



5933/13

PRIME MINISTER

E. & O.E. - PROOF ONLY

NEWS CONFERENCE WITH
AUSTRALIAN PRIME MINISTER ROBERT HAWKE6:00 P.M. EST
THURSDAY, APRIL 17, 1986

WASHINGTON, D.C.

PRIME MINISTER HAWKE: Ladies and gentlemen, I will make really a very brief statement, and then be available for any questions that you would want to address to me.

I want to say that our visit to Washington, I believe, has been successful in achieving the primary objective of that visit, which has been to put before the President, the administration and the Congress the concerns of Australia with regard to developments in international trade in agricultural products. I've sought to convey in those quarters the fact of the importance to Australia of what happens in this area. I have indicated that Australia is heavily dependent on what happens in international trade and agriculture. Some 40 percent of our export income is derived in that area. We export 80 percent of our agricultural production.

And my mission has basically been in two parts: firstly, to seek from the administration, and others to whom I've spoken an assurance of sympathetic consideration of Australia's interests in the implementation of relevant aspects of the farm legislation in this country. I've pointed out that it would be improper if Australia, an efficient agricultural producer, which is a non-subsidizer of exports, should be adversely affected by the implementation of programs in this country; and secondly, and in a longer term sense more importantly, I have urged upon the President and others to whom I've spoken, the need for the United States to take the lead in ensuring that the question of international trade in agricultural goods should be put at the forefront of the agendas of the relevant international fora in forthcoming months.

I've asked firstly that at the Tokyo summit that the President should see that this matter is on the agenda; but most importantly, that as the new MTN round begins later this year, that the United States should seek to ensure that the question of international trade in agricultural products is on the agenda; it is not some side issue; it is one of fundamental importance. I've assured the President that if the United States takes that lead that Australia will be standing shoulder-to-shoulder with them in supporting that position.

5933/14

2.

I can say that I have received a very sympathetic consideration to these submissions that I have put at all levels at which I have had the opportunity of speaking. I will again express my gratitude to the administration, and also my thanks to our embassy here and the ambassador for the excellent program that has been arranged, which has enabled us, I think, to advance the interests of Australia.

Of course, we have spoken about other matters. But that has been the prime purpose of my visit, and I believe

it has been successful. Now I am open to questions.

Q Mr. Hawke, can we take a look at what the assurances mean to the average farmer in Australia? If we take wheat, which is one of our main concerns, the market price comes down to \$2.40 for wheat, which means a 30 percent drop in the price of wheat to the Australian farmer. Now, I guess he's not going to be too happy about that, so there is no assurance there. The other side of the thing is that I suppose the U.S. targets the EEC, the EEC is going to move into Australian markets. So if the United States don't get us, the EEC will. So where are the assurances from the Australian farmers point of view?

PRIME MINISTER HAWKE: Well, obviously, there has already been an impact as far as price is concerned in the period in which you could have said that the export enhancement program might have had some impact. There has been a 15 percent, a \$20 a ton decline in wheat prices but we acknowledge that that has already occurred. What we are trying to do is to seek to ensure that the criteria that have been referred to last year as being operative should continue to apply. Firstly, that as far as possible the operation of the program can be targeted away from Australian markets and secondly, that where the program is applied that the United States should seek to get assurances from those acquiring wheat from the United States under that program, an undertaking that they would not diminish their purchases from Australia. Now we are realistic enough to know that you can't have an absolute dividing line which says that here on this side there is going to be markets in which there are no Australian interests. In the other ones in which there are. There will be a degree of overlapping. All I can say is that I and those with me believe that we have now established a framework for continuing consultation in which the United States will continue to listen to what we've got to say and attempt to take into account our interests.

Q Prime Minister, do the assurances given to you on agriculture go any further than the assurances given to trade minister John Dawkins when he was here in Washington.

