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**Subseries:** Subject File, 1988-1991

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FOR IMMEDIATE RELEASE

FOR MORE INFORMATION  
John Hatch, (202) 682-9110

WASHINGTON, D.C., January 9 --The American Electronics Association (AEA) said today that the agreement on Japanese government computer procurement reached today by the United States and Japan should significantly increase U.S. access to the \$6 billion Japanese government computer market.

William Krist, AEA Vice President for International Trade, said access to this huge market has been high on AEA's advocacy agenda for a long time. "AEA applauds President Bush for progress on this issue. We will be closely monitoring the agreement.

"U.S. computer manufacturers now have just 0.4 percent of the Japanese central government computer market. In contrast, American computer firms claim 41 percent of the Japanese private market," Krist added. "This is proof positive of the high quality and acceptability of our products in the Japanese marketplace."

While AEA has not yet seen the final text, our understanding is that key elements of the agreement include:

- \* All suppliers - including foreign - will be given equal access, including participation in study groups in the pre-solicitation phase.
- \* Specifications for bids must be neutral between potential suppliers.
- \* Single tendering would be limited to exceptional cases.
- \* Final selection of supplier(s) would be published.

- \* A bid protest system will be established.
- \* The Japanese government will request agreement support from Prefectures.
- \* Unjust low bids will automatically disqualify the bidder.
- \* Effective date for implementation the agreement will be April 1, 1992 for products and October 1, 1992 for services.

"Although much of the press focus has been on automotive issues, the U.S. electronics industry is deeply concerned with its six-year-old \$20 billion annual trade deficit with Japan. Our industry employs 2.4 million Americans. Our ability to be successful in global markets contributes to the American standard of living," Krist said.

"However, the new agreement is not going to solve all our problems," Krist stated. "We call on the U.S. and Japan to resolve remaining electronics access issues."

The agreement was a key part of President Bush's trade mission to Japan. Electronics executives in the trade group include Winston Chen, CEO, Solectron Corp., Robert Galvin, Motorola Inc. and Raymond Marlow, President, Marlow Industries Inc. All companies are AEA members and Malcolm Baldrige Award winners.

The American Electronics Association represents 3,400 companies in technology communities throughout the United States. For almost 50 years, AEA has been the accepted voice of the American electronics industry.

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"The computer industry is pleased that the Bush Administration was able to make quick and effective use of the information we provided," said Sculley. "We commend the government for using our findings to negotiate an enforceable agreement with Japan that will allow our industry to increase market share in the Japanese public sector market."

The Computer Systems Policy Project (CSPP) was formed in 1989 to develop and advocate industry positions on trade and technology policy issues. CSPP's members include the CEOs of Apple, AT&T, Compaq, Control Data, Cray Research, Data General, Digital, Hewlett-Packard, IBM, Sun Microsystems, Tandem and Unisys. Kenneth R. Kay, a partner in the law firm of Preston Gates Ellis & Rouvelas Meeds, is executive director.

Additional background information is available upon request. Please contact Michele Norman at (202) 662-8407.

## FACT SHEET

### CSPP ANALYSIS OF JAPAN PUBLIC SECTOR COMPUTER PROCUREMENT MARKET

- FCMs<sup>\*</sup> have established a major share position in Japan's private sector market (41%).
- FCMs penetration of the Japanese public sector mainframe market is much lower at 6.2%.
- FCMs mainframe market share for the Japanese national government is much lower at only 0.4%.
- The Japanese public sector computer hardware market represents \$6B of annual sales, or 15% of the total computer hardware market in Japan.
- The overall computer hardware market in Japan is projected to grow at a compound annual rate of 11.7% from 1990-1995, compared to 7.2% in the U.S.
- NUSCM<sup>\*\*</sup> share of the U.S. private sector mainframe market is 4.4%.
- NUSCM share of the total U.S. public sector mainframe market is 11.6% and their share of the U.S. federal government's mainframe market is even higher at 19.6%.
- NUSCM share of the U.S. private sector PC market is 9.2%.
- NUSCM share of the total U.S. public sector PC market is 16.2% and their share of the U.S. federal government's PC market is even higher at 42.2%.

\* FCM: Foreign Computer Manufacturers

\*\* NUSCM: Non U.S. Computer Manufacturers

# API NEWS RELEASE

## **AMERICAN PAPER INSTITUTE**

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**FOR IMMEDIATE RELEASE**

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(212) 340-0626

### PRESIDENT'S TRIP RAISES PAPER INDUSTRY HOPES

### FOR GREATER ACCESS TO JAPAN'S MARKET

NEW YORK, N.Y., January 9, 1992 -- "The United States paper industry is very pleased that 'by the end of March 1992, through cooperative and intensive consultations, the Government of Japan and the Government of the United States of America will agree on measures to substantially increase market access for foreign firms exporting paper products to Japan.' That good news was included in the joint communique released during President Bush's visit to Japan," said Anthony P. Gammie, chairman of American Paper Institute and chairman, president and chief executive officer, Bowater Incorporated, Darien, Connecticut. The American Paper Institute (API) is the national trade association of the U.S. pulp, paper and paperboard industry. In addition, the communique states that "Japan Fair Trade Commission (JFTC) has decided to initiate a survey on conditions in the paper sector from the competition policy perspective, before the end of March, 1992."

M O R E

"The U.S. paper industry, with total shipments exceeding \$122 billion, is a strong, low cost, competitive producer serving worldwide markets. It is dedicated to the principle that open markets are beneficial to all countries," said Dr. Irene W. Meister, API vice president, international. Although Japan is the world's second largest paper and paperboard consuming country, in 1991 U.S. paper and paperboard exports to Japan accounted for only 2.2% of Japanese consumption.

"The globally competitive U.S. paper industry," said Mr. Gammie, "has been seeking greater access to the Japanese market for a number of years without significant results. The ongoing discussions on access for paper products, which have been in progress for several months between the representatives of U.S. and Japanese governments, are strongly supported by the U.S. paper industry."

Member companies of API are committed to being long-term, reliable suppliers of high quality paper products to Japan and expect that an agreement between the U.S. and Japanese governments will enable U.S. companies to become much more significant participants in the Japanese market for paper products.

For further information from API, please contact Dr. Irene W. Meister, vice president, international (212) 340-0640.

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(Grant-Duggan)  
Draft two

PRESIDENTIAL REMARKS: ARRIVAL AT ANDREWS AFB  
JANUARY 10, 1992

It's great to be home. / Barbara and I want to thank all those who made this important mission a tremendous success -- our delegation of business leaders, Secretary Brady, Secretary Mosbacher, our Ambassadors and their dedicated staffs and so many others. And I want to offer my heartfelt thanks to the countless people -- at home and abroad -- who so kindly offered prayers and good wishes for my health when I had that bout with the flu.

The Tokyo summit meeting I concluded yesterday with Prime Minister Miyazawa caps a successful series of talks with four of America's most important friends in the Asia-Pacific region. With each of these countries -- Australia, Singapore, Korea and Japan -- we are forging ever stronger bonds of shared democratic values, of mutual security, and of economic growth through expanding trade. //

Each of the four nations I've just visited are robust democracies. Indeed, democracy is so vibrant among them that this mission gave me occasion to meet three new leaders -- the prime ministers of Japan, Australia and Singapore -- each only recently elected to office. The timing of my visit had a related significance in Korea, too, where President Roh is soon to preside over free elections to choose his successor.

At each stop on our journey, I reaffirmed America's commitment to Pacific security. We and our Pacific partners are determined to maintain strong defenses to keep the Free World

peaceful and stable during this new era. / In Japan, we won increased host nation support for the U.S. military stationed there: by 1995, Japan will cover three-quarters of the non-salary costs of this defense contingent. And without compromising security, we were able to take advantage of the lessening of Cold War tensions by announcing talks to discuss transferring a U.S. Naval facility to Singapore from Subic Bay in the Philippines -- and by cancelling our costly "Team Spirit" military exercise with South Korea. The dictatorship in North Korea is hopelessly isolated. When I met with our troops near the DMZ, I saw first-hand that the tide of freedom and the momentum for peaceful reunification of Korea are inexorable. //

In each country on this mission, we made progress on my top priority as President: renewing the strength of the American economy and the world economy. // And while I am disappointed that the unemployment numbers are up, I am hopeful that our work over the last few days will help open markets for American companies -- and provide more jobs for our workers. Make no mistake about it: our important progress this week ~~translates~~ into jobs and economic growth in America. In years to come, the results will be clear and measurable.

