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## INTERNATIONAL RELATIONS

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The basic principles underlying the shaping and conduct of Australia's foreign policy are that Australia is a significant middle-level power with democratic institutions; having strong affiliations with other Western countries but an emerging Asia-Pacific identity through its increasing regional involvement.

Australia's prosperity is largely dependent on trade; it is geographically remote from some of its major markets and its main allies; it is a relatively affluent and resource rich country in a populous, developing and rapidly changing region.

While links with the United States, Britain and Europe remain important factors in Australian foreign policy in terms of cultural tradition, security, strategic interests and trade, the specific focus of policy has shifted in the past 25 years to the Asia-Pacific region.

Australia is located in a region which includes the politically, economically and strategically significant countries of North Asia, South-East Asia, South Asia, the Indian Ocean and many newly independent nations of the South Pacific. Awareness of the importance of these neighbouring states has led successive Australian Governments to seek to promote and maintain friendly and cooperative relations with them, not only to ensure the stability and security of the region, but also to develop mutually profitable trade, investment, exchange of technology, and cooperation in the development process. Australia gives special attention to its relations with China, Japan, the member countries of ASEAN (the Association of South-East Asian Nations), New Zealand, Papua New Guinea and the other South Pacific states.

International issues including economic cooperation, disarmament, trade access, human rights, refugees, and new concepts of national interest have assumed importance together with an increasing recognition of the growing interdependence of the world community. This is reflected in economic issues, disarmament and arms control and human rights becoming priorities in Australia's foreign policy. Australia recognises the importance and growing complexity of economic issues, particularly the need to maintain the recovery of world trade and economic development and the major problem of world debt affecting both developed and developing countries. The growing interdependence of national economic and foreign policies and the increasing vulnerability of Australia's economy to international trade and other developments will remain at the heart of Australia's foreign policy concerns for some time to come. Australia places a high priority on its participation in the resolution of these global issues not only in the United Nations and other multilateral forums, but also in the regional context through multilateral bodies such as Asia-Pacific Economic Cooperation (APEC).

### **The United Nations**

Successive Australian Governments have reaffirmed their support for the United Nations (UN), its Charter and the work being done in the various specialised agencies. Within

the United Nations and other organisations, Australia seeks to work toward the solution of the pressing problems confronting humanity today.

Australia is involved in a wide range of United Nations' matters and has served on many United Nations' bodies. It was a member of the Security Council in 1945–46, 1956–57, 1973–74 and in 1985–86. The Security Council has primary responsibility for the maintenance of international peace and security. In 1975, a long period of Australian membership of the Trusteeship Council came to an end with the independence of Papua New Guinea. Australia was a long-standing member of the Special Committee on Decolonisation until its withdrawal in January 1985 following UN recognition of the Cocos (Keeling) Islands' decision to integrate with Australia.

Australia supports the work of the specialised agencies and subsidiary bodies in such areas as development assistance, drug control and human rights. It is an active participant in the economic work of the United Nations, through such forums as the UN Conference on Trade and Development (UNCTAD), the Food and Agriculture Organisation (FAO), the World Food Program (WFP), and the UN Development Program (UNDP). Australia also participates in regional consideration of social and economic issues in the Economic and Social Commission for Asia and the Pacific (ESCAP), the United Nations' regional body. In 1989 Australia was re-elected for a further four-year term on the Commission on Narcotic Drugs. It is on the Governing Council of the UN Environment Program (UNEP) and is a long-standing member of the Governing Body of the International Labour Organisation (ILO). Australia is an active member of the UN Education, Scientific and Cultural Organisation (UNESCO) and its prominent role in world refugee assistance is reflected in membership of the Executive Committee of the UN High Commissioner for Refugees.

Australia has been a major contributor to UN peacekeeping operations since these began. Australia contributes its assessed share of the costs of UN budgets (1.57 per cent), and similar percentages to all other UN bodies of which it is a member. In addition it makes voluntary contributions as well as providing personnel and equipment for peacekeeping forces. At present Australia provides personnel for the UN Forces in Cyprus, the UN Truce Supervision Organisation and the UN Iran/Iraq Military Observer Group.

Australia is fully involved in the work of the UN on disarmament and outer space, and is a member of the main subsidiary bodies working in these areas. Australia continues to play an active role in the UN Commission on Human Rights and fully participates in the work of other UN bodies dealing with the implementation of international human rights conventions. Australia was re-elected to the Commission on Human Rights in 1990 for a three-year term beginning in January 1991.

Australia accepts the compulsory jurisdiction of the International Court of Justice and plays an active role in bodies concerned with the development of international law.

### **The Commonwealth**

The Commonwealth is a distinctive and unique framework which brings together about a quarter of the world's population in 49 countries. Australia, through its participation in the broad range of Commonwealth activities, seeks to foster the Commonwealth as an instrument for peace and understanding, and for political, social and economic advancement. The last Commonwealth Heads of Government Meeting (CHOGM) was held in Kuala Lumpur, Malaysia in October 1989.

### **South-East Asia**

Australia maintains wide-ranging relations with the countries of ASEAN (Indonesia, Malaysia, the Philippines, Thailand, Singapore and Brunei), both bilaterally and as a group. These relationships include political, economic and trade consultations, commercial, cultural and defence ties and wide-ranging personal contacts. There are regular Ministerial visits in both directions. Two-way trade between ASEAN and Australia is growing rapidly and now represents eight per cent of Australia's total trade with the world.

Australia maintained its regular dialogue with the ASEAN grouping. The Foreign Affairs and Trade Minister attended the Post Ministerial Conference following the annual ASEAN Ministerial Meeting in Brunei in July 1989. Agreement was reached on a number of mutually beneficial development projects under the ASEAN Australian Economic Cooperation Program (AAECP), including a three year Trade and Investment Promotion program.

Indonesia is Australia's closest regional neighbour and straddles major sea and air routes. Australia is committed to the maintenance of sound and productive relations with Indonesia at all levels. Accordingly, Australia has pursued an active relationship with Indonesia in the areas of trade, investment, science, defence and culture. Australian aid to Indonesia is expected to continue at levels of around \$100 million per year. Efforts to add further substance to the relationship through building on concrete areas of mutual interest have resulted in close cooperation on international economic issues as well as the development of a more substantial bilateral trade and commercial relationship, the signing of the Timor Zone of Cooperation Treaty and the establishment of an Australia-Indonesia Institute.

