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to be used
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EMBARGOED 8.30PM

8 May 1997

**ADDRESS BY THE PRIME MINISTER
THE HON JOHN HOWARD MP
AUSTRALIA-ASIA SOCIETY
"AUSTRALIA AND ASIA: AN ENDURING ENGAGEMENT"**

E&OE.....

Distinguished guests, ladies and gentlemen

It is a great honour to be asked to open the AustralAsia Centre of the Asia Society. I am grateful for the opportunity to speak tonight on a subject of great importance: Australia's relations with the nations of Asia.

The AustralAsia Centre

The Asia Society is the pre-eminent American non-government institution promoting contacts with Asia. For 30 years it has played a leading role in highlighting the extent of US interests in Asia.

The AustralAsia Centre will help improve dialogue on Asia between the United States and Australia. Through its link with the Asia Society it underlines both the long history and the current relevance of Australia's cooperation with the United States in the Asia-Pacific region.

Like President Clinton's visit to Australia last year it demonstrates the continuing importance of Australia's partnership with the United States - and our common destiny in the Asia-Pacific region.

The Centre will draw also on the experience of the Asia Society to strengthen understanding in Australia of Asia. It will complement the efforts of existing Australian institutions like the Asia Australia Institute, Asia Link and the regional studies centres in our universities - and Asia 2000 in New Zealand.

I congratulate Mr Hugh Morgan and Mr Nick Platt for their initiative and energy in bringing the AustralAsia Centre into existence.

Mr Morgan recently accompanied me with a group of business leaders on my visit to China and has a strong interest in Asia. I am pleased that his interest has been widely supported by the private sector, which has funded the establishment of the Centre.

Under the direction of Mr Richard Woolcott, a distinguished diplomat with many years' experience in Asia, I have little doubt that the Centre will be a great success.

Australia's future

The AustralAsia Centre is formed at an important time in the history of Australia's engagement with the countries of Asia.

We are living through a period of economic transformation that has not been equalled in relative terms since the Industrial Revolution over two centuries ago.

Economic globalisation, technological advance and more open trading arrangements are transforming patterns of production, employment and opportunity around the world. It is a transformation from which no modern economy is, or can be, immune.

Australia is equipping itself as a nation to meet the challenges and seize the opportunities of the 21st century.

There can be no argument that a principal task of my government is the continued pursuit of economic reform. Those who say that the reform process has gone too far are not only wrong but their nostrums, if accepted, would condemn Australia to a bleak and fearful future.

The task of modern government is to maintain the momentum for the changes which are necessary - whilst to the extent possible cushioning the personal and social consequences of that change.

That is why the Coalition's focus in government will continue to be on standing up for Australia in a world where the competition for investment, growth and jobs is increasingly fierce.

Our focus will continue to be on improving Australia's capacity to compete internationally through a comprehensive economic and social policy reform programme.

Our focus will continue to be on increasing our national savings and the competitiveness of our industries and enterprises.

Our focus will continue to be on helping families and small businesses.

Our focus will continue to be on expanding opportunities for younger Australians and providing greater security for older Australians.

That is the course my government has charted and on which it will continue to lead.

Australia and Asia

Australia's engagement in her region plays a vital part in my government's strategy.

In discussing that engagement I am going to make no apology for raising first and foremost economic factors.

If Australians are going to enjoy better living standards and if we are going to create the jobs we need, economic growth is essential.

Given the size of Australia's domestic market, exports are vital to our growth. In the past year, our exports grew more than twice as fast as our economy as a whole.

Moreover, surveys of small companies and exporters show that those which export are more likely to be hiring employees and pay higher wages.

The markets of Asia are growing fast. During the past decade more than half the world's economic growth has come from East Asia. In the next few years, it will continue to grow at least twice as fast as the rest of the world.

Already nearly 60 per cent of our exports now go to East Asia. Seven of our top ten export markets are in East Asia.

It follows that one of the most decisive influences on our standard of living and the capacity of our economy to provide worthwhile jobs for our children will be our success in exporting our goods and services to Asian countries.