*will mean progress*

Everywhere we've been I've sought urgent action on a successful conclusion to the Uruguay Round of the GATT talks: The best achievement we can offer our farmers, our manufacturers and our service industries is a GATT breakthrough for unprecedented new accords for open trade. //

With Australia, we strengthened our alliance and announced plans to conclude a new trade and investment framework agreement; and with Singapore, we announced an important new investment treaty as well. I found support for strengthening APEC, the new Asia-Pacific Economic Cooperation group, as it promotes trade and economic cooperation around the Pacific Rim. And I've carried our enthusiasm for a North American Free Trade Agreement across the Pacific and shown how it, too, can add to East Asia's prosperity as well as our own.

Our summit meeting in Tokyo highlighted the progress we've made with Japan. We reinvigorated our commitment to the bilateral Structural Impediments Initiative talks, ~~and together,~~ *we* are seeking a successful conclusion to the GATT agreement *because we want* to unleash free trade in manufacturing and agriculture around the world. Japan is our largest market for agricultural exports -- now some \$8 billion a year. Since 1987, U.S. merchandise exports to Japan have increased more than 70 percent -- and they now account for 64 percent of our total exports from Japan, up nearly ten percent since 1985.

A substantial portion of our trade deficit with Japan is in the auto sector. That is not going to change overnight. But here too, we made important progress -- not only in terms of selling American cars and automobile parts in Japan, but also raising the percentage of American parts in Japanese cars built in the United States. Japanese auto makers agreed over the next three years to increase from \$9 billion to \$19 billion, ~~their~~

*↑ their purchases of American made parts*

~~purchases of American-made parts.~~ Ten billion dollars in increased exports represents almost half a million jobs.

Our summit meeting this week accelerated the opening of more Japanese markets. In addition to the Japanese car manufacturers, twenty-three companies in the Japanese electronics, automobile and machinery industries announced plans to increase American imports by \$10 billion over the next three years. While there may some overlap with commitments made by the automakers, this represents an extraordinary increase in exports made in the USA.

This week we've breached the wall that kept American exports of computer products and services out of the \$3 billion Japanese government mainframe market. Our agreement will expand Japanese public sector procurements of our quality computer goods and services. The computer industry employs millions of Americans, and we now expect dramatic gains in this market.

We've made hard-won breakthroughs for access to Japan's huge markets for our glass and paper products -- estimated at \$300 billion and \$65 billion, respectively. We've reaffirmed goals for higher market shares for semiconductors, and resolved standards problems in 49 different sectors of American industry - - from processed foods and cosmetics to industrial equipment and transport machinery.

Anybody who thinks Americans can't compete with the Japanese haven't talked with the business executives <sup>who joined</sup> ~~I brought~~ with me to <sup>in</sup> Japan. And they haven't seen the recent studies that show overall U.S. productivity ~~still far exceeds Japan's -- ours is~~

*is the highest in the world -- far exceeding  
Japan's*

~~the highest in the world. Japan is in tenth place.~~ I know and these business leaders know: as long as the playing field is level, American workers can outcompete and outproduce anybody -- anyplace, anytime.

I'm especially excited about the Strategy for World Growth Prime Minister Miyazawa and I <sup>developed</sup> ~~have prepared~~, and which we are coordinating with the other industrialized nations. America and Japan are the two largest economies in the world -- together, we produce 40 percent of the world's GNP -- and global growth is a top priority for both of us. / Already our two countries have made deep, pro-growth cuts in interest rates. Japan cut the discount rate to 4.5 percent, and as you know, our Federal Reserve has just lowered interest rates substantially -- both of which I <sup>believe</sup> ~~think~~ <sup>(important)</sup> are very helpful in stimulating long-term growth here and abroad.

But clearly, with today's unemployment figures, our economy is not growing fast enough. In my State of the Union Message later this month, I will present to the American people my action plan to get it growing faster.

We have an ambitious agenda for economic growth. Our program recognizes that moving to open markets and expanding foreign trade are crucial to getting the kind of economic growth we need. I'm looking forward now to spelling this out clearly and repeatedly to the American people. It's going to be a vigorous and <sup>of being</sup> ~~bracing~~ political year -- and I am absolutely

confident the American people will join me in this exciting vision for a new era of peace and prosperity.

Thank you again. May God bless the United States of America.

# # #

Marlin

(Grant-Duggan)  
Draft two

PRESIDENTIAL REMARKS: ARRIVAL AT ANDREWS AFB  
JANUARY 10, 1992

It's great to be home. / Barbara and I want to thank all those who made this important mission a tremendous success -- our delegation of business leaders, Secretary Brady, Secretary Mosbacher, our Ambassadors and their dedicated staffs and so many others. And I want to offer my heartfelt thanks to the countless people -- at home and abroad -- who so kindly offered prayers and good wishes for my health when I had that bout with the flu.

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At each stop on our journey, I reaffirmed America's commitment to Pacific security. We and our Pacific partners are determined to maintain strong defenses to keep the Free World

peaceful and stable during this new era. / In Japan, we won increased host nation support for the U.S. military stationed there: by 1995, Japan will cover three-quarters of the non-salary costs of this defense contingent. And without compromising security, we were able to take advantage of the lessening of Cold War tensions by announcing talks to discuss transferring <sup>(a)</sup> U.S. Naval <sup>(resources)</sup> ~~facility~~ to Singapore from Subic Bay in the Philippines -- and by cancelling our costly "Team Spirit" military exercise with South Korea. The dictatorship in North Korea is hopelessly isolated. When I met with our troops near the DMZ, I saw first-hand that the tide of freedom and the momentum for peaceful reunification of Korea are inexorable. //

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the highest in the world. Japan is in tenth place. I know and these business leaders know: as long as the playing field is level, American workers can outcompete and outproduce anybody -- anyplace, anytime.

I'm especially excited about the Strategy for World Growth Prime Minister Miyazawa and I have prepared, and which we are coordinating with the other industrialized nations. America and Japan are the two largest economies in the world -- together, we produce 40 percent of the world's GNP -- and global growth is a top priority for both of us. / Already our two countries have made deep, pro-growth cuts in interest rates. Japan cut the discount rate to 4.5 percent, and as you know, our Federal Reserve has just lowered interest rates substantially -- both of which I think are very helpful in stimulating long-term growth here and abroad.

But clearly, with today's unemployment figures, our economy is not growing fast enough. In my State of the Union Message later this month, I will present to the American people my action plan to get it growing faster.

We have an ambitious agenda for economic growth. Our program recognizes that moving to open markets and expanding foreign trade are crucial to getting the kind of economic growth we need. I'm looking forward now to spelling this out clearly and repeatedly to the American people. It's going to be a vigorous and bracing political year -- and I am absolutely

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# # #

Andy

(Grant-Duggan)  
Draft two

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*Be picture?*  
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At each stop on our journey, I reaffirmed America's commitment to Pacific security. We and our Pacific partners are determined to maintain strong defenses to keep the Free World

Business Leaders  
sentences

peaceful and stable during this new era. // In Japan, we won increased host nation support for the U.S. military stationed there: by 1995, Japan will cover three-quarters of the non-salary costs of this defense contingent. And without compromising security, we were able to take advantage of the lessening of Cold War tensions by announcing talks to discuss transferring a U.S. Naval facility to Singapore from Subic Bay in the Philippines -- and by cancelling our costly "Team Spirit" military exercise with South Korea. The dictatorship in North Korea is hopelessly isolated. When I met with our troops near the DMZ, I saw first-hand that the tide of freedom and the momentum for peaceful reunification of Korea are inexorable. //

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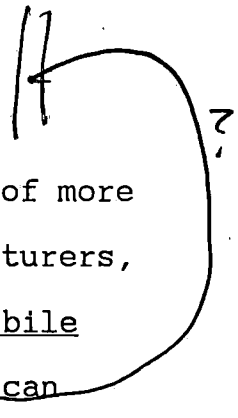
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Our summit meeting in Tokyo <sup>was a turning point in our relationship with Japan</sup> highlighted the progress we've <sup>It also</sup> made with Japan. We reinvigorated our commitment to the bilateral Structural Impediments Initiative talks, and together, we are seeking a successful conclusion to the GATT agreement -- because we want to unleash free trade in manufacturing and agriculture around the world. Japan is our largest market for agricultural exports -- now some \$8 billion a year. Since 1987, U.S. merchandise exports to Japan have increased more than 70 percent -- and they now account for 64 percent of our total exports from Japan, up nearly ten percent since 1985.