PRIME MINISTER HAWKE: They build upon them and I here take the opportunity of doing what I did before I left Australia and that is

5933/15 3.

to pay tribute to the work that was done by John Dawkins. We now have a more extensive, if you like, penetration of the point of view of Australia, right up to the level of the

President. I've had the opportunity of speaking not merely with the administration officials but also with all the relevant leaders on the Hill. So, what I've done is build upon the work done by the Trade Minister and I believe add to it in an effective way. I repeat, I pay tribute to the foundation work that was done by him.

Q On the question of Libya, will the initiative in the United Nations be turned into a formal resolution? Have you had any indications from the United States or from Libya itself?

PRIME MINISTER HAWKE: The question of what will be done with the contribution of the Australian delegate is still a matter of discussion by Mr. Woodcott. All that I've had conveyed to me at this stage is that the--I understand that the Secretary General and the President of the Council have expressed a positive attitude towards the broad suggestions that we have made. I can't say that there's been a positive response from Libya, who I understand took the floor yesterday to criticize the Australian intervention. Of course, as far as the United States is concerned, as I said, the indication of Article 51 of the Charter of the United Nations, itself carries with it the implications of Chapter 6.

And it is my belief from the discussions that I've had, and those discussions that I've had here in the United States mirror accurately and completely what I've said in the Australian parliament and what has been said on behalf of the Australian government in the United Nations. I believe that United States, as it should logically from its own indication of Article 51, would see virtue in a peaceful resolution of this matter through those processes. As I've said in the Australian parliament and as the representative of Australia said in the Security Council, the essential condition of being able to utilize those processes involves acceptance on the part of Libya that it will give a commitment and adhere to such a commitment not to resort to the tactics and the process of terrorism. There was a question here first off.

Q I asked if you were hoping or expecting more from the talks concerning trade.

PRIME MINISTER HAWKE: No, I think the outcome broadly matches our expectations, Heather. What we've really had to do is to be certain in our minds that we have created the framework now for, first of all, a very clear understanding of the nature of Australia's actual and potential vulnerability in the implementation of the farm program. I think, as I say building on Mr. Dawkins' visit, I have done that.

5933/16 4.

Secondly, and looking to the future, which is the most important consideration, I've tried to create a better international framework. I am certain that I now have the wholehearted cooperation of the United States administration in giving an essential priority in the new MTN round to agricultural matters. I could not have expected a more enthusiastic response from all to whom I spoke on the basic necessity of having that up at the forefront. We can't, as an international trading community, afford the luxury of previous rounds, where agriculture has been regarded as a side issue, shuttled off into Salle dix neuf, and allowing people to talk about it as a sideshow. It's centrally important. I think we've achieved that recognition.

Q Canada has similar concerns about the export enhancement program. I'm wondering if there's any way that Australia and Canada might join forces in expressing, or putting pressure, perhaps, on the administration?

PRIME MINISTER HAWKE: Well, I had cause last year to have some discussions with the Canadians when I was there very briefly, and we have mutual concern for what happens here. We certainly have a mutual concern as to the operations of the European program because that affected us in Canada with regard to our potential beef sales there. So I think there is a substantially common position between us. I would expect, from the background to which I refer and which I've been involved and which Mr. Dawkins has been involved in discussions with his counterpart, that we would not only have common ground in regard to the position here; so most importantly, I think common ground in the sorts of positions we would take in the MTN negotiations, which commences in September of this year.

Q Will there be future talks with Canada?

PRIME MINISTER HAWKE: We have a framework of relationships there which involve continuing consultations. I mean it hasn't been formalized in a process of every six months. But the relationship between us at the level of prime minister to prime minister and trade minister to trade minister is a very productive one, I believe.

Q President Reagan used some interesting emphasis in his statements earlier about ANZUS. I wonder if he has given you any indication of what he plans to do next, or how the talks are going New Zealand? Just how angry is he with New Zealand?

