



PRIME MINISTER

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E & O E - PROOF ONLY

JOURNALIST: (inaudible)

PM: Well obviously the things I'll be saying now are different to what they would have been at the beginning of this month because earlier ... of overseas in '84 when I visited Hong Kong I was there putting a message that I believed that the developments in China at the time should be welcomed by Hong Kong and that there was a shared interest. There would be, I believe, a shared interest between the Government of China and the people of Hong Kong as to the purpose of Hong Kong in the post transition period. I believe that the apprehensions that were entrenched at that time were not well founded. One obviously has to say now, after the tragic recent events, that the people of Hong Kong are entitled to be significantly apprehensive. Let me say this, that I believe that in the short term there is not a great deal of room for optimism about what is happening there. But I do express the view that in the longer term the repression that is being practised, the brutality which has been evident and the attempts to set the Chinese population against the Chinese population, against itself - all these horrendous things, I believe, will not be able in the longer term to survive. I don't think that the aspirations of the Chinese people for a freer society will be able in the longer term to be repressed. So, putting that perspective together briefly, I think in response to your particular question, Red, that I would say that the United Kingdom Government has to understand that there will be an immediate apprehension and concern with which they have to deal. I think they have and I recognise they have certain obligations in this area. As far as Australia is concerned, we will also adopt an accommodating policy as we possibly can. In respect of those people within Australia who are apprehensive about their future, in case of return to China, we'll be as accommodating as we possibly can there. In respect of people from Hong Kong who wish to come here of course we've had, as you know, a developed Business Migration Program. We welcome these sorts of people within the global limit that we set for our immigration policy. So that's roughly the sorts of things that I'll be saying.

JOURNALIST: (inaudible)

PM: It would be silly, Ian, at this stage to suggest that one would be confident about mobilising unanimity of view on this because the evidence at the moment is that that would be an almost impossible task. But, having said that, there are already some runs on the board. We have just received yesterday the message as I think it's been made public from India that India has come aboard in support of the Australian position. There are indications of other significant countries being interested. Against that there is also the evidence that others say that what we are proposing is not realistic. So there is a hard job ahead of us. What we intend to do on this visit, and Gareth Evans is away now, is to explain the Australian position. You see, what had been put to us was that it would be possible to actually sign the convention but have a reservation, express a reservation that in fact we would be opposed to any mining. It was put to us as a matter of international legal interpretation that in fact that ratification would not be acceptable with that sort of reservation. So that being our position, that we are against mining in the Antarctic, we were not able to pursue that task. So what we are about therefore is to argue that there needs to be a comprehensive environmental protection ... convention within such a framework the establishment of a wilderness park in the Antarctic. Now there are many people who are opposed to that, who seem to think that you can have some sort of halfway house where you can express a concern and an intention to protect the environment there, but somehow play around with the concept of mining. We believe that the evidence about the fragility of the Antarctic is such that that halfway house is not possible. Some have said that if we by our action prevent the convention coming into force, that will mean that the moratorium on mining which has operated to this point will break down and there'll be no sort of protective apparatus there at all. We don't accept that proposition so we will be at all levels arguing the case for this approach and I can't say no that I'm hopeful that we will get a unanimous position. But I can say that from the evidence just in the last few days that we have a very significant country that's come aboard and I believe that that will help Australia in pursuing the task that we will now pursue vigorously.

JOURNALIST: (inaudible)

PM: This is an international question. You're talking I presume about an election in Australia. I mean, there are elections all over the world this year but in the most important country I wouldn't think there'd be one this year. I've said ... Let me make this point about the election. Please recall the recent events. There was one person, only one person who started talking about an election, an early election in Australia. That was a bloke called Howard who did it, as I pointed out, for two reasons. One, that he

wanted quite maliciously and on an unfounded basis of fact to suggest that this was something that ... the tax cuts that we were giving were something that were being brought out of the hat for the purpose of an early election and ignoring the fact that we'd promised those tax cuts ... promised that 12 months before. So it was an attempt to divert attention from the intrinsic merits and long standing nature of the promise to deliver them. And secondly he did it to try and divert attention from what was a gathering momentum of the dissatisfaction of his leadership. It didn't work. There was no prospect of an early election as far as I was concerned. It was something that was conjured up in the mind of Mr Howard. Well, he got what he deserved and the proposition will have no more substance than his leadership. As to the second and fundamentally important question that you raised. I express to my people that the odds being offered by Ladbroke's before the event seemed to me to be absurd. If I'd been actually over there at the time I would have indulged in my well-known punting endeavours and had a good ... at the odds that were being offered. I think the outcome was appropriate and it gives substance to the first part of the visit because a week ago I sent a cable to Allan Border and said "good luck, you'll win the first and I'll come to see you one up at Lords". So the prediction has worked out. I expect that they will go two up after Lords and whether it will be a whitewash or not I'm not sure. Whether we can win the five is not really a reflection of the capacity of the Australian cricketers relative to the English but whether the remarkable run of recently good weather now will prevail and whether we get five Tests. But whatever number of Tests there are, we will win the majority.

