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December 18, 1991
A:MELBLNCH

PRESIDENTIAL REMARKS: BUSINESS LUNCHEON
MELBOURNE, AUSTRALIA
FRIDAY, JANUARY 3, 1991

[Acknowledgements.] Thank you for that introduction. Your National Anthem speaks of a land "abound[ing] in Nature's gifts, of beauty rich and rare." // Barbara and I feel richer for the rare privilege of being with you today.

((It is a pleasure to be in the country of Paul Hogan, Skippy the Bush Kangaroo, and of course Greg Norman. // Greg may be nicknamed "The Great White Shark" -- but when I'm on the course I spend a lot more time in the water.)) //

Christobel
or NELIS

((If I wasn't sure I was in Australia, it was confirmed today when "Hail to the Chief" was replaced with "Tie Me Kangaroo Down Sport."// Actually, I like the song -- just as I do your beautiful land known as "Bush Country." // Now, if I can just get that description to apply to all 50 States back home.)) //

((I have also enjoyed this luncheon. // Earlier, someone was kidding me about the menu. / He said the good news was that flavoring had been added to the vegemite to make it more appealing to Americans. / He said the bad news was that the flavoring was broccoli.)) //

Ten years ago this May, I first visited Australia to mark the fortieth anniversary of the Battle of the Coral Sea. Last June, former-Prime Minister Hawke made his fifth visit to Washington, where we met in the Oval Office. / "What we want,"

Christobel

5:1

he has said, "is not going to fall into our lap... The obligation is to work together to get it." //

I am here to talk of that work -- and how, together, Australia and America can help to build a better world. We will build it through liberty, and opportunity -- and through trade that is both free and fair. // We will build it by using our common culture and heritage, language and principles to promote prosperity at home and democracy abroad. //

This morning, I visited the Australian War Memorial, where the power of this alliance -- ~~in Lincoln's words -- "crowded upon my mind."~~ // ~~There lie the heroes who stood with America in World Wars I and II, Korea, Viet Nam, and the Persian Gulf --~~ *It evokes the memories of those* heroes who fought together to defend our ideals. // Our task now is to join together to create a world where the force of law outlasts the use of force. //

We term this the New World Order -- a world of peace and human dignity. Its triumph is inevitable -- but only if democracies are resolute. // Globally, you have encouraged this by supporting a more engaged United Nations. Nearby, you helped shape the framework for the Cambodia peace settlement agreed to by warring factions -- and I assure you: Here, too, America is your partner. We will not abandon the search for stability in this region. //

((More than 150 years ago, President Andrew Jackson appointed J.H. Williams as the first American Consul here. Arriving from Boston, Williams was greeted by a newspaper

*WANT
hero quote
instead*

Christobel

article: "We welcome his arrival..." read the Australian paper, "as a pledge of increasing intimacy between the two countries, from which mutual advantages may be expected to flow."))

In the Persian Gulf conflict, those advantages served a cause both right, and true. // You were quick to condemn the Iraqi invasion / to endorse economic sanctions / and to send ships to engage in the multi-national coalition. I thank you for also sending medical teams and humanitarian relief to Kurds and Iraqis fleeing Saddam's oppression. // Australia stood fast so that decency could stand tall. This is no surprise. I remember how, in 1984, you acted with equal dispatch to achieve the common good. What you helped create -- the "Australia Group" -- today has twenty-two member nations: each dedicated to preventing the use and spread of chemical and biological weapons.

Australia believes that multilateral solutions can solve global problems. So do I. // Fifty years ago, we found that what happened in Europe and Asia could not be divorced from America. Political isolationism doesn't work. // We must now recall that lesson -- but this time in peace, not in war. // The Australian statesman, Alfred Deakin, once said, "Next to our own nation we place our kindred in America." He knew that we are all members of the world community. // So we need to strengthen our already steadfast commitment to Asia and the Pacific region --

increasing democracy, free expression, and, yes, free markets. // **In 1990,** Already, the two-way trade between this region and the U.S. totals **over** \$300 billion. // I say: We can, and must, expand it.

Christobel ✓

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Etaine Brown
USTR
x3583

((You know, we have to think of free trade like Australia and that other Nation, my native Texas. // They show us how to think big. // For instance, I'm impressed that the flag of Australia is the only one to fly over a whole continent. // I'm even more struck by the fact that Australia has more sheep than people. That's impressive -- but Washington has more lawyers than you have sheep.)) //

In America, one-third of our GDP growth between 1986 and 1990 flowed from merchandise exports. To increase that growth -- which means more jobs -- we need the cooperation that is a cornerstone of the New World Order: The cooperation that will increase free trade / open markets / and ensure jobs. // On the other hand, we must reject the economic isolationism that's been tried before -- and found wanting: The protectionism that will close markets / ensure poverty / and cost jobs. // We can't go down that dead-end street again, and won't: Not as long as I am President. //

In 1990, free trade helped our merchandise exports to Australia total \$8.5 billion -- up nearly \$200 million from 1989.

I commend your policies to foster greater openness and competitiveness in the economy. You have eliminated most import quotas, and cut domestic subsidies and tariffs. // I also applaud your efforts to strengthen the international economic system -- spurring a regional effort to promote freer trade by erasing trade barriers.

Aus. Economics
Tom
Robinson
(State)

State
Brian Wood

None of this has come easily -- but thanks to you, it's come steadily. // I can sum up this trip's purpose in three words: Jobs, jobs, jobs. So I am grateful that several years ago, Australia helped create the Asia-Pacific Economic Cooperation (APEC), a key economic forum. Since APEC's first ministerial meeting in Canberra 2 years ago, it has mobilized the support of all fifteen participants to push for progress in the GATT Uruguay Round. / APEC members want to find ways to achieve sustainable growth, increase employment, and preserve the environment. So do we. We want the jobs that stem from economic cooperation among Pacific Rim market economies, including the United States. // Just as we need your help, so I pledge ours.

It is true our two Nations generally agree on goals. It is also true that we sometimes differ on means. // One difference is our use of the Export Enhancement Program (EEP) to counter the agricultural subsidies of the European Community. Let me be clear: I don't favor subsidy programs. They burden the taxpayer / reduce the benefits of free trade / and make industry less competitive. / In the long run, they stifle growth and cost jobs.

I know negotiations on this issue will be difficult. Yet let us show how the "Texas Two-Step" can meet "Waltzing Matilda." // Recently, in an effort to defuse EEP tensions, an Australian delegation visited our Department of Agriculture. We heard your perspective on the current world market situation, and your plea for sensitivity to Australian trade. / Australian officials have expressed interest in holding follow-up talks early this year. I

Christobel

hope that the long-term gain for Americans and Australians from a successful Uruguay Round will outweigh the short-term pain. //

I have agreed to greater bilateral dialogue on this and other economic issues. We will seek understanding in the future as in the past. // We can be proud of working together over the last five decades. Yet a record is not something to stand upon. A record is something to build upon. //

We must expand our bilateral relationship in ways which benefit our countries. // We both breathe the same air. So last April, we agreed to pursue energy policies which will increase exports while preserving our environment. // We know that education is our most enduring legacy. So ~~yesterday we launched~~ *we will be launching* the Australian Center for American Studies. NOT ON SCHEDULE
2/12/80
[unclear] This new center will expand bilateral links by developing programs of value to business, education, and the universities. / We hope this center will cause future generations to say of America and Australia, in the words of a great hymn: "Blest be the ties that bind." //

These ties are economic, military, social, cultural. They rest on shared values -- love of family, faith in God, pride in country, love of the unknown. // The first pictures of Neil Armstrong's adventure on the moon were beamed from Australia's radio telescope at Parkes to a waiting world. Later, Apollo XV was named "Endeavour" after Captain Cook's ship -- in the hope of many future endeavors between our two Nations.

This new year, let's look forward to our next century together. Let's expand the bonds of friendship for ourselves,

and our children. / Let's help them meet the challenges of their
time, as we have met ours: Building the peace / creating
opportunity / increasing the benefit of God's bounty for all.
Thank you very much, and may God bless the people of this great
land -- Australia.

#

October 30, 1991

MEMORANDUM FOR SPEECHWRITERS
RESEARCHERS

FROM: JENNIFER GROSSMAN
SUBJECT: ASIA PRE-ADVANCE RESEARCH

JAPAN

SCHEDULE

- FRIDAY: --arrival ceremony with Emperor (open press, troop review), then courtesy call on Emperor at Imperial Palace
--meeting with Prime Minister Miyazawa at Akasaka Palace
--Imperial Banquet, Imperial Palace, after dinner toast
- SATURDAY: --tennis and breakfast with the Emperor
--visit Mita Senior High School (visit geography lab, then nationally televised 5 min. remarks followed by Q&A with students from around the world).
--major speech at Japanese Diet, lower house. 15-20 minutes, focusing on the responsibilities of interdependence, and maybe Japan's role in NWO.
--brief remarks at Kodak R&D plant in Yokohama. First, lunch with U.S. business leaders, Visit Kodak Laboratory, then address to U.S. business leaders and Kodak staff.
--one on one meeting with PM, then expanded bilaterals, then joint press statement
--welcoming reception at Hotel New Otani with brief remarks to 2000 -- a kind of welcoming committee of business leaders, politicoes, etc. Tone should be real upbeat.
--Dinner with PM at PM's residence, after dinner toast
- SUNDAY: --private breakfast
--Emperor makes goodbye call to POTUS
--attend church (maybe)
--Embassy greetings
--AF1 to Kyoto, accompanied by PM
--walking tour of Imperial Palace
--lunch with PM at Omiya Palace, (Secretary Alexander may simultaneously lunch with Stanford students and JET, Japan English Teaching Program, teachers).
Walking tour of Omiya gardens. Brief remarks to American and Japanese students.
--may visit Nijo Castle

JAPAN

POLICY THEMES

Torkel Patterson of the NSC has advised me that while the main focus of the President's trip here will obviously be on trade issues, there will be a strong effort to tie in American domestic concerns wherever possible. The context: the global neighborhood; interdependence in communication/technology revolutionized, politically post-modern (Pinkerton) new world order.

Two challenges. One: selling a responsible trade policy toward Japan back home, when the protectionist/isolationist harangues from the right and left offer such politically hysterical appeal. Two: eliciting concessions and continued progress from the Japanese at a time when tolerance for continued American Japan-bashing is reaching its limits.

A couple of notes on first challenge. Japanese buy more per capita from America than Americans buy per capita from Japan (the "trade deficit" as commonly heralded fails to account for population ration, i.e. far greater U.S. pop than Japan pop). The Japanese buy more from the United States than they buy from the U.K., France, and Italy combined.

When addressing trade issues with the Japanese we might stress "the opportunities and responsibilities of interdependence." We want to challenge Japan to have the most open market by the year 2000. (Incidentally, in technical terms, tariff barriers for instance, Japan's market is more open than ours. Impenetrability more often comes from hidden barriers -- like regulation size paper or car manufacturing standards -- and on Japanese consumer preferences for the familiar.) Anecdote: Japan used to exclude American baseball bats because they didn't carry the right seal, a seal only available to Japanese firms.

Encouraging continued Japanese progress on rectifying environmental abuses: While industrializing, Japan was one of the worst environmental offenders internationally. Since then, they have made great strides in cleaning up their act. For instance, all their taxicabs run on natural gas. While the Japanese are generally willing to move forward on environmental issues, intransigence stems from anxiety over "keeping your rice bowl filled," i.e. concern over loss of jobs in professions with incidental abuse (e.g. fishermen, tortoise shell craftsmen). The Japanese usually ask for "transition time" to retrain, relocate those put out of work by conservation measures, while we want change "now."

TOKYO SITES

- 1) Imperial Palace: I was unable to go on this walk-through but here's what I gather from other sources. The imperial banquet will be held in a room called Homei-Den Hall. From

postcards, it looks kind of like a hotel ballroom, with some kind of abstract Japanese painting of clouds on the wall. This, apparently, is the way much of the palace looks. The palace is actually only about 20 years old. The initial greeting will take place in the Asahi-no-ma, or "Room of the Rising Sun."

We had bombed the original Imperial Palace in World War II; it was rebuilt in '69. The palace surrounds a huge courtyard. The overriding characteristic of the place is a vast emptiness -- large rectangular rooms with little or no furniture, walls with sliding panels. The dining room table will be a big U-shaped deal.

- 2) Mita Senior High School: President will tour a couple of classrooms, go to larger room with Mita students where he will deliver brief remarks nationally televised. Then he will field questions from students around the country via a satellite hook-up. FYI: There's a concern that Japanese students, generally not encouraged to participate or ask questions in class, will be so awed by presidential presence that they'll simply clam up. Perhaps there's some way (joke? comparison to American students?) that we can sensitively circumvent such a scenario.

School itself not much different looking from American high schools. 1,100 students. Was founded as a public girls' school in 1923. Became coed in 1950, renamed Tokyo Public Mita Senior High School. In 1977, Mita opened a class for students returning from abroad. On a couple of bulletin boards I saw improvised scrawled student demands manifestos, requesting more interesting classes, more understanding teachers, etc. These were the work of such returning students, who are generally more outspoken and participatory than their colleagues.

While part of our purpose is to show admiration for Japanese academic excellence, it's ironic that the Japanese themselves are quite critical of their own system. They in turn look to our institutions for inspiration. The Japanese criticize their schools for their emphasis on rote memorization, aversion to innovation, and lack of encouragement for independent, critical analysis by their students. Recently they even passed legislation to stop Saturday schooling.

I suggest we deal with this by stressing a theme of "we have so much to learn from each other," rather than, "we have so much to learn from you." Moreover, we can touch on several non-school factors that account for Japanese academic excellence -- strong family support, recognition of the link between learning and success, early engendered work ethic, etc.

- 3) Japanese Diet, lower house: parliamentary amphitheater style hall with large balcony. Rich wood detailing and

carving. POTUS to address reps from podium. 500 Diet members. See pictures. In the entrance hall/lobby, there are four pedestals in each corner. Three support statues of great Japanese statesmen/historical figures, the fourth is left empty as a symbol of hope, i.e. looking forward to the great statesmen to come.

- 4) Kodak, Yokahama: POTUS will see several gee-whiz high tech developments in progress, like a super high definition TV. Brief remarks to Kodak staff. Kudos; America can compete; appreciation for their hard work and investment; POTUS is taking steps to improve America's competitiveness.
- 5) Prime Minister's residence: unable to go on walkthrough.