In the first place that will require us to produce high-quality products that are internationally competitive and to maintain a reputation as a reliable supplier.

Success will also depend on improving our knowledge of our region, our understanding of its markets and our capacity to operate in them.

We are indeed fortunate that more and more Australians - particularly young Australians - are studying Asian languages and are learning about the history, culture and economies of our neighbours.

Our ties cannot just be economic. As our economy becomes more integrated with our neighbours', our stake in their security rises - and our mutual understanding must grow.

Moreover, the pursuit of our economic interests in the region cannot be divorced from acceptance by the countries of our region that we are worthwhile partners.

That means making a commitment - a national commitment - to developing closer ties with our region.

It means welcoming visitors and investment from Asian nations.

It means valuing our migrant communities.

It is impossible to imagine a prosperous and successful Australia which is not deeply engaged with Asia.

Those who propose putting up the shutters could not be more wrong.

Pressures of change

Against this background, let me say a few words about some of the propositions put by the member for Oxley.

Like any other Australian citizen, she has a right to be heard.

Personal attacks and mindless drowning out of her views only feed sympathy for her. But she has to be prepared to have her views tested, their accuracy assessed and their substance analysed.

She cannot have it both ways. She enjoys freedom to express her views. Equally, she has to be accountable for her views. She cannot evade responsibility for the consequences of her statements. This is all the more so because she now claims to lead a political party.

She is wrong when she suggests that Aboriginals are not disadvantaged.

She is wrong when she says that Australia is in danger of being swamped by Asians.

She is wrong to seek scapegoats for society's problems.

She is wrong when she denigrates foreign investment, because its withdrawal would cost jobs.

She is wrong when she claims that Australia is headed for civil war.

Why has she not distanced herself from supporters who have made irresponsible calls for the legalisation of the type of weapon that Martin Bryant used to murder 35 Australians?

The political campaign mounted by the member for Oxley seeks to exploit fear and instability without offering solutions or hope.

As best I can discern them, her policies do not provide a positive response to the challenge of boosting jobs and growth, of revitalising our regions, of strengthening families, of reducing our national debt and of providing greater security in people's lives.

They have nothing to do with meeting the challenge - as our parents and grandparents before us did - of passing on to the next generation of Australians an even better, stronger and more united Australian society than was handed on to us.

None of these goals will be achieved through empty populism or cheap sloganeering. None will be achieved through bitter and divisive recriminations. They will only be achieved through constructive and consistent purpose and through adjusting to new realities in ways that reflect what is best in Australia's past.

I want to make clear that, under my government, Australia's future will be built on hope, openness, confidence, and Australian values - not a sour, bitter, narrow-minded view of our past and future.

In responding to the views of the member for Oxley, it would be a serious mistake to attack those who are apparently attracted to her as bigoted, narrow-minded and racist.

A few, no doubt, are. Most, however, are not.

The fact is that Australia is a deeply tolerant, fair-minded and generous society. Discrimination on the basis of a person's racial or ethnic origin is offensive to all decent Australians.

Every Australian, regardless of colour, race or creed, is entitled to walk our streets, ride our buses and trains, play sport on our fields and pursue their work with confidence - utterly free of discrimination, vilification or insult. Every Australian, regardless of background, is entitled to be treated with respect and dignity.

All decent Australians agree with that, and find repulsive any violation of that code of national tolerance.

The appeal the member for Oxley has temporarily achieved lies not so much in the belief that she articulates alternatives for Australia - clearly she does not.

Rather, she echoes concerns about the pace of change and the pressures that parts of our community are under. These concerns deserve the most sensitive understanding. The government is committed to giving them a serious and effective response.

She also echoes long-smouldering resentments about attitudes which have been imposed upon the majority of the Australian community without that majority feeling it has even had an opportunity of debating those issues.

In part, the 1996 federal election result represented a repudiation of the stultifying political correctness which had afflicted so many areas of the Australian polity during the previous decade.

Many Australians resent the negative view of our history and the Australian achievement which has become so standard in recent years.