JOURNALIST: (inaudible)

PM: I'm not in a position to comment on the report. I don't intend to comment on it. It's a matter obviously of sensitivities involved. I don't intend to comment on the report. As to the second part of your question as to what impact it will have on Sino-Australian relations, let me make these points. Firstly, there is probably no country which has had closer, more detailed relations with China been developed over the last few years than with Australia and therefore it was for us, I think, the sadder, the more tragic, the events that occurred there in recent weeks. Now that has not precluded us, and myself in particular, from making very clear, in the most precise terms, our rejection and repudiation of what has happened. So I think that the authorities in China are totally aware of our views and our attitude. I wrote to Premier Li Peng earlier this week and really I had these purposes in mind in writing that letter. Firstly, of course, was directly to register the revulsion that I and the Government and the people of Australia experienced in recent events. Secondly, to say that it was our belief that a continuation of that approach would be deleterious not only for the nation and people of China, but

for its relations with the region and the rest of the world. And thirdly, to express the hope that there would be a change, there would be a reversion to the policies of openness and of the development of the rights of individuals an abandonment of the infringement, the drastic infringement of human rights that characterised recent times and that in those circumstances Australia stood ready to do what it could to help. Now I go to those details and I also, of course, expressed the hope in the letter that there would be extended to everyone, including those in position of leadership which had expressed opposing views to those that had been followed, that there would be extended to those people leniency and humanitarian

(tape break)

PM: continuing saga over there, this question of participation or not in the frigate program. The perception, I think, of this country would be an indirect one on the economic relationship. The first would be that if, against the indications we've previously had of the relevance of the frigate program to New Zealand and that there would be co-operation, and if that were to not now eventuate, then clearly there would be a perception I think that New Zealand wasn't terribly serious about fully effective co-operation in the defence field. The conclusion which would be hard to avoid and which I know from my conversation with Mr Lange, he would regard as being an appropriate conclusion. Now, if that were to happen, and I hope all this is hypothetical and it doesn't happen. I hope that they will participate in the program. But if it were to happen then in a not measurable way, I can't measure to what extent, but it must have some adverse affect in the area of economic co-operation. I can't measure that, no-one can. But if two countries which have previously had the closest sorts of co-operation in the defence field, then went to a situation where the break which was associated with the ANZUS Treaty position adopted by New Zealand, was then exacerbated by a refusal to participate in this program, then the relationship would be diminished. There is no question about that. It would be diminished. We would not, as an Australian Government, seek to say, well now, to the Australian economic community, New Zealand must be punished for this. We don't operate like that. That would be silly. But I think it just would reflect a lowering of the warmth and the total character of the relationship and it seems to me in those circumstances that must inevitably have some adverse economic effect.

JOURNALIST: (inaudible)

PM: Well the fact that I didn't mention specifically New Caledonia is not in any sense to mean that I won't be talking about this issue when I'm in Paris. I obviously will. I wasn't able to list every single issue that I was going to be talking about. But I will be talking about it

because it is an important issue for Australia and we are on the record and I will take the opportunity directly again in talking to President Mitterand and Prime Minister Rocard to say to them what we have said publicly. And that is that we welcome a change of direction which is involved in the Matignon Accord and that most particularly, may I say, in direct relevance to your question, I have welcomed the recognition by the French authorities of the underlying, one of the fundamental underlying problems. That is that it was an indictment of previous French Administrations over many years of different persuasions that we come to the recent position in New Caledonia with an indigenous population virtually untrained in areas of public administration, professional and technical areas, and education and so on. And the Rocard Government has recognised that fundamental truth and they have undertaken now an accelerated program of training of the indigenous population so that by the time 1998 comes you will have many many more people trained for all these relevant areas, with a capacity to overtake the sorts of responsibilities that can be associated with whatever the decision is that is taken at that time. It is in that area that I have already indicated to the French authorities that Australia is prepared, not only prepared but very willing, to co-operate with them in training programs. We're not seeking to intrude ourselves but because of our proximity it may be the case, as we've said to them, that they would like to see some of those training programs to which they are committed, undertaken in this country. So, it is obviously consistent with those positions that I have adopted on behalf of the Government and people of Australia, that we would see investment by Australian firms in New Caledonia as an appropriate course of action. We believe that the French Government deserves the full support not only of Australia, but of the South Pacific community in pursuing not merely the Accords which have been signed but, as I say, importantly the underlying considerations behind them. Because what is necessary is that you have a Kanak population which does have the training in all relevant areas so that they will be able to undertake whatever degree of responsibility it is the decision that they take at that time. So, yes, we are supportive in this.

