



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, EMBASSY OF AUSTRALIA, WASHINGTON
WASHINGTON, 27 JUNE

B & O E - PROOF ONLY

PM: LADIES AND GENTLEMEN, I UNDERSTAND THAT YOU WOULD LIKE ME TO GIVE A VERY BRIEF INTRODUCTION, I'LL DO THAT AND THEN I AM OPEN TO ANY QUESTIONS YOU WANT TO ADDRESS TO ME.

FIRST THING OBVIOUSLY THAT I WOULD LIKE TO SAY, AND SAY WITH GREAT SINCERITY IS TO EXPRESS MY GRATITUDE AND THE GRATITUDE OF THE GOVERNMENT, AND I THINK THE PEOPLE OF AUSTRALIA, FOR THE EXTREME GENEROSITY IN KIND, SPIRIT AND COMMUNICATION WHICH HAS BEEN EXTENDED TO ME, NOT ONLY BY THE PRESIDENT OF THE UNITED STATES, BUT BY THE ADMINISTRATION GENERALLY. IT IS A MARK OF THE STRENGTH OF THE RELATIONSHIP BETWEEN OUR TWO COUNTRIES. WE OBVIOUSLY HAVE COVERED IN OUR TALKS NOW A VERY WIDE RANGE OF MATTERS, BILATERAL, REGIONAL, LOCAL. GOING FIRST TO BILATERAL MATTERS, WITHOUT BEING EXHAUSTIVE ON THE SUBJECTS, CLEARLY AN IMPORTANT ISSUE HAS BEEN THE QUESTION OF AGRICULTURAL TRADE. I HAVE PUT STRONGLY TO THE PRESIDENT AND ALL RELEVANT MEMBERS OF THE ADMINISTRATION, THE CONCERN THAT I AND MY COUNTRY HAS ENTERTAINED, THAT THE IMPACT UPON AUSTRALIA POLICIES OF THE UNITED STATES IN THIS AREA. I HAVE ADHERED TO THE COMMITMENT THAT I MADE BEFORE I LEFT AUSTRALIA, THAT WHILE PUTTING OUR POSITION STRONGLY ON THIS ISSUE, I WAS NOT GOING TO ALLOW IT TO BE A HURDLE OVER WHICH WE CANNOT JUMP IN TERMS OF GETTING TO THE GREAT RANGE OF ISSUES ON WHICH WE HAVE AN IDENTITY OF INTEREST AND OVERWHELMINGLY AN IDENTITY OF POSITION. THE PRESIDENT AND OTHER MEMBERS OF THE ADMINISTRATION HAVE CONCEDED THE FACT THAT THERE MAY HAVE BEEN AN IMPACT, THAT WE HAVE THAT VIEW BUT WE IMPORTANTLY, BOTH OF US, RECOGNISE THAT THE IMPORTANT THING TO DO IS TO LOOK TO THE PRESENT AND THE FUTURE. THAT HAS BEEN FACILITATED BY THE FACT THAT WHILE WE HAVE SUFFERED IN THE PAST LOOKING AT THE PERIOD AHEAD UNTIL THE END OF 1990, WE HAVE A CONJUNCTION OF CIRCUMSTANCES WHICH MEANS IT IS PRODUCTIVE TO CONCENTRATE ON WHAT WE CAN DO FOR THE FUTURE.

(PM CONT.) THOSE CONJUNCTION OF CIRCUMSTANCES INCLUDE THE FACT, FIRSTLY, THAT BECAUSE OF THE LOW LEVEL OF STOCK AND RELATIVELY HIGH LEVEL OF WHEAT PRICES, AUSTRALIA WILL NOT BE ADVERSELY AFFECTED IN THIS PERIOD UP UNTIL THE END OF 1990. WE BELIEVE AS IT HAS BEEN IN THE PAST AND IT IS IN THAT PERIOD PRECISELY THAT WE HAVE THE OPPORTUNITY OF WORKING TOGETHER WITHIN THE URUGUAY ROUND TO ACHIEVE A POSITION WHEREIN THE PRACTICE OF AGRICULTURAL SUPPORT AND EXPORT SUBSIDIES CAN BE REMOVED. IN PARTICULAR, LET ME SAY THAT I AM VERY, VERY PLEASED INDEED AT THE POSITIVE RESPONSE THAT WAS GIVEN TO ME IN THE SUGGESTIONS I HAVE MADE TO THE PRESIDENT, CLAYTON YEUTTER AND TO OTHERS WITH AN INTEREST AND RESPONSIBILITY IN THIS AREA, AS TO WHAT WOULD BE, IN MY JUDGEMENT, AN APPROPRIATE WAY FOR THE UNITED STATES TO APPROACH THE ISSUE OF THE ROUND IN TERMS OF HOW THEY DEAL WITH THE PROPOSED 1990 FARM LEGISLATION. IN OTHER WORDS, I SPECIFICALLY SAID THAT THE NEGOTIATING POSITION OF THE UNITED STATES WOULD BE STRONGER IF, IN REGARD TO THAT LEGISLATION IN ONE WAY OR ANOTHER, AND THERE ARE ALTERNATIVE WAYS IN WHICH IT COULD BE DONE, THAT THEY TREATED THE PROVISION WHICH WOULD MEAN THAT IN THE EVENT OF A POSITIVE OUTCOME TO THE URUGUAY ROUND THEN THE PROVISIONS OF THE FARM LEGISLATION WOULD IN FACT NOT COME INTO EFFECT. I REGARDED THAT AS A CONSTRUCTIVE AND SENSIBLE SUGGESTION AND A PROMISE TO GIVE FAVOURABLE CONSIDERATION TO IT.

THE NEXT ITEM I WOULD MENTION OF COURSE, IS THE REGIONAL ECONOMIC INITIATIVE WHICH I BEGAN IN SEOUL IN JANUARY THIS YEAR AND I AM VERY PLEASED AT THE OVERWHELMINGLY POSITIVE RESPONSE THAT I HAVE RECEIVED FROM THE PRESIDENT AND SECRETARY OF STATE BAKER TO THIS INITIATIVE. YOU ARE AWARE OF THAT POSITIVE RESPONSE AND WE HAVE AGREED THAT BETWEEN NOW AND THE POST-ASEAN MINISTERIAL COUNCIL MEETING THAT WE WILL WORK TOGETHER TO TRY AND ENSURE THAT WE GET A CONSENSUS ON THIS ISSUE WITH A VIEW TO HAVING, AS I HAVE HOPED ALL ALONG, A MINISTERIAL LEVEL MEETING TO PROGRESS THIS ISSUE BEFORE THE END OF THE YEAR. WE HAVE OF COURSE, SPENT A GREAT DEAL OF TIME TALKING ABOUT THE TRAGIC DEVELOPMENTS IN CHINA AND AS YOU WOULD BY NOW BE AWARE, THERE IS A BASIC IDENTITY OF POSITION BETWEEN THE PRESIDENT AND MYSELF. THAT IDENTITY OF POSITION IS FOUNDED UPON THESE PROPOSITIONS: FIRSTLY, OF COURSE, THAT WE UNEQUIVOCALLY CONDEMN AND DEPLORE THE ACTION, NOT ONLY OF THE FOURTH OF JUNE, BUT WHAT HAS HAPPENED SINCE THEN, THE PERSECUTION, THE EXECUTION OF THE DISSIDENTS AND THOSE WHO HAVE PRESSED FOR REFORMING CHINA, AND THE UNITED STATES AND AUSTRALIA WILL CONTINUE TO BE AT ONE IN THAT CONDEMNATION.

(PM CONT.) WE ALSO AGREE THAT THE LOGIC OF THAT CONDEMNATION LEADS YOU TO THE CONCLUSION INEVITABLY IN OUR JUDGEMENT THAT IT WOULD BE AGAINST THE INTEREST OF THE PEOPLE OF CHINA GENERALLY, AND PARTICULARLY OF THOSE WHO HAVE HAD THE COURAGE TO PRESS FOR REFORM. IF THE OUTSIDE WORLD WERE TO CLOSE OFF CONTACTS WITH CHINA, AND PARTICULARLY IN THE AREA OF ECONOMIC REFORM, TO REFUSE ANY FORM OF ASSISTANCE THAT WOULD GIVE IMPETUS TO THOSE PROCESSES OF REFORM. IT IS IMPORTANT TO NOTE THAT IN THE STATEMENT WHICH CAME OUT FROM THE 24 JUNE, AFTER THE OFFICIAL MEETINGS IN CHINA THAT THE SECOND POINT THAT THEY PUT OUT WAS A COMMITMENT TO PURSUE THE PROCESSES OF ECONOMIC REFORM AND OPENING TO THE OUTSIDE WORLD. AND WE BELIEVE THAT IT IS PRECISELY WITH THE PURSUIT, FURTHER PURSUIT, INTENSIFIED PURSUIT OF ECONOMIC REFORM AND OPENINGS TO THE OUTSIDE WORLD THAT THE CONDITIONS ARE MOST LIKELY TO BE CREATED IN WHICH THERE CAN BE SOME EFFECTIVE RESURRECTION OF THOSE PRESSURES FOR POLITICAL REFORM WITHIN CHINA. WE BOTH RECOGNISE THAT THIS IS A DIFFICULT LINE TO WALK BUT WE BELIEVE THAT IT IS THE RIGHT LINE TO WALK.

