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PRIME MINISTER

E. & O.E. - PROOF ONLY

PARTIAL TRANSCRIPT OF PRESS CONFERENCE, ORIENTAL HOTEL, 22 NOVEMBER 1983

PM: Ladies and Gentlemen, I will start by going over - for the benefit of the non-Australian contingent - an outline that I gave to them yesterday of the talks that Foreign Minister, Bill Hayden and I had with the Prime Minister and Foreign Minister of Thailand and then add some further comments to that.

In those discussions yesterday I repeated what both Mr. Hayden and I had said consistently inside our own Parliament and elsewhere - the condemnation by the Australian Government of Vietnam's invasion and continued occupation of Cambodia. I added that from our point of view there should be a phased withdrawal leading to a total withdrawal of Vietnamese troops from Cambodia. There there should then be an act of self-determination for and by the Cambodian people and the creation of the conditions which would permit displaced Cambodians to return to their country and for normal relations to be resumed between Vietnam, China, the ASEAN countries and the international community at large. We indicated in our discussions yesterday that we attached very considerable importance to ending Vietnam's present political and economic isolation and the growing reliance on the Soviet Union which was, in our judgement, simply entrenching great power rivalry in the region.

We indicated yesterday to the Prime Minister and the Foreign Minister that our Government intended offering disaster relief assistance to Vietnam and you have seen the reference to that, but that we had taken no decisions in practical terms to resume development assistance to Vietnam. We have not taken any such decision.

Now, we also pointed out to the Prime Minister and Foreign Minister that while Australian aid was continuing to be directed to displaced Cambodians in the Thai/Cambodia border area, we also indicated to your leaders that Australia continued to consider that meeting the humanitarian aid needs of internees inside Cambodia was also necessary.

One of our main intentions in the discussions was to convey to the Prime Minister and the Foreign Minister our very great concern - Australia's very great concern - at the possibility of any return to power of a regime as brutal as the Khmer Rouge in Cambodia.

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I can say that both General Prem and I agreed that our discussions had been useful in clarifying the misunderstandings which had recently arisen. We agreed that both Australia and Thailand had the same view about the Cambodian situation, carried disturbing implications for peaceful relations amongst all the countries of the SE Asian region. And on the main issues of principle that I have repeated to you - that is the condemnation of the invasion by Vietnamese forces; the necessity for withdrawal of those forces; the creation of the conditions wherein there can be the free expression of the will of the Cambodian people; the creation of the conditions for the return of refugees and displaced persons; and the emergence of a free and independent, non-aligned Cambodia - on those basic issue of principle, there was a fundamental agreement between Australia and Thailand and the Prime Minister and I - while noting that there was room for differences of emphasis and approach in the manner in which each country sought to give effect to these agreed principles - we agreed and accepted that each country was directing its efforts towards the achievement of those objectives. And we agreed that we would continue to work in the closest possible contact and communications on those matters of mutual interest. So, may I therefore sum up in respect of that overall coverage which I had conveyed to the Australian media yesterday, may I sum up by saying that both Bill Hayden and I could not have been more satisfied than we were with the talks that took place yesterday.

In addition to those matters in respect of Indo-China generally we also discussed a number of bilateral matters and those discussions will lead, we know, to a further strengthening of the relations between our two countries.

Yesterday afternoon Mr. Hayden signed - with your Foreign Minister - a co-financing agreement which is between our two countries and the handling of the World Bank finance project within which we will be involved in a managerial capacity. There had been some suggestion of the difficulty about that. Those difficulties have been resolved and Mr. Hayden signed that co-financing agreement yesterday and I also indicated yesterday that Australia will be joining an association of tin producing countries - a move which had been urged upon us by your government.

Now, I have in going over those previous matters, indicated to you our basic position in regard to Cambodia, but I would add now these observations to what I said to our press yesterday and what I've outlined to you. I want to emphasise that Australia recognises the concern of Thailand as a front line state, its special concerns with the problems in the area to which I've been referring and it's because Australia recognises that particular security concern of Thailand that we, as an Australian Government, have increased our contribution under the defence co-operation program. That has been lifted from an amount of zero some four years ago to an amount of over \$4 million now. We will continue to give emphasis to that.

It involves contributions not only here into Thailand, but maintaining the availability of a wide range of training positions for Thai Armed Forces personnel within our training programs in Australia.

Now, the second point I would make is that Australia has, through Mr. Hayden and myself, referred to our ability to speak to all the main protagonists in this Indo-China problem - the ASEAN countries, China, the United States, and Vietnam itself. But Mr. Hayden, who has had the main carriage of this, and I have from the beginning made it clear that we recognise appropriately the modesty of our aspirations in this regard and we, of course, accept quite straightforwardly, and it is appropriate to say it here, that the capacity of Thailand in these matters is potentially greater than our own, but we, because of the connections and positions we have, will continue to do what we can.

Now, the final point that I would wish to make in rounding off the outline of Australia's position is that we have referred - and I did hear again this morning - to the dangers associated with the isolation of Vietnam in its relations with the Soviet Union. I want to make it quite clear that we understand that this has been a choice of Vietnam itself. It made a conscious decision to be dependent upon the Soviets in this way. We don't say or imply that it has been something of the making of the ASEAN countries. What we are talking about - and I believe what ASEAN is talking about - is trying to provide some incentives for Vietnam to reduce that dependency.

Ladies and Gentlemen, that was all I would wish to say at this stage and I would finally make the observation, however, generally in regard to our visit. I know I speak for Bill Hayden when I say this, that we want to thank General Prem and Air Chief Marshall Siddhi for the cordiality of their welcome, the frankness of the exchanges between us and the way in which we have both been able to not merely indicate the Australian position, but I believe as a result of that, to leave here now with the relations between our two countries even stronger than they have been in the past.

JOURNALIST: Prime Minister, what sort of incentives do you have in mind?

PM: Well, the position that all of the ASEAN countries and ourselves have been directing our attention to is one in which the forces of Vietnam and the Vietnamese Government could be satisfied that once they have phased withdrawal leading to a total withdrawal, that they would be satisfied that the vacuum that was left was not going to be filled by the forces of the Khmer Rouge as a dominant influence and we believe that that is what we can work for - that there are signs on both sides - if you look at the September statement of the ASEAN countries and certain responses from Vietnam - that there is some evidence of a loosening up of hitherto uncompromising attitudes and if we can create that situation then we could obviously be looking to a position where there would be very sound reasons for the countries of this area and others to start

to themselves to have more formal and constructive relations with Vietnam. It can't be, in our judgement, be seen by Vietnam itself, or any of the countries of this region, to be in any of their interests to have this almost total reliance by Vietnam on the Soviet Union. So, you've got to move towards the situation where they can see the virtue in ending that reliance in the way that I've suggested.