CONTACTS: --Blair Hall of AmEmbTokyo, (03)3224-5336
--Hiroshi Furusana, MOFA 3581-3802

KYOTO SITES

- 1) Kyoto Imperial Palace (FYI, I don't think there are any remarks): Originally built as the Emperor's second palace, Kyoto Imperial Palace was used as the Imperial Palace from 1331-1867 after the original main palace burnt down. The Imperial Throne and the August Seat of the Empress, still used for coronations, are located here. Each rests on a platform, and is covered with an octagonal canopy, decorated with a large phoenix and eight small phoenixes.
The last "Ceremony of the Enthronement of His Majesty the Emperor at the Seiden" took place in the Imperial Palace on November 12, 1990
- 2) Omiya Palace: remarks to students should focus on building bridges between our two countries through education, facing the future together. See proverbs.
Some of the students are with the Stanford Japan Center, established by Stanford University, "for the purpose of educating future generations of Americans about Japan. The Center also will provide an institutional link between American and Japanese research in science, technology, and social science with the aim of opening up crucial channels of information and by embarking on new cooperative initiatives in research between the two nations."
- 2) Nijo Castle (again, no remarks): The castle was originally built in 1603 to be the official Kyoto residence of the first Tokugawa Shogun Ieyasu, and it was completed in 1626 by the third Shogun Iemitsu. The lavishly decorated castle stands as a symbol of the power of the Tokugawa military government. It contains the famous "Nightingale Corridor," whose floors are designed to creak with birdlike noises when tread upon, thus foreboding an enemy approach.

JAPANESE COLOR:

- 1) Finding humor is difficult. Most people I've spoken to say that the Japanese aren't big on jokes, humor. Moreover, they will not know to laugh if POTUS tells a joke.
- 2) The "Japan Series" (similar to our 'world series') in baseball has just started. This years favorites are the Hiroshima Carp and the Seibu Lions.
- 3) Sumo wrestling is Japan's national sport. Recently an exhibition tournament was held in London. Two very popular wrestlers are a pair of American brothers from Hawaii -- Konishiki, who's the biggest Sumo wrestler (600 lbs), and Ake Bono, who's the tallest. Who knows, maybe we could make a joke about "gross national products" to an American audience -- large American exports.
- 4) American movies, rock, and rap music are very popular. Disneyland opened in Japan 6 years ago; Japanese love Mickey Mouse.
- 5) Karaoke is a popular Japanese social activity. Literally meaning "empty orchestra," karaoke bars play music without lyrics so that the patrons can star on vocals. Maybe there's a joke about Barbara wanting to go Karaoke.
- 6) Women control the finances in Japanese families -- when to buy the car, when to invest, etc. The husband often asks his wife for money for his expenses; this allowance is called "Kozu Kai." Maybe POTUS can say, "I wanted to buy some souvenirs, but Barbara cut my kozu kai."
- 7) Of all their qualities, Japanese are proudest of their perseverance, endurance, called "gamman." They rate harmony as highest on their scale of social values.
- 8) Relevant to Omiya in Kyoto: a handbook called A Look into Japan tells us "The Japanese garden is designed to be a faithful representation of nature and to impart a sense of simple, unspoiled beauty."
- 9) December 23 is the Emperor's birthday.
- 10) The speechwriting god (Curt, sit down): Benten, one of the seven deities of good fortune, is the goddess of eloquence, music and wisdom.
- 11) "Banzai," literally meaning 'ten thousand years,' is the Japanese equivalent of 'three cheers.' It's usually expressed at the high point or end of a celebration.

12) Japanese proverbs:

"The past is not to be blamed." (Ki-o wa togamezu) English parallel would be: "let bygones be bygones."

"The lantern-bearer should go ahead." (Chochin-mochi wa saki ni tate) Meaning, he who bears the light, whether material, intellectual, or spiritual, should lead the way.

"A treasure decaying in one's hands." (Takara no mochi-kusare) Meaning, those with talent or money should put them to good use, or else they will rot away.

"To the upper hand there is an upper hand." (Uwate ni wa uwate ari). In other words, everyone has to answer to someone. Maybe there's a first lady joke in here.

"Seven falls and eight rises." (Nana-korobi-ya-oki) Perseverance will win in the end.

"There are no national frontiers to learning." (Gakumon ni kokkyo nashi) i.e. scholarship knows no boundaries.

"To study penmanship at eighty." (Hachiju no te-narai) Meaning, it's never too late to learn. Could apply to lifelong learning, or joke on POTUS computer lessons.

"Books are preserved minds." (Shomotsu wa hozon-sareta kokoro nari) Reminiscent of Hightet quote, 'Books aren't lifeless lumps of paper, but minds alive on a shelf.'

KOREA

POLICY THEMES

Korea wants to have its cake and eat it too. On one hand, it wants to have a close relationship with U.S., play the big league with the big boys. On the other hand, it claims the fragility of a developing economy to justify protectionist policies. We think they're strong enough to forgo such a handicap, with ultimately hampers true growth on both sides. (Note: GB visited Korea after he went to Hirohito's funeral)

Politics: Korea only recently became democratized. We want to encourage democracy, praise them for ongoing efforts and progress in that direction.

(War)Heads up: North Korea is developing a nuclear weapon. There are fears of his becoming the region's Saddam Hussein. This issue requires some delicacy because a) we support reunification and b) South Koreans regard their northern neighbors as brethren. Kim Il Sung, the 82 year old "Great Leader" of North Korea, will pass the reigns to his son, Kim Jung Il, widely regarded as less than competent. Fears of a military coup against the latter complicate the situation.

POTUS SCHEDULE

- SUNDAY:** --AF1 to Korea for 3:30 arrival
--wreath laying ceremony at National Cemetery, no remarks
--American community greetings at Collier Field House
--private dinner with President Roh at the Blue House
- MONDAY:** --breakfast with US and Korean business community at Hotel Shilla, 5-10 min. remarks (themes similar to Kodak speech: U.S. can compete, we're working together to expand trade, importance of GATT
--Arrival ceremony at Blue House
--one on one with President Roh, expanded bilaterals, joint press statement at Blue House
--State Luncheon at Blue House hosted by Korean President, after lunch toast
--Address to the National Assembly, 15 minutes
--travel to Camp Casey, press the flesh with American soldiers, 5 min. remarks. Jovial, what a great job you're doing, last of the front lines type speech. Acknowledge difficulty of 1 year unaccompanied tour

SITES

- 1) Blue House: not on walkthrough, but the scoop as far as I know is that the Blue House is the official residence of the President of ROK. The Blue House was constructed in 1927 as the Japanese government's residence for its Governor-General. It occupies the grounds of the Yi-Koong palace of the Koryo Dynasty.
In '48, when ROK was established, the building was designated the Presidential Residence. After the student revolution of 1960, it was renamed Chong Wa Dae (Blue Tile House), a name derived from its unique blue roof tiles.
- 2) National Assembly: not on walkthrough, but apparently it's your usual, rococo, elaborate parliamentary style. I'm told there's a large symbol behind where POTUS will be standing: the Flower of Eternal Life framing a Korean character.
The Assembly building is located on Yoido, a large island on the Han River. Completed in 1975, it houses offices, meeting rooms, and the Assembly's library. The current National Assembly is composed of 299 members from two political parties. It is the thirteenth National Assembly since the founding of the Republic in 1948. The Assembly Speaker is Park, Jyun Kyu.
- 3) Camp Casey: not on walkthrough, but this base houses U.S. servicemen on a one-year unaccompanied tour. Their duty is an uneasy vigil at one of the world's last front lines. Part of their work is to patrol the DMZ (demilitarized zone) often camping out in no man's land.

While we honor the returning heroes of Desert Storm, we should remember also courage and commitment of our men in Korea -- whose courage and commitment often go unacknowledged. POTUS should recognize the difficulty of a one year unaccompanied tour; Camp Casey is what is commonly referred to as a "hardship post."

CONTACTS: --AmEmbSeoul, 82-2-732-2106

COLOR

- 1) Koreans, I'm told, like the Japanese, would have trouble knowing how to respond to a joke by POTUS. One way, however, to break the ice and establish rapport, would be to mention family -- his family, the American family, family values, whatever.
- 2) POTUS was here in '89, and also in '82 as vice president.

SINGAPORE

POLICY THEMES

Singapore is the only ASEAN country we'll visit -- therefore we'll want to touch on issues common to those countries. (ASEAN is made up of Singapore, Malaysia, Indonesia, Brunei, and the Philippines.) Singapore is our strongest ally in the region. Singaporeans welcome us as a balance to Japanese investment. They have a longstanding fear that Japan eyes them with military interest.

We'll want to talk about South East Asia and Cambodia, setting the stage for future dealings with Viet Nam. Instability in the region: Thailand just had a coup, Burma has a dictatorship. Cambodia, however, is soon to have UN sanctioned elections. Ultimately, we'll want to resolve the POW/MIA question -- an issue some unscrupulous people in the area have exploited for profit. Resolution will require that Viet Nam be completely open so we can scrutinize all the records. Until we get to the bottom of POW/MIA, we can't really say that Viet Nam is truly over.

I believe there are also some human rights concerns in Singapore itself.

POTUS SCHEDULE

MONDAY: --AF1 to Singapore

TUESDAY: --Breakfast meeting at Raffles with U.S. ambassadors to ASEAN countries, no formal remarks
--Arrival ceremony at Istana Palace

--POTUS makes courtesy call on President and Mrs. Wee Kim Wee at the Istana Palace
--meeting with Prime Minister Goh Chok Tong, then expanded bilaterals
--15 min. speech at lecture series to the Singapore/American Business community, held in Westin Hotel (Security and Trade: U.S. engagement in the region; importance of working together towards the future)
--Business Roundtable meeting at Hewlett-Packard, no formal remarks .
--groundbreaking ceremony for new American Chancery, embassy greetings type remarks
--courtesy call on Senior Minister Lee Kuan Yew.
--State Dinner at Istana Palace hosted by President Wee Kim Wee, after dinner toast

*Peter Collins's
USTR
X3480*

WEDNESDAY:--view static display at Changi airport
--AF1 to Australia

SITES

- 1) Raffles Hotel (just FYI, no formal remarks planned at this point). Wrote Rudyard Kipling, "Feed at Raffles when visiting Singapore." Established in 1887, the hotel symbolizes the exotic charm and colonial nostalgia often associated with the area. The hotel was named after Sir Stamford Raffles, founder of modern Singapore in 1819.
Celebs who added their aura to Raffles': Joseph Conrad, Charlie Chaplin, Douglas Fairbanks, Somerset Maugham, Nowel Coward, and sundry sultans, kings, and politicians. Raffles embodied colonial high life: tea-dances, Charleston, jazz bands, and billiards. Raffles is the birthplace of the Singapore Sling. In 1902, the last tiger to be shot in Singapore was pursued in Raffles, and finally dispatched under the Bar & Billiard Room.
The hotel was declared a protected monument in 1987.
- 2) Westin Hotel: the hotel is supposedly the tallest hotel in the world. The lecture series in which the President takes part is designed to give political, academic, and financial eminentoes the opportunity to visit Singapore and mouth off. Singapore gets to bask in their wisdom.
The series, inaugurated in 1980, is organized by the Institute of Southeast Asian Studies. Previous speakers include Henry Kissinger, Milton Friedman, Brian Mulroney, Raymond Barre, and Giscard D'Estang. 1,500-2,000 will attend speech.
- 3) Groundbreaking ceremony for new American Chancery: this event will basically take the place of Embassy Greetings/American community remarks. Projected completion for new embassy is 1995-6. 150-200 embassy staff, loads of

Singaporean schoolchildren. 2,000 guests in all. Site is basically just a hill. Use your imagination. Building metaphors applied to broader scope of U.S.-Singapore relations might be appropriate.

The U.S. Ambassador in Singapore is Robert Orr. DCM is Arthur Kobler.

- 4) Istana Palace: previously called Government House, the Istana was built in 1869 to house the British Governor of Singapore. The grounds had been the nutmeg estate of Charles Robert Princep. A statue of Queen Victoria was installed in the drawing room to mark her jubilee in 1889. Queen Elizabeth and the Duke of Edinburgh stayed there in February 1972. The edifice itself looks like a cross between a mini-Versailles and a southern plantation. Adorning the entry foyer are a matching set of tusks presented by the Sultan of Singapore to the British government. L.O.C.

The staff of the President, the Cabinet Office, and a section of the Prime Minister's office work at the Istana.

CONTACTS: --DCM, AmEmbSingapore, Arthur Kobler, 338-0251, ext. 217
--USIS, Dennis Donahue, 244-5233

COLOR

- 1) Singapore is a country of many races, languages and cultures. The population is made up of Chinese, Malays, Indians and Eurasians. Harmonious multiculturalism. One often hears the phrase, "many races, one people." Maybe we can make some "E Pluribus Unum" connection.
- 2) The first American consul in Singapore, Joseph Balestier, came to the area in 1834 and took up his post in 1837 -- inaugurating 154 years of diplomatic relations. His wife, Maria Revere Balestier, was the daughter of Paul Revere. Balestier's memory lives on in a bell, now in Singapore's National Museum, cast in Boston's Revere Works. Mrs. Balestier, presented the bell to the original Church of St. Andrew.
- 3) American Embassy Singapore suggests a Pearl Harbor footnote to our Singapore stop: POTUS will be at Pearl Harbor on Saturday, commemorating the 50th anniversary of the Japanese attack, and honoring the resultant 2,400 Americans dead or missing. We might also remember that on the same day, but on Singapore's side of the international dateline, the war began for the Philippines, for Thailand, for Malaysia, and for Singapore. Bombers appeared over Clark Field and over Singapore. Ground troops landed at Songkhla and Pattani (Thailand) and at Kota Baharu (Malaya). Singapore did not then have an army (British and Australian forces were

there); Singaporeans who were either killed or injured were civilians.

- 4) Singaporean suffrage is universal and compulsory.
- 5) Orchids are a major Singaporean product (and they're beautiful).
- 6) While there is no compulsory education in Singapore, attendance is 94% and the literacy rate is over 87%.
- 7) POTUS and FLOTUS visited Singapore when Bush was Vice President.
- 8) When the President called Orr to offer him the ambassadorship, one of his selling points was to tell the future ambassador how comfy the Residence is. (Orr was previously Governor of Indiana).
- 9) Quayle was here on May 22.
- 10) The origin of the name "Singapore" comes from the 13th century's appellation of "Singapura," meaning "Lion City."

AUSTRALIA

POLICY THEMES

The last President to go down under was LBJ, 21 years ago. Australia feels left out. They've been a strong ally -- there in WWII, there in Nam, there in the Gulf. The Australians have been very grateful to us for saving them from the Japanese in WWII. But those warm feelings are now being tried by their anger over trade policies (agricultural subsidies).

