

PREM 19/1421

New file cover.

SECRET

MT

12/1

PART 1.

Confidential Filing

Anglo - Australian Relations.
Internal Situation
Trading relations with the EEC.
Governorship of New South Wales.

AUSTRALIA

Part One:

September 1979

Referred to	Date	Referred to	Date	Referred to	Date	Referred to	Date
26-2-85							
21/3/85							
22-4-85							
25-5-85							
30-5-85							
5-9-85							
1/10/85							
2-10-85							
11-10-85							
17-12-85							
30-12-85							
ENDS							

PREM 19/1421

PART 1 ends:-

FCO to CDP 30.12.85

PART 2 begins:-

CDP to FCO 3.1.86

Foreign and Commonwealth Office documents

1. Diplomatic Report No.121/80 "Australia: Valedictory Despatch"
21 March 1980
2. Departmental Series (DS No 9/83) "Robert Hawke: Prime
Minister of Australia", 7 March 1983
3. Department Series (DS No 10/83) "The Fraser Years in
Australia", 8 April 1983
4. Departmental Series (DS No 17/84) "Australia: Rich, White and
British?: A Valedictory Despatch from Canberra, 11 Sept 1984
5. Despatch DD 1985/116 "First Impressions of Australia",
7 January 1985

The above FCO documents, which were enclosed on this file have
been removed and destroyed.

Such documents are the responsibility of the Foreign and
Commonwealth Office. When released they are available in the
appropriate FCO CLASSES.

Signed

Wayland

Date

2 May 2014

PREM Records Team

Cabinet / Cabinet Committee Document

The following document, which was enclosed on this file, has been removed and destroyed. Such documents are the responsibility of the Cabinet Office. When released they are available in the appropriate CAB (CABINET OFFICE) CLASSES.

Reference: CC (83) 36th Conclusions, Minute 2

Date: 8 December 1983

Signed Wayland Date 2 May 2014

PREM Records Team



Prime Minister

Agree that we should not accede

to Mr. Hawke's request?

If so, would you

please sign the attached letter.

Dear Charles

Foreign and Commonwealth Office

London SW1A 2AH

30 December 1985

CCPC ①

2/1

As a matter of interest - would it really matter if we held the Govt. Security documents?

Australian Bicentenary: Commonwealth of Australia Constitution Act

In your letters of 1 and 2 October you asked us to look again at the possibility of meeting the request in Mr Hawke's letter to the Prime Minister of 25 September for the copy of the Act held in the Public Records Office which forms part of the series of Statute Rolls to be sent to Australia on permanent loan. The delay in replying stems from the great difficulties which the Foreign Secretary and the Lord Chancellor have identified in their search for a way of meeting Mr Hawke's request, for which Sir Geoffrey Howe has sympathy.

The Australia Act is only one of the many millions of documents in our National Archive, but the principle at stake is important, namely that we do not disperse the collection. This is internationally accepted archival practice, including in Australia. For us to break it in any one case would set a dangerous precedent. This is not just a bureaucratic obstacle; it is a solid reason for sticking to our well-established rules.

The accepted way of dealing with requests such as Mr Hawke's is therefore to supply a high quality reproduction. As Richard Stoate said in his letter of 20 March, where the Lord Chancellor agrees to lend documents for exhibition overseas the practice is for the period of the loan to be strictly limited, most stringent conditions of security to be required in the exhibition areas and the documents to travel in the custody of an official of the Public Record Office, who alone has authority to install and remove them from their showcases.

Mr Hawke has said that a loan would not meet the concern which prompted his request. Given the importance of our relations with Australia and of our contribution to the Australian Bicentenary, Sir Geoffrey looked hard at other possible solutions. In particular he considered whether the rules might be relaxed under the following specific circumstances (which would allow us to meet Mr Hawke's request):



- (a) where one particular document is central to the Constitutional development of the country concerned;
- (b) where another original document is already held by Parliament;
- (c) where a facsimile could be made for retention in the Public Record Office; and
- (d) where this could be done without physically dismembering the document or scroll.

But the Lord Chancellor (supported by the records experts in the Foreign and Commonwealth Office) regards the integrity of the collections in the Public Record Office as of prime importance. He therefore does not accept even this slight relaxation of the rules, which could lead to the dismemberment of the collections by opening the door to demands for permanent loans of other 'key' documents. This might well be followed by requests from other countries (especially in the Commonwealth) for choice items from other archival, artistic or anthropological collections, especially since the document's arrival in Canberra would probably be the subject of a great deal of publicity. In particular we would risk offending the Canadians, whose exactly comparable request was refused and could not even be granted under the relaxed rules set out above (because of the fourth condition).

Sir Geoffrey Howe has therefore concluded, with great reluctance, that we should not agree to Mr Hawke's request, and should make clear in the reply to him why we cannot do so. I enclose a draft letter from the Prime Minister to Mr Hawke in that sense.

Yours ever,

Robert Culshaw

(R N Culshaw)
Private Secretary

C D Powell Esq
10 Downing Street



DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

The Prime Minister

Reference

A x T

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Honourable R J L Hawke AC MP

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

In your letter of 25 September you asked me to consider again whether we could accede to your earlier request for the permanent loan of one of the two original copies of the Commonwealth of Australia Constitutional Act

CAVEAT.....

This is a very difficult problem. ^{At my request} The Foreign and Commonwealth Secretary and the Lord Chancellor have looked afresh for some way in which we could meet your request, which is received here in London with great sympathy. But I am very sorry to have to tell you that we cannot make an exception for Australia by arranging a permanent loan. Our archival collections are rich in the history of the Commonwealth and other countries, and their chief virtue lies in their comprehensiveness. If we began to disperse them, even on so small a scale and for so good a cause, their value to researchers from all over the world who wish to consult them would be diminished.

Enclosures—flag(s).....

I should, however, like to repeat the offer in my letter of 30 May, to present to you fine quality reproductions of the Act itself and of the Royal Commission of Assent, in a suitable presentation case. We would also be glad to make arrangements for the temporary loan of the Public Record Office copy for any commemorative exhibition.

If I am sorry not to be able to be more helpful but can assure you that I have been into the problem

not completely satisfied

AUSTRALIA
RELATIONS
SEPT 79



CONFIDENTIAL



*fly to
at the Cadock*

10 DOWNING STREET

From the Private Secretary

17 December 1985

GOVERNOR OF VICTORIA

Peter Ricketts wrote on 13 December seeking the Prime Minister's agreement to the Foreign Secretary recommending the appointment of Dr. John Davis McCaughey as Governor of Victoria.

The Prime Minister is content with the proposed appointment.

CHARLES POWELL

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.

CONFIDENTIAL

BM.

ZCZC
CELNAN 0554
CONFIDENTIAL
DD 160900Z FCOLN
FM CANBE TO FCOLN
160300Z DEC
GRS 160

ADVANCE COPY

IMMEDIATE



*Ps.
B/105.
B/hady Young
MR. Wilson
H/P
H/P to colf
B/No 10 J.S.H
26*

CONFIDENTIAL
DESKBY 160900Z
FM CANBERRA
TO IMMEDIATE FCO
TELNO 935
OF 160300Z DECEMBER 85

YOUR TELEGRAM NO 640: APPOINTMENT OF NEW GOVERNOR OF VICTORIA.

1. THE REVEREND DR MCCAUGHEY'S CREDENTIALS ARE IMPECCABLE. ANAGURAL PRESIDENT OF THE UNITING CHURCH IN AUSTRALIA, HE GROUP OF NON-CONFORMIST CHURCHES, DEPUTY CHANCELLOR OF THE UNIVERSITY OF MELBOURNE AND OLD FRIEND OF THE GOVERNOR-GENERAL (WHO CONSIDERS HIM A QUOTE BRILLIANT UNQUOTE CHOICE - MY TELEGRAM NO 910 REFERS). AGED 71, BORN IN BELFAST, EDUCATED CAMPBELL COLLEGE, PEMBROKE COLLEGE CAMBRIDGE AND EDINBURGH. ACTIVE AT ONE TIME IN STUDENT CHRISTIAN MOVEMENT. ONE SON IS CURRENTLY DIRECTOR OF THE NATIONAL GALLERY OF VICTORIA.

2. I AGREE THAT VICTORIANS IN ALL WALKS OF LIFE ARE LIKELY TO SUPPORT THE APPOINTMENT (PARAGRAPH 3 OF TUR).

LEAHY

CELNAN 0554

NNNN

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Ricketts to Powell dated 13 December 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 CWayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Appleyard to Powell dated 4 October 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 CWayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	



HOUSE OF LORDS,
SW1A 0PW
+
+ October 1985

CDP4K.

Dear Peter

AUSTRALIA CONSTITUTION ACT:
REQUEST FOR PERMANENT LOAN TO AUSTRALIA

Charles Powell's letters of 1 and 2 October concerning Mr Hawke's request to the Prime Minister to reconsider the question of a permanent loan of an original copy of the Australian Constitution were copied to me.

The Lord Chancellor has now had an opportunity to consider the matter again. He sympathises very much with the Prime Minister's desire to find a way of agreeing to the request, but remains firmly against allowing the Public Record Office copy to leave official custody permanently. The Lord Chancellor's reasoning is as set out in my letter of 20 March, a copy of which I enclose. The House of Lords copy is, of course, a matter for the House itself and not the Lord Chancellor.

I am copying this letter to Charles Powell (No 10) and David Morris (Lord Privy Seal's Office).

IP

Helen Tuffe

R STOATE

Private Secretary to
the Lord Chancellor

Peter Ricketts Esq
Foreign and Commonwealth Office



PR36/40/03

HOUSE OF LORDS,
SW1A 0PW

20th March 1985

Dear Peter,

AUSTRALIA CONSTITUTION ACT 1900

Charles Powell copied to this office his letter of 26 February seeking advice on the Prime Minister of Australia's proposal that the House of Lords or Public Record Office copy of the Australia Constitution Act be provided on permanent loan to Australia.

The question of the permanent loan of archival copies of Acts was raised in 1981 following a Canadian request for one or both of the record copies of the British North America Act 1867. The view then taken was that it would be wrong to allow either the Public Record Office copy, as the national archive record, or the House of Lords copy, as Parliament's record of its own proceedings, permanently to leave official custody. It would moreover be contrary to archival practice to interrupt complete sets of nationally important records. In the present case, and despite proposals currently on the table to discontinue the Public Record Office copy of Acts of Parliament, the Clerk of the Parliaments and the Keeper of Public Records are firmly of the same opinion as their predecessors; and the Lord Chancellor has indicated that he sees no reason to depart from the previous policy line.

In response to the Canadian request, the Foreign and Commonwealth Office arranged for a facsimile copy of the Act to be produced, at FCO's expense, by the Public Record Office. You may wish therefore to consider whether you would be content to follow this precedent, subject to the Prime Minister's approval.

../2

Peter Ricketts Esq
Foreign and Commonwealth Office

The facsimile could, if you thought it desirable, be authenticated by the Clerk of the Parliaments.

As an alternative, or as a possible supplement to the gift of a facsimile, we have considered the possibility of a temporary loan to Australia of the Public Record Office copy of the Act. The Lord Chancellor would be prepared to agree to such a loan for the duration of any commemorative exhibition which might be planned for 1988, provided, firstly, that the Keeper of Public Records was satisfied with the arrangements for display and safekeeping; and secondly that the document was, at either FCO or Australian expense, transported to and from Australia in the custody of a member of the PRO.

Copies of this letter go to the Private Secretaries to the Prime Minister, the Lord President of the Council and the Lord Privy Seal.

Yours sincerely,
Richard.

R STOATE

Private Secretary to
the Lord Chancellor



DA
44
c.p.

10 DOWNING STREET

From the Private Secretary

2 October 1985

I wrote yesterday about Mr. Hawke's request for Australia to have the permanent loan of the original document containing the Australian Constitution.

I can now confirm that the Prime Minister hopes that a way can be found to agree to this request.

I am copying this letter to Richard Stoate (Lord Chancellor's Office) and David Morris (Lord Privy Seal's Office).

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

BM



DSG (42)

10 DOWNING STREET

From the Private Secretary

1 October 1985

I enclose a copy of a letter to the Prime Minister from the Prime Minister of Australia. As you will see, Mr. Hawke asks the Prime Minister to reconsider his request for a permanent loan of an original copy of the Australian Constitution.

I should be grateful if this matter could be considered very carefully again and a draft reply prepared. I think - but shall check to be certain - that the Prime Minister would be in favour of making an exception to our rule about not letting such documents leave the country permanently.

I am copying this letter to Richard Stoate (Lord Chancellor's Office) and David Morris (Lord Privy Seal's Office).

Charles Powell

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

ca

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Powell to Appleyard dated 1 October 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 CW Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Canberra telegram no. 670 dated 1 October 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C. Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Canberra telegram no. 669 dated 1 October 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 @Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Canberra telegan no. 666 dated 30 September 1985</i>	
CLOSED FORYEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 M Dayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

SUBJECT

cc Ops
Master

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 167 B/85



Prime Minister

PRIME MINISTER

CANBERRA

Mr. Hawke rejects the offer
of a Temporary loan of the original
Australian Constitution: he wants it
on a "permanent loan".

Should I steer officials
towards agreeing to this? - Yes

Dear Margaret,

25 SEP 1985

CDP mb
2/x

Thank you for your letter of 30 May 1985. On behalf of the Government and people of Australia, may I thank you for your Government's decision to contribute one million pounds to our Bicentenary. There are strong ties between our two countries underpinned by history, culture, language, values and human relationships, and significant British participation in our celebrations will be warmly welcomed by the Australian people.

I understand that a number of proposals are currently being examined by the Britain-Australia Bicentennial Committee for inclusion in the British program. In themselves, these projects have the potential to forge new relationships and ties between our countries. Like you, I hope that the private sector will follow and build on the lead of your Government, and help make 1988 a most memorable year for both our countries.

At the present time a matter of particular interest to us is the choice of a project to provide an enduring reminder of Britain's relations with Australia. I hope it will be possible in the near future to make some suggestions for consideration by your Government about a project which will be a suitable and lasting legacy of the great and continuing British contribution to our country.

I am grateful for your offer of a temporary loan of an original copy of the Commonwealth of Australia Constitution Act and a gift of a facsimile of the Act. You will understand however that this does not meet the concern which prompted my enquiry concerning a permanent loan of one of the original documents containing the Australian Constitution.

The Australian Constitution has great significance for the people of this country. It marks our birth as a nation. At the same time it is the fundamental document in the continuing operation and development of our federal system of government. Given the relative youth of our political system, the written Constitution takes on a particular importance.

Permanent possession of the original document containing the Australian Constitution is thus a matter of great consequence for all Australians.

It is against this background that I hope that you will find it possible to reconsider my request for a permanent loan of an original copy of the Act. I might add that Australia's Federal Opposition parties are also of the view that at least one original copy of the Act should be kept in Australia.

Yours sincerely

Bolt

The Right Honourable Margaret Thatcher, MP
Prime Minister

ADVANCE COPY

IMMEDIATE

ZCZC
CELNAN 0085
CONFIDENTIAL
OO FCOLN
OO WELLI
FM CANBE TO FCOLN
050800Z SEP
GRS 690

CONFIDENTIAL
FM CANBERRA
TO IMMEDIATE FCO
TELNO 612
OF 050800Z SEPTEMBER 85
INFO IMMEDIATE WELLINGTON (FOR PS/MR STANLEY)
INFO SAVING SYDNEY, PERTH, BRISBANE, MELBOURNE (ACTIONED)

RESIGNATION OF MR PEACOCK AS LEADER OF THE AUSTRALIAN LIBERAL PARTY

1. SUMMARY. MR PEACOCK, ATTEMPTING TO AVERT THE POSSIBILITY OF A DIRECT LEADERSHIP CHALLENGE FROM HIS DEPUTY MR HOWARD, CALLED A BALLOT OF LIBERAL PARTY PARLIAMENTARIANS ON 5 SEPTEMBER FOR THE DEPUTY'S POSITION. CONTRARY TO EXPECTATIONS MR HOWARD HELD HIS POSITION, AND MR PEACOCK PROMPTLY RESIGNED AS LEADER OF THE PARTY. IN THE BALLOT WHICH FOLLOWED, MR HOWARD WAS ELECTED LEADER BY A LARGE MAJORITY.

2. THERE HAS BEEN SPECULATION FOR SOME MONTHS, MOSTLY FUELLED BY THE PRESS, THAT MR HOWARD, UNTIL TODAY DEPUTY LEADER OF THE LIBERAL PARTY, INTENDED TO MOUNT A CHALLENGE TO HIS LEADER MR PEACOCK. MR HOWARD HAS ALWAYS REFUSED TO GIVE CATEGORICAL ASSURANCES THAT HE WOULD NEVER UNDER ANY CIRCUMSTANCES CHALLENGE MR PEACOCK, ALTHOUGH HE HAS ALWAYS SAID THAT HE HAS BEEN LOYAL TO MR PEACOCK AND WAS NOT PLOTTING AGAINST HIM.

3. AS RECENTLY AS A FEW WEEKS AGO, MR PEACOCK SAID IN A TV INTERVIEW THAT HE ACCEPTED MR HOWARD'S POSITION AND DID NOT FEEL THAT HIS DEPUTY WAS THREATENING HIM. HOWEVER, RUMOURS BEGAN TO SPREAD AGAIN OVER THE WEEKEND OF 30/31 AUGUST, AND MR PEACOCK RECALLED MR HOWARD ON 3 SEPTEMBER FROM HOLIDAY TO A SHADOW CABINET MEETING AT WHICH HE DEMANDED MR HOWARD GIVE AN UNQUALIFIED ASSURANCE OF SUPPORT. MR HOWARD CONTINUED TO REFUSE TO RULE OUT THE POSSIBILITY OF A CHALLENGE AT SOME TIME IN THE FUTURE, ON THE GROUNDS THAT IT WOULD BE DISHONEST OF HIM TO MAKE SUCH AN UNQUALIFIED STATEMENT AND THAT IT WAS UNREASONABLE TO ASK HIM TO MAKE IT. MR PEACOCK THEREFORE CALLED FOR A BALLOT FOR THE DEPUTY LEADERSHIP AND PUT UP ANOTHER CANDIDATE, MR JOHN MOORE, CHAIRMAN OF THE LIBERAL PARTY IN QUEENSLAND, TO OPPOSE MR HOWARD. HE MADE IT CLEAR THAT HE COULD NO LONGER ACCEPT MR HOWARD AS HIS DEPUTY. MR HOWARD IN TURN SAID THAT HE WOULD RUN FOR RE-ELECTION TO THE DEPUTY'S POST. IF NOT ELECTED HE WOULD GO TO THE BACKBENCHES: IF RE-ELECTED HE WOULD SUPPORT MR PEACOCK AS BEFORE.

4. THE BALLOT OF 70 LIBERAL PARLIAMENTARIANS WAS HELD TODAY (5 SEPTEMBER). DETAILS ARE NOT YET CLEAR, BUT ACCORDING TO ABC NEWS REPORTS MR HOWARD, CONTRARY TO MOST EXPECTATIONS, DEFEATED

PS
PS/Andy Yang
PS/Mr Kerton
PS/PS
Dr Wilson
SPD
news D

Sir J Hardy
C/O. HOMS

no 10 DS

9

[Handwritten mark]

4. THE BALLOT OF 70 LIBERAL PARLIAMENTARIANS WAS HELD TODAY (5 SEPTEMBER). DETAILS ARE NOT YET CLEAR, BUT ACCORDING TO ABC NEWS REPORTS MR HOWARD, CONTRARY TO MOST EXPECTATIONS, DEFEATED MR MOORE IN THE CONTEST FOR THE POSITION OF DEPUTY LEADER (VOTING WAS 38-31). MR PEACOCK, SEEING THIS AS A VOTE OF NO CONFIDENCE IN HIM, RESIGNED THE LEADERSHIP. A BALLOT FOR THE LEADERSHIP ENSUED WHICH MR HOWARD WON OVERWHELMINGLY BY 57 VOTES TO 6 FOR HIS ONLY OPPONENT, MR JIM CARLTON. IN A SECOND BALLOT FOR THE DEPUTY LEADERSHIP, MR NIEL BROWN (SHADOW ATTORNEY-GENERAL) CAME THROUGH FROM THE BACK OF A FIELD OF 12 CANDIDATES. WE UNDERSTAND THAT MR HOWARD HAS ACCEPTED AN OFFER FROM MR PEACOCK TO SERVE UNDER HIM THOUGH IT IS NOT YET CLEAR IN WHAT CAPACITY MR PEACOCK WILL SERVE (IT COULD WELL BE SHADOW MINISTER FOR FOREIGN AFFAIRS).

5. COMMENT: IT IS TO THE PARTY'S ADVANTAGE THAT THE LEADERSHIP ISSUE HAS NOT BEEN ALLOWED TO DRAG ON UNTIL SHORTLY BEFORE THE NEXT ELECTION. THE OUTCOME IS I BELIEVE A GOOD ONE FOR THE LIBERAL PARTY, AND WILL INCREASINGLY BE SEEN AS SUCH. BY BRINGING THE ISSUE TO A HEAD, MR PEACOCK HAD ALMOST GUARANTEED A WEAKENING OF HIS OWN POSITION AS LEADER HAD HE REMAINED. EITHER HE WOULD HAVE HAD AS HIS DEPUTY A MAN WHOSE RIVALRY HE WAS SEEN TO FEAR, WHOM HE HAD TRIED AND FAILED TO REMOVE, AND WHO CONSTANTLY OUTPERFORMED HIM IN PUBLIC; OR (IF MR HOWARD HAD LOST THE ELECTION AS DEPUTY LEADER), MR PEACOCK WOULD HAVE HAD HIM SITTING DISCONTENTED ON THE BACKBENCHES, FROM WHERE HE COULD HAVE MOUNTED A CHALLENGE TO MR PEACOCK'S LEADERSHIP AT SOME POINT IN THE FUTURE WITHOUT LAYING HIMSELF OPEN TO CHARGES OF DISLOYALTY. AS IT IS, MR HOWARD WILL CERTAINLY PROVE TO BE A MORE FORMIDABLE OPPONENT FOR MR HAWKE AND MR KEATING ON ECONOMIC ISSUES, WHICH ARE LIKELY TO BE THE KEY TO THE NEXT ELECTION, THAN MR PEACOCK HAS BEEN. IT REMAINS TO BE SEEN TO WHAT EXTENT MR HOWARD, WHO IS RIGHT WING ON MANY ISSUES AND A LEADING ECONOMIC 'DRY', WILL USE HIS LEADERSHIP TO SWING PARTY POLICY STILL FURTHER HIS WAY, AND HOW HE RECONSTRUCTS THE SHADOW CABINET. IT HAS OFTEN BEEN SAID THAT MR HOWARD HAS LITTLE APPEAL TO THE ORDINARY VOTER, BUT I AM NOT SURE THAT THIS IS ANY LONGER TRUE. IN THE PAST MONTHS HE HAS INCREASINGLY COME ACROSS NOT ONLY AS A MAN OF CONVICTIONS, BUT ALSO AS CAPABLE OF CONVINCING OTHERS.

CULLIMORE

Subject



10 DOWNING STREET

THE PRIME MINISTER

30 May 1985

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T97185

cc Master
OPS

Dear Bob.

We are much looking forward to Australia's Bicentenary celebrations, and as you know work is going ahead here on Britain's participation in them.

I wanted to let you know personally that we have now decided to make available £1 million as our financial contribution to the Bicentenary. We shall be discussing with the Britain-Australia Bicentennial Committee how this money should be allocated and my officials will keep in close touch with yours to ensure that we are thinking along the same lines.

In making this contribution, we intend that it should serve to stimulate further funds from the private sector for the Bicentenary. I hope that the total British financial contribution will therefore be significantly greater than £1 million.

You wrote to me on 15 February about the loan of one of the copies of the Commonwealth of Australia Constitution Act. We shall be happy to make available to Australia on temporary loan the Public Records Office copy, which is identical to the copy in the House of Lords library. This loan would be for the duration of any commemorative exhibition which might be planned for 1988. In addition, we should like to offer the Australian Government a fine facsimile of the Commonwealth of Australia Constitution Act,

DSG

authenticated by Parliament, as well as a facsimile of the separate document which is the Royal Commission of Assent to the Act.

I am sorry that we cannot give you an original version of the Act on permanent loan. The rule on such documents has always been that neither the Public Records Office copy, as the national archive record, nor the House of Lords copy, as Parliament's record of its own proceedings, can be allowed to leave Britain permanently.

But I am delighted that we are able to contribute to your Bicentenary celebrations in a way that matches the closeness of the relations between our two countries.

Yours
sincerely

Raymond

PRIME MINISTER

You signed the attached letter to Bob Hawke last week. When Sir John Leahy in Canberra saw it, he thought there were two small changes which would improve its reception in Australia. I have marked them on the copy.

An amended letter is also attached for your signature.

Mark Addison

(Mark Addison)

28 May 1985

all seen

High Commission Canberra
Sir John Leach



cfo

10 DOWNING STREET

THE PRIME MINISTER

22 May 1985

Dear Bob

X Ref.

We are much looking forward to Australia's Bicentenary celebrations, and as you know work is going ahead here on Britain's participation in them.

I wanted to let you know personally that we have now decided to make available £1 million as our financial contribution to the Bicentenary. We shall be discussing with the Britain-Australia Bicentennial Committee how this money should be allocated and my officials will keep in close touch with yours to ensure that we are thinking along the same lines.

In making this contribution, we intend that it should serve to stimulate further funds from the private sector for the Bicentenary. I hope that the total British financial contribution will therefore be significantly greater than £1 million.

