



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER OF AUSTRALIA, THE HON P J KEATING, MP AND THE PRIME MINISTER OF THE UNITED KINGDOM, THE RIGHT HON. J MAJOR, MP
DOWNING STREET, LONDON, UK
FRIDAY, 3 JUNE, 1994**

JM: I'm delighted to see the Prime Minister here. He's here of course for the D-Day celebrations and we're delighted to see him here. We all owe a very great debt of gratitude to the many Australian servicemen who played such a remarkable role in that operation and in other parts of the war. We've had the opportunity of beginning our bilateral discussions; we hope to continue them, perhaps in more informal settings over the weekend.

We have no bilateral problems worth mentioning; there's an extremely good relationship. Trade between our two countries has been growing very substantially both ways. In terms of trade flows and investment flows and we're very attracted to that trend continuing and have been examining how we might improve it. We've had the opportunity of reviewing the outcome of the GATT negotiations and are looking forward to the establishment of the World Trade Organisation. There have been a series of other regional discussions on the opportunities for further trade within the ASEAN region, looking at countries of mutual interest - China and others spring to mind - so it has been a welcome opportunity to exchange views and I'm delighted the Prime Minister could be here. I'll invite him just to say a word and we'll then take any questions you may have.

PK: Thank you, Prime Minister. As the Prime Minister said, we've both agreed there is no problem of substance in the relationship. Our two-way trade is growing stronger every year. Australia is the fourth largest investor in Britain and Britain is the second largest investor in Australia, and our two-way investment - that is, the Australia-Britain two-way investment - is the largest investment relationship Britain has and the largest investment relationship Australia has. So, that, I think, underlines the relationship in commercial terms.

In cultural terms I think that it is an important opportunity, which I welcome, to join with the Prime Minister in these D-Day

commemorations and at least he was kind enough to refer to the role Australians had played. And, I will take the opportunity, as I will now, in saying that we will take this chance to pay tribute to Britain and Britons, in the fight for the democracies against fascism in Europe - to lead that fight, to carry the brunt of it, and as a consequence leave open the prospect of the landings in Normandy and the successful defeat of Nazism in Europe. So, I'm looking forward to that opportunity over the weekend.

The Prime Minister and I discussed, as he said, the outcome of the GATT. We've also discussed some of the social and political parallels in Australia in social and economic policy, and there are quite a number of profound ones. And, as he said, we'll take up the rest of the conversation over the course of the weekend.

JM: Now we can take a couple of questions if there are any.

J: Mr Keating, I wonder given our long historical association with Britain, whether you informed Mr Major that you wished to change the Australian flag by taking the Union Jack out of the corner and I wonder, Mr Major, how you might react to that?

PK: Well, this is not an active matter in Australia and hasn't been... for the Prime Minister's benefit, I was asked a question about this in Parliament the other day by our Opposition and that's promoted this question which I have no more to say about than I said then or as I have said on many other occasions.

J: Prime Minister Keating, did you discuss the developments in North Korea and what is your view?

PK: We didn't but I'm sure the Prime Minister and I would share a similar view that the defuelling of reactors in North Korea should be subject to international inspections, that there must be a clear understanding on the part of the International Atomic Energy Agency that there is no diversion of weapons and, at least for Australia's part, we stand ready to join any international decision the United Nations might make including sanctions which make the North Koreans accountable in terms of their nuclear facilities.

J: Would Prime Minister Major regret the fact of Australia removing the Union Jack from the corner of the Australian national flag?

JM: I think that is a matter for Australia. Australia is a very remarkable country, nothing that happens in any way is going to damage the instinctive relationship and the trade relationship that exists between the United Kingdom and Australia. It has been there, it is very strong and it isn't going to change in the future. Thank you very much.

PK: Thank you.

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