



## PRIME MINISTER

TRANSCRIPT OF PRESS CONFERENCE CONDUCTED BY THE HON GEORGE BUSH, PRESIDENT OF THE UNITED STATES OF AMERICA AND THE HON PAUL KEATING MP PRIME MINISTER OF AUSTRALIA

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Prime Minister: Could I now invite the President to make some introductory remarks and then I'll follow him.

President: My remarks Mr Prime Minister will be very brief and I simply want to once again thank you, thank all of our official hosts and thank the people of Australia for the warmth of the reception on this visit. We have enjoyed it, it has been a busy time, I hope that we have made progress on the issues, for we may have differences, I should say issue, because I think there is only one area of difficulty and we have talked about that very frankly with you Sir, with the Opposition, with agriculture leaders and I feel it has been very fruitful in terms of the US on all of this. But otherwise I would simply say to you, we are very pleased to be here and thank you for your hospitality and I would be glad to take my share of the questions.

Prime Minister: Mr President can I thank you for those remarks and say what an honour it has been for me to represent the Government and people of Australia in welcoming you and Mrs Bush to Australia and having you here. You have had a warm reception from the Australian public which I think has been evident to everybody and we have been most pleased about that and it is true that we have had broad discussions which I think have increased

the bonds of friendship between our two countries, and certainly given me as Prime Minister a chance, an opportunity to get to know the President and his views and to also make a couple of what we think are important points to him. And that was the importance that Australia places on having the United States engaged in a political and economic framework in the Asia-Pacific and the importance of having won the Cold War and in setting up an institutional framework of a Bretton Woods style but in trade.

And we see this best being accommodated with the GATT, a successful conclusion to the GATT round, as a framework for the re-entry of countries re-entering the world economy for the first time in either half a century or most of a century. So on those very broad fronts we have had extensive discussions as the President said on the other issues we dealt with them in a working like way and he has very kindly met our farm representatives and I think we have a reasonable understanding of our positions on those issues.

So could I now invite questions.

Journalist:

Alan Sunderland, SBS Television. My question is in relation to the EEP. I understand following your discussions with farmers you have agreed to have some sort of consultative process operating in future before decisions are made. How exactly do you envisage that consultative mechanism will work and do you envisage that it will have the effect in future of stopping EEP areas that have in the past affected Australia?

President:

Well we discussed having some consultative arrangement and I suggested it would be very useful to the farm leaders if they come, they have been to the States several of them, if they come again and consult on this EEP. There were some factual differences presented at the meeting by our expert and by them and so I think we ought to just try to eliminate differences where possible. And I made very clear to them, and I'd like to say it once more, that the EEP legislation was not aimed at Australia. It was aimed to try to get the EC, who are subsidising 10 times as much as the United States, to come into line and to get on board on a sound GATT agreement. So we

will see how that works out but we didn't set up any procedures in any exact three-point program for eliminating differences that we might have. The answer though, that they do agree with me on, and I'm sure the Prime Minister does is to get a successful conclusion to the GATT round and I told him that we are pledged to that end, and I know they have tried, these farm leaders have travelled to Europe and they have been to England and, I believe, France and Germany and so they are fully engaged with private sector. I think now it is important given the Dunkel Report that I as President, the Prime Minister as Prime Minister, engage to the fullest to try to get the one answer to EEP that's going to make the most sense and that is a successful conclusion of the GATT round on agriculture.

Journalist: Mr President, last week your Commerce Secretary Bob Mosbacher said that Japan was partly responsible for the recession in the United States. Was he reflecting official policy in saying that?

President: Well Mr Mosbacher always reflects official views except when I disagree with him and that is very, very seldom and on this one I haven't heard his statement so I would only want to see it in full context. But look, we have got tremendous imbalance with Japan, tremendous, and one of the reasons we are going there is to see if we can't find ways to sort that matter out. But we are enduring sluggish times and not enjoying them very much and Prime Minister has impressed on me that Australia is having difficult economic times and the answer to all of this, whether it is in Japan- US or Australia-US it is to get these economies going through expanded trade and so I want to know in context what Bob said but any time you have an extraordinarily big trade imbalance I think you would say that that would be contributing to a lack of economic growth. And so if that is what he said, I certainly couldn't find a way to differ with him.

Journalist: Don Woolford, Australian Associated Press Mr Bush are you able to give a commitment that irrespective of what might happen in other sectors of the Eurogray rounds the United States Government will accept nothing less in agricultural trade than has been proposed by Arthur Dunkel and Mr

Keating ... how satisfied you are with Mr Bush's response both to our EEP submissions and to our concerns that NAFTA could under some circumstances develop into a tri-polar trading block?