PRIME MINISTER HAWKE: I think to be fair, not only to the President, but to the whole of the United States administration that's been involved in this,

5933/17

5-1

the reaction would not be fairly typified as one of anger. I say that not because I'm here in the capital, but I have been involved in discussions on this for a long period. I think the appropriate description is one of severe disappointment. I don't think on the evidence of time that anyone could suggest, there's certainly no evidence to support that the United States has imposed great pressure upon New Zealand and pressed for a different resolution. The discussion have been spread out over a long period of time and there has obviously been I believe, a sincere wish on the part of the United States' administration to secure a change of view on the part of New Zealand.

Now, I think time is running out in terms of New Zealand's own timetable. As far as we can understand, New Zealand would be moving to legislation by the period of August, September, October, at the latest. Now, the position that we have is that if no resolution by way of discussion can be arrived at, and New Zealand embodies into legislation the position which it's been espousing, then I have repeated again today to the President what we have said privately and publicly before, and that is these things: Firstly, and most importantly, that we would not wish the United States to take action to abrogate the treaty. We believe the treaty should be left in place.

Secondly, that in that event there would be an interchange of letters between the President and myself, the purpose of which would be to establish by that correspondence the intention on the part of the United States and New Zealand to continue in operations as between ourselves, that is the United States and Australia, the provisions of the treaty. And that would lead to the position then, thirdly, that if at some future stage New Zealand wished to come back into the operation of the treaty, that would be there. I should add, I think in fairness both to Australia and to the United States, as of relevance to New Zealand, that in all points in the discussion we have made it clear and the United States has accepted it as reasonable and sensible, that in the event of that situation emerging, we, Australia, would maintain a bilateral defense cooperative relationship with New Zealand. That is in our interest in the region, and in that sense in the interest of the United States as well.

Q Did the President concur with your suggestion?

5933/18^{6.}

PM: Yes there is acceptance as I see it of that position.

JOURNALIST: Could you be a little more specific about the feedback from Americans you have spoken to about the Australian proposal in the UN and would you care to comment on some Caucus reaction that I think has come in the last 24 hours to your statement on Libya?

PRIME MINISTER HAWKE: Let me take the second part first. I've found it a sensible rule in my infrequent overseas visits to not, from abroad comment upon what's happening in Australia. There is a very simple -- well, one of the reasons, it's not the exclusive reason, you are not always certain that you know precisely what has been said and the circumstances of it being said, so I am not going to break that rule which I've found a useful and sensible one so far.

coming to the first part of the question. I repeat what I said before that the discussions that I've had with the administration, privately, reflect what we've said publicly, and I would not think it appropriate to say that the United States was saying that the concept that we put about the position of the United Nations were ones that they were putting. Nevertheless, it is my impression clearly that they do not regard -- the United States does not regard -- the proposals that we have put as inconsistent with the position that they've adopted. And I have no reason at all to believe that the United States would not welcome a position where the avenues nominated within Chapter 6, particularly article 33 of the charter, could be used. If in fact any one of those avenues could lead to a position where this situation could be peacefully resolved and certainly the United States would welcome that, as would all reasonable people.

Q Prime Minister, do you believe the American raid on Libya was justified, in light of the terrorism?

PRIME MINISTER HAWKE: I've been around this game for a very, very long time, and I am not going to be led into a position of satisfying or attempting to satisfy someone else's use of language. I have the capacity to put quite clearly my position and the position of my government. I've done that in three ways. Before I left Australia, just some hours before I left, in a statement to the Parliament. I've done it through our representative in the United Nations and I've done it in private conversation with the United States administration in a way which completely reflects what I have said publicly. Now you have various interpretations of that position. For instance, the representative of Libya saw fit to attack the statement by the representative of Australia. On the other hand, the leader of the opposition, at least that's what he was when I was there -- I don't know whether there has been any change in the past couple of days -- but he attacked the statement that I made. So you have different perspectives seeking to put a particular interpretation. Now people can put the interpretation that they will. Those words are clear. They were clear in the Parliament.

5933/19 7.

clear in the United Nations. And that is that we have said that we regret that the circumstances have arisen where force has been used. We have said that the essential condition for bringing this position to an end is that Libya has got to bring to an end its direction and export of and control of terrorism; and in those circumstances, of course, which we hope could be advanced by the processes that we put, there would be an elimination of force in all respects.