Australia and Thailand share a range of political, strategic and economic interests. Thailand's impressive progress towards industrialisation and its success in international markets, indicate that it will become more important to Australia as a trading and investment partner. Cooperation in multilateral trade matters through the Cairns Group is also an important aspect of the relationship. Australia's relationship with Thailand is given added substance through development assistance activities, defence cooperation, tourism and cooperation in narcotics control.

Malaysia and Australia have a long history of close and constructive relations, covering the full range of political, commercial and social links. Education links are particularly strong and have contributed significantly to continuing personal contacts between people, business, academic and government circles. Malaysia and Australia cooperate closely on international trade issues. Cooperation in defence is long-standing. The relationship has adapted well to the political and economic changes within the region.

Australia has a tradition of close interest in and association with Singapore. Relations are broadly based, encompassing the whole range of bilateral areas including trade and investment, defence, education, civil aviation, tourism and cultural relations. The investment links that Australia and Singapore share have contributed to the frequency of exchanges between political leaders and officials of the two countries.

The Philippines is important to Australia because of its strategic location and close cooperation on a range of matters of mutual interest. Australia has a substantial development assistance program with the Philippines, and there are important linkages through trade, migration and tourism.

Relations between Brunei and Australia are developing steadily, especially in the fields of trade, defence and education. There is also a growing dialogue on regional trade and strategic issues.

Relations with Myanmar slowed significantly after the brutal suppression of the pro-democracy movement in that country in 1988. Aid, trade and other contacts still remain at low levels.

Australia is concerned by the destabilising effects on the South-East Asian region posed by the situation in Cambodia. Australia's policy has been to promote dialogue among the parties to the conflict in order to achieve a comprehensive political settlement. Australia has proposed that in the transitional period leading to elections, the United Nations has a role in civil administration, in providing security and in organising and conducting elections, so that Cambodians will be able to determine their future without fear of coercion.

Australia is also developing a more broad-based relationship with Vietnam through increased trade, visits and cultural exchanges. Bilateral aid remains suspended pending resolution of the Cambodian conflict, but humanitarian aid is given indirectly through multilateral and non-government organisations. Australia is also developing relations with Laos, principally through development assistance, the main element of which is a commitment to build a bridge across the Mekong near Vientiane.

### **Japan**

Japan remains Australia's largest trading partner, with total two-way trade in 1989 totalling \$23 billion. Minerals and energy and rural products continue to dominate Australia's exports to Japan, but manufactures exports are now approaching 20 per cent of the total and the services trade, principally tourism, has become significant. Japan is now Australia's primary source of foreign investment funds. As suggested by the Constructive Partnership agreed at the 1989 Australia-Japan Ministerial Committee meeting, relations have broadened significantly beyond traditional trade and economic ties. Dialogue on a range of regional and international political and economic issues is now an established part of the bilateral relationship.

### **China**

Australia's relations with China remain downgraded following the violent repression of the democracy movement in June 1989 and subsequent developments. Government policy statements of 13 July 1989 and 23 January 1990 emphasised that Australian policy is based on a complex balance of considerations—taking into account such factors as the need to keep open lines of access and communication, and to protect Australia's long-term strategic and commercial interests, as well as fundamental human rights principles. Bilateral trade in 1989 exceeded \$2.4 billion, with much of the annual increase taken up by a strong growth of Chinese imports to Australia. A number of the Joint Working Groups covering specific areas of economic cooperation continued to meet in 1990.

### **Hong Kong**

With two-way trade of \$2.6 billion, Hong Kong is Australia's third largest Asian export market. Hong Kong is also an important source of migration, tourism and investment, as well as a major target for export of education services. The visit in June 1990 by the Minister for Foreign Affairs and Trade reflects Hong Kong's importance to Australia.

### **Taiwan**

While Australia has no official links with Taiwan, there is a growing commercial relationship. Two-way trade in 1989 was valued at \$3.8 billion and Taiwan is now Australia's sixth largest export market.

### **Republic of Korea**

Korea's relative importance to Australia has grown quickly in recent years reflecting a rapidly increasing level of bilateral trade. Korea was Australia's third largest export market in 1989. Total bilateral trade now stands at \$3.8 billion per annum. Significant expansion of cultural and political links has also occurred in the last few years. High level visits have included President Roh's visit in November 1988 and a reciprocal visit by Prime Minister Hawke in January 1989. The Minister for Foreign Affairs and Trade visited Seoul in June 1990.

### **South Pacific**

Australia is a member of the South Pacific Forum, the Forum Secretariat (formerly SPEC—the South Pacific Bureau for Economic Cooperation), the Forum Fisheries Agency (FFA), the South Pacific Commission (SPC) and the South Pacific Applied Geoscience Commission (SOPAC). Australia actively participates in meetings of these organisations and provides significant financial support to them and to other regional and international programs providing assistance to the South Pacific region. To assist in the preservation

and development of indigenous Pacific cultures, Australia has established the South Pacific Cultures Fund. Australia and New Zealand have entered into a non-reciprocal preferential trade agreement in favour of the South Pacific Forum States, the South Pacific Regional Trade and Economic Cooperation Agreement (SPARTECA). The Prime Minister, Mr Hawke, represented Australia at the 20th South Pacific Forum held in Tarawa, Kiribati, in July 1989. Australia is a party to the South Pacific Nuclear Free Zone Treaty (the Treaty of Rarotonga) and has ratified the Convention for the Protection of the Natural Resources and Environment of the South Pacific Region (SPREP) on 19 July 1989. Australia has also signed the Wellington Convention on the Prohibition of Driftnet Fishing in the South Pacific.

Relations between Australia and New Zealand reflect their shared history, similarities in political and social structure and the importance of the economic links. While Australia and New Zealand still have some differences of view in the defence policy area, specifically in relation to ANZUS, other aspects of the relationship have continued to expand. This has been exemplified in the 1988 Review of the Closer Economic Relations Trade Agreement (ANZCERTA) which provided for free trade in goods from 1 July 1990, the extension of CER into trade in services and increased harmonisation of the commercial environment. The encouragement of political and cultural exchanges through the Australia New Zealand Foundation reflects another dimension in the close relationship. Australia and New Zealand also often work closely in their approaches to the international political and economic environment.