JOURNALIST: (inaudible)

PM: Is that a convoluted way of saying do I regard myself as having a special relationship with Margaret?

JOURNALIST: (inaudible)

PM: It's not Margaret that's here, it's me. So you really should cable your question to Margaret asking her whether she thinks she has a special relationship with me. But as being one of the two involved I'll attempt to analyse it and come to a conclusion. I think she would regard herself as having a special relationship with me in the sense that I

haven't been backward, nor has she, in meetings of the Commonwealth in putting our views with strength, conviction, clarity and, may I say, continuity. So I believe that Margaret respects that sort of position ... I think she finds herself in conflict on a particular issue. I certainly found that while we are apart on method I don't question in any sense the commitment that she has to trying to bring an end to the abhorrence of apartheid in South Africa. So we are able to operate from that common basis of a shared abhorrence about the principles and practices of apartheid and within that framework we have been able to have fairly detailed, lengthy and relevant discussions. We also share positions on matters of importance. For instance, I think Margaret and I were amongst the earliest who firmly and without equivocation recognised the substance and significance of what Mikhail Gorbachev was attempting in the Soviet Union. We have a shared view that it is in the interests of the people of the Soviet Union, and particularly as well in the interests of the world community, that what Gorbachev is trying to do within the Soviet Union deserves, warrants the positive support and involvement of the West. We are at one on that and have been from an early point of time. I also say that as far as Margaret Thatcher's visit to this country last year was concerned she regarded it as very important. It was not a mere formality and she was kind enough after her visit to express in very fullsome terms her appreciation of the visit, how it was arranged, and then she put it amongst the most important visits she had undertaken. Following that I would have to say that her arrangements for the visit that I'm making to the United Kingdom have been almost unbelievable in the intensity with which they have been prepared and the detail and the commitment that she has made to ensuring that the visit is both comprehensive, relevant and successful -

JOURNALIST: (inaudible)

PM: The position in regard to those two areas is reasonably straightforward. Take the area of forests. We have a position - and I'll come to uranium secondly - in regard to forests we have the position that this is an area in which there is a sharing of responsibility between States and the Federal Government. That was witnessed over the six years that we've been in office, some rather significant conflicts between the Federal Government and the States and particularly in regard to Tasmania. Our position as the Federal Government is that we recognise the importance of the forestry industry. As indeed may I say in fairness to the conservationists, the environmentalists, they are not anti-forestry. They're not saying there should be no forestry industry in this country. The secret of success in my judgement in handling this issue is first of all to recognise that there are certain areas of forests in this country which should be protected at all costs, vide the Daintree region in north Queensland and certain elements of

the Lemonthyme and Southern Forests in Tasmania. They should be categorised as World Heritage areas and completely protected. In regard to the other areas what we've got to try and reach is a position where there is an understanding and agreement of the need to protect those parts of the National Estate which in addition to the World Heritage areas contain areas which should not be subject to any logging at all and to identify other areas where logging can be undertaken but in a way which we ensure a renewal of the resources which are being used for those purposes. Now, by definition, ... set out those requirements and they are logical and I think should be pretty broadly accepted. Of course the problem becomes in defining those areas and getting agreement to them and to those processes. What we're trying to do in this country, both through direct negotiations with the States, the industry, the unions and the environmental movement and now with the establishment of the Resources Assessment Commission to have a range of processes whereby we can get agreement on these general principles. There will continue obviously to be differences. As you can see for instance it's happening in the southern forests in NSW at the moment. But that's the sort of procedure we need to get. The total protection of certain areas which should have no possibility of access by the forestry industry, particularly those that should be put on the World Heritage list, certain areas in the National Estate which should be protected. But that doesn't mean that all areas of the National Estate are not subject to forestry operations and to get the processes underway to get agreement on those issues. So that's the approach we are adopting and I am hopeful that we will get further and further towards agreement on these issues. In regard to uranium the position there is relatively straightforward I believe. We are a partner to the non-proliferation treaty and under the non-proliferation treaty there is an obligation ... treaty for us to provide uranium to those nations party to that treaty who undertake to use that uranium for peaceful purposes. That is a treaty obligation which we discharge. There is no country which has more stringent safeguard requirements than we do. That simply means that, as has been put to us by the International Atomic Energy Agency, that it would be a tragedy if Australia were not to provide the uranium. It would mean that it would be supplied by others who have a less stringent safeguards approach. So that's what we're doing and we regard that as appropriate and importantly the only course which is consistent with our membership and may I say our vigorous membership of the non-proliferation treaty.