Oops on EEPS: Our Economic Enhancement Programs (an American domestic subsidy so that we can export our products abroad at a lower price) and the EC's strict protectionist policies have left Aussies demonstrably furious -- riots, strikes. Need some stroking action. POTUS needs to show himself as a champion of free trade, "that's why the Uruguay round is so important," blah, blah. Hopefully we'll have GATT progress we can highlight by that time.

Generally, stress "harmony/kinship with the Australians."

CANBERRA

POTUS SCHEDULE

WED., DEC 4: --arrival ceremony
THUR., DEC 5: --Embassy greetings, hosted at Ambassador Sembler's residence
--luncheon hosted by Prime Minister in Australian Parliament Building's Great Hall. Toasts after lunch; PM's toast/speech will be 5-10 mins., intro

POTUS for 3-5 mins. (may have to stretch if PM's speech is longer).
--15-20 min. remarks to Australian Parliament
--meeting with Australian academic community;
talking points (don't know if we're responsible)
--Australian War Memorial
--Governor General Hayden's State Dinner at the Government House
--RON Canberra

SITES

- 1) Embassy Greetings: The Ambassador's Residence is 50 years old, as are formal Australian-American diplomatic relations. The ground lease for the mansion was signed while the Japanese were bombing Australia. The house was built during the war, and completed in 1943. Mrs. Roosevelt had a personal interest here, and came out after the building's completion to plant a tree.

The current Ambassador to Australia is Mr. Mel Sembler. Ambassador and Mrs. Sembler are from Treasure Island, Florida. In addition to the Embassy in Canberra, the U.S. has three Consulates General in Australia -- one in Sydney, Melbourne and Perth -- and a Consulate in Brisbane. There is also a Consular Agent in Adelaide.

- 2) Address to Australian Parliament:

The building itself is a striking postmodern palace, designed by Roman Giurgola, and completed for the Australian Bicentennial in 1988. The structure incorporates many symbolic features which strive to reflect certain Australian values, and resonate with Australian history, geography, and culture.

For instance, on one side the earth, rather than meeting the building at a right angle, runs gradually from a distance and at an angle right up to the buildings peak flagpole. This design twist represents the accessibility and accountability of Australian government -- that the government are subservient to those they serve.

Another example: in the forecourt of the Parliament, along the walkway POTUS will follow, is a mandelic mosaic design called "Meeting Place" which represents a meeting place for all races and cultures. The work also celebrates Australia's earliest settlers, so it is appropriate that an Aboriginal artist, Michael Nelson Tjakamara, was asked to create the centerpiece. It's pointillist strokes are reminiscent of his tribes sand paintings.

Also neat: one of the original copies of the Magna Carta is housed in the Parliament building.

POTUS will be greeted by the PM, walk up to the mosaic in the middle, walk over and shake some Australian hands. He then goes to lunch (check) in the Great Hall with the ugly tapestry.

Parliament speech: POTUS starts out, "Thank you, Mr. Speaker." (Speaker is Leo McLeay. Speech is not teleprompted. House of Representatives: amphitheater-like, modern, bathroom-tile-green. NOTE: this will be the first time a foreign head of state has addressed a joint session of parliament -- ever (POTUS should stress what a great honor it is).

VERY IMPORTANT: We were going to do an event with the Australia/USA Parliamentary Group which has now been cut -- so a specific reference should be included as to who they are, what they do, kudos. The group is not a standing committee or anything like that, just an association of upper and lower house parliamentarians working to promote US-Australian friendship ties. The group was formed under the auspices of the Inter-Parliamentary Union, Australian National Group in May '88. The bipartisan group is the most active of all Parliamentary Friendship groups. For more info, contact: Nonda on MP Eamon Lindsay's staff at 077-724844.

- 3) Australian War Memorial: (No remarks, just FYI) Built roughly in the shape of a Byzantine church, the memorial is the most popular tourist attraction in the nation's capital.

Event will take place in the rectangular, central courtyard, which includes a commemorative stone, a pool of reflection, the Eternal Flame, a commemorative area, and then, enclosed, the Hall of Memory. The dome inside the Hall bears a radial pattern which represents the spirits of the war dead rising towards the central circle (heaven).

The memorial also contains a museum, whose galleries evoke and explain the Australian experience of war. Australians in combat: New Zealand (1860), Sudan (1885), South Africa (1899-1902), China (1900-01), WW1 (1914-18), WWII (1939-45), Korea (1950-53), Malaya (1950-60), Malaysia (1963-66), Vietnam (1962-72), Persian Gulf (1991) -- we might remember that the Aussies responded immediately in the Gulf, needing no prompting.

Plaque in memorial reads: "The Australian War Memorial commemorates those 100,000 Australians who have died in war and recalls the service and sacrifice of all Australians in wartime." Also, museum holds a mini-copy of Eugeni Vouchetich's famous statue, "Beat the swords into ploughshares." NOTE: Australian repatriation hospitals are still treating men wounded in WWI. 496 Australians died in Viet Nam; 2,398 were wounded.

- 4) (no remarks, just FYI) After dinner, when POTUS toasts, the only thing he says is: "Ladies and Gentlemen, Her Majesty the Queen of Australia," in response to the Governor General's "Ladies and Gentlemen, the President of the United

States of America." Hayden is Queen Elizabeth's representative; there is a such a representative in each of the 6 Australian states (Australia is a commonwealth). Governor Generals are Australian citizens; their posts are purely ceremonial. Hayden is Australia's former Foreign Minister.

The Government House is an old cattle "station," or property. It is a simple, classical mansion on the rim of Lake Burley Griffin.

CONTACTS: --Lew Luchs, Media Counsellor, AmEmbCanberra, 270-5872
--Ray Burson, USIS, (062)705966
--Marilyn Meyers, DCM, 270-5000
--AmEmbCanberra, after hours, 270-5900

SYDNEY

POTUS SCHEDULE

FRIDAY (DEC. 6th):

- noon arrival at Sydney airport (QANTAS Jet Base)
- Sydney Convention and Exhibition Centre: 12:30-12:45 pre-lunch reception with South Wales Premier Grenier's 50 guests, 1:00 p.m. State Luncheon with remarks after remarks and intro by Premier, 15-20 mins., 1,000 guests
- post-lunch reception with Australian American Coral Sea Commemorative Council
- visit Australian National Maritime Museum, visit American Gallery, brief remarks in dedication of museum.
- harbor cruise on John Cadman III to Sydney Opera House
- press conference at Sydney Opera House
- over to Kirribilli House for dinner?
- RON Sydney

SITES

- 1) State Luncheon at Convention Centre: Both anthems played, grace said, lunch served. After lunch, Premier Grenier speaks then intros POTUS. Audience will be a cross-section of the New South Wales Community. Centre is beautiful, yet modern and antiseptic. Themes focus on our trade, joint longterm commitments, the global marketplace, the coming century, thread of education, etc.

If we touch on Asian topics, we might note that, for more than a year, Australia has taken a leading role in seeking a comprehensive solution to the Cambodian conflict under UN auspices.

- 2) Australian National Maritime Museum: Present are Prime Minister and Mrs. Hawke, Chairman and Mrs. Doyle, Premier and Mrs. Grenier, Ambassador and Mrs. Sembler. The event serves as the official opening and USA Gallery Dedication.

2-3 min. remarks required, after brief remarks by Prime Minister.

The building occupies a waterfront site on an arm of Sydney Harbor, described by Mark Twain as "the darling of Sydney and the wonder of the world." The sweeping curves of the museum's white painted roof are reminiscent of waves, clouds, and sails. It's interior is kind of split-level, post-modern white. Almost warehouse looking, with hanging mobiles and high ceilings. Out front, next to the museum's sign, is a large mobile with fluctuating signal flags, the kind used for intership communication. In one section is a model of the Endeavor, presented as a gift by Queen Elizabeth. The Endeavor was the ship commanded by Captain Cooke when he discovered Australia. Also, there's a section with surfboards (joke material?)

The American Gallery was our 1988 bicentennial gift to Australia. Here, POTUS will unveil a plaque and then briefly tour the gallery. The opening exhibit is called: "Linked by the Sea," and that name is carved into the wall. It explores the similar origins of our two countries. We might use that as a theme, touching upon how our two maritime traditions, among many other bonds, help contribute to our mutual sense of kinship. One of the most powerful links: The Australian and US navies fought side by side to turn back the Japanese military advance in WWII. Five months after the outbreak of war in the Pacific, the Battle of the Coral Sea in May 1942 was a crucial strategic victory for the allies, and the first reverse for the Imperial Japanese Army.

FUN FACTS:

*Australia has a long maritime heritage, going back at least 50,000 years to the probable arrival of the first humans from Asia.

*There were three Americans on board Endeavor when Cook discovered the east coast of Australia in 1770 (but they were British loyalists).

*The first foreign merchant vessel to arrive in New South Wales was a US ship with a welcome cargo of rum and other supplies.

*The first person to ride a surfboard in Australia was a Hawaiian -- Duke Kahanamoku.

****Note: The exhibit houses two periscopes, one of which is from the same class of submarine as the one which collected the President after he was shot down in WWII. More information is on the way via fax.

CONTACTS: --Margaret Eubank, Public Affairs Officer (USIS) 261-9244
--Consulate General (after hours) 963-1209
--Ian Wilcock, Asst. Sec. Americas Branch, Australian Dept. of Foreign Affairs and Trade, (06)261-2711

--John Wade, Sr. Curator, Australian National Maritime Museum, (02)552-7728

AUSTRALIA COLOR

(among other materials, files include extensive info on above sites, speech excerpts from American Ambassador Sembler

GENERAL

- 1) Australians in film: Errol Flynn, Mel Gibson, Paul Hogan (one of screenwriters and main actor in "Crocodile Dundee), Dean Semler (cinematographer of "Dances with Wolves.")
- 2) Australians in music: Olivia Newton John, Men At Work, Bee Gees.
- 3) Washington Post cartoonist Patrick Oliphant is from Australia.
- 4) James Tuckey, a lieutenant aboard the ship which took the first unwilling settlers into Port Phillip Bay (the future Melbourne) in 1803 wrote:

"I beheld a second Rome rising from a coalition of banditti. I beheld it giving laws to the world, and superlative in arms and in arts, looking down with proud superiority upon the barbarous nations of the northern hemisphere."
- 5) Maybe POTUS could do a joke about vegemite, or vegemite sandwiches. There's potential for humor in the fact that Australians love the stuff while we think it's yucho. Maybe at a luncheon, "Despite our many similarities, Americans have never really developed a taste for your vegemite. In fact, when I asked about today's menu, I was assured -- no vegemite. \ Actually, I was worried about the broccoli."
- 6) On Australian TV there's a very famous show called, "Skippy the Bush Kangaroo." Everyone knows about Skippy, he's kind of equivalent to our Lassie. Maybe a joke about, "I hear that here in Australia, you have 'Skippy the Bush Kangaroo.' Well, back home we have 'Millie the Bush Canine.' (Tony Mauro: Millie the Bush Scoobydoo). Or, "I was a little nervous about playing golf here, what with all the kangaroos running around. \ Fortunately, I've got Skippy on my side."
- 7) In May 1836, President Jackson appointed J.H. Williams as the first American Consul in Australia. The "Colonist," a newspaper of the day, welcomed his arrival, praising America thus: "Scarcely is there a sea which their ships do not plough, or a port in which they do not ride..." (maybe for Maritime Museum?)

- 8) "The Australians did not seem to me to differ noticeably from Americans, either in dress, carriage, ways...or general appearance."
--Mark Twain, 1895.
- 9) Another link between Australia and the United States during the 19th century: from 1897-1898, Herbert Hoover, later to become the 31st U.S. President, worked in Western Australia as a young mining engineer.
- 10) "Next to our own nation we place our kindred in America."
--Alfred Deakin, 1905 (Australian statesman?)
- 11) In September 1918, Australian and American troops fought alongside each other in the main attack on the Hindenburg Line which ended World War I, a battle experience to be shared again in WWII, Korea and Vietnam.
- 12) In 1969, an Australian radio telescope and an American antenna brought us the historic television pictures of the first manned landing on the moon. The picture everyone remembers -- Neil Armstrong's leg searching for the surface -- was first seen in a tracking station briefing room near Canberra. As a compliment to Australia, NASA in 1971 named Apollo 15 "Endeavor after Captain Cook's Endeavor.
- 13) Australia's coat of arms consist of a shield containing the badges of the 6 states. The supporters are native Australian fauna -- a kangaroo and an emu. A yellow-flowered native plant, wattle, also appears in the design.
- 14) Note: Australia taxes capital gains. (Individuals and companies pay at different rates)
- 15) Bush has called the Australian-American relationship "an intimate partnership between two peoples."
- 16) In the Persian Gulf, the first combined boarding to enforce UN resolutions was by the USS Brewton and the HMAS Darwin.
- 17) 300,000 US tourists visit Australia annually.
- 18) "It will be a very poor day when little Australia won't be able to summon up its traditional impudence by looking at the U.S. and saying, 'What do you mean, you big stiff?'"
--Sir Robert Menzies in the Sydney Morning Herald, 27 June 1964. (Possible rejoinder: "Well, Australia is not all that little, and I hope that America is not all that stiff." Could be relevant re. trade disputes)
- 19) "You must be the most beautiful people in the world."
--Duke Ellington, in the Sydney Morning Herald, 7 Feb. 1970.

- 20) Every year, America sends a high level delegation to participate in the Coral Sea Commemoration. Dan Quayle was here in '89 and Bush was here in '82.
- 21) Rugby and Cricket are Australian national pastimes. Rugby's World Cup will be over by the end of October. It will be the first time an American team has participated.
- 22) One of the most popular Australian television shows is called "The Flying Doctor." Joke potential? LA Law is the most popular American TV show here. The Civil War series was also very popular.

CANBERRA

- 1) American architect Walter Burley Griffin designed Australia's capital. Griffin was from Chicago; studied under Frank Lloyd Wright.
- 2) Canberra is known as "The Bush Capital." I think there is joke potential here, e.g. 'I know Australians and Americans are close, but you didn't have to name your capital after me.')
- 3) Canberra's detractors often refer to the capital as "Monumentsville," "a city without a mind," "the city of the gray flannel mind," and "a great waste of sheep country." Canberra's fans call her "the garden city of the Commonwealth" or "the front window of the nation." They also say that "to know Canberra is to love it."
- 4) The name "Canberra" comes from "Canberry," an Aboriginal word meaning "meeting place."
- 5) In Canberra, the kangaroos have a habit of falling people's swimming pools (don't worry, they don't drown) joke potential?
- 6) Australia has the 10 most popular snakes in the world, starting with the Death Adder.
- 7) POTUS visit coincides with the annual advent of fly season. Aussies are constantly waving off the insects, a gesture so common it's nicknamed the "Australian Wave." Maybe POTUS can joke: "Australians have a reputation for warmth and hospitality. In fact when I got off the plane, I told Barbara how flattered I was that they were all waving to me. She said, 'Sorry to burst your bubble, George, but it's fly season.'"

