



PRIME MINISTER

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E AND O E - PROOF ONLY

PM: THANK YOU. I WANT TO SAY THAT AT THE OUTSET THAT I'M EXTRAORDINARILY PLEASED WITH THE OUTCOME SO FAR OF MY FIRST VISIT TO JAPAN AS PRIME MINISTER OF AUSTRALIA. IT'S ENABLED ME TO ESTABLISH THE GOOD PERSONAL RELATIONS AND THE RAPPORT WITH YOUR PRIME MINISTER NAKASONE. AND IN THOSE DISCUSSIONS I HAVE BEEN ENCOURAGED BY THE CLOSE IDENTITY OF VIEWS BETWEEN US ON A RANGE OF GLOBAL AND REGIONAL AND POLITICAL AND ECONOMIC ISSUES. IT'S PROVIDED ME AN OPPORTUNITY TO MEET OTHER SENIOR JAPANESE MINISTERS, INCLUDING THE DIRECTOR-GENERAL OF THE ECONOMIC PLANNING AGENCY AND THE MINISTER FOR FINANCE, AND THE FORMER FOREIGN MINISTER DR OKITA.

IN THOSE MEETINGS IT HAS BEEN POSSIBLE TO HAVE SOME VERY FRANK AND DIRECT EXCHANGES WITH THE TOP ECHELON OF JAPANESE BUSINESS AND INDUSTRY, PARTICULARLY FOLLOWING MY LUNCHEON MEETING YESTERDAY WITH REPRESENTATIVES OF THE FIVE JAPANESE ECONOMIC ORGANISATIONS AND LATER THIS AFTERNOON I WILL BE MEETING WITH LEADING JAPANESE BANKERS.

MORE SPECIFICALLY, THE JOINT STATEMENT ISSUED BY PRIME MINISTER NAKASONE AND I FOLLOWING OUR MEETING YESTERDAY MORNING UNDERLINES OUR COMMON COMMITMENTS AND UNDERTAKINGS ON GLOBAL AND REGIONAL AND ECONOMIC ISSUES AND ON SPECIFICALLY BILATERAL ISSUES.

AND I WANT TO SAY THAT THE WARMTH OF THE PRIME MINISTER'S WELCOME AND INDEED THAT OF HIS GOVERNMENT IS VERY MUCH APPRECIATED BY MYSELF ON BEHALF OF ALL AUSTRALIANS, AND WE LOOK FORWARD TO WELCOMING PRIME MINISTER NAKASONE TO AUSTRALIA IN MID-1984.

OUR TWO COUNTRIES SHARE A COMMON COMMITMENT TO WORKING FOR GLOBAL DISARMAMENT, AND FOR ENSURING THAT NUCLEAR WEAPONS ARE NOT REDEPLOYED TO NORTH ASIA. IN OTHER WORDS WE HAVE A COMMON INTEREST IN SEEING THAT ANY DISCUSSIONS IN THE INF CONTEXT TO RESOLVE THE EUROPEAN CONCERN ABOUT THE BUILD-UP OF WEAPONS THERE IS NOT SATISFIED AS FAR AS THE SOVIET SIDE IS CONCERNED BY THE REDEPLOYMENT OF WEAPONS FROM THAT AREA TO THE SOVIET FAR EAST. AND WE HAVE AGREED THAT IN THIS AREA, SPECIFICALLY AS WELL AS OTHER SPECIFIC GLOBAL AND REGIONAL ISSUES SUCH AS, FOR EXAMPLE, KAMPUCHEA AND THE MIDDLE EAST, THAT AUSTRALIA AND JAPAN SHOULD WORK MORE CLOSELY TOGETHER THAN IN THE PAST. WE HAVE MANY COMMON INTERESTS AND IT IS AGREED THAT IT IS IMPORTANT THAT WE REVITALISE THE RELATIONSHIP IN THE POLITICAL AND ECONOMIC AREAS.

THE DISCUSSIONS THAT I HAVE HAD WITH SENIOR GOVERNMENT ECONOMIC MINISTERS AND INDUSTRY AND BUSINESS LEADERS HAS ENABLED ME TO STRESS THAT AUSTRALIA WOULD BE VERY CONCERNED IF IN AREAS IN WHICH THE GOVERNMENT HAS DIRECT INFLUENCE, SUCH AS IN THE AREA OF BEEF QUOTAS, THE AUSTRALIAN MARKET SHARE WAS TO BE ERODED IN THIS COUNTRY BY ANY NEGOTIATIONS BETWEEN JAPAN AND THIRD COUNTRIES. SIMILARLY, I HAVE STRESSED THAT IN AREAS SUCH AS IRON ORE AND COAL EXPORTS WE WISH ONLY TO BE GIVEN, AS WE PUT IT IN AUSTRALIA, A 'FAIR GO', PARTICULARLY AT A TIME THAT JAPANESE LEADERS ARE ENCOURAGED BY OUR IMPROVING INDUSTRIAL RELATIONS RECORD IN AUSTRALIA. AND I WANT TO SAY THAT I WAS SATISFIED WITH THE HEARING THAT I HAD ON THESE MATTERS, AND WE WILL BE VERY CLOSELY MONITORING DEVELOPMENTS IN THOSE AREAS.