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<sup>4</sup> Transition <sup>2</sup>

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# # #

*Scowcroft*

(Grant-Duggan)  
Draft two

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Each of the four nations I've just visited are robust democracies. *At each, we reaffirmed the necessity* *to provide nourishment for the blossoming of democracy throughout the region* *7*  
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2 To provide a security umbrella under which political pluralism and market economies can flourish

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No.

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purchases of American-made parts. Ten billion dollars in increased exports represents almost half a million jobs.

*wrong*

Our summit meeting this week accelerated the opening of more Japanese markets. In addition to the Japanese car manufacturers, twenty-three companies in the Japanese electronics, automobile and machinery industries announced plans to increase American imports by \$10 billion over the next three years. While there may some overlap with commitments made by the automakers, this represents an extraordinary increase in exports made in the USA.

*?*

This week we've breached the wall that kept American exports of computer products and services out of the \$3 billion Japanese government mainframe market. Our agreement will expand Japanese public sector procurements of our quality computer goods and services. The computer industry employs millions of Americans, and we now expect dramatic gains in this market.

We've made hard-won breakthroughs for access to Japan's huge markets for our glass and paper products -- estimated at \$300 billion and \$65 billion, respectively. We've reaffirmed goals for higher market shares for semiconductors, and resolved standards problems in 49 different sectors of American industry - - from processed foods and cosmetics to industrial equipment and transport machinery.

Anybody who thinks Americans can't compete with the Japanese <sup>hasn't</sup> talked with the business executives I brought with me to Japan. And they haven't seen the recent studies that show overall U.S. productivity still far exceeds Japan's -- ours is

the highest in the world. Japan is in tenth place. I know and these business leaders know: as long as the playing field is level, American workers can outcompete and outproduce anybody -- anyplace, anytime.

I'm especially excited about the Strategy for World Growth Prime Minister Miyazawa and I have prepared, and which we are coordinating with the other industrialized nations. America and Japan are the two largest economies in the world -- together, we produce 40 percent of the world's GNP -- and global growth is a top priority for both of us. / Already our two countries have made deep, pro-growth cuts in interest rates. Japan cut the discount rate to 4.5 percent, and as you know, our Federal Reserve has just lowered interest rates <sup>a full percentage point</sup> [substantially] -- both of which I think are very helpful in stimulating long-term growth here and abroad.

But clearly, with today's unemployment figures, our economy is not growing fast enough. In my State of the Union Message later this month, I will present to the American people my action plan to get it growing faster.

We have an ambitious agenda for economic growth. Our program recognizes that moving to open markets and expanding foreign trade are crucial to getting the kind of economic growth we need. I'm looking forward now to spelling this out clearly and repeatedly to the American people. It's going to be a vigorous and bracing political year -- and I am absolutely

confident the American people will join me in this exciting vision for a new era of peace and prosperity.

Thank you again. May God bless the United States of America.

# # #

What we did in Japan was to take a major step forward. But it was only a step in a long process to achieve Japanese markets as open as are those of the U.S. We will build on these results, monitor progress and continue our <sup>strenuous</sup> efforts to ~~the~~ achieve our goals.

Doug

(Grant-Duggan)  
Draft two

PRESIDENTIAL REMARKS: ARRIVAL AT ANDREWS AFB  
JANUARY 10, 1992

It's great to be home. / Barbara and I want to thank all those who made this important mission a tremendous success -- our delegation of business leaders, Secretary Brady, Secretary Mosbacher, our Ambassadors and their dedicated staffs and so many others. And I want to offer my heartfelt thanks to the countless people -- at home and abroad -- who so kindly offered prayers and good wishes for my health when I had that bout with the flu.

The Tokyo summit meeting I concluded yesterday with Prime Minister Miyazawa caps a successful series of talks with four of America's most important friends in the Asia-Pacific region. With each of these countries -- Australia, Singapore, Korea and Japan -- we are forging ever stronger bonds of shared democratic values, of mutual security, and of economic growth through expanding trade. //

Each of the four nations I've just visited are robust democracies. Indeed, democracy is so vibrant among them that this mission gave me occasion to meet three new leaders -- the prime ministers of Japan, Australia and Singapore -- each only recently elected to office. The timing of my visit had a related significance in Korea, too, where President Roh is soon to preside over free elections to choose his successor.

more than a year

relatively new

three sets of elections will

occur this year

At each stop on our journey, I reaffirmed America's commitment to Pacific security. We and our Pacific partners are determined to maintain strong defenses to keep the Free World

ambivalent

peaceful and stable during this new era. / In Japan, we won ?  
 increased host nation support for the U.S. military stationed there: by 1995, Japan will cover three-quarters of the non-salary costs of this defense contingent. And ~~without~~ <sup>in readjusting our security presence to meet the needs of a new era</sup> ~~compromising security~~, we were able to take advantage of the lessening of Cold War tensions by announcing talks to discuss transferring a U.S. Naval facility to Singapore from Subic Bay in the Philippines -- and by cancelling our costly "Team Spirit" military exercise with South Korea. ] The dictatorship in North Korea is hopelessly isolated. When I met with our troops near the DMZ, I saw first-hand that the tide of freedom and the momentum for peaceful reunification of Korea are inexorable.

*we reached agreement to*

*2 years ago*

*cancel our end-over exercises "Team Spirit" exercise for 1992 in response to exchange for North Korean agreement to international safeguards over its nuclear programs.*

In each country on this mission, we made progress on my top priority as President: renewing the strength of the American economy and the world economy. // And while I am disappointed that the unemployment numbers ~~are up~~ <sup>went up in December</sup>, I am hopeful that our work over the last few days will help open markets for American companies -- and provide more jobs for our workers. Make no mistake about it: our important progress this week translates into jobs and economic growth in America. In years to come, the results will be clear and measurable.

Everywhere we've been I've sought urgent action on a successful conclusion to the Uruguay Round of the GATT talks: The best achievement we can offer our farmers, our manufacturers and our service industries is a GATT breakthrough for unprecedented new accords for open trade. //

With Australia, we <sup>reaffirmed</sup> strengthened our alliance and announced plans to conclude a new trade and investment framework agreement; and with Singapore, we announced <sup>agreement to conclude</sup> an important new <sup>bilateral</sup> investment treaty as well. I found support for strengthening APEC, the new Asia-Pacific Economic Cooperation group, as it promotes trade and economic cooperation around the Pacific Rim. And I've carried our enthusiasm for a North American Free Trade Agreement across the Pacific and shown how it, too, can add to East Asia's prosperity as well as our own, <sup>by reducing the barriers to trade</sup>

Our summit meeting in Tokyo highlighted the progress we've made with Japan. We reinvigorated our commitment to the bilateral Structural Impediments Initiative talks, and together, we are seeking a successful conclusion to the GATT <sup>round of talks</sup> agreement -- <sup>services</sup> because we want to unleash free trade in manufacturing and agriculture around the world. Japan is our largest market for agricultural exports -- now some \$8 billion a year. Since 1987, U.S. merchandise exports to Japan have increased more than 70 percent -- and they now account for 64 percent of our total <sup>to</sup> exports ~~from~~ Japan, up nearly ten percent since 1985.

A substantial portion of our trade deficit with Japan is in the auto sector. That is not going to change overnight. But here too, we made important progress -- not only in terms of selling American cars and automobile parts in Japan, but also raising the percentage of American parts in Japanese cars built in the United States. Japanese auto makers agreed over the next three years to increase from \$9 billion to \$19 billion their

purchases of American-made parts. Ten billion dollars in increased ~~exports~~ represents almost half a million jobs.