You wrote to me on 15 February about the loan of one of the copies of the Commonwealth of Australia Constitution Act. We shall be happy to make available to Australia on temporary loan the Public Records Office copy, which is identical to the copy in the House of Lords library. This loan would be for the duration of any commemorative exhibition which might be planned for 1988. In addition, we should like to offer the Australian Government a fine facsimile of the Commonwealth of Australia Constitution Act, authenticated by

✓

Parliament, as well as a facsimile of the separate document which is the Royal Commission of Assent to the Act.

I am sorry that we cannot give you an original version of the Act on permanent loan. The rule on such documents has always been that neither the Public Records Office copy, as the national archive record, nor the House of Lords copy, as Parliament's record of its own proceedings, can be allowed to leave Britain permanently.

But I am delighted that we are able to contribute to your Bicentenary celebrations ^{in a way} ~~on a scale~~ that matches the ~~special~~ closeness of the relations between our two countries.

Yours ever
Rayner

The Honourable R. J. L. Hawke, A.C., M.P.

CONFIDENTIAL

GR?



Foreign and Commonwealth Office

London SW1A 2AH

20 May 1985

Dear Charles,

Australian Bicentenary 1988

att
In my letter of 19 April about the message which the Prime Minister kindly contributed to Sir Peter Gadsden's fund-raising appeal I mentioned that the question of official Government funding for the Bicentenary was under consideration.

It has now been agreed that the sum of £1 million should be made available over five years from the FCO's provisions as the British Government's contribution to the Australian Bicentenary. The Australians have been pressing for a larger contribution but given the constraints on resources this was all that could be made available. The sum is broadly comparable with the contribution of £500,000 HMG made to the American bicentennial in 1976 (worth £1.1 at December 1983 prices).

We shall expect the Bicentennial Committee to use it to attract considerable further funds from non-governmental British sources.

It will be important to make the most of this news in Canberra. Sir John Leahy has recommended a personal letter to Mr Hawke from the Prime Minister, which he would seek the earliest opportunity to deliver in Canberra.

We are now also in a position to recommend a substantive reply to the Australian Prime Minister's letter of 15 February to the Prime Minister, requesting the loan of one of the original copies of the Commonwealth of Australia Constitution Act, and we suggest that the Prime Minister should cover this in the same letter. You will recall that the Prime Minister sent a holding reply to Mr Hawke on 21 March.

The Foreign Secretary accepts the view of the Lord Chancellor (Richard Stoaate's letter of 20 March) that it will not be possible to grant to the Australians the permanent loan of an original document. He therefore intends, subject to the Prime Minister's approval, taking up the alternative proposal whereby one of the original documents is lent to the Australians during the Bicentenary celebrations, accompanied by a first class facsimile suitably mounted as a permanent gift.

/This

Charles Powell Esq
10 Downing Street

CONFIDENTIAL



This also follows the pattern set with the Americans, who were given a replica of the Magna Carta.

/ I enclose a draft letter for the Prime Minister to send to Mr Hawke covering these points. Once the Prime Minister has approved a text, we propose to telegraph it to our High Commission in Canberra as soon as possible, with the signed copy to follow, so that the news of the British Government's funding can be made public without delay.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

CHARLES

Do you want the FO letter to you
of 20 May to go in as background
to this letter?

Yes please
✓ CO

Suz
21/5

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

Top Secret

Secret

Confidential

Restricted

Unclassified

The Hon R J L Hawke AC MP
Prime Minister of Australia

Copies to:

SRWAAAY

PRIVACY MARKING

SUBJECT:

.....In Confidence

We are much looking forward to Australia's Bicentenary celebrations, and as you know work is going ahead here on Britain's participation in them.

CAVEAT.....

I wanted to let you know personally that we have now decided to make available £1 million as our financial contribution to the Bicentenary. We shall be discussing with the Britain-Australia Bicentennial Committee how this money should be allocated and my officials will keep in close touch with yours to ensure that we are thinking along the same lines.

10 items
en

In making this contribution, we intend that it should serve to stimulate further funds from the private sector for the Bicentenary. I hope that the total British financial contribution will therefore be significantly ~~larger~~ larger than £1 million.

Enclosures—flag(s).....

You wrote to me on 15 February about the loan of one of the copies of the Commonwealth of Australia Constitution Act. We ~~would~~ ^{shall} be ~~glad~~ ^{happy} to make available to Australia on temporary loan the Public Records Office copy, which is identical to the copy in the House of Lords library.

/This

This loan would be for the duration of any commemorative exhibition which might be planned for 1988. In addition, we should like to offer the Australian Government a fine facsimile of the Commonwealth of Australia Constitution Act, authenticated by Parliament, as well as a facsimile of the separate document which is the Royal Commission of Assent to the Act.

I am sorry that we cannot give you an original ~~ver~~ version of the Act on permanent loan. The rule on such documents has always been that neither the Public Record Office copy, as the national archive record, nor the House of Lords copy, as Parliament's record of its own proceedings, can be allowed to leave Britain permanently.

But I am delighted that we are able to contribute to your Bicentenary celebrations on a scale that matches the special ~~warmth~~ ^{the} of relations between our two countries.

drawings
closeres

20 MAY 1985



L02 ABZ

Draft Message from the Prime Minister

Australia's bicentenary is a ~~wonderful~~ ^{splendid}
~~an occasion~~ ^{an occasion} opportunity to celebrate the especially close
~~friendship~~ ^{friendship} partnership between our two ~~nations~~ ^{countries} within the
~~Commonwealth~~ and to look forward to another two
hundred years of ~~friendship and cooperation~~ ^{working together}. I
am delighted to ~~support~~ ^{give my} the work of the Britain-
Australia Bicentennial Committee set out in this
programme.

Please type for PM's
signature

[Handwritten signature]

1950
1951
1952
1953
1954
1955
1956
1957
1958
1959
1960

P4 GRAPHICS

JOB REF 977 2845 G1 exp

FLOPPY 977 — CFD1

2845A — Expression — Ref: 354
27.3.84 — British Airways — Galley 1
7 on 7, 9 on 9 Melior — Kern 1

On Sunday May 13 1787, eleven ships of the First Fleet set sail from Portsmouth on an historic 15,000 mile journey to Australia, arriving at Botany Bay on January 18 1788, eighteen years after Captain Cook first sighted the shores of this southern continent. On January 26 1788 the Fleet moved to Port Jackson where the 1468 Britons on board became the first European settlers of Australia.

This small settlement grew to become Sydney, Australia's largest city, and it was Captain Arthur Phillip, Commander of the Fleet, who formally took possession of the whole of the eastern part of the continent. He went on to become the first Governor of the colony of New South Wales.

In 1988, sixteen million Australians will be commemorating this 200th anniversary — a 'birthday' celebration which will not only prompt reflection on the historical, cultural and economic developments of the last two centuries, but also focus attention on Australia's place in the world of the future.

Britain played an important role in the development of modern Australia. From those first pioneers and the early trading links, through to the cultural, sporting, scientific, educational and continued family ties of today, Britain has, and will continue to have, a special bond with one of the youngest and most progressive nations of the world.

The Bicentenary is a very special occasion for Australians, but it is also a first class opportunity for Britons to join in the celebration of two hundred years of Australia's rich heritage. By increasing awareness and understanding of our two nations, we will look to a future of continued co-operation and international friendship.

**HRH The Duke
of Kent GCMG
GCVO
President, The
Britain-
Australia
Bicentennial
Committee**

"Britain and Australia have very special links through families, business, arts and culture. It is therefore particularly fitting that Britain should help in celebrating Australia's Bicentenary. I commend the celebratory programme and I am sure that it will receive the wholehearted support of all those who recognise the value of our special relationship with Australia and her people."

**The Rt Hon
Margaret
Thatcher FRS
MP
Prime Minister**

**Sir Peter
Gadsden GBE
Chairman, The
Britain-
Australia
Bicentennial
Committee**

Further "This brochure indicates the deservedly ambitious programme of events and celebrations which my Committee would like to see included in Britain's contribution to Australia's Bicentenary. ~~But~~ A programme such as this requires considerable financial resources. We already have generous commitments from Her Majesty's Government, Shell, BP, British Airways and RTZ, but we need substantial support from business, industry and individuals if we are to make the Bicentenary a memorable year ~~from~~ Australia and for British-Australian relations."

for

The aim of the Britain-Australia Bicentennial Committee is to encourage and co-ordinate as wide and varied a selection of events and projects as possible in order to further the close links between our two countries. The Committee aims to ensure that Britain participates fully in Australia's Bicentenary celebrations and helps in giving something of Britain to Australia in the form of permanent memorials.

The projects the Committee is seeking to incorporate in the programme include:

- ◆ Tours of Australia by representative British cultural and performing arts groups, as well as reciprocal tours by Australian groups in Britain.
- ◆ Participation in Australian military events such as an air show, naval review and military tattoo and in the historic 'Tall Ships Parade'.
- ◆ A series of major exhibitions and displays in both countries, particularly reflecting British-Australian links and covering scientific, arts and cultural themes.
- ◆ An Australian film season and other national and regional entertainments and celebrations in Britain.
- ◆ Special sporting events which will involve both British and Australian sporting personalities, as well as local clubs, colleges and schools.
- ◆ A series of visits and exchanges in celebration of the Bicentenary and national and regional social events which will bring British and Australian communities and interest groups together.

/a

One major project envisaged is the formation of an Educational Trust which would sponsor and encourage exchanges between Australian and British schools and colleges, for both students and teachers.

Britain - In addition, the British-Australia Bicentennial Committee would like to help facilitate individual projects such as the conservation of historical documents linked with Australia, the publication of articles and papers, the forging of links between specific groups where common interests can be usefully and creatively employed to enhance understanding and relations.

There are many projects which the Committee would like to encourage and support and which will stand as continuing reminders of these Bicentennial celebrations and the historic events, developments and sentiments upon which they are based.

Patron In Chief: Her Majesty
The Queen
President: His Royal Highness
The Duke of Kent
Chairman: Sir Peter Gadsden GBE

The Britain-Australia Bicentennial Committee has been established to organise and co-ordinate a programme of events and projects to commemorate Australia's first European settlement. The Committee has Foreign and Commonwealth Office endorsement and is working closely with the Australian Bicentennial Authority in preparing for Britain's participation in Australia's Bicentennial celebrations.

The Committee has established the Britain-Australian Bicentennial Trust which is a company limited by guarantee and a registered charity.

In order to carry out the projects envisaged, the Committee needs to raise funds. Although many of the events, particularly social and sporting occasions, will be self-financing, the Committee is dependent upon corporate and private contributions to make Britain's participation successful and memorable.

SIR PETER GADSDEN GBE — CHAIRMAN OF THE BRITAIN- AUSTRALIA BICENTENNIAL COMMITTEE

Sir Peter Gadsden was appointed Chairman of the Britain-Australia Bicentennial Committee by Her Majesty's Government.

Sir Peter's links with Australia go back to 1879 when his grandfather, Jabez Gadsden, arrived in Melbourne at the age of 20 and founded the organisation which today bears his name — 'J Gadsden Australia Pty'.

Thirty-four years later, Sir Peter's father, Basil Gadsden, arrived in Melbourne, also at the age of 20. He was ordained Deacon of St John's Maffra, in 1918 and in the same year became Curate of Buchan. His parish covered some 2,000 square miles and Basil Gadsden spent 100 miles a week in the saddle to take services.

Sir Peter was born in Canada, but has been a frequent visitor to Australia since 1957. He has also maintained close links with the Australian Mineral Sands Industry. He was Lord Mayor of London in 1979 and during his mayoralty paid official visits to Perth, Bunbury, Adelaide, Brisbane, Southport, Melbourne and Geelong. He also visited Buchan where he planted a tree in the churchyard. One of the supporters of Sir Peter's Coat of Arms is a koala bear — symbolising his many connections with Australia.

Sir Peter is Vice President of the Sir Robert Menzies Memorial Trust, Vice Chairman of the Britain-Australian Society, a Member of the Cook Society and Council member of the Big Brother Movement.

VICE PRESIDENTS

R I J Agnew Esq

Sir Lindsay Alexander

The Rt Hon E L Baillieu

Sir Donald Barron

Sir Peter Baxendell CBE

The Rt Hon the Lord Beardman
MC TD DL

Sir Arnold Burgen FRS

Sir Anthony Burney OBE

The Rt Hon the Viscount
Caldecote DSC

The Rt Hon the Lord
Carrington CH KCMG MC PC

Sir David Checketts KCVO

The Rt Hon Lord Cledwyn
of Penrhos PC CH

The Rt Hon Sir Zelman
Cowen AK GCMG KCVO QC

The Rt Hon the Lord
Denman CBE MC TD

The Rt Hon Lord Ezra MBE

The Rt Hon the Earl of
Gowrie

The Rt Hon Lord
Hailsham of St
Marylebone CH FRS DCL

Neil Hamilton Esq MP

G A Higham Esq

The Rt Hon the Lord
Home of the Hirsel KT PC

The Rt Hon Sir Geoffrey
Howe QC MP

Sir Robin Ibbs

The Rt Hon the Earl of
Inchcape

Air Chief Marshal Sir
Wallace Kyle GCB KCVO
CBE DSO

His Excellency Sir John
Leahy KCMG

Robin Leigh-Pemberton Esq

Admiral of the Fleet Lord
Lewin KG GCB MVO DSC

Christopher Lewinton Esq

The Rt Hon the Earl of
Limerick KBE

The Rt Hon the Viscount
De L'Isle VC KG GCMG
GCVO

The Rt Hon the Lord
Mayor of London

R E W Lumley Esq

The Rt Hon Lord Maclean
KT GCVO KGE PC

The Rt Hon the Lord
McFadzean KT

C M Marshall Esq

Sir Peter Matthews AO

John Milne Esq

Sir David Orr MC

His Excellency Mr A R
Parsons

Sir Austin Pearce CBE

The Rt Hon the Lord
Scanlon

The Rt Hon the Lord
Shackleton KG OBE PC

The Rt Hon the Viscount
Slim OBE

Sir Peter Studd KCVO GBE

J A Swire Esq CBE

The Rt Hon the Lord
Thomson of Monifieth KT PC

Sir Charles Troughton
CBE MC TD

Sir Anthony Tuke

D Tullett Esq

Sir Robin Vanderfelt KBE

The Rt Hon the Lord Vestey

Sir Peter Walters

J P G Wathen Esq

The Rt Hon Bernard
Weatherill MP

The Rt Hon Lord Willis

The Rt Hon Lord Wilson
of Rievaulx KG OBE

E J Worlidge Esq

WORKING COMMITTEE

J S Acton Esq	British Council, Arts Division
E R I Allan	Central Office of Information
Dr H H Atkinson	Science and Engineering Research Council
Mrs Sylvia Barnett OBE	Victoria League for Commonwealth Friendship
N J Barrington Esq CMG CVO	Foreign and Commonwealth Office
Alan Beaves Esq	British Airways
Duncan Bluck Esq OBE	British Tourist Authority
Professor Geoffrey Bolton AO (until 28.7.1985)	Australian Studies Centre
Air Vice-Marshal Anthony Caillard CB	The Britian-Australia Society The Cook Society The Robert Menzies Memorial Trust
Commander P C D Campbell MVO DL RN	Northern Ireland Regional Committee
Major General M E Cafron-Smith CBE	
J M Corbet-Singleton Esq	Australian British Chamber of Commerce
Dr Neil Cossons OBE	National Maritime Museum
Ian Coulter Esq	
M C Cowdrey Esq CBE	
Canon Rex Davis	Lincoln Cathedral
P R L Drew Esq OBE	World Trade Centre
John Drummond Esq	
T D Edmundson Esq	British Council
R A Foster Esq MA FSA FMA	Liverpool County Council
The Rt Hon the Baroness Gardiner of Parkes	
Brian Hall Esq MIPM MILAM	City of Portsmouth
John G M Hart Esq	
A P Harvey Esq	British Museum (Natural History)
Major M G Harwood-Little	Shropshire Regional Committee
Dr John Hemming	Royal Geographical Society
Sir Ian Hunter MBE	Harold Holt Limited
T I Johnson-Gilbert Esq	
Paul Loveluck Esq	Wales Tourist Board
Lady McKay	

Barrett Manning Esq	The Hon The Irish Society
John Marshall Esq	City of Portsmouth
Bruce Matthews Esq	News Group Newspapers Limited
Professor T B Millar (from 1.11.1985)	Australian Studies Centre
Christopher Mowll Esq MA	The Clothworkers' Company
R H Morcom Esq FCA	
Mrs Shirley Murgatroyd	
D L Murison Esq MBE	Australian Business in Europe
J F Porter Esq	Commonwealth Institute
Sir David Scott GCMG	Royal Over-seas League
Sir Michael Scott KCVO CMG	Royal Commonwealth Society
Colonel J I M Smail	North of England Regional Committee
A C E Spraggs Esq	Portsmouth Branch: Britain-Australia Society
Sir Donald Tebbit GCMG	English Speaking Union
Dr D V Thomas	Science and Engineering Research Council
Bryan Tove Esq	Tove, Kenning & Spencer Limited
T H Waite Esq MBE	The Archbishop of Canterbury
Dr Peter Warren	The Royal Society
G G Watson Esq	Middlesbrough Regional Committee
Mr R F W Watson CMG	New South Wales
A B Weller Esq	The Maritime Trust
H V Willshaw Esq	United Kingdom Agricultural Supply Trade Association
John Whitehorn Esq CMG	Mitchell Cotts
John Vivian Esq FRIBA	Bath and West Country Regional Committee

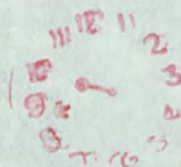
Executive Secretary: Miss Ann Beeching

Britain-Australia Bicentennial Committee
Arthur Phillip Room
Royal Commonwealth Society
18 Northumberland Avenue
London WC2N 5Bj

01-930 6733 X28
01-930 7529

Australia: Relations 9/79

19 APR 1965





Foreign and Commonwealth Office

London SW1A 2AH

22 April 1985

SPC
NORM
CDP
22/4.

Dear Richard,

Australia Constitution Act 1900

Thank you for your letter of 20 March which crossed with Len Appleyard's of the following day.

We accept that it will not be possible to grant the Australian Prime Minister's request for the permanent loan of an archival copy of the Australia Constitution Act.

We should therefore like to pursue both the alternative suggestions made in your letter and, subject to funds being authorised and to the Prime Minister's approval, offer to the Australian Prime Minister temporary loan of the Public Record Office copy of the Act, as well as the gift of a good facsimile authenticated by the Clerk of the Parliaments. We should also like to consider offering the Australians a facsimile of the Royal Commission of Assent to the Act which is held by the House of Lords Records Office. The Clerk of the Records has agreed to make this available for copying.

We shall suggest a substantive reply to the Australian Prime Minister as soon as costs have been determined and funds agreed.

I am sending a copy of this letter to the recipients of your letter and to the Keeper of Public Records.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

Richard Stoate Esq
Private Secretary to
the Lord Chancellor
House of Lords

Subject cc master
eps.



FLF 344

cc: FLO

10 DOWNING STREET

THE PRIME MINISTER

21 March, 1985

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T50/85

Dear Bob

Thank you for your letter of 15 February requesting the loan of one of the copies of the Commonwealth of Australia Constitution Act. This idea had already been in our minds.

There are a number of difficulties regarding the permanent loan of such documents. But I am very conscious of the importance of the forthcoming Australian Bicentenary, and have asked those concerned to examine your proposal quickly. I shall give you a reply as soon as possible.

Kind regards,

Yours sincerely

Margaret Thatcher

The Hon R J L Hawke, AC, MP

STT



Foreign and Commonwealth Office

London SW1A 2AH

21 March 1985

Dear Charles,

Commonwealth of Australia Constitution Act

You wrote on 26 February about the Australian Prime Minister's request to the Prime Minister for one of the original copies of the Commonwealth of Australia Constitution Act to be sent to Australia on permanent loan.

As the Australian Prime Minister made clear, two original copies of the Australia Constitution Act are held in Britain, one by the House of Lords and one by the Public Records Office. Each has its own validity.

A request for the gift or permanent loan of the House of Lords copy must be considered by the Clerk of the Parliaments and put to the House of Lords for approval. However, we understand from the Clerk of the Records that there have been few if any instances of original documents being presented or loaned in this way.

A decision about the copy in the Public Records Office would be made on the recommendation of the Keeper of Public Records, and ultimately on the instructions of the Lord Chancellor as the Minister responsible for the Public Records. The separation of one of the original documents from the National Archive would also create a precedent.

/ I enclose a copy of a letter we have written to the Lord Chancellor's office asking, on the Foreign Secretary's behalf, that urgent and sympathetic consideration be given to the Australian request or to an alternative involving the temporary loan of one of the documents together with the gift of a facsimile. This will inevitably take a little time, since there are difficult precedents involved in releasing such documents. The Prime Minister may therefore wish to send a holding reply to the / Australian Prime Minister along the lines of the enclosed draft.

Yours ever,
L V Appleyard
(L V Appleyard)
Private Secretary

C D Powell Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

21 March 1985

Dear Richard,

Commonwealth of Australia Constitution Act

You will have received from Number 10 a copy of a letter to the Prime Minister from the Australian Prime Minister, seeking the permanent loan of one of the original copies of the Commonwealth of Australia Constitution Act in connection with the Australian Bicentenary in 1988.

In view of the fact that this request comes from a Commonwealth Prime Minister in connection with a major centenary celebration, the Foreign Secretary hopes that we shall be able to go as far to meet the Australians as possible.

Our family ties and our shared social, legal, ethnical, political and constitutional heritage make Australia a country with which our relations are warm and close at all levels and in all fields. But it is a country which, in the modern world, we cannot take for granted. The Australian Bicentenary, which will commemorate the European settlement of Australia, will therefore be an important event both for Australians and for Anglo-Australian relations. It is clearly right and very much in the national interest that Britain's contribution to Australia's heritage, institutions and development should be firmly emphasised and properly recognised in the celebrations.

We have been considering what form the British Government's contribution should take, given the pressure on public funds. The permanent loan of one of the original copies of the Commonwealth of Australia Constitution Act, which are documents of great historical and symbolic value in Australia, would provide a very fitting gift. We recognise, however, that this might create difficult precedents since such documents in the House of Lords or National Archive have rarely, if ever, been parted with.

If permanent loan is out of the question, the best alternative would seem to be a temporary loan of one of the documents for the duration of the Bicentenary Year 1988, together with the gift of a good facsimile. Senior officials from my Department have already been in touch with the Keeper of the Public Records, who was reluctant to agree to a lengthy loan of the National Archive copy but thought that a short term loan might well be possible.

/ You....



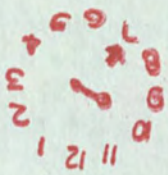
You may remember that we lent an original copy of the Magna Carta to the United States for their Bicentenary in 1976, while presenting them a facsimile. A fine facsimile of the original Australian document on vellum, exactly as the original, and authenticated by the Clerk of the Parliaments, might be acceptable to the Australians if one of the originals could be lent to them for their Bicentenary year. We might aim to provide a suitable display case, though not the elaborate gold setting, costing £100,000, which was given to the Americans.

As you know, the Lord Chancellor is already involved with the Bicentenary as a Vice-President of the British Australian Bicentennial Committee which has been set up under the Chairmanship of Sir Peter Gadsden to coordinate Britain's contribution. The Foreign Secretary would be most grateful if the Lord Chancellor could now give sympathetic consideration to the Australian request, and to the proposals set out above.

I am sending a copy of this letter to No 10, with a recommendation that a holding reply be sent to the Australian Prime Minister while the matter is being considered.

Yours ever,
Len Appleyard
(L V Appleyard)
Private Secretary

Richard Stoate Esq
Private Secretary to
The Lord Chancellor.



21 MAR 1985



PR36/40/03

HOUSE OF LORDS,
SWIA 0PW

20th March 1985

Dear Peter,

*NBM
CDP
2/13*

AUSTRALIA CONSTITUTION ACT 1900

file with CDP

Charles Powell copied to this office his letter of 26 February seeking advice on the Prime Minister of Australia's proposal that the House of Lords or Public Record Office copy of the Australia Constitution Act be provided on permanent loan to Australia.

The question of the permanent loan of archival copies of Acts was raised in 1981 following a Canadian request for one or both of the record copies of the British North America Act 1867. The view then taken was that it would be wrong to allow either the Public Record Office copy, as the national archive record, or the House of Lords copy, as Parliament's record of its own proceedings, permanently to leave official custody. It would moreover be contrary to archival practice to interrupt complete sets of nationally important records. In the present case, and despite proposals currently on the table to discontinue the Public Record Office copy of Acts of Parliament, the Clerk of the Parliaments and the Keeper of Public Records are firmly of the same opinion as their predecessors; and the Lord Chancellor has indicated that he sees no reason to depart from the previous policy line.

In response to the Canadian request, the Foreign and Commonwealth Office arranged for a facsimile copy of the Act to be produced, at FCO's expense, by the Public Record Office. You may wish therefore to consider whether you would be content to follow this precedent, subject to the Prime Minister's approval.

../2

Peter Ricketts Esq
Foreign and Commonwealth Office

The facsimile could, if you thought it desirable, be authenticated by the Clerk of the Parliaments.

As an alternative, or as a possible supplement to the gift of a facsimile, we have considered the possibility of a temporary loan to Australia of the Public Record Office copy of the Act. The Lord Chancellor would be prepared to agree to such a loan for the duration of any commemorative exhibition which might be planned for 1988, provided, firstly, that the Keeper of Public Records was satisfied with the arrangements for display and safekeeping; and secondly that the document was, at either FCO or Australian expense, transported to and from Australia in the custody of a member of the PRO.

Copies of this letter go to the Private Secretaries to the Prime Minister, the Lord President of the Council and the Lord Privy Seal.