THE PRESIDENT WAS GOOD ENOUGH IN A SESSION WE HAD TODAY; I AM GOING TO GO TO ANOTHER ITEM; TO OUTLINE HIS POSITION IN REGARD TO THE SOVIET UNION. AGAIN, IT IS A DECISION THAT I TOTALLY SHARE WITH HIM AND THAT IS; THAT WE BOTH WELCOME UNRESERVEDLY, THE INITIATIVES OF PRESIDENT GORBACHEV TO PURSUE BOTH ECONOMIC AND POLITICAL REFORM WITHIN THE SOVIET UNION. A COMMITMENT ON THE PART OF PRESIDENT GORBACHEV WHICH FORTUNATELY HAS BEEN REFLECTED IN POSITIVE COMMITMENTS ON THE PART OF THE PRESIDENT OF THE SOVIET UNION TO ASSIST IN THE ALLEVIATION OF POINTS OF TENSION IN VARIOUS SECTIONS OF THE GLOBE. FOR EXAMPLE, NAMIBIA, ANGOLA, AFGHANISTAN, AND INDOCHINA. AND IT IS THE COMMITMENT OF PRESIDENT BUSH THAT WITH APPROPRIATE CAUTION HE WILL PURSUE CONSTRUCTIVELY, EVERY OPPORTUNITY TO BUILD UPON THAT ATTITUDE AND THAT APPROACH OF PRESIDENT GORBACHEV. AS I SAY, I AM AT ONE COMPLETELY WITH HIS ATTITUDE ON THIS ISSUE. WE SPENT SOME TIME ALSO TALKING ABOUT INDOCHINA. I WON'T GIVE AN ELABORATION ON THAT. IF YOU ARE INTERESTED IN PRESSING QUESTIONS ABOUT THAT, I AM OF COURSE MORE THAN HAPPY TO DO SO, AND I MAKE THE SAME COMMENT ABOUT THE MIDDLE EAST. WE SPENT, NOT ONLY WITH THE PRESIDENT, BUT PARTICULARLY WITH SECRETARY OF STATE BAKER, A CONSIDERABLE AMOUNT OF TIME TALKING ABOUT THE MIDDLE EAST SITUATION IN GENERAL AND ABOUT THE TRAGEDY OF LEBANON IN PARTICULAR.

(PM CONT.) SO MY FRIENDS THAT IS CERTAINLY NOT AN EXHAUSTIVE LIST OF THE SUBJECTS WE COVERED BUT SOME INDICATION OF THE RANGE OF ISSUES OF SHARED CONCERN TO US AND AT THIS POINT I AM THEREFORE OPEN TO ANY QUESTIONS YOU WOULD LIKE TO ADDRESS TO ME.

JOURNALIST: DID YOU HAVE ANY REPOSE TO YOUR PROPOSAL THAT THE LEGISLATION, THE FARM LEGISLATION WOULD BE CANCELLED OUT DEPENDING ON HOW THE URUGUAY ROUNDS TURNED OUT?

PM: YES, I GOT A POSITIVE RESPONSE FROM EACH OF THE MEMBERS OF THE ADMINISTRATION TO WHOM I SPOKE. POSITIVE IN THE SENSE THAT THEY, AND I COULDN'T SAY YES, THAT'S WHAT GOING TO HAPPEN AS THIS IS A MATTER IN THE END FOR THE CONGRESS TO DECIDE, BUT WITH ALL THOSE TO WHOM I SPOKE SAW MERIT IN THE POSITION, BOTH INTRINSICALLY AS REPRESENTING A COINCIDENCE OF THEIR VIEWS ON THESE ISSUES, THAT IS THAT IT IS THEIR VIEW THAT THE MTN ROUND IDEALLY SHOULD PRODUCE A SITUATION WHERE THERE IS AN AGREEMENT TO MOVE TO AN ABANDONMENT OF SUPPORT AND EXPORT SUBSIDIES. THEREFORE, IT MAKES SENSE TO HAVE WITHIN THE LEGISLATION INTERNALLY A POSITION WHICH CO-ENCODES WITH THAT INTENTION. AND SECONDLY OF COURSE IN A BARGAINING POSITION YOU ARE STRENGTHENED IF, AS YOU GO INTO THOSE NEGOTIATIONS, WHICH ARE GOING TO BE HARD, DETAILED AND SLOGGING BETWEEN NOW AND THE END OF 1990, YOU HAVE AN INTERNAL POSITION WHICH IS CONSISTENT WITH THE OBJECTIVE YOU ARE PUSHING IN THOSE NEGOTIATIONS. SO THERE IS A VERY POSITIVE RESPONSE TO THE CONCEPT THAT I HAVE ADVANCED.

JOURNALIST: WOULD IT BE ACCURATE TO CHARACTERISE YOUR TALKS AS SAYING THAT YOU AGREE TO DISAGREE ON ONE, THE ANTARCTIC, AND TWO, MILITARY ASSISTANCE TO CAMBODIA?

PM: I THINK THAT'S NOT AN UNFAIR ANALYSIS, BUT I THINK I'D JUST LIKE TO SAY A FEW WORDS TO FLESH THAT OUT. ON THE ANTARCTIC, IT WAS CONVEYED TO ME WHAT WE ALREADY KNEW, AND I SAY THIS WITHOUT ANY LABOURING OF THE POINT FOR THOSE WHO INTERPRETED THE POSITION AS SOME SORT OF REBUFF TO ME, THAT I WAS NOT, IF I CAN PUT IT IN THE GENTLEST TERMS, UNAWARE OF WHAT THE UNITED STATES POSITION WAS BEFORE I CAME HERE. NEITHER WERE I OR MY GOVERNMENT UNAWARE, WHEN WE MADE THE DECISION WE DID, OF WHAT THE POSITION OF THE UNITED STATES WAS. IF THERE WAS ANY REBUFF INVOLVED IT WAS A REBUFF BY AUSTRALIA TO THE UNITED STATES' POSITION BY ADOPTING THE POSITION WE DID ON THIS ISSUE. ONE WOULD THINK AS A FACT OBVIOUSLY NECESSARY TO MAKE THE POINT. NOW HAVING SAID THAT, WE THEN PUT TO THE PRESIDENT AND THEN TO THE ADMINISTRATION THE REASON WHICH LIES BEHIND AT HAVING ARRIVED AT THAT POSITION.

(PM CONT) LET ME SAY THAT THERE WASN'T ANY REPUDIATION BY THE PRESIDENT OR ANYONE ELSE OF THE INTEGRITY, IF YOU LIKE FROM OUR POINT OF VIEW THE LOGIC OF WHAT WE WERE DOING. THEY, NEVERTHELESS, HAVE A DIFFERENT POSITION. WE HAVE AGREED THAT IN THE PERIOD LEADING UP TO THE TREATY MEETING IN OCTOBER THAT WE WILL CONTINUE TO STAY IN CONTACT ON THIS ISSUE. NOW THAT DOESN'T MEAN, AND I AM NOT IMPLYING, THAT AS A RESULT OF THOSE DISCUSSIONS WE WILL BECOME THE SAME ON THIS POSITION. WHAT I AM TRYING TO LEAVE WITH YOU IS THAT THIS IS NOT A POSITION OF CONFLICT, PROGRESSIVE CONFLICT BETWEEN US. THERE IS A RECOGNITION ON EACH SIDE OF THE INTEGRITY OF THE OTHER'S POINT OF VIEW. THAT IS AS IT SHOULD BE ON THIS ISSUE.

I JUST WANTED TO CONCLUDE BY SAYING THAT AS FAR AS AUSTRALIA IS CONCERNED WE WILL CONTINUE TO ADVANCE OUR POSITION STRONGLY AROUND THE WORLD. NOW IN REGARD TO THE SECOND PART OF YOUR QUESTION. THIS QUESTION OF THE PROVISION OF LETHAL AID TO THE NON-KHMER ROUGE ELEMENTS OF THE COALITION. YES, IT WAS PUT TO US, WITHOUT GOING TO ALL THE DETAILS OF OUR CONVERSATION, I CAN CONVEY ESSENTIALLY THIS POSITION. I PUT TO THE PRESIDENT AND HIS COLLEAGUES, IT WAS OUR JUDGEMENT THAT THERE WAS SO MANY POSITIVE ELEMENTS STILL ON THE TABLE IN REGARD TO THE ACHIEVEMENT OF AN ACCEPTABLE OUTCOME IN INDOCHINA THAT, IN OUR JUDGEMENT, IT WAS NOT APPROPRIATE TO PROVIDE LETHAL AID. WHAT DO I MEAN BY SO MANY ELEMENTS ON THE TABLE? LET ME BRIEFLY REFER TO THEM. THERE IS OF COURSE, THE ASEAN SPONSORED JIM 1 JIM 11 PROCESSES. THERE IS SUPERIMPOSED TO SOME EXTENT UPON THAT THE INITIATIVES OF PRIME MINISTER SITHI OF THAILAND. THERE IS THE DISCUSSIONS, THE BACKGROUND DISCUSSIONS OBVIOUSLY INVOLVED, THE ATTITUDE OF THE SOVIET UNION AND VIETNAM IN THE NATURE OF SOME RESOLUTION OF THE CONFLICT IN THE AREA. THERE IS NOW THE UPCOMING ROUND TABLE AND THEN THE INTERNATIONAL CONFERENCE IN PARIS COMMENCING AT THE END OF NEXT MONTH. OUT OF ALL THOSE STRANDS, IT IS OUR JUDGEMENT THAT THERE IS SO MANY POSITIVE ELEMENTS WHICH JUSTIFY A GUARDEDLY OPTIMISTIC ASSESSMENT OF THE POSSIBILITY OF A PEACEFUL RESOLUTION THAT OUR JUDGEMENT IS THAT IT IS BETTER NOT TO INJECT THE ELEMENT OF LETHAL AID.

JOURNALIST: MR HAWKE, YOU SAID EARLIER THAT THE PRESIDENT CONCEDED THAT THE FARM TRADE PROGRAM HAD DONE HARM TO AUSTRALIA COULD YOU ELABORATE ON THAT?

