthy from The Adelaide Advertiser. Do you have any concerns about reports from Australia that Independent MP Graeme Campbell is planning to bring some kind of Australia First roadshow on a kind of island-hopping tour through the region and, on your visit to Singapore and particularly in China, have any of the Government officials that you've met with raised last year's so-called race debate with you and asked you to explain where Australia stands in relation to its role in the Asia Pacific?

**PRIME MINISTER:**

It certainly wasn't raised with me. It may have been raised at an official level but I will check that, I haven't been told of that, no. As for the movements of the Federal Member for Kalgoorlie, well I suppose that's sort of within the London Convention but you know, people can go where they like. It's a free country.

**JRNLS:**

Thank you Mr Prime Minister. I am a journalist from Chinese Guangmin Daily. Mr Prime Minister, as you say now you don't see China as a threat. Can you explain why?

**PRIME MINISTER:**

Say why?: Well there are a number of reasons for that. I think what China is endeavouring to do is undertake an historic economic transformation. 45% of China's GDP is consumed by trade which is an enormous proportion. It seems to me that the last thing a country that wants

to achieve that historic transformation would do would be to act in a hostile fashion towards the very countries, that is the countries of the region and many others outside that region that are crucial and fundamental to economic transformation. China has stated strong positions in relation to issues such as Taiwan and Tibet and others where they regard it as being important to China's national interest. My own position and that of the Australian Government in relation to those two areas as stated yesterday is well known and well understood in Australia. My assessment is that it is in China's interests to have positive and friendly relations with other countries and that's the reason that I made the comment I did. I can't put it any more strongly or any less strongly than that.

**JRNLSST:**

Nigel Blunden from the Australian Radio Network. Are you happy that this trip achieved the appropriate balance or an appropriate balance between human rights concerns and our trade interests or could you have pushed harder on humanitarian issues?

**PRIME MINISTER:**

Look, as I have said, the only benchmark I'm interested in is the benchmark promoting Australia's national interest and I believe that I have done that. I have pushed hard with some success in relation to economic and trade and financial services issues. I have certainly further improved the person to person dialogue and contact between myself and Chinese leaders. I am more than satisfied with the access that's been given to me and the members of the business delegation by Chinese leaders and Chinese officials. I have made clear our own position in relation to such issues as Mr Peng. I have handled the human rights issue in an appropriate fashion. I haven't ignored it as some suggested I might but I have raised it in a fashion that I believe is not going to detract from the positive achievements on other fronts and will at least be as likely as other approaches adopted by other countries over time to achieve a positive outcome.

Thank you