President:

Let me answer, we see some very positive elements in the Dunkel paper. We certainly don't want to accept less if that was your question and there is some things there that we would like to see improved. But I do think that there has been a lot of good work done there and we will be working closely with the Europeans to try to get agreement, and I'd leave it right there because I don't want to indicate that we think that we've gotten everything that the United States wants nor do we think that the Cairns Group has gotten everything that the Cairns Group wants out of the Dunkel paper. All we're saying is its a good position from which to finalise the agricultural part of trade and the rest of it too. We have got some difficulties with some parts, agriculture we see has moved fairly well.

Prime Minister:

Can I add to that, I think that the thing which is most comforting to Australia I think in answering the question, I make three points. The first is it is a matter of great comfort to us that we have an internationalist as President of the United States, someone who has committed himself to an open trading system, multilateral trading system, that resisted protectionist pressures and is committed to seeing the GATT round successfully concluded. Now as the President has said, there are elements of the GATT round that can't be, it's a package, some parts all countries would be more satisfied with than others but it is a package and it is a package about around which we believe discussions can take place. If there is a successful conclusion of the GATT round many other things will change and including that would be, of course, mandatory windbacks under EEP which you asked me about and the President has agreed this morning that we will have an information exchange on EEP. That is, at least we will now more about the operation of EEP and as well as that we have asked him that where the US has not engaged in sales in markets where the European Commission is engaged in sales, that is in non-EEC markets would he examine those markets with a view to keeping the

subsidisation of EEP from them. He can't obviously, at this point, give a clear commitment on the markets, but he has agreed to look and to examine them and we are very happy about that.

So on the general point, we believe that the GATT offers the best opportunity on trade generally that the Dunkel package is just that, a package, and if adopted would lead to significant improvements in the trade and agriculture and including the impact on EEP.

Journalist: CNN. Mr Bush, what do you see as the consequences if Europe does not buy into Dunkel's proposal?

President: Well, I see that it would be very, very bad if we don't get a successful conclusion to the GATT round and we have not discussed here in Australia fall-back positions, we are not prepared to give up on the successful conclusion of the GATT round but without trying to predict disaster I can simply say I think it would be a very bad thing because I think you would see more protection, more selfishness in the trading system that would inevitably shrink markets and cost countries jobs and so we must go forward and we must try to get a successful conclusion.

I feel more strongly about that since I've had the benefit of several long conversations with this Prime Minister, who is very knowledgeable on these international financial matters, and also with the agricultural sector in this country. I really had my, I'm more highly attuned even than I was to the importance of getting this done so I don't want to worse case it but I can just say that it would be totally unsatisfactory to see that GATT round fail to come to satisfactory conclusions.

Journalist: Do you see the possibility Sir, of three world trading blocs as the Prime Minister has discussed?

President: Well, we don't want any trading blocs that don't include Australia and I went out of my way to say that as we're negotiating for free trade agreement with Mexico and Canada for example, I want our Australian friends to know that that would not be detrimental to our free trade with them and one of the

things the Prime Minister and I discussed, and I'll clearly defer to him on this, is the fact that we don't want to see Asia and Australia kind of pushed aside into some separate bloc so you might have an European trading bloc, an American trading bloc, North, South and Caribbean and an Asian bloc. That is not the way you get more jobs. The way you do that is to have broad expanded trade between them so I don't want to predict and suggest that this would be an outcome, but it would be an outcome that we certainly would not find satisfactory.

Journalist:

Jeremy Thompson, The Canberra Times  
The United Nations seems to be dragging its feet a little bit on the Cambodian peace plan, there is no concrete plan in place, no budget being put forward. Have you been asked or do you intend to urge in the United Nations that more speed be taken on these matters? Certainly Mr Hun Sinn, Prime Minister of Cambodia, is extremely concerned about this matter.

President:

Well I wasn't asked to accelerate anything on this visit. I was told by the Australian leadership of the importance of this. We feel that way. Secretary Baker, as you know, has been involved in it and we strongly support this concept that the UN acting in this peace keeping role but I wasn't asked to take on a specific assignment in that regard. But it is important with agreement having come this far that it be followed up on now, that it not be allowed to fall apart.

Journalist:

Mr President, Democratic leaders and Congress this week said that the success or failure of the trade mission will depend on whether you obtain any major concessions from Japan. Do you agree, and at this point are you at all hopeful that you will be hopeful to obtain any major concessions.

