

## **January 16, 1974**

### **Digest of Despatches: PEKING, The Prime Minister's Visit to China**

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#### **Summary:**

Summary of Australian Prime Minister's visit to China that assesses Australia's relations with China and relations with other nations in the Pacific.

#### **Original Language:**

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#### **Contents:**

Original Scan



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3107/38

# DIGEST OF DESPATCHES

Date: 16 January 1974

Serial No.: R1

Summary

PEKING  
The Prime Minister's Visit  
to China

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DEPARTMENT OF FOREIGN AFFAIRS  
CANBERRA

NOTICE TO RECIPIENTS

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*REP FOR 21/1*  
*RS*  
*JRB (or)*  
*W.G. Scott*

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SUMMARYTHE PRIME MINISTER'S VISIT TO CHINA

The visit has added considerable political substance to our relations with China. The Chinese appear now to accept Australia as a middle power of some importance. It is now acknowledged that Australia has a major role to play in the region and particularly in South East Asia and the Pacific and that it has a useful voice on international issues in which China has a particular interest.

Chou's discussion of prospects for China's bilateral relations with ASEAN countries and his foreshadowing of future Chinese policy initiatives in this area (which we regard as the beginning of a genuine attempt to mend fences in the region) is a measure of his estimate of Australia's regional significance. The Chinese seem to have accepted our Prime Minister's own formulation that our relations with China should be an example for others. Chou appeared appreciative of the independent and positive elements of our new foreign policy and our relationships with Japan and the Soviet Union do not appear to pose difficulties on the Chinese side. There is thus at least the potential for our relations with China to become no less meaningful than the relationships we have with other major powers, although for the immediate future the initiative will need to be pressed by the Australian side.

It is perhaps fortunate that our efforts to add substance to all aspects of the relationship have coincided with an apparent change in Chinese policy in the direction of paying increased attention to the expansion of foreign trade and to questions of longer-term resource supply. Although there are dangers in projecting ourselves too one-sidedly as economic animals, it may be that we could begin to forge our strength in resources into one of the lynch-pins of the political relationship with China.

The visit marked the end of the first phase of our relationship with China. A meaningful foundation has now been laid and we need no longer be quite as tentative as we have been at times in the past. We can now begin to approach our relations with China as a normal and acceptable part of the pattern of our international relationships: it is probably no longer necessary to stress that the development of our relations with China will not be at the expense of other countries.

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The visit generated goodwill at the Prime Ministerial level on which it is now important to build. We need to understand that the Chinese themselves are still adjusting to their new relationships with the non-socialist, developed world. The general approach of the Chinese bureaucracy remains cautious, unimaginative and frequently negative. We must make a determined effort to increase the frequency and particularly the authoritative nature of our consultations with the Chinese Foreign Ministry and, equally important, with the Chinese Embassy in Canberra, if we are to ensure that the gains made during the visit are sustained and fully developed.

China's development of progress for China's relations with the world and his foreign policy in this area (which we will discuss in a separate report) is a result of the change in the Chinese's attitude. The Chinese seem to have accepted our new relationship with China and our relationship with Japan and the Soviet Union as a given. This is a significant development in our relationship with China and the Soviet Union. It is a step in the right direction. We must continue to work for the development of our relationship with China and the Soviet Union. We must continue to work for the development of our relationship with China and the Soviet Union. We must continue to work for the development of our relationship with China and the Soviet Union.

It is important to note that our efforts to build on the goodwill generated by the visit must be continued. We must continue to work for the development of our relationship with China and the Soviet Union. We must continue to work for the development of our relationship with China and the Soviet Union. We must continue to work for the development of our relationship with China and the Soviet Union. We must continue to work for the development of our relationship with China and the Soviet Union.

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Australian Embassy,  
Peking  
29 November, 1973

Despatch No. 1/73

Sir,

THE PRIME MINISTER'S VISIT TO CHINA

I have the honour to report that the Prime Minister's recent visit has added considerable political substance to our relations with China.