Now we could have, if we'd wanted to, in the United Nations, what appeared to others to be all that was necessary to exhaust their responsibility -- that is, to get up an attack and cast aspersions. We have the perception of our responsibility which goes beyond that, and that is to look to the future and see what possible measures may be available to bring an end to a situation which is not only tragic for those who may be immediately involved, but which potentially could constitute a danger for the rest of the world.

Now with a sense of responsibility, we have made such suggestions. Now that's the responsible way to undertake both your analysis and your membership of the Security Council. And I'm not going to be diverted from the exercise of that responsibility by some cheap -- and I don't refer that to you and your question -- but some cheap attempt to say, "Do you describe that by this word or that word?" We depend upon a full analysis of what we've said in the parliament, what we've said in the United Nations, which, as I say, has been reflected completely in the discussions I've had here in the United States.

Q On the matter of agriculture, I know that your government is basically against the concepts of subsidization. Everybody's concerned about what's happening in the EEC and the huge subsidies, even though the ^{loan} rate may come down ^{to} \$2.40 they are still \$1.30 difference between the loan rate and the target rate. There's still a massive subsidy going to the United States farmer even if on a temporary basis. If ^{the} loan rate comes down so far, Australian farmers are hurt to the stage where it's uneconomical for them to produce; what's your attitude toward the subsidies, either direct or indirect, such as through ^{helping} transport or grain-handling or those matters or perhaps even some form of acreage restriction?

PRIME MINISTER HAWKE: As a concept in Australia, you mean? Just go firstly to our perception of what happens here, and then come back to what our reaction should be. We've made it quite clear that we object to the concept of subsidization in the larger producing areas of the European Community and here, as far as the United States is concerned, as to that part of their programs which are directed toward some form of retaliation against the European Community, we say we can understand that sort of reaction. But what's

5933/20.

fundamentally important is that the United States and the Community have got to understand that there must be an end to this concept of subsidy against subsidy, taxpayer against taxpayer. In the end, by definition, that is disastrous for the communities involved and the rest of us ~~we are~~ in the international trading regimes. And so, we are saying to the United States as we will be saying when we go to Brussels that there's got to be a total re-think of the way in which governments relate themselves to their agricultural sectors.

Now, coming back to the second part of your question, we have before we came here, just before we came here, in fact a matter of an hour or so before we left, had the situation where my minister for primary industry, Mr. Kerin, produced in the parliament two things, one very large ~~statement~~ equivalent to a white paper if you like. And secondly a parliamentary statement encapsulating the essence of that paper. And we had within that approach sought to direct ourselves to ways in which some forms of legitimate assistance can be provided. It's a rather small package. And the sorts of things that impinge upon what you were talking about, for instance, we've suggested a Commission into grain marketing handling charges. And it does appear that a fairly significant cost is being imposed upon Australian producers in that area. And we think something can be done there. We've looked at other elements which may help to reduce the cost burden on farmers which is an appropriate and legitimate way of going about this.

But, in the end, what we have said, not merely to our own rural constituency, but what we're saying to the United States and what I'll be saying in Brussels, what I'll be saying to Mrs. Thatcher, to Prime Ministers Craxi and Papandreu, is this: if the world continues with this concept of subsidizing, heavily subsidizing rural producers and particularly heavily subsidizing exports as a result of internal overproduction, then that is the road to disaster. And, what I'm wanting to get, particularly when I go to Europe, into the minds of the Europeans, is as I've put it, the conjunction of interests that exist. That is, our interest as an efficient producer, agriculture producer, and theirs, that the enormous subsidization which is involved in their own CAP

is significantly against their interests. The sort of figures that are involved are massive. The budgetary subsidy for agriculture in the last year is \$27 billion, and that includes \$9 billion for export subsidy. Now that is just the budgetary cost. The cost by way of transfer from consumers in very, very high prices is estimated to be double that.