THE MAIN COMPONENT OF AUSTRALIA'S EXPORTS TO JAPAN WILL OBVIOUSLY CONTINUE TO BE IN PRIMARY PRODUCTS, INCLUDING MINERALS. BUT AT THIS POINT WHEN CLEARLY THERE ARE IMPORTANT STRUCTURAL CHANGES TAKING PLACE IN BOTH OUR ECONOMIES, IT'S IMPORTANT THAT AUSTRALIA SHOULD BE AGGRESSIVE IN EXPLOITING NEW MARKET OPPORTUNITIES IN THIS COUNTRY FOR MANUFACTURED GOODS AND SERVICES. AND IN THIS RESPECT I AM VERY PLEASED WITH DEVELOPMENTS THAT HAVE OCCURRED OUT OF THE DISCUSSIONS THAT I'VE HAD HERE. IN RESPONSE TO SUGGESTIONS FROM (INAUDIBLE) WE WILL BE HAVING AN AUSTRALIAN EXPORT MISSION TO JAPAN WITHIN A COUPLE OF MONTHS. AND THERE WAS A POSITIVE RESPONSE TO MY SUGGESTION THAT AS THERE ARE JAPANESE EXPORT EXPANSION MISSIONS TO THE UNITED STATES, AND TO THE EUROPEAN ECONOMIC COMMUNITY, I SUGGESTED THAT THERE SHOULD BE SUCH A MISSION TO AUSTRALIA AND THERE HAS, AS I SAY, BEEN A POSITIVE RESPONSE TO THAT. SO THOSE TWO THINGS, I BELIEVE, WILL CONCRETELY START TO GIVE EFFECT TO OUR

COMMITMENT TO BE LOOKING FOR NEW MARKET OPPORTUNITIES. AND IN ADDITION TO THAT WE WILL BE UNDERTAKING JOINT MARKET RESEARCH.

I HAVE BEEN ENCOURAGED BY THE COMMON VIEW THAT PRIME MINISTER NAKASONE AND I HAVE ON THE NEED FOR A MORE OPEN MULTILATERAL TRADING SYSTEM, AND PARTICULARLY ON THE NEED FOR A NEW MTN ROUND, AND I WILL BE PURSUING THESE DISCUSSIONS IN THE OTHER ASIAN CAPITALS WHICH I'LL BE VISITING WITH A VIEW TO TRYING TO PREPARE THAT DEGREE COMMONALITY THAT WE CAN ACHIEVE FROM THE COUNTRIES OF THE REGION IN RESPECT OF SUCH A ROUND. WE BOTH ACKNOWLEDGE THAT IN THE PAST THERE HAS BEEN AN EXCLUSION OF COMMODITIES OF INTEREST TO OUR COUNTRIES AND OTHER COUNTRIES IN THE REGION. AND GIVEN THE SUBSTANCE OF THE ECONOMIES OF OUR COUNTRIES IN THE REGION IT IS APPROPRIATE THAT WE TRY AND ACHIEVE AS FAR AS POSSIBLE A COMMON REGIONAL POSITION IN PREPARATION FOR SUCH A POSSIBLE NEW ROUND.

I WOULD ALSO SAY THAT I HAVE WELCOMED THE VERY SUPPORTIVE REACTION OF THE PRIVATE SECTOR IN JAPAN TO MY GOVERNMENT'S ECONOMIC POLICIES, PARTICULARLY THEY HAVE WELCOMED THE SIGNIFICANT IMPROVEMENT IN THE INDUSTRIAL RELATIONS SITUATION IN AUSTRALIA, RESULTING FROM THE PRICES AND INCOMES ACCORD, AND AS WELL THEY HAVE APPRECIATED OUR APPROACH TO MACRO-ECONOMIC POLICIES GENERALLY AND TO FOREIGN INDUSTRY AND INDUSTRY POLICY.

FINALLY MIGHT I SAY THAT THE QUESTION OF INDUSTRY POLICY WILL BE THE SUBJECT OF A MAJOR SPEECH THAT I-LL BE MAKING IN OSAKA TOMORROW AND I SIMPLY CONFINE MYSELF HERE TO SAY THAT WHILE THE JAPANESE MODEL CLEARLY IS NOT CAPABLE OF TOTAL TRANSLATION INTO AUSTRALIA IT DOES HAVE MUCH IN CONSENSUS BUILDING WITHIN OUR COMMUNITY, A CONSENSUS WHICH I REGARD AS ESSENTIAL TO THE STRUCTURAL ADJUSTMENTS THAT WILL HAVE TO TAKE PLACE IN AUSTRALIA IF WE ARE GOING TO BE ABLE AS A NATION TO BENEFIT FROM BEING PART OF THIS DYNAMIC GROWTH REGION, RATHER THAN TO DECLINE RELATIVELY IN LIVING STANDARDS TO OTHER INDUSTRIALISED COUNTRIES OF OUR REGION.

JOURNALIST: THE JOINT PRESS STATEMENT THAT WAS ISSUED YESTERDAY IT WAS STRESSED THAT IT IS OBVIOUS THAT THE ASIAN PACIFIC REGION IS GOING TO BE THE MOST DYNAMIC AREA OF THE WORLD IN THE 21ST CENTURY. AMBASSADOR MANSFIELD OF THE UNITED STATES ABOUT A YEAR AND A HALF AGO STRESSED AT THIS PRESS CLUB THAT THE 21ST CENTURY IS GOING TO BE THE AREA OF THE PACIFIC. THE FORMER AND LATE PRIME MINISTER OHIRA HAD A VISION OR CONCEPT OF PAN-PACIFIC SOLIDARITY AND PROFESSOR (INAUDIBLE) A POSSIBILITY OF ESTABLISHING PACIFIC TRADE AND DEVELOPMENT ORGANISATIONS. MY QUESTION TO PRIME MINISTER HAWKE IS THE FOLLOWING. DO YOU INTEND TO TAKE IMAGINATIVE INITIATIVES IN THIS REGARD?