*(Shouldn't that be divided by 1.5?) 3 yrs.*

Our summit meeting this week accelerated the opening of more Japanese markets. In addition to the Japanese car manufacturers, twenty-three companies in the Japanese electronics, automobile and machinery industries announced plans to increase American imports by \$10 billion over the next three years. While there may some overlap with commitments made by the automakers, this represents an extraordinary increase in exports made in the USA.

*to our capacity*  
*into Japan*  
*a total of*  
*some of this will be to the*  
*and the rest taken*  
*together,*

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*Our leading edge*  
*technologically savvy*

We've made hard-won breakthroughs for access to Japan's huge markets for our glass and paper products billion and \$65 billion, respectively. We've reaffirmed goals for higher market shares for semiconductors, and resolved standards problems in 49 different sectors of American industry - from processed foods and cosmetics to industrial equipment and transport machinery.

*markets*  
*These which are \$100s of billions of dollars*  
*in size, with plenty of room for American exports to grow.*  
*-- estimated at \$300*  
*-- invisible barriers to freer trade --*

Anybody who thinks Americans can't compete with the Japanese haven't talked with the business executives I brought with me to Japan. And they haven't seen the recent studies that show overall U.S. productivity still far exceeds Japan's -- ours is

*truly,*  
*because*  
*Japan's productivity*  
*growth is 3x us.*

the highest in the world. Japan is in tenth place. I know and these business leaders know: as long as the playing field is level, American workers can outcompete and outproduce anybody -- anyplace, anytime.

I'm especially excited about the Strategy for World Growth Prime Minister Miyazawa and I have prepared, and which we are coordinating with the other industrialized nations. America and Japan are the two largest economies in the world -- together, we produce 40 percent of the world's GNP -- and global growth is a top priority for both of us. / Already our two countries have made deep, pro-growth cuts in interest rates. Japan cut the discount rate to 4.5 percent, and as you know, our Federal Reserve has just lowered interest rates substantially -- both of which I think are very helpful in stimulating long-term growth here and abroad.

But clearly, with today's unemployment figures, our economy is not growing fast enough. In my State of the Union Message later this month, I will present to the American people my action plan to get it growing faster.

We have an ambitious agenda for economic growth. Our program recognizes that moving to open markets and expanding foreign trade are crucial to getting the kind of economic growth we need. I'm looking forward now to spelling this out clearly and repeatedly to the American people. It's going to be a vigorous and bracing political year -- and I am absolutely

*Liste Growth  
Announcements  
Jan 85-90*

confident the American people will join me in this exciting vision for a new era of peace and prosperity.

Thank you again. May God bless the United States of America.

# # #

Office of the Press Secretary  
(Tokyo, Japan)

FOR IMMEDIATE RELEASE

January 9, 1992

FACT SHEET: U.S.-JAPAN ACHIEVEMENTS ON ECONOMIC ISSUES

- o Twenty-three companies in the Japanese electronics, automobile and machinery industries are planning to increase their level of imports from the world by \$10 billion in JFY 1993 as compared with JFY 1990.
- Eighty-eight corporations and 22 Japanese trade associations have expressed their support for increasing imports under MITI'S Business Global Partnership Initiative, but all of their voluntary import plans have not yet been completed.
- o Strategy for World Growth -- joint statement.
  - Both countries recognize global growth is a top priority, that they have a special responsibility because of their size (40 percent of world GNP), and that they will take actions to strengthen the international economy.
  - Japan cut the discount rate by 1/2 percent to 4.5 percent.
  - The Japanese Government will "monitor progress (of fiscal actions) to assure the expected effects."
- o Agreement on government computer procurement covering both products and services.
  - Foreign/mostly U.S. companies currently have 41 percent of the \$16.1 billion Japanese private sector mainframe market, but only 6 percent of \$3 billion Japanese public sector mainframe market. (The U.S. industry estimates the overall public sector market for hardware, including mainframes, at \$6 billion. The agreement would cover both computer products and services, but we don't have data on the size of the service market.)
  - The agreement expands Japanese public sector procurements of competitive foreign computer products and services, provides greater transparency, increased publication of information on procurement opportunities, an impartial bid protest system, and safeguards against unfair bids.
- o By the end of March 1992, the Government of Japan and the United States Government will agree on measures to substantially increase market access for foreign firms exporting paper products to Japan.
  - The American Paper Institute estimates that Japan's total paper market (including pulp) was \$65 billion in 1989.
  - Import penetration of the paper product market in Japan is only 3.7 percent from all sources, 2.2 percent from the U.S., so there are large, untapped market opportunities.

Unemployment From Texter

1. ~~Jobs~~

2. Jobs vs. 1 priority. Cost 10 days overdue.

3. ~~Domestic~~ Large draw expected. Economy not growing fast enough.

4. SOTU - Beginning of A process.

+ jobs

- Doubt Dip? Permit better?

So.

- Why wait? Till SOTU?

- Cong. wouldn't Act. - Now, a fresh start.

- more -



-- The Japan Fair Trade Commission (JFTC) will survey the paper industry from the perspective of competition policy.

o The GOJ will take steps to substantially increase market access for competitive foreign firms making efforts to export flat glass to Japan, including the following:

- MITI will facilitate the efforts of foreign firms to increase sales in the Japanese market.
- MITI will encourage Japanese glass end-users to make efforts to increase imports of flat glass under its import expansion program.
- MITI and the JFTC will encourage all Japanese glass manufacturers to put anti-monopoly compliance programs into effect by February 1992. One purpose of these programs is to ensure that the distribution system is open to competitive foreign glass manufacturers.
- The Ministry of Construction will facilitate the efforts of foreign firms to meet Japanese building standards for flat glass and other glass building materials through briefings, English language texts, and other steps.
- The JFTC will survey the glass industry from the perspective of competition policy.
- The GOJ and the U.S. Government agree to meet as either side may deem appropriate to exchange information relevant to the aforementioned steps.

o The foreign (primarily U.S.) share of the semiconductor market stood at 14.3 percent in the 3rd quarter of 1991, up from 9 percent in 1986; both sides affirm their agreement, under which we hope to achieve the 20 percent market share by the end of this year.

o Resolved 49 non-auto standards problems (over two-thirds of those submitted). This will help industries in sectors such as processed foods, cosmetics, industrial equipment, transport machinery, pharmaceuticals, and medical devices.

o Japan took steps to expand opportunities for foreign companies to sell products to the Japanese Government (government procurement). According to the Foreign Ministry, this would basically double the value of government contracts open to bidders to about \$6.3 billion.

o Both sides agree to reinvigorate the Structural Impediments Initiative (SII) talks with new commitments.

o The JFTC will survey four industries -- paper, glass, autos, and auto parts -- from the perspective of competition policy.

o MITI is expanding its cooperation with the U.S. EXIM Bank to expand U.S. exports to Japan and developing countries. From May to December 1991, projects involved about \$3 billion of developing country imports. MITI expressed its intention to allocate, for further expansion of this program, \$5 billion of trade insurance resources over several years.

# # #

From: Bob Teeter

THE WHITE HOUSE  
WASHINGTON

TO: Marlin Fitzwater

\* I am disappointed that the unemployment numbers went up. I am always disappointed when unemployment goes up.

\* The economy is my number one priority and one of the main reasons I took this trip. It is what we have been focussed on these last few days: opening markets for American companies that will provide more jobs for our workers.

\* Even if the unemployment numbers hadn't gone up, a stronger economy and more jobs would be my top priority.

\* Clearly, the economy is not growing fast enough, and I will be presenting my plan to get it growing faster to the country and the Congress in the State of the Union.

\*\*\*

Q. Isn't this evidence that we're falling into a double-dip recession?

A. I'll leave the technical definitions to the economists, but only want to repeat that regardless of what the specific numbers are, my main priority would still be a faster growing economy.

As you know, the Federal Reserve has just lowered interest rates substantially. I think that action will help, but it may take more time to have a significant effect on unemployment.