Those same Australians resent the constant claim that our history is little more than a litany of racism, sexism and imperial triumphalism.

Those same Australians resent the plaintive way in which so many encourage us to approach our association with the nations of the Asia-Pacific region. They resent the suggestion that Australia has to change its identity in order to play a part in our region.

The truth is that we go to that association as contributors as well as beneficiaries.

I know why some Australians have stopped to listen to the member for Oxley. I say to them, however, she has no answers to your problems. The Hanson cure would be worse than the disease.

The government's approach to our region

It is worth reminding both Australians and the people of the region - of two striking features about Australia's engagement with our region.

First, it has been a two-way street. We do not come as a supplicant to the regional association. We have brought much to it.

Australia has been a dependable friend and an important economic and security partner to many countries in the region.

One has only to mention the Colombo Plan and APEC to recall the continuity and scale of Australia's contribution. Australian exports of energy and raw materials helped make possible Japan's dramatic industrial take-off.

Australia's record for tolerance and acceptance is regarded as an example to the world. Under Malcolm Fraser's government, Australia accepted more Indochinese refugees on a per capita basis than any other country in the world.

I would also make the point that Australia's willingness to take in people from all over the world, including Asia, has been richly repaid by the contribution these immigrants and refugees have subsequently made to Australia.

The second striking feature of our engagement, as these examples show, is its longevity and continuity.

The motives for that engagement have changed with the times. Each government has naturally operated in the context of its own domestic and regional circumstances.

But the importance of engagement with our region has been a consistent theme of Australian governments since the Second World War, if not before. This has been true for governments from both sides of politics.

My government is continuing this tradition. It is committed to advancing Australia's national interests in our region. There will, however, be some important differences from our predecessors.

My government, for example, will be prepared to listen to what people in the region are saying to us.

During his recent visit to Australia, the Japanese prime minister, Mr Hashimoto, made some important proposals to advance Australia's relationship with Japan and to highlight Australia's role in the region.

This is a healthy and welcome development. We will have the confidence to welcome and respond to an initiative from a friend like Japan- as well as from others. We do not think that the only good initiatives have to come from us.

On the issue of human rights, Australia will always stand up for her beliefs and values. As prime minister I will never do less. But I do not see that public hectoring or lecturing other countries about their shortcomings or differences from us is appropriate behaviour for a neighbour or indeed likely to promote our interests or values.

Equally, Australia herself does not expect to be on the receiving end of lectures. We have the same right to have our values and sensitivities respected. Mutual respect has to be two-way.

The impression that was sometimes conveyed that, in order to get on with our region, Australia would denigrate its associations with countries outside the region is one that I and many Australians found objectionable.

My government has put considerable effort into pursuing Australia's interests in the region. My own role in this has been to try to establish good working relationships with my counterparts in some of the countries of most importance to Australia. We have made good progress in improving the frameworks within which Australia - and the business community in particular - might better pursue her goals.

My first bilateral visit was to Indonesia, our largest neighbour, an important and growing market for Australia, and a partner with which we share many economic and strategic interests - as is reflected in our close cooperation in APEC and our security agreement.

I made clear to President Soeharto my commitment to strengthening our relationship. His response was very positive.

I have already mentioned the good developments that are taking place in our relationship with Japan, which I also visited last year. Both Mr Hashimoto and I are committed to ensuring that our partnership becomes ever more effective in the region.

In Manila last year at the APEC leaders meeting, I reaffirmed Australia's commitment to the economic goals of APEC.

In China recently, I proposed we form a partnership in growth. Australia has an important role to play in supplying China with the resources and energy to fuel its

growth. Australia can play in China a similar role to the one we have played in the growth of Japan and Korea.

Australia can also provide the financial, legal and other services for which China has a growing need as its economy modernises and becomes more sophisticated.

The seniority of the business leaders who came with me sent a very strong signal that the Australian government and business community want to work closely together in building our economic links with China.

The Chinese premier, Li Peng, and I agreed to have regular summits in order to ensure that Australia and China have good and direct communications at a political level. I also proposed that we upgrade and broaden the scope of our ministerial dialogue on economic issues.

