



**PRIME MINISTER**

TRANSCRIPT OF NEWS CONFERENCE, HYDE PARK HOTEL, LONDON, 23 JUNE 1989

E & O E - PROOF ONLY

JOURNALIST: Mr Hawke have you achieved anything so far on this trip?

PM: Well reading the Press, reading our Australian Press, you'd doubt it but of course as usual you are wrong. We've achieved a lot, yes.

JOURNALIST: What?

PM: We have achieved I think an enormous increase in interest in Australia within the business community. I base that on the fact that I was able to move around yesterday amongst a lot of business leaders and there is no doubt that this was not a conference yesterday that you often have - ok you meet today, say nice things and exchange platitudes then off you go and forget it. I mean there is a reality and a constructiveness, a nitty grittiness about not only the formal conference sessions but behind the scenes which I think is going to mean two things - an increase in British investment and joint enterprise interest in Australia and from the Australian point of view I think an increased awareness of the opportunities for activities here in Britain and from Britain as a spring board into the 320 million market of the post '92 Europe. So I think that's very important. In the area of the political discussions with Mrs Thatcher we I think were able to get common ground of a number of issues while still maintaining areas where we are not at one. We are not at one on the issue of the Antarctic obviously, but I think I was able to get into the mind of Mrs Thatcher the reality of our position, what we're about, and that doesn't mean in any sense that I've made the decision that I think she's going to change her mind in the near future. But I think we've established in the mind of Mrs Thatcher and those around her an understanding of what we're about and that's a plus. We had a very interesting discussion for instance on the South Pacific nuclear free zone and I'm certain that in that area that there is a clearer understanding of the compatibility of that Treaty

(PM cont) with the alliance relationships and obligations that we have and of the very strong case there is for the adherence to the protocols of that Treaty by Britain in that such adherence would strengthen the attitude of the Pacific island nation states towards our general view of the world and they see a position perhaps somewhat simplistically. They see the position where the Soviet Union and China have adhered to the protocols. The rest of the nations haven't and I think that I have been able to show to Mrs Thatcher and those around her that this area is one of less stability. This region is one of less stability than it was in the beginning of the '80s and it is to our interest to have a greater degree of understanding by these island nations of our position and that adherence to the protocols would assist that. Now let me make it clear. I'm not saying again that I think that Britain is tomorrow going to adhere to the protocols but I do believe that the chances of that happening and a serious consideration of our position has been increased. If you look at the question of China I think we are essentially at one on what we see as the appropriate approach there. I think there is an acceptance by the British of the sort of position I outlined and that is and I repeat it, we are not at length because you know it, but firstly we have to be unequivocal in our condemnation of what's happened and of the brutal repression and executions that are going on and also see if we can adopt a position which will ensure as far as possible a continuation of the processes of economic reform. Now we understand, I understand, I'm sure Mrs Thatcher does, that that's a very, very difficult line that you have to walk and I don't pretend it's going to be easy but I'm sure that in the interests of the people of China, the ordinary people of China and the interests of the region, that that's the sort of thing we have to do. So that was a very, very useful discussion. We've also had useful discussions about the developments in disarmament processes between the Super Powers and what's going here in Europe. We've certainly been given a clear understanding of the perceptions of the British in that area. Now obviously that doesn't cover everything. I've been with you before about the detailed range of issues we've covered. But I think it is the case that the general relationship between Britain and Australia is now on a very, very much more substantial footing. I mean I think you will have noticed if you had the opportunity of talking to industrial leaders, political leaders here that the visit has gone very, very well. There has been a very good reception to the sorts of things I've had to say both in the speech I made at Mansion House and in the discussions that we've had. There's a pretty ... tough assessment on both sides, understanding that there are points of difference between us but understanding that there is a hell of a lot that we can do

(PM cont) together to advance the interests of our individual countries and importantly the interests of the fundamental values that we share.

JOURNALIST: Looking forward to Washington, are you throwing in the towel on the EEP?

PM: It's not a question of throwing in the towel. What you've got to do in your negotiations with any country - and including the United States - if you're going to properly represent the interests of your own, is to make sure that you do put clearly to the country you're visiting the areas of concern that you have, including where there are differences of opinion or differences of interpretation, I'll do that. I'm not going to allow, as I said just before I left Australia, I'm not going to allow the issue of the EEP to dominate the visit or to mar the possibilities of advancing our interests, our regional interests and global interests, by just allowing that to dominate the discussions. There are differences of estimate on this issue, we'll talk about those. I think the important point to make is that at the present time and in the immediate future because of the lessening of world wheat stocks and the movement in prices in the period immediately ahead, Australia is not going to be adversely effected to the extent it has been in the past and that gives us in a sense coincidentally an opportunity to work with the United States in the period leading to the end of the Uruguay Round negotiations because we are totally at one - the United States and ourselves - in saying that subsidies, agricultural subsidies, projected over into the export area are against the interests of the world trading system. They are committed with us to changing that position. So the negotiation period takes us up to the end of 1990 and in that period I don't believe that the EEP is going to have the sort of adverse effect it has had in the past. So what we ought to be doing is stating the differences we have to the extent that they exist about past impact but using this period where we're not going to be significantly adversely effected, to use that period where we are at one to try and get a position under the negotiating round of the Uruguay processes - the GATT processes - to try and reach agreement to have an elimination of these processes. That's how immediate and long term permanent interests are going to be best served.

JOURNALIST: My final question. Could you comment on the cruel Ablett hoax that's been played on Senator Button?

PM: It has been a matter of extreme sadness for me to see how this otherwise dynamic, ideas driven Minister of mine has been reduced sadly to not a tearful figure - other people have a monopoly on that sort of position - but sadness of the dimension which I find impossible to convey. But in the end one realises that he is a man of enormous fortitude, hidden strength and he is going to survive. I mean I can assure all our supporters in Australia who I know would be very, very worried about whether he was just going to throw in the towel as it were or the whole bloody bed linen, I mean he is not. He's exhibiting great strength but as you would know from the way he's conducted himself in the internal affairs of the Labor Party over the years, he's a man who has a very, very long memory and I would suggest any who've been associated with this vile - as he sees it - decision should watch their backs because the Little General is a man as I say of long memory and as you will appreciate a capacity to change the course of events.

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