- 8) Kangaroos abound on tennis courts, golfing greens. Maybe there's a joke about POTUS asking PM what kind of penalty you get for hitting a roo.

SYDNEY

- 1) In the bay cradled by Darling Harbor stands a little rook named Fort Denison. It was built in the 1840's to keep Americans away at a time when the colonists in Sydney were concerned about possible American aggression springing from Anglo-American contention. It's a cute, little-known fact, which reflects the loyalty of the early Australian colony.
- 2) During World War II, Japanese submarines actually made it in to Sydney Harbor. This illustrates what a mortal threat Japan posed at the time, and provides a sharp contrast with present relations.
- 3) Looking out upon Sydney Harbor, the eye is drawn to the Pacific horizon. Given our policy themes, we might want to talk about Australia's "window on the Pacific," geographically as well as politically and economically.
- 3) Aside from the Sydney Opera House, the Sydney Harbor Bridge is also considered a famous symbol of the City.
- 4) On the state crest of South Wales appear a latin motto that translated means: "Newly Risen, How Brightly We Shine."

HONOLULU

THEMES: The stop centers around the 50th Commemoration of Pearl Harbor. We want to recognize the sacrifice of those who lost their lives and those who lost their loved ones on December 7, 1941. Lt. Gen. Fields talked of creating a realization for the American people that the attack changed America forever. We went from being an isolationist nation to an international superpower.

POTUS SCHEDULE

FRI, 12/6: --evening AF1 to Honolulu

SAT, 12/7: --7:30 helo to naval base, barge to USS Arizona for memorial ceremony. Presidential honors, brief remarks by Admiral Larson, Rear Admiral White, Moment of Silence, ship whistle, missing man flyover, national anthem, flag raising, 5 min. remarks.
--8:20 depart for K-8 (Kilo 8, it's like a pier), honors arrival, Joo intros POTUS, remarks 15-20 mins.

--9:00 depart for Hickam AFB, proceed to Kenney Conference room for brief remarks to Asian Ambassadors (in Honolulu attending annual meeting of Chiefs of Missions Conference).

--depart Honolulu

SITES

- 1) USS Arizona: The memorial itself is a bier-like structure, white, with open windows on the sky. Supported above the water, it straddles the midsection of the sunken Arizona, whose bow and stern are marked by buoys. Toward the back of the memorial is a chapel-like enclosure housing a wall with all the names of Arizona's drowned. POTUS's back will be to this wall, in front of him is a cutaway section in the memorial's floor, where one can peer down on the submerged starboard.

Remarks here are brief, as they are part of a larger, hour-long ceremony. Here, as in the longer speech, **acknowledgments are key**: both sites are far too small to accommodate the vast number of veterans, families, and guests. POTUS will be introduced by a survivor. Acknowledgements should be handled with care to make sure that no group (particular ship vets, vet organizations, etc.) are slighted.

In particular, while the memorial is for the Arizona, mentions should be made of USS Utah. The two downed ships are the only that have people entombed in them (1,177 went down with the Arizona, 58 went down with the Utah). Also, while the longer speech contains a more general Pearl Harbor focus, the memorial speech should be more specific to those who went down with the Arizona and other ships, more of a naval aspect.

Notes on the Arizona:

*One-third of all those who died at Pearl Harbor went down with the Arizona.

*USS Arizona is still commissioned.

*USS Nevada, there during the attack, will be in port to take part in the ceremony.

*Over 34 sets of brothers were killed on the Arizona.

*While I was there, I saw old women throwing leis in the water; they were crying. I'm told Japanese visitors also make their own pilgrimage to give leis.

*There is still oil leaking from the wreck; its viscous iridescence coats the water under and around the memorial.

*In the same harbor as the memorial is the Bowfin -- the sister submarine to the one that picked up POTUS when shot down.

*It's possible that commemoration will include the same vintage plane that POTUS flew in WWII.

*Sec. Cheney might take part in the day's events.

To come: I'm having faxed extensive detail on the memorial, a history of the attack, letters sent by those aboard Arizona shortly before it was bombed, letters written by family members of the fallen, letters written by contrite Japanese, survivor quotes on reconciliation, and more.

Research: get book, The Day of Infamy. Also, look for recent Approach magazine with Bush on cover; it has a detailed description of his involvement in WWII.

- 2) Major speech at K-8: Kilo 8 is a fairly nondescript pier, though apparently they'll fix it up for the commemoration. These longer remarks will be teleprompted. POTUS will be speaking with his back to the water, historical battleship row, and then Ford Island. Behind his right shoulder is the Arizona, behind his left, the Missouri. Note: look at above, Arizona info for color, etc.
- 3) Remarks to Asian Ambassadors: Conference room within AFB administrative building. Building exterior retains strafed pocks of Japanese attack. Remarks are kind of wrap up of themes and policy objectives of whole Asia swing. Asst. Secretary for East Asia Solomon is the host of the ambassadors, but he probably won't be in on meeting. Remarks are brief; wouldn't be surprised if talking points get substituted.1

U.S. Department of State



EAP FAX

Date: 12/11/91

TO: White House Research - Michele Mix

FAX Phone Number: 456-6218

Addressee's Phone: _____

FROM: EAP/ANZ - Brian Woo

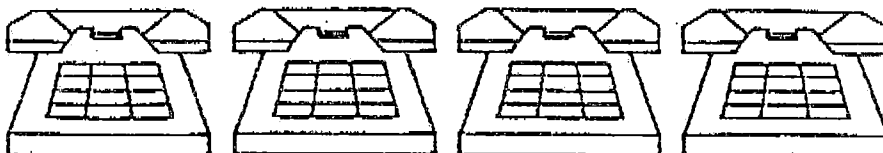
FAX Phone Number: 202-647-7350; 647-4402

Sender's Phone: 202-647- 9690

NUMBER of PAGES INCLUDING COVER SHEET 2

Remarks: As requested.

UNCLASSIFIED ONLY



3. EVENT: PRE-LUNCHEON DRINKS.
FRIDAY JANUARY 3, 1200, WORLD CONGRESS CENTER, HONGKUA
ROOM 1, MELBOURNE

PURPOSE: TO INTRODUCE DISTINGUISHED VICTORIAN STATE
GUESTS

SETTING: HOSTED BY PREMIER JOAN KIRNER.

PARTICIPANTS: THE STATE CABINET, THE LEADERS OF THE
TWO STATE OPPOSITION PARTIES, THE LORD MAYOR OF
MELBOURNE, THE STATE CHIEF JUSTICE, THE LIEUTENANT
GOVERNOR, AND THEIR SPOUSES. TOTAL NUMBER: 38-48
LIKELY.

4. EVENT: LUNCHEON/SPEECH

FRIDAY JANUARY 3, 1210, WORLD CONGRESS CENTER,
BELLARINE ROOM, MELBOURNE

SETTING: ALL OTHER LUNCHEON GUESTS WILL BE SEATED IN
ADVANCE, INCLUDING MOST OF THOSE FROM PRE-LUNCHEON
DRINKS. THE PRESIDENT, PREMIER AND REMAINDER OF
HEAD-TABLE PARTY MOVE TOGETHER TO THE BELLARINE ROOM TO
A Dais AT THE FRONT. BOTH NATIONAL ANTHEMS WILL BE
PLAYED, AFTER WHICH THE PREMIER WILL MAKE BRIEF
INTRODUCTORY REMARKS. THE PRESIDENT WILL DELIVER HIS
SPEECH, AFTER WHICH THE PARTY MOVES FROM THE Dais TO
THE HEAD TABLE FOR LUNCH.

PARTICIPANTS: APPROX 1800 GUESTS, INCLUDING SPOUSES

TALKING POINTS (LOCAL COLOR):

-- MELBOURNE BEGAN ITS DEVELOPMENT AS A MAJOR CITY WITH
THE DISCOVERY OF GOLD IN THE SURROUNDING AREA.
AMERICANS WERE THERE RIGHT AT THE OUTSET, BOTH AS
PROSPECTORS AND AS BUSINESSMEN. SOME 10,000 AMERICANS

JOINED THE AUSTRALIAN GOLD RUSH IN THE EARLY 1850'S.

-- ANOTHER AMERICAN INFUX TOOK PLACE AFTER PEARL
HARBOR IN 1942, WHEN MELBOURNE BECAME A MAJOR STAGING
AREA FOR U.S. FORCES IN THE PACIFIC. MELBOURNE WAS
AUSTRALIA'S DEFENSE HEADQUARTERS AND WAS GENERAL
MACARTHUR'S FIRST HEADQUARTERS AFTER HE WAS EVACUATED
FROM CORREGIDOR.

-- AS AUSTRALIA'S MANUFACTURING CENTER, MELBOURNE IS
THE HOME OF MANY AFFILIATES OF U.S. COMPANIES. IT ALSO
MAINTAINS A THRIVING SISTER-CITY RELATIONSHIP WITH
BOSTON.

-- ONE MELBOURNE INVENTION WHICH HAS INFLUENCED THE
WORLD IS THE "BLACK BOX" RECORDER NOW IN USE IN ALL
INTERNATIONAL COMMERCIAL AIRCRAFT.

-- ON A MORE PERSONAL LEVEL, AMERICAN WOMEN LIVING IN
MELBOURNE SIXTY YEARS AGO FORMED THE AMERICAN WOMEN'S
AUXILIARY TO THE ROYAL MELBOURNE CHILDRENS HOSPITAL.
TODAY, SIXTY YEARS LATER, THIS ORGANIZATION IS STILL
GOING STRONG, RAISING THOUSANDS OF DOLLARS EVERY YEAR
FOR THE HOSPITAL.



U.S. Department of State

31 DEC 10 A7:10



EAP FAX

Date: 10-9-91

TO: Carol Aarhus - White House Speech Writers

FAX Phone Number: 456-6218

Addressee's Phone: _____

FROM: EAP/ANZ - Brian Woo

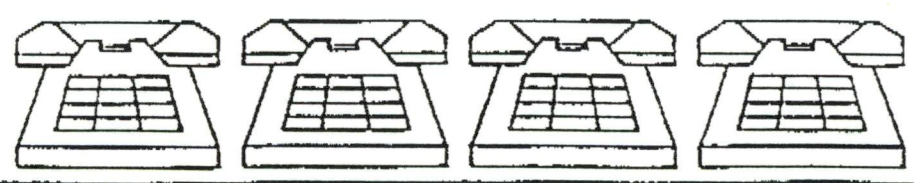
FAX Phone Number: 202-647-7350; 647-4402

Sender's Phone: 202-647- 9690

NUMBER of PAGES INCLUDING COVER SHEET ~~15~~ 20

Remarks: *per your request: advance copies of Australia
speech/event themes.*

UNCLASSIFIED ONLY



12/7 - not fully cleared

THEMES AND TOPICS FOR PRESIDENT'S AUSTRALIA SPEECHES
(To Be Provided to WH Speech Staff)

There will be two opportunities for the President to make major speeches while in Australia. The first will be in Canberra on Thursday, January 2, when he addresses a joint session of parliament. The general focus of this address should be on the bilateral relationship, although global regional themes should also be included. A second speaking engagement will be on Friday, January 3, in Melbourne, where he is invited to speak on regional/global themes at a luncheon for business executives and others hosted by Victoria State Premier Joan Kierner.

Parliament Address on U.S.-Australia Bilateral Relations

Themes to Include: Though largely focused on bilateral issues, global themes should be included. The address should recognize the important relationship that has existed bilaterally, the success of this relationship, and the continued relevance of our partnership in the face of post-Cold War era challenges. Bilateral, regional and global economic issues should be addressed and explicit recognition made of our major bilateral friction point -- U.S. agriculture export subsidies. Finally, there should be an invitation for increased bilateral dialogue and cooperation in areas of particular interest to younger (post-WWII) Australians, such as economic policies and trade development, conservation and environmental protection, education, resource development, narcotics control, and the arts.

Continuing Importance of the Alliance:

- o Our long-standing key alliance has served us well. Next year we celebrate the 50th anniversary of the Battle of the Coral Sea. It will be a special commemoration of the close and special defense partnership that had origins in the Second World War. (The President's personal involvement in the Pacific theater during that war can lend special significance to this testimonial.)
- o However, looking ahead over the next fifty years, the post-Cold War Era presents new challenges for our alliance. While East-West tensions have diminished, other problems such as ethnic rivalries, nationalist aspirations and territorial or political disputes -- suppressed during the Cold War period -- are now arising.

- 2 -

- o In these endeavors, Australia has and continues to play an important role:
 - Note contributions to the Multinational Gulf Coalition, refugee assistance and the ongoing naval interdiction effort in the region. Express appreciation for Australian public support during the Gulf Coalition and its policies.
 - Note Australia's active role in developing a framework for the current peace process which is taking place in Cambodia, as well as Australia's contribution to the peace keeping force.
 - Note strong efforts on proliferation issues, particularly regarding nuclear and chemical weapons proliferation.
- o At this point, provide the American definition of the New World Order, an explanation of the vision which guides us, and a statement of the welcome and constructive role Australia is playing and will play in such a new order.

Stress Cooperation on Multilateral Trade Issues:

- o The New Order that is being shaped encompasses not just the political realm but the economic. Both our countries have been at the forefront, pushing hard for free and open markets in the world. We must avoid the creation of trading blocs. And we must continue our joint efforts to shape an international trading system which will foster rather than obstruct free trade, particularly through a successful conclusion of the GATT Uruguay Round.
 - Acknowledge Australia's leadership in establishing APEC and in shaping its development as an important international economic entity.
 - Note Australia's bipartisan efforts to press the EC to end agricultural subsidies and for a successful conclusion to the Uruguay Round.
 - Note Australia's leadership of the Cairns Group of countries which is working for agricultural trade liberalization in the Uruguay Round.
 - Note that what we are pursuing in the NAFTA is not a bloc. We intend to lower internal barriers, not create external barriers. NAFTA will be GATT consistent.

