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**PRIME MINISTER**

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E & O E - PROOF ONLY

Ladies and Gentlemen, I *shall make a very brief opening statement*  
*then* be available for your questioning.

My program today has been first of all to a meeting with the Leader of the Opposition, Mr. Neil Kinnock, which was essentially a private discussion covering a number of matters of mutual interest.

*Following* that, I met with Sonny Ramphal, Secretary-General of the Commonwealth and, again, discussed a number of matters there, <sup>most</sup> particularly at length the Eminent Persons Group initiative in regard to South Africa.

I had the pleasure of meeting the Queen and Prince Philip late this morning at Windsor Castle and then, this afternoon, I have had the opportunity of having a meeting with Mrs. Thatcher. There were just the two of us first of all, discussing a number of matters, and then after that a meeting at which she had with her Minister Channon, Secretary of State for Trade and Industry; Mr. Jopling, Minister for Agriculture; and Lady Young. And those discussions were predominantly concerned with questions relating to trade in agricultural commodities generally and in regard to the European Community in particular.

I am open to your questions.

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QUESTION

Prime Minister, the European Community Foreign Ministers today to take further restrictions against Libya, namely on their movements and reduce the size of their bureaux. We have already taken action, but would you anticipate taking any further action against the Libyan Peoples Bureau in Canberra?

PRIME MINISTER

Well, I will be having discussions with the Security Committee and with Cabinet on a range of issues in this area and it would not be appropriate for me to preempt what decisions are likely to come out of those meetings. But obviously you will recall that in January Australia responded quite specifically to the suggestions that various nations ought to consider the position of Libya. We then cut down on the extent of representation in Australia. We also undertook that Australian firms would not fill the gap left by Americans withdrawing from the oil industry in Libya and we will certainly be looking at this matter again, but I repeat, I would wait for any specific decisions until I return.

QUESTION

Prime Minister, the Non-Aligned Countries today apparently in the United Nations agreed to back Libya. What does this mean for our initiative in the Security Council?

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PRIME MINISTER

Well, when you say the non-aligned nations decided to back Libya, I have not had conveyed to me the text of the resolution. I find it difficult to believe that all the non-aligned nations would be saying: "We back Libya!"

I will wait to hear from our representatives at the United Nations what the representatives of the non-aligned nations are saying and what that means, if anything, for the contribution that we made at the United Nations. We made certain suggestions there as to what we thought, looking to the future, ought to take place. I find it difficult to believe that people would not be able to see the merit of approaches along those general lines.

QUESTION

Prime Minister, was the Libyan issue discussed *between* yourself and Mrs. Thatcher?

PRIME MINISTER

Yes, it was raised. It did not take up a lot of our time.

QUESTION

Did she ask you to take any action against Libyans in Australia?

PRIME MINISTER

No, she did not.

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QUESTION

Did you discuss South Africa and if so, what was Mrs. Thatcher's general stance?

PRIME MINISTER

Yes, we did have quite a deal of discussion about South Africa. And I want to, as you will appreciate, tread the line between not going into matters which are properly confidential and yet share with you the thrust of the position. I was very pleased to see that Mrs. Thatcher quite clearly believes that the initiative of the Eminent Persons Group is intrinsically important. She believes, with me, that it is really the last hope that there is for a process of dialogue possibly to emerge, rather than the awful alternative of bloodshed and violence. And from that basis, therefore, we have a shared hope that the initiative which we both believe has been carried through with eminent skill by the participants in the Eminent Persons Group will have the opportunity of coming to fruition. We both realise that it is in the nature of the case a very difficult exercise fraught with enormous problems and dangers. We agree that it will require positive responses from both the South African regime and from the various representatives of the non-white groups.

I am not trying to convey to you, by those observations, that Mrs. Thatcher and I are at one in every aspect of our interpretation about how this is going and the next steps. I must say that I appreciate the very considerable importance

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which Mrs. Thatcher attaches to the initiative.

*JOURNALIST: Would she support further sanctions, if necessary, along that line?  
PM: We didn't go to that*

QUESTION

Does she support the release of Nelson Mandela as a prerequisite of some further political initiative?