PM: WELL I DON'T KNOW WHETHER I WOULD DESCRIBE OUR APPROACHES AS IMAGINATIVE INITIATIVES. THAT'S WHAT YOU PEOPLE GET SO WILL PAID FOR, TO DESCRIBE WHAT WE HUMBLE POLITICIANS DO. BUT LET ME PUT THESE POINTS. FIRSTLY, WE DON'T HAVE TO WAIT UNTIL THE 21ST CENTURY TO ACKNOWLEDGE THAT THE AREA TO WHICH YOU REFER WILL BE THE FASTEST AND MOST DYNAMIC GROWING AREA OF THE WORLD. IT ALREADY IS. AND THEREFORE WE ARE AS A GOVERNMENT MAKING DECISIONS NOW WHICH WE THINK ARE RELEVANT TO THAT FACT. WE HAVE NO REASON TO BELIEVE THAT IT WILL BE ANY DIFFERENT IN THE 21ST CENTURY. THE SORTS OF THINGS THAT WE ARE CONCERNED TO DO ARE AS FOLLOWS. FIRSTLY, TO ESTABLISH GOOD RELATIONS, IN THE POLITICAL SENSE, WITH THE COUNTRIES OF THE REGION BECAUSE IT IS MY VIEW AND OF MY GOVERNMENT THAT AUSTRALIA IS INEXTRICABLY AND FOREVER A PART OF THE REGION. WE ARE NOT SOME EUROPEAN OUPPOST ON THE RIM. WE ARE PART OF THE REGION. SO THE INITIATIVES, IF YOU LIKE, FIRSTLY ARE TO ESTABLISH CORDIAL RELATIONS WITH THE GOVERNMENT OF THE AREA. SECONDLY, IT IS NO GOOD JUST BEING FRIENDS AND BEING ABLE TO SAY HOW DO YOU DO IN A CHUMMY FASHION. WE HAVE TO MAKE SURE THAT THE DECISIONS THAT WE TAKE IN THE AREA OF TRADING RELATIONS AND SPECIFICALLY IN OUR STRUCTURAL POSITION IN AUSTRALIA ENABLE US AS I HAVE PUT IT BEFORE TO ENMESH AUSTRALIA INTO THAT DYNAMIC GROWING ECONOMY. IF WE DON'T DO THAT WE ARE NOT GOING TO BE ABLE TO GET EITHER THE BENEFIT FROM THAT GROWTH OF THE REGION OR TO MAKE SOME CONTRIBUTION TO IT. THIRDLY, AND INITIATIVE THAT I HAVE TAKEN WHICH WAS FIRST REFERRED TO EXPLICITLY IN BANGKOK IN NOVEMBER WAS TO SUGGEST INTERNATIONAL TRADING SYSTEM AND THAT WE WANT THEREFORE TO SEE A NEW MTN ROUND. AND REALLY IT MEANS THAT FIRST OF ALL THE COUNTRIES OF THE REGION SHOULD MEET IN ADVANCE TO TRY AND IDENTIFY THE COMMON INTERESTS THAT WE HAVE. IT WILL BE NO GOOD HAVING A NEW MTN ROUND LIKE THE LAST WHICH EXCLUDED PRODUCTS OF OBVIOUS INTEREST TO US, LIKE AGRICULTURAL PRODUCTS, PROCESSED MINERALS - TO NAME SOME OF INTEREST TO US - AND OTHER TYPES OF GOODS OF INTEREST TO COUNTRIES IN THE REGION WHICH WERE PREVIOUSLY EXCLUDED. SO WE ARE TAKING AN INITIATIVE WHICH WERE PREVIOUSLY EXCLUDED. SO WE

ARE TAKING AN INITIATIVE IN THAT RESPECT. IN REGARD TO AN ORGANISATIONAL CONCEPT THAT YOU REFERRED TO IN YOUR QUESTION: THAT HAS BEEN FLOATED IF YOU LIKE IN A NUMBER OF QUARTERS. WE TAKE THIS POSITION IN REGARDS TO SUCH AN ORGANISATIONAL CONCEPT: WE BELIEVE THAT THE TIME IS NOT READY FOR IT NOW BUT INSOFAR AS DISCUSSIONS ARE TAKING PLACE, THE MOST RECENT IN BALI AT THE END OF 1983, WE ARE PREPARED POSITIVELY TO PARTICIPATE IN THESE DISCUSSIONS, TO HAVE WORKING COMMITTEES LOOKING AT ASPECT OF THE CONCEPT. BUT WE DO NOT TAKE THE VIEW THAT ORGANISATIONALLY THE COUNTRIES OF THE REGION YET WANT TO GO TO THAT STAGE. IT MAY BE SOMETHING FURTHER DOWN THE TRACK. WHAT IS IMPORTANT NOW FOR AUSTRALIA, AND I THINK FOR THE REGION, IS THAT WE AS I SAY DO EVERYTHING THAT WE CAN TO BE PART OF THE REGION IN OUR TRADING RELATIONSHIPS AND RECIPROCALLY TO MAKE THE ADJUSTMENTS THAT ARE NEEDED TO BE MADE IN AUSTRALIA, AND TO SEE THAT WE AS A REGION TRY AND HAVE A COMMON APPROACH TOWARDS A NEW MTN ROUND.

JOURNALIST: PRIME MINISTER, YOU'VE HAD GOOD LUCK OR GOOD EXPERIENCE WITH THE FREEING UP OF THE AUSTRALIAN DOLLAR AND YOU'RE GOING TO MEET BANKERS THIS AFTERNOON. YOU'VE HAD TWO STUDIES COMMISSIONED TO TRY TO FIGURE OUT WHAT SHOULD BE DONE WITH THE BANKING SYSTEM IN AUSTRALIA. WHAT WOULD YOU LIKE TO DO AND WHEN DO YOU THINK IT WILL BE DONE?