In preparing for the Prime Minister's arrival Chinese leaders appear to have focused sharply, probably for the first time in any detail, upon Australia's present and potential international significance. The Prime Minister's discussions then led them to appreciate more fully the role of Australia in regional and world affairs. From their response to the Prime Minister's discussions and proposals it seems that the Chinese acknowledge that Australia has a major role to play in the region and particularly in Southeast Asia and the Pacific, and that it has a useful and at times influential voice on international issues in which China has a particular interest. In acknowledging this role, they appear also to have decided that there are advantages for China in developing a deeper bilateral understanding and greater co-operation with Australia. From the successful initiation of direct political dialogue during the visit it can now be said that there is at least a potential for our relations with China to become no less meaningful than the relationships we have with other major powers. We must acknowledge, however, that there will be differences in emphasis and intensity, partly for historical reasons, between our relations with China and with the other major powers, just as there are such differences in our relations with each of those other powers. We must also recognise that the Chinese are still disinclined to take and actively press the initiative in bilateral relations, even with such important powers as the United States, and that for the immediate future the initiative and the momentum will need to be pressed by the Australian side.

It must be admitted that before the Prime Minister's visit the promise which we felt was latent in the new post-recognition relationship had only partly been realised. In the field of commerce much had been achieved, including the successful negotiation of a trade agreement and a long-term wheat agreement. These advances could not, however, be attributed exclusively to political forces. In the area of day-to-day intergovernmental dealings we perceived that our desire for candour and intimacy was not being fully reciprocated.

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We were led to wonder whether Australia was categorised as just another middle-ranking, democratic, developed, capitalist ("second intermediate zone") country, with perhaps some marginal extra significance because of its proximity to Southeast Asia. Throughout the previous 10 months of diplomatic relations the Chinese had managed to avoid defining their attitude towards Australia on a number of key questions, the answers to which could in sum be construed as answering the question, "Does Australia really matter to China?"

The Prime Minister's visit and the opportunity it provided for high-level access to Chinese leaders, therefore, were of critical importance for Australia. We had had the opportunity to observe a number of state visits to China in which the standard tumultuous welcome and the public functions (which so impressed the Australian media) had found only a hollow echo in an exchange of private pleasantries and public platitudes. We were aware that some heads of government had failed to engage the mind of Premier Chou En-lai. For the Prime Minister to have so failed, for him to have left Peking with little more than platitudinous expressions of goodwill, would have had serious consequences for Australia's foreign relations for it would have been to fail to engage in political dialogue the leaders of one country whose influence in our region is certain to be increasing and profound. The measure of the visit's success was not in Tien An Men Square or in such events as Chou En-lai's standard "surprise" luncheon, but in the substance of the discussions and in the Premier's positive interest and response. For both sides, the visit was also an essential part of the learning process which follows from a generation of lost contact. That process in itself helps to stimulate political understanding.

We are now in a much better position to begin providing answers to the questions we have posed ourselves and to the Chinese about the Chinese perception of Australia. Our conclusion, from the evidence of the Prime Minister's lengthy and uninhibited talks with Chou En-lai, the exchange with Mao Tse-tung, the commitments given by Chou orally and reflected in the joint press communique, and the "feed-back" from Chinese officials is that China is prepared to regard Australia in somewhat the same way as we do ourselves, as a middle power of some importance. Quite obviously we are not in the front rank of importance for China, but in the Chinese perception we appear to come well up within the next group of middle powers. (In one feed-back conversation a Foreign Ministry official spoke of Australia in Asia in a way similar to that in which the Chinese speak of Britain or France in relation to Europe). Moreover, because of Australia's economic significance, its position and influence in the Asian/Pacific region and particularly because of the influence it wields in South Pacific affairs, China

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appears to have assessed that it cannot apply any standard format to our bilateral dealings. Rather, the Chinese seem to have accepted the Prime Minister's own formulation that our relations with China should be an example for others.