Now that means that the level of economic growth in the

5933/21 9.

community is significantly less than it otherwise would have been. It is estimated that something like one-and-a-half million more people could be employed in the European community if those practices weren't followed. So what we have ultimately got to get is not to try and play a game against one another, this subsidy against that subsidy, as I say, taxpayer against that taxpayer. We won't win like that.

Q I sure hope you are successful. Were you disappointed in Mr. McLaughlin describing your package as a sad and disappointing document.

PRIME MINISTER HAWKE: Let me say this, I would have been surprised if Mr. McLaughlin hasn't said anything else. He is an agro-politician; perhaps in both senses of the word "agro."

Q Can I go back to Libya again?

PRIME MINISTER HAWKE: Well, yes, I'm fluid in these matters.

Q In the light of the Libyan criticism in the United Nations yesterday ~~misconceived~~ *as it may be* does it concern you at all that Australia might ~~be~~ *be* target for terrorist activity?

PRIME MINISTER HAWKE: It would always concern me if Australia or Australians within our country or abroad were to become a target for action. This did not preclude us in January from responding positively to a call by the United States to its friends around the world, and countries around the rest of the world to take some sort of actions against Libya. In January of this year in response to that suggestion from the United States, we did these things. Firstly, we reduced the level of representation in the Libyan embassy. And secondly, we responded positively to the request that ~~where~~ the United States was then saying it would withdraw assistance of U.S. nationals in Libya in the oil fields, that we should not fill that gap, and we responded positively in that way. Now we believe that that was the right thing to do, and we were not intimidated in taking what we thought was the right decision through some perception that we would so incur the wrath of Libya and perhaps put ourselves at risk.

It seems to me the world has got to understand that if it behaves in that way and allows itself to be intimidated, it's not a very tenable world in which we're going to live.

Q Mr. Hawke?

PRIME MINISTER HAWKE: Yeah, I'll come back to you.

5933/120.

Q In the last couple of days, there has been a rebel tour of New Zealand rugby players arriving in South Africa to play a series of games there. Firstly what is the Australian attitude toward it? Would Australia, under its policy on sports contacts with South Africa ban those players from representing their New Zealand national team at any future games they may be called upon to play in Australia?

PRIME MINISTER HAWKE: Well, let me first of all say that we share the view of Mr. Lange that the action of those players is to be totally regretted. And it's a question, which I'm not entitled to express a legal opinion, but it's a question of whether, in fact, by that subterfuge they've employed, they have in fact broken the letter as well as the spirit of the law which was brought down by the court in New Zealand in regard to the All-Blacks' proposed tour. So we deplore the decision of those involved to undertake that tour, because we would say that whatever view one may have had when they were talking about their All-Blacks tour, surely the evidence which has accumulated since that time of what is happening in South Africa should have led them to the conclusion that it was improper to be giving aid and comfort to a regime under which increasing numbers of people are being killed.

So it's quite clear what our position is, and under the provisions of Green Eagles, the situation would be that we would not be within Australia playing against people who are in that category. Now I hope that, if I can broaden my answer just briefly, I would hope that as a result of what we are doing within the Commonwealth, and with the assistance which I believe we will receive from the

United States, I hope that there will be a positive response from the government of South Africa to the proposals that have been put to it by the Eminent Persons Group, which proposals provide the basis for the beginnings of dialogue. And what's got to happen is that through those processes of dialogue, we can begin the processes of change peacefully in South Africa.

because the alternative I believe is frightful to contemplate and I don't believe that we have a long timescale within which the processes of dialogue will be available.

Q Mr. Hawke, in your ^{departure} statement from the White House today morning you said that the Australian government does not accept that violence is a solution to complex problems of the world we share.

PRIME MINISTER HAWKE: Yes.

5933/23 11.

Q Do you see this position applying equally to military action, such as that undertaken by the US against Libya this week?

PRIME MINISTER HAWKE: Well, it is an embracing statement. I think, however, if you look at the statement that I made in the Parliament and the statement here, the emphases are clearly placed. I don't think there is any doubt about where those emphases are. We don't want to see force used in any way, and we say both in Canberra and here that the essential condition of removing force from the scene is a commitment by Libya to refrain from the resort to terrorism.