### **Papua New Guinea**

Australia and Papua New Guinea (PNG) enjoy a close bilateral relationship based on historical ties and mutual political, strategic and economic interests. The relationship encompasses a broad range of government and non-government activities. Australia has significant trade and investment interests in PNG. In 1989, Australian exports were worth \$807 million, and the total level of investment was about \$1.8 billion.

PNG is the single largest recipient of Australian aid, receiving \$275 million in budget support and \$30 million in project aid in 1990–91. The Treaty on Development Cooperation was signed in May 1989, establishing the principles, levels and forms of aid to PNG over the next five years, and reflecting Australia's long-standing commitment to contribute to PNG's development and self-reliance.

The Joint Declaration of Principles (JDP), which provides the framework for the conduct of the bilateral relationship between Australia and PNG, was signed on 7 December 1987 by Prime Ministers Hawke and Wingti. The JDP reaffirms the commitment of both Governments to the maintenance and strengthening of close and friendly relations between our two countries, in accordance with the principles of mutual respect for one another's independence, sovereignty and equality, and on the basis of consultation, reciprocity and mutual benefit.

Activities covered by the JDP include cooperation in defence; trade and investment; financial; transport and other services; development assistance; communications and travel; border administration; legal areas and people-to-people exchanges.

Within the JDP framework, a Ministerial Forum is held to facilitate discussions on the PNG–Australia relationship at ministerial level. The second Forum took place in Port Moresby in January 1990, and was attended by the Minister for Foreign Affairs, Senator Evans, the Minister for Defence, Mr Beazley, the Minister for Justice, Senator Tate, and the Minister for Primary Industries and Energy, Senator Cook. The Papua New Guinea–Australia Trade and Commercial Relations Agreement (PATCRA) was reviewed in 1989 and the revised agreement initialled at the Forum. Negotiations have also concluded at official level on an Investment Protection and Promotion Agreement (IPPA).

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The Torres Strait Treaty between Australia and PNG entered into force in February 1985. The Treaty defines the maritime boundaries between PNG and Australia and sets down provisions to:

- protect the traditional way of life of inhabitants from both sides of the border;
- protect the environment;
- ensure freedom of navigation and overflight; and
- regulate the exploitation of resources.

## **The Americas**

Australia has a long-standing relationship with the United States which extends across the whole range of national life. Government-to-government relations are one part of a larger and more extensive interaction between the two societies with interlinked culture and language. Relations between the countries are warm and cooperative, with a high degree of official consultation and generally close personal relations between the leaders. The affinity is underpinned by substantial economic and commercial relations although perspectives can and do differ on aspects of trade policy.

Australia's defence links with the United States under ANZUS serve the vital interests of both countries by contributing to regional security and the maintenance of global stability.

Canada is a country comparable with Australia in terms of institutions and traditions, geographical size, and international outlook. This has allowed a close degree of cooperation and interchange of ideas between the two countries. Australia takes an increasing interest in developments in Latin America and the Caribbean.

Recent political and economic developments in Latin America, including an increasing focus towards the Asia-Pacific region and constructive cooperation on multilateral trade and Antarctic issues, are fostering closer relations between Australia and many Latin American countries.

## **Europe**

Australia seeks to maintain constructive and profitable relations with the countries of Western Europe, with the European Community (EC) and its institutions, including the European Parliament.

Bilateral relations with the individual Western European countries continue to be of considerable importance. These relations exist as a result of the very close historical, social and cultural links with these countries, and were developed through extensive trade and investment links. Economic ties are, however, constrained by the EC's continued adherence to agricultural protectionism.

The EC is an important trading partner and our most important source of investment funds and technological expertise, as well as a significant importer of Australian raw materials. This natural complementary relationship has, however, been tempered by tensions caused by trading difficulties in the agricultural sector. Australia nonetheless remains committed to the strengthening of a positive relationship with the EC on the principle of mutual advantage, and has secured EC agreement to a collaborative work program in science and technology, business links, the environment and to regular contacts at a senior level on foreign policy questions.

Over the past year revolutionary changes have swept through Eastern Europe. Australia has an interest in encouraging the trend in these countries towards democratic processes of government and market oriented economies. Elections held throughout Eastern Europe have been free and fair and the newly elected governments have generally shown a desire to respect the basic human rights of their people.

While the pace of democratic change will obviously vary from country to country, these changes will result in a reorientation both politically and economically away from the

previous political and trading relationships of the Warsaw Pact and the Council for Mutual Economic Assistance.

Australia has been active in providing practical assistance to Eastern Europe through the Group of 24 OECD member countries. Australian initiatives have included:

- the decision to join the European Bank for Reconstruction and Development as a founding member (with a shareholding of one per cent);
- the establishment of the Australian Program of Training for East Europe;
- the negotiation of Double Tax and Investment Protection Agreements with Poland, Hungary and Czechoslovakia; and
- the provision of \$5 million worth of wheat to Poland and the contribution of US\$1 million to the Stabilisation Fund for Poland.

There are 500,000 Australians who trace their origins to Eastern Europe and many of them have retained their language skills. This should provide a sound base from which to extend Australia's contacts with Eastern Europe in trade, investment and tourism.

Australia's trade with Eastern Europe is led by sales of wool and other commodities. While Eastern Europe will remain a significant market for Australia, the transition away from central planning could create dislocations in these countries' economies which may, in the short term, affect their ability to pay for high levels of imports.

### **The Middle East**

Australia has substantial trading interests in the area and long-standing friendly relations with the Arab nations, Iran and Israel. Australia supports efforts to bring about negotiations of differences in the region, e.g. in such areas of conflict as the Arab-Israeli dispute and the problems facing Lebanon. Australia supported the Camp David accords and the peace treaty between Israel and Egypt, seeing them as a first step towards a just, lasting and comprehensive settlement of the Arab-Israeli dispute. Australia supports all efforts to negotiate the dispute, and believes a settlement should be based on UN Security Council Resolution 242 (which, inter alia, recognises the right of all States in the area to live in peace within secure and recognised boundaries and calls on Israel to withdraw from territories captured in 1967) and on recognition of the central importance of the Palestinian issue, including the right of self-determination for the Palestinian people and, if they so choose, the right to independence and the possibility of their own independent State. The Government recognises, however that any such arrangement will depend on decisions involving people of the immediate region. Australia maintained a strict policy of neutrality in the Iran-Iraq war, and welcomes the achievement (under UN auspices) of a ceasefire between Iran and Iraq. Australia responded positively to a request from the United Nations to contribute to the United Nations Iran-Iraq Military Observer Group. Fifteen Australian officers have been assigned to the group and are serving in Iran.