- 3 -

Reassure on U.S. Engagement in the Region:

- o Our reasons for remaining engaged and active in Asia and the Pacific are obvious. The U.S. is a Pacific nation. The Asia-Pacific region is now America's largest trading partner, with trans-Pacific commerce totalling more than \$300 billion in annual two-way trade. This is nearly one-third larger than that across the Atlantic.
- o We will remain committed to our allies and to fulfilling our security obligations. The U.S. will remain engaged in Asia and the Pacific.
- o The regional partnerships which the U.S. enjoys with Australia and other countries have and will provide the foundation for economic and political stability in the region.
- o Building on those, we need to define a renewed defense structure for the Asia-Pacific theater that reflects the regions's diverse security concerns and mitigates intra-regional fears and suspicions - a prerequisite for maintaining the stability required for continuing economic and political progress.

Future Relations Between Australia and the U.S.:

- o We have points of differences, but overall our relations are excellent. We share common histories and similar values. And we see this relationship strengthening further in the years ahead. There are many contemporary issues in which Americans and Australians have much to learn from each other:

In culture and education:

- Australian culture increasingly influences American music, cinema and sports.
- There is also a solid basis of bilateral academic interchange, including the 40-year-old Fulbright program in Australia and numerous private exchanges involving younger Australians at the secondary level.
- The U.S. 4-H organization, Future Farmers of America, and Rotary are among the groups with active exchange programs with Australian counterparts.

- 4 -

In bilateral economic relations:

- The importance of bilateral trade: after Japan, the U.S. is Australia's largest trade partner. Annual bilateral trade exceeds US\$ 13 billion. The U.S. is a major purchaser of Australian beef, veal, lamb and cheese.
- U.S. firms have over US\$ 15 billion invested in Australia, the second highest in Asia after Japan, much of it in leading edge technology in telecommunications, aviation, and informatics, as well as manufacturing, mining, agriculture, and energy.
- Tourism remains very big business for both countries. Nearly one-half million people travel each way each year. U.S. airlines have inaugurated new routes to Australia in 1991.
- We are broadening economic dialogue, this year initiating bilateral consultations on agricultural issues and continuing our consultations and joint efforts in important international economic fora such as APEC and the GATT.

In environmental and resource management:

- Cooperation in conservation and environmental protection is expanding; we have many shared interests and similarities in resource endowments (i.e., coal, oil, gas, hard rock minerals) and topography. There are many recent examples of cooperation:
- Our two governments have established a High Level Group on Energy to exchange information on energy policy, programs, demand; to review ongoing research and development; and to engage in joint research efforts.
- US Interior Department (DOI) Minerals Management Service has recently signed a bilateral MOU with Australia's Department of Primary Industries and Energy (DPIE) for sharing data on offshore minerals development, including environmental protection aspects.

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- DOI Bureau of Land Management has initiated a dialogue with DPIE that is focused on the need to balance the extraction of minerals, oil, gas, and timber with the growing demands for recreation, and management of cultural resources, and wildlife and fisheries habitats. Plans include an exchange of technical personnel between our countries.
- USDOC/NOAA officials have recently met with their Australian counterparts to discuss ways in which our two nations can strengthen efforts regarding the important environmental problems of driftnet fishing, endangered species, and the monitoring/assessment of the global warming threat.
- In APEC, where Australia leads the Energy Working Group, our two governments are considering, with other governments, establishing a regional clean coal technology utilization center.
- The U.S. and Australia recently co-sponsored the creation of an International Forestry Research Institute to focus on issues related to the conservation of tropical forests and the arrest of deforestation and environmental degradation.

In fighting illicit narcotics:

- Australia has done much to assist regional countries in their counternarcotics efforts and is an active member of the "Dublin Group" of donor nations that coordinates counternarcotics aid to producer nations.
- Our countries are united in the worldwide fight against drug abuse and trafficking, which is becoming a security threat of the 1990s.

Other Issues:

- o There are some issues on which we do not meet eye-to-eye but which should also be mentioned.
- o One particularly difficult issue is Australian continuing concern over the impact on Australian farmers of the U.S. Export Enhancement Program for agriculture. This issue should be confronted sympathetically but directly:

- 6 -

- Note the plight of American as well as Australian farmers, our legitimate stake in world grain markets, our intention to continue EEP as leverage on the EC, and our hope that export subsidies will be sharply reduced in the Uruguay Round.
- Recognize and regret that EEP is a factor affecting Australian farmers, but note other factors -- especially EC dumping, higher global production, Australia's transport/port inefficiencies affecting competitiveness, the drought, the high cost of agricultural inputs, and the simultaneous collapse of the wool market.
- Mention that he (the President) has just met with representatives of rural organizations and that they have been forthright in describing their concerns.
- Stress that we take Australian interests into account in implementing EEP, including setting up a bilateral consultative mechanism that met in August for the first time, and will continue.

- 7 -

Melbourne Luncheon Speech on Global/Regional Issues

Overall themes: Begin with the changes in Europe and move on to the latest initiatives in the Middle East and Southeast Asia. While addressing the changing political winds in the world, the President should also assure continued U.S. commitment to regional stability in Asia and the Pacific. Finally, focus should be placed upon international economic issues of mutual concern, as well as benefits to both nations of an open trading system.

Recognize Australia's Growing International Role:

- o Express appreciation for the leadership role Australia has assumed in the world.
 - Australia's contribution to the Multinational Gulf Coalition
 - Active role in working toward a settlement in Cambodia
 - Leadership in forming APEC
 - Strong efforts on proliferation issues, particularly regarding nuclear and chemical weapons
- o Our partnership has become increasingly important, especially in the wake of the tremendous changes that have occurred in the world over the last two years.

U.S. Regional Role to Remain Strong:

- o The regional partnership which the U.S. has enjoyed with Australia and other countries has been the foundation for economic and political stability in the region.

- o Despite the changes elsewhere in the world, the U.S. will remain engaged, concerned and active in Asia and the Pacific, both in strategic and economic terms.

Stress Cooperation on Multilateral Trade Issues:

- o The New Order that is being shaped encompasses not just the political realm but the economic. Both our countries have been at the forefront, pushing hard for free and open markets in the world. We must avoid the creation of trading blocs. And we must continue our joint efforts to shape an international trading system which will foster rather than obstruct free trade, particularly through a successful conclusion of the GATT Uruguay Round.
 - Acknowledge Australia's leadership in establishing APEC and in shaping its development as an important international economic entity.
 - Note Australia's bipartisan efforts to press the EC to end agricultural subsidies and for a successful conclusion to the Uruguay Round.
 - Note Australia's leadership of the Cairns Group of countries which is working for agricultural trade liberalization in the Uruguay Round.
 - Note that what we are pursuing in the NAFTA is not a bloc. We intend to lower internal barriers, not create external barriers. NAFTA will be GATT consistent.

Facing Challenges Ahead:

- o This is not to say that there are no challenges ahead:
 - The proliferation of chemical, nuclear and biological weapons of mass destruction remains a problem; Australia's role in achieving international safeguards to reverse the proliferation trend has been critical to this effort.
 - We share a common view that the formation of protective trading blocs must be avoided, and support for cooperative frameworks such as APEC must be vigorously continued.
 - We should do all we can to open markets and foster free trade in order to strengthen international economic cooperation, confidence and recovery.

POSSIBLE LANGUAGE FOR THE PRESIDENT'S AUSTRALIA SPEECHES

INTRODUCTORY REMARKS

-- This is only my second visit to Australia, but my impressions of your vast and beautiful country will always be very special ones.

-- (Insert complimentary remarks on Canberra, Sydney and Melbourne -- depending on itinerary. Could also make reference to Australia's size by noting that several states the size of Texas would fit in Western Australia.)

THE ALLIANCE

-- It isn't just Australia's natural beauty that draws Americans "down under." We share a long-standing friendship based on common language, heritage and origins and embodied in a special alliance that has served our two countries so well.

-- We also share a democratic openness and willingness to accept substantial immigration as a means of further enriching our societies.

-- I was deeply moved by my visit to the Australian War Memorial. It evoked memories of the sacrifices that both our countries have made, often side by side. (n.b. - Can only be used in Melbourne speech after visit to Memorial.)

-- Yanks and Aussies fought together in World War I, helping to liberate France. The first U.S.-Australian military cooperation took place when elements of the U.S. 33rd Division joined Australian troops in the capture of Le Hamel, France.

-- And in World War II, our troops again fought side by side, and half a million U.S. military men and women served in Australia through that war.

-- Together, U.S. and Australian forces fought throughout the Pacific, in tough land, sea, and air combat. Our alliance and partnership has been solid ever since -- in Korea, Vietnam, and most recently in the Persian Gulf.

- 2 -

RECOGNIZING AUSTRALIA'S INDEPENDENT INTERNATIONAL ROLE

-- While our close and important strategic relationship will continue to be of great mutual benefit, Australia has become a positive force of its own in world affairs. Your views are valued and while we may not see eye-to-eye on every issue, the direction of your policies are complementary to our own and are consistent with my vision of a new world order, an order where democratic ideals of peace, freedom, and respect for human dignity bond nations in a common purpose. Let me cite some examples:

-- In the post-Cold War era, we are witnessing a reinvigorated role for the United Nations. Much credit goes to Australia for facilitating this.

-- Your initiative and persistence were key to shaping the framework for the Cambodia peace settlement finally agreed to by all warring factions last October. And Australia continues to ensure that the process toward democracy and lasting peace in Cambodia does not falter.

-- You were among the first to dispatch aid and technical support under the United Nations Transitional Authority in Cambodia (UNTAC), which an Australian was appointed by the UN Secretary General to command.

-- Australians also serve under the UN banner in the Western Sahara and are a vital part of the Multinational Interdiction Force, ensuring that UN sanctions against Iraq are enforced under international law. In the Middle East, as in Cambodia, you have been quick to provide humanitarian relief. Last May your defense force provided medical teams and water purification equipment and services to Kurds and Iraqis fleeing Saddam's oppression.

-- But even long before the Gulf War, Australia had the foresight to focus world attention on the problems which are now emerging as key concerns for the world community. Thanks to your efforts, the "Australia Group" was established in 1984, and is currently comprised of 22 nations dedicated to preventing the use and spread of chemical and biological weapons throughout the world.

-- Australia also plays a major constructive role in strengthening the international economic system. It was Prime Minister Hawke who pushed the idea of a regional effort to promote freer trade by eliminating trade barriers and

- 3 -

establishing common policies. Through his vision and efforts was born the Asia-Pacific Economic Cooperation, a key economic forum we know as APEC. And since its first ministerial meeting in Canberra two years ago, APEC has succeeded in mobilizing the support of all fifteen participants to push for substantive progress in this key GATT Uruguay Round, and to explore ways that countries in this dynamic region can better cooperate to achieve sustainable growth, to increase employment, and to preserve the environment.

-- Clearly, Australia has established itself as a strong promoter of multilateral solutions to important international problems, be they military, social, political or social in nature. And in large measure, your goals are shared by the United States.

ASSURING CONTINUED U.S. ENGAGEMENT IN THE REGION

-- Let me take this opportunity to assure you that we, too, are committed to remaining engaged throughout the world. There are some naysayers who wrongly predict that recent events in Europe and Asia will lead to a more isolationist America. This could not be farther from the truth.

-- America tried to isolate itself politically from the world in the past, and we ended up fighting two bloody world wars. We also tried economic isolation that only helped to set off a devastating world depression.

-- Current trends point to our strengthened engagement in Asia and the Pacific in the decades ahead. This region has become our largest and fastest growing trade partner. Two-way trade between the region and the U.S. now amounts to more than \$300 billion, nearly one-third larger than that across the Atlantic.

-- American firms have invested more than \$61 billion in the region, and that will certainly grow. On the other hand, investors from the Asia-Pacific have invested more than \$95 billion in the U.S. We welcome this investment, which results in new jobs, new technology and new, more effective management techniques.

-- Our bilateral trade relationship with Australia is strong and growing. Total bilateral trade exceeds US\$ 13 billion, having grown over 20 percent in the last five years. After Japan, the U.S. is Australia's most important trading partner, taking 12 percent of her exports, and providing 23 percent of her imports. At US\$ 15 billion, Australia is the largest recipient of total U.S. direct investment in the Asia-Pacific region, again next to Japan.

- 4 -

-- Cooperation and dialogue on economic issues can only benefit our respective economies. We must continue this openness in our relationship, and indeed work for greater openness in our trade relations, particularly as we both continue to face economic difficulties on the domestic front.

REMARKS ON THE EXPORT ENHANCEMENT PROGRAM

-- But while we generally agree on the goals, we sometimes differ on the means. Our use of the Export Enhancement Program to counter the agricultural subsidies of the European Community is one point of difference.

-- I appreciated the opportunity to meet with rural representatives earlier today (or yesterday if said in Melbourne). I can assure you, American and Australian farmers have much in common.

-- Let me be clear in stating that I don't favor subsidy programs. They are a burden to the taxpayer. They weaken the mechanism and reduce the benefits of a free trading system. And subsidies take the competitive edge out of industry.

-- But let me be equally clear in pointing out that we did not start the wheat war. Talks with the EC on this issue had previously led nowhere. And it is our farmers in the U.S. and Australia who have been badly hurt by continued EC subsidies of wheat.

-- We must both remember that the basic cause of depressed international agricultural prices, which have been hurting both our farm sectors, lies with the European Community.

-- We are now seeing glimmers of hope. And I believe it is because we have countered EC subsidies with the EEP. It is in the long-term interest of all non-subsidizing nations that this pressure on the EC be maintained.

-- At the same time, we in the U.S. will try to limit the harm that our EEP does to non-subsidizers like Australia. This does not mean, however, that Australian farmers, or American taxpayers, will be immune from the costs of the fight against subsidies. I firmly hope that the long term gain for American and Australian farmers from a successful Uruguay Round will outweigh the short term pain.

- 5 -

-- Any mature relationship, even between close allies, cannot be without differences. I have agreed to greater bilateral dialogue on this and other economic issues of bilateral concern. We must continue to seek understanding and work to iron out our differences.

THE NEXT FIFTY YEARS

The Environment

-- We can be proud as we look back over the accomplishments of the last five decades. But we can and must do more to expand our bilateral relationship in ways which will be beneficial to future generations of Australians and Americans. A key area is the environment.

-- We share common energy interests which are derived from our large domestic energy resource bases. Together, we are the world's largest coal exporters. Ministerial meetings were held here last year to discuss upgrading our cooperative research and development efforts in the area of energy.

== At the ensuing high level group meeting held in Washington last April, Australia and the U.S. agreed on the importance of pursuing energy policies that will help promote our energy exports while addressing environmental issues.

-- Together, U.S. Energy Department officials are working with their Australian counterparts to develop clean coal technology, energy efficient technologies, and other programs of importance to the environment.