PRIME MINISTER

I did not, in unequivocal terms, go/ into that point, but I believe that she understands the significance of Nelson Mandela in the development of the processes of dialogue to which I refer, but I do not want to put words into her mouth in answer to that specific question.

QUESTION

What is your view of Mrs. Thatcher's stand at the moment? what chances did Mrs. Thatcher give.....

PRIME MINISTER

Well I am a punting man, but I do not want to sort of put the odds on the board, but it is a very important question. Let me take just a little while to give you the perspective which I have of it.

Firstly, I believe that the initiative of the Eminent Persons Group has now achieved a significance beyond what was imagined at the time that we put it in the Bahamas at the Commonwealth Heads of Government meeting. One can prove that in a number of ways, but most particularly I believe by the fact that the initial opposition from the

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ANC and others, perhaps an understandable opposition, has dissipated. Indeed, they have cooperated fully in the processes of the work of the Eminent Persons Group. I think there is a fairly general understanding now that this initiative does offer the best hope of success, or as it has been put, is now the only game in town.

May I also background that by saying that in the discussions I had with President Reagan and Secretary of State Shultz they indicated their unequivocal support for the initiative and are attempting, in their way, to give it their support by their communications with the South African Government.

Now, the Group is representative; it is composed of people with a wide range of experience and obviously considerable skill, because their work has been commented on favourably by, if you like, both sides to the issue in South Africa, but also by others like, for instance, the United States Administration.

They have put a series of proposals to the South African Government which, in essence, set out what is seen as the necessary framework and initial steps for processing further dialogue towards a peaceful resolution of the issues which will need to be dealt with if you are going to see the emergence of a new South Africa based upon universal suffrage and the elimination of racial discrimination.

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What stage has been reached, therefore, now is that the Eminent Persons Group is awaiting a response from the South African Government.

If I can go directly into that part of your question which sort of asked for a calling of the odds, my view is that given all the factors that I have referred to thus far which go to the success of the operation of the Group's workings, I would expect that there should be a favourable response from the South African Government. I find it difficult to believe, in all those circumstances, that you are going to get a flat repudiation of the work of the Eminent Persons Group. Therefore, the essential question will be in assessing the response: will the response of the South African Government have gone far enough to give confidence to all those of us who have been involved with this initiative and have responsibilities in it to feel that we have the basis for further work?

I do not feel confident to call the odds on that, but I would say this: that I think the odds have improved significantly since the initiative was put forward by me in the Bahamas in the latter part of last year.

QUESTION

Did you find that Mrs. Thatcher shared this view about the odds improving significantly?

PRIME MINISTER

Well, you will appreciate that Mrs. Thatcher and I would not talk in such uncouth terms as odds, but I would hope that what I have said to this point would indicate that I think she is more optimistic about the process now than perhaps she was before.

QUESTION

Prime Minister, is there any response to the initiative from the ANC as yet?

PRIME MINISTER

The ANC, in the first place, expressed their opposition to the initiative. They thought it was just a subterfuge almost to put off serious processes of resolution, but no, they have cooperated with the Eminent Persons Group and have obviously indicated that they hope that the initiative will work.

QUESTION

*Do you see the decision to accept the pass laws as part of the answer to the initiative?*

PRIME MINISTER

Well, it is a plus but it is not sufficient in itself.



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QUESTION

But the did the part of the proposal that had been put forward....

PRIME MINISTER

That is part of the approach by the Eminent Persons Group, but I mean, it is not fair that I should go into the details of what they have put. I repeat that no-one is going to believe that the response in that area is sufficient.

QUESTION

In relation to the rebel New Zealand tour of South Africa, you said in Washington that Australia would not be playing against rugby players involved in that tour.

Does this mean that the Government will seek to prevent this year's Wallaby tour of New Zealand taking place if any of the 30 rebels are included in the team, and does it mean that we will seek to prevent New Zealanders from coming to Australia for the World Cup next year if any of the 30 rebels are included in the All Black team?