*Yours sincerely,
R. Stoa*

R STOATE

Private Secretary to
the Lord Chancellor

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Hailsnam to Howe dated 12 March 1985</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C. Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	



JA
29

10 DOWNING STREET

From the Private Secretary

26 February 1985

I enclose a copy of a letter to the Prime Minister from the Prime Minister of Australia seeking the return of either the master copy or the duplicate of the Commonwealth of Australia Constitution Act in connection with Australia's bicentenary in 1988.

BEI I should be grateful for early advice and a draft reply. If it is likely to be a matter which requires extensive consultation, it would be helpful to have a draft acknowledgement explaining the background.

I am sending copies of this letter and enclosure to the Private Secretaries to the Lord President of the Council, the Lord Chancellor and the Lord Privy Seal.

(Charles Powell)

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

059



AUSTRALIAN HIGH COMMISSION · LONDON

Handwritten initials

THE HIGH COMMISSIONER

Prime Minister

DP 28/2

21 February 1985

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 35/85**

*u MASTER
ops*

Handwritten mark

Dear Prime Minister,

I have been asked to pass the following message to you from the Prime Minister of Australia:

Begins:

"Thank you for your kind message of congratulations and best wishes on the re-election of my Government.

I look forward to continuing the particularly warm and close relationship between our two countries.

R.J.L. Hawke"

Ends

*Yours sincerely
A.R. Parsons*

(A.R. Parsons)

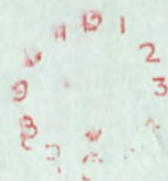
The Rt. Hon. Margaret Thatcher, M.P.
Prime Minister
10 Downing Street
LONDON SW1

AUSTRALIAN HIGH COMMISSION · LONDON



THE HIGH COMMISSIONER

22 FEB 1985



910 SUBJECT
cc OPS
Master.



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T30^B/85

PRIME MINISTER

CANBERRA

15 FEB 1985,

Dear Margaret,

The approach of Australia's Bicentenary in 1988 is focussing attention on documents marking major turning points in Australia's history. Recent consideration has been given in Australia to the fact that the 'original' document containing the Constitution of the Commonwealth of Australia is kept in London.

I understand that, in accordance with United Kingdom practice since 1849, two copies of the Commonwealth of Australia Constitution Act (with the Constitution set out in its section 9) were printed on vellum and that the 'master copy', endorsed with the formula of Royal Assent and signed by the Clerk of the Parliaments, was deposited with the House of Lords Records. A duplicate copy was, I understand, sent to the Public Record Office.

I believe that it would be a most valuable contribution to Australia's Bicentenary in 1988 if the 'master copy' or the duplicate could be provided on permanent loan to Australia. All necessary measures for the protection of the document would of course be taken.

I should be most grateful for your consideration of this proposal.

Yours sincerely
Bill Burke

The Rt Hon. Margaret Thatcher, MP
Prime Minister of Great Britain
10 Downing Street
LONDON SW1
United Kingdom.



file v
PC

10 DOWNING STREET

From the Private Secretary

7 January 1985

Visit of Mr. Andrew Peacock

The Prime Minister is to meet Mr. Peacock, Leader of the Australian Liberal Party, on 14 February. Mr. Peacock will be in the UK for an IDU meeting, and the appointment with the Prime Minister has been arranged through Central Office.


I should be grateful for briefing on current bilateral UK/Australian issues by 1600 on 12 February.

PC
Cancelled

(C.D. POWELL)

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

10

10.13.

MR. POWELL

cc. Mr. Alison

You will see from the attached that the Prime Minister has agreed to see Andrew Peacock on Thursday, 14th February (my note only came back from the Prime Minister this morning). I imagine you will want to ask for briefing from the FCO.

S.S.

STEPHEN SHERBOURNE

7.1.85

PRIME MINISTER

Mr. Andrew Peacock - Leader of the Australian Liberals

Andrew Peacock is attending an IDU meeting in London next month and Jim Spicer has asked if you would see him (letter attached). Charles Powell is sure you will want to. ✓

Caroline has therefore put him in the diary for 3.45 pm on Thursday, 14th February, after Questions in the House.

Are you happy with this?

S.S.

Yes mb

STEPHEN SHERBOURNE

3.1.85



83/1

Conservative Party International Office

32 Smith Square Westminster London SW1P 3HH
Tel. 01-222 9000 Telex 8814563 Fax. 01-222 1135

2nd January 1985

Michael Alison, Esq. MP
10 Downing Street
LONDON SW1

Dear Michael,

We spoke about Andrew Peacock, the Leader of the Australian Liberal Party. He is attending an IDU Meeting (and indeed taking the chair) on the 11th and 12th February and will be arriving in London en route for Australia on the afternoon of the 13th. I wonder if it would be possible for the Prime Minister to meet him at some point, preferably on the Thursday afternoon.

Geoffrey Howe has agreed a meeting, but obviously we will wait until we hear from you before firming up the timing for that meeting.

Yours sincerely,

Brenda Wood 219-4195

PP JIM SPICER

(Dictated by Mr. Spicer and signed in his absence)



file

881

10 DOWNING STREET

From the Private Secretary

21 December 1984

BF / The Prime Minister has received the attached letter from the Prime Minister of Australia about participation in the Duke of Edinburgh's Sixth Commonwealth Study Conference in Australia and India in mid 1986. I should be grateful for a draft reply for the Prime Minister to send to Mr Hawke as soon as possible.

The letter has not been acknowledged.

Tim Flesher

Colin Budd Esq
Foreign and Commonwealth Office

824

Subject a master
of

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T202 A/84

CONFIDENTIAL

3520 - 2

DD 022145Z CANBERRA

GRS 92

CONFIDENTIAL

DESKBY 022145Z

FM FCO 021245Z DEC 84

TO IMMEDIATE CANBERRA

TELEGRAM NUMBER 1010 OF 2 DECEMBER

YOUR TELNO 1126: GENERAL ELECTION

1. PLEASE PASS THE FOLLOWING MESSAGE FROM THE PRIME MINISTER
TO MR HAWKE:

BEGINS

CONGRATULATIONS ON YOUR SUCCESS. I SEND YOU
MY BEST WISHES FOR YOUR SECOND TERM, AND LOOK FORWARD TO
CONTINUING TO WORK CLOSELY WITH YOU TO MAINTAIN THAT PARTICULAR
WARMTH AND FRIENDSHIP WHICH DISTINGUISHES RELATIONS BETWEEN
BRITAIN AND AUSTRALIA.

ENDS

HOWE

NNNN

DISTRIBUTION

LIMITED

SPD

PROTOCOL D

NEWS D

CCD

PLANNING STAFF

PS

PS/LADY YOUNG

PS/MR RENTON

PS/PUS

SIR W HARDING

DR WILSON

PRIME MINISTER

The FCO would be grateful for your early agreement to the following message to Mr. Hawke.

Begins:

Congratulations on your success. I send you my best wishes for your second term, and look forward to continuing to work closely with you to maintain that particular warmth and friendship which distinguishes relations between Britain and Australia.

Ends.

Shred. ms

At the moment there are no precise figures on the election, but the projected figures are as follows:

In the Lower House: Mr. Hawke had a majority of 18 and it is now reduced to 3.

In the Upper House his Party is in the minority. This is blamed upon the electoral system and a new anti-nuclear party which seems to have taken many of the votes away from Mr. Hawke.

Lillian

1 December 1984



10 DOWNING STREET

~~David~~ CSP

This letter was held back
from PM's box on Saturday
as it was obvious Howice was
not going to have a substan-
tial ~~victory~~ victory.

Fco called with amended
message - see amendment
on Telegram which I
relayed to Chequers
on Saturday evening
to PM

Well done.
Revised ~~letter~~ message

MARCO dyshard.

CONFIDENTIAL



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

29 November 1984

Agree attached message, for
despatch if Mr Hawke wins

Dear Charles, Convincingly? *Dubs*
Australian General Election 30/11

As you know, a general election will be held in Australia on 1 December. The result may be known in London by the afternoon of the same day.

In the House of Representatives, Mr Hawke is widely expected to win a convincing victory and to increase the comfortable majority he had in the last parliament (25). The outcome is less predictable in the Senate, but the gap between the two parties is too wide for the Liberals to have any realistic hope of a return to power.

On the assumption that Mr Hawke will win, I enclose a draft message from the Prime Minister. This could be despatched over the weekend by our Resident Clerk if the Prime Minister is content.

Yr. evr.

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

CONFIDENTIAL

OUT TELEGRAM

		Classification and Caveats CONFIDENTIAL	Precedence/Deskby IMMEDIATE
--	--	---	---------------------------------------

ZCZC
GRS
CLASS
CAVEATS
DESKBY
FM FCO
PRE/ADD
TEL NO

1	ZCZC
2	GRS
3	CONFIDENTIAL
4	
5	DESKBY NOVEMBER 84
6	TO IMMEDIATE CANBERRA
7	TELEGRAM NUMBER
8	YOUR TELNO 1126: GENERAL ELECTION
9	1. Please pass the following message from the Prime Minister
10	to Mr Hawke:
11	BEGINS
12	Congratulations on your impressive ^{SUCCESS} victory. I send you
13	my best wishes for your second term, and look forward to
14	continuing to work closely with you to maintain that particular
15	warmth and friendship which distinguishes relations between
16	Britain and Australia.
17	ENDS
18	
19	HOWE
20	NNNN
21	
22	
23	
24	
25	

///
//
/

NNNN ends telegram	BLANK	Catchword
File number	Dept Private Office	Distribution Ltd SPD PD News D CCD PS PS/Lady Young PS/Mr Renton PS/PUS Sir W Harding Dr Wilson
Drafted by (Block capitals) PETER RICKETSS		
Telephone number		
Authorised for despatch		
Comcen reference	Time of despatch	

cc Master
ops.

cc Fco

2



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T167/84.

10 DOWNING STREET

THE PRIME MINISTER

2 October, 1984

Dear Prime Minister,

This letter will be presented to you by Sir John Henry Gladstone Leahy, KCMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in the Commonwealth of Australia.

I am confident that Sir John Leahy is eminently fitted, both by his personal qualities and by his experience of affairs of State, for the charge with which he has been entrusted, and that his appointment will serve to maintain the relations of close friendship which so happily exist between us.

In this confidence I commend Sir John Leahy to you and, on behalf of the United Kingdom Government, ask you to afford him all possible help in the fulfilment of his important mission.

Yours sincerely
Margaret Thatcher

The Honourable R.J.L. Hawke, A.C., M.P.



6

10 DOWNING STREET

From the Private Secretary

11 September, 1984.

I enclose a signed letter from the Prime Minister to Mr. Hawke, dated 2 October, for Sir John Leahy to take with him on his appointment as High Commissioner in Australia.

Charles Powell

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

NK.



Foreign and Commonwealth Office

London SW1A 2AH

10 September 1984

Dear Charles

I enclose the draft of a letter from the Prime Minister to Mr Hawke for Sir John Leahy to take with him on his appointment as High Commissioner in Australia, along normal lines.

Sir John Leahy is expected to leave for Australia on 9 October. It would be useful if the letter could bear a date shortly before Sir John's departure from the United Kingdom: we suggest it might be dated 2 October.

Yours ever

Peter Ricketts

(P F Ricketts)
Private Secretary

C D Powell Esq
10 Downing Street

LETTER OF INTRODUCTION

DRAFT: minute/letter/teleletter/despatch/note

TYPE: Draft/Final 1+

FROM: Prime Minister

Reference

DEPARTMENT: TEL. NO:

SECURITY CLASSIFICATION

TO: Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Honourable R J L Hawke, AC, MP
THE COMMONWEALTH OF AUSTRALIA

Blind Copies to:
Miss F Jones,
Protocol Dept

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

This letter will be presented to you by Sir John Henry Gladstone Leahy, KCMG, who has been appointed by Her Majesty's Government in the United Kingdom to be their High Commissioner in the Commonwealth of Australia.

I am confident that Sir John Leahy is eminently fitted, both by his personal qualities and by his experience of affairs of State, for the charge with which he has been entrusted, and that his appointment will serve to maintain the relations of close friendship which so happily exist between us.

In this confidence I commend Sir John Leahy to you and, on behalf of the United Kingdom Government, ask you to afford him all possible help in the fulfilment of his important mission.

The Honourable R J L Hawke, A.C., M.P.

Enclosures—flag(s).....



NBPT

ODP 19/6

Ref. A084/1775

MR POWELL

x-ref

The Prime Minister may remember that I was able by chance to introduce to her some weeks ago Mr David Connolly MP, a member of the House of Representatives in Australia and and Shadow Minister for the Environment.

2. Mr Connolly, writing to thank me for the hospitality which I extended to him while he was here, tells me that he intends to send the Prime Minister an invitation to go to visit Australia to deliver the Menzies Oration, at a time to suit her convenience. The last Oration was delivered by Lord Hailsham.

RA

ROBERT ARMSTRONG

19 June 1984

2

520



Australia House
Strand
LONDON WC2

mf

5 June 1984

Prime Minister.

The documents promised by Mr.

Malcolm Fraser.

MR 5/6

My dear Prime Minister,

I am enclosing the documents which I spoke about this morning. I am also attaching two other documents: the first was the draft of a letter that Mr Waldheim was to have despatched by cable to all Heads of Government of the Summit. Apparently it was either not despatched or went astray. The third document involves the list of those who were involved with the Working Party which prepared the main paper on Debt from the Inter-Action Council Meeting, the most important section of which is on Debt Crisis and Debt Management.

Thank you very much for your time this morning. It was good to see you, and I wish you all success

*Wanted good with
You Sir
Malcolm Fraser*

(Malcolm Fraser)

The Rt. Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
LONDON

We are sure you must be very concerned at occurrences in the financial markets since the recent news regarding the international commercial banking system.

We, together with other members of the InterAction Council intend to communicate with you and your colleagues in the Economic Summit more fully shortly but meanwhile we stress that the most urgent action is required to shore up confidence in the international financial system. It is our view that this will not be adequately and effectively achieved unless the underlying problems are addressed. Insofar as the international banking system is concerned, this will involve a comprehensive approach to the problem of international debt in a manner that takes into account the capacity of countries to pay without further reductions in already depressed living standards. There would need to be a complete understanding that governments and their instrumentalities would provide the liquidity needed for that purpose.

It will also involve a lowering of interest rates through realistic fiscal policies which steadily and substantially reduce the deficits of advanced industrial countries.

We stress that if timely and effective action is not taken a lack of confidence in the financial system could lead to a crisis as severe as that which occurred in the 1930s.

We urge consideration of a statement now indicating that these matters are high on the agenda for the Economic Summit and that the participants will collectively take effective action.

Brioni, 25 May 1984

Penner
988585

Malcolm Fraser

Takeo Fukuda

Olusegun Obasanjo

Misael Pastrana Borrero

Mitja Ribičić

Helmut Schmidt

Ola Ullsten

Kurt Waldheim

Carlos Andres Perez



INTERACTION
COUNCIL
OF
FORMER HEADS
OF
GOVERNMENT

14 EAST 45TH STREET • NEW YORK, NY 10017 USA • TELEPHONE: (212) 906-5742 • TELEX: 4994118GCCPPD

4 May 1984

LIST OF PARTICIPANTS
AT THE MEETING OF THE GROUP OF EMINENT EXPERTS
ON MONETARY, FINANCIAL AND DEBT ISSUES

Wolfsberg, 5 to 6 May 1984

1. Helmut Schmidt (Convenor/Chairman)
2. Aldo Ferrer (Argentina)
since 1984 Chairman of the Board, Banco de la Provincia de Buenos Aires; 1970-1971 Minister for Economics and Labor of Argentina; 1970 Minister for Public Works; 1967-1970 Executive Secretary; 1967-1970 Latin American Council for Social Sciences; 1958-1960 Minister for Economics of the Province of Buenos Aires; 1956-1957 Economics Counsellor, Argentinian Embassy in the United Kingdom; born 1927
3. Milton W. Hudson (USA)
Senior Vice-President, Morgan Guaranty Trust Co. of New York; Head of Economic Analysis Department; joined Guaranty Trust 1951; in 1977 Assistant to the Chairman of the Federal Reserve Board (Arthur Burns); born 1927
4. Fritz Leutwiler (Switzerland)
President of the Bank for International Settlements, Basel; President of the Board of Directors of the Swiss National Bank; born 1924
5. Michiya Matsukawa (Japan)
since 1982 Senior Adviser to Nikko Securities Company Ltd.; 1973-1974 and 1975-1976 Director General, International Finance Bureau, Ministry of Finance; 1974-1975 Deputy Vice Minister of Finance; 1974-1980 Special Adviser to Minister of Finance; born 1924

List of Participants (cont'd.)

6. Abdul Aziz al-Quraishi (Saudi Arabia)
1971-1974 Minister of State;
1974-1983 Governor of the Saudi
Arabian Monetary Agency; Governor for
Saudi Arabia for IMF and Arab Monetary
Fund; born 1930
 7. I.G. Patel (India).
President-elect of London School of
Economics; Director, Indian Institute
for Management; 1977-1980 Governor of
Reserve Bank of India; 1972-1977 Deputy
Administrator UNDP; born 1924
 8. Mameudou Touré (Senegal)
currently Minister of Finance and Economics
of Senegal; previously Minister for Planning
and Development, 1967-1977 Director of
IMF's West Africa Department; born 1928.
-
9. John Williamson (UK)
Senior Fellow, Institute for International
Economics, since 1981; formerly Adviser,
IMF 1972-1974; Consultant HM Treasury,
1968-1970; Professor, PUC (Rio de Janeiro),
MIT, Warwick, York; born 1937
 10. Bradford Morse (USA)
Secretary-General, InterAction Council.



**INTERACTION
COUNCIL**

FINAL STATEMENT

adopted at the second session

BRIONI

24-26 May 1984

1. The InterAction Council held its second session on the island of Brioni in Yugoslavia from 24-26 May 1984. The Council, chaired by Dr. Kurt Waldheim, former Secretary-General of the United Nations, is comprised of 26 highly respected members who have held the highest offices as Heads of Government in their respective countries. They have agreed to pool their experience, in their individual capacities to promote action on priority issues affecting world peace and development. The participants at the Brioni meeting were as follows:

Kurt Waldheim, Secretary-General of the United Nations
1971-1981, Chairman

Takeo Fukuda, Prime Minister of Japan, 1976-1978,
Honorary Chairman

Ahmadou Ahidjo, President of the United Republic of
Cameroon, 1960-1982

Kirti Nidhi Bista, Prime Minister of the Kingdom of Nepal,
1969-1970, 1971-1973 and 1977-1979

Kriangsak Chomanan, Prime Minister of Thailand, 1977-1980

Mathias Mainza Chona, Prime Minister of the Republic of Zambia,
1973-1975 and 1977-1978

Jenoe Fock, Chairman of the Council of Ministers of the
Hungarian People's Republic, 1967-1975

Malcolm Fraser, Prime Minister of Australia, 1975-1983

Arturo Frondizi, President of Argentina, 1958-1962

Kurt Furgler, President of the Swiss Confederation, 1977 and 1981

Manea Manescu, Chairman of the Council of Ministers, Socialist
Republic of Romania, 1974-1979

Olusegun Obasanjo, Head of the Federal Military Government of Nigeria, 1976-1979

Ahmed Osman, Prime Minister of the Kingdom of Morocco, 1972-1979

Misael Pastrana Borrero, President of Colombia, 1970-1974

Maria de Lourdes Pintasilgo, Prime Minister of Portugal, 1979-1980

Mitja Ribičič, President, Federal Executive Council of the Socialist Republic of Yugoslavia, 1969-1971

Helmut Schmidt, Chancellor of the Federal Republic of Germany, 1974-1982

Ola Ullsten, Prime Minister of Sweden, 1978-1979

Bradford Morse, Secretary-General of the InterAction Council

2. Some members of the Council who could not be present at the session addressed messages to the participants in Brioni. Such messages were received from Mr. Giulio Andreotti, former Prime Minister of Italy, Mr. Jacques Chaban-Delmas, former Prime Minister of France, Mr. Selim Hoss, former Prime Minister of Lebanon, Hedi Nourira, former Prime Minister of Tunisia, and Mr. Carlos Andres Perez, former President of Venezuela.

3. Two members of the Policy Board of InterAction participated in the session: Sardar Swaran Singh of India and Mamoudou Toure of Senegal. Further, the session was attended by several special guests: Arthur Dunkel, Director-General of the General Agreement on Tariffs and Trade (GATT), Diego Arria representing former President Carlos Andres Perez, Harald Malmgren and Henri Arphang Senghor representing former President Lepold Sedar Senghor.

4. Mr. Veselin Djuranovič, President of the Presidency of the Socialist Federal Republic of Yugoslavia honoured the InterAction Council by his presence at the opening meeting at which he delivered an important statement. The participants in the session were also received by Mr. Raif Dizdarevič, Foreign Minister of the Socialist Federal Republic of Yugoslavia.

5. At its session the InterAction Council reiterated its concern, expressed at its first session in Vienna in November 1983, that world peace was being threatened on two fronts, the politico-military and the economic. The Council reaffirmed to continue to attach high priority to three central issues:

- (a) the promotion of peace and disarmament;
- (b) the revitalization of the world economy, in particular by way of lower interest rates and dealing with the problems of external debt;
- (c) the strengthening of cooperation for development.

6. Mr. Helmut Schmidt, former Chancellor of the Federal Republic of Germany, presented to the Council a report of a group of financial experts (*) which had met under his chairmanship in Wolfsberg, Switzerland on 5th and 6th May 1984 to explore possibilities for realistic action in the critical areas of money, finance and debt which could be promoted by the InterAction Council within the framework of the Council's Final Statement of Vienna.

7. In addition, the Council had before it concrete proposals for action relating to trade and protectionism and to new approaches to intensify assistance to developing and especially least developed countries, together with a report by the Chairman on consultations carried out by him with high-level representatives of the major Powers in regard to the issues of peace, security and disarmament.

8. At the conclusion of the session, the InterAction Council adopted the following

FINAL STATEMENT

9. The InterAction Council is gravely concerned about a number of world issues affecting world peace and development. This concern, already expressed at its first session in Vienna in November 1983 has been deepened by the events and trends of the past six months.

10. A vacuum has emerged at the international level with a virtual absence of meaningful contacts between two superpowers, increasing the danger of nuclear confrontation with unimaginable destructive consequences. An escalating arms race and conflicts among developing countries drain large amounts of resources urgently required for development. A vacuum has also developed in relations between developing and developed countries, endangering the prospects for prosperity and development.

11. The stability of worldwide monetary and financial arrangements is now in question, particularly in view of the heavy debt burden of developing countries which is exacerbated by high deficits in industrial countries, leading to high interest rates. At the same time trade arrangements are increasingly afflicted by protectionism. This situation is, in the Council's view, unsustainable. Decisive and imaginative leadership is required from the Governments of all countries, from international groups and organizations, from the private sector and from individuals. All must recognise that they must accept some measure of sacrifice to achieve constructive solutions which are indeed feasible and which will be in the vital interests of all.

(*) In addition to Mr. Schmidt, the following experts participated: Aldo Ferrer (Argentina), Milton W. Hudson (USA), Fritz Leutwiler (Switzerland), Michiya Matsukawa (Japan), Abdul Aziz al-Quraishi (Saudi Arabia), I.G. Patel (India), Mamoudou Toure (Senegal) and John Williamson (United Kingdom).

12. A special effort is required, based on international solidarity and common human interest, to increase the assistance provided to the least developed countries. These countries, already underdeveloped, have suffered acutely from the turmoil of the international economic system, and now are facing natural disasters as well.

13. The Council reaffirmed its conviction that the United Nations Organization should play an intricately important role in the examination and solution of the major issues confronting humanity - peace, disarmament and world development.

14. Current problems of peace and development cannot be solved simply by ad hoc measures in response to crises as they emerge. Restoration of world prosperity on a sustainable basis will require responsible and concerted action by all: North and South, market and socialist economies, oil-exporting and oil-importing countries, debtor and creditor countries, least-developed and other developing countries, governments, international organizations and private sectors, banks in particular.

15. A number of important principles must be respected:

- economic policies should be guided not just by short-term concerns but also by their long-term consequences;

- the institutions of international economic, financial and monetary co-operation should be reinforced and sustained, and adapted to present and future needs of the world economy and development;

- the economic waste involved in current global levels of military expenditure which is a significant causal factor in the economic difficulties confronted by the world community must be diminished;

- human resource development - improving the skills and management abilities of developing countries - is a prerequisite for economic and social progress and should be accelerated;

- the ominous long-term economic implications posed by the depletion of natural resources and by ecological deterioration should be given serious attention; and

- the ultimate aims of economic activity should be an enhancement of welfare and the respect of human rights and of cultural values, in order to benefit the individual.

II.

Debt crisis and debt management

16. The debt problem was jointly created by the actions of all parties. It is therefore the joint responsibility of all to seek solutions. The world must not repeat the disasters that flowed from the demands for unrealistic resource transfers in connection with reparations and interallied war debt during the

interwar years. Co-operation among central banks and the skillful responses of the Bank for International Settlements and the International Monetary Fund (IMF) have succeeded in containing thus far the debt crisis. Given the gravity of the economic situation of developing countries and of a number of commercial banks in the developed countries, it is clear that special emphasis needs to be given to proposals for practical action to manage development and debt problems rather than to react to them. There is now an urgent need for a comprehensive solution to the debt-creditor problem. This statement spells out some of the principles that should apply in working for such a solution. This task is of paramount importance if a major international crisis is to be averted.

17. Debtor countries should pursue realistic adjustment programmes agreed in good time with the IMF, as they pursue development programmes with the World Bank. Such programmes need to combine a sustained improvement in the balance of payments with a resumption of economic growth and development. At present, the essential, even if unpopular, role of the IMF is that of negotiating adjustment programmes with countries confronting balance of payment or debt-servicing problems. There must be conditionality, otherwise fresh credits will not flow. This conditionality must take into account the interests of debtors and creditors alike and the social and political situations of the countries concerned. The conditions applied in the future should not so seriously affect the economic, social and political fabric of the country, the living conditions of its people, or the availability of critical development inputs, that they call in question the possibility of a resumption of growth and continuing economic and social progress.