PM: NOW LET ME PUT IT ACCURATELY. WHAT I AM SAYING IS THAT THERE WAS A CONCESSION BY THOSE TO WHOM WE SPOKE THAT THERE MAY HAVE BEEN, MAY HAVE BEEN DAMAGE. THEY DIDN'T REPUDIATE THAT WE WERE ENTITLED TO FEEL THAT THERE MAY HAVE BEEN SOME DAMAGE. THEY DIDN'T SAY, YES, THAT HAS HAPPENED, THIS IS THE AMOUNT. BUT THEY DID NOT REJECT THE POSITION THAT, FROM OUR POINT OF VIEW, WE MAY ASSESS THERE HAS BEEN DAMAGE DONE.

JOURNALIST: WAS THIS THE PRESIDENT'S?

PM: WELL, THIS WAS IN TERMS OF THE PRESIDENT AND MR YEUTTER AND OTHERS TO WHOM WE SPOKE. NOW, I AM NOT TRYING TO MAKE A GREAT DEAL OUT OF THAT TO SAY THAT IS DIFFERENT FROM SOME OTHER POSITION. I AM SIMPLY SAYING THAT, IN TERMS OF THE APPROACH WE MADE, WE DIDN'T TRY AND HAMMER THIS ISSUE AND SAY THAT'S THE FIGURES. WE GAVE AN INDICATION OF THE SORT OF DAMAGE WE THOUGHT HAD BEEN DONE. BUT BECAUSE, AS I SAY, IN THE PERIOD AHEAD UP UNTIL THE END OF 1990, WE DON'T HAVE THE APPREHENSION OF A SIMILAR SORT OF DAMAGE. WHAT MY MAJOR CONCERN IS AS I HAVE SAID, IS TO SAY, HOW DO WE APPROACH THIS ISSUE NOW, BOTH IN TERMS OF INTERNAL DECISION MAKING IN THE UNITED STATES AND IN OUR JOINT APPROACH IN THE MTN ROUND. HOW DO WE APPROACH THIS ISSUE NOW TO TRY AND GET THE OUTCOME WE BOTH WANT.

JOURNALIST: MR HAWKE, IN HIS SPEECH LAST NIGHT TO THE ASIA SOCIETY, SECRETARY OF STATE BAKER INDICATED THAT HE SAW THREE PRINCIPLES BEING NECESSARY TO BE INCLUDED IN A REGIONAL COOPERATIVE ENTITY. THOSE PRINCIPLES SEEM TO GO QUITE A BIT FURTHER THAN WHAT YOU WERE SAYING IN PROPOSING FOR THAT REGIONAL ENTITY. WHAT'S YOUR REACTION TO THAT, WILL YOU EMBRACE THEM?

PM: THE IMPORTANT THING FROM OUR POINT OF VIEW, JEFF, IS THAT THE SECRETARY OF STATE REFLECTING THE POSITION OF THE PRESIDENT EMBRACES THE CONCEPT ~~THAT~~ WE HAVE ADVANCED, AND HAS INDICATED HIS INTENTION TO WORK WITH US TO ADVANCE THE CONCEPT. IN DISCUSSIONS WE HAVE HAD TODAY WE HAVE TALKED ABOUT THE VARIOUS ELEMENTS THAT WE WOULD NEED TO HAVE ON THE TABLE FOR CONSIDERATION. I DON'T FEEL ANY DISQUIET ABOUT HAVING ALL THE ELEMENTS ON THE TABLE THAT HE, OR FOR THAT MATTER, ANYONE OF THE OTHER PARTIES WHO WILL BE INVOLVED IN THIS WANT TO PUT ON THE TABLE. THE IMPORTANT THING IS THAT THERE IS AGREEMENT ON MY CONCEPT THAT THERE IS A NEED FOR A CONFERENCE TO ADVANCE THE PRINCIPAL OF GREATER COOPERATION. SECONDLY THAT THERE IS A NEED TO HAVE SOME ONGOING MECHANISM TO ENSURE THAT THIS IS NOT MERELY SOME AD HOC MEETING THAT SAYS YES, WE NEED TO COOPERATE MORE AND THEN LEAVE IT AT THAT.

(PM CONT) WE HAVE TO LOOK AT THE QUESTION OF A MECHANISM NOW. ON THE ISSUE OF THE COMPOSITION OF THE GROUP AS TO THE ELEMENTS THAT IT WOULD NEED TO DEAL WITH ALL THOSE IN MY JUDGEMENT ARE PROPERLY ON THE TABLE. I THINK THE ONE ISSUE THAT I WOULD LIKE TO MAKE CLEAR IS THAT ESSENTIALLY, ESSENTIALLY, THIS MUST BE AN ECONOMIC ORIENTED BODY. AND THAT IS OBVIOUSLY BECAUSE THE ASEAN GROUP PROPERLY REGARD THEIR INSTITUTION AS THE MAJOR POLITICAL INSTITUTION FOR COOPERATION BETWEEN THE CORE COUNTRIES OF THE REGION. AND, UNDERSTANDABLY, THEY DO NOT WANT TO SEE THE EMERGENCE OF ANOTHER, AS IT WERE, POTENTIALLY COMPETITIVE ORGANISATION IN A POLITICAL SENSE, AND I UNDERSTAND THOSE SENSITIVITIES.

JOURNALIST: AUSTRALIA, AT THE GATT MEETING IN MONTREAL, SAID THAT IT WAS GOING TO WORK OUT ITS OWN LONG-TERM GRAIN AGREEMENT WITH THE SOVIET UNION. ARE YOU MOVING IN THAT DIRECTION?

PM: WELL, WE HAVE, FOR SOME TIME NOW, BEEN ENGAGED IN NOT JUST DISCUSSIONS ABOUT GRAIN. THE SOVIET UNION WANTED TO TALK TO US ABOUT A FISHING AGREEMENT. WE SAID WE WERE PREPARED TO TALK ABOUT THE FISHERIES AGREEMENT, BUT NOT ALONE. WE WANTED TO LOOK AT BROADER ISSUES, INCLUDING THEIR GRAINS, AND DISCUSSIONS HAVE BEEN GOING ON WITH THEM WITHIN THAT GENERAL FRAMEWORK. OF COURSE, WHAT WE MAY OR MAY NOT DO, IN THAT OR OTHER BILATERAL AREAS, WILL TO SOME EXTENT OBVIOUSLY BE AFFECTED BY THE OUTCOME OF THE MULTILATERAL ROUND.

JOURNALIST: ARE YOU AWARE OF ANY DIFFERENCE OF OPINION WITHIN THE AMERICAN ADMINISTRATION OVER THE EFFECTS OF P.E.T. ON AUSTRALIA, FOR EXAMPLE, BETWEEN VICE-PRESIDENT QUAYLE AND SECRETARY YEUTTER ?

PM: IF I WERE AWARE OF IT, I WOULDN'T REGARD IT AS HELPFUL OR DIPLOMATIC TO EXPOUND ON IT.

JOURNALIST: DID YOU RECEIVE ANY ENCOURAGING MESSAGES OR WORDS REGARDING STEEL DURING THE VISIT?

PM: YES, I HAD A DISCUSSION BRIEFLY LAST NIGHT WITH SPECIAL TRADE REPRESENTATIVE CARLA HILLS ON THIS, AND ESSENTIALLY WHAT I SAID TO HER WAS THIS: THAT OUR VRA, AS YOU KNOW, EXPIRES IN SEPTEMBER OF THIS YEAR. I MADE THE POINT TO HER THAT OUR STEEL INDUSTRY IS CHARACTERISED BY THESE THREE FEATURES. ONE, THAT IT'S PRIVATELY OWNED. TWO, THAT IT'S NON-SUBSIDISED.

(PM CONT) AND THREE, THAT IT'S OPEN, WITHIN A RELATIVELY SMALL TARIFF TO THE ORDER OF 9 OR 10 PER CENT, TO FOREIGN COMPETITION. AND THAT THOSE CHARACTERISTICS OF OUR STEEL INDUSTRY SIGNIFICANTLY DIFFERENTIATED IT FROM OTHER STEEL INDUSTRIES AROUND THE WORLD, AND IN THOSE CIRCUMSTANCES IT WAS APPROPRIATE THAT WE SHOULD BE CONSIDERED FOR DIFFERENTIAL TREATMENT. SHE DID NOT RESIST THE LOGIC OF THAT POSITION, AND SAID SHE WOULD TAKE IT INTO ACCOUNT. I ALSO INDICATED TO HER THAT

WE WERE QUITE HAPPY ABOUT THE PRESIDENT'S EXPRESSED CONCERN AT THE QUESTION OF TRADING PRACTICES WITHIN THE WORLD STEEL INDUSTRY, THAT IT WAS APPROPRIATE FOR CONSIDERATION WITHIN THE MULTILATERAL FRAMEWORK.

JOURNALIST: WOULD YOU LIKE TO SEE THE UNITED STATES AS AN EQUAL PARTNER IN ANY PACIFIC FORUM, OR DO YOU ACCEPT THAT ONCE IN THEY WOULD BECOME A PROMINENT PLAY?

