



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP, AND THE NEW ZEALAND PRIME MINISTER, THE RIGHT HON JIM BOLGER, DOORSTOP, WILLIAMSTOWN, VICTORIA, 22 JULY 1995

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PJK: Well, you all know that the Prime Minister and I both made remarks for the launch of the Anzac class frigate, Te Kaha. But I would like to just endorse the remarks that the Prime Minister made and repeat the remarks I made to and to say that I thought it was a very clear manifestation of the cooperation between Australia and New Zealand. The fact that we work together collaboratively on a single class of ship, like this, that bears the name - the proud name - of Anzac, the history of which and the culture of which we share says something I think about the modern relationship in peace and how we can develop ourselves, develop a defence capability here. How we can see technological spin-offs in both of our countries. How, by improving and building on our defence material capability, we can, at the same time, support other industries and while giving ourselves a stronger defence posture. These are all sensible things and I made the remark earlier, in the Cold War of course everything was internationalised and all regional problems were subsumed into the bipolarity of the Cold War environment. With its cessation, of course, we see much more obvious regional tensions in the world. You can see it in many places and therefore the solutions for these problems are tending to come regionally. In this region of the world, we have taken that lesson I think and we are doing things together and I was very pleased to be here on this significant occasion and very pleased to have Jim Bolger in Australia for the launch of Te Kaha. As you know, we have had a meeting together. We ranged over a number of subjects. CHOGM which the Prime Minister, of course, will be hosting later this year. APEC which we are collaborators in and where we have another meeting coming up to advance the Bogor Declaration, that is the Osaka meeting later this year. Of course we discussed the testing program of the Government of France in the Pacific and I think we have made it clear to ourselves, we are determined to maintain the pressure on France to modify its program, that is to desist from testing weapons and also to encourage further international focus upon France. We have seen the South Pacific Forum already exercising some substantial pressure on that country and as you know, the Forum

will be also meeting later in the year and we will be having a continuing dialogue with Forum partners about how we advance that pressure.

J: Will you be sending a warship?

PJK: I will just come to that in a moment. And I think that probably covers the great majority of the things that we have spoken of. I would be happy to take questions, but before I do I might invite the Prime Minister to say a few words.

JB: Thank you, Prime Minister. And can I repeat my thanks that I expressed at the launch that you came to Melbourne today to be associated with the launch of the first New Zealand Anzac ship. We believe, as I said there, it has been a very good project. There were a lot of cynics around that New Zealand would not gain any material advantage in terms of construction components being offered to New Zealand industry. We have, in fact, had a very substantial spin-off into our industry from the Anzac ship project and we think it has gone very, very well. The progress that we have made since the agreement was signed in 1989, I think, has been very positive. I think it has been an excellent example of a Anzac project, drawing on all those elements of Anzac, and I was delighted to be able to announce today that New Zealand will, in fact, construct a memorial in Canberra recognising the shared sacrifices of our two countries. But in particular, of course, the New Zealand component to that. So I will be very pleased to put that together, obviously in consultation with those in authority in Canberra. In terms of the meeting that the Prime Minister and myself have just had, as Prime Minister Keating said, we looked at the three major conferences coming up - the South Pacific Forum in Papua New Guinea; then we will have the CHOGM meeting, which I will have the privilege of chairing in Auckland; and, almost immediately after, the APEC meeting in Osaka. And there will be some commonality and, of course, some unique elements to each of those conferences. Clearly, the Forum we both expect will want to take a very strong position in expressing its total objection to France on its proposal to recommence testing in the Pacific. We will also want to maintain pressure on France to get the firmest possible commitment and from other countries of a nuclear weapons state, on agreement to sign up to a Comprehensive Test Ban Treaty. That is what we must have if the world is to stop the proliferation of nuclear weapons and we have no difference, at all, between the positions that we want to take in terms of those goals. And, as I have said in New Zealand, that we also want to see the closure of the Mururoa testing facilities, so that there is no possibility of France coming back to test in the Pacific and the signing up to the protocols of the South Pacific Nuclear Free Zone Treaty. So, in that area, we can see some progress I think internationally. There seems to be a second wave coming through with governments and Parliaments around the world now taking a stronger position. Japan has come out very strongly in recent days in its proposal to seek a resolution from the United Nations and we would certainly want to support that. The Russian Parliament has come out condemning the tests. Many of the European Parliaments have and so on. So there is a second wave coming through of criticism, rejection, of the French proposal and we hope that President Chirac and his Government will be taking

some note of that. Both countries, both Governments, are certainly looking forward to maintaining the momentum that was in the APEC meeting in Bogor, where quite a historic agreement was reached in terms of moving towards free trade, or freer trade, in our part of the world. We want to maintain that in Osaka as well. Now those are the substantive ones. We obviously expressed our satisfaction with the days events and how they had gone and, you know I think in a very real way, underpins the unique relationship between Australia and New Zealand and just the way in which it was done there today, I think, is very practical in terms of the business of developing a defence capacity. But, I think, very symbolic in the way that the two countries have been able to develop these procedures. That is about it.