18. Countries should create favourable conditions for the return of flight capital, which has reached substantial dimensions in a number of countries in recent years and which contributes significantly to the debt problem. Likewise they should try to attract more direct private investment. This above all, entails realistic exchange rate policies, the avoidance of artificialities in domestic pricing and the removal of bureaucratic restrictions on foreign investment, which must, however, reflect the concerns and interests of both the investors and the recipient countries.

19. Given the economic situation faced by debtor countries, an element of austerity is inevitable in effective adjustment programmes but austerity should not be pushed beyond the level essential for successful medium-term adjustment. Adjustment programmes should encourage the transformation of productive structures, stabilisation and increased capital formation, so that countries can adapt to the changing conditions of the world economy.

20. On the other hand it is politically intolerable that as a result of fluctuations in interest and exchange rates, debtor countries can not predict the maximum debt service payments that they will have to make in dollars for the year ahead. This uncertainty has a devastating effect on national planning and development. Measures to increase predictability are needed to provide some degree of protection against such fluctuating rates.

21. The contribution of the commercial banks should be to provide fresh money and interest relief in instances where a debtor country is making a good-faith

commitment to adhere to an IMF programme, and to devise mechanisms that will cap the debt service payments that countries have to transfer. Measures will need to be tailored to meet the situation of individual debtor countries while taking into account the concerns of the creditors. To contain annual debt repayments where they become excessive such measures may include:

- the restriction of annual debt service payments of a debtor country to an agreed maximum,
- the consolidation of short-term debts to medium-term fixed interest bonds,
- multi-year rescheduling instead of the current shortest term practice,
- capitalization of interest, and
- additional special measures, as may be required, for developing countries on a case by case basis.

22. The poorest developing countries, in comparison with other groups of countries, have been forced into excessively harsh adjustment measures, partly in response to change in their terms of trade, as a result of declining prices for their primary products coupled with dramatic increase in oil prices. The scale of indebtedness of these countries in world terms is not substantial and particular measures should therefore be taken to bring the terms of debt repayment for these countries into line with their longer term capacity to pay, while upholding the basic principle that obligations should be honoured.

23. The governments of creditor countries should support the establishment of the mechanisms indicated in paragraph 21 and apply their principles. They should also provide comparable fresh financial resources and interest relief through various mechanisms such as the Paris Club. They should take account of the vital interests of debtor countries in particular, in a lowering of world interest rates and in trade expansion when they formulate their macro-economic policies. Stability and confidence would be greatly enhanced if OPEC and other governments and central banks would agree to consolidate a larger part of their deposits into medium term bonds.

24. The international financial institutions must be furnished with a level of financial resources commensurate to their tasks. Banking legislation should be harmonized, particularly with regard to reserve requirements among the major creditor countries. Governments of creditor countries must also anticipate lower tax revenues due to the losses of commercial banks.

25. It is important to work towards international understanding on a coherent set of measures along the lines set out above, constituting in effect, a General Agreement to Lend.

III.

Development

26. Policies to promote the development of developing countries should take into account the economic situations and objectives of individual countries and strive for appropriate conditions for intensive international co-operation for development. There are no easy, general solutions: progress can only be made step by step.

27. While the debt crisis is the main cause of the recent setback to development in the middle income countries, the deterioration of the terms of trade has also been critical, particularly to many low income countries. Natural disasters and catastrophic climatological conditions have further aggravated the desperate situation of many developing countries. The continuing excessive population growth in many areas implies that per capita income has been falling in many places. A resumption of development will again demand contributions from all the parties involved: from the developing countries themselves, whose own efforts contribute most, from the western developed countries, and from the centrally planned economies.

28. Developed countries, of both East and West, have a singular responsibility to increase trade and aid and to encourage the transfer of technology which is essential to modernisation and adjustment, and thus to exports and the servicing of debt. Recent measures that have curtailed the magnitude of contributions by multilateral organizations to the cause of development are misguided and run counter to the very interests of developed countries. The IDA replenishment should be concluded rapidly and at the level proposed by the World Bank management. This should be done, whether or not all countries are prepared to contribute their previously agreed shares.

29. Initiatives by the management of the World Bank Group to strengthen and enlarge its operations should be strongly supported. In particular, there should be a substantial increase in World Bank capital. The United Nations Development Programme (UNDP), as the central agency for multilateral technical assistance, must have significantly increased support in view of its critical role in assisting developing countries in heightening human skills which is the foundation of effective and sustainable economic development.

30. The developing countries at all levels of development have the principal responsibility for their own development. The experience of a number of East Asian countries has demonstrated the beneficial effects of policies emphasizing human resource development, population planning, exploitation of the possibilities offered by international trade, and encouraging direct private investment, which is the most efficient way of transferring technology, compatible with the objectives, values and conditions of each country. In addition, developing countries stand to gain substantial dividends from helping each other in a more systematic way, through regional co-operation, and economic and technical co-operation among themselves.

31. The particular problems of the least developed countries require urgent and sustained attention through intensified assistance from the wider world community. There is an urgent need for a rapid increase in concessional assistance to these countries, together with measures in the field of trade and technical co-operation to increase their earnings and strengthen their domestic capabilities.

32. In order to promote a dramatic increase in resources for the deprived peoples of these countries, the InterAction Council intends to mobilise a major publicity campaign, with the support of the advertising industry and the media so as to mobilise public opinion throughout the world, together with private sector organizations, in particular, corporations and banks.

IV.

Trade and Protectionism

33. The resolution of the debt crisis, and restoration of sustained global economic growth depend directly upon the trade policies of governments. A large and growing share of world trade, already more than half of all trade, is restricted by protectionist measures or distorted by subsidies. The trend towards protectionism and deterioration of trade relations among nations must be arrested and reversed.

34. Towards this end, determined efforts must be made to restore the effectiveness of the General Agreement on Tariffs and Trade (GATT) and to bring governments back under the multilateral discipline of mutual rights and obligations embodied in the GATT.

35. As a first step, efforts should be intensified to implement already agreed obligations to pursue the work programme of GATT. A new round of trade negotiations could be initiated with the aim of liberalizing world markets, arresting the spread of economic nationalism and protectionism. Such a new round could contribute to restoring confidence in the multilateral approach to the management of trade relations. Until the time, however, that its results can come into effect, other actions with greater immediacy are also needed.

36. As an additional step, the major trading nations should commit themselves to bring all of their import restrictive actions, both formal and informal, into the GATT framework for multilateral scrutiny. They should refrain from any new safeguards or restrictive actions outside the rules of GATT, arresting the present erosion in international discipline and the rule of law, and opening the way for a mutually agreed process of rolling back present restrictions.

37. Developed countries should reduce tariff and non-tariff trade-restrictions, particularly on exports from developing countries, and should do so on a non-discriminatory basis. In addition, they should reduce overproduction in certain sectors, such as agriculture, textiles and steel, and refrain from engaging in barter trade. To counter the disruptions in export earnings that periodically occur for those countries dependent on one or few commodity exports, international schemes such as a widened STABEX type arrangement should be developed.

38. If there is significant resistance by some governments to such liberalisation, then an effort could be made, among those countries willing to do so, to explore the outlines of a more co-operative and liberal trading relationship based on agreement among them on a code of liberalisation. Such a code would include commitments that members would not increase protection against other members, that they would eliminate illegal forms of protection, and that they would seek to liberalise all existing restrictions. Such a code would be open to the accession of other states in due course.

39. Consideration could also be given to the negotiation of regional or more broadly based free trade arrangements to reduce gradually the inhibiting effects of protectionism to open the way for trade expansion among them.

V.

Co-ordination of Policy and Institutions

40. The beneficial effects, especially to developed countries, of the recent US economic recovery, are fully recognized, particularly in terms of increased exports to the US by other countries and the resulting export-led growth. Such recovery has, however, severe disadvantages and is in any event unsustainable in the longer run. Extremely high real interest rates magnify the debt problem and restrain productive investment and thereby employment around the world. They induce a large net capital inflow to the largest national economy in the world, which is not tolerable on the present scale over extended periods.

41. There is an ever present danger that a loss of confidence in the dollar will precipitate a depreciation that would oblige the Federal Reserve Board to raise interest rates further, risking renewed deep depression. Prompt action to reduce the US budget deficit substantially is therefore imperative for sustainable revitalization of the world economy.

42. Present mechanisms for effective coordination of the economic policies of the major industrialized countries, including summit meetings have recently proved ineffective. Clearly, there is an urgent need to achieve more reliable and responsive inter-governmental co-ordination of economic policies. To help accomplish this goal, the InterAction Council will seek to convey to present government leaders the merits and urgency of such systematic coordination and especially the prompt adoption of responsible fiscal policies by all major powers.

43. International cooperation is also frustrated by institutional rigidities. For example, while there is an intimate interaction between the world trade and financial problems, there is little serious effort to deal with the totality of the present crisis in a comprehensive manner.

44. The fundamental split in economic powers and responsibilities in capitals is reflected in the differences among the multilateral economic institutions. The IMF is focused almost entirely on short-term financial and macro-economic difficulties; the multilateral development banks are primarily concerned with supporting new projects for agriculture, industry, or social and economic infrastructure; the GATT has concentrated its energies on sector-by-sector trade disputes, and on periodic renewal of world-scale efforts to liberalize movements of goods, without regard to capital flows and exchange rates.

45. It is essential to improve cooperation among the major multilateral economic institutions and within the Development Committee of the World Bank. Also, co-operation between GATT and the United Nations Conference on Trade and Development (UNCTAD) should be intensified. The InterAction Council intends to promote support for such co-operation.

VI.

International monetary reform

46. Present monetary arrangements, embodying as they do volatile relationships, have not proved generally satisfactory. Discussions of reform are in progress in many fora and no one at present has an overview of the thrust of all these discussions. There is as yet, no sign of the emergence of a new consensus among the major economic powers. The InterAction Council will continue to work for a consensus on monetary reform.

47. The InterAction Council, while continuing to review these issues further, at this stage stresses the following particular issues in the field of monetary reform:

- The need for greater stability between the dollar, ECU and yen, without a freezing of their exchange rates. This must, however, not be achieved at the cost of unsatisfactory domestic performance in the countries involved;

- The need for an annual allocation of a limited quantity of SDRs for several years;

- The need to provide for a future increase in IMF resources which might be achieved by arrangements for increased borrowing from governments, so as to allow the financing of medium-term adjustment programmes.

48. Finally, the InterAction Council is fully aware of the importance attached by many concerned parties to the convening of an international conference of monetary, financial and debt issues. It recognizes, as stated above, the need for both immediate measures in response to the present crisis, and for fundamental measures to re-establish the world systems of money and finance on a sound basis, sustainable over the long term. Short-term and long-term measures must, of course, be mutually reinforcing.

49. The Council stresses the clear need for continuing study of all the issues so as to clarify the possibilities for constructive changes and for international agreement on interim and longer term measures. The Council intends to review this matter thoroughly at its third session. In the long run, a greater degree of stability of exchange rates and much greater discipline of governments in orienting their monetary and fiscal policies in relation to their balance of payment situation is clearly indispensable.

VII

Peace, Security and Disarmament

50. The complete breakdown of contacts at the top level between the United States and the Soviet Union has led to a dangerous deterioration in the relationship between the two superpowers, aggravating global instability and diminishing the capacity of either country to play a constructive role in regional conflicts.

51. The Council urges the leaders of both countries to re-establish a personal dialogue at the earliest possible date and invites the leaders of other concerned countries to lend their weight to achieve this goal. Even if no other result is achieved other than that the leaders of the two superpowers will be getting to know each other, a summit of this kind would serve an important purpose. Communications must be maintained among all governments, regardless of political ideology. The Council believes that proposals to reduce tensions should not be made public before they have been presented to a negotiating partner as this will very likely result in a negative response.

52. An increasing number of developing countries are now diverted by conflict from the essential task of advancing their development. Every effort must therefore be made to avoid an extension of the East-West confrontation to the developing world. Regional efforts towards peace should be encouraged and strengthened, such as those by the Contadora Group in Central America and ASEAN in South-East Asia. The Council expresses its strong support for such efforts, which will not only promote peace and development, but also enhance democratic structures in the countries concerned.

SUBJECT
cc Master.



10 DOWNING STREET

5 June, 1984

From the Private Secretary

Mr. Malcolm Fraser

Thank you for your letter of 4 June.

Mr. Malcolm Fraser called on the Prime Minister this morning. He said that he wished to put to Mrs. Thatcher his view, which coincided with the views of the other members of the "Interaction Council", and a recent report by certain banks, that if the US economic policies continued, there would be a major banking collapse within the next few years and we should be back to the situation of the 1930s. Reiteration by US spokesmen of statements that there was no need for a lack of confidence was not enough. Many banks were not now viable. Australian and American firms were shifting accounts from one American bank to another in an attempt to find security for their deposits. Many of the developing countries could not repay their debts. If certain Latin American governments tried to pay their debts now, their leaders would be lynched.

The Prime Minister said that countries such as Brazil and Mexico were not short of saleable assets. It was wrong to let off lightly countries which had assets but refused to take the correct financial steps. Argentina was buying arms but was not repaying its debts.

Mr. Fraser reiterated that in his view many banks were now simply not viable. The power of the poor, whether they were buying arms or not, was in certain circumstances enough to destroy the financial system.

Mr. Fraser then raised the question of the US deficit. When the Prime Minister commented that President Reagan must deal with this problem after the US elections, he observed that that might be too late. The need for congressional approval would probably mean that no decisive action could be taken until April or May. A recent report by central

/banks

RESTRICTED

LT.

RESTRICTED

-2-

banks had urged a comprehensive rescheduling of debts in order to preserve the system. The banks would have to write off some debts, even if this affected their profits. OPEC deposits needed to be put on a longer term basis. There would also need to be fresh commitments by central banks and governments, the size of which might depend on the extent to which they themselves had contributed to existing problems. The best way of inspiring confidence would be if the Economic Summit publicly recognised that there was a major problem and showed that action would be taken. On this last point, the Prime Minister commented that it was important that the Summit should not overstate the gravity of the problem, for that in itself could harm confidence. But she agreed that it was necessary to list the possible ways of handling the international debt situation and she would probably be doing this in her keynote speech.

I am copying this letter to David Peretz (H.M. Treasury) and Richard Hatfield (Cabinet Office).

A. J. COLES

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

RESTRICTED

SAHAAR



File 10

10 DOWNING STREET

From the Private Secretary

5 June 1984

The Prime Minister has asked me to thank you for your letter of 28 May about the visit of Mr. Nick Greiner to London.

Mrs. Thatcher has asked me to say that she deeply regrets that, owing to the extreme pressure on her diary during this period, she will unfortunately not be able to receive Mr. Greiner. But she sends to you and to him her very best wishes.

A. J. COLES

Mr. Tony Eggleton.

K



Blacks
P Craddock

10 DOWNING STREET

From the Private Secretary

5 June 1984

AUSTRALIA

Thank you for your letter of 1 June about the visit by the Leader of the Liberal Opposition in the New South Wales Parliament. The Prime Minister much regrets that, owing to the extreme pressure on her diary at present, she will not be able to see Mr. Greiner. Could you kindly convey her apologies.

We have received a letter from the Federal Director of the Liberal Party of Australia making a similar request and I shall be replying to this today.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

NR

RESTRICTED



Foreign and Commonwealth Office

London SW1A 2AH

4 June 1984

Dear John,

Mr Malcolm Fraser

Thank you for your letter about Mr Fraser's call on the Prime Minister on 5 June.

There is I am afraid little which we can add to information in your letter about the meeting of former Heads of Government. It was formally described as a meeting of the "Interaction Council" and took place in Brioni, Yugoslavia on 25 May. Those taking part included former Prime Ministers of Australia, Japan, Yugoslavia, the FRG and Dr Waldheim the former UN Secretary-General.

At the conclusion of their meeting they sent a message by telex to the Prime Minister, and we understand to a number of other Heads of Government, commenting on the international financial scene, particularly on the debt problem. I enclose a copy. We shall shortly be letting you have a draft reply from the Prime Minister.

The Prime Minister's meeting with Mr Fraser will be an opportunity for her to describe her approach to the Economic Summit in general terms and to take up a number of points in the message from the Interaction Council. We suggest that the Prime Minister might comment in particular on the following points in the message:

- (i) "a comprehensive approach to international debt in a manner that takes into account the capacity of countries to pay without further reductions in depressed living standards".
As the Prime Minister is aware we are very much committed to a case by case approach on debt. Nor can we accept the implication that the IMF ignores the capacity of countries to pay in framing its adjustment programmes.

/(ii)

RESTRICTED



- (ii) The need for governments to create liquidity in the international system.

While we believe that resources must be available in support of adjustment policies, Mr Fraser's telex reflects a soft-line approach towards liquidity and the inflationary consequences which this would imply.

In concluding the Prime Minister might like to commend the final substantive paragraph of Mr Fraser's telex which prescribes policies more to our liking: the lowering of interest rates through realistic fiscal policies. There is however no prospect of a "statement now" on these matters, as is proposed in the Fraser message.

*Yr ever,
Peter Ricketts*

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

297711 PRDRME G
135612A UNO A
ZCZC MS1651

.VIENNA (UNDP)28/5 1812
FOREIGN AND COMMONWEALTH OFFICE
DOWNING STREET
LONDON S.W.1 (ENGLAND)

37244 PLEASE FORWARD THE FOLLOWING MESSAGE TO:

THE RIGHT HONOURABLE
MARGARET THATCHER, MP
PRIME MINISTER
EXCELLENCY,

WE ARE SURE YOU MUST BE VERY CONCERNED AT OCCURRENCES IN THE FINAN-
CIAL MARKETS SINCE THE RECENT NEWS REGARDING THE INTERNATIONAL
COMMERCIAL BANKING SYSTEM.

WE, TOGETHER WITH OTHER MEMBERS OF THE INTERACTION COUNCIL INTEND
TO COMMUNICATE WITH YOU AND YOUR COLLEAGUES IN THE ECONOMIC SUMMIT
MORE FULLY SHORTLY BUT MEANWHILE WE STRESS THAT THE MOST URGENT
ACTION IS REQUIRED TO SHORE UP CONFIDENCE IN THE INTERNATIONAL
FINANCIAL SYSTEM. IT IS OUR VIEW THAT THIS WILL NOT BE ADEQUATELY
AND EFFECTIVELY ACHIEVED UNLESS THE UNDERLYING PROBLEMS ARE
ADDRESSED. INsofar AS THE INTERNATIONAL BANKING SYSTEM IS CONCERNED,
THIS WILL INVOLVE A COMPREHENSIVE APPROACH TO THE PROBLEM OF
INTERNATIONAL DEBT IN A MANNER THAT TAKES INTO ACCOUNT THE CAPACITY
OF COUNTRIES TO PAY WITHOUT FURTHER REDUCTIONS IN ALREADY DEPRESSED
LIVING STANDARDS. THERE WOULD NEED TO BE A COMPLETE UNDERSTANDING
THAT GOVERNMENTS AND THEIR INSTRUMENTALITIES WOULD PROVIDE THE
LIQUIDITY NEEDED FOR THAT PURPOSE.

IT WILL ALSO INVOLVE A LOWERING OF INTEREST RATES THROUGH REALISTIC
FISCAL POLICIES WHICH STEADILY AND SUBSTANTIALLY REDUCE THE
DEFICITS OF ADVANCED INDUSTRIAL COUNTRIES.

WE STRESS THAT IF TIMELY AND EFFECTIVE ACTION IS NOT TAKEN A LACK OF
CONFIDENCE IN THE FINANCIAL SYSTEM COULD LEAD TO A CRISIS AS
SEVERE AS THAT WHICH OCCURED IN THE 1930S.

WE URGE CONSIDERATION OF A STATEMENT NOW INDICATING THAT THESE
MATTERS ARE HIGH ON THE AGENDA FOR THE ECONOMIC SUMMIT AND THAT
THE PARTICIPANTS WILL COLLECTIVELY TAKE EFFECTIVE ACTION.

BRIONI, 25 MAY 1984

(MALCOLM FRASER)

1718
Mr Fraser
Action or not?
29/5.
[PS] WEB.
ms

ADVANCE COPY.

Head EAs.

NO DISTRIBUTION



ccy
Foreign and Commonwealth Office

London SW1A 2AH

1 June, 1984

Dear John,

Australia

Nick Greiner, leader of the (Liberal) Opposition in the New South Wales Parliament, will be visiting this country from 4-15 June. In his short time in politics Mr Greiner has restored faith within his Party in their ability, in coalition with the National Party, to defeat the ruling Labor Administration of Australia's most populous state and is now seen as a future Premier.

The COI are arranging a programme that will include coverage of local government (especially rate pegging), the Civil Service, electricity and water boards (prices policy), transport matters (especially BR and competition from road services), public housing, and the Conservative Party. He will be calling on Mrs Chalker, and Mr Whitney will be giving him lunch.

On the eve of his arrival here Mr Greiner has asked whether he can see the Prime Minister for a short time, perhaps for a few minutes in the House where he will be on 14 June. If that date is not convenient, perhaps the next day might be. We understand that the Federal Director of the Liberal Party in Australia will be making an approach to the Conservative Party over Mr Greiner's request.

Yours ever,

Peter Ricketts

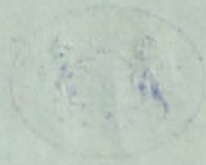
(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street

Aus Tarnau

Erzählung des ...

...



BIOGRAPHICAL DETAILS

MAY 1984.

NICHOLAS FRANK GREINER

PERSONAL:

NICK GREINER, M.P., MEMBER FOR KU-RING-GAI, WAS BORN IN HUNGARY ON 27th APRIL, 1947.

HE LIVES AT WAHROONGA, IN HIS ELECTORATE, WITH HIS WIFE, KATHRYN, AND THEIR SON, JUSTIN, AGED 12 AND DAUGHTER, KARA, AGED 9.

EDUCATIONAL:

NICK GREINER RECEIVED HIS SECONDARY EDUCATION AT ST. IGNATIUS COLLEGE, RIVERVIEW. FROM 1958 - 1963.

HE GRADUATED FIRST IN HIS CLASS WITH AN HONOURS DEGREE IN ECONOMICS AT SYDNEY UNIVERSITY. HE RECEIVED SEVERAL AWARDS, INCLUDING THE FEDERATED IRONWORKERS' PRIZE FOR INDUSTRIAL RELATIONS AND THE AUSTRALIAN SOCIETY OF ACCOUNTANTS' PRIZE FOR COMMERCIAL LAW.

HE LATER ATTENDED HARVARD UNIVERSITY WHERE HE GAINED A HIGH DISTINCTION IN A MASTER OF BUSINESS ADMINISTRATION DEGREE.

HE WAS ALSO A BAKER SCHOLAR AND A FULBRIGHT SCHOLAR.

IN HIS STUDENT DAYS, NICK WAS PRESIDENT OF THE ECONOMICS SOCIETY AND DIRECTOR OF THE UNIVERSITY UNION.

BUSINESS:

NICK GREINER HAS HAD EXTENSIVE TOP LEVEL BUSINESS EXPERIENCE IN THE TIMBER, BUILDING AND PUBLISHING INDUSTRIES IN THE UNITED STATES AND AUSTRALIA.

HE WAS A MEMBER OF THE FEDERAL GOVERNMENT INDICATIVE PLANNING COUNCIL FOR HOUSING FOR FOUR YEARS.

POLITICAL AND
PARLIAMENTARY:

HE JOINED THE LIBERAL PARTY INITIALLY IN 1967 AND WAS A BRANCH PRESIDENT AND A DELEGATE TO STATE COUNCIL.

NICK GREINER WAS ELECTED TO STATE PARLIAMENT AS THE MEMBER FOR KU-RING-GAI AT A BY-ELECTION HELD ON 13th SEPTEMBER, 1980, AND WAS APPOINTED AS OPPOSITION SPOKESMAN ON URBAN AFFAIRS IN JUNE, 1981.

IN OCTOBER, 1981, FOLLOWING THE STATE ELECTION HE WAS APPOINTED SHADOW TREASURER AND SHADOW MINISTER FOR HOUSING AND CO-OPERATIVE SOCIETIES. HE WAS ALSO THE LIBERAL REPRESENTATIVE ON THE PARLIAMENTARY PUBLIC ACCOUNTS COMMITTEE.

ON 15th MARCH, 1983, NICK GREINER WAS ELECTED AS LEADER OF THE STATE OPPOSITION.

AFTER THE 1984 STATE ELECTION IN WHICH HIS PARTY MADE SUBSTANTIAL GAINS, HE WAS RE-ELECTED UNOPPOSED AS LEADER.

INTERESTS:

AWAY FROM POLITICS, MR. GREINER'S
MAIN INTERESTS ARE SQUASH, SKIING,
MOST SPECTATOR SPORTS, THEATRE AND
OPERA.



FILE

67

10 DOWNING STREET

From the Private Secretary

30 May, 1984

Mr. Malcolm Fraser

Mr. Malcolm Fraser will be calling on the Prime Minister at 1030 on 5 June. We had earlier arranged for him to call on 12 June but he has asked to come earlier because he has recently attended a conference of former Heads of Government which delegated him to convey the conference's conclusions about the Economic Summit to Signor Craxi, Mr. Trudeau and the Prime Minister.

I should be grateful if you could let me have a short brief for the meeting. It would be helpful if you could obtain from the Australian High Commission more information about the conference attended by Mr. Fraser - the few facts set out above were given to me by the High Commissioner when he requested that the time of Mr. Fraser's call should be moved forward.