Q Just following on from John's question, given the view that violence is not a solution to the complex problems of the world, did you urge President Reagan to revise his previously expressed view that America stands ready to repeat ~~attack~~ if the situation should arise?

PRIME MINISTER HAWKE: As I said I think twice here my private conversations with the President reflected what we've said publicly. And that is that we believe that the best resources of all of us should be used to settle these matters in the way which we suggested in our contribution in the Security Council.

Q ~~annoying~~ In your talks have you called for the publication of the evidence Libya as you said you hoped to?

PRIME MINISTER HAWKE: Yes, I put to the President and others to whom I spoke the view that having seen the evidence myself, and which I find compelling -- and I say I've seen evidence in Australia and I've had additional evidence made available to me since I've been here -- I believe that it would be in the best interest of the United States and all of us that that evidence should be made directly available. Now that is a feeling I have. I don't presume to tell the United States what to do. I wouldn't presume to tell them what to do. That is a view that I have. I recognize the very considerable counter-considerations that are in the minds of the President and those who advise him and I don't think it needs much imagination to understand what those counter-considerations are. But I speak from the position of having seen the evidence and finding it

compelling and feeling that it would be useful if the world could see it. But I accept that that must be a decision which the United States makes taking into account all those considerations that it must do.

Q What did President Reagan reply to this?

5935/24¹².

PRIME MINISTER HAWKE: Well, the President, and others to whom I spoke referred to the counter-considerations. They are intelligent people. I guess they understand the strength of the reasoning that I've put, but they ultimately are the ones who've got to make the judgments about the integrity of their intelligence operation. And it would be presumptuous for someone who hasn't got the responsibility for their intelligence operation to presume to make the judgment for them. All I can do from my point of view is to say what I see as the advantages.

Q Is that evidence so compelling that ^{if} it was worth going public, do you believe that other countries would support the United States' action?

PRIME MINISTER HAWKE: Well, let me say this, as a very least, I believe that the evidence ^{if} made available would destroy at one stroke the statements of those who seek to cast doubt upon the credibility of the United States when they referred to the existence of such evidence.

Q Mr. Hawke, is the evidence to which you refer the electronic intercepts?

PRIME MINISTER HAWKE: Oh, now come on.

Q Well, what is the evidence then?

PRIME MINISTER HAWKE: Well, when you're shown something in total confidence with the highest intelligence rating you would even exceed the bounds of optimism of some of my press gallery friends if you thought I was going to break that confidence. I notice they don't ask the question. All I can say is that it is, in my judgment, authentic, and it is in my judgment compelling.

Q Was it evidence related to the specific justification for

the strikeback that was made on Monday

PRIME MINISTER HAWKE: I have evidence that has been provided to me, most specifically in regard to the West Berlin incident, but very importantly evidence which goes beyond that to projected proposals for a range of attacks into the future as well as may I say some other recent aborted attacks planned.

Q Do you feel you've made any progress on the South Pacific nuclear free zone treaty?

5933/25 13.

PRIME MINISTER HAWKE: Yes, I think we are better placed now than we were. The opportunity has been provided of putting the case at all levels now to the President -- Secretary Weinberger and I did that last week in Canberra -- and to people on the Hill who have an interest in these matters. My judgment is, Michelle, that there is no doubt now in their minds that the operation of the treaty and therefore, the adherence to the protocols by the United States would in no way diminish or endanger the operation of our treaty relationships under ANZUS. I have no doubt that that is clearly and without question in the minds of our friends here.

Now, that does not mean that there may not be some other considerations that they would feel that they want to take into account. But

the point that I've just made I think is now clear beyond question in their minds, and I can only express the hope that in the result they will feel able to become adherents to the protocols.

Q A senior administration official who briefed after your talks with President Reagan said the U.S. interpreted your statements on the Libya issue as supporting US action? Are you happy with that interpretation?