PM: OH, THE INITIATIVE. THEY ARE AN EQUAL PARTNER. I DON'T KNOW WHETHER THAT QUESTION, TO SOME EXTENT, GOES BACK TO AN APPREHENSION THAT WE HAD, IN THE BEGINNING, SOUGHT TO DIFFERENTIALLY TREAT THE UNITED STATES. THERE WAS NEVER ANY BASIS FOR THAT, AND THAT'S ACCEPTED BY MY FRIENDS HERE IN THE ADMINISTRATION. WE SIMPLY, WHEN I ADVANCED THE IDEA IN SEOUL IN JANUARY OF THIS YEAR, WERE CONSCIOUS OF THE FACT THAT WITHIN SOME OF THE OBVIOUSLY CORE COUNTRIES OF THE REGION, THERE MAY HAVE BEEN SOME QUESTION ABOUT THE EQUAL RELEVANCE OF THE CONCEPT OF THE UNITED STATES AND CANADA. BECAUSE WE WERE AWARE THERE WAS A POSSIBILITY OF THAT ATTITUDE, WE DECIDED THAT IT WAS APPROPRIATE, IN THE FIRST PLACE, TO TALK TO THOSE CORE COUNTRIES. WHEN I TALK ABOUT CORE COUNTRIES, I AM OBVIOUSLY TALKING ABOUT TEN. THESE ARE THE SIX ASEAN COUNTRIES, PLUS AUSTRALIA, NEW ZEALAND, JAPAN AND KOREA. I WAS PLEASED, AS I SENT MY REPRESENTATIVE AROUND THESE CORE COUNTRIES, THAT THE OVERWHELMING VIEW WAS THAT FROM THE BEGINNING, IT WAS APPROPRIATE FOR UNITED STATES AND CANADA TO BE IN. THAT WAS OUR POSITION. IT WAS ONE THAT OVERWHELMINGLY WAS ACCEPTED. AND NOW THAT IS A CONSENSUS POSITION. SO THAT MEANS THAT AS WE PROCEED NOW, THE UNITED STATES WILL BE TOTALLY AN EQUAL PARTNER FROM THE BEGINNING.

JOURNALIST: IS THERE A DIFFERENCE OF VIEW AT THIS POINT BETWEEN THE U.S. AND AUSTRALIA UPON WHETHER THE WAY SHOULD BE LEFT OPEN TO INCLUDE CHINA IN THE PACIFIC REGIONAL GROUP AND, IN PARTICULAR, THAT THE OPTION INCLUDING CHINA SHOULD NOT BE CLOSED OFF BY UNITING HONG KONG AND TAIWAN BEFORE THE ISSUE OF CHINA'S MEMBERSHIP IS RESOLVED?

PM: I THINK IT IS FAIR ENOUGH TO SAY THAT THERE IS AN IDENTITY OF VIEW: ULTIMATELY YOU CAN'T TALK ABOUT AN ASIAN PACIFIC ECONOMIC COOPERATION GROUP WITHOUT THE INCLUSION OF CHINA. BUT I THINK EQUALLY THERE IS A VIEW THAT IN TERMS OF THIS YEAR, THE INVOLVEMENT OF CHINA IS UNLIKELY. THERE IS NO DIFFERENCE BETWEEN US THAT YOU CAN'T HAVE TAIWAN IN WITHOUT CHINA. YOU CAN'T SAY BECAUSE WE HAVE GOT A PROBLEM WITH CHINA, WE WILL NOW HAVE TAIWAN IN. THERE IS NO DIFFERENCE BETWEEN US ON THAT.

JOURNALIST: WELL WHAT IS THE POSITION?

PM: WELL SIMPLY THAT WE WOULD NOT BE HAVING TAIWAN IN THE ABSENCE OF CHINA. YOU SEE, THE POSITION THAT HAD BEEN REACHED BEFORE JUNE FOUR WAS THAT THERE WAS A CLEAR VIEW HAD EMERGED, AS MR WOOLCOTT WENT AROUND THE REGION, THAT IT MADE SENSE FOR CHINA TO BE IN. AS YOU KNOW, MR WOOLCOTT, ON MY BEHALF, WENT TO CHINA, HE SAW PREMIER LI PENG, IN FACT, TRAGICALLY, JUST A MATTER OF HOURS BEFORE THE DECISIONS WERE TAKEN THERE AND THE ATTITUDE OF PREMIER LI PENG WAS THAT A) THEY WANTED TO BE IN; AND B) THEY BELIEVED, AND I PUT THIS IN SHORTHAND TERMS, THAT PROCESSES WERE AVAILABLE WHEREBY TAIWAN AND HONG KONG WOULD BE ABLE TO BE ACCOMMODATED. NOW OF COURSE WHAT WE ARE DEALING WITH NOW IS A QUITE DIFFERENT SITUATION. BECAUSE REALISTICALLY WE CAN SEE THAT CHINA AT THIS STAGE, AND IN FACT I WOULD THINK ALL THE COUNTRIES THAT HAVE BEEN VISITED BY MR WOOLCOTT IN THAT PRE JUNE FOUR SITUATION, WOULD BE ADJUSTING THEIR IMMEDIATE POSITION IN LIGHT OF WHAT HAS HAPPENED THERE. BUT LOOKING DOWN THE TRACK, I THINK IT IS A GENERAL VIEW PARTICULARLY THAT THE MORE CHINA MOVES TO REFORM ITS ECONOMY THE MORE ANY ASIAN PACIFIC ECONOMIC REGIONAL GROUPING WOULD NEED TO INCLUDE CHINA.

JOURNALIST: MR PRIME MINISTER THERE HAS BEEN VERY LITTLE PUBLIC DISCUSSION OF ANZUS HERE IN WASHINGTON. I WONDER, DOES AUSTRALIA CONTINUE TO SUPPORT AMERICA'S NEITHER CONFIRM NOR DENY NUCLEAR POLICY? DO YOU NEED THAT POLICY FOR DOMESTIC REASONS AND DO YOU THINK THE U.S. SHOULD MODIFY ITS POSITION TOWARDS NOT MEETING WITH SENIOR NEW ZEALAND GOVERNMENT OFFICIALS?

PM: WELL, THE ANSWER TO THAT QUESTION, MAY I SAY WITH RESPECT, IS FAIRLY OBVIOUS IN TERMS OF PRACTICE.

(PM CONT) WE HAVE LIVED NOW, COMFORTABLY, WITH UNITED STATES POLICY, AND WE TAKE A VERY SIMPLE AND, I WOULD HAVE THOUGHT, A GLARINGLY OBVIOUS VIEW THAT IF YOU HAVE AN ALLIANCE RELATIONSHIP AS WE DO, AND HAVE HAD NOW FOR MORE THAN 30 YEARS WITH THE UNITED STATES, THEN YOU CAN'T HAVE AN ERSATZ RELATIONSHIP AND SAY, HERE MATE WE ARE ALLIES, BUT DON'T BRING YOUR BLOODY SHIPS IN. IT DOESN'T MAKE VERY MUCH SENSE. AND WE HAVE OPERATED ON THAT BASIS. NOW YOU ADVANCE, UNDERSTANDABLY, THE QUESTION OF NEW ZEALAND. AND OUR POSITION HAS BEEN EQUALLY AS CLEAR FROM THE BEGINNING. WE THINK THAT NEW ZEALAND IS WRONG IN ITS POSITION. WE RESPECT THEIR RIGHT TO BE WRONG AND WITH THE FULL UNDERSTANDING OF THE UNITED STATES, WE HAVE CONTINUED A DEFENCE RELATIONSHIP IN THE BILATERAL SENSE BETWEEN OURSELVES AND NEW ZEALAND.

NOW AS TO HOW THE UNITED STATES CONDUCTS ITS RELATIONS WITH NEW ZEALAND, I MERELY WANT TO SAY TWO THINGS. FIRSTLY, WE HAVE SAID FROM THE BEGINNING TO THE UNITED STATES, WHO OBVIOUSLY WERE VERY CONSIDERABLY OFFENDED BY THE DECISION OF NEW ZEALAND, THAT WE DIDN'T WANT THE UNITED STATES TO PUNISH NEW ZEALAND IN ANY ECONOMIC SENSE FOR THE DECISION THAT NEW ZEALAND HAD TAKEN. WE THOUGHT THAT WAS INAPPROPRIATE. AND TO THE GREAT CREDIT OF THE UNITED STATES, ALTHOUGH THERE HAVE BEEN SOME WHO HAVE TAKEN THE VIEW THAT WOULD BE AN APPROPRIATE COURSE OF ACTION, IT HASN'T BEEN A COURSE OF ACTION THAT HAS BEEN FOLLOWED, AND WE THOROUGHLY ENDORSE THAT ATTITUDE OF THE UNITED STATES. AS TO HOW THEY CONDUCT THEMSELVES, AS TO WHETHER THEY MEET MINISTERS OR NOT, THAT IS ABSOLUTELY A MATTER FOR DECISION BY THE UNITED STATES.

JOURNALIST: HOW IMPECCABLY HAVE WE OBSERVED OUR OBLIGATIONS IN ANZUS, DO YOU FEEL LET DOWN BY THE FACT THAT THE BUSH ADMINISTRATION IS CONTINUING THE SAME ATTITUDE AS THE REAGAN ADMINISTRATION IN REFUSING TO SIGN THE PROTOCOLS FOR THE RARATONGA TREATY?

PM: WELL THIS HAS BEEN A MATTER I HAVE DISCUSSED WITH THEM ON THIS VISIT, MILTON. I HAVE PUT VERY STRONGLY TO THEM THAT WE THINK IT IS APPROPRIATE THEY SHOULD CHANGE THEIR POSITION. LET ME JUST SPEND A MINUTE ELABORATING ON THAT. THE INTERESTING POINT TO NOTICE, FIRSTLY, IS THAT THE UNITED STATES' PREVIOUS ADMINISTRATION AND THIS ONE HAVE NOT, AT ANY POINT, QUESTIONED THE INTEGRITY OF THE WAY IN WHICH WE DEALT WITH THIS IN TERMS OF THE NON-IMPINGEMENT OF THE SOUTH PACIFIC NUCLEAR FREE ZONE TREATY UPON OUR OBLIGATIONS UNDER ANZUS. THEY HAVEN'T QUESTIONED THAT.