### **Africa**

Australia maintains a broad range of contacts with independent black African States, and is closely concerned with developmental and humanitarian issues affecting Africa. Its strong and continuing opposition to racial discrimination and the apartheid system is reflected by its adherence to the Commonwealth statement on Apartheid in Sport (the Gleneagles Declaration), its adoption of all measures against South Africa agreed by Commonwealth Heads of Government at Nassau (1985) and London (1986) and its active role in encouraging peaceful change in South Africa, including through its participation in the Commonwealth Committee of Foreign Ministers on Southern Africa and its financial sanctions initiative agreed to by Commonwealth Heads of Government at Kuala Lumpur (1989). Australia has welcomed the steps taken since February 1990 by the South African Government to normalise the political situation in South Africa and initiate talks with representative black leaders, but sees no immediate reason to contemplate an early relaxation of existing sanctions and pressures. Australia maintains correct but cool diplomatic relations with South Africa. Australia supported international action to bring



Namibia to independence by negotiated settlement in accordance with United Nations Security Council Resolution 435 and provided military and civil support to the United Nations Transition Assistance Group during the transition process.

Australian aid to Africa is focussed on Eastern and Southern Africa. This includes assistance given through the Southern African Development Co-ordination Conference as well as humanitarian assistance for the reintegration and development of South Africans and Namibians disadvantaged by apartheid. Food aid constitutes the dominant share of Australian aid to Africa because of growing food deficits and the continuing famine crisis in Ethiopia and Mozambique.

### **Indian Ocean**

Australia, as an Indian Ocean littoral state with wide interests in the region, is committed to the development of the concept of an Indian Ocean Zone of Peace (IOZP). For many years Australia has played an active and constructive role in the United Nations Ad Hoc Committee on the Indian Ocean. The Ad Hoc Committee has so far not succeeded in its attempt to convene an international conference on the Indian Ocean to develop the IOZP concept. The Minister for Foreign Affairs and Trade, Senator Gareth Evans, in an address at Murdoch University on 9 March 1990 expressed the hope that the thaw in East-West relations will act to break the logjam and give fresh impetus to the negotiations. Australia maintains a modest aid program to Mauritius and other smaller Indian Ocean states.

### **ANZUS**

Following a review in 1983 of the ANZUS Treaty by the Australian Government, including a re-examination with its ANZUS partners at the 1983 ANZUS Council Meeting in Washington, the Government reaffirmed the alliance as fundamental to Australia's national security and foreign and defence policies. The text of the ANZUS Treaty of 1952 can be found in Treaty Series No. 2, for 1952, printed by the then Department of External Affairs. In 1984, the New Zealand Government implemented a policy not to permit the entry to New Zealand of nuclear powered warships or of warships (or aircraft) which might carry nuclear weapons. Consequently the United States, at the Australia-United States ministerial talks in August 1986, formally suspended its security obligations to New Zealand under the ANZUS Treaty pending adequate corrective measures. Both the United States and Australia agreed that the relationship between the United States and Australia under the ANZUS Treaty and the rights and obligations assumed by the United States and Australia towards each other under the Treaty would remain constant and undiminished. ANZUS continues to govern the bilateral defence relationship between Australia and the United States, and that between Australia and New Zealand.

### **Nuclear issues**

Australia's strong commitment to effective nuclear disarmament and arms control is reflected in its support for the international non-proliferation regime. Australia ratified the Nuclear Non-Proliferation Treaty (NPT) in 1973 and encourages universal adherence to it.

Australia is a member of the International Atomic Energy Agency (IAEA) and provides political and financial support to the IAEA. Australia's active participation in the IAEA, including contributions to the IAEA regular budget and to the Technical Assistance and Cooperation Fund, helps the Agency to continue to function in an effective and efficient manner. Australia has a particular interest in the continued effectiveness of the international nuclear safeguards system.

The stringent nuclear safeguard conditions applied to exports and subsequent use of Australian uranium are set out as binding international legal obligations in the bilateral nuclear safeguards agreements which customer countries must enter into before any uranium exports from Australia are permitted. These conditions include an undertaking not to use Australian-obligated nuclear material for any military or explosive purpose, and the acceptance of IAEA safeguards in order to verify that undertaking. Australia has concluded

fifteen bilateral nuclear safeguards agreements covering twenty-three countries and two international bodies.

Australia is also a member of the Nuclear Energy Agency (NEA) of the Organisation for Economic Co-operation and Development (OECD). Australia values the NEA as an essentially technical forum for international consultation on nuclear issues.

### **Disarmament and arms control**

Australia is energetically promoting arms control and disarmament objectives at the United Nations and the Conference on Disarmament in Geneva. Australia attaches particular priority to the earliest possible conclusion of a treaty banning all nuclear testing by all States in all environments for all time (a Comprehensive Test Ban) and is working to uphold and strengthen the Nuclear Non-Proliferation Treaty. Although not a party to any negotiations on reductions of nuclear weapons between the United States and the USSR, Australia continues to encourage genuine dialogue and a readiness to find accommodation with the aim of stable mutual deterrence. It has called for early agreement on arms reductions and related outer space issues in the current Geneva negotiations. Australia seeks a balanced, mutual and verifiable freeze on the production, testing and deployment of nuclear weapons, which would be followed by deep reductions in nuclear weapons stockpiles.

Australia was at the forefront of efforts within the South Pacific Forum which resulted in the conclusion of the South Pacific Nuclear Free Zone Treaty, its adoption in the South Pacific Forum in 1989 and its endorsement by the UN General Assembly in 1989. Australia also accords priority to a number of non-nuclear disarmament questions. It is committed to the early conclusion of a fully effective and verifiable Chemical Weapons Convention which would ban the production, trade in and use of chemical weapons and require the destruction of existing stockpiles. Australia has supported the negotiations for a Convention in Geneva through a number of initiatives. In September 1989 Australia hosted an international Government-Industry Conference Against Chemical Weapons which obtained industry support for a Convention and following this, Australia assisted in organising a meeting of industry with the Conference on Disarmament's Chemical Weapons Committee to convey to the Committee their views on issues of concern to industry. Australia has established a National Secretariat to prepare for the implementation of the Convention in Australia and has been active in developing an awareness of and support for the Convention in countries of the region. In 1990 Australia was responsible at Geneva for coordinating the approach to issues of the Western group of countries.