AJC

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

SAHAAG

6

2013
30/6
Dr. Barclay }
Dr. Taylor } ✓

Nelson Fraser.

1. He will come at 10.30 on 5 June.

2. I have said that we would like

the 12 June appointment to be dropped -

we await Dr. Fraser's reply.

AP $\frac{20}{5}$



The Liberal Party of Australia

FEDERAL SECRETARIAT

FEDERAL DIRECTOR
Tony Eggleton

Prime Minister.

*I think you have too
much to do!*

Should we decline?

28 May 1984

PERSONAL

The Rt Hon Mrs Margaret Thatcher, MP
Prime Minister
10 Downing Street
London, SW1

A.S.C. 4/6.

84/6

*yes
not*

Dear Prime Minister,

Things continue to be a bit of an uphill battle at this end, but we are making some progress in rebuilding the Party both Federally and in the various States.

One of the most promising of our State Liberal Leaders (Nick Greiner, from New South Wales) will be in London for a fortnight as from next Monday (4 June).

Nick has been Parliamentary Leader of the Liberal Party in New South Wales for a couple of years, and has proved a highly effective Opposition Leader. He put a lot of pressure on Premier Neville Wran in the New South Wales election some weeks ago and cut substantially into Wran's majority.

Nick Greiner is now widely acknowledged as the likely next Premier of New South Wales and he has emerged as one of the more prominent Liberal politicians in Australia.

I appreciate the demands on your time but, if you could find 10 minutes for Nick Greiner, it would be especially appreciated. Of course, I will fully understand if it does not prove possible.

Nick is visiting Britain as a Guest-of-Government under the programme supervised by the Foreign Office, and in London he will be staying at the Royal Horseguards Hotel in Whitehall Court.

Bob Hawke continues to enjoy high personal ratings in Australia, although there are signs of problems developing for him. He is planning an early election, and I expect we will be dashing off to the polls yet again at the end of the year!

Kind regards,

Sincerely,

Tony Eggleton



Rile

VC

*cc Sir PC
FCO*

10 DOWNING STREET

THE PRIME MINISTER

2 May 1984

Mr Nelson

BF

You wrote to me on 6 April about your next visit to London. Since then our people have been in touch about a time for a meeting and I believe that you are able to accept my suggestion of 10 o'clock on Tuesday, 12 June. I much look forward to seeing you then.

Kind regards,

*Yours sincerely
Malcolm Fraser*

The Right Honourable Malcolm Fraser, C.H.

888



ecpc

Foreign and Commonwealth Office

London SW1A 2AH

27 April 1984

Letter to Mr. Fraser.

John David

MR 1/5.

Call on the Prime Minister by Mr Malcolm Fraser

In your letter of 17 April you asked us to arrange for a revised time for a call on the Prime Minister to be offered informally to Mr Malcolm Fraser. This has now been done, and Mr Fraser confirms the acceptability of 1000 on Tuesday 12 June.

[Handwritten signature]

(R B Bone)
Private Secretary

David Barclay Esq
10 Downing Street

Australia Relais

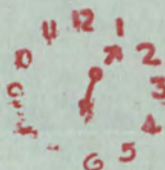
Posten und Kommunikation

London W1A 2AH

9/79



27 APR 1984





FILE

Re

10 DOWNING STREET

From the Private Secretary

17 April, 1984

I enclose a copy of a further letter to the Prime Minister from Mr. Malcolm Fraser. In the light of what he says, the Prime Minister has agreed to a meeting at 1000 on Tuesday, 12 June if that can be fitted into Mr. Fraser's programme.

We had a word about the next steps. You kindly agreed to arrange for this revised time to be offered informally to Mr. Fraser. If you could let me know whether it is acceptable, the Prime Minister will propose it formally in her reply.

(David Barclay)

Mrs Alison Walters,
Foreign and Commonwealth Office

CK: pps pse

D
17/4

THE RIGHT HONOURABLE MALCOLM FRASER, C.H.

NAREEN,
VICTORIA 3315

Prime Minister.

We would ask Mr. Fraser to call
on 12 June, when you will be well
clear of the summit. Agree?

44TH FLOOR
ANZ TOWER
55 COLLINS STREET
MELBOURNE, VICTORIA 3000
TELEPHONE 654 1822

R 14

6 APR 1984

A.F.C. $\frac{16}{4}$.

Yes not

My dear Margaret

Many thanks for your letter of 5th March and for
your suggestion of a meeting on Thursday, 31st May.

Unfortunately, it will not be possible for me to
be in London until Friday, 1st June and we will be
leaving on Tuesday, 12th for the States.

I appreciate that you will be extremely busy during
that period and it may not be possible to meet
with you, however, I hope I may be able to call on you
for a few minutes.

My very best wishes.

You sincerely
Robert Muldoon

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10, Downing Street,
LONDON
UNITED KINGDOM

GR
SF - No thanks no
policy aspects.
Mark
6/3.



File K6
cc FO

10 DOWNING STREET

THE PRIME MINISTER

5 March 1984

Dear Malcolm

Thank you for your letter of 24 February.

I am delighted to hear that you and Tamie will be in England in late May, early June.

I would very much like to see you. Unfortunately, my diary is extremely bad at that time because your visit coincides with the Economic Summit. But I wonder whether you would like to come in and see me on the afternoon of Thursday, 31 May. Do please let me know what time would be convenient.

Yours
Margaret

The Right Honourable Malcolm Fraser, C.H.

K6



Just

10 DOWNING STREET

From the Private Secretary

2 March 1984

I enclose a copy of a letter the Prime Minister has received from Mr. Malcolm Fraser. We have replied saying that Mrs. Thatcher would be pleased to see him on the afternoon of Thursday, 31 May.

BM
Could you kindly let us have a short brief for this meeting?

MRS. CAROLINE RYDER

Mrs. Alison Walters,
Foreign and Commonwealth Office.

WJ

IR. COLES

Is this all right?

I really do not want to offer him
a meal. The Prime Minister will be frantic
at that time.

Should we tell the Foreign Office?

1 March 1984

Mr. Byler.

This is fine.

2. Do tell the F.C.O.

A.S.C. $\frac{1}{3}$

SUBJECT



10 DOWNING STREET

From the Private Secretary

28 February, 1984

The Australian High Commissioner called on the Prime Minister this morning. I enclose a copy of his letter of introduction.

Mr. Parsons made three points of substance:-

- (a) Mr. Hawke had it in the back of his mind to pay a visit to Britain either this year or next.
- (b) He was grateful for the efforts we had made on the question of Australian attendance at the Economic Summit - but recognised why this would not be possible.
- (c) The Prime Minister's visits to Budapest and Moscow had been well timed in the light of the present state of East/West relations.

I am copying this letter to Richard Hatfield (Cabinet Office).

A. J. COLES

P. F. Ricketts, Esq.,
Foreign and Commonwealth Office

THE RIGHT HONOURABLE MALCOLM FRASER, C.H.

NAREEN,
VICTORIA 3315

44TH FLOOR
ANZ TOWER
55 COLLINS STREET
MELBOURNE, VICTORIA 3000
TELEPHONE 654 1822

R113

24 FEB 1984

Dear Margaret

Tamie and I are going to be in England in June and I would very much like the opportunity to call on you and hope that might be possible.

Our arrival date is not yet certain but would be between 30th May/2nd June and we will stay until 12th June.

I look forward to hearing from you.

Yours sincerely
Malcolm Fraser

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
10, Downing Street,
LONDON, SW1
UNITED KINGDOM

PRIME MINISTER

The attached letter from Malcolm Fraser says that he will be in England from 30 May for 10 days. This is the worst possible time for you because of the Economic Summit. But you have agreed to see the International TUC delegation on Thursday, 31 May (although this is the Recess) so some time that afternoon would be convenient. If you are happy with this suggestion, could you please sign the attached letter to Malcolm Fraser.

CP

1 March 1984

cc CR

FILE
da



10 DOWNING STREET

From the Private Secretary

20 February 1984

The Prime Minister has asked me to say that she is extremely sorry that she has now had to cancel her appointment with you on two occasions. In each case, the most urgent business has intervened. But Mrs. Thatcher is now much looking forward to seeing you on Tuesday, 28 February at 1130 hours and hopes this will be convenient. We shall do our very best to ensure that this appointment is not changed.

A. J. COLES

His Excellency Mr. A.R. Parsons

A handwritten signature in the bottom right corner of the page, appearing to be 'A.R. Parsons'.



Foreign and Commonwealth Office

London SW1A 2AH

20 February 1984

His Excellency
Mr A R Parsons
Australian High Commission
Australia House
Strand
London WC2B 4LA

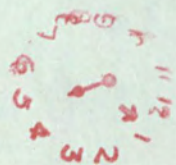
My dear Mr A.R.

I am writing, in confirmation of our telephone conversation this morning, to say that, because of an urgent ministerial meeting, the Prime Minister has had to postpone again your introductory call on her, scheduled for tomorrow morning. She very much regrets having to do this but looks forward to seeing you at 11.30 am on Tuesday 28 February.

*Yours ever
Stanley Martin*

S W F Martin
Assistant Marshal of the
Diplomatic Corps

bcc: Mr Chick, SPD
Mrs Walters, Private Office
Mrs Ryder, 10 Downing Street
WA.



20 JAN 1961



file

WJ

10 DOWNING STREET

MR COLES

Australian High Commissioner

He has now been cancelled twice. The new time I have offered is Tuesday, 28 February at 1130 hrs. The FCO are offering him this new time but it is thought a good idea for you to write a letter of apology and explanation.

MRS. CAROLINE RYDER

20 February, 1984



Foreign and Commonwealth Office

London SW1A 2AH

14 February 1984

His Excellency
Mr A R Parsons
Australian High Commission
Australia House
Strand
London WC2B 4LA

CF
Please file
CR

16/3

My dear High Commissioner,

I am sorry that, because of her unexpected visit to Moscow for Mr Andropov's funeral, the Prime Minister had to rearrange your introductory call on her this morning. I think you know already that it is now to be at 10.00 am on Tuesday 21 February.

Yours ever
Stanley Martin

S W F Martin
Assistant Marshal of the
Diplomatic Corps

bcc: Mr Chick, SPD
Mrs Walters, Private
Office
Mrs Ryder, 10 Downing ✓
Street



FILE

657

10 DOWNING STREET

From the Private Secretary

8 February, 1984

AUSTRALIAN BICENTENARY 1988

Thank you for your letter of 7 February. The Prime Minister agrees that Sir Peter Gadsden should be invited to take on the Chairmanship of the high-level Committee which will be established to plan and co-ordinate Britain's part in the Bicentenary celebrations.

A. J. COLES

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office

KC

010

Prime Minister.



Agree that Sir Peter
Gadsden should be
asked to chair the
Committee for the event?

Foreign and Commonwealth Office

London SW1A 2AH

7 February, 1984

AFC. 7/2,

Dear John,

Yes

Australian Bicentenary 1988

1988 will mark the bicentenary of the first European settlement in Australia. The Australians will be making a great deal of this and events already planned include the opening of a new Parliament building in Canberra. They have invited us to contribute to the Bicentenary celebrations and we have welcomed their invitation to do so.

To plan and co-ordinate Britain's part in the celebrations we propose to establish a high level committee. This will require a suitably distinguished and dynamic Chairman to serve as a link with the Australian Bicentennial Authority which has already been established.

We have been considering who to approach to take on the Chairmanship. As part of this process we have consulted Lord Carrington privately. He has suggested that we ask Sir Peter Gadsden, who was Lord Mayor of London from 1979-80 and whose links with Australia include the Chairmanship of the Executive Committee of the Britain Australia Society.

Sir Geoffrey Howe agrees that Sir P Gadsden should be approached. I should be grateful to know whether the Prime Minister would be content for us to do so.

Yours ever,

Peter Ricketts

(P F Ricketts)
Private Secretary

A J Coles Esq
10 Downing Street



Foreign and Commonwealth Office

London SW1A 2AH

20 January 1984

Mr G E C Gibson
Official Secretary
Australian High Commission
Australia House
Strand
London WC2B 4LA

① Mr. C. G. / ~~NO~~ ^{24/1}
② CF: ~~check briefing~~
CK
24/1

My dear Greg,

I am writing in confirmation of our telephone conversation, to say that the Prime Minister looks forward to receiving the High Commissioner, Mr A R Parsons, at ^{10.30}~~9.30~~ am on Tuesday ²⁴ February at No 10 Downing Street in order that he can present to her the letter of introduction from your Prime Minister, the Hon R J L Hawke.

Yours ever
Stanley

S W F Martin
Assistant Marshal of the
Diplomatic Corps

bcc: Mr Chick (SPD)
Could briefing please reach No 10
by 13 February
Mrs Walters (Private Office)
Mrs Ryder (10 Downing Street)

10 11
High Australia

BF

MR COLES

A.J.C. 207 11.

Stanley Martin of the FCO rang to say that the Australian High Commissioner would like to come and present his credentials. I have given him 0930 on Tuesday 14 February.

CP.

20 January 1984

cc S/P.C.

CONFIDENTIAL

PS

From: J S Chick, SPD
Date: 20 January 1984
cc : Protocol Dept
APS/Secretary of State
PS/Lady Young
PUS
Sir William Harding
Mr Donald
Vice Marshal of the
Diplomatic Corps
Head/SPD
Head/CCD
AUS/ODA

Handwritten initials and date:
20
1

AUSTRALIAN HIGH COMMISSIONER: INTRODUCTORY CALLS

1. Mr Martin's minute of 11 January called for a biographical note on Mr Parsons and a background brief on our bilateral relations with Australia. These are attached.
2. Separate copies have been sent to PS/No 10 Downing Street, and to Mr Martin to forward to the Marshal of the Diplomatic Corps.
3. Australia's National Day will be celebrated on 26 January. Mr Parsons will be the host at the reception. The Secretary of State, I understand, did not receive an invitation, but Lady Young, Mr Raison and Mr Whitney plan to attend.

J S Chick
South Pacific Department

20 January 1984

20 JAN 1984

11 10
9 8
7 6 5 4



CONFIDENTIAL

AUSTRALIA AND BRITAIN

1. Our relations remain good, close and extensive. As may be seen from the outstanding success of the Australian tour of the Prince and Princess of Wales in March 1983, these relations have not been disturbed by the advent of a Labor Government under Mr Hawke's leadership. They rest upon a base of frequent and frank exchanges at all levels.
2. Strong family ties subsist, more than a fifth of Australians are UK citizens. Robust support during the Falklands conflict was matched by a generous British response to the bush fire disaster of 1983.
3. Australian remains a very valuable trading partner. British firms sold £2,000 million of goods and services to Australia in 1982 and the net advantage to the UK was in excess of £1,000 million. British investors have long placed large sums in Australia and now provide about 30% of the net inflow of capital.
4. Australia exercises a powerful influence in the South Pacific and seeks a close understanding with the countries of SE Asia. Through the ANZUS security treaty, the Five Power Defence Arrangements, and in other ways, Australia defends Western interests. Unlike Western countries, Australia lives with the Third World on its doorstep. It is important that we seize opportunities to take the Austalians into our confidence.
5. We do this by exchange of information and co-operation at Ministerial and official level, through consultations before and after Economic summits and through briefing on political co-operation within the Community. There are regular visits by Ministers, Parliamentarians and senior officials. Joint defence exercises and an extensive programme for the loan and exchange of servicemen play their part. Scientific and cultural exchanges cover a wide area. The forthcoming celebrations of the Bicentenary of the establishment of the first colony by Governor Philip on 26 January 1788 will be particularly important. We look

CONFIDENTIAL

/for and



CONFIDENTIAL

for and enjoy a close working relationship with the staff of
the Australian High Commission.

20 January 1984

Foreign and Commonwealth Office

CONFIDENTIAL



CONFIDENTIAL

PARSONS, ALFRED ROY

High Commissioner to the UK since 18 January 1984. Born Hobart, Tasmania, 24 May 1925.

Educated at Hobart High School and the University of Tasmania from whence he graduated with a Bachelor of Commerce degree. He entered the Public Service of the Commonwealth of Australia in 1947 and has served continuously in the Australian Foreign Service rising to the rank of Deputy Secretary of the Department of Foreign Affairs, a position he held immediately prior to his appointment in London. Most of his foreign service has been spent in South East Asia. He was High Commissioner in Singapore (1967-79) and Kuala Lumpur (1973-76). He has served in Jakarta, Rangoon, Berlin and at the Australian Mission to the United Nations, New York.

Mr Parsons is a very experienced professional diplomat. At times he has appeared stiff and lacking the light touch. He has not always seen eye to eye with British policies in the past and was unhelpful over Rhodesia and New Hebrides. But Mr Parsons is very pleased with his appointment to London, a post normally reserved for a political appointee, and is determined to make a success of it.

Married 1958 Gillian Pigot. Two sons, one daughter.

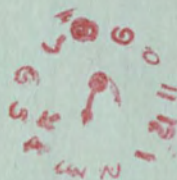
Recreation: golf, reading.

20 January 1984

Foreign and Commonwealth Office

CONFIDENTIAL

Austaha : un/Austaha kelatun Sept 79



Handwritten red text, possibly a signature or date, written vertically.

h.a.
12.
1

Mr Chick
(South Pacific Department)

1. The new High Commissioner for Australia, Mr A R Parsons, will arrive in London on Thursday 19 January and assume his functions immediately.
2. An appointment with the Prime Minister to present the Letter of Introduction will be arranged in due course. An audience of Her Majesty The Queen will also be arranged but will not take place until early February.
3. In due course, you should arrange for the appropriate FCO Minister to give a lunch in honour of the High Commissioner.
4. Appointments for the High Commissioner to pay his initial calls at the FCO have been made as follows:-

	<u>Date</u>	<u>Time</u>
Head of South Pacific Department	Tues 24 Jan	3.30 pm
Assistant Under Secretary (Mr Donald)	Tues 24 Jan	4.00 pm
Permanent Under Secretary	Tues 24 Jan	4.30 pm
Minister of State (Lady Young)	Tues 24 Jan	5.00 pm
Deputy Under Secretary (Sir William Harding)	Tues 24 Jan	5.30 pm
Vice Marshal of the Diplomatic Corps	Wed 25 Jan	3.30 pm
Head of Commonwealth Coordination Department (Mr A C Watson)	Wed 25 Jan	4.00 pm
Secretary of State	TO BE ARRANGED	

5. For these calls would you please prepare a biography of the High Commissioner and a short brief on our relations with Australia. They should be given the following distribution:-

Top copies on blue paper to:

Protocol Department - to forward to the Marshal of the Diplomatic Corps for Her Majesty The Queen. This copy should have the date and 'Foreign and Commonwealth Office' typed at the bottom.

Private Secretary (10 Downing Street).

Other copies on white paper to:

Private Secretary - for the Secretary of State
APS to Secretary of State
Minister of State (Lady Young)
Permanent Under Secretary

/Deputy Under Secretary

Deputy Under Secretary (Sir William Harding)
Assistant Under Secretary (Mr Donald)
Assistant Under Secretary (ODA)
Vice Marshal of the Diplomatic Corps
Head of South Pacific Department
Head of Commonwealth Coordination Department
4 copies to Protocol Department for Mr Martin

S W F Martin

S W F Martin
Protocol Department
273 3353 OAB G/50

11 January 1984

cc: PS/PA of those in paragraph 4
PS/Minister for Overseas Development
Private Secretary (10 Downing Street)



REV

Australian
Senator

10 DOWNING STREET

From the Private Secretary

22 December 1983

Australia : HMS Invincible

Thank you for your letter of 21 December.

The proposed reply from the Prime Minister to Senator Colin Mason may be sent though the last phrase should read "and we cannot change this policy in respect of Invincible".

I am copying this letter to Richard Mottram (Ministry of Defence).

A. J. COLES'

P.F. Ricketts, Esq.,
Foreign and Commonwealth Office.

End

CONFIDENTIAL

①



Foreign and Commonwealth Office

Prime Minister

London SW1A 2AH

Agree reply (in attached
telegram) to
Senator Mason?

21 December 1983

Dear John,

A.S.C. 22/12

Yes m

Australia: HMS Invincible

Thank you for your letter of 12 December.

Senator Mason is the Deputy Leader of the Australian Democrat Party which has five seats only in the Australian Senate and none in the House of Representatives. The Party (and Senator Mason) has little influence in Australian politics. Any reply to Senator Mason's telegram will almost certainly be made public.

Our High Commissioner in Canberra has been instructed to tell the Australian Government that we are unable to depart from the established policy of neither confirming nor denying the presence of nuclear weapons; and to enter into private consultations with the Australian and United States Governments about the conditions attaching to visits by allied navies to Australian ports.

It would, in our view, add to the complications surrounding the RN Task Group's deployment in the Far East if we were to make public statements which served to stimulate further controversy in Australia. HMS Invincible is to visit a number of countries in the region. Continuing public discussion would increase the risk that other governments might follow Australia in placing difficulties in our way.

We recommend that our High Commissioner in Canberra be instructed to reply briefly to Senator Mason on the Prime Minister's behalf. I enclose a draft, in the form of a telegram to Canberra.

I am sending a copy of this letter to Richard Mottram (MOD).

Yours ever,

(P F Ricketts)
Private Secretary

Peter Ricketts

A J Coles Esq
10 Downing Street

CONFIDENTIAL

Classification/Security

Precedence/Despatch

CONFIDENTIAL

PRIORITY

C
SS
EATS
KBY
FCO
ADD
NO.

1 ZCZC
2 GRS
3 CONFIDENTIAL
4
5
6 FM FCO DECEMBER 83
7 TO PRIORITY CANBERRA
8 TELEGRAM NUMBER

9 YOUR TELNO 650: HMS INVINCIBLE, SENATOR MASON'S TELEGRAM TO
10 PRIME MINISTER

11 1. Full text of Senator Mason's telegram as received by
12 Prime Minister is as follows:-

13 BEGINS

14 Dear Prime Minister

15 On behalf of millions of Australians deeply opposed to presence
16 of nuclear weapons on our soil, request you to order HMAS
17 Invincible to leave Sydney and stay out pending assurances that
18 she does not carry nuclear depth charges, freefall atom bombs or
19 other nuclear devices. Respectfully suggest provocation of this
20 kind could lead to sustained and effective boycott of British
21 goods in this country.

22 Signed Colin Mason, Senator for New South Wales.

23 2. Please convey following reply from the Prime Minister to
24 Senator Mason.

25 MESSAGE BEGINS:

NNNN ends telegram	BLANK	Catchword Thank
File number	Dept Private Office	Distribution SPD Defence D SEAD FED PS/Lady Young PS/Mr Whitney Mr Giffard Mr Wright Mr Cartledge DS5, MOD
Drafted by (Block capitals) PETER RICKETTS		
Telephone number		
Authorised for despatch		
Comin reference	Time of despatch	

Classification and Caveats

Page

CONFIDENTIAL

PRIORITY

2

1 ZCZC

2 Thank you for your telegram of 9 December about HMS Invincible.
3 Conditions for visits to Australian ports by RN ships are a
4 matter for the Australian Government.

5 It has been the policy of successive British Governments
6 neither to confirm nor deny the presence of nuclear weapons at
7 any location at any particular time, and ~~I see no reason to~~ ^{we cannot}
8 change this policy in respect of Invincible.

9 MESSAGE ENDS

11 HOWE

12 NNNN

MB

- 13
- 14
- 15
- 16
- 17
- 18
- 19
- 20
- 21
- 22
- 23
- 24
- 25
- 26
- 27
- 28
- 29
- 30
- 31
- 32
- 33
- 34

NNNN ends
telegram

BLANK

Catchword

21 Dec 1983

12 1 2
9 10 11 12
8 7 6 5 4

Subject

Master



file Bop.

10 DOWNING STREET

From the Private Secretary

16 December 1983

This is just to record that when the Australian High Commissioner paid his farewell call on the Prime Minister this afternoon, no matters of substance were raised.

A. L. COLES

R.B. Bone, Esq.,
Foreign and Commonwealth Office

kw

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Ricketts to Coles dated 15 December 1983</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 A Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

Mr. Colin Mason



Reminded Flo
19/12.

19/12
Coming 20/12
File No

Coming 20/12 10 DOWNING STREET

From the Private Secretary

12 December 1983

AUSTRALIA : HMS INVINCIBLE

I enclose a copy of a message which the Prime Minister has received from Mr. Colin Mason, Senator for New South Wales. I should be grateful for your advice on a draft reply as soon as possible.

A. J. COLES

Peter Ricketts, Esq.,
Foreign and Commonwealth Office.

British TELECOM

Telegram for enquiries dial the number shown in your dialling instructions

for enquiries dial the number shown in your dialling instructions

TELECOM

NNNN

09 DEC 1983/0010

ZCZC FLM0597 OAB118 CSA580

GBXX CO AACR 087

CANBERRA PARLIAMENT HOUSE ACT 87/83 9 1053 PAGE 1/50

MARGARET THATCHER
PRIME MINISTER
TEN DOWNING STREET
WHITEHALL, LONDON SW1,

DEAR PRIME MINISTER
ON BEHALF OF MILLIONS OF AUSTRALIANS DEEPLY OPPOSED TO
PRESENCE OF NUCLEAR WEAPONS ON OUR SOIL, REQUEST YOU TO ORDER
HMAS INVINCIBLE TO LEAVE SYDNEY AND STAY OUT PENDING ASSURANCES
THAT SHE DOES NOT CARRY NUCLEAR DEPTH CHARGES FREEFALL

COL FREEFALL

CSA580 THATCHER PAGE 2/33

ATOM BOMBS OR OTHER NUCLEAR DEVICES STOP RESPECTFULLY SUGGEST
PROVOCATION OF THIS KIND COULD LEAD TO SUSTAINED AND EFFECTIVE
BOYCOTT OF BRITISH GOODS IN THIS COUNTRY.