Q. Then why don't you announce your economic program sooner?

A. I've had a number of economic growth proposals before Congress for the last three years (list them), and the Congress has not acted on them. I decided to put a comprehensive plan together and submit it to Congress at the beginning of the year when I hope and expect they will act on them.

*Australia*

**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

12/7 - not fully cleared  
*Australia*

**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.

- 5 -

- 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

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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.

- 8 -

- 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.
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  - 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.

*Australia*

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.

*Australia*UNCLASSIFIEDMEETING WITH MEMBERS OF THE AUSTRALIA-UNITED STATES  
CORAL SEA COMMEMORATIVE COUNCILSCENESETTERPURPOSE

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.

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POINTS 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

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.

*Australia*

POSSIBLE POINTS FOR MENTION IN PRESIDENT BUSH'S ADDRESS(ES?)

AUSTRALIAN FULBRIGHT PROGRAM

HISTORY

- \* Commenced with binational agreement in 1949.
- \* First group of 28 Australian postgraduate students left for U.S. in 1950.
- \* First group of 16 American postgraduate students and 10 American Senior Scholars came to Australia 1951.
- \* Total participants, all categories, between 1950 and 1991 (42 years): almost 2,500 Australians, 1,500 Americans.
- \* Program, largely academic, coincided with large expansion of higher education and organised research in universities: American Fulbrighters made major contribution to development of postgraduate education and research, Australian Fulbrighters (on return from U.S.) provided significant high quality academic staff for expanding higher education.
- \* Program became catalyst in establishing education linkages with U.S. institutions, cooperative research projects and a variety of institutional exchange arrangements now so numerous that it is difficult to document them all.

PROMINENT ALUMNI

American

- \* Thomas PICKERING, current U.S. Ambassador to United Nations, holds Master's degree in History (1954/55) from University of Melbourne.
- \* Aaron WILDAVSKY, Professor of Political Science, U.C. Berkeley (University of Sydney, 1954/55).
- \* Joshua LEDERBERG, Nobel Prize for Medicine, Senior Scholar at University of Melbourne, 1957.
- \* John Hope FRANKLIN, Historian, Senior Scholar at Australian National University, 1959 & 1973.
- \* Kenneth PYE, President, Southern Methodist University, Senior Scholar (Law), Monash University 1974.
- \* Oscar HANDLIN, Historian, Senior Scholar at University of Sydney, 1982.
- \* Bernard BAILYN, Historian, Senior Scholar, Australian Academy of Humanities, 1987.
- \* Paul SAMUELSON, Nobel Prize for Economics, Distinguished Visitor 1973.
- \* John UPDIKE, Author, Distinguished Visitor, 1974.

AUSTRALIAN

- \* Sir Zelman COWEN, former Governor-General of Australia, Law, Senior Scholar, University of Illinois, 1957.
- \* Sir Ronald WILSON, Justice of the High Court of Australia (1979-89), Chancellor, Murdoch University; postgraduate student, University of Pennsylvania, 1956/57.
- \* Hon. Nick GREINER, Premier of New South Wales, MBA Harvard, 1968/69.
- \* David KEMP, Shadow Minister for Education, Australian Parliament, postgraduate student, Yale University 1968-72.
- \* Gordon REID, late Governor of Western Australia, Senior Scholar, College of William & Mary, 1977.
- \* Robert NICHOLSON, Justice of the Supreme Court of Western Australia, postgraduate student, Georgetown University 1973.
- \* Christopher HIGGINS, late Secretary, Australian Treasury Department, Senior Scholar, University of Pennsylvania 1973.
- \* Roy CAMERON, former Australian Statistician, 1951 postgraduate student, Harvard.
- \* Keith BOARDMAN, former Chief Executive officer, CSIRO; Senior scholar 1963, 1973.
- \* Harold CLOUGH, Man. Director, Clough Engineering, W.A.; postgraduate student 1951, U.C. Berkeley.

J. 22/10/91

*Australia*

MEMORANDUM

October 21, 1991

TO: USIA Washington, D.C. - David Hitchcock, Director, EA  
FROM: USIS Canberra - Lewis R. Luchs, CPAO *RL*  
SUBJECT: U.S. - Australia Historical References

Attached are brief descriptions of U.S. - Australian links during the past 200 years. The order is, roughly, chronological.

The final page lists Australians who have achieved prominence in the U.S.

Another copy of this fax document will be sent to you via APO today.

1700-1800

When Captain Cook's ship the "Endeavour" sailed from Plymouth, England in 1768, two Americans were on board: Second Lieutenant John Gore and Midshipman Mario Matra. This was the voyage during which Cook discovered Australia. As loyal officers in His Britannic Majesty's Royal Navy, Gore and Matra wanted nothing to do with the "seditious republicanism" taking place in America. To overcome a crew shortage, another American, a young sailor, was press ganged into joining the voyage.

The first U.S. ship to enter an Australian port was the "Philadelphia," a trader en route to Canton via the Cape of Good Hope. The "Philadelphia" arrived in Sydney in 1792. Subsequently, American trading ships, usually bound for China, appeared in Port Jackson for supplies. Ships with spirits and provisions for sale sometimes traded with the colony. This was against regulations but the colony periodically suffered from near starvation due to delays in the arrival of the British ships. During the first 20 years of settlement in the colony of New South Wales, foreign trade was confined almost entirely to the United States. Before 1800 as many as 16 American ships entered Sydney Harbor. American contact with Australia was not limited to the eastern seaboard. In Western Australia, in 1792, two American whalers from Nantucket landed in Shark Bay.

1800-1900

From 1800 to 1811, during the years preceding the outbreak of the second war between England and America, at least 42 ships came to Australia under United States colors. The increase in American activities in Australian waters just after 1800 was due mainly to the discovery of seals in Bass Strait. It has been said that Governor Philip Gidley King and the merchant community of Sydney became disturbed at the potential effect of American operations on trade. Disputes between American and local sealers arose, and finally the Governor, concerned at the assistance given to escaped convicts by the U.S. sailors, imposed regulations by which the anchorage of foreign ships in Port Jackson was restricted to one area, Neutral Bay, to prevent illegal trading and the "seizure of convicts". In 1804 American sealers were barred from Australian coastal waters; in any case, large areas of the sealing grounds had almost been fished out.

Trade with the U.S. became less profitable and ceased with the outbreak of the war of 1812. Transactions later resumed and by 1833 several American merchants had appointed agents in Australia. Meanwhile, whaling operations continued to grow. The peak years were between 1830 and 1850 when the whalers worked the waters around New Zealand, South Australia and Western Australia. Port facilities were often greatly improved in order to accommodate these ships. By 1841, 25 American whaling ships were operating out of Albany in Western Australia.

whaling and sealing were much more than picturesque episodes in American-Australian relations. An Australian historian, Thomas Dunbabin, reminds us that in every Australian state except NSW and Queensland, whalers and sealers played an important part as the pioneers and forerunners of settlement. At a time when no one had penetrated more than fifty miles inland, whalers, sealers and sandalwood traders had explored and exploited the vast recesses of the Southern Ocean and provided the first important articles of Australian export.

In May 1836, President Jackson appointed J.H. Williams as the first American Consul in Australia. Mr. Williams arrived from Boston on 10 January 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. The spirit of commercial enterprise was never perhaps, more energetic, adventurous, and persevering, in any nation, than it is now in the United States of America. It is the presiding genius of all their maritime towns, shaping their plans, animating their exertions, moulding their laws, polishing their manners, expanding their intellect, and raising them to municipal wealth and national eminence. Scarcely is there a sea which their ships do not plough, or a port in which they do not ride..."

In December 1839, Sydneysiders had their first visit from the U.S. Navy - a peaceful one. Ships of the U.S. Surveying and Exploring Expedition under command of Commodore Charles Wilkes berthed in Port Jackson (Sydney Harbour) to refit and enjoy Christmas. His civilian scientists on board went to many places while in Australia. They made a significant contribution to the scientific study of Australian geology, anthropology and zoology.