PM: THE QUESTION REFERS TO THE CAMPBELL COMMITTEE REPORT WHICH WAS UNDERTAKEN BY THE PREVIOUS GOVERNMENT. WHEN WE CAME IN WE ASKED A COMMITTEE HEADED BY MARTIN TO REPORT ON THAT TO US IN THE LIGHT OF GOVERNMENT OBJECTIVES. THAT REPORT HAS ONLY RECENTLY BEEN RECEIVED BY THE TREASURER, MR KEATING. HE WILL BE MAKING A SUBMISSION TO THE CABINET SHORTLY AFTER MY RETURN AND IT WOULDN'T, THEREFORE, BE APPROPRIATE FOR ME IN ANY DETAIL TO SUGGEST PRECISELY WHAT WOULD HAPPEN. LET ME, HOWEVER, MAKE THESE OBSERVATIONS. FIRSTLY, IN FLOATING THE DOLLAR YOU WILL BE AWARE THAT WE ALSO AT THAT TIME RELAXED A NUMBER OF CONTROLS THAT HAD BEEN OPERATIVE. THIS WAS INDICATIVE OF THE VIEW THAT WE THOUGHT WAS IN AUSTRALIA'S BEST FINANCIAL AND ECONOMIC INTERESTS WHICH WOULD BE SERVED BY SOME FREEING UP OF THE SYSTEM. AND THAT'S THE FIRST POINT THAT I WOULD MAKE. THE SECOND IS TO SAY THAT IN THIS AUDIENCE WHAT I HAVE HAD CAUSE TO SAY RECENTLY IN AUSTRALIA WHEN PEOPLE HAVE RAISED THE SAME SORT OF QUESTIONS. AND THAT IS TO SAY THAT WITH THE GREAT SENSE OF LABOUR HISTORY THAT WE HAVE IN OUR COUNTRY I FIND IT A LITTLE BIT DIFFICULT TO UNDERSTAND WHY OUR PARTY, THE LABOR PARTY IN AUSTRALIA, SHOULD HAVE ANY DEEP AND ABIDING SENSE OF COMMITMENT TO THE EXISTING PRIVATE BANKS IN AUSTRALIA, WHO DON'T HAVE A GREAT RECORD OF UNDYING COMMITMENT TO OUR CAUSE. ON THREE OCCASIONS IN THE PAST - THE SCULLIN GOVERNMENT, THE CHIFLEY GOVERNMENT AND THE WHITLAM GOVERNMENT - THEY WERE RATHER AT THE FOREFRONT OF THE DEMISE OF THOSE GOVERNMENTS. SO I SIMPLY MAKE THAT POINT AS A MATTER OF HISTORICAL INTEREST, WHICH I THINK IS NOT ALTOGETHER IRRELEVANT TO CURRENT CONSIDERATIONS. FROM THOSE TWO OBSERVATIONS YOU MAY DRAW A CONCLUSION AS TO MY OWN THINKING, BUT BEING A DEMOCRATIC PRIME MINISTER I, OF COURSE, DON'T MAKE DECISIONS - I AWAIT A CONSIDERATION OF THIS MATTER BY OUR CABINET AND OUR PARTY.

JOURNALIST: PRIME MINISTER, I BELIEVE THE QUESTION OF DUMPING OF NUCLEAR WASTE IN THE PACIFIC CAME UP IN THE TALKS YESTERDAY. WHAT WAS THE EXTENT OF THE UNDERSTANDING SOUGHT BY MR NAKASONE. WHAT WAS YOUR RESPONSE AND WAS IS YOUR OPINION OF THE WHOLE BUSINESS.

PM: PRIME MINISTER NAKASONE DID RAISE THIS ISSUE IN THE DISCUSSIONS BETWEEN US AND MY RESPONSE WAS IN THESE TERMS. I SAID THAT AT THE MEETING OF THE SOUTH PACIFIC FORUM COUNTRIES WHICH WE HOSTED IN AUSTRALIA LAST YEAR, ALL THE COUNTRIES OF THE FORUM INCLUDING, OF COURSE, AUSTRALIA RAISED THEIR SERIOUS CONCERN ABOUT PROPOSALS FOR THE DUMPING OF LOW LEVEL NUCLEAR WASTE BY JAPAN IN THE PACIFIC. AND I INDICATED TO MR NAKASONE THAT CONCERN THAT WE SHARED WITH THE COUNTRIES OF THE SOUTH PACIFIC AND I SAID THAT I WELCOMED THE INDICATIONS THAT JAPAN HAD POSTPONED AT LEAST, AS I UNDERSTOOD IT, UNTIL 1985 ANY SUGGESTION THAT THEY MAY PURSUE THAT COURSE OF ACTION WHICH HAD BEEN RAISED AS A POSSIBILITY EARLIER. AND FURTHER THAT I ALSO WELCOMED THE INDICATIONS AVAILABLE THAT JAPAN WAS PURSUING MORE VIGOROUSLY THE POSSIBILITY OF THE STORING OF SUCH LOW LEVEL WASTE ON LAND RATHER THAN THE DUMPING AT SEA. I INDICATED TO MR NAKASONE OUR INTEREST THAT THAT COURSE SHOULD BE FOLLOWED.

JOURNALIST: ... YOU HAVE SAID THAT THE BEEF QUOTA WILL NOT BE ERODED BY (INAUDIBLE) INCREASIN THE MARKET. DID YOU MEAN THAT YOU WANT TO RETAIN THE SAME QUOTA WHICH EXISTED PREVIOUSLY, OR ARE YOU SAYING THAT YOU WOULD LIKE TO HAVE THE QUOTA EXPANDED IF THAT IS TO BE EXPANDED WITH THE UNITED STATES IN ACCORDANCE (INAUDIBLE). AND ANOTHER QUESTION, ARE YOU SIMPLY SAYING THAT YOU WOULD LIKE THE QUOTA EXPANDED OR IN THE FINAL ANALYSIS ARE YOU ASKING FOR LIBERALISATION OF THE MARKET FOR AUSTRALIA BEEF. IF THAT IS THE CASE, THAT IS IF IT IS THE LATTER, THEN HAVE YOU MENTIONED THIS TO PRIME MINISTER NAKASONE.