Since my meeting, Australia has welcomed visits from a number of very senior Chinese leaders. You will be pleased to hear that China's vice premier, Zhu Rongji, will visit later this month.

My talks with Goh Chok Tong have confirmed the vitality of our links with Singapore. I hope also this year to be able to visit India and Malaysia, and next year Korea.

My contacts in the region have left me optimistic about Australia's prospects in our region.

Regional prosperity and stability

I am also optimistic about the prospects for the region as a whole.

Asia's economic growth is good for the people of the region, good for Australia and good for the world. It is true that this same growth is producing major changes in the strategic outlook of our region. Potential sources of conflict remain over Taiwan and on the Korean peninsula.

But greater prosperity has for the most part improved the prospects of stability within countries of the region. It has benefited our security by raising everyone's stake in the stability of the region.

The question is how does the region ensure that this state of affairs continues.

A part of the answer lies in doing what we can to remove the constraints on continued growth. This is why Australia's role as a supplier of resources, services, technology and finance is important. This is why the work of APEC in bringing down barriers to trade and investment and helping remove bottlenecks in infrastructure, capital flows, and human resources is important.

A second part of the answer lies in doing what we can to maintain the region's stability. Stability is necessary if countries of the region are to be able to devote their

energies to meeting the common challenges of education, economic reform and raising the living standards of their people.

My government has been active in this regard. We are committed to maintaining the Australian Defence Force's capabilities and improving its effectiveness.

My government has reinvigorated our alliance with the United States. Our alliance, along with those of Japan and Korea, support the engagement of the United States in our region and are therefore vital to regional stability.

We are committed to maintaining effective security links with our neighbours through the Five Power arrangements with Malaysia and Singapore, the security agreement with Indonesia and other bilateral arrangements.

Australia is also playing a prominent role in the development of sturdier regional frameworks to promote regional dialogue and understanding on security matters, in particular the ASEAN Regional Forum.

These activities do not reflect a fear on the government's part of any particular threat. I especially want to emphasise that it is in no-one's interests to treat China as a threat.

We want to see China fully involved in regional and global institutions. It is also in China's interests to see these strengthened. China too needs to assure itself of open markets and a stable international trading system if its economy is to keep growing. It has an interest in the countries of the region being confident about future stability.

The government believes its policies will contribute to our region's strategic resilience. They will help provide us and our neighbours with greater confidence that we can navigate safely a period of great economic, political and strategic change. They will help ensure that the economic progress of the past 10 or 20 years is not disrupted.

Australia, the region and the world

Attempts to define Asia, Asianness and Australia's place in it are interesting, but they tend to produce more heat than light in the media. Worse, they have left a degree of confusion or even resentment among many in our community about issues on which there need be no confusion.

I do not want to get into definitions tonight. Rather, I would like to finish by reiterating that our links with our region will be vital to Australia's political and economic future.

In building those links, Australia does not have to choose between her geography and her history. Our history and our links with the West make a unique contribution to our region.

The recent advances we have made in our relationships with Japan, China, Indonesia and the United States demonstrate this. As do visits to Australia in the past six months

by President Clinton, Mr Hashimoto, Chancellor Kohl and shortly the Chinese vice premier, Zhu Rongji.

Australia can be confident about its place in our region. We bring many strengths to bear. Australia has - economically, politically and strategically - an important role to play.

We are a stable democracy. We are located near a major source of the world's economic growth. The size of our economy, our vast resources, and our technological capabilities make us a very attractive economic partner. Our high levels of education and our innovativeness give us the capacity to use our assets effectively.

We enjoy the security inherent in being an island continent and from having an effective defence force. Our stability, alliances and defence links with our neighbours contribute to our region's security. Our credibility makes us an effective actor in international forums.

Our cultural and ethnic diversity gives us a great opportunity to consolidate our personal ties with the countries of our region.

As we go into the next century, my government is committed to using these strengths to build on a long history of honourable participation by Australia in our region.