When gold was discovered in California in 1848, the ports of eastern Australia were well placed to exploit the California market. In early 1849 ships began leaving Australia for California. Those who had shipped goods to California in January had little accurate information about the San Francisco market, and sent mostly the obvious necessities of food and clothing; flour, stores, soft goods, blankets and clothing formed the bulk of the shipments.

Several merchants also left on those first ships to establish branches of Sydney firms in San Francisco. In August one of the first Sydney vessels to leave for California returned. The news, though not uniformly good, was definitely encouraging. Demand for shipping space increased and the shipments included other items such as building materials and coal. Sydney, Hobart, Launceston, Newcastle, Melbourne and Adelaide were all involved in California trade over the years 1849-1851. Emigrants went from all these ports. Australian exports to California during the years 1849-1851 were valued at almost 350,000, of which 185,000 was from NSW. Many people came back after 1851, but many stayed and settled in California or elsewhere in the U.S. In 1853, an American took the seeds of fourteen species of eucalypt (commonly known as "gum trees") back to California. Before the end of the century there were well-established eucalyptus plantations in California, Arizona, New Mexico and Florida.

Gold was discovered in Australia in 1851, thereby checking emigration to the U.S. By the end of 1851 Californians were arriving in Sydney and Melbourne by the hundreds. Before 1850, American migration to Australia had been insignificant, but in the years 1851-1856 more than 18,000 persons arrived in Sydney and Melbourne from America. All were labeled Californians and were suspect because Australian concepts of "Yankee democracy" were as misconceived as American concepts of Australian crime. In California, Americans had tended to regard all Australians as ex-convicts. In Victoria, Australians regarded Americans as pistol-touting advocates of lynch law and mobocracy.

On 10 August 1852, the British Consul in Philadelphia had written a confidential despatch to the Foreign Secretary quoting American press reports to the effect that the growing American exodus to Australia would strengthen republicanism in Australia.

The role of foreigners in that important event in Australian history, the Eureka Stockade, has been the subject of debate from the eve of the rebellion right up to the present. The Eureka Stockade was an armed clash between gold diggers and the Victorian military and police forces. The miners had a number of grievances: they were not enfranchised; they were not represented in the Legislative Council; and land for settlement was not readily available to them. The chief grievance, however, was the licensing system whereby miners paid 30 shillings per month for the right to dig for gold. The miners were overcome in the clash with a number being killed. A Commission of Inquiry later abolished the license fee, established an export duty on gold, and recommended that miners be issued with a document costing 1 pound per annum, constituting the miner's title deed to his claim.

Although historians claim that it is difficult to truly unravel the complete role of the Americans at Eureka, some points should be noted.

Of the American community resident in Victoria in 1854, almost 35% were living in Melbourne and Geelong, mostly engaged in the import trade. The American merchants in Melbourne were distinguished for their patriotism, but their commercial interests were such that they were unlikely supporters of any minority republican movement. The U.S. Consuls throughout the 1850s belonged to this merchant group and represented their interests. From the point of view of the Consul and the merchant community, any involvement of American citizens in the goldfields unrest was undesirable since it might prejudice diplomatic relations and, therefore, commercial relations. However, it appears that some Americans on the goldfields were engaged in a movement to establish an Australian republic. American miners at Ballarat formed a guerilla corps, the California Rangers, which was to participate if fighting commenced. News of a gold strike in Peru reduced their numbers sharply, but those remaining formed the California Rangers' Revolver Brigade. It was present at the Eureka fighting, but little is known of the part that it played.

Following the great growth of exports to the California goldfields, the discovery of gold in NSW and Victoria caused Australia to become an importer and the value of Australian exports fell sharply during 1850-1851. Several American companies established branches in Melbourne and Sydney. The vigorous, progressive methods of American firms caused concern in British circles. American hardware was better than that sent out by the English merchants, and American stoves, carriages and sewing machines proved popular with the Australian public.

In 1853, George Train, a future independent candidate for the presidency of the United States, then a brash young man of 24 and a member of a prominent Boston shipping company, arrived in Australia. Boston was already the center of an important export trade to California, Australia and South America. Train wasted no time in establishing lively, profitable businesses in Victoria. As well as importing items such as axes, hoes, canned goods, kerosene and buggies, Train also owned a fire company, with two Boston-made engines, and a commercial exchange. Train also promoted the Cobb and Co. coaches. Freeman Cobb arrived from Boston in 1853 with coaches adapted for Australian conditions. Train claimed that he loaned Cobb the money to start Cobb and Co., the company that dominated outback Australian road travel for the next fifty years. Cobb and Co. began business in 1854. The original operators were all young Americans who had learned the trade working with one or other of the two leading American express or carrying companies, Wells Fargo and the Adams Express Company.

An American trained-engineer, S.W. McGowan, built the first electro-magnetic telegraph line in Australia from Port Phillip Heads and Geelong to Melbourne. Also in Melbourne, Americans were active in agitating for better roads and in providing better carriages to drive on them. In later years, Americans played a leading role in the introduction of omnibuses, cable trams, and in modernizing Victorian, NSW and South Australian railways.

In 1853 Victoria imported goods to the value of 1,669,000 from the U.S., 10.4% of its total imports. In the same year, NSW imported goods to the value of 270,000 from the U.S., 4.4% of its total imports. Over half the imports to both states came from the United Kingdom. But throughout the gold rush decade, from 1853-1861, America held firm to its second place in the Australian market.

When the American Civil War interrupted the regular arrival of supplies, American businessmen played an important role in stimulating the growth of Australian tobacco, fruit-growing and mining industries. Trade in flour and provisions ceased in the 1860s and the timber traffic declined; oil and machinery became the principal items of commerce.

American precedent was widely used in the early arguments about tariff protection to infant industries. Local protectionists deduced from the parallel development of tariffs and industry in the United States the conclusion that the two had a direct causative connection, and argued that the easiest way to industrialize Victoria was to introduce a high protective tariff against imported manufactures. Others were able to point out the growing dissatisfaction of American manufacturers with their own tariff and their increasing demand for a reduction in import duties, as a proof of the need for free trade.

In January 1865, the armed Confederate cruiser "Shenandoah" arrived in Victoria. This event engendered considerable excitement in the colony. American Civil war exploits were well known in Australia, as Sydney and Melbourne newspapers reported them in full. The captain of the "Shenandoah", Lt. Commander James Waddell, was granted permission to purchase coal and provisions, and to have repairs carried out on a damaged propeller-shaft bearing. The ship was also sorely in need of crew.

Melbourne provided few sailors, but the people of the city took the crew of the "Shenandoah" to their hearts. They were lavishly entertained; some officers were made members of the exclusive Melbourne Club. Meanwhile the United States Consul unsuccessfully requested the Admiralty Court to order the ship to leave port and to release subjects allegedly held in the crews' quarters. Waddell remained firm. He refused to allow police to board and search his vessel. A police cordon around the ship prevented Australian labor from helping move the "Shenandoah," but it also prevented pro-Yankees in Melbourne from blowing up the vessel.

By mid-February 1865, the ship had taken on provisions and had been repaired. She steamed out of Port Phillip and in the next eight months, captured 38 Yankee ships, took 1000 prisoners and caused damage amounting to US\$6,500,000.

Cultural links between Australia and the U.S. persisted throughout the the 19th century. A young American couple, J.C. Williamson and his wife, Maggie Moore, came to Australia in the 1870s. In the 1880s they joined with two Englishmen and set about bringing many famous European and American acts and stars to Australia. The descendants of J.C. Williamson still run this well known Australian company today.

Henry Adams in 1891 and Mark Twain in 1895 mistook Australia's cordial easy-going ways and open-minded receptiveness to technology for Americanization. "The Australians did not seem to me to differ noticeably from Americans, either in dress, carriage, ways, pronunciations, inflections, or general appearance", reported Mark Twain. "There were fleeting and subtle suggestions of their English origin, but these were not pronounced enough, as a rule, to catch one's attention".

Upon entering Sydney Harbor via ship, 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. The citizen did not seem altogether satisfied. He said:

'It is beautiful, of course it's beautiful - the harbor; but that isn't all of it; it's only half of it; Sydney's the other half, and it takes both of them together to ring the supremacy-bell. God made the Harbor, and that's all right; but Satan made Sydney.'