Australia certainly no longer projects a cold-war image to China, and Chou was appreciative of the Prime Minister's outline in the first session of talks of what was new, independent and positive about our foreign policy and how this was relevant to China. He demonstrated a fairly subtle appreciation of the fact that, while we have come to be closely aligned with China on a number of issues, we are bound to differ on others but that our difference need no longer take the form of confrontations. He likewise clearly understood that Australia's continued adherence to long-standing treaty commitments by no means implies that our treaty partners exercise the same degree of influence over us as during the previous Government's term of office.

Similarly, our relationships with Japan and the Soviet Union do not appear to pose any complications on the Chinese side for our future dealings with Peking. Chou was more relaxed than might have been expected about Soviet involvement with Australia and in our region, although we suspect that, in addition to shorter-term problems with the ASEAN Governments, the Soviet factor still makes China reticent about the Prime Minister's proposal for a wider regional grouping. In the case of Japan, China is content to see and even applauds the appearance of any force which serves to divert Japan's politico-commercial energies away from the Soviet Union. Chou also suggested that Japan's relations with Australia would be an important test of Japan's willingness to pursue a responsible course in international affairs.

The outstanding issue on which there is potential for serious dispute with China, nuclear testing, was handled by the Chinese in a way which clearly implied that they do not wish this one issue to impede the development of relations. There is even some slight evidence for speculating that the Chinese sought to turn it to the Prime Minister's positive account. Mao, and Chou, were aware that the Prime Minister would have to raise the issue if he was to sustain the Australian Government's domestic and international credibility. Mao offered the opportunity but he offered it apparently not to debate the issue but to allow the Prime Minister to present Australia's case. He would also have been aware that there would be advantage to the Prime Minister subsequently in announcing publicly not simply that he had protested but that he had done so to Mao, in the presence of the Premier and Wang Hung-wen, the three top figures in the Chinese leadership. It was perhaps in this sense that Mao commented that he saw Australia's protests as a necessary routine.

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The commitment obtained by Dr. Patterson for a long-term sugar contract with China, the presence in Peking during the Prime Minister's visit of a team of negotiators from Hammersley and the generally positive response by the Chinese side to any reference to the bilateral commercial relationship all suggest that China well appreciates that Australia is a growing commercial force. It is perhaps fortunate that our efforts to add substance to all aspects of the relationship have coincided with an apparent change of policy by China in the direction of expanding its foreign trade and paying more attention to questions of longer-term resource supply. The Chinese appear to see the signing of long-term resources contracts between us as linking us more closely together. It is not unlikely that in seeking to conclude a long-term contract with Hammersley during the Prime Minister's visit to China the Chinese had in mind the example of our relations with Japan and the press reports which had suggested that there was more substance to that relationship than to our relations with China. We suspect that they may have been seeking to demonstrate in a dramatic way that there is also potential for a relationship of substance with China, in itself a manifestation of the positive approach they have adopted to relations with Australia. There are dangers attendant in projecting ourselves too one-sidedly as economic animals but it may be that, as we have done with Japan and as is characteristic of the Soviet-Japanese relationship, we could begin to forge our strength in resources into one of the lynch-pins of the political relationship with China.

One aspect of the Prime Minister's talks which gave cause for satisfaction was the initiative which he stimulated from Chou on the question of China's relations with Southeast Asia. We regard Chou's references to prospects for bilateral relations with ASEAN countries and his foreshadowing to the Prime Minister of future policy initiatives (a domestic law of nationality and treaties of nationality with each of the Southeast Asian countries in which the Overseas Chinese complicate relations with China) as the beginnings of a genuine attempt to mend fences in the region and as the most positive expression of Chinese attitudes to this problem since the mid-1950's. The fact that Chou chose to inform the Prime Minister first of these intended gestures is a measure of his estimate of Australia's significance and influence in the area. It is difficult to assert outright that it was the Prime Minister's initiative alone which was responsible for convincing him of the need to be more accommodating towards the ASEAN group. It is likely that Chinese policy-makers had reached this conclusion before the visit. At the very least, however, we can assert confidently that the Prime Minister's presentation served to clarify and perhaps reinforce Chinese thinking, and in follow-up conversations Chinese officials have returned to question us on this subject. We believe the Chinese are now

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more sensitive to apprehension in Southeast Asia about their revolutionary stance, and that if we continue to press we may even make some headway on the question of broadcasting stations and other forms of Chinese support for Southeast Asian revolution.