PM: LET ME REMIND YOU OF THE ACTUAL WORDING OF THE JOINT COMMUNIQUE WHICH IS RELEVANT TO YOUR QUESTION - THE JAPANESE SIDE BELIEVES THAT THE POSITION OF AUSTRALIA AS A SUPPLIER OF PRIMARY PRODUCTS WILL NOT DECLINE SO LONG AS THESE AUSTRALIAN PRODUCTS MAINTAIN THEIR COMPETITIVENESS AND THEIR STABLE SUPPLY IS ASSURED. THE JAPANESE SIDE CONFIRMS THAT IT HAD NO INTENTION OF DEALING WITH THE TRADE PROBLEMS OF THIRD COUNTRIES AT THE EXPENSE OF AUSTRALIA. NOW WE INTERPERET THAT TO MEAN THAT AUSTRALIA WILL MAINTAIN ITS SHARE OF THE JAPANESE BEEF MARKET. PICKING UP YOUR QUESTION THIS WAY-OBVIOUSLY THE IDEAL POSITION FOR US WOULD BE THAT THE TOTAL LIBERALISATION OF THE BEEF MARKET FOR US WOULD BE THA
HERE. BUT IN THE SITUATION OF LESS THAN THAT IDEAL POSITION WHERE THESE IS TOTAL LIBERALISATION, THEN I PUT TO YOU THAT FOLLOWING THE ASSURANCES CONTAINED IN THAT JOINT COMMUNIQUE I AM CONFIDENT THAT ANY INCREASE IN AMERICAN BEEF SALES WOULD BE ACCOMPANIED BY AN INCREASE IN AUSTRALIAN SALES. AS I SAY WE LOOK FORWARD TO THE EVENTUAL REMOVAL OF JAPANESE BEEF IMPORT QUOTAS. BUT WHILE THEY EXIST OUR POSITION IS THAT AUSTRALIAN BEEF SALES
TO JAPAN SHOULD BE ALLOWED TO EXPAND AS RAPIDLY AS ANY OTHER COUNTRY'S.

JOURNALIST: I RELAISE YOU'VE BEEN ASKED THIS QUESTION A FEW TIMES IN RECENT DAYS. BUT IF I COULD ASK IT ONCE MORE ' THERE'S BEEN SOME DISCUSSION THAT AUSTRALIA MAY BE SACRIFICED IN THESE AGREEMENTS THAT ARE BEING MADE BETWEEN JAPAN AND THE U. S. REGARDING BEEF IMPORTS. COULD YOU COMMENT ON THIS ONCE MORE AND A SECOND AND SEPARATE QUESTION - DO YOU HAVE ANY FEELINGS ABOUT PRESIDENT REAGAN'S PLANS TO RUN FOR RE-ELECTION.

PM: I'VE OBVIOUSLY JUST ANSWERED THE FIRST QUESTION AND THERE'S NO POINT IN REPEATING IT AGAIN. IN REGARD TO THE SECOND THAT DESPITE THE FACT THAT SOME PEOPLE MIGHT THINK THAT THERE IS SUCH A THING AS AN INCUMBENTS' UNION I REFRAIN, OF COURSE, FROM INTERVENING IN ANY WAY IN THE INTERNAL POLITICAL AFFAIRS OF ANOTHER COUNTRY. I SIMPLY SAY AS A FACT THAT I HAVE ENJOYED GOOD PERSONAL RELATIONS WITH PRESIDENT REAGAN. THAT IS A FACT. BUT, OF COURSE, THE INTERNAL AFFAIRS OF THAT GREAT DEMOCRACY, THE UNITED STATES, ARE FOR THE UNITED STATES AND NEITHER PRESIDENT REAGAN NOR HIS DEMOCRATIC OPPONENTS WOULD WELCOME MY INTERVENTION IN THEIR INTERNAL AFFAIRS ANY MORE THAN I WOULD WELCOME THEIRS IN OURS.

JOURNALIST: WOULD YOU CONCEDE THAT THE NUCLEAR DUMPING ISSUE IS AT A DELICATE POINT BETWEEN AUSTRALIA AND JAPAN. AND SECONDLY, HOW CONCERNED ARE YOU THAT THAT COULD DEVELOP INTO A PROBLEM THAT COULD ERODE THE GOOD RELATIONS AUSTRALIA AND JAPAN HAVE DEVELOPED IN THE POST-WAR PERIOD?

PM: WHETHER IT IS A DELICATE ISSUE IS A MATTER OF CHOICE OF WORDS. IT'S A SIGNIFICANT ISSUE. AND I AM CONFIDENT THAT THE JAPANESE GOVERNMENT AND PEOPLE ATTACH SUCH IMPORTANCE TO THEIR RELATIONS WITH NOT MERELY AUSTRALIA BUT THE LARGE NUMBER OF INDEPENDENT NATIONS IN THE PACIFIC REGION THAT THEY WILL TAKE INTO ACCOUNT OUR CONCERNS. I'M SURE THAT THEY WILL DISCUSS THIS ISSUE WITH US AND I AM HOPEFUL THAT IT CAN BE RESOLVED IN A WAY WHICH WILL NOT LEAD TO THE COMPLICATIONS WHICH YOU ALLUDE TO IN YOUR QUESTION.

JOURNALIST: I WOULD LIKE TO HAVE YOUR COMMENTS CONCERNING THE RECENT RISE OF EXPANSION OF JAPANESE MILITARY AND DEFENCE EXPENDITURE WITH REGARD TO PEACE AND STABILITY OR SECURITY...