Remarking upon the climate, Twain said: "A person ought to see Sydney in the summer time 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. Sydney is the place to go to get information about other people's climates."

In discussing New South Wales, Twain said: "It is a country that is rich in mines, wool ranches, trams, railways, steamship lines, schools, newspapers, botanical gardens, art galleries, libraries, museums, hospitals, learned societies; it is the hospitable home of every species of culture and of every species of material enterprise, and there is a church at every man's door, and a race-track over the way."

Another link between Australia and the United States during the 19th century: from 1897 to 1898, Herbert Hoover, later to become the 31st President of the United States, worked in Western Australia as a young mining engineer on some of the goldfield's biggest mines, including the Sons of Gwalia.

As the 20th century began, America began to have greater impact on everyday Australian life.

It began with the growing import of American farm and mining machinery, films, household gadgets, and motor cars. By 1912 Ford and General Motors were exporting wholly assembled cars into Australia. In 1917 both Ford and GM began using an increasing proportion of Australian manufactured body parts. In 1925 the Ford Motor Company of Australia Pty Ltd began assembling Model T Fords at Geelong, Vic. In 1926, GM established a sales subsidiary, General Motors Australia Pty Ltd.

In 1908 came the monumental success of a full dress visit from the American fleet that involuntarily left several hundred new Australian immigrants behind. When Japan defeated Russia in the Russo-Japanese War of 1904-1905, Australian statesmen and newspapers openly condemned Britain's alliance with Japan and made it clear that American assurances of protection would not be unwelcome. The Prime Minister, Sir Edmund Barton, in January 1901, visiting the mail-ship "Sierra", said that "like the Americans, Australians naturally thought first of their own, but next to them they thought of their kinship to America." Alfred Deakin, in 1905, said that "Next to our own nation we place our kindred in America."

In this context, one can appreciate the enthusiasm with which the Australian Government, press and people welcomed the visit of Rear-Admiral Charles S. Sperry, U.S.N., with 16 American battleships - the Great White Fleet - in August and September of 1908.

Pitt Street was renamed American Avenue for the week. A huge papier mache "Mayflower" hid the facade of Customs House and a replica of the Statue of Liberty rose to a height of five stories in front of the "Daily Telegraph" building. According to the "Telegraph", one hundred thousand people crowded the shores and headlands of Sydney Harbor to see the Great White Fleet arrive. The flotilla, led by Admiral Sperry's flagship, the "U.S.S. Connecticut," represented the biggest and best in naval architecture and gunnery at the time.

The invitation sent to Roosevelt's Great White Fleet to include Australia on its round-the-world voyage caused some tension between Australia and Great Britain. Atlee Hunt, permanent head of the Department of External Affairs, denied in 1910 that the invitation to the American fleet was a sort of international insurance policy against future trouble in the Pacific. Some historians, however, argue that the aim of the invitation was at least partly to provoke a similar demonstration of British naval strength in the Pacific. Further overtures to the U.S. in the form of an invitation to Theodore Roosevelt to visit Australia on his proposed world tour in 1909, after the end of his presidential term, provoked annoyance within the British Colonial Office.

On the whole, however, friendly relations with the U.S. were seen as a supplement to, not a substitute for, British protection.

In 1912, Walter Burley Griffin, pupil of Frank Lloyd Wright, won an international competition for the design of a new federal capital, Canberra. //

Griffin's original design grouped the city's functions into five separate centers carefully located according to a "single system of coordinate axes." This design was dismissed as too extravagant by an economy-minded government, and was replaced briefly by a different plan, which was later discarded. After much controversy Griffin was appointed Federal Capital Director of Design and Construction to supervise the building of his altered design. His contract was renewed at intervals up to the end of 1920, when, after disagreements with the Government, his role was taken over by the Federal Capital Advisory Committee, on which he refused to serve.

Griffin's private practice in Melbourne produced plans for the towns of Griffith and Leeton in New South Wales, and other community planning projects in Australia and North America. He is also noted for his plans for the development of Castlecrag in Sydney, a residential community designed to preserve the natural environment of a bushland promontory in Sydney Harbor.

Invited to design the library at the University of Lucknow, Griffin went to India and died there in 1937.

In 1913, a flamboyant Canadian-born, American-educated Minister for Home Affairs, King O'Malley, took part with the Governor General, Lord Denman, and a Labor Prime Minister, Andrew Fisher, in the official inauguration of the new capital.

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. }

Businessman, mariners, airmen, entertainers, athletes and technicians continued to build links across the Pacific. Charles Kingsford-Smith and Charles Phillippe Ulm, both Australians, together with Americans Harold W. Lyon and James Warner, flew the Pacific from the U.S. to Australia for the first time in the plane "Southern Cross", a second-hand Fokker bought from money borrowed from Hubert Wilkins, the Australian-American explorer.

Australian-American links became even more strongly forged during World War II. More than one million American servicemen came through Australia during the war years. Some 12,000-15,000 Australian brides (one of them was Mrs. Caspar Weinberger) of U.S. servicemen went to the U.S. and about 1000 American World War II veterans returned to Australia. In Western Australia, Allied submarines operated out of the ports of Albany and Fremantle. Over 30 submarines operated out of Albany in 1942 alone. U.S. Navy Catalina Flying Boats were based in Perth. Probably the largest defense presence was in Queensland, where large units of the U.S. Army, Navy and Air Force were stationed, including 100,000 troops in Townsville. }

In April 1942, General Douglas MacArthur arrived in Australia from the Philippines to command all Allied operations in the South-West Pacific area. In early May, 1942 the Battle of the Coral Sea was fought only 1200 kilometers off the North Queensland coast. This battle with the Japanese was fought by aircraft from opposing carriers and by Australian and American aircraft based in north Queensland. The Coral Sea battle saved Port Moresby, reduced the intensity of Japanese attacks on North Queensland, and checked the rapid series of Japanese successes in the Pacific following the attack on Pearl Harbor. //

In 1950, Australian and American troops again fought side by side in support of South Korea and on July 12, 1951, the ANZUS pact was signed. In the 1960s, Australian troops were heavily engaged alongside Americans in the Vietnam War. )

In 1969, Australia's radio telescope at Parkes was used in conjunction with another 210 foot antenna in the U.S. 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 James Cook's "Endeavour". //

Other cultural links: the Fulbright Scholarships Exchange Scheme, which provided for the exchange of scholars and students between the U.S. and certain other countries, was established by an act of Congress sponsored by Senator J.W. Fulbright in 1946. The section of the agreement relating to Australia was signed in Canberra on November 26, 1949. It involved the exchange of students on the financial basis of a debt of \$5 million owed to the U.S. by Australia as a result of wartime lend-lease and surplus property settlements. The first Australians to be awarded scholarships under the scheme went to the U.S. in 1950 and the first Americans came to Australia in 1951. In 1953/54, 115 exchanges took place. In 1991, there will be 59 exchanges.

The American Chamber of Commerce was established in Sydney in 1961 with sixty members. The Chamber was originally established to represent the American business community in Australia on questions of commerce, finance, industry, trade. In 1991, it has 1,167 members.