(PM CONT) THEIR CONCERN, RATHER, HAS BEEN THE POSSIBLE IMPACT OF THEM BECOMING SIGNATORIES TO THE PROTOCOLS, THE POSSIBLE IMPACT OF THAT IN OTHER PARTS OF THE WORLD, PERHAPS JAPAN AND NORTHERN EUROPE. NOW, WE HAVE TAKEN THE VIEW THAT THIS IS NOT A COMPELLING REASON AND I HAVE REPEATED THAT ON THIS VISIT. BUT I HAVE ALSO SAID THAT WE ARE LOOKING AT A SOUTH PACIFIC REGION WHICH NOW, AS WE COME TO THE END OF THE 1980'S, IS CONSIDERABLY LESS STABLE THAN IT WAS IN THE BEGINNING OF THE 1980'S. OUR COLLEAGUES IN THE SOUTH PACIFIC FORUM SEE A SITUATION IN WHICH CHINA AND THE SOVIET UNION ADHERE TO THE PROTOCOLS, BUT A SITUATION IN WHICH THE UNITED STATES, UNITED KINGDOM AND FRANCE HAVE NOT. AND THEY MAKE THEIR JUDGMENTS ABOUT THAT POSITION. I HAVE SAID TO MY FRIENDS HERE IN THE UNITED STATES THAT I THINK, IN MY JUDGEMENT, THAT IT IS AGAINST THE INTERESTS OF THE UNITED STATES TO FOLLOW THIS COURSE OF ACTION AND PRODUCE AN ADVERSE RELATIVE JUDGEMENT BY THE COUNTRIES OF THE REGION AGAINST THE UNITED STATES. I HAVE PUT THAT POSITION STRONGLY, AND ALL I CAN SAY IS THAT THEY HAVE LISTENED TO WHAT I HAVE TO SAY AND HAVE SAID THAT THEY WILL HAVE A LOOK AT THEIR POSITION. BUT THEY HAVE SAID THAT WITHOUT ANY COMMITMENT THAT THEY WILL CHANGE, BUT THEY HAVE AGREED TO HAVE A FURTHER LOOK AT IT.

JOURNALIST: YOU SAID TO PRESIDENT BUSH TODAY THAT IT HAD BEEN 25 YEARS SINCE AN AMERICAN PRESIDENT HAD VISITED AUSTRALIA. DO YOU THINK THIS IS A SIGN THAT THE AMERICANS EITHER TAKE US FOR GRANTED, OR DON'T TAKE US SERIOUSLY? DID YOU DISCUSS WITH PRESIDENT BUSH TODAY ANYTHING SPECIFIC ABOUT HIM COMING TO AUSTRALIA?

PM: I THINK I SAID 23.

JOURNALIST: YOU SAID OVER 23 YEARS ... EITHER TAKE US FOR GRANTED OR DON'T TAKE US SERIOUSLY AND DID YOU DISCUSS WITH PRESIDENT BUSH TODAY ANYTHING SPECIFIC ABOUT HIM COMING TO AUSTRALIA.

PM: I DON'T THINK IT IS THAT IT CAN SUSTAIN THE CONCLUSION TO TAKE US FOR GRANTED. I MEAN WHAT WE HAVE GOT TO FACE IS THE SIMPLE FACT, AND I HAVE NEVER AVOIDED IT, THAT THE UNITED STATES IS A GLOBAL POWER, WITH GLOBAL RESPONSIBILITIES AND WITHIN THAT, WHILE WE ARE AMONGST THE STAUCHEST OF THEIR ALLIES, WE, THE POPULATION OF SOME NEARLY 17 MILLION PEOPLE, DON'T LOOM AS LARGE IN ECONOMIC TERMS AS OTHERS. I DON'T FEEL ANY SENSE AT ALL FROM THAT FACT THAT WE HAVE BEEN TAKEN FOR GRANTED. AND ALL THE EVIDENCE, SURELY, OF THIS VISIT AND THE PREVIOUS VISITS I HAVE MADE HERE, WOULD REPUDIATE SUCH A SUGGESTION.

(PM CONT) WE GET FAR BETTER TREATMENT THAN A COUNTRY WHICH IS TAKEN FOR GRANTED. HOWEVER I HAVE SAID IT WOULD BE, I THINK, VERY GOOD FOR THE RELATIONSHIP, FOR THE PEOPLE OF AUSTRALIA AND THE UNITED STATES, IF THE PRESIDENT WERE TO COME AND, IN THAT SENSE, I HAVE DISCUSSED THE MATTER IN SOME DETAIL WITH HIM AND THE POSITION IS THIS, PUT SIMPLY, THAT THE PRESIDENT HAS EXPRESSED AN UNEQUIVOCAL DESIRE TO COME TO AUSTRALIA AND HIS PROGRAM IS GOING TO BE EXAMINED TO SEE WHEN THAT IS POSSIBLE. BEYOND THAT I HAVE NOTHING TO SAY. OVER TO YOU.

JOURNALIST: DID SUGAR COME UP IN YOUR DISCUSSIONS, YOUR COMPLAINT AGAINST THE U.S.? WHAT WERE THE RESULTS FOR THOSE DISCUSSIONS, WHY DID YOU FEEL THAT YOU HAD TO RAISE THAT OUTSIDE THE URUGUAY ROUND?

PM: OH, WELL YOU HAVE GOT A SITUATION WHERE WE HAVE JUST RECENTLY HAD A GATT DECISION WHICH HAS SUPPORTED THE ACTION WHICH WE TOOK. AND I SIMPLY RAISED THAT WITH THE RELEVANT MEMBERS OF THE ADMINISTRATION. THEY ACCEPTED THE FACT OF THE DECISION IN THE OF COURSE, IT WAS OPEN TO US TO INSIST UPON A BILATERAL RESOLUTION OF THE MATTER NOW. THEY EXPRESSED THE VIEW THAT THE COURT COULD BE SETTLED WITHIN THE MULTILATERAL FRAMEWORK WITHOUT AN ATTEMPT TO USE THAT AS A BUYING OFF PROCESS, ACCEPTING THE OBLIGATION WHICH IS UPON THEM AS A RESULT OF THE GATT DECISION, AND THAT IS HOW IT HAS BEEN AMICABLY LEFT. IT WILL BE A MATTER FOR FURTHER DISCUSSION BETWEEN OUR OFFICIALS.

JOURNALIST: DID YOU OR KIM BEAZLEY DISCUSS THE GROWTH OF INDIAN MILITARY POWER AND, IN PARTICULAR, THE NEW DEVELOPMENTS OF THE INDIAN ICBM PROGRAM NOT THE IRBM PROGRAM?

PM: INDIA DID COME UP RECENTLY IN THE DISCUSSION AND I WAS ASKED FOR MY IDEA ABOUT THE RELEVANCE THERE. I DIDN'T SPECIFICALLY GO TO THAT DEVELOPMENT. RATHER, THE QUESTION WAS RAISED IN TERMS OF THE RELATIONSHIP IN THE REGION AND THE BUILD UP OF ITS ARMED CAPACITIES.

(PM CONT) I EXPRESSED THE VIEW TO THE PRESIDENT AND MR BAKER, FLOWING FROM THE DISCUSSIONS I HAVE HAD WITH MY FRIEND RAJIV GHANDI IN FEBRUARY OF THIS YEAR - THEY WERE LENGTHY DISCUSSIONS THAT AS IT WAS PUT TO ME BY PRIME MINISTER GHANDI WHO HAD A VERY FRUITFUL, AS HE SAW IT, VISIT TO CHINA AND HE THAT NOT ONLY THE OF THE VISIT BUT, MORE IMPORTANTLY, THE MECHANISMS THAT HAD BEEN SET IN PLACE AS A RESULT OF THAT VISIT TO TRY AND ACHIEVE A RESOLUTION OF THEIR BORDER DISPUTE, WAS SUCH AS TO LEAVE HIM, PRIME MINISTER GHANDI, AN OPTIMISTIC ASSESSMENT OF FUTURE RELATIONS BETWEEN CHINA AND INDIA. SIMILARLY, HE TOLD ME THAT HE HAD ESTABLISHED VERY GOOD, HE THOUGHT, FRIENDLY, CONSTRUCTIVE RELATIONS WITH PRIME MINISTER BENEZIR BHUTTO OF PAKISTAN. AND HE PARTICULARLY THOUGHT THAT AFTER THE NEXT INDIAN ELECTIONS, TO BE HELD THIS YEAR OR EARLY NEXT YEAR, THERE WAS THE OPPORTUNITY FOR A CONSTRUCTIVE RESOLUTION OF THEIR BORDER PROBLEMS. HIS OVERALL ASSESSMENT THEREFORE, FLOWING FROM THE CONCLUSION VIS A VIS CHINA AND PAKISTAN, WAS THAT INDIA WOULD BE IN A POSITION TO REDUCE ITS MILITARY EXPENDITURE AND POSTURE. NOW THESE DAYS, ON SO MANY ISSUES, THAT WAS PRE JUNE THE FOURTH. PRE TIANANMEN SQUARE. HOW FAR THOSE EVENTS ARE GOING TO CAUSE A REASSESSMENT BY PRIME MINISTER GHANDI AS TO THE CONFIDENCE HE MAY HAVE ABOUT FUTURE RELATIONS IS A POINT ABOUT WHICH I CAN'T SPEAK WITH AUTHORITY. BUT IF THAT IS NOT A COMPLICATING FACTOR, THEN I HAVE THE FEELING FROM THE DISCUSSIONS I HAD WITH RAJIV GHANDI THAT WE CAN EXPECT SOME RELEVANT ...(INAUDIBLE)... AND TO A FURTHER POINT I MADE WAS THAT IN THE DISCUSSIONS I HAVE HAD WITH PRIME MINISTER BHUTTO AND PRIME MINISTER GHANDI, I HAD SAID THESE THINGS. FIRSTLY, THAT WE WOULD LIKE TO HAVE REGULAR ANNUAL BASIS OF CONSULTATIONS BETWEEN US ON DEFENCE ISSUES. THEY HAVE AGREED TO THAT SO WE ARE NOW IN A POSITION WHERE WE ARE GOING TO BE ABLE TO STAY REGULARLY IN TOUCH WITH THEM ON THEIR THINKING IN THESE MATTERS. MOST IMPORTANTLY, I SAID TO THEM BOTH, THAT WE WERE CONCERNED FROM A REGIONAL POINT OF VIEW ABOUT THE POTENTIAL ESCALATION OF NUCLEAR CONFLICT BETWEEN THEM AND SUGGESTED POSSIBLE MEASURES WHICH COULD LEAD TO A REDUCTION OF TENSION IN THAT AREA. AND WE WOULD LIKE THEM TO BECOME PARTNERS TO THE NPT TREATY AND WHETHER THEY WILL OR NOT I DON'T KNOW BUT I HAVE GIVEN THE UNDERTAKING TO THE ADMINISTRATION HERE THAT WE WILL, FROM AUSTRALIA, CONTINUE TO PRESS THAT POSITION WITH THEM.