Chou is obviously aware that the Pacific, particularly the South Pacific, is an area about which the Chinese are extremely ignorant. Australia, because of its own importance in that area is clearly recognised by Chou as an authoritative spokesman on South Pacific affairs, including, of course, the affairs of Papua-New Guinea. A considerable role would appear to exist for Australia to contribute to the establishment of harmonious relationships between China and that part of the world. The greater part of this role would simply be to inform China in detail of the plans and aspirations of South Pacific nations and to disabuse China of any present misconception.

In the bilateral sphere the warmth which the Prime Minister managed to strike in his talks with Chou appeared to make a material difference to the extent of commitment which Chinese officials negotiating the joint press communique were prepared to concede in marking an increased intimacy in our relationship. More than once during those negotiations the initially inflexible Chinese side, after reference to "a higher authority", conceded to our requests that further concrete evidence be inserted in the communique of the Prime Minister's agreement with Chou that bilateral contacts should increase. Particularly important for the Embassy's future effectiveness was the agreement by both sides to "promote actively further exchanges of views... on questions of mutual interest". The specific undertaking given by China to assist with reunions of families of Chinese race was another departure from the normal Chinese preferences for restricting such documents to statements of general principle.

The Prime Minister's visit marked the end of the first phase of our relations with China and opened the way for an expanding relationship. In the past 10 months we have tended to look to a relationship of meaning and substance in the future; from the Prime Minister's visit we can assert that we have now laid a meaningful foundation and we need no longer be quite as tentative about what we hope to achieve as we have been at times in the past.

There is another aspect of the conclusion of the initial phase of relations with China which needs to be clarified. It was most necessary at the beginning to assert that China was not the centre of our foreign policy and that the development of our relations with China would not be at the expense of our relations with other countries. But excessive emphasis on this theme may result in an unnecessary downgrading of our relations with China and a distortion in our foreign policy as serious as that which we were seeking to avoid. This slogan should now be abandoned. We have had time to demonstrate in

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action that China is not the centre of our policy. The Chinese have not sought to involve us in action which might be detrimental to our relations with other powers, nor have our friends complained about our China policy. Neither the United States nor Japan has reacted in any way adversely to us pursuing a course on which they themselves were already embarked. The Soviet Union appears unconcerned and has informed us that our policy is "correct". Despite the caution in their own policies, our friends in Southeast Asia have reacted well and are themselves committed in principle to establishing relations with China. The exception is Singapore, which has its other reasons for objecting to the policies of the Australian Government. We can now with confidence begin, therefore, to approach our relations with China as a normal and acceptable part of the pattern of our international relationships.

We must recognise, however, that there remain considerable problems in dealing with the Chinese. Although the Government did not begin with high expectations of speedy fulfilment of our objectives and has attempted to contain euphoric public expectations of what can be achieved, it is more than likely that we will enter a "post-honeymoon" period, as other countries have done, where progress is slow and response on the Chinese side discouraging. The reaction in some quarters in other countries has been that the pursuit of a close relationship with China is not worth the effort. It is important that we should anticipate this development and understand that the Chinese themselves are still going through a difficult period of adjustment to their new relationships with the non-socialist, developed world. (A recent example is the caution the Chinese have displayed in responding to our offer to extend LDC preferences to China). While Chinese interest in Australian resources may well persuade them to a more active approach to relations with Australia, we should expect that the initiative will continue to be on our side. We still face the reluctance of Chinese officials, whether in Peking or in Canberra, to initiate more informal and uninhibited discussions with their Australian counterparts, a fact of life which continuously exercises the Embassy's attention. On our own side, we probably still have not adjusted fully to the style and rhetoric of Chinese discourse on international affairs. It is not an easy adjustment to make when we have for so long had no contact with the Chinese and little understanding of how they operate. It can be very misleading to expect that their approach should be similar to that of the Kuomintang, for example. Similarly, the Russians, themselves to some extent "European", have by virtue of their contacts with the capitalist world and their close involvement with the United States as a Superpower a tendency to present their views in terms similar to those of the governments of capitalist states. One can argue that the Chinese seem out of touch with reality, but reality is a composite of different perceptions each of which has its own validity, and an understanding of the Chinese perception of reality demands a little intellectual effort on our part. Chou En-lai, for example,

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speaks in the context of a Chinese experience from which we excluded ourselves for a generation. We must learn to interpret the way in which Chinese leaders use language, their use of nuance and what they leave unsaid.