COLIN MASON SENATOR FOR NEW SOUTH WALES

Ho

Telegram for enquiries dial the number shown in your dialling instructions

British TELECOM for enquiries dial the number shown in your dialling instructions

TELECOM Telegram for e

file

DB

ACK 22/11

21 November 1983

I enclose for information an advance copy of Mr. Hawke's reply to the Prime Minister's message about the America's Cup.

DB

Roger Bone, Esq.,
Foreign and Commonwealth Office.

die



AUSTRALIAN HIGH COMMISSION • LONDON

PRIME MINISTER'S

u MATTER
OPS

PERSONAL MESSAGE

THE HIGH COMMISSIONER

The Hon. Sir Victor Garland, KBE SERIAL No: T195/83 21 November 1983

For Prime Minister,

Following is the advance text of the Prime Minister's letter of 21 November. The original copy of this letter will be passed on when it arrives:

"Dear Prime Minister,

Thank you for your congratulatory message about Australia II's outstanding victory in the America's Cup in which all Australians shared.

I am sure I speak for all those associated with the Australia II team in expressing appreciation for the sportsmanship and keen competition in the elimination series shown by the British yacht Victory 83 and its team who proved such worthy competitors.

I have passed your message to the Commodore of the Royal Perth Yacht Club so that it may be shared with Alan Bond, John Bertrand and the team of Australia II.

Yours sincerely,

Bob Hawke."

Sincerely,
Victor Garland
R V GARLAND

The Rt Hon. Margaret Thatcher, MP
Prime Minister
10 Downing Street
LONDON SW1

Australia : Anglo Australian
Relations

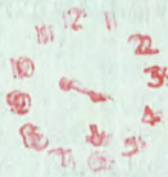
AUSTRALIAN HIGH COMMISSION LONDON



Sept '79

THE HIGH COMMISSIONER

21 NOV 1983





Signed version
- copy already rec'd

(4)

PRIME MINISTER

PRIME MINISTER
CANBERRA

PERSONAL MESSAGE

SERIAL No. T195/83

Dec 1983
pa

Prime Minister

pa
sub
5/12

18 NOV 1983

Dear Prime Minister,

Thank you for your congratulatory message about Australia II's outstanding victory in the America's Cup in which all Australians shared.

I am sure I speak for all those associated with the Australia II team in expressing appreciation for the sportsmanship and keen competition in the elimination series shown by the British yacht, Victory 83 and its team who proved such worthy competitors.

I have passed your message to the Commodore of the Royal Perth Yacht Club so that it may be shared with Alan Bond, John Bertrand and the team of Australia II.

Yours sincerely
Margaret Thatcher

mb

The Rt Hon. Margaret Thatcher, MP
Prime Minister of Great Britain
LONDON
UNITED KINGDOM

Australia : Anglo - Australian Relations Sept 79

PRIME MINISTER
CANBERRA

11 12 1
2 3 4
5 6

28 NOV 1983

SUBJECT

cc MASTER
OPS



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T166C183

PRIME MINISTER
CANBERRA

The Right Honourable Margaret Thatcher, M.P.,
Prime Minister
10 Downing Street
LONDON. W.1

26 OCT 1983

My dear Prime Minister

The bearer of this letter is Mr Alfred Roy Parsons, whom the Australian Government has appointed as its High Commissioner in the United Kingdom in succession to the Honourable Sir Victor Garland, KBE.

Mr Parsons is a senior career officer of the Department of Foreign Affairs having served in Canberra, Jakarta (twice), Rangoon, Berlin and UN New York. His most recent overseas appointments were as High Commissioner in Singapore and in Kuala Lumpur. Since 1978 Mr Parsons has been a Deputy Secretary in the Department of Foreign Affairs.

I am confident that Mr Parsons' personal qualities, as well as his experience, will aid him in the most important task of maintaining and developing the close and friendly ties which exist between our two countries.

In commending Mr Parsons to you, I would ask you to give entire credence to all that he may communicate to you in the name of the Australian Government. I am sure that you and the Government which you lead will afford him all possible help and co-operation in the fulfilment of his high mission.

Yours sincerely

A handwritten signature in blue ink, appearing to read 'R.J.L. Hawke'.

R.J.L. Hawke

WONFO/017/270TWON /010/27

OO FCO **CC MASTER
OPS**

GPS 70

UNCLASSIFIED

FM TO

ONTO 1530Z SEPT 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 59 OF 27 SEPTEMBER

**PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 141/83**

FCO PLEASE PASS FOLLOWING IMMEDIATE MESSAGE FROM THE
PRIME MINISTER THATCHER TO MR HAWKE, TELEX NO 71 61640

BEGINS

WE ARE THRILLED BY AUSTRALIA'S MAGNIFICENT VICTORY IN THE
AMERICAS CUP. WARM CONGRATULATIONS TO THE SKIPPER AND CREW
ON A SPLENDID ACHIEVEMENT AND MY BEST WISHES TO THE GOVERNMENT
AND PEOPLE OF AUSTRALIA.

ENDS.

HOLLOWAY

NNNN

FOR
COMMS. DEPT.
USE

Despatched (Date)
(Time)Z

POSTBYZ

PREAMBLE

(Time of Origin).....Z(G.M.T.) (Restrictive Prefix).....
(Security Class.)..... (Caveat/
Privacy marking).....
(Codeword)..... (Deskby).....Z

TO.....IMMEDIATE.....CANBERRA..... Tel. No.of.....
(precedence) (post)

AND TO (precedence/post).....FCO, LONDON.....
No. 10 PRESS OFFICE

AND TO SAVING.....

INFO.....

INFO SAVING.....

Distribution:-

[TEXT] FOLLOWING MESSAGE FROM THE PRIME MINISTER TO
MR. HAWKE

WE ARE THRILLED BY AUSTRALIA'S MAGNIFICENT VICTORY
IN THE AMERICAS CUP. WARM CONGRATULATIONS TO THE
SKIPPER AND CREW ON A SPLENDID ACHIEVEMENT AND MY
BEST WISHES TO THE GOVERNMENT AND PEOPLE OF AUSTRALIA.

Copies to:-

Australia
A.C. Relations

MESSAGE FOR THE PRIME MINISTER TO SEND TO MR. HAWKE

We are thrilled by Australia's magnificent victory in the Americas Cup. Warm congratulations to the skipper and crew on a splendid achievement and my best wishes to the Government and people of Australia.

~~SECRET~~
~~SECRET~~
~~SECRET~~

Open
MS

Prime Minister

Agree?

A.J.C. $\frac{27}{9}$



38

10 DOWNING STREET

From the Private Secretary

5 September 1983

e

AUSTRALIAN HIGH COMMISSIONER

Thank you for your letter of 1 September.

The Prime Minister agrees that you may inform the Australians that the British Government will be glad to welcome Mr. Parsons as their High Commissioner in London, and looks forward to continuing with him the happy association which has been enjoyed with his predecessor.

I am copying this letter to Sir Philip Moore..

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office.

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Holmes to Coles dated 1 September 1983, with enclosure.</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 A Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

for enquiries dial the number
shown in your dialling instructions
Telegram

NNNN

09 JUN 1983/1532
ZCZC CLM4330 OAA754 TV1284
GBXX CO AAMV 068
MELBOURNE 68/67 9 2010 PAGE 1/50

Robin

ROBERT BUTLER
10 DOWNING STREET
LONDON SW1UK

MR AND MRS FRASER HAVE NOW LEFT ON THEIR OVERSEAS TRIP AND I WOULD
ADVISE THAT THEIR CONTACT NUMBERS IN LONDON ARE AS FOLLOWS-10TH-24TH
JUNE 235 3982 24TH JUNE-5TH JULY 4996505 THEY CAN ALSO BE CONTACTED
THROUGH THE AUSTRALIAN HIGH COMMISSION 438 8000 MR

COL 10 SW1UK FOLLOWS-10TH-24TH 235 3982 24TH JUNE-5TH 4996505 438
8000

TV1284 ROBERT BUTLER PAGE 2/17

AND MRS FRASER WILL PROBABLY BE OUT OF THE U.K. BETWEEN 12/20 JUNE.
REGARDS
CHRIS DAVIES SECRETARY

COL U.K. 12/20

Mr. Coker

MR 10/6

F.a.

for enquiries dial the number
shown in your dialling instructions
TELECOM

British
TELECOM

for enquiries dial the number
shown in your dialling instructions
Telegram

for enquiries dial the number
shown in your dialling instructions
TELECOM

for enquiries dial the number
shown in your dialling instructions
TELECOM

British
TELECOM
for enquiries dial the number
shown in your dialling instructions

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Minute from Butler to Prime Minister dated 8 June 1983</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C. Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

18 April 1983

Australian Minister for Finance

I enclose a copy of a letter which the Prime Minister has received from Mr. J.S. Dawkins who thanks her for the arrangements made for his visit to Britain as a guest of the Foreign and Commonwealth Office. I do not think we had any knowledge of the visit at the time. May I, therefore, ask you to circulate the thank you letter to any other Departments which were involved?

JC

John Holmes, Esq.,
Foreign and Commonwealth Office.

RB



MINISTER FOR FINANCE

PARLIAMENT HOUSE
CANBERRA ACT 2600

The Right Hon Margaret Thatcher
Prime Minister
10 Downing Street
LONDON SW1 UK

RIS - CF
PPS

Dear Prime Minister

I write to convey my deep thanks to you and your Government for the opportunity to visit Britain and study a variety of interests.

For two weeks I was a guest of the Foreign and Commonwealth Office, following the acceptance by Mr Kim Beazley and I of invitations which were extended to us as members of the then Opposition.

I was particularly grateful that your Government was able to respond to my request that we follow a programme separate to that of a group of MP's drawn from the then governing parties. No doubt this caused some inconvenience but, I can assure you, added enormously to the value of our visit.

Due to the proximity to Christmas and the ever present prospect of an election, our guidance to the program organisers was slow in arriving and rather short on detail. In the event we made their task more burdensome by requesting changes and additions once we arrived.

Without exception every attempt was made to meet our wishes and for that I am very grateful. The programme was diverse and yet highly specific in requested areas.

Our visit was in fact cut short by a day or so because of the calling of the election in Australia and indeed so much has happened since that it all seems a long time ago. However, I did want you to know that I benefitted greatly from those brief two weeks and I hope you will pass my appreciation to all those who made it such a success.

Yours sincerely

J S Dawkins

Australia



10 DOWNING STREET

- 1 ~~Caroline~~
- 2 ~~John Coles~~

okay state
 - it is
 definitely
 cancelled
 of

I would have thought
 we could give Hawke
 lunch on 8 June.

11/4

WJ

8/4

Caroline

so far as I know the state
 visit is still on. so what would
 we do?

A.S.C. 11/4.



Prime Minister ²
Australia
WM
7/4

Foreign and Commonwealth Office

London SW1A 2AH

6 April 1983

Dear John,

*We must
write him
to a meet
mt.*

Letter from Australian Prime Minister
to Mrs Thatcher

As you know, the Prime Minister sent a message of congratulation to Mr Bob Hawke, the Leader of the Australian Labour Party, on his election success. Mr Hawke has now acknowledged Mrs Thatcher's good wishes in the attached letter.

Mr Hawke refers to his visit to Europe in June. You will be aware that tentative arrangements are being made for Mr Hawke to visit London between 6 and 9 June and to call on the Prime Minister on 8 June.

[Handwritten flourish]

*Yours ever
John Holmes*

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

SUBJECT

T44/83



*Master
CP*

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No: T44/83

PRIME MINISTER

CANBERRA

31 MAR 1983

Dear Prime Minister,

Thank you for your kind message of congratulations on the success of my Government in the recent General Election.

Our two countries have traditionally enjoyed excellent relations based in large measure on the extensive range of personal contacts between Australians and Britons. I am confident that, with such a soundly based relationship, our two Governments will continue to consult closely on matters of mutual interest.

I am planning a visit to the United States and Europe in June, and I hope that it will be possible for us to meet at this time.

[Handwritten mark]

*Yours sincerely
Bob Hawke*

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister of Great Britain,
LONDON SW1
UNITED KINGDOM

Australia
Sept '79
6:10 Int

PRIME MINISTER
CANBERRA



820



AUSTRALIAN HIGH COMMISSION · LONDON

High Commissioner
The Hon. Sir Victor Garland, KBE

21 March 1983

A.S.C. $\frac{22}{3}$
h-a.

Dear Mr Coles,

Attached is the original of Mr Fraser's letter to the Prime Minister of 9 March 1983 which has just been received by diplomatic bag.

Yours sincerely,

(Personal Secretary)

Mr A.T. Coles,
Private Secretary to
the Prime Minister,
No. 10 Downing Street,
LONDON SW1.

Australia (L)



AUSTRALIAN HIGH COMMISSION · LONDON

THE HIGH COMMISSIONER

10 March 1983

The Hon. Sir Victor Garland, KBE

five minutes

Dear Prime Minister,

10/3

I have been asked by the Rt Hon. Malcolm Fraser, CH, MP, to convey to you the following text of a letter, the original of which is en route by diplomatic bag:

Begins -

mf

"My dear Margaret,

Thank you for your message to me and for the phone calls. I very much appreciated what you said about my time as Prime Minister and your good wishes for the future. I take satisfaction in Australia's active role in world affairs in recent years, and I am particularly pleased that we were able to offer tangible support to Britain last year during the Falklands crisis.

Our two Governments have worked closely and harmoniously together on many issues over the years, in particular in the Commonwealth context.

May I take this opportunity to convey to you my personal best wishes. I hope that we will continue to keep in touch.

Yours sincerely,
Malcolm Fraser."

Ends.

Sincerely,
Victor Garland

R.V. GARLAND

The Rt Hon. Margaret Thatcher, MP,
Prime Minister,
No. 10 Downing Street,
LONDON SW1.

AUSTRALIAN HIGH COMMISSION LONDON



THE HIGH COMMISSIONER

11 12 1
10 9 8
7 6 5
4 3 2

10 MAR 1960

11 12 1
10 9 8
7 6 5
4 3 2

10 MAR 1960

Subject

for Mother
OP



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T27c/83
PRIME MINISTER.....

CANBERRA

E9 MAR 1983

My dear Margaret

Thank you for your message to me and for the phone calls. I very much appreciated what you said about my time as Prime Minister and your good wishes for the future. I take satisfaction in Australia's active role in world affairs in recent years, and I am particularly pleased that we were able to offer tangible support to Britain last year during the Falklands crisis.

Our two governments have worked closely and harmoniously together on many issues over the years, in particular in the Commonwealth context.

May I take this opportunity to convey to you my personal best wishes. I hope that we will continue to keep in touch.

Yours sincerely
Robert

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister of Great Britain,
LONDON, SW1

UNITED KINGDOM

PRINTED MATTER
CARRIED

21 MAR 1963

11 12 1 2
10 9 8 7 6 5
4 3 2 1

GRS 1075

CONFIDENTIAL

CONFIDENTIAL

DESKBY 080900Z [coll]

FM CANBERRA 080600Z MAR 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 107 OF 8 MARCH

INFO PRIORITY DOT WASHINGTON TOKYO

FOLLOWING ALSO FOR HM TREASURY BANK OF ENGLAND ECGD

DEVALUATION OF AUSTRALIAN DOLLAR

1. THE PRIME MINISTER ELECT, MR HAWKE, ANNOUNCED EARLY TODAY A DEVALUATION OF THE AUSTRALIAN DOLLAR BY 10%, LOWERING THE MID-RATE AGAINST THE US DOLLAR FROM 94.91 TO 85.49 CENTS. THE TRADE WEIGHTED INDEX MOVES DOWN FROM 81.5 TO 73.3, AND THE STERLING MID-RATE TO 56.60 PENCE.
2. THE LAST TWO WEEKS OF THE ELECTION CAMPAIGN HAD SEEN A LARGE OUTFLOW OF FUNDS FROM AUSTRALIA OFFICIALLY ESTIMATED AT ABOUT TWO AND AN HALF BILLION AUSTRALIAN DOLLARS. THE AUTHORITIES HAD BEEN ALLOWING THE MID-RATE AGAINST THE DOLLAR TO DRIFT DOWN ONLY SLOWLY AT THE COST OF A SUBSTANTIAL INCREASE IN HEDGING COSTS. THIS DID NOTHING TO STEM THE CAPITAL OUTFLOW WHICH REDUCED THE RESERVE BANK'S FOREIGN EXCHANGE HOLDINGS FROM OVER TEN BILLION AUSTRALIAN DOLLARS TO AROUND EIGHT BILLION AUSTRALIAN DOLLARS, A RATE OF DEPLETION WHICH WAS CLEARLY NOT SUSTAINABLE. THE MAJOR EFFECT OF THE OUTFLOW WAS A SEVERE SQUEEZE ON LIQUIDITY WITH VERY SHORT TERM MONEY RATES GOING OVER 100 PERCENT AND RUMOURS OF BANKS HAVING HAD TO RESORT TO THE RESERVE BANK AS LENDER OF LAST RESORT. HIGHER INTEREST RATES WERE THREATENING TO FLOW THROUGH TO THE DOMESTIC MARKET.
3. THE MAJOR CAUSE OF THE OUTFLOW WAS THE MONEY MARKET'S WORRIES ABOUT THE ADVENT OF A LABOR GOVERNMENT COMMITTED THROUGH ITS INTERVENTIONIST POLICIES TO A BUDGET DEFICIT CONSIDERABLY LARGER THAN THE LIBERALS' ESTIMATES OF FOUR BILLION AUSTRALIAN DOLLARS FOR 1982/83 AND SIX BILLION DOLLARS FOR 1983/84, AND TO A PRICES AND INCOMES POLICY WHICH, IT WAS FEARED, WOULD FAIL TO RESTRAIN REAL WAGES.
4. IN A PREPARED STATEMENT FOLLOWED BY A PRESS CONFERENCE THIS MORNING MR HAWKE STRESSED THAT THE GOVERNMENT HAD WAITED TO SEE IF THE MARKETS WOULD SETTLE DOWN ON 7 MARCH THE FIRST TRADING DAY SINCE THE ELECTION. WHEN THEY HAD NOT, HE HAD PREFERRED A SINGLE DISCRETE DEVALUATION TO A GRADUAL LOWERING OVER MANY DAYS SINCE, HE CLAIMED, THE LATTER WOULD NOT HAVE GIVEN THE REQUIRED SIGNAL TO THE MARKET. HE HIGHLIGHTED THE SEVERE LIQUIDITY SQUEEZE WHICH WOULD HAVE OCCURRED IN THE JUNE QUARTER, AS TAX BILLS ARE SETTLED, IF THE CAPITAL OUTFLOW WAS NOT ARRESTED. HE RULED OUT ANY FURTHER DISCRETE DEVALUATION IN THE FORESEEABLE FUTURE. THE DEVALUATION DID NOT

CONFIDENTIAL

SIGNAL

SIGNAL ANY CHANGE IN EXCHANGE RATE POLICY: ALL FUTURE
MOVEMENTS WOULD BE BY MEANS OF THE CRAWLING PEG. THE GOVERNMENT'S
VIEW WAS THAT THE FUNDAMENTAL FACTORS UNDERLYING THE EXCHANGE
RATE WERE SOUND: THE CURRENT ACCOUNT DEFICIT FOR 1983/84
WOULD BE NO WORSE THAN IN 1982/83 (ESTIMATED AT AROUND NINE
BILLION AUSTRALIAN DOLLARS), AND COULD BE SUBSTANTIALLY BETTER
IF SIGNS OF GROWTH IN THE WORLD ECONOMY WERE FULFILLED. THE
DEVALUATION RESTORED COMPETITIVENESS ON A UNIT WAGE COST BASIS
TO AT LEAST THE LEVEL OF 1979/80, AND WOULD NOT BE ALLOWED
TO STAND IN THE WAY OF ACHIEVING A CUT IN INFLATION. THE INCOMING
TREASURER, MR KEATING, SAID TREASURY ADVICE WAS THAT THE
INFLATIONARY IMPACT OF THE DEVALUATION WOULD BE MUTED BECAUSE
OF THE CURRENT RECESSION.

5. MR HAWKE RELEASED TREASURY ESTIMATES OF THESE BUDGET DEFICITS
FOR 1982/83 (4.3 BILLION DOLLARS) AND 1983/84 (9.6 BILLION
DOLLARS) UNDER THE OUTGOING COALITION GOVERNMENT'S POLICIES.
THESE ESTIMATES, AVAILABLE TO THE COALITION GOVERNMENT DURING
THE LAST FEW DAYS OF THE ELECTION CAMPAIGN, CONTRAST WITH THE
FIGURES OF FOUR BILLION DOLLARS AND 6 BILLION DOLLARS WHICH
HAD BEEN USED EXTENSIVELY DURING THE CAMPAIGN. HE WAS SEVERELY
CRITICAL OF MESSRS FRASER, HOWARD AND PEACOCK (THE LATTER
TWO BEING THE MAIN CONTENDERS FOR THE LEADERSHIP OF THE LIBERAL
PARTY) FOR HAVING RAISED FEARS OF A DEVALUATION UNDER LABOR
DURING THE ELECTION CAMPAIGN AND FOR HAVING UNDER-STATE THE
ESTIMATED BUDGET DEFICITS ESPECIALLY FOR 1983/84. MR HAWKE
CHARACTERISED A DEFICIT OF NEARLY 10 BILLION DOLLARS FOR
1983/84 AS UNACCEPTABLE AND COMMITTED HIS GOVERNMENT TO WORK
FOR A DEFICIT OF AROUND 7.5 BILLION DOLLARS (THE FIGURE
ORIGINALLY ARRIVED AT BY ADDING 1.5 BILLION DOLLARS OF ADDITIONAL
STIMULUS TO THE ORIGINAL ESTIMATE OF 6 BILLION DOLLARS), OR
JUST UNDER 5 PERCENT OF GDP, IN LINE WITH OTHER OECD COUNTRIES.
THE NEW GOVERNMENT HOPES TO ACHIEVE SOME OF THIS REDUCTION
BY STIMULATING THE ECONOMY, BUT IS ALSO TO RE-EXAMINE BOTH
CURRENT EXPENDITURE COMMITMENTS AND LABOR EXPENDITURE AND
TAXATION PLANS. MR HAWKE REFERRED TO HIS STATEMENT BEFORE THE
ELECTION (PARA 3 OF MY TEL NO 97) IN WHICH HE HAD HINTED THAT
TAXES MIGHT HAVE TO BE INCREASED IF THE BUDGET DEFICIT PROVED
TO BE GREATER THAN HE HAD BEEN LED TO BELIEVE.

6. THE DEVALUATION WILL BE WELCOMED BY THE MONEY MARKETS, WHO
HAD COME TO SEE IT AS INEVITABLE, BY THE RURAL AND MINING
LOBBIES WHO HAD BEEN URGING A DEVALUATION TO HELP EXPORTS,
AND BY SOME MANUFACTURERS , ESPECIALLY STEELMAKERS, WHO HOPE
TO SEE REDUCED COMPETITION FROM IMPORTS. THIS HAD ALREADY BEEN
REFLECTED ON THE STOCK EXCHANGE WHERE STOCKS OF MINING COMPANIES
HAVE JUMPED. A MAJOR WORRY FOR THE GOVERNMENT IS THE EFFECT
OF THE DEVALUATION ON THEIR PRICES AND INCOMES POLICIES,
BUT MODERATE AND UNDERSTANDING STATEMENTS FROM THE ACTU HAVE
GIVEN THEM SOME GROUNDS FOR OPTIMISM.

CONFIDENTIAL²

17.

CONFIDENTIAL

7. MR HAWKE HAS ACTED DECISIVELY AND RESPONSIBLY BEFORE HE IS EVEN OFFICIALLY PRIME MINISTER TO END THE UNCERTAINTY ON THE MONEY MARKETS (AS MR FRASER'S GOVERNMENT IS STILL OFFICIALLY IN OFFICE AS A CARETAKER GOVERNMENT UNTIL THE NEW GOVERNMENT IS SWORN IN, THE FORMAL AUTHORISATION FOR THE DEVALUATION WAS GIVEN BY MR HOWARD). A 10 PERCENT DEVALUATION WAS IN LINE WITH TREASURY RECOMMENDATIONS AND SHOULD BE ENOUGH TO ACHIEVE THIS, AND TO BEGIN TO REVERSE THE CAPITAL OUTFLOW: THERE IS EVIDENCE THAT THIS HAS BEGUN, AND SHORT TERM INTEREST RATES ARE BEGINNING TO FALL. MR HAWKE HAS INEVITABLY LAID THE BLAME FOR THE NECESSITY OF DEVALUATION AT THE FEET OF HIS POLITICAL OPPONENTS, AND WAS CLEVER ENOUGH TO LAY ON THEM PRIOR TO THE ELECTION THE RESPONSIBILITY FOR ANY CHANGES IN LABOR PLANS WHICH, THE BUDGETARY SITUATION MAY NOW REQUIRE.

8. THE EFFECT ON UK/AUSTRALIAN TRADE IS UNLIKELY TO BE DRAMATIC. THE 10 PERCENT DEVALUATION AGAINST STERLING WILL NOT WHOLLY REVERSE THE AUSTRALIAN DOLLARS APPRECIATION AGAINST STERLING WHICH HAS OCCURRED OVER THE LAST FEW MONTHS AS STERLING HAS DEPRECIATED AGAINST THE US DOLLAR. THE MAJORITY OF UK EXPORTS TO AUSTRALIA ARE COMPETING WITH OTHER FOREIGN, NOT AUSTRALIAN, SUPPLIES. ON SPECIFIC UK EXPORTS, ATTEMPTS TO LOWER LOCAL PRICES IN COMPENSATION WILL MAKE IT EASIER FOR THE AUSTRALIANS TO BRING ANTI-DUMPING ACTIONS; ON SPECIFIC UK IMPORTS (MITSUBISHI CARS BEING THE MOST OBVIOUS) WE WILL HAVE GREATER DIFFICULTY IN PROVING PRICE DISCOUNTING.