PM: THIS WAS A MATTER THAT WAS DISCUSSED BETWEEN PRIME MINISTER NAKASONE AND MYSELF. I THINK THERE WERE TWO OR THREE POINTS THAT OUGHT TO BE MADE AND WHAT I WOULD SAY IS CONSISTENT

WITH THE DISCUSSIONS THAT MY FOREIGN MINISTER, MR HAYDEN, HAD WHEN HE WAS HERE IN JAPAN. FIRSTLY, I WOULD SAY THAT JAPAN IS A SOVEREIGN NATION AND IT CAN'T BE TREATED AS A LESS THAN SOVEREIGN NATION, A SECOND CLASS COUNTRY. IT HAS THE RIGHT TO MAKE ITS DECISIONS IN THESE MATTERS. HAVING SAID THAT WE HAVE CONVEYED TO THE JAPANESE GOVERNMENT, BOTH MR HAYDEN AND MYSELF, OUR INDICATION OF THE SENSITIVITIES THAT EXIST BOTH WITHIN JAPAN ITSELF AND IN THE REGION ABOUT ANY SUGGESTION THAT THERE SHOULD BE SUCH AN EXTENSION OF JAPANESE EXPENDITURE IN THE DEFENCE AREA THAT JAPAN COULD BE SEEN TO BE ADOPTING ANY STANCE WHICH WAS OTHER THAN WHAT WAS NECESSARY FOR THE PURPOSES (A) OF ITS OWN DEFENCE AND (B) FOR THE PROPER GIVING EFFECT TO ITS DEFENCE RELATIONSHIP AND MUTUAL SECURITY RELATIONSHIP AND UNDER THE OBLIGATIONS OF THE MUTUAL SECURITY TREATY WITH THE UNITED STATES. WE HAVE INDICATED THAT WE BELIEVE THAT THE OBLIGATIONS WHICH JAPAN IS BEGINNING TO ACCEPT IN RESPECT TO THE DEFENCE OF THE SOUTH WEST AND THE SOUTH EAST ARE CONSISTENT WITH THAT DEFENCE STANCE. THOSE ARE THE CONSIDERATIONS THAT BOTH MR HAYDEN, MY FOREIGN MINISTER, AND I PUT TO THE JAPANESE GOVERNMENT.

JOURNALIST: WOULD YOU ACCEPT THAT IF AUSTRALIA IS TO DEVELOP ITS ECONOMIC AND TRADING RELATIONS WITHIN THE REGION, THAT IT NEEDS TO SCALE DOWN QUITE SIGNIFICANTLY THE LEVEL OF INDUSTRY PROTECTION WHICH CURRENTLY EXISTS TO GIVE NATIONS IN THE AREA ACCESS TO THE AUSTRALIAN MARKET. IF YOU DO COULD YOU TELL US BY HOW MUCH AND WHICH INDUSTRIES AND WHERE.

PM: LET ME MAKE THESE POINTS IN RESPONSE TO THAT. IT'S AN IMPORTANT QUESTION. YOU WILL KNOW THAT PRIOR TO THIS VISIT THAT I'M UNDERTAKING TO JAPAN AND OTHER ASIAN COUNTRIES THAT WE HAVE SENT AHEAD AN ECONOMIC EXPERT FROM MY OWN STAFF AND ALSO FROM THE DEPARTMENT OF TRADE. AND WHAT HAS BEEN CONVEYED NOT MERELY FROM THEM BUT FROM OTHER SOURCES IS THAT THE ATTITUDE IN THE ASIAN COUNTRIES TO OUR LEVEL OF PROTECTION IS NOW NOT ONE WHERE THAT HAS BEEN POINTED OUT OF ITSELF AS A CURRENT CAUSE FOR CONCERN. THERE IS A PERCEPTION AS IT'S REPORTED TO ME OF AN UNDERSTANDING THAT AUSTRALIA IS SERIOUS ABOUT APPROACHING THE QUESTION OF RESTRUCTURING IT'S INDUSTRY IN A WAY WHICH TAKES ACCOUNT OF THOSE FACTORS THAT I REFERRED TO IN MY EARLIER ANSWER ABOUT BEING PART OF THIS REGION. AND INDEED WE CAN POINT TO ACTION UNDER OUR GOVERNMENT WHICH GIVES WEIGHT TO THAT PERCEPTION. TO BE PRECISE THE NATURE OF OUR STEEL INDUSTRY PLAN, AS YOU KNOW, WAS SUCH AS TO BE ACCEPTABLE NOT ONLY WITHIN AUSTRALIA BUT UNDERSTOOD BY COUNTRIES IN THE REGION. THERE IS A PERCEPTION THAT WE ARE SERIOUS ABOUT OUR APPROACH TO RESTRUCTURING AUSTRALIAN INDUSTRY. THAT LEADS ME SECONDLY TO SAY THAT IN THAT SENSE IT'S NOT IMPORTANT OR INDEED HELPFUL FOR ME TO SAY NOW THAT WE ARE TALKING ABOUT 'X' PERCENT REDUCTION IN OUR TARIFF LEVELS OR TO AT THIS POINT IDENTIFY THAT PARTICULAR INDUSTRY AND TO SAY IT WILL BE DONE BY SUCH AND SUCH A DATE. WHAT IS IMPORTANT IS THAT WE NEED NOW WITHIN AUSTRALIA TO EXTEND A DISCUSSION WITH INDUSTRY BY WHICH, OF COURSE, AS YOU KNOW, I ALWAYS INCLUDE THE TRADE UNION MOVEMENT - SO THAT THERE WILL BE AN UNDERSTANDING. BUT AS WE CONTINUE NOW WITH THE SIGNIFICANT ECONOMIC RECOVERY THAT IS TAKING PLACE THAT WE TOGETHER ADOPT A RANGE OF MECHANISMS WHICH IS GOING TO GIVE EMPHASIS TO THOSE INDUSTRIES WHICH HAVE THE GREATEST OPPORTUNITY FOR GROWTH WITHIN AUSTRALIA AND WHICH ALSO ARE OF A SORT THAT FIT IN WITH WHAT I'VE BEEN TALKING ABOUT IN REGARD TO ATTEMPT TO EXPAND OUR LEVEL OF MANUFACTURED EXPORTS AND SERVICES TO THE ASIAN PACIFIC REGION. SO WHAT I'M SAYING GREG IS, AND THIS IS NOT AVOIDING YOUR QUESTION, I'M SIMPLY SAYING THAT THE IMPORTANT THING IS THAT THE AREA UNDERSTAND THAT WE ARE SERIOUS AND THAT WE HAVE GIVEN EVIDENCE OF IT. THAT THE AUSTRALIAN COMMUNITY UNDERSTANDS THAT THE GOVERNMENT IS SERIOUS AND THAT NOW WE UNDERTAKE THE PROCESSES OF DISCUSSION. AND ALSO START THE PROCESSES OF ASSISTANCE WHICH WE HAVE, OF ENCOURAGEMENT FOR NEW INDUSTRIES THAT WE HAVE, AND MY VIEW THEREFORE IS THAT WE WILL GIVE PRIORITY TO THE DISCUSSIONS, WE WILL GIVE PRIORITY IN THE DECISIONS WE TAKE, TO SUPPORTIVE MECHANISM AND MEASURES WHICH WE'LL ENCOURAGE RELEVANT INDUSTRIES - EXISTING AND NEW. AND AS TO TIMETABLE I CAN'T SAY THEREFORE THAT WITHIN 12 MONTHS YOU WILL BE ABLE TO POINT TO SOME SIGNIFICANTLY RESTRUCTURED, BUT I DO BELIEVE THAT YOU WILL BE ABLE TO SAY WITHIN THAT SORT OF TIMETABLE THAT THERE