PRIME MINISTER HAWKE: This is another approach to the question that has been raised in three or four different ways already. I could I suppose just ask you to turn your tapes back to the answers I have already given. What I'm about, I repeat, is to put the position of the government -- I've done that in Canberra, we've had it done in New York and I've reflected privately what we've said publicly. I've indicated that there are numbers of interpretations as to how Libya, or spokesmen -- I'm not going to enter into the business of saying, "You use this word, you use that word." I'm about positively trying to deal with this situation. We've done that. I'm not going to be diverted by saying, "Which word do you want to attach?"

Q Australia specifically referred in its UN statement to Libyan terrorism and violence. Why didn't you refer to the United States actions specifically?

PRIME MINISTER HAWKE: Well, it is not correct to say that we didn't refer to the action of the United States, because we said in the Parliament and it was reflected in the statement in the United Nations that we counseled restraint and we deeply regret the conflict has taken place and urges both sides to restrain hostilities and engage in general efforts to bring about the peaceful resolution of their differences. That's what I said in Canberra and the United Nations language reflects that so I don't think it is correct to say that reference wasn't made to action on both sides. But what those statements did make clear in both Canberra and in New York is that the essential condition for the creation of an end to this

5933/26^{14.}

conflict is the commitment by Libya to cease its terrorist action. This is not just that it acknowledges terrorism as an appropriate instrument. The evidence is, as I say, compelling that they are directing and controlling and exporting terrorism. And until that ceases, you are not going to have the condition for an end to this conflict.

Q Did you discuss with the President or any of the other people you visited on the Hill the differences that Australia has with the administration on the funding of the Contras in Nicaragua?

PRIME MINISTER HAWKE: There was an acknowledgement. It didn't take up a great deal of our time, because we had so many other matters to talk about. But there was an acknowledgement of the difference of position that we have in regard to Central America. It took up very little of our time.

Q Mr. Hawke, do you expect to get ^{Caucus} support for your position on Libya?

PRIME MINISTER HAWKE: On?

Q The position you have put to the administration on the Libyan attack.

PRIME MINISTER HAWKE: Well, let me say this, as I've said -- I've lost count of how many times I've said it here -- that the position that we've put privately in our discussions with the administration reflects what we have put in the Parliament and in the

United Nations. And I understand, and I'm not going to go back on what I said before, I'm not commenting in any detail on what happens back in Australia while I'm away -- but I understand that on the morning after I left that in the continued caucus meeting, which had been scheduled at any rate, that Bill Hayden gave a report to the caucus on our position, and that that report, as I understand, was accepted by the caucus -- at least there was no attempt to depart from the report that Mr. Hayden gave. And we have been in constant communication, the foreign minister and myself, since I left. And the presentation that we've made at the United Nations, and the inclusion of the paragraph in my departure statement here, represents the coincidence of position between the foreign minister and myself.

Q Mr. Prime Minister, the US administration is interpreting publicly --

PRIME MINISTER HAWKE: Beg your pardon?

8933/27 15.

Q The US administration is interpreting publicly that you are supporting their attack on Libya. That is their interpretation, not a journalistic interpretation. Are you happy with that interpretation?

PRIME MINISTER HAWKE: I repeat what I've said before, and I don't know --

PRIME MINISTER HAWKE: Now, wait a minute. Let me at least repeat what I've said before, before you ask me to repeat it again, or not to repeat it again. And that is that it's quite clear that people will give particular emphasis to particular parts of our statement. What we've tried to do is to address ourselves to the issue in a way which reflects a proper judgment of the circumstances which gave rise to this action

And, that statement both in the parliament and again in New York in the Security Council does say that the essential condition for the bringing to an end of this conflict is the adoption of a position by Libya which eschews resort to terrorism. Now, that's what we said about where it has been and we've addressed ourselves to the future. And we will continue within the United Nations to do what we can to try and positively bring about a situation where this sort of conflict does not arise again. That's the major thing that we should be concerned about, not only Australia but we believe everyone that's involved.