J: Mr Keating, what specifically will New Zealand and Australia be doing to stop the French?

PJK: Well we have already made, I think, ... well let me say, we have both led a substantial campaign against the Government of France in this policy they have, this needless policy. I mean I think the main object of both of our Governments would be as the Prime Minister said, that is to stop the spread of nuclear weapons. I mean the thing that matters most in the end is how we deal with the end of the Cold War? How we deal with the proliferation risk that the world faces from both the dismantling of old nuclear programs and also the much freer availability of expertise and materials, keeping the materials tight, keeping a check on the expertise, are all the things material to containing proliferation and the Comprehensive Test Ban Treaty is one of the ways that we can limit that proliferation. But actually dismantling these facilities and dismantling Mururoa is just another example of that. In terms of how we go from here, as you know the Government of Australia has proselytised on this issue in Europe. I have published letters in French publications and we will be now I think with Japan making its point of objection clear, a number of other European Governments having done so, I think that President Chirac would be now somewhat surprised by the reaction to the testing decision and that sort of support I think we'll see how the debate goes in the Pacific Forum. But within the Pacific Forum, we may be able to advance further support, maybe for some United Nations resolution, some United Nations action on which Australia and New Zealand participates.

J: Will you send a navy ship up to Mururoa?

PJK: No, we thought about this originally. You send navy ships when you want navy ships to do naval things. And I don't think any of us want this on this occasion.

J: Will you join New Zealand in going to the World Court?

PJK: Well I didn't know that New Zealand was necessarily going to the World Court and we have looked at some of the issues with the International Court of Justice. But there are two matters. One, it is not certain whether or not any proceedings could be dealt with before the testing program was completed. And, secondly, where the law of the matter lay.

- JB: Can I just say on that for the Australian journalists perhaps. We are looking at the details of how a case might be taken to the World Court and I am working in collaboration with the other political parties in New Zealand. But it is a very narrow opportunity and it may not be possible and I think from what I have heard, the Australians who already looked at this prospect have found it a difficult one to fight. Just to find the legal standing to take a case that will have some weight. But we are still pursuing that and, if it is possible, we will. But we have to determine that there is a realistic prospect there.
- J: Mr Keating, how disappointed would Australia be if New Zealand did not exercise its options to buy frigates 3 and 4?
- PJK: Well this is for the Government of New Zealand, exclusively, to think about. In terms of its defence procurement program over time and, of course, that is some time out from here. There was no need and isn't a need at this point to be coming to any resolution about that. But I think, you know, the obvious point I would make and the Prime Minister in a sense has joined me in this today, as we have a single class ship which we are building together. So whatever option there is for New Zealand to purchase ships in the future, this is obviously a strong point of the Anzac program. But, again, that has got to be seen against the background of its own defence force requirements and its own procurement program.
- J: Prime Minister Keating, are you concerned with signals sent out yesterday by the French Ambassador in Wellington that France is unwilling to sign the Comprehensive Test Ban Treaty and that there might be more than eight tests in actual fact?
- PJK: I didn't see that.
- JB: If the Prime Minister hasn't seen it, I think we should say there seems to be some confusion as to the message the Ambassador to Wellington was conveying. In the morning it seemed to be a very considerable measure of doubt as to whether France, if there wasn't a Comprehensive Test Ban Treaty, wouldn't actually just continue to test. In fact there seemed to be some enthusiasm in the presentation from the Ambassador that France would want to test. But, by the end of the day, they had released a statement to clarify, or to re-state, that they only had intention for eight and they would sign up to the Test Ban Treaty. So I am really saying I think there has been some quite confused message come from the French Ambassador based into Wellington.
- J: Are you satisfied by that [inaudible]?
- JB: Well I made my view very clear early yesterday that we would be astonished and we would be outraged if there was a suggestion that there was going to be any additional testing. We are totally outraged there is going to be eight and if that isn't a firm position, then it would be a worse position. But I have some surmised that, in fact, the Ambassador's

presentation may have been inaccurate in the morning and hence the correction later in the day.

J: Mr Keating, the New Zealand Government is saying that it wants no more [inaudible] in relation to the CTBT, whereas I understand that Australia's position is to support the possibility of micro-yield or so-called bench top tests? If that is correct what is the rationale for Australia?

PJK: Well I don't think we have yet articulated what elements we would like to see in a Comprehensive Test Ban Treaty. Although, we have very clear ideas about it. I think that we would like to see is, that we see the post-Cold War era as an opportunity to rein in the proliferation risk and that comes by way of testing weapons. But also, as I said earlier, the diversion of materials and expertise. What is particularly objectionable about France is that it is a democracy. This is not a totalitarian regime, or a military regime, doing this or testing within its own metropolitan area. This is a democracy affronting other smaller States distant from it. That is the essential point of objection. Beyond that is the notion that right when we are all trying to get a better non-proliferation regime, when this historic opportunity has arisen at the end of the Cold War, a democracy is out there testing weapons. I mean that is the problem and that is what we object to. The French have as great an interest, a greater interest, than we have in fact in seeing these proliferation risks diminished, given the fact that they are situated in an area where there are a lot of weapons - battlefield weapons and strategic weapons. And, not only that, there are 14 reactors of the same design as Chernobyl sitting in the Ukraine and in other parts of Russia, which have inherent design faults which are going to have to be overhauled and decommissioned and there is no way those States are going to go to coal or other fossil fuels. So there is going to have to be a replacement reactor program. Now that is something the Government of France, and all the West European Governments for that matter, have got to deal with. So it is these sorts of issues that go beyond simply a Comprehensive Test Ban Treaty. It goes to the opportunity and a democracy flouting the opportunity.