Australia is concerned at the implications for strategic stability of the research into ballistic missile defences being conducted by both superpowers and is pressing for international agreements to prevent an arms race in outer space. Australia has acceded to the following disarmament and arms control agreements: the Partial Test Ban Treaty, the Geneva Protocol (on the Prohibition of the Use in War of Asphyxiating Poisonous or Other Gases and of Bacteriological Weapons), the Outer Space Treaty, the Sea-Bed Arms Control Treaty, the Nuclear Non-Proliferation Treaty, the Biological Weapons Convention, the Environmental Modification Convention, the Antarctic Treaty, and the Inhumane Weapons Convention. Australia was the first signatory to the South Pacific Nuclear Free Zone Treaty on 6 August (Hiroshima Day) 1985.

### **Trade relations**

Australia's interest in international economic developments derives from the overall importance of trade to Australia and its historical reliance upon a substantial amount of capital inflow to offset balance of payments deficits on the current account.

The economic recession of the world economy in the 1970s and early 1980s led to the growth world-wide of protectionist pressures and moves towards seeking solutions to economic problems through bilateralism and the formation of trade blocs. The Australian Government has endeavoured to counter trends towards increased protectionism and to

encourage freer trade through active participation in forums such as the General Agreement on Tariffs and Trade (GATT). GATT is the principal multilateral institution for the pursuit of the further liberalisation of world trade. Australia has consistently supported a reduction in barriers to trade and the concept of an open and multilateral trading system, and is playing an active role in the Uruguay Round of Multilateral Trade Negotiations taking place under GATT auspices, and scheduled to end in December 1990.

In particular, Australia initiated the formation of the 14 member Cairns Group of Fair Traders in Agriculture, which has established itself as an effective proponent of reform in international agricultural trade.

Australia also has a strong commitment to the freedom of international capital flows. Because it is a net capital importer, it is of considerable importance to Australia that the international system be increasingly open and adaptable to facilitate the global exchange of goods, services, labour and capital. This is all the more so in view of the significant challenges imposed on the international monetary system by the dramatic changes in the world economy during the past decade.

The last two decades have seen the economies of the Asia-Pacific region (in this case taken as the Western Pacific Region plus North America) emerge as the fastest growing in the world. The region accounts for over half of the world's economic output and more than one-third of world trade. While the region's growth prospects are favourable they are subject to some uncertainty, partly reflecting regional developments and partly broader trends in the international economy. It was against this background of dynamic regional growth that the Prime Minister launched the Australian initiative for APEC in Seoul in January 1989.

The initiative reflected Australia's major stake in regional economic developments. The extent of Australia's economic integration will be critical to Australia's economic future. The region already accounts for almost 71 per cent of our merchandise exports and 66 per cent of our merchandise imports. Australia's primary objective in greater regional economic cooperation is to enhance the prospects for sustained regional economic growth and development. The Prime Minister suggested a number of ways this could be achieved:

- by improving the prospects of success for multilateral trade liberalisation in the Uruguay Round negotiations and beyond;
- by discussing openly obstacles to trade and investment in the region and the possibilities for non-discriminatory trade liberalisation; and
- by identifying specific areas for cooperation.

The initial Ministerial-level Meeting was held in Canberra on 6-7 November 1989 and was attended by 26 Ministers from the 12 participants (Australia, Brunei Darussalam, Canada, Indonesia, Japan, Republic of Korea, Malaysia, New Zealand, Philippines, Singapore, Thailand and the USA). The meeting was successful in that it effectively launched an ongoing process of cooperation that will benefit all Asia Pacific economies. Following the meeting work began on a series of projects covering a range of issues such as human resources development, trade and investment data, energy, and marine resources conservation. At their second meeting (in Singapore in July 1990), Ministers reviewed the development of the work projects, discussed developments in the international economy and issues affecting the regional economy and stressed the importance of a successful outcome to the current Uruguay Round of negotiations to the multilateral trading system.

Australia maintains its commitment to accelerating the economic development of Developing Countries (DCs). To this end, Australia extends preferential import treatment to DCs for all dutiable goods. Other concessions also apply to handicraft type goods which meet certain criteria regarding content, character and method of manufacture.

Because of its characteristics and location, Australia is vitally dependent on its aviation, shipping and communication links with the rest of the world. Civil aviation has assumed particular prominence in Australia's relations with a large number of countries. Australia's international airline, Qantas, has a well-established network linking Australia with Asia, Oceania, North America, Europe and Africa. Shipping is also of major importance and the maintenance of Australia's interests in the shipping and aviation fields requires a conducive atmosphere in both bilateral and multilateral negotiations.

Australia attaches great importance to its traditional relations with other developed countries, which continue to be Australia's principal trading partners. Membership of the OECD has enabled Australia to take part in consultations on a wide range of policy issues and on issues of international concern with countries experiencing similar social and economic circumstances. Of particular relevance to Australia's regional trade and economic relations, the OECD has been developing closer contact with the Dynamic Asian Economies (DAEs—South Korea, Taiwan, Hong Kong and Singapore). At the 1990 OECD Ministerial Council Meeting, Australia was active in ensuring that Ministers focussed on the central role of agricultural reform in the Uruguay Round negotiations. While the meeting failed to arrive at agreed communique language on the approach to be taken to agricultural reform, the fact that disagreements were forced into the open should serve to underline to GATT negotiators the urgent need to resolve these issues if the Uruguay Round is to be successful. The OECD's work on relations with developing countries is also relevant to Australian interests and on the environment, the Organisation recognises the importance of integrating environment and economic decision-making and provides a forum for the discussion of the means of contributing to sustainable development.

### **Law of the Sea**

Australia participated in all sessions of the Law of the Sea Conference, the largest and potentially the most important conference in the history of the United Nations, involving major strategic, economic, transport, scientific and environmental issues. The UN Convention on the Law of the Sea opened for signature on 10 December 1982 and Australia signed that day.