JOURNALIST: PRIME MINISTER, THIS MORNING PRESIDENT BUSH USED THE WORD UNIQUE TO DESCRIBE AUSTRALIA'S RELATIONSHIP WITH CHINA. HAS THAT LED TO DISCUSSION ON ANY PARTICULAR ROLE AUSTRALIA MIGHT PLAY AND SECONDLY, HOW USEFUL DO YOU THINK YOUR PARTICULAR RELATIONSHIP WITH CHINA HAS BEEN DURING TALKS WITH THE AMERICANS

PM: WELL, NO PARTICULAR INITIATIVE HAS BEEN SUGGESTED BUT THE PRESIDENT WAS KIND ENOUGH AS WELL AS PUBLICLY AND PRIVATELY TO ACKNOWLEDGE THE STRENGTH OF THE RELATIONSHIP BETWEEN OUR TWO COUNTRIES. THE STRENGTH OF THAT RELATIONSHIP MAYBE INDICATED BY THE FACT THAT THE CHINESE THEMSELVES RECENTLY SAID - WELL AT THE END OF LAST YEAR I THINK IT WAS - THAT NOT ONLY IN RELATIVE TERMS, BUT IN ABSOLUTE TERMS, THERE WAS A GREATER LEVEL OF MINISTERIAL INTERCHANGES BETWEEN CHINA AND AUSTRALIA THAN BETWEEN CHINA AND ANY OTHER COUNTRY. WHICH IS A REFLECTION OF THE FACT THAT EARLY IN THE PIECE THERE WAS A RECOGNITION BY PRIME MINISTER WHITLAM, THAT CHINA, AND TO THE CREDIT OF PRIME MINISTER FRASER, THAT WAS CONTINUED AND CERTAINLY HAS BEEN STRENGTHENED UNDER MY PRIME MINISTERSHIPS. SO THERE IS NO DOUBT ABOUT THE UNIQUENESS OF THE RELATIONSHIP BUT IT DIDN'T FLOW FROM THAT ANY SUGGESTION ABOUT THE OPPORTUNITY FOR ANY PARTICULAR INITIATIVE. BUT, GOING TO THE SECOND PART OF YOUR QUESTION, THE PRESIDENT AND MR BAKER WERE INTERESTED FROM THE BASIS OF THAT PARTICULAR KNOWLEDGE THAT WE HAVE OF CHINA AND THEIR LEADERS, AND OF OUR RELATIONSHIP WITH THEM TO TRY AND GET OUR ASSESSMENT OF HOW WE THOUGHT FUTURE DEVELOPMENTS WOULD TAKE PLACE. AND WHILE THERE IS, AS I SAY NO SUGGESTION OF ANY PARTICULAR INITIATIVE, WE HAVE AGREED TO STAY IN CONSTANT COMMUNICATION ON THIS ISSUE AND TO SHARE EXPERIENCE, KNOWLEDGE AND VIEWS IN THE HOPE THAT BY SUCH SHARING WE MAY BE ABLE, WITH OTHERS, TO HAVE INFLUENCE, BENIGN INFLUENCE UPON THE DIRECTION OF THE FUTURE POLICY WITHIN THAT COUNTRY.

JOURNALIST: BACK ON TO GATT DID YOU RAISE ANY OTHER SPECIFIC PROPOSALS WITH THE PRESIDENT AS TO HOW THE U.S. COULD HELP STEER THE GATT NEGOTIATIONS TO A SUCCESSFUL OUTCOME, AND THE SECOND QUESTION BACK ON CHINESE SANCTIONS. DID YOU ALSO RAISE THE QUESTION OF THE AUSSAT SATELLITE WHICH OF COURSE GOT CAUGHT UP IN THE U.S. SANCTIONS ON THE FORTIFIED TECHNOLOGY?

PM: YES. WELL THAT AGAIN, NO REALLY TWO THINGS. THE SPECIFICS THAT I HAVE TALKED ABOUT AS TO APPROPRIATE COURSE OF ACTION IN REGARD TO THE WAY IN WHICH THEY APPROACH THE 1990 FARM BILL.

(PM CONT) SECONDLY, JUST A DISCUSSION ABOUT THE ABSOLUTE URGENT AND FUNDAMENTAL IMPORTANCE OF ATTEMPTING TO GET A POSITIVE OUTCOME FROM THE GATT NEGOTIATIONS. WE ARE AT ONE ABOUT THAT. MEAN, THIS IS NOT SOME MERE FORMAL LIP SERVICE WE ARE PAYING TO THESE PROCESSES. WE HAVE AGREED THAT WE NEED TO APPLY OUR VERY BEST ENDEAVOURS INDIVIDUALLY, AND IN OUR CASE, WITHIN THE CAIRN GROUP, TO SECURE A POSITIVE OUTCOME AND HAVE UNDERTAKEN TO STAY IN CONSTANT AND CONSTRUCTIVE COMMUNICATION WITH ONE ANOTHER BETWEEN NOW AND THE END OF THE ROUND TO SECURE THAT OUTCOME.

JOURNALIST: AUSSAT?

PM: I'M SORRY, AUSSAT. THERE IS ACKNOWLEDGEMENT BY US THAT THE SATELLITE IS CAUGHT UP IN THE MUNITIONS DECISION. WE UNDERSTAND THAT. WE HAVE AGREED THAT WE WILL STAY IN COMMUNICATION ON THAT ISSUE AND THAT WILL BE DONE AT OFFICIALS LEVEL. I MAKE THE POINT THAT WE, AUSTRALIA, HAVE UP UNTIL JULY OF NEXT YEAR TO MAKE A FINAL DECISION ON THAT MATTER. AND SO WE WILL STAY, AS I SAY IN CONTACT AT THE OFFICIAL LEVEL TO SEE HOW THE SITUATION WITHIN CHINA DEVELOPS, THE ATTITUDE, WHAT OUR SHARED VIEW IS AS TO THE APPROPRIATE ATTITUDE ON THIS ISSUE AND IF WE, AS AUSTRALIANS HAVE TO THEN, IN THE LIGHT OF DEVELOPMENTS CONTEMPLATE ALTERNATIVES.

JOURNALIST: MR HAWKE, I WONDERED IF YOU HAD ANY FURTHER UPDATED INFORMATION ON THE WHEREABOUTS AND SAFETY OF ZHAO ZIYANG SINCE YOU HAVE BEEN HERE?

PM: WE UNDERSTAND THAT ZHAO ZIYANG IS STILL IN A SITUATION OF HOUSE ARREST AS IT WERE. THAT HE HAS NOT BEEN ILL TREATED. WE WILL CONTINUE TO MONITOR THE SITUATION AND TRY AND BE AS WELL INFORMED AS WE POSSIBLY CAN. I THINK ONE WOULD HAVE TO SAY THAT THERE IS A SLIGHTLY SINISTER, CERTAINLY WORRISOME OVERTONE IN THE STATEMENT, THAT HAVING CONDEMNED HIM IN THE FAIRLY EXTENSIVE WAY THEY HAVE FOR HIS INVERTED COMAS CRIMES THAT THEY ARE GOING TO LOOK FURTHER INTO THE ISSUE. IT WOULD SEEM THAT THIS CARRIES POSSIBLE SERIOUS OVERTONES AS TO FURTHER ACTION. OF COURSE, IT MAYBE IN A SENSE, SIMPLY A WARNING

JOURNALIST: WOULD AUSTRALIA BE A CONTACT IN THE TO LOOK AFTER THE?

PM: I HAVE ALREADY DONE THAT. I MEAN THE LETTER THAT I WROTE LI PENG IN VERY CLEAR TERMS, I SPELT OUT THAT IN THAT PARAGRAPH THAT THERE SHOULD BE A HUMANITARIAN AND DECENT APPROACH SHOWN T THOSE INCLUDING THOSE IN LEADERSHIP POSITIONS WHO HAD DIFFERED FROM THOSE IN CURRENT AUTHORITY. THAT WAS CLEARLY INTENDED TO COVER THE CASE OF ZHAO ZIYANG AND WOULD HAVE BEEN SO INTERPRETEI

JOURNALIST: DID YOU DISCUSS THE ROLE OF THE JOINT FACILITIES IN AUSTRALIA MONITORING NUCLEAR DISARMAMENT AND IS THERE ANY PROSPECT OF THAT BEING EXTENDED?

PM: NO WE DIDN'T DISCUSS IT BECAUSE THERE WAS NO NEED TO. I MEAN, AS YOU KNOW WE HAVE RECENTLY A TEN YEAR EXTENSION. THOSE FACILITIES, THAT ARRANGEMENT AGREEMENT IS IN EXCELLENT SHAPE. THERE WAS NO NEED ON EITHER SIDE TO FURTHER DISCUSS IT.

JOURNALIST: IN YOUR DISCUSSIONS ON CAMBODIA DID YOU GET ANY SENSE THAT THE BUSH ADMINISTRATION WAS BACKING OFF ITS PLAN TO AID THE NON-COMMUNISTS?

PM: IS BACKING OF FROM?