JOURNALIST: (inaudible)

PM: I must say I haven't engaged in an intellectual ... on this issue to say whether I regard the French presence ... as better and if so to what degree better than Indonesia or anyone else. I haven't engaged in that intellectual exercise. I must say ... regard it as a fascinating one

which I might undertake sometime on the way home rather than on the way over there. I simply want to say on that I'll be talking with Prime Minister Rocard about developments in the Pacific region and no doubt that will include developments in Fiji.

JOURNALIST: (inaudible)

PM: I really am not going to say to you in advance of talking to Mr Bush what I'll be saying to him. I don't think that would either be polite or very productive. In regard to the second question I think that one has to say - and it would be churlish if you didn't say it - that Japan has improved its position and attitude both in terms of itself providing access for a range of products compared to what had been the previous position. And also in terms of the cooperation that we are receiving from Japan in a number of the issues that we are raising in the multilateral trading agenda. Certainly as far as Australian industry is concerned there has been an opening up, there has been an improvement and as I say it would be churlish not to recognise that. We have been having discussions with the Japanese about these issues generally and most particularly in the context of the initiatives that I have developed towards trying to establish a greater degree of cooperation in the Asia-Pacific region on economic matters including the role and stance that ... countries will adopt in the multilateral trading environment. Certainly we've received a fairly encouraging response from Japan. So in regard to the first part of your question, I don't want to say to you what I'll be saying to the President, but in general we welcome the sorts of changes in direction,. Perhaps they're not as rapid as many would like. But I repeat, it would be churlish not to recognise that there has been an improvement and I think a reasonably significant improvement in the Japanese attitude on these issues.

JOURNALIST: (inaudible)

PM: Let me just quickly reaffirm the basis of your question ... The evidence in Vietnam is overwhelming. The tragedy there is, as I put it before, in a sea, in an ocean, of growth, they have been an island of economic stagnation. To their credit they are increasingly recognising that fact and therefore ... I believe, the rest of the world to encourage change and development there, to give the people of Vietnam the opportunities of experiencing the benefit of economic growth. Because that will be both to their benefit, the people of Vietnam, and will obviously in my judgement add to the stability of the region. I don't think there's any way in which you can dissociate the political developments now which see the creation of a basis of optimism for the settlement of the Kampuchean tragedy. You can't in any sense dissociate that from the facts to which I've been referring. In other words there has been a decision made within Vietnam, I would think within the Soviet Union and to

an extent in China that the decision in the Soviet Union's an important one but ... decision made in the Soviet Union and Vietnam that they can't any longer continue the sort of economic processes that they have in that country and that the settlement in IndoChina, the political settlement in IndoChina is associated with that acceptance and that realisation. So if we are concerned with a region both of political stability and economic growth which is widely shared then there is an inevitable conclusion that follows from it in my judgement. That is that we should do all that we can to assist the processes of change within Vietnam and of growth. I think the one question mark that one has to have now when talking about this region is what impact all the changes in China have. While obviously the Soviets and China have not finalised a position as to all the details of a settlement in Kampuchea, nevertheless there was a broad basis of understanding upon which Prince Hun Sen and Sihanouk have conducted their very productive talks in Jakarta and which are to be resumed next month in Paris. I don't know whether the events in China are going to create any unforeseen difficulties there. Because as you know, one of the critical points that still remains, what was going to be the post-withdrawal ... end of September, withdrawal of the Vietnamese troops, what were going to be the processes involving an acceptable role or non-role for the Khmer Rouge? Now it seemed to be the case that in the discussions that had taken place that China had accepted some sort of process which would be acceptable, not only to them but to the rest of the parties involved and therefore wanting to have optimism that it was going to work out. I simply say you have to raise the question mark as to whether now as a result of recent events in China there is going to be any change in that position. I fervently hope not.

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