PRIME MINISTER

I would want to discuss this issue with my Cabinet colleagues at the appropriate time back in Australia, but on my understanding and recollection of the specific terms of the Gleneagles Agreement, it would not be appropriate for Australia to be playing against a side, in Australia certainly, which included people who had participated

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in that tour, but we will have to consider that in detail, but that is my understanding of the letter and spirit of Gleneagles.

QUESTION

Prime Minister, did you discuss with Mrs. Thatcher her visit to Israel next month?

PRIME MINISTER

No, I did not.

QUESTION

Would you contemplate a similar visit yourself?

PRIME MINISTER

The answer to the first part of your question is no, I did not discuss it. Of course, I contemplate a visit to the Middle East at some point. My interest in the area is well known, but the timing of such a visit would be a matter for determination by me at the appropriate time.

QUESTION

This year?

PRIME MINISTER

I have not addressed my mind as specifically as that to it. It is a possibility but it is not something that any decision has been made about.

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QUESTION

Does that mean you would visit countries other than Israel?

PRIME MINISTER

If I went to visit Israel, of course I would visit countries in the Middle East other than Israel.

QUESTION

Prime Minister, did you discuss the Common Agricultural Policy with Mrs. Thatcher?

PRIME MINISTER

Yes I did. That discussion took place more specifically when the others were present, other Ministers. Let me put it this way: as we expected, there is very considerable common ground between my Government, Mrs. Thatcher and her Government. The British Government realises that the Common Agricultural Policy does not involve a rational allocation of resources. It must understand that in the last year it involved something like \$70 billion in terms of taxpayers' funds and a transfer of income from consumers to farmers. That is an enormous amount of money and that is appreciated by Mrs. Thatcher and her Government and let me make it clear that having the same basis of understanding of the inappropriateness of that policy and the misallocation of resources that it

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involves, Mrs. Thatcher did not want to leave me or my colleagues with the impression that we were going to have an easy job, that is we - the British, ourselves and others who wanted to change that were going to have an easy job in changing it, but she has the view, which I share, that we must be persistent about this and I say that particularly to the Australian contingent here. I do not believe that we can expect, just by going to Brussels tomorrow, that we are going to effect immediate changes. It is a job for persistent and consistent advocacy and I am pleased, as a result of the discussion I have had today with Mrs. Thatcher and her Ministerial colleagues, that essentially we can, from Australia, anticipate a basic support from the British Government in the positions that we put.

JOURNALIST: What about the inclusion of agriculture in the forthcoming round of MTNs and did you get any assurances about raising it at the Tokyo Summit?

PM: In regard to both those questions, let me take them in chronological order. The Summit - I indicated to Mrs Thatcher that out of my discussions with President Reagan we were hoping that there would be a move there to have the question of international trade in agricultural products discussed at Tokyo, and Mrs Thatcher indicated that she would be supportive of that position. Secondly, in regard to the MTN, unequivocally, the view of Mrs Thatcher and her government is that agriculture should be in next MTN round and it should have a prominent place.

JOURNALIST: Is your case based on the dumping of European food surpluses on world markets or a lack of access to EC markets?

PM: No it is more complex than that. Let me quickly run through it. You say about the loss of access to European markets. We originally, of course, had substantial markets in Europe and as Europe moved towards self-sufficiency in the production of agricultural products, by definition, we lost markets. And that, to some extent, was understandable. We didn't like it. Our concern developed very significantly though when the CAP developed in a way which meant that the massive subsidies to farmers in Europe provided the incentive together with the increased productivity that is associated with their efforts, to the selling of large quantities of subsidised agricultural products in third markets. And that of course has cost us dearly. The estimate by our Bureau of Agricultural Economics is that in each of the last five years these policies have cost us one billion dollars per annum which an enormous price for Australian farmers and Australia generally to pay. But our concern goes even beyond that. We speak not only from the natural enough basis of our own self-interest, and the loss to our economy and our farmers, but we also take the view that the CAP involves, as I say, a massive misallocation of resources within Europe because of this \$70 billion per annum subsidy via taxpayer, via consumer to farmer, that means that you haven't got the optimum allocation of resources. And the best estimates that we can make is that there are probably a million less people employed in Europe as a result of that misallocation of resources than otherwise would be the case. So really, therefore, if you like, the Australian position is one in which we bring together to the argument and the analysis a combination of our own admitted self-interest, that is the self-interest of a country which has the world's most efficient agricultural producers, we don't subsidise our exporters. We are being hurt. But we bring that self-interest together with a view that the interests of Europe itself are being hurt by the CAP.