Australians who have significant contributions to American society and culture:

### Film

- Errol Flynn - Tasmanian actor who appeared in "Mutiny on the Bounty", "Captain Blood" and other swashbuckling Hollywood roles in the 1930s and 1940s.
- Mel Gibson - actor in "Mad Max", "Lethal Weapon", "Hamlet"
- Paul Hogan - one of the writers of the screenplay and main actor in the film "Crocodile Dundee"
- Dean Semler - cinematographer on "Dances With Wolves"

### Sport

- Wayne Grady - golfer who won U.S. PGA championship in 1990
- Greg Norman - golfer - top money winner for 1990 on PGA tour
- John Newcombe - U.S. Tennis Open singles winner
- Ken Rosewall - U.S. Tennis Open singles winner
- Rod Laver - U.S. Tennis Open singles winner
- Margaret Court - U.S. Tennis Open singles winner
- Murray Rose - swimmer
- Dawn Fraser - swimmer
- John Landy - runner
- Herb Elliott - runner
- Harry Hopman - tennis player

### Music

- Olivia Newton John - singer and actress
- Dame Joan Sutherland - opera singer
- Men At Work - rock group
- Bee Gees - pop group

### Writing

- Germaine Greer - feminist and author of "The Female Eunuch"
- Colleen McCullough - author of "The Thornbirds"
- Patrick White - author and Nobel prizewinner

### Art

- Sir Sidney Nolan - artist
- Robert Hughes - art critic for "Time" magazine
- William Dobell - artist
- Russell Drysdale - artist

### Other Prominent People

- Rupert Murdoch - media proprietor.
- Paul Scully Power - astronaut with NASA
- Jim Wolfensohn - Australian who is prominent in U.S. financial circles
- Patrick Oliphant - cartoonist with the Washington Post

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*Australia*

USIA

USIA FOR EA - DAVID HITCHCOCK

E. O. 12356 N/A  
SUBJECT: AUSTRALIAN CENTRE FOR AMERICAN STUDIES

REF: USIA 5168

1. PLEASE NOTE THAT THE CORRECT NAME OF THE INSTITUTION IN QUESTION IS THE "AUSTRALIAN CENTRE FOR AMERICAN STUDIES."

2. WE SUGGEST REVISING THE "STRENGTHENING OF EDUCATIONAL AND SCHOLARLY EXCHANGES" LANGUAGE AS FOLLOWS: "PERHAPS THE ANNOUNCEMENT OF A GRANT TO SUPPORT THE AUSTRALIAN CENTRE FOR AMERICAN STUDIES -- A NATIONAL INSTITUTION BASED AT THE UNIVERSITY OF SYDNEY THAT WILL CONDUCT STUDY AND EXCHANGE PROGRAMS TO FOSTER GREATER UNDERSTANDING OF THE SOCIETY, ECONOMY AND FOREIGN POLICY OF THE UNITED STATES. PRIME MINISTER HAYKE MADE A SIMILAR COMMITMENT TO THE EDWARD A. CLARK CENTER FOR AUSTRALIAN STUDIES AT THE UNIVERSITY OF TEXAS, AUSTIN, IN 1989."

3. WE STRONGLY ENDORSE USING LANGUAGE IN THE PRESIDENTIAL ANNOUNCEMENT THAT RECOGNIZES THE CONTRIBUTIONS OF THE AUSTRALIAN FULBRIGHT COMMISSION. HOWEVER, WE RECOMMEND AGAINST ANNOUNCING THE GRANT AS A "FULBRIGHT-SUPPORTED ANNUAL AMERICAN STUDIES LECTURE SERIES." ON THE ONE HAND, BUSINESS AND ACADEMIC LEADERS INVOLVED IN FOUNDING THE CENTER HAVE TOLD US THAT THE PRESIDENT'S ANNOUNCEMENT WOULD HAVE THE GREATEST IMPACT IF IT WERE NOT TIED TO A LECTURE SERIES. ON THE OTHER, WE DO NOT WISH TO COMMIT THE FULBRIGHT COMMISSION TO SUPPORT A LECTURE SERIES BEFORE THE BOARD OF DIRECTORS HAS GIVEN ITS APPROVAL. (THE BOARD NEXT MEETS ONLY ONE WEEK BEFORE THE VISIT.) WE DO NOT SEE A PROBLEM, HOWEVER, IN ADMINISTRATIVELY CHANNELING THE GRANT THROUGH THE COMMISSION. LUCHS

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*Australia*

THEMES AND TOPICS FOR PRESIDENT'S AUSTRALIA SPEECHES  
(November 26, 1991)

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  
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Themes to Include: Though largely focused on bilateral issues, global themes should be included. The address should recognize the close strategic relationship that has existed bilaterally, the success of this relationship, and the need to maintain our partnership in the face of post-Cold War era challenges. Bilateral, regional and global economic issues should also be touched upon. Finally, there should be reference to expanding cooperation in other areas of particular relevance to younger (post-WW II) Australians such as culture and education, the environment, economics and narcotics.

Continuing Importance of the Alliance:

- o Our long-standing strategic 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.

- o In these endeavors, Australia has and continues to play an important role:
  - Note contributions to the Gulf War, refugee assistance and the ongoing naval interdiction effort in the region. Express appreciation for Australian public support during the Gulf War for the 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 Our partnership on these and other issues has become increasingly important, especially in the wake of the tremendous changes that have occurred in the world over the last two years.

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 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.

Reassure on U.S. Engagement in the Region:

- o Our reasons for remaining engaged and active in Asia and the Pacific are obvious. 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 Our bilateral and multilateral arrangements in this region have worked well. These arrangements will continue to be key to our mutual security in the decades ahead.
- o The regional partnerships which the U.S. enjoys with Australia and other countries have provided the foundation for economic and political stability in the region.

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. Some trends to point to:

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.

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.
- 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. United Airlines and Northwest both 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.

- 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 cooperating closely to establish 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.
  - Encourage continued Australian support for an ambitious Uruguay Round package including disciplines on Trade Related Investment Measures (which Australia continues to oppose) and services, where Australia has been more forthcoming recently.
  - Australia remains on the Special 301 Priority Watch list for local content requirements on television broadcasting. This is barrier to cultural interchange. We hope to see a phase-out, not a phase-in, of local content requirements.
  - IPR: On parallel import of books, there have been slight improvements in this area, but we urge the GOA to adopt provisions that would completely exempt foreign textbooks from parallel imports.
  - IPR: We also are concerned by the Australian Attorney-General's rejection of a proposed amendment to the copyright law to provide an exclusive rental right for sound recordings. While Australia works for stronger standards for IPR in the Round, its actions at home are not consistent with this.
- 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:
  - 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.
- 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.

Melbourne Luncheon Speech on Global/Regional Issues  
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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.

*Also emphasize business*

Recognize Australia's Growing International Role:

- o Express appreciation for the leadership role Australia has assumed in the world.
  - Australia's contribution to the Gulf War
  - 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.

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  
(NOVEMBER 26, 1991)

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 established by the special alliance that has served our two countries so well.

-- 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.

-- 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.

RECOGNIZING AUSTRALIA'S INDEPENDENT INTERNATIONAL ROLE

-- While our close and important strategic relationship will continue to be of great mutual benefit, Australia has matured to become a positive force of its own in world affairs. We welcome this; 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. 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 was 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), to 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 defence 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 lead role in international economics. It was Prime Minister Hawke who pushed the idea of a regional effort to promote freer trade by eliminating trade barriers and 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 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.

-- 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 politically isolate itself 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.

-- 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\$ 14 billion, Australia is the largest recipient of total U.S. direct investment in the Asia-Pacific region, again next to Japan.

-- In everything from automobiles to microchips, from baseball to Australian rules football, we grow closer -- not isolated -- with each day.

-- 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.

-- 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 root 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.

-- The U.S. will be unwavering in its efforts to counter EC subsidies with our EEP. I believe it is in the long-term interest of all non-subsidizing nations that this pressure on the EC be maintained.

-- At the same time, I have promised to do my utmost to limit the harm that our EEP does to non-subsidizers like Australia. I have also agreed to greater bilateral dialogue on this and other economic issues of bilateral concern. On both points, I have kept my word and will continue to do so.

-- Any mature relationship, even between close allies, cannot be without differences. 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.

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-- 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.

-- 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.

#### Cultural and Educational 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

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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.

-- In Sydney, at a more institutional level, we have recently initiated a Fulbright-supported American studies lecture series at the University of Sydney American Studies Center. The lecture series is a program which developed from Prime Minister Hawke's initiative to begin a similar program at the Edward A. Clark Center for Australian Studies at the University of Texas, Austin, in 1989.

-- 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.

-- To facilitate freer travel between our countries, which should be of help to both our tourism industries, my government has offered to extend the privilege of waiving the issuance of visitor visas to Australian nationals if the Australian government agrees to allow reciprocal treatment for U.S. nationals. Our offer stands, and I hope we will be able to provide this benefit to our respective publics in the near future.

-- And to help Australian investors who seek to do business in the U.S., we are prepared to extend "E" visa privileges to your citizens provided U.S. nationals are accorded reciprocal nonimmigrant treatment.

-- 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.