J: But you are not ruling out the possibility that Australia would allow the with some degree of physical testing?

PJK: Well I am not answering the question at all. I am not here to discuss design issues in the Comprehensive Test Ban Treaty whatsoever.

J: Was there any discussion on John Major's response to the nuclear testing issue and what pressure Australia and New Zealand, combined, might bear on Britain to speak up?

JB: I just noted in our discussion, Catherine, that Prime Minister Major had not come out. Whereas a number of European Governments had come out strongly against the French position and I presume the reason is that he is also, of course, the leader of a nuclear power. They have their own nuclear facility. But no as I said before I am disappointed that John Major hasn't come out, but I have to say that Prime Minister Keating and myself didn't spend much time on that at all.

- J: [Malaysian journalist]. This collaborative venture represented by this Anzac project breaks some new ground in this part of the world. Transfield is proposing to do the same thing between the Australian and Malaysian navies. Can I ask the assessment of both of you what this means in terms of industry collaboration and what this collaboration can contribute to its regional defence and regional security and its regional relations?
- PJK: Well maybe, perhaps, I will begin. The obvious thing is that we would have a regional core naval design construction and repair facility, which means that any defence arrangements within the region must be stronger - if the vessels are designed for tropical waters, if they are designed to suit our particular naval requirements and their weapons systems and their repair are not subject to long voyages to other countries of origin - obviously, it is stronger here. And I think we would see any program with Malaysia being an adjunct to that sort of strength. And I think Prime Minister Bolger will attest to the fact that we are seeing a fairly broad spread of capability here. He made in his public remarks, references to New Zealand industry - for instance, the spin-off for New Zealand industry from this program. There would be, of course, a similar spin-off for Malaysia and we would all be the better for having a stronger naval design and construction capability in this part of the world, in this region of the world. So I think we are seeing something new. We are seeing the very clear development of this facility and, of course, in Australia's case we have also got the submarine facility in South Australia, where we are now completing these 3,500 tonne, state-of-the-art, world class submarines. So together we are building some real capacity and, of course, were Malaysia to choose the Australian design, then it too would benefit from these arrangements.
- JB: I think the judgement we have made has gone very well, as I said earlier. The New Zealand participation has been positive, it has been significant so the work that has come back to New Zealand firms has been across a range of areas and quite large in terms of the size of the contracts that have been put into New Zealand. So all I can say is that from a New Zealand perspective, working with Transfield here in Melbourne, we have had a good relationship, our industry has had a good relationship.
- ?: Last question.
- JB: Yes, I want to go and see the rugby.
- J: Was there any discussion on the civil aviation market?
- JB: Very briefly and in essence we agreed that if the two commercial operators that are in discussion, which is Ansett Australia and Air New Zealand, can find a commercial resolution that makes sense to them, we would both welcome it. That is where it is.
- J: Mr Bolger, are you happy about the degree of cooperation between New Zealand and Australia on the nuclear testing issue?

JB: Yes I am. I have had no difficulty at all with it and I feel certain, following our discussions today, that we are going to see that cooperation move forward in the various forums that are open to us to advance the objection of this part of the world, but really I think the objection of the world, or the great majority of the world opposes France breaking its moratorium and recommencing nuclear testing. I am absolutely certain that is true. The great majority, overwhelming majority of the world, wants to see a halt to the proliferation of nuclear weapons. You only have to reflect back a few months at the concern, almost fear, that has been generated at the prospect that North Korea was going to develop nuclear weapons. The only way we can prevent that is in fact to have a very strong test ban treaty and for the nuclear weapons states to continue with a program of reducing their nuclear arms and that is what we want to see happen. We don't have any difficulty in pursuing that in tandem, wherever the options are open to us to pursue it in tandem. Don't you reckon we should go and see the rugby?

PJK: Thank you indeed.

JB: That will be the biggest battle of the day. Win it for us, well I have said I think the All Blacks will be about ten in front, but Paul has got a different view.

J: What is that Mr Keating?

PJK: Well what do you expect me to say.

JB: I mean the All Blacks have now got to sort of lift New Zealand's honour after the Australian netballers beat the New Zealand netball team by one goal yesterday. I mean I am sorry, Paul, we have got to win this one, we are under some pressure now.

PJK: You have had too many wins lately.

JB: Thank you all.

PJK: Thank you.

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