Q Mr. Hawke, can we go back to the issue of agriculture just for a little moment--

PRIME MINISTER HAWKE: Well, I've got nothing--

Q --going around and round and round in circles--

PRIME MINISTER HAWKE: Well I'm not going around and around in circles, I must say that agriculture interests me much more.

Q Yeah, well, it interests me, too.

PRIME MINISTER HAWKE: Yeah, I noticed. (Laughter)

Q Nobody wants a price-cutting war. And it would appear that Americans are hell-bent on getting back the market that they've lost, they have also got a very sizable budget to make sure they do get their markets back, and it would appear that there is a price war inevitable except as you mention that there's a possibility of trade negotiations. Now, what's the likelihood from the discussions you've had that there will be trade negotiations before a price war? And if a price war is inevitable,

5933/28

how long is it going to go on before we see sanity return?

PRIME MINISTER HAWKE: Well, I don't think it's inevitable. Right at this moment, I think, in Paris I think they're meeting, it may be Brussels, Mr. Yeutter and Mr. Lyng are going to be discussing with the Europeans the immediate difficulties in regard to the action which has been taken by the community as a result of the accession by Spain and Portugal to the Common Market and at least that's Yeutter and Lyng and Anderson (?) Clarke (?) are sitting down and trying to work their way through this. I don't think we have to be totally pessimistic and say that this trade war is in all respects inevitable. All we can do with the relatively limited clout and status that we have vis-a-vis Europe, and the United States is to point to the ultimately self-defeating nature of recourse to that position. There's nothing more we can do. We haven't got the resources to stand up there and play that game and we don't intend to.

Q Mr. Prime Minister, just taking your answer to Peter Logue's last question, does this mean that you will not publicly refute the US interpretation of your position.

PRIME MINISTER HAWKE: It means that I am not going to get up and deal with everyone's interpretation of my position, whether it's a spokesman for the administration, whether it's Libya, whether it's Mr. Howard. I used the phrase just as I departed at the airport in Canberra that I'm not going to get into this ~~the phrase~~ I think I used was "squallid auction", and I regard it as "squallid auction to say,

"Where are you on some scale of support?" I used it in regard to the leader of the opposition. I regard it as a totally squallid auction that the ^{leader of the} opposition should be getting up and saying, "I'm more supportive. You're less supportive of someone or other." It reflects no credit on people who want to get into that squallid auction. I'm not getting into it. I have enough faith in the integrity of my foreign minister and myself as prime minister who have formulated the position of the Australian government to allow those statements to stand on their own.

What we're about is the future. That's what everyone should be about. How are we, as men and women of good will, going to try and use our resources to bring about a situation where we won't have a recurrence of this position? That's what I'm about. And you can ask all the questions you like and have your own attempts to create an auction. You won't find me as a starter.

5933/19

Q Prime Minister, there have already been reprisals to the US air raid with the murder of three people in Lebanon. Does this suggest to you that the Palestinian question may have an important bearing on this whole situation, and would you see any sense in the United States and perhaps yourself making representations to Israel on this matter?

PRIME MINISTER HAWKE: Well, there are continuing discussions

going on as to possible methods and bases for resolving what you properly identify as a fundamental problem in the Middle East, that is, the relationships between Israel and the Palestinians. Without going into the details of a confidential conversation, I was privileged to receive from George Shultz some detailed indications of the sort of discussions that they are currently involved in. And of course, all nations and men and women of good will should be addressing themselves to what ways there may be to get some resolution of that issue. Because it is true, as your question implies, that until there is some acceptable and decent resolution of that issue, then there's, from that cause, going to continue to be tensions in the Middle East and elsewhere.

But don't simply say that it's a question of talking to Israel and getting Israel involved. There are responsibilities on the part of other states as well as the state of Israel, and it should be the view, I believe, of all nations that Israel and the Arab states and the Palestinians should be prepared to sit down and talk through this issue in a peaceful way. If that were done, then a very large element of the cause of problems in the Middle East would be eliminated; not entirely, but a large part of it.

THE PRESS: Thank you.