-- Our governments also have agreed to share information on offshore minerals development, which include environmental protection aspects. And there is an increase in our sharing of experiences in balancing the extraction of minerals, oil, gas, and timber with the growing demands for recreation, better management of cultural resources, and environmental preservation.

-- Our scientists also are working alongside your scientists to better understand the global climate system. The U.S. National Oceanic Atmospheric Administration, NOAA, collaborates with Flinders University of South Australia in tidal research. NOAA and the University of Tasmania also have a cooperative arrangement for climate and global change research.

- 6 -

-- We are collaborating on providing regional governments much needed information and training in preserving endangered forests. Toward this end, the Australian and U.S. Governments are co-sponsoring an International Forestry Research Institute to address conservation, deforestation, and environmental degradation.

-- And in managing the delicate balance of our ocean fisheries, Australia and the United States have shared concerns over driftnet fisheries for albacore and other tuna in the South Pacific. We have joined other nations in remedying this serious conservation threat to tuna stocks in the Pacific.

Educational and Artistic Interchange

-- I began my remarks today noting that Australia is a country graced with much natural beauty. But it is really the spirit of your people which has made it a country so admired by Americans and others throughout the world.

-- We see this in the arts, with the creative works of Australians in all media, including painting, sculpture, dance and, of course, film making. And we hear it in your music, where Australian artists remain extremely popular in the United States.

-- We must continue to facilitate this rich interchange between our people. Let me give you one recent example. Our Consul General in Perth last November invited American musical artist Paul Simon, who was in Australia then on tour, to meet with a number of West Australian Aboriginal musicians in his residence. After the guests had arrived, it was the Australians who made the first move, setting up their traditional instruments on the coffee table. Soon, Mr. Simon and his fellow American musicians were receiving didgeridoo lessons. And by the end of the evening, he was sharing a few of his own skills with the guitar, completing an evening of musical fellowship.

-- At a more institutional level, we (if in Canberra remarks, text should read will launch today; if Melbourne, text should read, launched yesterday in Canberra) the Australian Center for American Studies. This new national center will expand our bilateral links through the development of programs of practical benefit to business, higher education, and the universities. We hope this new national center will serve as a forum in which interdisciplinary study and discussion of contemporary issues will be conducted to the mutual benefit of both our nations.

- 7 -

-- While we may have our differences over the EEP program, our young people look beyond the present. In preparing for this trip I was very pleased to learn that our 4-H program and our Future Farmers of America have active exchange programs with young people in your farm communities.

Easing Travel Access

-- Nearly one-half million Australians visit the U.S. each year, and an equal number of Americans come here.

-- We are working together on facilitating freer travel between our countries for visitors and business persons. The U.S. has offered to waive the issuance of temporary visitor visas for Australian nationals, but this can only be done on a reciprocal basis. Our two governments are also discussing modifications in your business visa issuing regime which would permit us to legally offer treaty trader and investor visas to Australians under our own laws.

Conclusion

-- These examples are real indications of the cooperative spirit that exists between our two nations as we seek to strengthen our economic, cultural and educational ties. They are positive signs of the shape which our bilateral relationship will take over the next five decades.

-- Let us continue to work closely together to ensure that the future of our relationship will be as productive a partnership as it has been over the last fifty years.

Clear

SUGGESTED POINTS FOR TOAST AT THE STATE DINNER

Hosted by the Governor General and Mrs. Hayden
January 1, 1992 - Canberra

Before proposing a toast to the Queen, I would like to make a few brief remarks.

First and foremost, I can't express strongly enough how pleased Barbara and I are to be here with you, Mr. Governor General, your gracious wife, Dallas, and the other distinguished guests.

Barbara and I recall fondly the warmth we felt during our 1982 visit during Coral Sea Week. We are feeling that warmth again on this visit. Other than Kennebunkport, I can't think of another place we would rather have seen in this new year.

Our shared values, history, culture, and struggles through war and peace together have created a bond between our two peoples that is close and lasting.

We shared the burdens of the Cold War together. Now let's look together to the next fifty years. Let's seek ways to expand the bonds of friendship for the next generation of young Americans and Australians, to help them face the challenges of their time, building on the peace, conserving the environment, educating their children, and sharing the benefit of God's bounty with all.

Ladies and gentlemen, a toast to Her Majesty the Queen.

SUGGESTED POINTS FOR TOAST AT PRIME MINISTER'S DINNER

Hosted by Prime Minister and Mrs. Hawke

January 2, 1991 - Canberra

Before proposing my toast to the Queen, I should like to offer a brief observation on our host this evening.

You, Mr. Prime Minister, and your government, have been good and true friends as we together have faced the challenges of a rapidly changing world order.

I have valued your counsel especially over the past year as we brought a tyrant to task in Iraq, moved the peace process forward in the Middle East, responded to democratic openings in Eastern Europe, and established a framework for peace in Cambodia.

Finally, you and your Ministers, by continuing to press for real progress in the Uruguay Round, have helped bring us close to a worthwhile outcome. We thank you for that.

Ladies and gentlemen, a toast to Her Majesty the Queen.

UNCLASSIFIED**MEETING WITH MEMBERS OF THE AUSTRALIA-UNITED STATES
CORAL SEA COMMEMORATIVE COUNCIL****SCENESETTER****PURPOSE**

The purpose of your meeting with members of the Australia-U.S. Coral Sea Commemorative Council will be to express appreciation to the Council for assuring that the 50th anniversary of the origins of the bilateral alliance is given the prominence it deserves.

SETTING

Approximately 50 members of the Council, distinguished and influential citizens from many sectors of Australian society, will have gathered in Otway Room No. 1 of the World Congress Centre. The Ambassador will introduce you to the Chairman of the Council, Sir Eric Neal, and the Council Vice Chairman, Vice Admiral Michael Hudson. Sir Eric will then invite you to address the Council. Following your remarks, Sir Eric will make concluding remarks and introduce you to the Committee Chairmen and to the other Members of the Council.

KEY OBJECTIVES

- == To thank members of the Council, especially Chairman Sir Eric Neal, for their contributions to Council programs and projects that will commemorate the World War II origins of our bilateral alliance in 1992.
- To focus press attention on the Council and stimulate general public interest in the cycle of commemorative events planned in Australia during 1992, especially the 50th anniversary of the Battle of the Coral Sea.
- To acknowledge the contributions of th thousands of Australians who are working to develop commemorative activities during 1992.
- To underline the importance the U.S. attaches to younger Australians and the future of the alliance.

Attached is a list of participants.

UNCLASSIFIED

UNCLASSIFIEDPOINTS TO BE MADE WITH THE AUSTRALIA-UNITED STATES
CORAL SEA COMMEMORATIVE COUNCIL

- I am pleased to have the opportunity this morning to thank all of you personally for your participation in the Australia - U.S. Coral Sea Commemorative Council.
- The programs and activities you coordinate or sponsor will ensure that events which shaped the beginnings of our bilateral alliance -- especially the 50th anniversary of the Battle of the Coral Sea -- receive the attention they deserve in 1992.
- I also want to convey to this Council and to all Australians who are developing commemorative programs this year the appreciation of the over one million American men and women who served in Australia during World War II.
- The participation of so many prominent Australians on this Council is evidence that the defense of freedom here and in the South Pacific during World War II by Australians and Americans has not been forgotten.
- I share your hope that many of our veterans will return to Australia with their families in 1992 to take part in the activities that are being planned. I know they will receive the same open, warmhearted Aussie welcome that I have received.
- I am sure that the actions of this Council will strengthen and sustain an alliance that has matured and is as relevant today as it ever was.
- My best wishes to you throughout this commemorative year.

UNCLASSIFIED

Time Difference: 14 hrs. ahead
Lead Advance: Bob Athy

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Draft Six
December 18, 1991
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PRESIDENTIAL REMARKS: BUSINESS LUNCHEON
MELBOURNE, AUSTRALIA
FRIDAY, JANUARY 3, 1991

Nat'l Anthem

Acknowledgements. Thank you for that introduction. Your National Anthem speaks of a land "abound[ing] in Nature's gifts, of beauty rich and rare." // Barbara and I feel richer for the rare privilege of being with you today. //

((It is a pleasure to be in the country of Paul Hogan, Skippy the Bush Kangaroo, and of course Greg Norman. // Greg may be nicknamed "The Great White Shark" -- but when I'm on the course I spend a lot more time in the water.)) //

Christobel

((If I wasn't sure I was in Australia, it was confirmed today when "Hail to the Chief" was replaced with "Tie Me Kangaroo Down Sport." // Actually, I like the song -- just as I do your beautiful land known as "Bush Country." // Now, if I can just get that description to apply to all 50 States back home.)) //

Doug Gumbel

~~Hate Sport~~

Curt

((I have also enjoyed this luncheon. // Earlier, someone was kidding me about the menu. / He said the good news was that flavoring had been added to the vegemite to make it more appealing to Americans. / He said the bad news was that the flavoring was broccoli.)) //

Ten years ago this May, I first visited Australia to mark the fortieth anniversary of the Battle of the Coral Sea. Last June, Prime Minister Hawke made his fifth visit to Washington,

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States Office
of the Historian

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Feb. 1988

where we met in the Oval Office. / "What we want," he ~~said~~, "is not going to fall into our lap... We ~~must~~ work together to get it." // *has* *The obligation is to*

I am here to talk of that work -- and how, together, Australia and America can help to build a better world. We will build it through liberty, and opportunity -- and through trade that is both free and fair. // We will build it by using our common culture and heritage, language and principles to promote prosperity at home and democracy abroad. //

This morning

~~Today~~ Yesterday, I visited the Australian War Memorial, where the power of this alliance -- in Lincoln's words -- "crowded upon my mind." // There lie the heroes who stood with America in World Wars I and II, Korea, Viet Nam, and, ~~of course~~, the Persian Gulf -- heroes who fought together to defend our ideals. // Our task now is to join together to create a world where the force of law outlasts the use of force. //

(Canberra)

Christobel

We term this the New World Order -- a world of peace and human dignity. Its triumph is inevitable -- but only if democracies are resolute. // Globally, you have encouraged this by supporting a more engaged United Nations. Nearby, you helped shape the framework for the Cambodia peace settlement agreed to by warring factions -- and I assure you: Here, too, America is your partner. We will not abandon the search for stability in this region. //

*Branches
State*

((More than 150 years ago, President Andrew Jackson appointed J.H. Williams as the first American ~~counsel~~ here. *Consul*)

a newspaper article

Arriving from Boston, Williams was greeted by ~~an editorial~~: "We ~~welcome~~ regard his arrival," read the Australian paper, "as a pledge of increasing intimacy between the two countries, from which mutual advantages may be expected to flow.")

USIS fax from JAG

~~One year ago~~, in the Persian Gulf conflict, those advantages served a cause both right, and true. // You were quick to condemn the Iraqi invasion / to endorse economic sanctions / and to send ships to engage in the multi-national coalition. I thank you for also sending medical teams and humanitarian relief to Kurds and Iraqis fleeing Saddam's oppression. // Australia stood fast so that decency could stand tall. This is no surprise. I remember how, in 1984, you acted with equal dispatch to achieve the common good. What you helped create -- the "Australia Group" -- today has twenty-two members ~~each~~ each nation dedicated to preventing the use and spread of chemical and biological weapons.

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Australia believes that multilateral solutions can solve global problems. So do I. // Fifty years ago, we found that what happened in Europe and Asia could not be divorced from America. Political isolationism doesn't work. // We must now recall that lesson -- but this time in peace, not in war. // The Australian statesman, Alfred Deakin, once said, "Next to our own nation we place our kindred in America." He knew that we are all members of the world community. // So we need to strengthen our already steadfast commitment to Asia and the Pacific region -- increasing democracy, free expression, and, yes, free markets. //

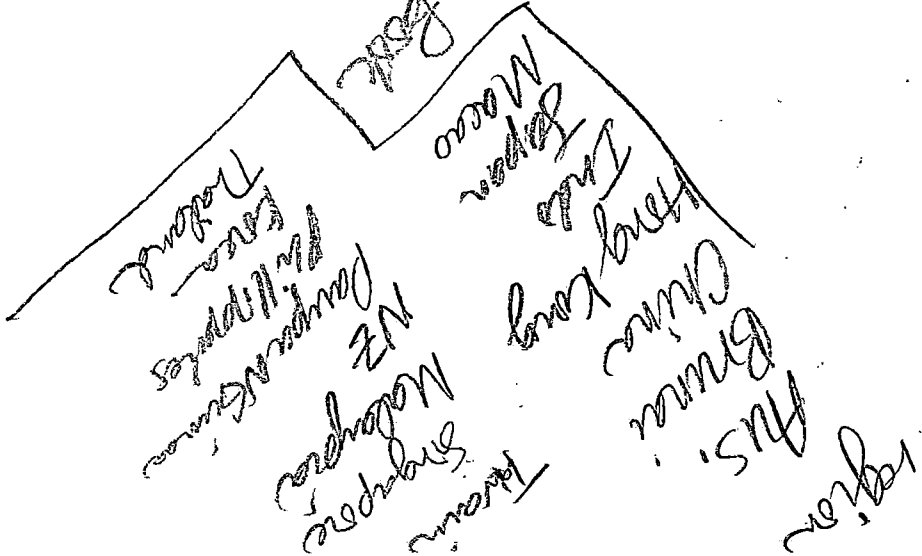
Jen Book of Aus. quotes

From US Commerce
1990 →

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THE WHITE HOUSE
WASHINGTON

Already, the two-way trade between this region and the U.S. totals over \$300 billion. // I say: We can, and must, expand it.

((You know, we have to think of free trade like Australia and that other Nation, my native Texas. // They show us how to think big. // For instance, I'm impressed that the flag of Australia is the only one to fly over a whole continent. // I'm even more struck by the fact that Australia has more sheep than people. That's impressive -- but Washington has more lawyers than you have sheep.))

In America, half of our GDP growth between 1985 and 1990 flowed from exports. To increase that growth -- which means more jobs -- we need the cooperation that is a cornerstone of the New World Order: The cooperation that will increase free trade / open markets / and ensure jobs. // On the other hand, we must reject the economic isolationism that's been tried before -- and found wanting: The protectionism that will close markets / ensure poverty / and cost jobs. // We can't go down that dead-end street again, and won't: Not as long as I am President. //

In 1990, free trade helped our merchandise exports to Australia total \$8.5 billion -- up ~~\$188~~ \$200 (2.4% ↑) million from 1989. I commend your policies to foster greater openness and competitiveness in the economy. You have eliminated most import quotas, and cut domestic subsidies and tariffs. // I also applaud your efforts to strengthen the international economic system -- spurring a regional effort to promote freer trade by erasing trade barriers.