The Government's commitment to a relationship with China of confidence, co-operation and intimacy, and the advantages arising therefrom, are matters of open record and need no canvassing. What faces us now is the problem of how to capitalise most effectively upon the goodwill generated at Prime Ministerial level in our dealings with a bureaucracy whose general approach is cautious, unimaginative and frequently negative. It is important not to allow time to cancel out the advantages the Prime Minister has gained for us in terms of a generally increased interest in Australia.

Looking to the immediate future, we must make a determined effort to increase the frequency and particularly the authoritativeness of our consultations with the Chinese Foreign Ministry and, equally important, with the Chinese Embassy in Canberra. Discussions on an exchange of visits by Foreign Ministers should commence very early in 1974 and be followed by proposals for other ministerial visits. Every effort must be made to commence detailed discussions soon to arrange talks at senior level in Peking and Canberra. The opportunity should be taken to follow up quickly the useful discussions held during the Prime Minister's visit with economic ministries in order to establish a wide network of regular briefings in this relatively uncharted area. A beginning has been made to the 1974 cultural exchange, but this needs to be followed up with a planned approach to future exchanges to be discussed with the Chinese in 1974. Arrangements should be put in hand now to begin negotiating a nationality treaty and the Chinese should be pressed to reach an agreement with us on consular arrangements.

There are some respects in which we might follow useful practices adopted by other governments. For example, in Peking there is great difficulty for Ambassadors in gaining access to Chou En-lai and other ministers of the Chinese Government who can speak authoritatively and make decisions. The Japanese Ambassador appears to have more frequent access at this level than any other Ambassador, because of the large number of powerful or high-level Japanese delegations which visit Peking and are received by leading members of the Chinese Government. The Ambassador usually attends, and if not the delegations are carefully briefed and debriefed by the Japanese Embassy. We do not have the same flow of delegations but we could attempt to achieve a similar result by adopting two measures. One is to ensure that every Chinese delegation visiting Australia meets either yourself or another Minister and, if even only for a brief courtesy call, the Prime Minister, since in China the key figure is Premier Chou. We can then press for reciprocal treatment. Secondly, we should attempt wherever possible to give many of our visitors to China a "delegation" status or title. (This might have been done, for example, with the visit of

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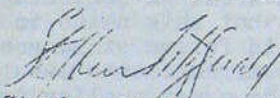
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Dr. Battersby, and it can be done even with some important private business groups). With such status it should be easier for them to call on authoritative Chinese leaders.

The British Government, in recognition of a situation where Chinese Embassy staff might stay inside the Embassy and have contact mainly with political sympathisers unless prompted to emerge into more wide-ranging contact with British society, arranges through the Foreign Office almost weekly visits by the Ambassador for inspections and discussions with public and private groups. The Foreign Office believes this arrangement to be well worth the effort and there would be advantage in us adopting a similar practice in Canberra. This would also to some extent reciprocate what the Foreign Ministry does for us, albeit at our request, here in Peking.

If we can press forward quickly with all the measures outlined above we can ensure that the Prime Minister's visit will stand not as an isolated high-point but as the beginning of a new and constructive phase in Australia/China relations, and it should be possible to assert with confidence that our relationship is indeed one of real substance.

I have the honour to be,  
Sir,  
Your obedient servant,

  
(Stephen FitzGerald)  
Ambassador

Senator The Honourable Don Willesee,  
Minister for Foreign Affairs,  
CANBERRA, A.C.T.

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