WILL BE AN ACCEPTANCE WITHIN AUSTRALIA OF THE SERIOUSNESS OF GOVERNMENT AND OF INDUSTRY AND OF THE TRADE UNIONS TO ADOPT THIS NEW APPROACH. MAY I FINALLY MAKE THIS POINT - THAT I DON'T THINK IT'S FAIR TO EXISTING AUSTRALIAN EMPLOYER AND TRADE UNION INTEREST TO ASSUME THAT THEY ARE IMPLACABLY OPPOSED TO THESE NEW SORTS OF INITIATIVES. I THINK THAT THERE IS EVIDENCE WITHIN THE TRADE UNIONS AND WITHIN INDUSTRY THAT THERE IS AN UNDERSTANDING OF THE NEED TO CHANGE. AS I WILL BE SAYING IN MORE DETAIL TOMORROW WHEN I ADDRESS THIS SUBJECT, IT IS NOT GOOD ENOUGH FOR US IN AUSTRALIA NOW TO POINT TO AN EXISTING SITUATION AND SAY THAT MUST BE KEPT BECAUSE IT WILL PROVIDE EMPLOYMENT FOR PEOPLE AT THIS POINT OF TIME. WHAT WE'VE GOT TO HAVE IS A LONGER RANGE VISION AND SAY NOT WHAT IS JUST IMPORTANT FOR PART OF THIS GENERATION BUT WHAT IS MOST LIKELY TO BE SIGNIFICANT FOR A BETTER STANDARD OF LIVING FOR THE NEXT GENERATION.

JOURNALIST: I UNDERSTAND FROM YOUR DISCUSSION WITH PRIME MINISTER NAKASONE THAT YOU HAVE TALKED ON THE PROBLEM OF THE MIDDLE EAST. IF IT IS POSSIBLE I WOULD LIKE TO HAVE THE

CONTENT OF THAT DISCUSSION. I ALSO WOULD LIKE TO KNOW YOUR BASIC POLICY AND BASIC THINKING TOWARDS THE MIDDLE EAST, IN PARTICULAR CONCERNING LEBANON...

PM: PRIME MINISTER NAKASONE AND I AGREED AS IS OBVIOUS THAT THE MIDDLE EAST CONTINUES TO BE ONE OF THE TENSION AND POSSIBLE FLASHPOINTS IN THE WORLD. AS FAR AS OUR ASSESSMENT OF THE PRESENT POSITION IS CONCERNED THERE IS NOT A GREAT DEAL OF GROUND IT SEEMS TO ME FOR OPTIMISM. AS FAR AS THE PRINCIPLES ARE CONCERNED THAT UNDERLINE THE APPROACH OF MY GOVERNMENT, THEY ARE AT ONE AND THE SAME TIME EASY OF STATEMENT BUT VERY DIFFICULT OF ACHIEVEMENT. THE BASIC PRINCIPLES WHICH UNDERLINE OUR APPROACH TO THE MIDDLE EAST ARE THE RIGHT ISRAEL TO EXIST AS A SOVEREIGN STATE BEHIND SECURE AND RECOGNISED BORDERS AND ALSO A RECOGNITION OF THE RIGHT OF THE PALESTINIAN PEOPLE. IF NECESSARY OUT OF NEGOTIATIONS (INAUDIBLE) IF THAT IS WHAT IS WANTED, IT'S A MATTER FOR DECISION OUT OF THE NEGOTIATION PROCESSES. BUT TO GET TO THE STAGE OF NEGOTIATION OF COURSE IS A GREAT PROBLEM. SO WITH ALL THAT WE, WITH OUR LIMITED CAPACITIES TO MOVE IN INTERNATIONAL FORA, WE PRESS THAT THERE BE ACTION TO RESOLVE THE CONFLICT IN LEBANON. WE BELIEVE THERE SHOULD BE A WITHDRAWAL OF ALL FOREIGN FORCES FROM THE LEBANON AND THAT ONLY THOSE FORCES SHOULD BE THERE WHICH ARE AT THE REQUEST OF THE GOVERNMENT OF LEBANON. NOW CLEARLY, AS YOUR QUESTION IMPLIES, THERE ARE GOWING DIFFICULTIES OVER THE COMPOSITION OF THE FOREIGN FORCES THAT ARE THERE AT THE REUQUEST OF THE LEBANESE GOVERNMENT AND INDEED IT IS ARGUABLE THAT IT MAY BE A BETTER SITUATION IF YOU COULD HAVE A UNITED NATIONS SPONSORED FORCE THERE. BUT YOU MAY GIVEN THE COMPOSITION OF THE UNITED NATIONS, THE DIFFICULTIES THAT WOULD INTRINSICALLY BE INVOLVED IN ACHIEVING THAT POSITION (TAPE BREAK) I AN MY GOVERNMENT SAY THAT WE WILL DO WHAT WE CAN IN OUR LIMITED WAY TO CONTRIBUTE TO THE DISCUSSIONS THERE. NOW IF YOU'RE BEING OBJECTIVE ABOUT YOUR ASSESSMENTS OF THE PRESENT POSITION I WOULD THINK YOU WOULD HAVE TO SAY THAT IT'S A VERY PESSIMISTIC SITUATION - PESSIMISTIC IN REGARD TO THE LEBANON AND IN REGARD TO THE WIDER CONFLICT BECAUSE YOU