FCO PSE PASS HM TREASURY BANK OF ENGLAND ECGD

MASON

FINANCIAL
SPD
NAD
MR DONALD

COPIES TO
TREASURY
B|ENGLAND
ECGD
DOT

SUBJECT

cc. Martin + ops

T

Arshanku

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T26/83

RESTRICTED

6418 - 2

OO CANBERRA DESKBY 052230Z

GRS 102

RESTRICTED

DESKBY 052230Z

FM FCO 051600Z MAR 83

TO IMMEDIATE CANBERRA

TELEGRAM NUMBER 71 OF 5 MARCH

AUSTRALIAN GENERAL ELECTION: MESSAGE FROM THE PRIME MINISTER

1. GRATEFUL IF YOU WOULD PASS THE FOLLOWING FROM THE PRIME
MINISTER TO MR HAWKE.

BEGINS: MAY I SEND YOU MY CONGRATULATIONS AND THOSE OF MY
GOVERNMENT ON YOUR SUCCESS. WE LOOK FORWARD TO WORKING CLOSELY
WITH YOU ON THE MANY INTERNATIONAL ISSUES IN WHICH WE HAVE A
COMMON INTEREST, AND TO SUSTAINING THE CLOSE FRIENDSHIP AND
EXCELLENT RELATIONS WHICH EXIST BETWEEN OUR TWO COUNTRIES AND
PEOPLES. SIGNED MARGARET THATCHER. ENDS

PYM

DISTRIBUTION:

LIMITED	CCD	PS/PUS
SPD	PS	MR GIFFARD
NEWS DEPT	PS/LORD BELSTEAD	MR DONALD

[COPIES SENT TO:
NO 10 DOWNING ST]

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 26A/83

TOP COPY (21)

RESTRICTED

FPA 014		6419 - 1
RECEIVED IN MESSAGE NO. 02		
- 7 MAR 1983		
DESK OFFICER	REGISTRY	
INDEX	PA	Action Taken
	✓	awl

OO CANBERRA DESKBY 052230Z
GRS 121
RESTRICTED
DESKBY 052230Z
FM FCO 051600Z MARCH 83
TO IMMEDIATE CANBERRA
TELEGRAM NUMBER 70 OF 5 MARCH

AUSTRALIAN GENERAL ELECTION: MESSAGE FROM THE PRIME MINISTER
1. GRATEFUL IF YOU WOULD PASS THE FOLLOWING PERSONAL MESSAGE
FROM MRS THATCHER TO MR FRASER.

BEGINS: MY DEAR MALCOLM,
YOU KNOW HOW MUCH I HAVE ENJOYED WORKING WITH YOU DURING YOUR
TIME AS PRIME MINISTER. THE ELECTION RESULT MUST BE VERY
DISAPPOINTING FOR YOU, BUT I WANTED YOU TO KNOW HOW MUCH YOUR
STEADFAST HELP AND SUPPORT HAS BEEN APPRECIATED IN BRITAIN,
PARTICULARLY WHEN WE NEEDED IT MOST LAST YEAR. I AM PERSONALLY
VERY GRATEFUL FOR ALL YOU HAVE DONE. MAY I WISH YOU ALL THE
VERY BEST FOR THE FUTURE. SIGNED MARGARET THATCHER.
ENDS

PYM

NNNN
LIMITED
SPD
PS
PS/LORD BELSTEAD
PS/PUS

010

RESTRICTED

①



Foreign and Commonwealth Office

London SW1A 2AH

Prime Minister

If you could approve the relevant messages, and inform the Duty Clerk, I will arrange despatch when the result is clear.

4 March 1983

A.S.C. $\frac{4}{3}$

Revised to Coagness (-413) P.M. agreed texts.

Dear John,

Australian General Election: Message from the Prime Minister

Voting in the Australian General Election begins tonight and unless the result is very close the outcome should be known perhaps as early as midday on Saturday. I enclose draft telegrams with alternative messages of congratulation and sympathy as appropriate. These will be with the FCO Resident Clerk for despatch when the result is clear.

Yours ever

J E Holmes

(J E Holmes)
Private Secretary

A J Coles Esq
10 Downing Street

PM approved Messages
ASC + Resident Clerk FCO informed 15.40 Sat 5/3/83.
12 10/3

RESTRICTED

OUT TELEGRAM

		Classification and Caveats RESTRICTED	Precedence/Deskby. IMMEDIATE
--	--	---	--

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	RESTRICTED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO
PRE/ADD	7	TO IMMEDIATE CANBERRA
TEL NO	8	TELEGRAM NUMBER
	9	AUSTRALIAN GENERAL ELECTION: MESSAGE FROM THE PRIME MINISTER
	10	1. Grateful if you would pass the following from the Prime
	11	Minister to Mr Hawke.
	12	BEGINS: May I send you my congratulations and those of my
	13	Government on your success. We look forward to working closely
	14	with you on the many international issues in which we have a
	15	common interest, and to sustaining the close friendship and
	16	excellent relations which exist between our two countries and
	17	peoples. Signed Margaret Thatcher. ENDS
	18	
	19	PYM
	20	NNNN
	21	
///	22	
//	23	
/	24	
	25	

NNNN ends telegram		BLANK	Catchword
File number		Dept	Distribution Minimal SPD News Dept CCD PS PS/Lord Belstead Mr Giffard Mr Donald cc: No 10
Drafted by (Block capitals) PRIVATE SECRETARY			
Telephone number 233 4641			
Authorised for despatch			
Comcen reference	Time of despatch		

OUT TELEGRAM

Classification and Caveats
RESTRICTED

Precedence/Deskby
IMMEDIATE

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	RESTRICTED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO
PRE/ADD	7	TO IMMEDIATE CANBERRA
TEL NO	8	TELEGRAM NUMBER
	9	AUSTRALIAN GENERAL ELECTION: MESSAGE FROM THE PRIME MINISTER
	10	1. Grateful if you would pass the following personal message
	11	from Mrs Thatcher to Mr Fraser.
	12	BEGINS: Mr Dear Malcolm,
	13	You know how much I have enjoyed working with you during your
	14	time as Prime Minister. The election result must be very
	15	disappointing for you, but I wanted you to know how much your
	16	steadfast help and support has been appreciated in Britain,
	17	particularly when we needed it most last year. I am personally
	18	very grateful for all you have done. May I wish you all the
	19	very best for the future. Signed Margaret Thatcher.
	20	ENDS
	21	
///	22	PYM
//	23	NNNN
/	24	
	25	

NNNN ends telegram		BLANK	Catchword
File number		Dept	Distribution Minimal SPD PS PS/Lord Belstead
Drafted by (Block capitals) PRIVATE SECRETARY			
Telephone number 233 4641			
Authorised for despatch			
Comcen reference	Time of despatch		

OUT TELEGRAM

	↓	Classification and Caveats RESTRICTED	Precedence/Deskby IMMEDIATE
--	---	---	---------------------------------------

ZCZC	1	ZCZC
GRS	2	GRS
CLASS	3	RESTRICTED
CAVEATS	4	
DESKBY	5	
FM FCO	6	FM FCO
PRE/ADD	7	TO IMMEDIATE CANBERRA
TEL NO	8	TELEGRAM NUMBER
	9	AUSTRALIAN GENERAL ELECTION: MESSAGE FROM THE PRIME MINISTER
	10	1. Grateful if you would pass the following from the Prime
	11	Minister to Mr Fraser.
	12	BEGINS: Many congratulations on your splendid victory after
	13	such a closely fought campaign. I look forward to continuing to
	14	work with you on the many difficult international problems
	15	we face and to having a chance to talk to you again before too
	16	long. Signed Margaret Thatcher. ENDS
	17	
	18	PYM
	19	NNNN
	20	
	21	
///	22	
//	23	
/	24	
	25	

NNNN ends telegram	BLANK	Catchword
File number	Dept	Distribution Minimal SPD News Dept CCD PS PS/Lord Belstead Mr Giffard Mr Donald cc- No 10
Drafted by (Block capitals) PRIVATE SECRETARY		
Telephone number 233 4641		
Authorised for despatch		
Comcen reference	Time of despatch	

GRS 80
UNCLASSIFIED
FM CANBERRA 230500Z FEB 83
TO ROUTINE FCO
TELEGRAM NUMBER 83 OF 23 FEBRUARY
INFO MELBOURNE

ms

AUSTRALIAN BUSH FIRE DISASTER: MY TEL 78 (NOT TO MELBOURNE)

1. FOLLOWING NOW RECEIVED FROM PREMIER OF VICTORIA.

2. BEGINS YOUR EXCELLENCY,

WOULD YOU PLEASE PASS TO YOUR PRIME MINISTER MY GRATEFUL THANKS FOR THE MESSAGE OF SUPPORT AND CONCERN IN THIS DIFFICULT TIME, WHICH WAS PASSED TO ME BY THE PRIME MINISTER. THE CONCERN OF PEOPLE THROUGHOUT THE WORLD HAS BEEN OVERWHELMING AND WE FEEL WE DO NOT STAND ALONE IN THIS TIME OF TRAGEDY.

JOHN CAIN
PREMIER

ENDS.

MASON
LIMITED
SPD
PS
PS/LORD BELSTEAD
MR. GIFFARD
MR. DONALD

COPIES TO:
MISS CHERRY ODA
MR. COLES. NO. 10.
DOWNING ST.

THIS TELEGRAM
WAS NOT
ADVANCED

Australia

GRS 360
CONFIDENTIAL

CONFIDENTIAL

FM CANBERRA 210235Z FEB 83
TO IMMEDIATE FCO
TELEGRAM NUMBER 74 OF 21 FEBRUARY
INFO SAVING BRISBANE, MELBOURNE, PERTH, SYDNEY

MF

MY TEL NO 56: AUSTRALIAN GENERAL ELECTION

SUMMARY

JUST OVER HALF WAY THROUGH THE CAMPAIGN, I NOW FOR THE FIRST TIME RATE THE LABOR PARTY'S CHANCES AS BETTER THAN EVENS.

1. THE WEEKEND JUST PAST MARKED ROUGHLY THE MID-POINT IN THE ELECTION CAMPAIGN. IT WAS DISTINGUISHED, FIRST, BY CONTINUED SHOCK OVER THE BUSH-FIRE LOSS OF LIFE, AND A CONSEQUENT DIMINUTION IN CAMPAIGNING; AND SECOND AND MORE IMPORTANTLY BY A SURPRISINGLY EASY WIN FOR THE LABOR PARTY IN THE WESTERN AUSTRALIAN STATE ELECTION ON 19 FEBRUARY, WHERE THEY ACHIEVED AN 8 PERCENT, AND WERE WIDELY THOUGHT UNLIKELY TO ACHIEVE IT.

2. MIPTS REPORT THE PROGRESS OF THE CAMPAIGN SO FAR, AND THE REACTIONS OF THE PRESS.

3. THE ALP HAVE KEPT WELL AHEAD IN THE OPINION POLLS, AS THEY USUALLY DO AT THIS STAGE. BUT MOST OBSERVERS ARE LOOKING FOR A GRANDSTAND FINISH BY THE HIGHLY PROFESSIONAL LIBERAL PARTY MACHINE. UNTIL NOW, I HAVE DETECTED AMONGST THE MANY INFORMED AND THOUGHTFUL PEOPLE WHOM MY STAFF AND I HAVE BEEN CONSULTING A BELIEF THAT, WHILE THE RESULT WILL BE EXTREMELY CLOSE, THE LIBERALS SHOULD JUST SCRAPE HOME. THIS IS NOT LEAST BECAUSE OF EXPECTED MISGIVINGS IN THE ACTUAL POLLING-BOOTH ABOUT MR HAWKE'S SUITABILITY, DESPITE HIS POPULARITY, TO BE PRIME MINISTER MISGIVINGS WHICH INCIDENTALLY I SHARE AND WILL EXPLAIN IN DETAIL SHOULD HE WIN.

4. HOWEVER, THESE SOME PEOPLE, AND MOST PRESS COMMENTATORS, AND INDEED I MYSELF, HAD EXPECTED THE LIBERALS TO HOLD WESTERN AUSTRALIA. THAT THEY HAVE LOST, BY A WIDE MARGIN BY AUSTRALIAN STANDARDS, WILL NOT BE ALL THAT IMPORTANT IN TERMS OF WESTERN AUSTRALIAN SEATS IN THE FEDERAL ELECTION, AS IT IS IN NEW SOUTH WALES, AND TO A LESSER EXTENT VICTORIA AND QUEENSLAND, THAT THE BATTLE WILL BE WON OR LOST. BUT IT SEEMS LIKELY TO GIVE THE LABOR PARTY A TREMENDOUS FILLIP THROUGHOUT THE COUNTRY, AND THE LIBERAL PARTY WILL HAVE TO FIGHT THAT MUCH HARDER IN THE 12 DAYS NOW LEFT. IT LOOKS AS THOUGH THEIR MAIN ATTACK WILL BE ON THE FORTHCOMING LABOR PARTY TRADE UNION 'ACCORD' ON A PRICES AND INCOMES POLICY. WHICH THEY WILL REPRESENT AS HANDING GOVERNMENT OVER TO THE UNION BOSSES.

CONFIDENTIAL

/5.

CONFIDENTIAL

5. I WILL WAIT UNTIL NEARER POLLING DAY BEFORE I NAIL MY COLOURS TO THE MAST ABOUT THE RESULT. BUT IT IS RIGHT THAT I SHOULD REPORT THAT, AFTER THE WESTERN AUSTRALIA ELECTION, I NOW HAVE TO RATE THE LABOR PARTY AT A BETTER THAN EVENS, AS I DID NOT BEFORE.

MASON

STANDARD
SPD
MR DONALD
CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

2
CONFIDENTIAL

GRS 480

CONFIDENTIAL

CONFIDENTIAL

FM CANBERRA 070405Z FEB 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 56 OF 7 FEBRUARY

INFO SAVING BRISBANE, PERTH, MELBOURNE, SYDNEY

MY TELNO 52: AUSTRALIAN GENERAL ELECTION

1. ANTICIPATING HIS ELECTION BY TOMORROW'S CAUCUS MEETING AS LEADER OF THE ALP, MR HAWKE HAS GOT HIS CAMPAIGN ROLLING ALREADY. HE HAS ABANDONED THE VIEW HE EXPRESSED AT THE ALP CONFERENCE LAST JULY, THAT A CAPITAL GAINS TAX MIGHT BE NECESSARY. (IF THINGS GO WRONG, THIS WILL CAUSE HIM TROUBLE WITH THE LEFT LATER ON.) HE HAS ALSO PLEDGED THE ALP TO PREVENT THE DAMMING OF THE GORDON RIVER IN TASMANIA. BOTH MOVES ARE CLEARLY DESIGNED TO PICK UP SECTIONS OF THE ELECTORATE WHO MIGHT OTHERWISE HAVE DOUBTS ABOUT THE ALP.
2. MR FRASER HAS SO FAR CONCENTRATED ON ATTACKING MR HAWKE FOR HIS LACK OF EXPERIENCE AND ON CASTING DOUBTS ON HIS ABILITY TO WITHSTAND THE PRESSURES OF HIGH OFFICE (MR HAWKE IS NOTED FOR HIS QUICK TEMPER, IT IS ALSO GENERALLY KNOWN THAT HE USED TO HAVE A DRINK PROBLEM). MR FRASER HAS ALSO SOUGHT, NOT VERY CONVINCINGLY, TO EXPLAIN TO THE ELECTORATE HIS DECISION TO CALL A DOUBLE DISSOLUTION (SEE UPTON'S TELELETTER OF 7 FEBRUARY TO ATKINSON, SPD).
3. NEITHER PARTY HAS FORMALLY OPENED ITS CAMPAIGN. THE LIBERALS WILL DO SO IN MELBOURNE ON 15 FEBRUARY, THE ALP ON 16 FEBRUARY IN SYDNEY. BOTH SIDES ARE SCRATCHING ROUND FOR ISSUES, SINCE IN ONE SENSE THE ONLY REAL ONE IS THE PERSONALITIES OF THE TWO PARTY LEADERS.
4. THE KEY TO POWER LIES IN ABOUT A DOZEN MARGINAL SEATS WHICH THE ALP COULD CAPTURE WITH SWINGS OF UP TO 3 PERCENT AND THEREBY ACHIEVE A BARE OVERALL MAJORITY. A SNAP OPINION POLL ON 4 FEBRUARY, SHOWED THE ALP WITH A SUBSTANTIAL LEAD JUST AFTER THE NEWS OF HAWKES SUCCESSFUL BID TO DISPLACE HAYDEN BECAME KNOWN. BUT THERE IS A LONG WAY TO GO YET AND MUCH WILL DEPEND ON HAWKES ABILITY TO PRODUCE CLEAR AND PLAUSIBLE POLICIES, ESPECIALLY ON WAGES WHICH COULD EMERGE AS A MAJOR ISSUE, AND TO PROJECT HIMSELF AS A CREDIBLE NATIONAL LEADER.
5. THERE IS SPECULATION ABOUT MR FRASER'S MOTIVES IN GOING FOR AN UNEXPECTEDLY EARLY ELECTION AND FOR A DOUBLE DISSOLUTIONS. IT SEEMS LIKELY THAT HE HAD BEEN TOYING WITH THE POSSIBILITY OF AN EARLY ELECTION FOR SOME TIME AND HIS DECISION TO GO AHEAD MAY HAVE BEEN TRIGGERED BY HIS LEARNING THAT THE LABOR PARTY WAS ABOUT TO CHANGE ITS LEADER. HE MAY HAVE CALCULATED THAT THERE WOULD BE AN ENSUING PERIOD OF INDECISION AND UNCERTAINTY IN

CONFIDENTIAL

/THE

CONFIDENTIAL

THE LABOR CAMP ON WHICH HE COULD CAPITALISE. THE RATIONALE FOR
THE DOUBLE DISSOLUTION DECISION IS DISCUSSED IN UPTON'S TELELETTER.

6. AUSTRALIAN POLITICS ARE SO POLARISED THAT IT WILL BE DIFFICULT
TO OBTAIN BALANCED AND IMPARTIAL VIEWS FROM EXPERTS ON THE
PROBABLE OUTCOME AS THE CAMPAIGN PROGRESSES. HAWKES SURPRISING
EMERGENCE AS ALP LEADER HAS GIVEN THEIR CAMPAIGN A TREMENDOUS
INITIAL FILLUP, AND MR FRASER IS BEING PRESENTED IN THE MEDIA
AS ALMOST AN UNDERDOG. BUT THE HAWKE IMPACT MAY WELL DIMINISH
IN THE NEXT THREE AND A HALF WEEKS, WHILE THE CONSERVATISM OF
THE ELECTORATE MAY LIKewise BEGIN TO SHOW THROUGH. AT THE
MOMENT I SENSE A GENERAL HUNCH THAT THE LIBERALS WILL MAKE IT.

MASON

STANDARD
SPD
MR DONALD
CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

2

CONFIDENTIAL

Subject

010

✓ Master
ops



PM Seen

T 230th/82

4

PRIME MINISTER

CANBERRA

PRIME MINISTER'S - 2 DEC 1982
PERSONAL MESSAGE
SERIAL No. T 230 AA / 82

Prime Minister

MR 10/12

My Dear Margaret

Thank you very much for your kind thoughts during my recent illness. The operation was a success and I am certainly feeling much better and improving daily.

It was kind of you to express your concern and I appreciated receiving your message.

Yours sincerely
Robert

The Rt Hon Margaret Thatcher, MP,
Prime Minister of Great Britain,
LONDON SW1
United Kingdom

SUBJECT ce Harris
+
one

Australia
TOP COPY (55)

UNCLASSIFIED

33190 - 1

OO CANBERRA DESKBY 022245Z
GRS 35
UNCLASSIFIED

FPA 0141		
RECEIVED IN REGISTRY No. 52		
- 4 NOV 1982		
DESK OFFICER		REGISTRY
INDEX	PA	Action Taken

DESKBY 022245Z
FM FCO 021059Z NOV 82
TO IMMEDIATE CANBERRA
TELEGRAM NUMBER 394 OF 2 NOVEMBER
YOUR TELNO 464

(52)

1. MESSAGE ON LINES QUOTED IN TUR APPROVED. PLEASE CONVEY
AT YOUR DISCRETION.

PYM

NNNN
DISTRIBUTION
LIMITED
SPD
PS
MR DONALD

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T205A/82



FILE

SW

10 DOWNING STREET

From the Private Secretary

2 November, 1982

Australian Prime Minister

As I told you on the telephone this morning, the Prime Minister agrees that the message proposed in Canberra Telegram No. 464 may be sent to Mr. Fraser.

A. J. COLES

John Holmes, Esq.,
Foreign and Commonwealth Office

RESTRICTED

Prime Minister

Agree message?

A.J.C. /a.

GRS 75
RESTRICTED
DESKBY 010900Z
FM CANBERRA 010500Z NOV 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 464 OF 1 NOVEMBER

MR FRASER IN HOSPITAL

MR FRASER WAS YESTERDAY ADMITTED TO HOSPITAL FOR OBSERVATION FOR A PAINFUL BACK CONDITION (SAID TO BE SCIATICA OR A DISC). THERE IS NO SUGGESTION THAT THE CONDITION IS SERIOUS BUT MR FRASER IS EXPECTED TO CANCEL ALL ENGAGEMENTS FOR A WEEK.

THE PRIME MINISTER MAY WISH TO AUTHORISE ME TO CONVEY A MESSAGE ALONG THE FOLLOWING LINES

'I AM SORRY TO LEARN OF YOUR INDISPOSITION. I HOPE YOU WILL SOON BE BACK ON TOP FORM. BEST WISHES.'

MASON

MINIMAL
SPD

Handwritten signature
mt

RESTRICTED

GRS 360
UNCLASSIFIED
FM CANBERRA 200604Z APR 82
TO IMMEDIATE FCO
TELEGRAM NUMBER 167 OF 20 APRIL

Handwritten signature
Australia

MIPT

AUSTRALIAN GOVERNMENT: MINISTERIAL RESIGNATIONS

1. FOLLOWING IS TEXT OF MR FRASER'S STATEMENT OF 19 APRIL ACCEPTING THE RESIGNATIONS OF MR MACKELLAR AND MR MOORE (FINAL TWO PARAGRAPHS CONCERNING TRANSFER OF PORTFOLIOS AND PARLIAMENTARY BUSINESS HAVE BEEN OMITTED):

WITH REGRET I HAVE ACCEPTED THE RESIGNATIONS OF MR MACKELLAR AS MINISTER FOR HEALTH AND MR MOORE AS MINISTER FOR BUSINESS AND CONSUMER AFFAIRS. BOTH MINISTERS TENDERED THEIR RESIGNATIONS IN VIEW OF QUESTIONS THAT HAVE ARISEN ABOUT THEIR ACTIONS IN RESPECT OF CUSTOMS PROCEDURES AND HAVING REGARD TO THEIR ACCEPTANCE OF RESPONSIBILITY FOR THOSE ACTIONS.

MR MACKELLAR ASSURES ME, AND I ACCEPT, THAT IN BRINGING A COLOUR TELEVISION SET THROUGH CUSTOMS LAST OCTER, HE HAD NO INTENTION EITHER TO MISLEAD CUSTOMS OR TO EVADE DUTY. HE HAS QUITE PROPERLY ACCEPTED RESPONSIBILITY FOR THE INCORRECT DECLARATION THAT WAS COMPLETED IN HIS NAME.

THE OUTCOME, HOWEVER, WAS THAT DUTY WAS NOT PAID AT THE TIME - ALTHOUGH SUBSEQUENTLY IT WILL BE PAID - AND THE MINISTER THEREFORE APPEARS TO BE IN A PREFERRED POSITION COMPARED WITH OTHER AUSTRALIANS - SOMETHING THAT MINISTERIAL INSTRUCTIONS ISSUED IN 1976 SOUGHT SPECIFICALLY TO AVOID.

MR MOORE VERY PROPERLY FOLLOWED-UP THE QUESTION OF THE INCORRECTLY COMPLETED CUSTOMS DECLARATION FORM, BUT NOT TO THE EXTENT OF ESTABLISHING WHETHER THE ITEM BROUGHT IN BY MR MACKELLAR WAS DUTIABLE OR NOT.

MR MOORE HAS ASSURED ME, AND I ACCEPT, THAT HIS ERROR IN NOT FOLLOWING UP THIS QUESTION WAS AN ERROR HONESTLY MADE.

THIS GOVERNMENT HAS ALWAYS UPHELD THE FUNDAMENTAL PRINCIPLES OF MINISTERIAL RESPONSIBILITY, AND THAT THE APPEARANCE AND REALITY OF INTEGRITY ARE INDISPENSIBLE PARTS OF OUR SYSTEM OF GOVERNMENT. I HAVE INSISTED, AND OUR PARTY EXPECTS, THAT RESPONSIBILITY SHOULD BE MAINTAINED. IT IS EXTREMELY REGRETTABLE THAT THESE INSTANCES HAVE COME INTO THE PATH OF OTHERWISE OUTSTANDING PERFORMANCES BY THESE TWO MINISTERS.

THE PENALTIES IN PUBLIC OFFICE ARE HIGH. BOTH MINISTERS ACCEPT THIS AND HAVE ACCORDINGLY VOLUNTEERED THEIR RESIGNATIONS.