President:

In the first place, I don't take much stock in what the Democratic leaders and what the Congress say, setting up goals for a trip or knocking them down, I'm just not inclined to run the foreign policy of the United States in that regard. It's been happening for three years and they're entitled to their opinion but that won't influence how I conduct myself on this trip and I certainly am not going to accept their standards for success or failure of a mission. Having said all that, I want to

see us get more jobs created in the United States, eventually by concessions made or by positions taken in Japan. I think it is very important and we need more access to their markets, we need to have more content in autos that are made in the United States, have US content there, have a fair shot at it, but I don't think that I should let the agenda be set by some political challenge in an election year. That is not the way one conducts sound foreign policy. I saw all kinds of crazy, well if he doesn't get this or that we're going to throw in this legislation. We know political posturing when we see it, and I know what's good policy and it is to stay involved internationally and it is to create more jobs at home, not by trying to protect and pull back into some isolationistic fear but by expanding markets and that is what this trip is about.

Journalist: ... offer concessions that you consider inadequate. Are you prepared to

President: It's too hypothetical a question, let me cut it off right there, I cannot go into hypothetical - we haven't even gotten to Japan yet. We're still in Australia remember!

Journalist: Kim Griggs, Knight Ridder Financial News  
Mr President you refer to the sluggishness of the US economy, do you feel the recent cut and discount rate to 3.5% is sufficient to stimulate your economy and if you think extra measures are needed when would you expect to announce these?

President: No question that it will have a stimulatory affect. It takes a while for that to get through something as complex as is the US economy but it has been very, very well received at home and I think that it is well known at home that I plan additional stimulatory measures to be announced in the State of the Union Message which comes at the end of this month and they will not be counter-productive, they will not be on the cheap politically, something that has a nice political ring to it but then would be counter-productive in terms of interest rates but I do think that the US economy could use a sound fiscal stimulation and I will be proposing that kind of a program in our State of the Union Message. But yes, this is very, very important.

Journalist: ABC News. President Bush, doesn't this whole flap in Australia about agricultural subsidies in the United States, which you indicated you are not in a position at this time to abolish, undermine your credibility, Sir, when you get to Japan wearing the mantle of a free trader asking for concessions there?

President: No, because nobody is pure. We have differences with Australia on this. I don't want to necessarily bring them up in front my Australian congenial host here, but I had a chance to tell him the things I'd like to see Australia do, which we might feel could be a little less protection. He was very clear and very forceful in telling me his. I don't consider it a flap, incidentally, when you discuss an issue where you have differences. I think it's very important that the American people and the President understand how the agriculturalists in this country look at this Export Enhancement Program. And so I don't think it's contradictory at all. We've never said we're totally pure. We are working for freer and fairer trade. And certainly the Japanese should be working for freer and fairer trade. And if one country could hold up its hand and say we have never had any protection of any kind and subsidisation of any kind, that country, then, should be holier than thou, be able to make the point. We are going there into Japan and asking for equity, fairness, fair play. And so I don't think a discussion, a healthy discussion of an export program that is causing great concern in this country is either a flap or diminishes my credibility as I go into a market where we are getting real problems in terms of access.

Journalist: Dennis Grant, Mr Bush, from the Australian 7 Network. We of course welcome you, perhaps with the observation that it only took 25 years for the White House to find a map of where we live since the last time a President visited. Following on from that question, isn't there just ...

President: I'm not sure that I got that point.



Journalist: Twenty five years since we last saw an American President here.

President: Oh, President.

Prime Minister: He'd like you here more often, I think he's trying to say.

President: Sorry, I misunderstood.

Journalist: Wondered if you lost the map, perhaps.

President: Oh, I see.

Journalist: So, following on from that last question, is there not just the faintest whiff of hypocrisy here that you are demanding of the Japanese that they lower their barriers so that you can sell more motor vehicles to them, but you impose and extend barriers on our meat and sugar in particular?

President: No, I don't think so. We were extraordinarily helpful in opening the Japanese markets on meat. And indeed the agricultural leaders I met with today thanked me for that. Similarly for citrus. So, besides that, I love coming to Australia so I take your point that if somebody takes that as a matter of neglect, that's too bad because this relationship is very very strong. But I'm glad to be here now and I was glad to be here as Vice President, glad to be here earlier on as a private citizen, and undoubtedly will come back.

Journalist: Mr President, President Miyazawa in honour of your trip, a few days in advance of your trip anyway is urging his auto makers to buy more US auto cars and urging consumers to buy more American cars. Do you consider that already a success for your mission, or do you think the Japanese still need to do more?