JOURNALIST: IS BACKING OFF FROM PLANS TO AID THE NON-COMMUNISTS.

PM: TO PROVIDE LETHAL AID YOU MEAN?

JOURNALIST: YES.

PM: NO, I DON'T THINK IT WOULD BE FAIR TO SAY THAT THEY GAVE AN IMPRESSION THEY WERE BACKING OF. THEY WERE VERY INTERESTED TO GET MY THINKING ON IT. I DRAW ANY CONCLUSIONS FROM THAT, THAT THAT MEANS THEY ARE CONTEMPLATING BACKING AWAY, BUT ARE CERTAINLY INTERESTED TO HEAR A QUITE DETAILED LENGTHY EXPOSITION ON THIS MATTER WHICH I, AT THEIR REQUEST, PROVIDED THEM. I THINK, REALLY WHAT YOU HAVE GOT TO SAY ABOUT THE SITUATION, VERY VERY BRIEFLY IS THAT, AS I SAID THERE ARE LOTS OF PROMISING ELEMENTS ON THE TABLE. I THINK THERE IS REASON FOR OPTIMISM.

(TAPE INAUDIBLE, CHANGING TAPES)

THIRDLY, HOWEVER, YOU HAVE GOT TO HAVE THIS SERIOUS QUESTION MARK ABOUT WHAT WILL BE THE IMPACT OF THE RECENT EVENTS IN CHINA UPON THE ATTITUDE THAT CHINA WILL ADOPT.

(PM CONT) TO SAY THERE IS CONFLICTING VIEWS BEING EXPRESSED BY PEOPLE, AS WHEN I WAS TALKING TO THE FRENCH FOREIGN MINISTER LAST WEEK, HE SAID THEY HAD A LETTER FROM THE THAI PRIME MINISTER, PRIME MINISTER SITTHI, THAT THEY THOUGHT THERE WOULDN'T BE ANY CHANGE IN THE CHINA POSITION. BUT THEN THEY HAD JUST HAD THAT MORNING A CABLE FROM THEIR OWN AMBASSADOR SUGGESTING A DIFFERENT POINT OF VIEW. MY OWN HUNCH IS THAT IF IT MAY BE THAT THERE WILL BE A TOUGHER LOOK AT THE CHINESE POSITION NOW. I'M SIMPLY SAYING THAT WHEN YOU TAKE ALL THOSE VARIOUS STRANDS TOGETHER, I STILL HAVE A DEGREE OF OPTIMISM, AND I SPEAK FOR THAT REASON THAT I WAS SAYING THAT I THINK IT WOULDN'T BE A POSITIVE ELEMENT TO INTRODUCE AND I THINK THAT SOMETHING, HOPEFULLY, WILL BE TAKEN INTO ACCOUNT THAT I CAN'T IN ANY SENSE, SAY WHAT THE OUTCOME OF THEIR CONSIDERATION OF WHAT I SAY OR CONSIDERATION OF THE VARYING VIEWS THAT HAVE BEEN EXPRESSED WITHIN CONGRESS AND SO ON WOULD BE ON THEIR FINAL DECISION.

JOURNALIST: YOU SAID THAT YOU WOULD COME BACK TO THAT POINT ABOUT AMERICAN ASSISTANCE FOR THE REGIONAL GROUP, AND WENT BEYOND THE ECONOMIC ISSUES

PM: WELL, I'M SIMPLY SAYING THAT THERE IS A VIEW ON THE PART OF MR BAKER THAT THERE IS ROOM FOR A BROADENING OF THE CHARTER AS IT WERE OF SUCH A GROUP, TO GO TO, WHAT IN THE BROAD SENSE OF THE

WORD MIGHT BE DESCRIBED AS POLITICAL CONSIDERATIONS. NOW MY VIEW ON THAT IS THAT ONE HAS TO BE EXTRAORDINARILY SENSITIVE, AS I SAID BEFORE GEOFF, OF THE ASEAN POSITION AND THEN THEY HAVE COME TO A POSITION WHERE THEY SUPPORT, AND HAVE EXPRESSED THEIR SUPPORT TO US, THE CONCEPT THAT I HAVE ADVANCED. BUT THEY HAVE DONE THAT WITHIN SAYING TO MR WOOLCOTT WHEN HE LED MY TEAM THAT'S GONE ROUND THE REGION. THEY MADE IT QUITE CLEAR THAT THEY ATTACH, IN A POLITICAL AREA, A PRIMACY TO THE ASEAN GROUPING AND ITS ROLE AND FUNCTIONS. NOW MY VIEW SIMPLY ON THAT ISSUE IS THAT WE HAVE TO RESPECT THAT SENSITIVITY AND I'M CERTAINLY NOT GOING TO SUPPORT ANY POSITION WHICH, BY PUSHING POLITICAL TYPE ISSUES, COULD UNDERMINE THE SUPPORT WHICH THEY EXPRESSED FOR MY CONCEPT.

JOURNALIST: REGARDING CHINA. YESTERDAY IN YOUR SPEECH, YOU SAID SOMETHING ABOUT THE STUDENT LEADERS HAVE NOT BEEN EXECUTED, BUT THOSE EXECUTED HAVE BEEN WORKER'S REPRESENTATIVES AND THOSE INVOLVED IN THE SHANGHAI TRAIN INCIDENT. DID YOU MEAN TO IMPLY THAT THEY ARE LESS VALUABLE THAN THE STUDENT LEADERS ...?

PM: NO, NO, NOT AT ALL, I MEAN, I DON'T THINK ANYONE, ANYWHERE AROUND THE WORLD HAS BEEN MORE EXPLICIT AND CONDEMNATORY THAN I HAVE IN REGARD TO WHAT THEY HAVE DONE. I WAS SIMPLY SAYING, IT IS A FACT THAT AT THIS POINT THERE DOESN'T SEEM TO HAVE BEEN THE PURSUIT TO THE POINT OF EXECUTION, THE PURSUIT THEN IS APT IN A SENSE A QUESTION MARK WHICH IS HANGING; WHAT ARE THEY DOING, WHAT

ARE THEY THINKING ABOUT THAT. AND I WAS SIMPLY SAYING THAT IF THEY ARE GOING TO LAUNCH INTO A FURTHER WAY OF EXECUTION, THAT THEY COME TO SOME CONCLUSION ABOUT THAT, THAT WOULD OF COURSE, RAISE VERY SERIOUS QUESTIONS AS TO HOW, WITH WHAT CONFIDENCE YOU COULD CONTINUE THIS POSITION OF SAYING WELL WE DO WANT TO CONTINUE A FORM OF ECONOMIC COOPERATION FOR THE WELFARE OF THE PEOPLE OF CHINA ITSELF. I'M SIMPLY SAYING THAT THAT IS AN UNARGUABLE FACT THAT FURTHER COMPLICATES THE ISSUE. SO ITS A VERY DIFFICULT LINE TO SAY, AND I WELCOME THIS ONE.

JOURNALIST: HOW DO YOU RECONCILE THE DIFFERENCE BETWEEN THE HUMAN RIGHTS AND ECONOMIC SANCTIONS IN SOUTH AFRICA AND HUMAN RIGHTS ABUSE ... IN CHINA?

PM: I DON'T SEE ANY PROBLEM OF RECONCILING THAT POSITION. AS WHAT YOU'VE HAD IN SOUTH AFRICA IS, IE. A POSITION WHERE THERE HAS BEEN A CONTINUING, AND IN FACT ONE MIGHT SAY, AN ESCALATING DENIAL OF HUMAN RIGHTS UNDER THE ABHORRENT SYSTEM OF APARTHEID. ITS NOT AS THOUGH YOU'D HAD SOME RAY OF LIGHT AND A CHANGE OF DIRECTION, YOU'D HAD, AND I REPEAT, NOT ONLY A CONSISTENT PRACTICE OF APARTHEID BUT IF ANYTHING, OVER RECENT YEARS, AN INTENSIFICATION. SO THE CAST OF POLICY OF AUSTRALIA AND THE COMMONWEALTH WAS ONE WHICH WAS RELEVANT TO THAT SITUATION. AND MIGHT I SAY, AS I SAID AT THE PRESS CLUB YESTERDAY, LET NO ONE, NO ONE ARGUE THAT THOSE SANCTIONS HAVE NOT HAD AN EFFECT. I REMIND

YOU OF WHAT THE ... , THE GOVERNOR OF THE RESERVE BANK SAID ON THE 9 MAY, AND HIS EXACT WORDS WERE THAT INTERNATIONAL PRESSURES, PARTICULARLY FINANCIAL SANCTIONS HAD CRIPPLED SOUTH AFRICA'S ABILITY TO DELIVER SUSTAINED ECONOMIC GROWTH AND THAT TREND, HE SAID, COULD NOT BE REVERSED WITHOUT QUOTE, "ADEQUATE PROGRESS IN THE FIELD OF POLITICAL AND CONSTITUTIONAL REFORM". SO THAT'S THE FRAMEWORK THERE AND AGAINST THAT YOU HAVE A POSITION IN CHINA WHERE THERE HAS BEEN SIGNIFICANT CHANGE UNDER THE EXISTING STRUCTURE OF LEADERSHIP WHICH HAD INVOLVED BOTH ECONOMIC REFORM AND A GRADUAL CONTEMPLATION IN THE PROCESSES OF POLITICAL CHANGE. NOW WE HAVE HAD THE TRAGEDY OF THE FOURTH OF JUNE AND A SITUATION WHERE THERE IS NOW AN UNCERTAINTY ABOUT THE FUTURE. THERE SHOULD BE HOPE IN THE WORLD THAT WE MAY BE ABLE TO GET BACK IN CHINA, BOTH TO A RESUMPTION OF ECONOMIC REFORM, WHICH THIS NEW STRUCTURE SAYS THAT THEY ARE STILL COMMITTED TO. AND WITHIN THAT FRAME, I THINK WE ARE ABLE TO HAVE A CONTINUATION OF ECONOMIC REFORM, AND OPENING TO THE OUTSIDE WORLD THE CREATION OF CONDITIONS IN WHICH THERE CAN BE A RESUMPTION OF THE PROCESSES OF PRESSURE FOR POLITICAL CHANGE. NOW YOU ONLY NEED THAT EXPOSITION TO UNDERSTAND THAT YOUR ANALOGY IS SIMPLISTIC AND LEADS TO NO CONCLUSION, OTHER THAN TO ENDORSE THE COURSE OF ACTION IN CONCEPT THAT HAS BEEN EMBRACED BY THE PRESIDENT AND MYSELF.