USTR
Elaine Brown ✓

Australia
in brief

Elaine
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THE WHITE HOUSE

WASHINGTON

None of this has come easily -- but thanks to you, it's come steadily. // I can sum up this trip's purpose in three words: Jobs, jobs, jobs. So I am grateful that several years ago, Australia helped create the Asia-Pacific Economic Cooperation (APEC), a key economic forum. Since APEC's first ministerial meeting in Canberra 2 years ago, it has mobilized all fifteen participants to push for progress in the GATT Uruguay Round. / APEC members want to find ways to achieve sustainable growth, increase employment, and preserve the environment. So do we. We want the jobs that stem from economic cooperation among Pacific Rim market economies, including the United States. // Just as we need your help, so I pledge ours.

It is true our two Nations generally agree on goals. It is also true that we sometimes differ on means. // One difference is our use of the Export Enhancement Program (EEP) to counter the agricultural subsidies of the European Community. Let me be clear: I ~~oppose such subsidies.~~ *don't favor subsidy programs.* They burden the taxpayer / reduce the benefits of free trade / and make industry less competitive. / In the long run, they stifle growth and cost jobs.

I know negotiations on this issue will be difficult. Yet let us show how the "Texas Two-Step" can meet "Waltzing Matilda." // Recently, in an effort to defuse EEP tensions, an Australian delegation visited our Department of Agriculture. We heard your perspective on the current world market situation, and your plea for sensitivity to Australian trade. / Australian officials have expressed interest in holding follow-up talks early this year. I

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USTR, Laura Anderson 395-6813

THE WHITE HOUSE

WASHINGTON

hope that the long-term gain for Americans and Australians from a successful Uruguay Round will outweigh the short-term pain. //

I have agreed to greater bilateral dialogue on this and other economic issues. We will seek understanding in the future as in the past. // We can be proud of working together over the last five decades. Yet a record is not something to stand upon. A record is something to build upon. //

We must expand our bilateral relationship in ways which benefit our countries. // We both breathe the same air. So last April, we agreed to pursue energy policies which will increase exports while preserving our environment. // We know that education is our most enduring legacy. [So yesterday we launched the Australian Center for American Studies.] This new center will expand bilateral links by developing programs of value to business, education, and the universities. / We hope this center will cause future generations to say of America and Australia, in the words of a great hymn: "Blest be the ties that bind." //

These ties are economic, military, social, cultural. They rest on shared values -- love of family, faith in God, pride in country, love of the unknown. // The first pictures of Neil Armstrong's adventure on the moon were beamed from Australia's radio telescope at Parkes to a waiting world. Later, ~~in return,~~ Apollo XV was named "Endeavor" after Captain Cook's ship -- in the hope of many future endeavors between our two Nations.

This new year, let's look forward to our next century together. Let's expand the bonds of friendship for ourselves,

Brian
WDD, State

Hymn
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THE WHITE HOUSE

WASHINGTON

and our children. / Let's help them meet the challenges of their
time, as we have met ours: Building the peace / creating
opportunity / increasing the benefit of God's bounty for all.
Thank you very much, and may God bless the people of this great
land -- Australia.

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AUSTRALIA NOTES

From Australia in Brief:

Trade: Australia ranks about 20th in the world in international trade.

Flag: The flag of Australia is the only one to fly over a whole continent. The Union Jack in the upper left corner represents the historical link with Britain; the large seven-point star represents the six states and the territories, and the small stars form the Southern Cross -- a prominent feature of the southern hemisphere night sky.

Colors: Green and gold; adopted in 1984.

Coat of Arms: Australia's coat of arms -- the official emblem of the Australian Government -- was granted by King George V in 1912. The arms consist of a shield containing the badges of the six states. The supporters are native Australian fauna -- a kangaroo and an emu. A yellow-flowered native plant, wattle, also appears on the design.

(NSEW points) From Wyndham to Whyalla, from Bunbury to Bundaberg...

Encyclopedia notes:

-- Much attention and support (public and private) have been given to the expression of distinctively Australian qualities in all art forms.

-- Quote these literary figures: Henry Kendall, Henry Kingsley, Marcus Clarke, Fergus Hume, Rolf Boldrewood (aka Thomas Alexander Browne), Adam Lindsay Gordon, Andrew Barton "Banjo" Paterson, Henry Lawson (the best to quote)

-- Poetry quotables: Robert David Fitzgerald, Kenneth Slessor, Judith Wright

Movies: Mad Max

Stars: Mel Gibson, Paul Hogan

Music: the Bee Gees, INXS, Olivia Newton-John, Helen Reddy

From Bartlett's

Sir Thomas Browne: "When we desire to confine our words, we commonly say they are spoken under the rose."

Adam Lindsey Gordon: "Question not, but live and labour till yon goal be won, Helping every feeble neighbor, seeking help from none; Life is mostly froth and bubble, Two things stand like stone -- Kindness in another's trouble, courage in your own."

From USIS:

Us-Australia Historical References...

-- In May, 1836, President Jackson appointed J.H. Williams as the first American Consul in Australia. Mr. Williams arrived from Boston on January 10, 1837. The Colonist, a newspaper of the day, said...

"We welcome his arrival with unfeigned goodwill, regarding it as a pledge of increasing intimacy between the two countries, from which mutual advantages may be expected to flow."

-- Upon entering Sydney Harbor via ship, Mark Twain was asked by a local citizen what he thought of it. "I said it was beautiful - - superbly beautiful. Then by a natural impulse I gave God the praise."

-- Sydney: Mark Twain said, "A person ought to see Sydney in the summertime if he wanted to know what warm weather is; and he ought to go north ten or fifteen hundred miles if he wanted to know what hot weather is. they said that away up there toward the equator the hens laid fried eggs."

-- Aussie/US military history: In September 1918, Australian and American troops fought alongside each other in the main attack on the Hindenburg Line which ended WWI, a battle experience to be shared again in WWII, Korea, and Vietnam.

-- In 1969, Australia's radio telescope at Parkes was used in conjunction with another 210 foot antenna in the US to carry the historic television pictures of the first manned landing on the moon. The picture everybody remembers -- Neil Armstrong's leg searching for the surface of the moon -- was first seen in the briefing room of the Honeysuckle Creek tracking station near Canberra. As a compliment to Australia, NASA in 1971 named Apollo 15 "Endeavour" after Captain Cook's "Endeavour".

Sports: Greg Norman-golf, Rod Laver-tennis, Dawn Fraser-swimmer, John Landy-running.

Author: Colleen McCullough "The Thorn Birds"

Other notable Aussies:

Rupert Murdoch--media guru

Jim Wolfensohn--chairman at Kennedy Center

Patrick Oliphant--cartoonist at WPost

State's Office of the Historian

Highlights in relations between the US and Australia

May 1, 1982, Bush as VP visited Australia to commemorate the 30th anniversary of the ANZUS Treaty

June 24-27: PM Hawke made his 5th visit to W,DC to meet w/ GB.

Australia Overview

Bilateral relations are excellent, but Australian concerns over US trade policies have caused problems. We are working closely in the GATT Uruguay Round to resolve trade issues. On issues of major importance to the US, we can count on Australian support.

The US and Australia are important trading partners, with 2-way trade exceeding \$12 billion in 1990. From that trade, the US enjoyed a surplus of about \$4.1 billion. US investment in Australia totals over \$30 billion. Australia's investment in the US is about \$15 billion. The US is Australia's second largest investor and second largest export market.

Australia was quick to condemn the Iraqi invasion of Kuwait, to endorse economic sanctions, and to send naval forces (3 ships) to participate in the multinational force in the Gulf. Australia also sent 4 military medical teams and a specialized team of divers.

Concerned that European economic integration and the US-Canada Free Trade Agreement could lead to diminution of Australian markets overseas, Hawke took the lead in organizing the first APEC (Asian-Pacific Economic Cooperation) ministerial conference in November 1989. APEC's goal is to promote economic cooperation among Pacific Rim market economies, including the US.

Australia National Anthem

Australians all let us rejoice, for we are young and free;
We've golden soil and wealth for toil, our home is girt by the sea.
Our land abounds in Nature's gifts, of beauty rich and rare;
In hist'ry's page, let ev'ry stage advance Australia fair.
In joyful strains then let us sing, "Advance Australia Fair."

Beneath our radiant Southern Cross we'll toil with hearts and
hands;
To make this Commonwealth of ours renowned of all the lands;
For those who've come across the seas we've boundless plains to
share;
With courage let us all combine to advance Australia fair.
In joyful strains then let us sing, "Advance Australia Fair".

From Cities of the World (3rd Edition)

Geologically, Australia is one of the oldest continents; in
civilization, the most recent.

Its 16 million (1986 estimate) people enjoy a high standard of
living which is still in the process of developing its great
natural resources.

Canberra

Canberra: an aboriginal word meaning "meeting place". Often called
the "garden city" because of the millions of trees and shrubs which
enhance the parks and thoroughfares of the entire area.

Increasingly, Canberra is becoming the nation's political,
administrative, commercial, educational, and scientific hub.

Lake Burley Griffin (named after the architect of the city, Walter
Burley Griffin) is supplied annually with rainbow trout and brown
trout, which may be taken only with line and rod.

Canberra was chosen as the capital when the rival claims of Sydney
and Melbourne could not be satisfied after the unification of
Australia in 1901.

Sydney

Sydney is the capital of the State of New South Wales. It is
Australia's largest city and it is situated on the magnificent
harbor of Port Jackson. It was the first European settlement in
Australia, founded in 1788 as a penal colony.

Sydney was named for Thomas Townsend, the first Viscount Sydney,
secretary of the Home Department, who was responsible for colonial
affairs when New South Wales was established.

Sydney is in many ways like San Francisco. It has an international seaport with a scenic harbor, home of a world-famous opera house, old homes perched alongside modern apartment buildings on hills overlooking picturesque bays and coves. In other ways, the city resembles LA, with its pleasant climate and informal outdoor life.

Sydney grew rapidly with the arrival of free settlers; the establishment of wool raising and wheat growing in New South Wales; gold rushes; building of road and rail networks focusing on the harbor; and the growth of commerce, industry and banking. The development was largely unplanned, and the winding narrow streets and jumbled buildings which add to Sydney's charm also aggravate traffic problems.

Bushwalking (hiking) is very popular -- joke potential.

Melbourne

Melbourne was the capital of Australia until 1927, and several Commonwealth government departments and offices are still located here. It is a major port city and rail hub, as well as a principal center of industry, business, and finance. Major traffic problems here.

Australia's program of immigration has brought to Melbourne many "new Australians" from western and southern European countries. This has been especially noticeable since WWII. These people have injected a continental influence that is reflected in delicatessens, restaurants, and shops, and in sports, music, and cultural programs, as well as the frequency with which foreign languages are heard.

Australia's Commerce and Industry

Australia's economy is based on a combination of free enterprise and state-owned or-licensed monopolies (with considerable federal government authority) in banking, credit, and agriculture. Railroads and utilities are owned by state and federal governments. Telecommunications are a responsibility of the latter. Wages are determined by state and federal boards and, to some degree, by collective bargaining. Most major agricultural products are subject to marketing controls or stabilization arrangements.

Australia's economy was traditionally based on agricultural and mineral production, mainly for export. In recent decades, the economic structure has changed. The manufacturing sector's share of GDP rose after WWII, under the impetus of import restriction policies. More recently, finance, business services, and community services have accounted for an increasing share of the GDP, while the manufacturing share declined.

Important shifts in overseas trade patterns have occurred since WWII. The UK is now much less important in Australia as a trading partner than it once was. Asian countries and the European Communities have recently become prominent markets for Australian products. Japan is the nation's best export market, especially for wool. Japan also ranks first as a source of Australian imports.

Australia imports a wide range of goods from the US -- machines and machinery, transport equipment, scientific and professional instruments, and other business equipment. Exports to the US are mainly beef and veal, chemicals, ores and minerals, sugar, and seafood.

American Chamber of Commerce in Australia is located at 50 Pitt Street, Sydney, New South Wales 2000.

Australian Tourist Commission; 489 Fifth Avenue, NY, NY 10017
(212)687-6300.

From ACT Tourism Commission/Australia's Natural Capital

Canberra can be described as a park with a city scattered through a park. No matter where you look, you see trees.

Seasons -- pink spring blossoms, sun-drenched summers, crisp orange autumns, and crystal blue winter skies.

"Get to know Canberra, go and visit it, spend a little time here to get to know your way around and you'll love it just as much as I do." -- Dame Pattie Menzies

Canberra, born in 1913, is the tailor-made national capital of Australia. Meticulously planned and carefully laid out, it is a world capital of undeniable beauty, merging with nature at every opportunity.

"The morning and evening lights at Canberra are wonderful. The shadows of the clouds and the mists as they cross the mountains are very beautiful indeed." -- Walter Burley Griffin, Canberra's designer

Nearly 70% of the ACT is national park or native bushland.

Population 300,000 "friendly souls".

From National Geographic, Feb 1988

Australia has always been a land of immigrants. Aborigines arrived from Southeast Asia at least 40,000 years ago. The British came in 1788, followed by Germans, Chinese, Italians, and Greeks.

By 1850, Australia had 400,000 people and 13 million sheep. Sheep still outnumber people, and Australia's wool exports were worth 2.7 billion US dollars in 1987.

The term "mate" arose on the goldfields, and, in the era of the bushman portrayed in the film "Crocodile Dundee", it remains the trademark term of address of the ordinary Australian.

In WWI, more Australians than Americans died in battle -- though America was 20 times more populous.

Pearl Harbor awoke Australians to the existence of Asia. The Japanese attack also pushed Australia closer to the US. With the Pacific world in shock, PM John Curtin told his nervous fellow Australians, "Without any inhibitions of any kind, I make it quite clear that Australia looks to America free of any pangs as to our traditional links or kinship with the United Kingdom." It was almost like a divorce and remarriage.

There are ten times as many jumbuck as people

How to speak Strine:

bonzer: great, terrific
bush: country away from the city
chook: chicken
dingo: Australian wild dog
dinkum, fair dinkum: honest, genuine
jumbuck: deer
ocker: basic, down-to-earth Aussie
outback: remote bush
Strine: what Aussies speak
tucker: food

Australia contains the oldest known fragments of the earth's crust, from the Jack Hills, at 4.3 billion years.