President: Well I want to find out exactly what all this means, how it's going to be translated. But clearly we welcome statements of that nature. I think that's very very good, very heartening. But I have not had a chance to sit down with Mr Miyazawa and talk about that in some detail.

Prime Minister: Perhaps a couple of more questions. One on this side - Michelle (Grattan).

- Journalist: Michelle Grattan, The Age. President Bush, could you just clarify this matter of consultations for us. The farmers seem very convinced you have given an undertaking to have consultations before subsidised sales. That doesn't seem to square with what you said early in this press conference. If that's not right, you haven't gone as far as that. How does your undertaking about consultations differ from those given by your predecessor?
- President: Well I'm not sure if I understand ... I'm not sure what they said publicly. What they said is they, the farmers would like to come over and consult and I said come on, let's go, this would be good. And I'd like to have some American farmers there as well as Government officials. It wasn't tied in, as far as I know, to any specific pending action under the export program.
- Journalist: ... and not in relation to any future actions?
- President: They asked that there be consultation on a whole array of things. I think we're getting it mixed up a little bit with ...
- Prime Minister: I think it's a mix up between information and ...
- President: ... the Government and also with this private sector group. These farmers were there not as Government officials but wanting to come over and talk to our agricultural experts and to our farmers themselves about this whole program, and I said come on, we would welcome you. But that's where that one was left. Now the other one, I've not been able to make ... I think the Prime Minister ... let me put it this way - I subscribe to the way he phrased it.
- Journalist: Change of pace, if I may, Sir. John Cocheran from NBC. There's a new movie called JFK which has not wafted its way down here yet, but it casts some dispersions on the findings of the Warren Commission's reports, and also it raises some questions about possibly the CIA's role in this. You're a past CIA director. I wonder, I know you possibly haven't seen the movie, are you concerned about movies like this which may trouble people who weren't even born at the time of John Kennedy's assassination?

- President: Well I don't know much about the movie. I haven't seen it. And there is all kinds of conspiratorial theories floating around on everything. Elvis Presley is rumoured to be alive and well some place. And I can't say that somebody won't go out and make a movie about that. I have seen no evidence that gives me any reason to believe that the Warren Commission was wrong. None whatsoever. And so if it is helpful to reassure the American people in this way by saying that, fine. But I don't, it wouldn't lead me to suggesting that Mr Stone be censored or something of that nature.
- Journalist: As a former CIA director, did you ever go back in the CIA's findings during that period to satisfy any of your curiosity?
- President: About this subject?
- Journalist: Yes.
- President: No I didn't have any curiosity because I believed that the Warren Commission, which acted ... what time was that finding? When was the Warren Commission finding? Was it '63, which was about twelve years before I was out at the Agency - I saw no reason to question it. Still see no reason to question it.
- Prime Minister: One more, this gentleman here.
- Journalist: AFP. You say to the Prime Minister again today to maintain a military presence in the region at an appropriate level. People in the region are not so sure. What does appropriate mean and for instance, is the ANZUS Treaty in fact dead?
- President: Well the appropriate level of security depends on conditions at the time. What I was addressing myself to was the fact that some felt that at the closing of Subic, that we would withdraw and pull away back from any possible security commitments. And I think one has to know, I can't tell you what that means in terms of keeping our security interests alive here, or keeping a military presence here. It depends on events, it depends obviously on deployments of various naval groups. But all I wanted to do was reassure the people of this area that we are not, because of the closing of Subic, that we are not pulling back from

future security considerations. We are a Pacific power, we think, we know we are a Pacific trading power, and we are going to stay involved with the security concerns of our friends. I can't tell you exactly what that means in terms of troops, where they'll be, vessels, where they'll be. That depends on the situation that might exist at the time. We had a very different security deployment in the Middle East a year ago than we have today. And so things can change dramatically. But all I'm just doing is giving proper assurances that our military as well as our economic interests are still housed in the Pacific to a large degree.

Journalist: Do you still need the ANZUS treaty with the countries of the region?

President: Do I what?

Journalist: Do you still need the ANZUS treaty?

President: Well we still need the treaty that exists, that we refer to as ANZUS. As you know there's been some difficulties with that. There's no point in going into that now as much as this is the last question. But, nevertheless, the concept of the ANZUS is very very important to us.

Prime Minister: Important to both of us. That will do us. Thank you ladies and gentlemen. Thank you Mr President.

President: Thank you very much. Thank you Prime Minister.

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