JOURNALIST: What specific demands will you be making of the Community?

PM: We don't make demands. We are not in a position where we can go to Brussels - nor would I, that is not my tactic to go and demand - but what I will be doing on behalf of, not merely Australia, but I think of a much wider constituency, I will be trying to say the Europeans firstly, while you have got this policy, please

PM cont: Take into greater account the interests of efficient, non-subsidising producers like Australia. Secondly, we will be asking of them that they should be analysing the growing burden of CAP upon Europe itself. And that they should be analysing and moving towards the reduction of that burden internally. Thirdly, I will be asking that they should be supporting the bringing forward of international trade in agricultural products into the MTN round. And finally, we would be asking that as hopefully they move to diminish and get rid of their surplus stockpiles, that that should be done in the most orderly fashion to diminish the impact upon others like ourselves. Those are the range of things that I will be talking about, not making demands.

JOURNALIST: Mr Hawke, how did the meeting with the Queen go. Did we give her a present - the Australian Government?

PM: I gave her personally a present which I am pleased to say appeared to give her great enjoyment. And I don't know about the protocol of these things, I hope she will excuse me if I say what it is. It is a map of Australia made up of brass pieces, the pieces are in the forms of Australian flora and fauna, so it is a puzzle. That is not altogether inappropriate when you are talking about Australia, but I was pleased to see the joy that she got from it and I hope that it gives her and her family a great deal of pleasure.

JOURNALIST: Prime Minister, back on the South African issue. Do you expect that South Africa will actually accept all the points put to it by the group?

PM: That really goes to a part of the answer I gave that I would hope, because I believe that the points that have been put by the group are all reasonable. I would hope that they could accept all the points. And that is how, as I said, the essential question is going to be an assessment of the degree to which the response of the South African Government is responsive enough and positive enough to enable the Commonwealth to say, well that is enough to keep going. And not only the Commonwealth, but the representatives of the non-white will all need to be satisfied there is sufficient response to keep going. So the initiative would not die if every single element was not accepted but there would need to be, I believe, very substantial acceptance.

JOURNALIST: Does the proposal provide a time frame for change in South Africa?

PM: There are not rigid time frames in it, no.

JOURNALIST: Do you and Mrs Thatcher perhaps hold different views on what sort of response the South African government would go far enough?

PM: I think I am not being unfair to Mrs Thatcher to say on the basis of the public record of the discussions, that my idea of the progress would require somewhat more than Mrs Thatcher's. But, I don't want to try and quantify that. And to be fair to Mrs Thatcher, and I don't leave any impression that she doesn't believe that change doesn't have to be made.

JOURNALIST: Could that create some difficulties, do you think, when you all meet to discuss the matter?

PM: Of course, when you have a number of people meeting and they have different emphases it is harder than if you all think exactly the same way. That is obvious.

JOURNALIST: Are you already considering the extension of the mandate of the group?

PM: NO, I am not considering that. And I don't think we should approach it in terms of thinking about some on-going mandate because that, if you had that perception and expressed it at this point, that of itself, could constitute a slowing down, a decelerating factor, where all the evidence, all the realities are that I think we are running out of time.

PM JOURNALIST: Prime Minister, did you discuss at all any progress on Maralinga in your consultations?

PM: No, I didn't. It was not because I didn't have it as a potential item on the agenda but really the talks that took place here in January with Senator Evans, my Minister for Resources and Energy represented the Australian Government, went so well that we didn't have any problems on our plate. There was positive cooperation from the British Government. They were appreciative of the way we were approaching it and the technical advisory group has met and there is a proposal for an interim report by May of this year. So, in other words, I wasn't faced with some problem situation that needed discussion.