It had attracted 158 other signatures by the time it closed for signature two years later. The Convention will enter into force twelve months after it receives 60 ratifications or accessions. The text includes articles on the system of exploration and exploitation of the deep seabed beyond the limits of national jurisdiction; extension of the territorial sea to 12 nautical miles; establishment of coastal state sovereign rights in the living and non-living resources of an 'exclusive economic zone' of 200 nautical miles; recognition of coastal state sovereign rights over the exploration and exploitation of the natural resources of the continental shelf, defined in terms of the natural prolongation of the land-mass; protection and preservation of the marine environment; marine scientific research; and the settlement of disputes. Rights of freedom of navigation and passage through straits and archipelagos, which are important to trading nations such as Australia, are also recognised. A preparatory commission for the establishment of the International Seabed Authority and its various organs has been meeting biannually since 1983. Australia has been an active participant in its work.

### **Antarctica**

Australia has had a long association with Antarctica commencing with early expeditions and continuing with an active scientific program. Antarctica's importance to Australia derives from its geographical proximity, the history of Australian involvement there and Australian administration of the Australian Antarctic Territory. Australia maintains three permanent bases in the Territory; at Casey, Davis and Mawson (as well as one on Macquarie Island).

As one of the twelve original signatories, Australia attaches particular significance to the 1959 Antarctic Treaty, which serves important Australian scientific, environmental and

security interests. Australia hosted the first Antarctic Treaty Consultative Meeting (ATCM) in Canberra in 1961. Such meetings are held about every two years in one of the Consultative Party States. Australia was last the host in 1983 for the twelfth meeting. The fifteenth ATCM was held in Paris from 9 to 20 October 1989. There are now 39 Governments which are parties to the Antarctic Treaty. Of these 25 are the Consultative Parties entitled to participate fully in Consultative Meetings.

Hobart is host to the Commission for the Conservation of Antarctic Marine Living Resources established by a Convention adopted in Canberra in 1980. The Commission and its Scientific Committee meet annually. The Commission is the only international organisation based in Australia.

On 22 May 1989 the Australian Government announced that it will not sign the Convention on the Regulation of Antarctic Mineral Resource Activities adopted at Wellington on 2 June 1988. Instead it is pursuing the negotiation of a comprehensive environmental protection regime within the framework of the Antarctic Treaty. On 18 August 1989 the Australian and French Prime Ministers announced that Australia and France would pursue their initiative jointly. The fifteenth ATCM agreed to a Special Consultative Meeting on the environment which will be held in Santiago de Chile in November 1990. The detailed terms of reference for this meeting ensure that the Australian-French proposal for a "Nature Reserve—Land of Science" will be fully considered.

## **Treaties**

The texts of bilateral and multilateral treaties to which Australia is a party are printed in the Australian Treaty Series (ATS) when they enter into force. The Australian Treaty List to 31 December 1989 was published in 1990 as ATS 1989 No.38 and will be supplemented by subsequent annual volumes of Treaty Action (No.1 of ATS each year). Monthly updates are contained in the Department of Foreign Affairs and Trade publication 'Backgrounder'.

Australia's current position in regard to individual treaties may be ascertained by referring to the 1990 List and annual volumes on International Treaties and Conventions to which Australia has not yet become a party, in the series 'Select Documents on International Affairs'. The foregoing publications are available from Commonwealth Government Bookshops, except 'Backgrounder' which is available from the Department of Foreign Affairs and Trade, Canberra.

## **Cultural relations**

The Department of Foreign Affairs and Trade administers a program of cultural relations overseas. This program supports Australian foreign policy and economic objectives through cultural activities and exchanges. These include tours overseas of all types of performing and visual arts, promotion of Australian literature and literary studies, promotion of general Australian studies, cultural assistance, visitor exchange, book gifts, and sporting gifts and exchanges. Formal priorities have been established for the program, with major emphasis on South-East Asia, the South Pacific, North and East Asia, South Asia and Indian Ocean countries. There are also continuing programs in the United States of America and in the USSR.

The Department collaborates closely with other departments, institutions and agencies in the development of its program. The Department seeks to build up programs which will increase understanding and comprehension overseas of Australian society and culture, and thus help foster a favourable environment for the promotion of foreign policy goals. At the same time it seeks to promote professional opportunities for Australian practitioners in all cultural and sporting fields.

The Department also provides secretariats for the Australia China Council, the Australia Japan Foundation, the Australia New Zealand Foundation and for the Australia Indonesia

Institute, which the Government established in 1989. The secretariats form part of the Cultural Relations Branch.

### **Australian Foreign Aid Program**

The objective of the Australian Aid program is to promote the economic and social advancement of the peoples of developing countries, in response to Australia's humanitarian concerns as well as Australia's foreign policy and commercial interests. In pursuing this objective the program focuses on the surrounding Pacific and South-East Asia regions. A major aim of Australian development cooperation in the 1990s is to assist developing countries to achieve a growth path that is environmentally sustainable and brings benefits to the poor.

In 1990-91 Australia will provide around \$1,266.8 million as official development assistance (ODA). This represents an increase of \$19.6 million or 1.6 per cent in real terms on 1989-90 expenditure. This level of expenditure is expected to yield an ODA/GNP ratio of 0.33 per cent, the same as in 1989-90.

The Australian aid program is divided into three divisions: Country Programs; Global Programs and Corporate Services. The implementation of most of Australia's aid is carried out on a country program basis. These programs are designed to promote sustainable development in developing countries. They assist governments and regional organisations to plan and implement programs and activities designed to improve economic and social conditions. In 1990-91 \$734.5 million will be provided through Country Programs.

Through Global Programs Australia contributes to development activities not planned on a country-by-country basis. Activities supported include emergency relief, assistance for refugees, agricultural research, activities undertaken by Australian non-government organisation, the Development Import Finance Facility (DIFF), development education and public information, as well as contributions to international development organisations. In 1990-91 \$453.8 million has been allocated to Global Programs.

The aid program is administered by the Australian International Development Assistance Bureau (AIDAB). Corporate Services, which represents the costs of administering the program, will total \$30.9 million in 1990-91. In addition, a further \$47.5 million will be spent by other government departments on activities classified as ODA.

### **Country Programs**

The Australian Government currently provides development assistance directly to over 90 countries. However, in line with Australia's geopolitical and economic interests, emphasis is placed on providing support to nearby countries in the South Pacific and South-East Asia regions.

Most development assistance activities are programmed on a country basis. Country programs draw together all the instruments of aid delivery available to a particular country. Areas of focus and a program of activities are developed in consultation with each recipient government, with the aim being to provide forms of aid that best match a country's needs with Australia's comparative advantage.