Literacy is virtually 100%

American influence is felt through the economy, popular culture, and technology, and is always in flux. "We are becoming Americanized only in the sense that we're becoming universalized," observed Tony Staley, a former cabinet minister. "It so happens that the US is at the forefront of many things; the whole world is going in that direction."

"What we want is not going to fall into our lap the way it did before. The obligation is to work together to get it."

-- PM Hawke

Photo caption: A "regular bloke" to voters who first elected him in 1983, PM Robert Hawke attributes his success to a strong Labor Party Platform and to his wife Hazel. A former Rhodes Scholar, and 1954 world beer-drinking champion, the now teetotaling Hawke has won enactment of a tax overhaul and opened the economy to foreign banks.

"There is a certain innocence about being an Australian," painter Sidney Nolan said years ago. Perhaps it stems from the youthfulness of the nation. Or perhaps it results from closeness to nature.

"Australia's lost its feeling that it could never do anything," said New South Wales environment minister, Bob Carr.

Despite skillful efforts at disciplined economic management by the Hawke government, economic crisis still shadows the face of Australia. Nothing can take away the unpleasant facts. The Australian dollar has lost 50% of its value against the Japanese yen in the past three years. Australia's foreign indebtedness is so huge that nearly a fifth of yearly export income goes to pay interest on it. Both the inflation rate (8.3%) and the unemployment rate (7.7%) are well above the average of Western industrialized nations. Savings are low, and business investment is even lower. In some realms the "lucky country", as Australia sometimes calls itself, seems out of luck. The farmers are in debt. Industry labors under the disadvantages of protectionism's lull, a small internal market, and high costs. Mining has not yet proved a panacea.

Get 1990 Figures



ECONOMIC THEMES FOR THE PRESIDENT'S TRIP TO ASIA

Both the U.S. and Asia benefit from free trade and open markets:

- o Our economic relationship is not a zero-sum game for either partner.
- o The American economy and American jobs increasingly depend on free trade and open markets.
 - In the United States, nearly half (49%) of our GNP growth between 1985 and 1990 was attributable to exports.
 - In 1991, U.S. will export close to ~~\$700~~^{\$550} billion worth of merchandise and services.
 - Record 7.2 million jobs were supported directly and indirectly by U.S. merchandise exports alone in 1990.
 - More than 19,000 jobs are supported per billion dollars of U.S. exports.
- o Asia's stake in the trading system is greater than ours. The export strength and economic growth of Asian economies will continue to be dependent upon open international markets for goods, services, and investment.
 - Asian economies are relatively more dependent than the U.S. economy on exports and imports.
 - In 1990, exports amounted to 32% of GNP in Korea and 15% of GNP in Japan; by comparison, U.S. figure is 10%.
- o If the open trading system cannot be preserved and expanded in the Uruguay Round, Asia's prosperity could be jeopardized by stagnant world trade.

Asia is increasingly important to the U.S. economy:

- o The United States is a Pacific power, with vital economic, as well as political, interests in the region.
- o Asia is an important and growing market for U.S. exports and a source of U.S. job creation.
 - Japan (#2), Korea (#6), and Taiwan (#9) were among top 10 markets for U.S. exports in 1990.
 - In 1990, U.S. manufacturers sold \$115 billion of goods in the Asia-Pacific region (29% of total U.S. exports); by comparison, \$113 billion in goods were sold in Western Europe.

1996
389.6 merch
133.3 serv
522.9

- Exports to Japan and the four Asian NIE's alone support an estimated 1.7 million U.S. jobs.
- o Trade with Asia accounts for large and growing proportion of total U.S. trade.
 - In 1980, U.S.-Asia trade accounted for 24% of total U.S. trade (imports and exports). By 1990, Asia accounted for 34% of total trade.
- o Asia is also a large consumer of U.S. services, including financial services, an area in which the United States has special expertise.
 - In 1990, U.S. sold \$22.9 billion in services to Japan and Australia alone.
- o The westward shift of U.S. population, immigration patterns, and increased cultural diversity in the United States point to ever closer economic relations with Asia and the Pacific.
 - The U.S. population is increasingly concentrated in the Western states (21.2% of total U.S. population in 1990).
 - A large and increasing share of U.S. GNP is produced in the Western states.
 - Asians represent growing share of U.S. population (6.9 million in 1990 or 2.8% of total vs. 1.6% in 1980) and growing share of U.S. immigration.

Asia needs our exports:

- o Asia's demand for imports -- our exports -- will increase as Asian economies grow wealthier.
- o Asian consumers need access to foreign goods and services if they are to raise their standard of living and enjoy the fruits of their labors.
 - Japanese Prime Minister Miyazawa, for example, recently stated that Japan should become a "lifestyle superpower". This will benefit our economy by increasing opportunities for U.S. exporters.

Asian countries have cooperated with the U.S.:

- o The U.S.-Asia relationship helps reinforce global cooperation for the benefit of citizens of all nations.
- o Several Asian nations helped shoulder the economic burden of

the international effort to counter Iraq's aggression.

- \$10.4 billion was committed by Japan (\$10.0 billion) and Korea (\$355 million) to offset U.S. military costs of Operation Desert Storm.
- \$2.8 billion in economic assistance was committed by Australia (\$14 million), Japan (\$2.7 billion), and Korea (\$115 million) to ease impact of Gulf Crisis on the frontline states in the Middle East (Egypt, Turkey, and Jordan).
- o In the G-7 and Economic Summit fora, Japan has helped foster sustainable world growth with low inflation.
- o Japan has also supported U.S. initiatives to resolve the international debt problems of the developing nations. For example:
 - It pledged \$500 million for the Multilateral Investment Fund (MIF) for Latin America, one third of total MIF funding.
 - Japan contributed almost \$500 million to international efforts to clear the arrears owed by Panama, Nicaragua, and Panama to the international financial institutions.
- o Asian countries have helped the U.S. in efforts to strengthen market forces in Eastern Europe and in developing countries. This will help open up these economies for U.S. trade and investment.

Treasury Department
December 10, 1991

KOREA

FINANCIAL SERVICES

- o The Korean financial system is antiquated, over-regulated, and ill-suited to the needs of Korea's dynamic economy.
- o U.S. banks and securities firms face numerous barriers to entering and operating in the Korean market.
- o In addition, elimination of Korea's pervasive controls over interest rates, credit allocation, and capital flows is essential if U.S. financial institutions are to enjoy long-term competitiveness in Korea, and U.S. businesses are to find adequate funding sources.
- o The Treasury Department and Korean Ministry of Finance have made some progress in bilateral talks in addressing both specific national treatment issues and broader financial liberalization. However, much work remains to be done.
- o The USG has also sought Korean cooperation in bringing about a strong financial services agreement in the Uruguay Round; Korea's support thus far has been very disappointing.
- o Our specific objectives for the President's trip include:
 - A public statement by the ROKG of its commitment to financial liberalization, including support for a strong Uruguay Round financial services agreement.
 - Issuance of a comprehensive blueprint for financial market liberalization, with a clear timetable for implementation.
 - Implementation of a commitment last spring to ease restrictions on deferred payment terms for imports by the end of 1991.

Treasury Department
December 10, 1991

JAPAN

ECONOMIC THEMES

- o The U.S. and Japan have the single most important bilateral economic relationship in the world.
 - With the world's two largest economies, their actions impact many other nations, as well.
- o Despite disputes over trade issues, Japan has cooperated closely with the U.S. (e.g. in the Economic Summit and G-7 framework) to foster sustainable world growth with low inflation, and has been very supportive of a number of U.S. initiatives, including resolving the debt crisis in developing countries.
- o However, a number of contentious economic issues in the area of trade, financial services, and investment plague the bilateral relationship, despite continuous bilateral consultations.

Uruguay Round:

- o Agriculture is the key to compromise; Japanese need to show leadership and contribute to a successful conclusion.
- o Also need liberalization in financial services area.

Japan's External Surpluses:

- o We are concerned about Japan's rising current account surplus
 - Surplus is expected to rise from \$36 billion in 1990 to \$68 billion in 1991, according to the IMF). This imbalance can disturb financial markets and feed protectionism.
- o Although the U.S. trade deficit with Japan fell from a peak of \$57 billion in 1987 to about \$42 billion last year, it is beginning to increase again and still accounted for two-thirds of the overall U.S. trade deficit through September, 1991.
- o This highlights need for Japanese to maintain economic growth and open markets.

Export Dependency and Bilateral Trade:

- o Although both the U.S. and Japan have major stakes in preserving the open trading system, Japan is somewhat more dependent on exports than the U.S.

- Japan's exports of goods and services accounted for 15 percent of GNP in 1990. For the U.S., the figure was 10 percent.
- The U.S. is Japan's most important market, accounting for almost 32% of Japan's exports and almost 22% of Japan's imports in 1990.
- Japan is the U.S.' second most important market, accounting for 12% of U.S. exports and 18% of U.S. imports in 1990.
- In finance-related service transactions (royalties and license fees, financial services and insurance) the U.S. has a surplus with Japan. U.S. receipts amounted to \$4.0 billion in 1990, compared to payments of \$1.4 billion.

Foreign Investment:

- o The U.S. market is far more open to foreign direct investment than Japan's. This has fed Congressional and popular concern in the U.S.
- o Cumulative direct investment inflows into the U.S. during the period 1981-90 amounted to \$355 billion (\$80 billion from Japan alone), compared with only \$6 billion in the same ten year period into Japan from all sources.
 - During the period 1981-90, cumulative foreign direct investment in the U.S. represented about 5.7% of total U.S. fixed investment. In Japan, the equivalent number was 0.1%, a difference of more than 50:1.

Exchange Rate:

- o Yen/dollar rate has been quite stable since October 1991 G-7 Ministers meeting.
- o U.S. believes rates in G-7 countries are consistent with balance of payments adjustment needs and underlying economic fundamentals.

Japanese Financial Markets:

- o Despite U.S. efforts to open up Japan's financial markets, Japanese banks are far more important in the U.S. than U.S. banks in Japan. Japanese banks in the U.S. hold 11% of U.S. banking assets; U.S. banks in Japan hold less than 1% of Japanese bank assets.

- o We have been negotiating with the Japanese since 1984 to liberalize financial markets. Significant progress has been achieved, but more needs to be done.
- o Recent financial scandals are symptomatic of the continued lack of transparency and competition in the Japanese market. Japan needs to take steps to reform its system and restore international confidence.

Structural Impediments Initiative (SII):

- o SII represents an important initiative to reduce impediments to competition and adjustment of external imbalances. SII success can help to head off protectionism.
 - For example, U.S. has urged Japan to: increase public infrastructure investment to improve economic well being; reduce monopolistic effects of keiretsu business practices; and open up distribution system to imports,
- o Some progress has been achieved, but it is essential that we re-energize the SII process by introducing new commitments on both sides.

Treasury Department
December 10, 1991

AUSTRALIA

ECONOMIC THEMES

- o Australia has been an invaluable negotiating partner in the Uruguay Round, especially on agricultural issues like the CAP.
- o Facing its fourth year of declining agricultural income, Australia has pressed the U.S. on farm issues:
 - It has complained about U.S. subsidized wheat sales, is unhappy with having to negotiate with the U.S. a voluntary restraint agreement on beef, and is concerned about a 34% cut in its sugar import quota due to increased U.S. production.
- o Australia's financial markets have been relatively closed to foreign entry. However, under reforms recommended to Parliament in November, foreign banks would be allowed easier entry and operation.

Treasury Department
December 10, 1991

SINGAPORE

FINANCIAL SERVICES

- o Singapore is an important offshore financial center, and maintains a relatively open market for foreign firms.
- o However, U.S. firms face discrimination in the significantly smaller domestic market.
- o The U.S. seeks Singapore's support for a strong financial services agreement in the Uruguay Round. At a minimum, the U.S. would like to see Singapore stop blocking progress and play a more constructive leadership role.
 - The lack of support from Singapore and the other ASEAN countries for a strong financial services agreement in the Uruguay Round has been very disappointing.
- o In the bilateral financial services negotiations, the U.S. seeks a commitment from Singapore for a level local playing field in both the banking and securities sectors.

Treasury Department
December 10, 1991

SII - U.S. Commitments

Issue:

GOJ officials have criticized the USG for not following through on as many of its commitments as the GOJ has done. By their count, Japan has completed 80 percent of its commitments, while the USG has completed 20 percent, at best.

Suggested Talking Points:

- What matters most in SII is the significance of the undertakings, not the quantity.
- The U.S. deserves credit for making substantial progress on its commitments, which, in many respects, have been more difficult politically than those that Japan has undertaken.
- There is an asymmetry to U.S. and Japanese undertakings. In many cases, Japan is being asked to open up its economy and improve the lifestyle of its people, while the U.S. is trying to cut public expenditures to reduce its budget deficit and stave off protectionist pressure to close the U.S. market.
- The GOJ may have passed a larger number of pieces of SII legislation than in the U.S., but the U.S. has resisted a larger number of protectionist and budget-busting bills than Japan.
- In both countries, we are trying to deal with ingrained structural problems in a way which will have a lasting effect, even if it takes some time for their effects to be felt.
- The two most important efforts by the United States include:
 - o undertaking major budget reforms, which are holding the line on deficit spending, even in a difficult recession year;
 - This package included tax increases that were undertaken at great political cost, and an even tighter rein on discretionary spending.
 - We haven't seen a sustained reduction in the deficit numbers yet; nor has Japan in its trade numbers. The U.S. budget deficit will come down, though, and the reduction will be lasting.
 - In comparison, the parallel Japanese commitment to increase public infrastructure spending benefits numerous Japanese constituencies and is politically popular.

o **vigorously defending open investment policy;**

- Administration has maintained its open investment policy in the face of numerous protectionist proposals and growing mood of isolationism.
- In contrast, Japan's commitments are aimed at opening its markets, with benefits for the consumer.

[May wish to note Presidential Statement strongly reaffirming open investment policy, if released.]

-- In addition, U.S. has taken a number of other measures:

- o **intensified export promotion efforts, with a particular focus on Japan;**
- o **embarked on an ambitious program to improve workforce education and training;**
 - In April 1991, President Bush outlined strategy to achieve national education goals, called "America 2000," which involves major reforms to primary and secondary education system.
- o **increased Federal support for research and development efforts;**
 - The FY 1992 budget proposed to allocate about \$76 billion for R&D in 1992, an increase of over \$8 billion, or 13 percent over 1991 levels. This is the highest level ever.

and

- o **continued to work toward strengthening incentives for private saving and long-term investment (e.g., reduction of capital gains tax; enhanced IRAs; Family Savings Accounts), despite strong political resistance.**
- U.S. intends to intensify these efforts.

12/9/91
Treasury