JOURNALIST: Prime Minister, have you got any feedback from the other countries that are represented on the EPG in terms of how they view the initiative?

PM: Only indirectly. I have had discussions, as you know, with Malcolm Fraser including a telephone discussion with him in Washington and the view seems to be that the members of the group all believe that the progress in their work has been satisfactory. That seem to reflect the views of their government and most significantly, in response to your question, in the discussion I had with Sonny Ramphal today, he was, I think effusive is not too strong a word about the success of the actual operations of the group to this point. Let me make it clear, he is not saying that it is going to work, but as far as the actual operation of the group, the way it has gone about its task, he could not, I think be more effusive in his praise. And that I think, reflects the sorts of discussions, also, that he has had with governments as well.

JOURNALIST: Prime Minister, you said there was no rigid time frame. Can you give us a bit more on that?

PM: No, it is not appropriate to go to the details of the proposals. They have been sent to the government of South Africa. I don't want to say or do anything now which is going to perhaps make more difficult positive progress there. But the point I do want to emphasise when you talk about timetables is this, that I think it is more and more the common view, certainly I say from my discussions with the US Administration, it is their view and the view of others that the sort of timetable that people had before them and I am not talking about the timetable of the Eminent Persons Group, but

PM cont: the sort of time frames that people had in their minds about what was available within which you could be thinking of a resolution of South Africa has changed. I think there is, more and more, an understanding now that that time frame is short. The people, the non-white population of South Africa and their supporters in the front line states have not got unlimited patience. Nor should they have. And the sorts of things that have been happening in South Africa, the killings, the violence, are such that we all have to understand, I believe, that there is a limited amount of time. And I think less time now as we talk about it in April of 1986 than we may even have thought 6 months ago.

JOURNALIST: Prime Minister, did the Americans give any indication that they were willing to change their stance ...

PM: We didn't need to go, didn't in the sort of discussion I was having, to be as specific as that. But let me say this, the Americans were quite unequivocal in the support they gave to the Eminent Persons Group initiatives. They believe it was the right approach. They had made contact with the South African government to indicate the support of the United States Administration for this approach. And so I think that the fact that they see that this is really, in association with some of the things they are doing themselves, the last sort of opportunity we have got for dialogue, that carries in a sense its own implications.

JOURNALIST: Mr Hawke, you go to Brussels tomorrow, and then you go on to Rome. When in Rome will you take the opportunity to have talks with the Australian Ambassador on certain matters surrounding the behaviour of Mr Dawkins?

PM: NO. I don't intend to do that. I am going to Rome on the assignment that I set out for from Australia. And that essentially has three parts. Firstly, to talk about agricultural matters because Italy is an important member of the European Community. Secondly, to sign the reciprocal social security agreement. And thirdly, to talk about matters of bilateral interest between us. And those matters are all of very considerable importance. And that is what I will be using my time in Rome to deal with.

JOURNALIST: Mr Hawke, ... sharp distinction between the response of the Australian Labor Party and the British Labour Party to the American bombing of Tripoli. When this was discussed this morning with Mr Kinnock, did you just agree to disagree or did you seek to persuade each other ...

PM: No, it was a very civilised and friendly, fraternal discussion. And there were - don't talk about points of disagreement - there were different emphases but there were many things on which we agreed.

JOURNALIST: Did you discuss the nuclear testing and the test ban treaty with Mrs Thatcher?

PM: We talked, in that area we talked about these things. We talked about the nuclear testing, specifically, in the context of the South Pacific Nuclear Free Zone Treaty. And I urged upon Mrs Thatcher that the British Government should give very favourable consideration to the approaches that had been made to it on behalf of the countries of the South Pacific Forum for the accession of the British Government to the three protocols



PM cont: attached to the treaty. I discussed that at some length. The other context within which the question of nuclear matters arose, was we talked about the East-West arms talks. I put to Mrs Thatcher that while I believed that in the Gorbachev proposals of earlier this year there certain elements of propaganda, nevertheless were some points of substance within them that were worth pursuing. That we had said this to the President of the United States and I expressed my satisfaction that the President of the United States had himself said both publicly and privately the same thing. And they had an intention to pursue these discussions, that they did this with the full support of Australia. And that essentially was Mrs Thatcher's position. So they were the two contexts within which I spoke.