CAN'T IDENTIFY GROUPS, ONE GROUP HERE AND ANOTHER GROUP THERE. YOU CAN SAY THERE IS ISRAEL. IN RESPECT OF THE ARAB STATES YOU CAN SAY THERE IS ISRAEL. IN RESPECT OF THE ARAB STATES THERE IS CONFLICT THERE BETWEEN THEM; WITHIN THE PLO NOW THERE IS CONFLICT IN REGARD TO THAT ORGANISATION AND YOU HAVE TWO OF THE ABUTTING NATIONS TO ISRAEL - SYRIA AND JORDAN - DIAMETRICALLY OPPOSED IN THEIR APPROACH BOTH TO THE BORDER ISSUES AND TOWARDS THE PLO ITSELF. SO YOU'VE GOT A CONFLICT OF DIFFICULTIES AND I WISH I COULD SAY OTHER THAN THIS, BUT I HAVE A CONSIDERABLE DEGREE OF PESSIMISM IN THE IMMEDIATE SENSE ABOUT THE POSITION IN THE MIDDLE EAST.

PM: WOULD I JUST ADD VERY BRIEFLY THIS OBSERVATION THAT OF COURSE ONE OTHER ELEMENT IN THE AREA WHICH IS I KNOW OF VERY CONSIDERABLE CONCERN TO JAPAN IS THE CONTINUING CONFLICT BETWEEN IRAN AND IRAQ. YOU ARE SO DEPENDENT UPON THE OIL SUPPLIES THAT COME THROUGH THE STRAIT OF HORMUZ AND WE DID DISCUSS THIS, PRIME MINISTER NAKASONE AND MYSELF, AND I MUST WOULD INDICATE IN THIS CONTEXT THAT WE APPRECIATE THE FACT THAT JAPAN IS THE ONLY COUNTRY IN THE NON-COMMUNIST AREA, OR IF NOT IN ANY PART OF THE WORLD, WHICH HAS THE CAPACITY TO TALK TO BOTH IRAN AND IRAQ. THEY HAVE BEEN TALKING AND WE CERTAINLY ENCOURAGE AND WELCOME ANY EFFORT THAT JAPAN CAN MAKE TO TRY AND GET SOME RESOLUTION TO WHAT HAS BEEN INTRINSICALLY A DISASTROUS CONFLICT FOR THE PEOPLE OF THE AREA AND POTENTIALLY SUCH A DISASTROUS CONFLICT FOR THE REST OF THE WORLD.

PM: I'M ALWAYS RELUCTANT TO SAY AN ADDITIONAL WORD AS THE AUSTRALIAN PRESS CONTINGENT WILL TELL YOU. I SIMPLY SAY THAT WE ATTACH FUNDAMENTAL IMPORTANCE TO THE RELATIONS BETWEEN OUR TWO COUNTRIES. WE HAVE SO MANY THINGS IN COMMON - AN IMPORTANT ECONOMIC AND TRADING RELATIONSHIP, COMMON PERCEPTIONS OF THE SECURITY INTERESTS OF THE AREA, A SHARED ALLIANCE RELATIONSHIP WITH THE UNITED STATES, AND ASSURED COMMITMENT TO THE PROCESSES OF PARLIAMENTARY DEMOCRACY. THERE ARE FEW COUNTRIES IN OUR REGION WHICH SHARED SUCH FUNDAMENTALS AND MY GOVERNMENT WILL BE WORKING TO SEE THAT IN THE MOST CONSTRUCTIVE WE CAN, WE BUILD UPON THOSE IMPORTANT FUNDAMENTALS THAT BOND US TOGETHER.

(GIFT PRESENTED)

PM: COULD I JUST MAKE THIS POINT AND SAY THANK YOU. I READ SOME FASCINATING FIGURES ABOUT KOALAS. IT WAS SUGGESTED THAT ONCE A KOALA STAYED IN THE ZOO THERE WOULD BE AN INCREASE IN VISITORS TO THE ZOO FROM 6 MILLION TO ABOUT 10 MILLION. I THOUGHT IF WE COULD PERHAPS GET A PERCENTAGE OF THE ENTRANCE FEES WE COULD DO A LOT TO STRENGTHEN THE TRADE BALANCE BETWEEN OUR TWO COUNTRIES.