JOURNALIST: SIR, DID THE ANTARCTIC COME UP TODAY IN THE WHITE HOUSE AND AS FOLLOW UP TO THAT, DO YOU FEEL THAT YOU HAVE RUN INTO A BRICK WALL WITH WASHINGTON, FURTHER TO YOUR POLICY THERE?

PM: OR AN ICEBERG. YES, WE DISCUSSED IT TODAY, BUT I'VE ALREADY ADDRESSED THIS ISSUE HERE, I THINK WE HAVE ANSWERED A QUESTION ON IT. IT IS A PERFECTLY FRIENDLY, AMICABLE DIFFERENCE OF OPINION. I'VE PUT MY VIEWS ABOUT IT, INDICATED WHAT WE WILL BE DOING, AND IN THE GENTLEST OF TERMS THE UNITED STATES ADMINISTRATION HAS PUT THAT IT HAS A DIFFERENT PERCEPTION. AND ON THIS ISSUE WE ARE, AS I SAY, QUITE AMICABLY AGREED TO GO OUR DIFFERENT WAYS, BUT TO CONTINUE TO CONSULT ON THE ISSUES.

JOURNALIST: YOUR RESPONSES ON THE QUESTION OF CHINA ARE BASED ON A TEST CASE SCENARIO, LOOKING DOWN THE ROAD IN HOPES THAT PERHAPS THERE WOULD BE A RESPIRATION OF PROGRESS FOR ECONOMIC REFORM AND THEN EVENTUALLY POLITICAL REFORM. WHAT IF THAT IS NOT THE COURSE? WHAT IF, TAKING ALL THE EVIDENCE, AND SEEING A HARDLINE FACTION BEING CONSOLIDATED AND LEADERSHIP OF THE PRC THAT IT CONTINUES FOR A PROTRACTED PERIOD A POLICY OF REPRESSION AND PERIOD OF REPRISALS AND SO FORTH? ARE CONTINGENCY PLANS BEING DEVELOPED IN THAT REGARD, WERE THERE ANY DISCUSSIONS OF CONTINGENCY PLANS WITH THE ADMINISTRATION HERE?

PM: NO DISCUSSION OF CONTINGENCY PLANS OTHER THAN THAT WE HAVE AGREED THAT WE ARE GOING TO STAY IN CONSTANT COMMUNICATION AND CONSULTATION ON THIS ISSUE. LET ME MAKE THIS POINT, I MEAN, DON'T

SIMPLY SAY THAT IN REGARD TO WHAT HAS HAPPENED THERE THAT YOU'VE GOT THE HARDLINE GROUP TO SAY THAT IS MONOLITHIC IN TERMS OF THEIR PERCEPTIONS. EVERY INDIVIDUAL IN THAT LEADERSHIP GROUP THERE THAT THERE IS A MONOLITHIC UNIFIED POSITION ABOUT WHAT THE FUTURE SHOULD BE. NOW THAT'S NOT THE CASE, WHAT YOU HAVE GOT TO UNDERSTAND, IF YOU UNDERSTAND ANYTHING ABOUT CHINA IS THAT THERE HAS BEEN, OVER A PERIOD NOW SINCE 1978, A VERY SUBSTANTIAL CONFLICT BETWEEN DUNG ZAO PING AND MANY OF THOSE PEOPLE THAT HE'S NOW HAD TO TURN TO IN THE IMMEDIATE PRE-JUNE THE FOURTH SITUATION AND POST-JUNE FOURTH SITUATION. AND THERE IS NO IDENTITY OF VIEW AT ALL BETWEEN DUNG ZAO PING AND MANY OF THOSE LIKE CHUNG YEN AND OTHERS AS TO WHAT THE APPROPRIATE COURSE IS. THERE IS NO DOUBT THAT DUNG ZAO PING, AS HE HAS BEEN SINCE THE END OF THE SEVENTIES, IS COMMITTED TO A CONTINUATION OF ECONOMIC REFORM. THERE ARE MANY AROUND HIM NOW THAT HE HAS HAD TO CALL IN AID AND WHO ARE NOW ESTABLISHED AS PART OF THE LEADERSHIP. MANY OF THOSE WHO SIMPLY DO NOT SHARE HIS PERCEPTIONS IN THIS REGARD. SO WE ARE NOT LOOKING AT AS A SIMPLISTIC QUESTION, AT A MONOLITHIC CONCEPTUAL LEADERSHIP THERE. THAT BEING THE CASE, AS IT IS, IT IS IMPORTANT IN MY JUDGEMENT, A JUDGEMENT SHARED BY THE PRESIDENT, MAY I SAY, BY THE LEADERSHIP IN FRANCE AND THE UNITED KINGDOM, WITH WHOM I HAVE BEEN RECENTLY TALKING, THAT IT'S IMPORTANT THAT THOSE WHO SEEK TO HAVE A CONTINUATION OF ECONOMIC REFORM SHOULD BE ENCOURAGED BUT TO THE EXTENT THEY WANT TO HAVE OPENINGS UP WITH THE WEST AND THAT SHOULD, THAT OPPORTUNITY SHOULD BE THERE. BUT THAT IT SHOULD BE DONE IN WAYS WHERE ALL OF US CONTINUE TO MAKE CLEAR TO THE LEADERSHIP OF CHINA THAT WE WANT TO SEE A SITUATION

NOT ONLY OF CONTINUED ECONOMIC REFORM BUT AN END TO PERSECUTIONS AND EXECUTIONS. IT WOULD BE A TOTAL MISREADING OF THE SITUATION TO LOOK AT THE LEADERSHIP OF CHINA AS ONE UNIFIED GROUP. THERE IS SIGNIFICANT PHILOSOPHICAL AND CONCEPTUAL DIFFERENCES WITHIN THAT GROUP AND THE, ONE OF THE BIG ISSUES IS GOING TO BE OBVIOUSLY THAT FACED WITH A DUNG ZAO PING, WHO IS IN HIS DECLINING YEARS AND OBVIOUSLY IN LESS THAN VIBRANT PHYSICAL CONDITION AS TO WHETHER HIS COMMITMENT TO ECONOMIC REFORM AND OPENING UP TO THE WEST IS GOING TO BE THE VIEW THAT PREVAILS. WE CAN MAKE NO PRESUMPTION THAT IT WILL AND TO THE EXTENT THAT THAT IS IN BALANCE AS IT IS, THEN IT MAKES SO MUCH MORE IMPORTANT, IN MY JUDGEMENT AND THE JUDGEMENT OF THE PRESIDENT AND OF OUR FRENCH COLLEAGUES AND BRITISH COLLEAGUES, THAT WE SHOULD DO WHAT WE CAN TO ENSURE THAT THAT THRUST RATHER THAN THE THRUST OF THE CONSERVATIVE ECONOMIC HARDLINERS PREVAILS.

JOURNALIST: ON THE QUESTION OF FIJI. HOW ARE AUSTRALIA'S RELATIONS PROGRESSING IN LINE OF LIGHT OF FIJI'S WORKING POLITICAL CONSTITUTION?

PM: WELL, I THINK, LET'S PUT IT THIS WAY. WE HAVE MADE A DECISION WHICH HAS BEEN COMPLETELY ADHERED TO OF CUTTING OFF MILITARY ASSISTANCE. THAT'S BEEN DONE. WE MADE THE JUDGEMENT THAT IT WAS SENSIBLE TO CONTINUE THE PROVISION, IN A SOMEWHAT MODIFIED WAY, BUT A PROVISION OF ECONOMIC ASSISTANCE, PARTICULARLY

THAT FORM OF ASSISTANCE WHICH WE COULD IDENTIFY WOULD BE GOING TO THE BENEFIT OF ORDINARY FIJIAN CITIZENS AND WE HAVE DONE THAT. WE HAVE MAINTAINED COMMUNICATIONS WITH THEM. WE HAVE, FOR INSTANCE, I SENT A GROUP OF PEOPLE THERE, LABOUR EXPERTS, AS A RESULT OF DISCUSSIONS I HAD WITH PRIME MINISTER RATU MARA, WHO SAID ONE OF THEIR FUNDAMENTAL PROBLEMS WAS FIJIAN YOUTH UNEMPLOYMENT. I SENT PEOPLE FROM AUSTRALIA WHO HAD EXPERIENCE IN THAT TO MAKE SUGGESTIONS TO THEM SO THAT, IN OTHER WORDS, WE HAVE TRIED TO KEEP THE FOCUS ON DOING WHAT WE CAN TO HELP FIJIAN ... FUNDAMENTAL PROBLEMS OF ITS PEOPLE. WE ARE NOT CONFIDENT THAT OUT OF THE PROCESSES OF CONSULTATION THAT ARE GOING ON AT THE MOMENT IN REGARD TO THE FORM OF THE CONSITUTION BUT THERE WILL BE AN OUTCOME, WHICH IN DEMOCRATIC TERMS, CAN BE SEEN TO BE TOTAL ACCEPTABLE. THOSE PROCESSES ARE STILL GOING ON AND WE WILL HAVE TO CONSIDER OUR POSITION IN THE LIGHT OF THE FINAL COMPLETION THEY COME TO ON THOSE BENEFITS.

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