JOURNALIST: In the discussions with Mrs Thatcher on Libya, did you have any ... to put viewpoints either approving or disapproving on Britain's part in the American ...

PM: I haven't been around on the international stage for a great period of time, but I have been around long enough to know that I wouldn't approve of someone coming in to my country and telling me what they thought of my policies. And I don't expect that Mrs Thatcher would regard it as appropriate for me to be coming and telling her what I thought of hers.

JOURNALIST: Prime Minister, on trade. Despite the assurances you have from Mrs Thatcher on the inclusion of agriculture as key element in the MTNs, is the fact that the European Commission, the fact that it has refused to have the CAP exposed in any way to the processes of negotiation in the MTNs in any way diminish the value of those negotiations or their outcome?

PM: You will remember the phrase that was used by the Community last year when they were discussing this matter. It depends which sort of paragraph of the phrase you looked at to whether it was appropriate under that decision by the Community for the CAP in agricultural matters to be included in the discussion. Of course, I take the view that there is sufficient in the actual words they use for it to be quite consistent on the part of the Community for agriculture to be not only the agenda but to prominent on the agenda in the MTN. The important thing is that is certainly the position that we adopt, the position which Britain says it adopts and certainly the position of the United States.

JOURNALIST: Mr Hawke, what was Mrs Thatcher's reply on the protocols?

PM: She didn't give me a reply. I think it would be fair to say that she is not a great fan of nuclear free zone treaties. But I was able to point out to her and did the total consistency of the treaty with our alliance relationship under ANZUS with the United States. That didn't inhibit our rights and obligations under that treaty. And so I am hopeful that she will give perhaps a more positive consideration to these matters than she may otherwise have done. But she didn't give me any final answer.

JOURNALIST: Mr Hawke, there is some concern in this country amongst politicians and journalists about the degree of foreign ownership of the media, particularly Australian ownership, of the media here. I was wondering if I could have your comments on that?

PM: I have been here talking a moment ago about the need for international free trade. Now how can I possibly, having come all the way around the world to argue the case of freedom in international trade, say that I am against freedom of commerce in the media. It seems to me perfectly reasonable.

JOURNALIST: Are you going to apply that policy?

PM: Do apply it now. I mean, if we have people overseas with interests in all sorts of areas of Australian activity ...

JOURNALIST: Would you allow them to have a majority interest in a television station?

PM: I don't know about that. We have a tribunal which is there to look at these things, the Australian Broadcasting Tribunal, and I would be very much guided by the wisdom that resides in that august body.

JOURNALIST: But aren't they, in fact, guided by legislation which sets our ownership requirements?

PM: Yes, but if they were to say to us that they thought we should be taking a particular view about this, and having another look at it, I would do so. But here, again, I don't want to get into the questions of who should be owning what in Britain as far as the media is concerned. Or, I suppose, even more importantly, how they should be exercising that ownership.

JOURNALIST: Are you worried at all by the British perception of Australian media ownership, perhaps affected ...

PM: I am not quite sure about what this Australian media ownership is. Rupert Murdoch is not an Australian citizen.

JOURNALIST: Yes, but he is an Australian.

PM: He is not an Australian citizen.

JOURNALIST: But people see him as an Australian. He is known as the "dirty digger" in this country.

PM: They should be thinking about him as the gorgeous GI. He has renounced his Australian citizenship.

JOURNALIST: But you don't think that this has an anti-Australian affect amongst British people.

PM: I wouldn't have thought so any more than - we don't visit the sins or heap the glories of particular individuals upon their country and say well look just because he has done the right thing their country is marvellous. After all, you can think of the dangers

PM cont: that that would get you into if you think of the logic of that. Just because a person came from a particular country and you said the country is to be judged by that individual. Just imagine where that would get you. I don't want to expand on that but you have obviously got a febrile imagination. Just think about where that could get you.

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