



PRIME MINISTER

PRESIDENT RONALD REAGAN & PRIME MINISTER HAWKE, WASHINGTON
18 APRIL 1986

E & O E - PROOF ONLY

REAGAN: I am pleased to meet with Prime Minister Bob Hawke today, although I was somewhat disappointed that he didn't bring the America's Cup with him. Prime Minister Hawke is a personal friend and a valued counsellor. And I can't overstate the value America attaches to its relationship with Australia, especially as that nation now approaches a very special year.

We look forward to participating in the festivities of Australia's 1988 Bicentennial. Our countries share many historical experiences: our love of democracy, our frontier heritage, and our common defence of freedom from the first and second World Wars, through Korea and Vietnam - all this has nurtured the bonds of friendship between our two peoples. Today the United States and Australia as much as ever rely on each other. Australia is a responsible ANZUS ally, an important trading partner and a trusted friend.

Our discussions in the White House today covered a variety of issues. In the area of trade, the United States will be responsive to the extent we can to Australian interests. In international agriculture, we have a common goal, we will continue to work together to keep open international trade and export markets. International agricultural trade problems should be given attention in upcoming international economic meetings, including the next round of multilateral trade negotiations. We seek truly free international agricultural markets. Necessary interim measures to counter unfair subsidisation, like our own export enhancement program, should take account of the interests of friends like Australia. Prime Minister Hawke has been assured of this, and we will, of course, continue our dialogue on this important subject.

On other matters, we reaffirmed the importance of security co-operation among Pacific states. The stabilising role that ANZUS plays has been essential to the phenomenal growth that the Pacific region has enjoyed during the last decade. It's hoped that New Zealand will soon return to its traditional role as a responsible ANZUS member. We would greatly regret it if this valued partner declined to take the actions that would permit restoration of our normal collaboration and preservation of our special relationship as allies. Whatever New Zealand's decision, however, I have told Prime Minister Hawke that our commitment to Australia under ANZUS is firm.

Our discussions today also focused on regional issues and arms control. Australians share with the American people a deep concern about world peace and a desire to reduce the number of nuclear weapons threatening mankind.

This is my third meeting with Prime Minister Hawke. Our personal relations and the relations of our countries remain on a very high level.

Bob, smooth sailing on the rest of your trip and on the journey home.

PM: Thank you Mr President, the warmth of your welcome and the sentiments that you have expressed in your statement are very much appreciated by me. I reflect not only the personal friendship to which you refer and to which I greatly value, I reflect also the close longstanding association between the governments and the people of our two countries.

Mr President, as you are aware, the main purpose of my visit has been and remains to talk with you, your colleagues and members of Congress about agricultural matters.

Nevertheless, let me say this at the outset, we are one in our determination to see an end to the scourge of international terrorism, and therefore condemn unequivocally Libya's role in directing, exporting and supporting such activities. The Australian Government does not accept that violence, in particular terrorism, is a solution to the complex problems of the world we share. We have referred in the United Nations Security Council to a number of possible causes open to the international community to bring about peaceful solution to the situation in the Mediterranean region.

Mr President, we meet at a time when the rural sectors of both of our countries face serious difficulties. For us, the corruption of international markets is a matter of very grave concern. Australia is an efficient, non-subsidising agricultural exporter. It exports 80 per cent of its rural production. The severe difficulties that face Australian and US farming communities is a result of depressed agricultural prices and our frustrations with a market loss that has been brought about by huge European Community agricultural export subsidies, are of critical concern to both our countries.

I have conveyed Australia's appreciation of the co-operation we've received so far from the United States on those aspects of the Farm Act impacting on Australia's interests. Australia particularly welcomed, Mr President, the recent amendments to the Farm Act which halved mandated spending under the export enhancement program and reduced the funds allocated under the targeted export assistance program. Bearing in mind the importance to Australia of its wheat markets, I was encouraged to have your reassurance, Mr President that EEP will continue on a targeted basis and essentially at markets of subsidising exporters and that you will continue to encourage EEP recipients to maintain their normal level of imports from traditional, non-subsidising suppliers.

We also welcomed your assurances that the implementation of the Farm Act with regard to the export of beef and dairy products would be handled in a way which seeks to minimise disruption in markets served by Australia. We also expect continued access for our beef to the United States market, at least at the levels consistent with the operation of the existing import law. In relation to sugar imports, in the United States, we are assured that Australia's traditional market share is being maintained.

I appreciate that you have noted our concerns on the operation of the current cotton and rice programs. Australia has appreciated the opportunities we have had to consult on the administration of the Farm Act and of the EEP. We welcome your agreement and these opportunities to discuss with you will be extended to include Australia's concerns and the implementation of the United States export subsidy and surplus stock disposal programs. Periodic meetings between our respective trade and agricultural ministers will be central to that continuing process.

Mr President, we both share the commitment to an effective September launch of the new MTN. We agree on the need to have agriculture accepted as a key issue for the new MTN round. We also agree to the negotiation of more effective GATT rules for agricultural subsidies should be a specific objective of the MTN round. The forthcoming Tokyo summit will be important in carrying these matters forward.

Mr President, the closeness of the relations which Australia and the United States enjoys is based on common values and shared perspectives. Our history of co-operation in peace and in war, our shared commitment to democratic values, and the fundamental importance of our security relationships under the ANZUS alliance have all served to strengthen and broaden our bilateral relationship. The close friendship between our countries does not require identical views on every international issue. A mature relationship involves mutual respect for each others right to determine independent policies towards various problems, having regard to each others concerns. Our alliance under the ANZUS Treaty is fundamental to Australia's foreign and defence policies. It also has important implications for the security and the stability of our region. I'm pleased that in our discussions today, we reaffirmed the importance of our arrangements under ANZUS. We accept that like other alliances, the ANZUS Treaty entails obligations and responsibilities as well as mutual benefits. My Government is convinced that international security is enhanced not only by appropriate security arrangements which contribute to stable deterrence, but also our commitment to pursue balanced and verifiable arms control agreements. We value, very much indeed Mr President, the consultations and exchanges of views that take place at the highest levels of our governments, on a range of international issues including arms control and disarmament. My discussions today with you, Mr President, covered the prospects for progress towards effective arms control and specific initiatives that have been undertaken in Australia's own region including the South Pacific Nuclear Free Zone Treaty.

Our discussions today also covered the tragic situation in South Africa. The efforts of the Commonwealth Eminent Persons Group to encourage dialogue between the Government and the various racial groups with a view to the peaceful establishment of a non-racial, democratic and representative government in South Africa are currently an important contribution to the search for a solution

As our bicentenary in 1988 approaches, we are planning a range of celebrations which we hope will involve active participation by many countries including, of course, the United States. A visit to Australia around that time by you would be most appropriate and most welcome, and I sincerely hope that you will be able to take up that invitation which I have extended to you.

Mr President, I greatly appreciate the hospitality that you have extended to me today. I look forward to further valuable exchanges with you on the many important issues we have addressed.