In financial terms, the most important forms of development cooperation are project aid, education and training, DIFF and food aid.

Projects supported by Australia range from large scale, long-term, integrated regional development programs to small scale village level projects. Most projects involve assistance to develop the recipient country's physical capital (e.g. bridge construction in Indonesia), and the provision of technical cooperation to enhance local expertise (e.g. forestry assistance in Nepal and curriculum development in Solomon Islands).

Australia's education and training program is designed to assist countries to develop the human skills needed for their economic and social advancement. Governments are

encouraged to identify education requirements and staffing needs which relate to their national development priorities in areas where Australia can offer relevant expertise and which complement other Australian development cooperation activities. The majority of education and training activities occur within Australia, though some assistance is provided in developing countries themselves. In 1989-90 an estimated \$130 million was contributed towards the education of developing country students.

**TOTAL AUSTRALIAN AID FLOWS TO MAJOR  
RECIPIENTS 1989-90**

<i>Country</i>	<i>\$ million</i>
Papua New Guinea	337.8
Indonesia	98.0
Thailand	46.6
China	42.7
Bangladesh	36.1
Malaysia	35.2
Philippines	30.2
India	28.9
Fiji	25.3
Vietnam	16.8
Ethiopia	14.8
Egypt	13.8
Solomon Islands	13.3
Zimbabwe	13.2
Mozambique	12.8
Vanuatu	12.4
Pakistan	10.5
Tonga	10.4
Western Samoa	10.2
Tanzania	9.2

Australia is one of the world's largest providers of food assistance to developing countries. In terms of grain, Australia budgets for a minimum of 300,000 tonnes of wheat or its equivalent each year as food aid to developing countries. Other foods include flour, high protein biscuits, skim milk powder and edible oils. Around 80 per cent of Australia's food aid is provided to assist in the achievement of long term developmental goals. About 40 per cent of that developmental food aid is provided on a direct government-to-government basis. It is provided where food is a high priority need. The remaining developmental food aid is provided through the World Food Program (WFP), a UN agency which channels food resources to food deficit developing countries in support of development projects in rural areas. Australia provides 20 per cent of its total food aid for emergency relief and refugee programs. In 1990-91 Australia will provide approximately \$27.8 million in bilateral development food aid, \$44 million worth of food for development through the WFP and \$24.3 million as relief food aid.

### **Papua New Guinea and South Pacific**

Papua New Guinea (PNG) continues to be Australia's largest aid recipient with an allocation of \$322.5 million in 1990-91, about one quarter of the Australian aid program. Most of this allocation is in the form of untied budget support. The Australian and PNG Governments have agreed that the overall level of Australian development assistance should reduce progressively and that there should be a gradual shift from budget support to assistance for individual activities. Under the current program, budget support will be maintained at the present level of \$275 million until 1993-94, when it will be reduced to \$260 million. Over the same period programmed activities will be expanded from \$23 million in 1989-90 to \$30 million annually from 1990-91 to 1992-93. They will increase further to \$35 million in 1993-94.

In 1990–91 Australian development cooperation activities in the South Pacific will be undertaken with Fiji, Solomon Islands, Western Samoa, Vanuatu, Tonga, Kiribati, Tuvalu, Cook Islands, Niue, Tokelau, Palau, the Marshall Islands, New Caledonia and the Federated States of Micronesia.

Cooperation through regional organisations is directed towards sectors which are best coordinated on a regional basis, as well as those activities focusing on regional economic and trade issues. This effectively complements Australia's government-to-government assistance. In addition, activities which are relevant to more than one country, or which are more economically viable on a larger scale, are supported on a multicountry basis. The major continuing focus of multicountry activities will be on the health sector. In 1990–91, Australian development cooperation with the South Pacific (excluding PNG) will total \$88.5 million.

### **South-East Asia**

Australia provides a broad range of forms of assistance to the region, including project aid, training assistance for students and the DIFF. A total of \$160 million has been allocated in 1990–91 for development cooperation activities in the region.

Indonesia, with an allocation of \$51.3 million, is the largest recipient of assistance through country programs in the region. Other major recipients include the Philippines (\$35 million), Thailand (\$24.5 million) and Laos (\$8.7 million).

Support is also provided for regional organisations and programs, such as the ASEAN Australia Economic Cooperation Program (AAECP).

### **Other regions**

Australian assistance to other regions of the world is concentrated on specific economic and social sectors in which Australia has particular expertise. Development cooperation with these countries through country programs will total \$89.9 million in 1990–91.

The largest allocation for a group of countries is that for Southern Africa, where \$30.8 million has been allocated in 1990–91. This represents the first year of a new \$110 million program to Southern Africa. Recipients are the ten member states of SADCC, the Southern Africa Development Coordination Conference (Angola, Botswana, Lesotho, Malawi, Mozambique, Namibia, Swaziland, Tanzania, Zambia and Zimbabwe), and the SADCC organisation itself. Funds are also provided for regional activities. The program for Southern Africa incorporates the Special Assistance Program for South Africans and Namibians (SAPSAN).

Other countries benefiting from Australian development cooperation in 1990–91 include those in South Asia (\$22m), China (\$16.5 million), North Africa and the Middle East (\$10.5 million).

### **International development organisations and programs**

Australia supports a range of key international financial and development institutions. These organisations can participate in development cooperation on a scale, and in sectors, beyond the capacity of a single donor. Australia's active participation in these agencies enables it to have a policy influence on each institution's activities and to utilise their expertise in formulating Australia's own development cooperation strategies and programs. Support for multilateral agencies also allows Australia to provide assistance in areas outside its sphere of technical expertise, comparative advantage or access.

In 1990–91 Australia will make voluntary contributions of about \$266.1 million to international organisations. This includes about \$69.6 million to key development agencies of the UN system, such as the UN Development Programme (UNDP), the UN Children's Emergency Fund (UNICEF), and WFP. International financial institutions such as the World Bank and the Asian Development Bank have been allocated \$170.8 million. The activities



of Commonwealth programs, some specialist international non-government agencies and development and research institutions will also be supported.

### **Emergencies and refugees**

Australia provides assistance in cash and kind for refugees and victims of emergencies and natural disasters in developing countries to help alleviate suffering, as well as to promote equitable and longer term solutions to refugee problems. The channelling of the emergency aid is through a variety of agencies depending on the location and nature of each emergency. In 1990–91, \$57.2 million will be provided for Australian responses to emergency, disaster and refugee situations. Assistance may include food aid, temporary shelter materials, medical supplies and accountable cash grants. Australia also supports the general programs of a number of organisations by making contributions to their core budgets. These include the UN High Commissioner for Refugees (UNHCR), the UN Relief and Works Agency (UNRWA) and the International Committee of the Red Cross (ICRC). Australia also provides assistance for disaster preparedness and mitigation measures, especially in the South Pacific.

### **Community and commercial programs**

The Australian public has consistently demonstrated its concern about poverty in the developing world. The Government provides funds to subsidise the development projects and relief activities of non-government organisations. These agencies provide development and emergency assistance from funds raised directly in the community, on a much larger scale than the subsidies they receive from the Government. They undertake a range of development projects, development education and volunteer programs. A total of about \$15 million has been allocated to voluntary agencies in 1990–91.

The direct participation of the academic and research community in the program is also encouraged and \$27.2 million has been allocated to these activities.

In line with the objectives of the Australian aid program, Australian commercial interests are advanced through a range of commercial activities.

The Commodities Assistance Program (CASAP) involves the provision of Australian manufactured goods to developing countries in the South Pacific, Southern Africa and Indian Ocean regions. Under this program commodities are purchased for the recipient government to use in development activities or for resale to raise funds for the implementation of development activities.

Australia's mixed credit scheme, the DIFF, provides opportunities for Australian business to supply developmentally important goods and services. Mixed credits combine grant aid funds with commercial export credits to provide 'soft finance'. Since its introduction in 1980, DIFF has committed support to 44 projects in 12 countries. This has involved DIFF payments and future commitments of \$340 million, and supported total export contracts for Australia of over \$1 billion. In 1990–91 the allocation for DIFF of almost \$84 million will provide support for an estimated 18 projects in nine developing countries.

### **Consular services and passports**

The Department is responsible to the Minister for Foreign Affairs and Trade for the protection and welfare of Australian citizens and their interests overseas. Consular services to the Australian public are available from Australian diplomatic and consular posts throughout the world.

In 1989 the service was expanded in two ways through arrangements with Canada and the inauguration of a pilot program for Honorary Consuls.

The Australia Canada Consular Sharing Agreement, signed in 1986, was extended to a larger range of countries. The agreement enables Australian citizens to obtain consular assistance from Canadian diplomatic and consular posts in certain countries where Australia has no representation. The countries where Canada now provides consular services to

Australians are Norway, Tunisia, Peru, Ivory Coast, Ghana, Ethiopia, Guinea, Tanzania, Senegal, Zaire, Gabon, Morocco and Cameroon.

The appointments of Honorary Consuls, the first appointed by the Australian Government, have so far been made at the following locations: Lae, Managua, Barcelona, Bogota, Sao Paulo, Boston and Papeete.

In 1989, 931,000 passports were issued and about 68 per cent of all applications were lodged through Australia Post. The passport telephone enquiry service provides country and city residents with equal cost telephone access. The service also responds to callers when there is an emergency overseas which might involve Australians. The service answers about 370,000 calls a year.

To maintain security in the passport processing system, adult applicants must attend an interview before they may obtain a passport valid for ten years. Applicants who are unable to attend an interview may be issued with a temporary passport valid for twelve months.

## Australian Representation Overseas

As at 30 June 1990, Australia maintained the following diplomatic and consular representation overseas (full details of these missions are available from the Department of Foreign Affairs and Trade, Canberra, ACT, 2600).

<i>Country</i>	<i>Post</i>	<i>Country</i>	<i>Post</i>
Algeria	Algiers	Micronesia, Federated States of	Pohnpei
Argentina	Buenos Aires	Myanmar (Burma)	Yangon
Austria	Vienna	Nauru	Nauru
Bangladesh	Dhaka	Nepal	Kathmandu
Belgium	Brussels	Netherlands	The Hague
Brazil	Brasilia	New Zealand	Wellington
Brunei	Bandar Seri Bagawan	Nigeria	Lagos
Canada	Ottawa	Pakistan	Islamabad
Chile	Santiago	Papua New Guinea	Port Moresby
China	Beijing	Philippines	Manila
	Shanghai*	Poland	Warsaw
Cyprus	Nicosia	Portugal	Lisbon
Czechoslovakia	Prague	Saudi Arabia	Riyadh
Denmark	Copenhagen	Singapore	Singapore
Egypt	Cairo	Solomon Islands	Honiara
Federal Republic of Germany	Bonn	South Africa	Pretoria
Fiji	Suva	Spain	Madrid
France	Paris	Sri Lanka	Colombo
New Caledonia	Noumea*	Sweden	Stockholm
Greece	Athens	Switzerland	Berne
Hong Kong	Hong Kong*	Syria	Damascus
Hungary	Budapest	Thailand	Bangkok
India	New Delhi	Tonga	Nuku'alofa
	Bombay*	Turkey	Ankara
Indonesia	Jakarta	United Kingdom	London
	Bali**	United States	Washington
Iran	Tehran		Chicago*
Iraq	Baghdad		Honolulu*
Ireland	Dublin		Houston*
Israel	Tel Aviv		Los Angeles*
Italy	Rome		New York*
Jamaica	Kingston		San Francisco*
Japan	Tokyo	USSR	Moscow
Jordan	Amman	Vanuatu	Port Vila
Kenya	Nairobi	Vatican	Holy See
Kiribati	Tarawa	Venezuela	Caracas
Korea, Republic of	Seoul	Vietnam	Hanoi
Laos	Vientiane	Western Samoa	Apia
Malaysia	Kuala Lumpur	Yugoslavia	Belgrade
Malta	Malta	Zambia	Lusaka
Mauritius	Port Louis	Zimbabwe	Harare
Mexico	Mexico City		

Australia also maintained five separate permanent missions in:

New York—UN  
 Geneva—UN  
 Geneva—Disarmament  
 Geneva—GATT  
 Paris—OECD

The Australian Trade Commission maintained trade missions with diplomatic or consular status in the following cities:

Auckland, Frankfurt, Jeddah, Milan, Osaka, Toronto and Vancouver.

The Department of Immigration, Local Government and Ethnic Affairs maintained offices with consular status in Manchester and Edinburgh.

\*Consulate-General  
 \*\*Consulate