MASON
FCO | WH
SPD

Australia

GRS 870

CONFIDENTIAL

CONFIDENTIAL

FM CANBERRA 140545+ SEP 81

TO PRIORITY FCO

TELEGRAM NUMBER 396 OF 14 SEPTEMBER

INFO UKMIS NEW YORK AND WELLINGTON

AUSTRALIAN FOREIGN MINISTER

1. MR TONY STREET LUNCHEd ALONE WITH ME AT HOME ON 14 SEPTEMBER, SO THAT WE COULD GO OVER THE GROUND BEFORE HIS DEPARTURE IN TWO DAYS TIME FOR THE UN GENERAL ASSEMBLY, AND HIS SUBSEQUENT IMMERSION IN CHOGM. THE FOLLOWING WERE THE MAIN POINTS BROUGHT OUT IN CONVERSATION.

2. UN GENERAL ASSEMBLY.

AT THE UN MR STREET HOPES TO HAVE TALKS WITH YOURSELF, MR HAIG, AND THE POLES 'WHOM I HAVE NEVER MET'. HIS SPEECH TO THE GENERAL ASSEMBLY WILL NOT FOLLOW THE NORMAL AUSTRALIAN PATTERN. HE SAID THAT SUCH SPEECHES WERE USUALLY A ROUND UP OF AUSTRALIAN FOREIGN POLICY ACTIVITIES OVER THE PAST YEAR, CONVENTIONS SIGNED, AGREEMENTS REACHED, ETC. TO THE DISMAY OF HIS OFFICIALS, MR STREET INTENDED TO HAVE A SINGLE THEME SPEECH, NORTH/SOUTH, BUT A THEME WITH A DIFFERENCE. HE INTENDED FIRST TO EXTOL, OR RATHER EXPLAIN, AUSTRALIA'S POTENTIAL ROLE AS A BRIDGE BUILDER BETWEEN NORTH AND SOUTH. HE WOULD THEN GO ON TO RECALL THAT AUSTRALIA HAD ORIGINALLY TRIED TO HELP THE THIRD WORLD BY GIVING AID. THE AUSTRALIAN GOVERNMENT HAD NOW CONCLUDED THAT THE WAY AHEAD LAY RATHER IN DEFEATING INFLATION AT HOME, SO THAT THERE WOULD BE MORE RESOURCES AVAILABLE TO AID DEVELOPING COUNTRIES: THE LATTER COULD NOT BE HELPED BY THE DEVELOPED COUNTRIES UNLESS THE DEVELOPED ECONOMIES WERE HEALTHY.

3. I ASKED HOW THIS LINE HAD GONE DOWN WITH HIS OWN PRIME MINISTER. MR STREET SAID THAT HE HAD PERFORCE ACCEPTED MR FRASER'S PREOCCUPATION WITH THE NORTH/SOUTH DIALOGUE, BUT HIMSELF FOUND DIFFICULTIES IN IT. IN HIS AID SPEECH IN THE BUDGET DEBATE HE HAD DECLINED TO MENTION 0.7 PER CENT AS A REALISTIC TARGET FOR AUSTRALIA AND HAD WITH DIFFICULTY OBTAINED THE PRIME MINISTER'S AGREEMENT TO THIS. HE THOUGHT THAT THE PRIME MINISTER WAS BECOMING MORE REALISTIC. HE HIMSELF HAD NO DOUBT THAT THE AUSTRALIAN ELECTORATE WERE UNPREPARED TO ACCEPT HEAVY SACRIFICES TO HELP THE DEVELOPING WORLD.

CONFIDENTIAL

/4. HUNGER STRIKERS

CONFIDENTIAL

4. HUNGER STRIKERS

MR STREET HAD BEEN PLEASED, AND RELIEVED, TO LEARN OF THE IRA'S APPEAL TO THE SYDNEY HUNGER STRIKER, O'CONNOR, TO GIVE UP HIS STRIKE. I RECOUNTED TO HIM THE GIST OF YOUR TELEGRAM NO 338, AND SAID THAT HIS OFFICIALS HAD ADVISED AGAINST MY WRITING TO CARDINAL FREEMAN. I SAID THAT I ACCEPTED THIS ADVICE. I TOLD MR STREET OF MR ALISON'S FORTHCOMING VISIT TO CANBERRA (MY TELEGRAM NO 387) AND HE SUGGESTED, AND I AGREED, THAT I SHOULD ASK THE MINISTER WHO WILL BE DEPUTISING FOR HIM, BUT WHOSE NAME HAS NOT YET BEEN DECIDED, TO MY DINNER PARTY FOR MR ALISON ON 23 SEPTEMBER. I AGREED.

5. CHOGM. MR STREET EXPRESSED UNDERSTANDABLE FOREBODINGS AND NERVOUSNESS ABOUT THE COURSE WHICH THE CONFERENCE MIGHT TAKE.

APART FROM THE OPEN ENDED POSSIBILITY FOR DISAGREEMENTS IN ALMOST EVERY SPHERE, THE AUSTRALIAN GOVERNMENT MOST FEARED THE JOKER, MR MULDOON. IF HE DECIDED TO RUN HIS HUMAN RIGHTS THEME, THEN NOBODY WOULD BE ABLE TO STOP HIM, AND THE CONFERENCE WOULD BE IN DISARRAY. HE HAD NEARLY WRECKED THE SOUTH PACIFIC FORUM IN VANUATU WHEN, AFTER A COMPROMISE AGREEMENT HAD PAINSTAKINGLY BEEN REACHED ON ATTITUDES TOWARDS THE FUTURE OF NEW CALEDONIA, HE HAD SAID IN FULL CONFERENCE THAT IF THAT WAS THE WAY THINGS WERE GOING TO GO HE DID NOT SEE MUCH POINT IN COMING TO THE CONFERENCE AGAIN.

6. ON NORTH/SOUTH MATTERS, MR STREET AGAIN MADE PERFECTLY, BUT PROVATELY, CLEAR THAT HE DID NOT SHARE HIS PRIME MINISTER'S VIEWS. SEEKING MY PARDON FOR SPEAKING SO DIRECTLY, HE ASKED WHETHER I SAW ANY POINT IN A MELBOURNE DECLARATION. I SAID THAT I DID NOT, AND WAS CONFIDENT THAT YOU WOULD SHARE MY VIEW. HE SAID THAT HE ENTIRELY AGREED, BUT FEARED THAT THE COMMITMENT TO PRODUCE ONE HAD NOW GONE TOO FAR. I SAID THAT IT SEEMED TO ME THAT THE MELBOURNE DECLARATION WOULD NOT CAUSE US CRUCIAL DIFFICULTY UNLESS IT WENT TOO FAR, FROM ITS PRESENT DRAFT, TOWARDS THE GROUP OF 77 MEMBERS OF CHOGM. OTHERWISE, WE HOPED TO BE ABLE TO GO ALONG WITH THE AUSTRALIANS. BEARING IN MIND, BUT NOT OF COURSE REFERRING TO, YOUR TELS NOS 332 AND 333, I SAID THAT I THOUGHT THAT OWEN HARRIES HAD CONSIDERABLY MODIFIED HIS VIEWS SINCE HIS VISIT TO ENGLAND, AND THAT THE FINAL DRAFT MIGHT SHOW SIGNS OF THIS MODIFICATION. MR STREET AGREED, SAYING THAT HARRIES' DRAFT OF MR FRASER'S OPENING STATEMENT AT CHOGM WERE EXACTLY WHAT HE WOULD HAVE WISHED.

CONFIDENTIAL

17. I

CONFIDENTIAL

7. I CONGRATULATED MR STREET ON THE SPLENDID WORK OF THE AUSTRALIAN CHOGM TASK FORCE. HE WAS CLEARLY PLEASED, AND PERHAPS A LITTLE SURPRISED, TO HEAR THIS, AND ASKED MY PERMISSION, WHICH I NATURALLY GAVE, TO PASS ON MY CONGRATULATIONS TO THOSE CONCERNED.

8. MR FRASER'S HEALTH. IN REPLY TO MY QUESTION, MR STREET SAID THAT MR FRASER WAS ALARMLY FIT. HIS COLLEAGUES HAD REFUSED TO SEND HIM, DURING HIS REST, ANYTHING OTHER BUT CHOGM PAPERS. THE CONSEQUENCE WAS THAT HE HAD BEEN RINGING UP MINISTERS AND SENIOR PUBLIC SERVANTS THREE TIMES A DAY, ASKING TO KNOW WHAT THIS OR THAT POINT MEANT. MR STREET SAID I COULD BE SURE THAT THE PRIME MINISTER HAD NEVER GONE THROUGH ANY PAPERS AS CLOSELY AS HE HAD NOW GONE THROUGH THOSE PERTAINING TO CHOGM.

9. FINALLY, MR STREET ASKED WHETHER THERE WERE ANY POINTS WHICH I WOULD LIKE TO BRING TO HIS ATTENTION ON YOUR BEHALF. I SAID THAT I THOUGHT THAT THERE WERE NOT. WE SEEMED TO BE MARCHING EXCELLENTLY IN UNISON. I THOUGHT THAT WE BOTH MIGHT COME IN FOR SOME FLAK, BUT THAT THE UNITED KINGDOM WAS ON THE WHOLE UNLIKELY TO COME IN FOR ANY IN WHICH AUSTRALIA DID NOT SHARE.

MASON

[THIS TELEGRAM WAS NOT ADVANCED]

STANDARD DISTRIBUTION

CCD	SAD
SPD	SEAD
UND	SED
PCD	CRD
C AF D	NTD
OADS	SEC D
ECD(E)	ERD
MCD	
NAD	

ADDITIONAL DISTRIBUTION

CHGM

GRS 620
CONFIDENTIAL
FM CANBERRA 020050Z SEP 81
TO PRIORITY FCO
TELEGRAM NUMBER 374 OF 2 SEPTEMBER

CONFIDENTIAL

Australia
*If he persists with the hunger
strike he might well die during
CHG??*

YOUR TELEGRAM NO 314 : SYDNEY HUNGER STRIKER

Ph...

1. WHEN THE ARCHBISHOP OF CANBERRA CALLED ON ME ON 1 SEPTEMBER HE LEFT WITH ME, TOGETHER WITH A COPY OF CARDINAL FREEMAN'S NORTHERN IRELAND STATEMENT, A LETTER TO HIM FROM ARCHBISHOP CARROLL OF THE SYDNEY DIOCESE.

2. THIS READS AS FOLLOWS:

QUOTE

AS YOU ARE AWARE, CARDINAL FREEMAN AND HIS ASSISTANT BISHOPS HAVE FELT DEEP CONCERN IN REGARD TO THE YOUNG MAN WHO IS ON HUNGER STRIKE IN SYDNEY IN SYMPATHY WITH THE PRISONERS AT THE MAZE PRISON, LONG KESH, BELFAST, AND THAT THERE HAS BEEN DISCUSSION BETWEEN CARDINAL FREEMAN AND THE PRIME MINISTER.

WE HAVE CONSIDERED IT OPPORTUNE TO ISSUE THE ENCLOSED STATEMENT WHICH SHALL BE PUBLISHED VERBATIM IN THE CATHOLIC WEEKLY THIS WEEK AND WHICH WILL BE GIVEN TO THE DAILY PRESS AT SOME TIME ON TUESDAY (TOMORROW) 1ST SEPTEMBER, EXPECTING IT TO RECEIVE SOME PUBLICITY IN WEDNESDAY'S PRESS.

THE YOUNG MAN IN QUESTION HAS REMAINED UNMOVED BY ANY APPEALS DIRECTED TO HIM INSISTING THAT HE WILL CONTINUE TO REFUSE FOOD UNTIL THE COMMONWEALTH GOVERNMENT MAKES SOME PUBLIC APPEAL TO THE GOVERNMENT OF BRITAIN ON BEHALF OF THE PRISONERS AT LONG KESH, A REQUEST WHICH THE PRIME MINISTER CONSIDERS THAT HIS GOVERNMENT IS UNABLE TO MEET.

AS THE YOUNG MAN'S OBSTINANCY SHOWS NO SIGN OF ABATING AND AS WE FEAR WHAT CONSEQUENCES MAY BE RESULTANT UPON HIS DEATH SHOULD IT OCCUR, WE THE BISHOPS OF SYDNEY HAVE THOUGHT IT TO BE IN ORDER FOR US AS A GROUP OF REPRESENTATIVE CITIZENS OF AUSTRALIA TO MAKE A REQUEST TO THE GOVERNMENT AND PEOPLE OF BRITAIN. THIS HAS NOT BEEN DONE WITHOUT CONSULTATION WITH REPRESENTATIVES OF FEDERAL CABINET.

ACCORDINGLY, ON BEHALF OF CARDINAL FREEMAN AND THE BISHOPS, I HAVE BEEN DIRECTED TO SEEK YOUR GOOD OFFICES TO BRING THE MATTER BEFORE THE HIGH COMMISSIONER AND IN TURN TO SEEK HIS ASSISTANCE IN BRINGING THE REQUEST OF THE BISHOPS TO THE NOTICE OF THE BRITISH GOVERNMENT.
UNQUOTE

3. IN REPLY TO MY QUESTION, ARCHBISHOP CLANCY SAID THAT THE PURPOSE OF THE STATEMENT WAS TO PROVIDE AN EXCUSE FOR O'CONNOR TO ABANDON HIS HUNGER STRIKE. I WELCOMED THIS. I FURTHER TOLD THE ARCHBISHOP THAT CARDINAL FREEMAN MIGHT PUBLICLY SAY THAT I HAD BROUGHT HIS STATEMENT TO THE NOTICE OF THE BRITISH GOVERNMENT.

CONFIDENTIAL

/4.

CONFIDENTIAL

4. WE HAVE ASKED THE AUSTRALIAN DEPARTMENT OF FOREIGN AFFAIRS WHAT IS BEHIND THE SENTENCE IN THE LETTER: QUOTE THIS HAS NOT BEEN DONE WITHOUT CONSULTATION WITH REPRESENTATIVES OF FEDERAL CABINET UNQUOTE. AT OFFICIAL LEVEL, THEY THINK THAT THIS MEANS NO MORE THAN THAT SENATOR CARRICK, THE NEW SOUTH WALES BASED LEADER OF THE GOVERNMENT IN THE SENATE, ADVISED CARDINAL FREEMAN, UPON THE LATTER'S REQUEST, THAT HIS STATEMENT COULD BEST BE BROUGHT TO THE BRITISH GOVERNMENT'S ATTENTION THROUGH ME. THEY SAY THAT THERE HAVE BEEN INFORMAL DISCUSSIONS BETWEEN MINISTERS ABOUT THE HUNGER STRIKER, BUT NO FORMAL MEETING. THEY WILL LET US KNOW IF THEY LEARN ANYTHING MORE.

5. I SPOKE TO ARCHBISHOP CLANCY ON THE LINES OF THE FINAL PARAGRAPH OF YOUR TUR. I HANDED TO HIM, FOR TRANSMISSION TO CARDINAL FREEMAN, THE TEXT OF MR HUMPHREY ATKINS' SPEECH IN THE HOUSE OF COMMONS ON 2 JULY, DRAWING HIS ATTENTION IN PARTICULAR TO PAGE 4 ET SEQ OF VERBATIM SERVICE 098/81, DESCRIBING THE EFFORTS WHICH ARE BEING MADE TO MAKE CONSTRUCTIVE PROGRESS IN NORTHERN IRELAND. I ALSO GAVE HIM A COPY OF THE LETTER WHICH I HAVE WRITTEN TO THE OPPOSITION LEADERS WHO SIGNED THE PETITION IN FAVOUR THE DEMANDS OF THE HUNGER STRIKERS (MY TELNO 371): AND OUR LATEST MATERIAL ON HUNGER STRIKES (FCO PAPER OF AUGUST 1981 (REVISED)). COPIES OF CARDINAL FREEMAN'S STATEMENT, AND OF MY LETTER TO THE OPPOSITION LEADERS BY BAG.

6. THE ONLY (VERY BRIEF) PRESS REPORTS ON 2 SEPTEMBER OF THE CARDINAL'S STATEMENT WERE IN TWO SYDNEY NEWSPAPERS. THE SYDNEY MORNING HERALD QUOTES THE APPEAL TO THE QUOTE YOUNG MAN IN OUR OWN MIDST..... TO CEASE HIS FAST IMMEDIATELY UNQUOTE: THE DAILY TELEGRAPH REPORTS THAT QUOTE O'CONNOR REJECTED YESTERDAY THE LATEST PLEA TO GIVE UP HIS FAST FROM THE ARCHBISHOP OF SYDNEY UNQUOTE. O'CONNOR ENTERS TODAY THE 26TH DAY OF HIS FAST.

MASON

NORTHERN IRELAND LIMITED

RID
NAD
INFORMATION DEPT
WED
MAED
NEWS DEPT
SECURITY DEPT
FUSD
PS
PS/LPS
PS/MR HURD

PS/MR RIDLEY
PS/FUS
CHIEF CLERK
MR ADAMS
MR BULLARD
MR FERGUSSON
LORD N G LENNOX
MR BRAITHEWAITE

ADDITIONAL DISTRIBUTION
NORTHERN IRELAND

THIS TELEGRAM
WAS NOT
ADVANCED

- 2 -
CONFIDENTIAL

SUBJECT



With the compliments of

FOREIGN AND COMMONWEALTH OFFICE

LONDON, SW1A 2AH

FPA 020/1

RECEIVED IN REGISTRY No. 52		
27 AUG 1981		
DESK OFFICER	REGISTRY	
INDEX	PA	Action Taken
		RESTRICTED

Australia 15

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. 24909-1-11228/81

OO CANBERRA
GRS 60
RESTRICTED

FM FCO 261559Z AUG 81
TO IMMEDIATE CANBERRA
TELEGRAM NUMBER 309 OF 26 AUGUST
TELCON SMART/CARRUTHERS: MR FRASER'S ILLNESS

1. GRATEFUL IF YOU WOULD PASS THE FOLLOWING MESSAGE FROM
THE PRIME MINISTER TO MR FRASER:
QUOTE VERY SORRY TO HEAR OF YOUR ILLNESS. MUCH LOOKING FORWARD
TO SEEING YOU RECOVERED AND IN THE CHAIR AT CHGM. UNQUOTE.

CARRINGTON

NNNN
DISTRIBUTION
LIMITED
SPD
CCD
PS
PS/LPS
PS/PUS
MR GOODISON

50



Prime Minister
Content with this message?
or would you prefer my redraft?
Australia

Foreign and Commonwealth Office
26/8

London SW1A 2AH

B/F 24/26/81

for copy message of
26/8/81

Dear Willie,

25 August 1981

Australian Prime Minister

You may recall that the Australian Prime Minister Mr Malcolm Fraser, has been ill with pneumonia twice in the last two years. Our High Commissioner in Canberra has reported that he has again been taken ill with a viral infection and has been advised by his doctors to rest completely for three weeks. Mr Fraser has accepted this advice but expects to be fully fit in time for CHGM. We believe that a message from the Prime Minister would be well received and would contribute to Mr Fraser's own confidence in his recovery by that date. The Prime Minister may therefore care to send a message to Mr Fraser through our High Commissioner on the following lines:-

||

"Very sorry to hear ~~of your temporary~~ ^{if you like} indisposition. Much looking forward to seeing you recovered and in the Chair at CHGM."

Yours very,
Francis Richards
(F N Richards)
Private Secretary

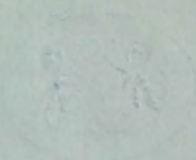
Willie Rickett Esq
10 Downing Street
LONDON
SW1

Relayed to Annis Jebb
for despatch today.
(Copy requested)

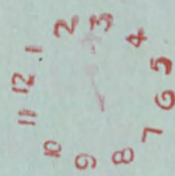
B/F

Foreign and Commonwealth Office

London SW1A 2AA



25 AUG 1981



p. 2

RESTRICTED

GRS 500

RESTRICTED [CULL]

FM CANBERRA 190630Z AUG 81

TO PRIORITY FCO

TELEGRAM NUMBER 363 OF 19 AUGUST

INFO ROUTINE WELLINGTON

INFO SAVING UKDEL OECD, UKREP BRUSSELS, WASHINGTON, TOKYO.

MIPT : AUSTRALIAN BUDGET

1. THE TREASURER HAS BROUGHT DOWN A RESTRICTIVE BUT RESPONSIBLE AND DEFLATIONARY BUDGET WHICH WILL TAKE ACROSS-THE-BOARD FROM ALL CONSUMERS AND TAXPAYERS. IT WAS THE FIRST BUDGET IN YEARS NOT TO BE COMPREHENSIVELY LEAKED BUT FAILED TO GENERATE ANY EXCITEMENT. THE INCREASE IN FEDERAL EXPENDITURE (SLIGHTLY LESS THAN 2 PER CENT IN REAL TERMS) IS STILL NO DOUBT GREATER THAN THE TREASURY WOULD HAVE WISHED BUT REPRESENTS AN IMPROVEMENT ON LAST YEAR'S 3 PER CENT REAL INCREASE IN COMMONWEALTH OUTLAYS. THE MOST CONTROVERSIAL ASPECT, WHICH WAS SLIPPED IN ALMOST CASUALLY BY THE TREASURER, IS THE SALES TAX, PARTICULARLY ITS BROADENING TO TAKE IN A WIDE RANGE OF CONSUMER GOODS PREVIOUSLY EXEMPT. THIS REPRESENTS A VICTORY FOR MR HOWARD OVER HIS CABINET COLLEAGUES WHO EARLIER THIS YEAR OPPOSED ANY MOVE TO INCREASE INDIRECT TAXES ON ANTI-INFLATIONARY GROUNDS. THE EXTRA AUSTRALIAN DOLLAR 500M RAISED THIS FINANCIAL YEAR, TOGETHER WITH THE EFFECTS OF FISCAL DRAG ON INCOME TAX REVENUES, ARE THE MAIN FACTORS BEHIND THE ESTIMATED DOMESTIC SURPLUS OF AUSTRALIAN DOLLAR 1500M, OVER A BILLION DOLLARS GREATER THAN THE FIGURE FOR 1980/81.

2. THE GOVERNMENT'S DOMESTIC SURPLUS AND THE VIRTUAL ELIMINATION OF THE OVERALL DEFICIT WILL VIRTUALLY REMOVE THE COMMONWEALTH FROM THE BORROWING MARKETS AND TOGETHER WITH THE RECENT RESTRAINT ENFORCED ON THE STATES EASE INTEREST RATE PRESSURES AT A TIME WHEN RATES, PARTICULARLY FOR HOUSING HAVE BEEN AT RECORD LEVELS. AT THE SAME TIME THE GOVERNMENT IS CANDIDLY PREPARING FOR INCOME TAX CONCESSIONS IN FUTURE BUDGETS - THE TREASURER ADMITTED AS MUCH - AND CAN THEREFORE BE SEEN AS PREPARING THE GROUND FOR THE GOVERNMENT'S RE-ELECTION IN 1983. THE INCREASE IN FAMILY ALLOWANCES FOR THIRD AND SUBSEQUENT CHILDREN BY 50 PER CENT IS THE FIRST RISE SINCE 1976 AND IS THEREFORE LESS GENEROUS THAN IT MIGHT APPEAR.

RESTRICTED

/3. THE

RESTRICTED

3. THE RURAL SECTOR IS RELATIVELY UNAFFECTED BY THE BUDGET. THE GOVERNMENT'S EXISTING PROGRAMMES IN THIS AREA ARE BEING MAINTAINED. BUT THE BUSINESS SECTOR, WHILE WELCOMING THE SUPPORT FOR IRON AND STEEL PRODUCERS (PRINCIPALLY OF COURSE BHP), WILL NOT BE PLEASED BY THE CURBS ON THE DEVELOPMENT BOOM BY THE WITHDRAWAL OF DEPRECIATION CONCESSIONS IN THE RESOURCES FIELD.

4. THE ESTIMATED REDUCTION IN EMPLOYMENT GROWTH WILL EASE DEMAND FOR LABOUR AND IN THE GOVERNMENT'S EXPECTATION CAUSE UNIONS TO MODERATE THEIR WAGE DEMANDS. THE GENERAL DAMPENING EFFECT OF THE BUDGET CAN ALSO BE EXPECTED TO MODERATE EXPECTATIONS ARISING FROM THE PREVIOUSLY HIGH GROWTH RATE. THE QUESTION MARK IS WHETHER THE GOVERNMENT MAY BE INDULGING IN OVERKILL AS NON-FARM GDP GREW AT A LESS THAN 2 PER CENT RATE IN THE SECOND HALF OF THE FINANCIAL YEAR AND IN THE JUNE QUARTER ACTUALLY FELL. REDUCING GROWTH RATE WHEN THE ECONOMY IS GROWING VERY MARGINALLY COULD RISK PROVOKING A RECESSION BUT THE UNDERLYING BUOYANCY OF THE AUSTRALIAN ECONOMY SUGGESTS THAT THIS WILL NOT BE THE CASE.

FCO PASS SAVING TO UKDEL OECD, UKREP BRUSSELS, WASHINGTON AND TOKYO.

MASON

[REPEATED AS REQUESTED]

[THIS TELEGRAM WAS NOT ADVANCED]

FINANCIAL
SPD

GRS 920

UNCLASSIFIED [CULL]
FM CANBERRA 190620Z AUG 81

TO PRIORITY FCO

TELEGRAM NUMBER 362 OF 19 AUGUST

REPEATED ROUTINE WELLINGTON

SAVING INFO UKDEL OECD, UKREP BRUSSELS, WASHINGTON, TOKYO

Australia
mt

AUSTRALIAN BUDGET

1. THE FEDERAL TREASURER INTRODUCED HIS FOURTH AND THE FRASER GOVERNMENT'S SIXTH BUDGET IN PARLIAMENT LAST NIGHT.
2. IN HIS SPEECH MR HOWARD REAFFIRMED THE GOVERNMENT'S PRIORITY IN CONTAINING WAGE AND PRICE INFLATION AND ITS INTENTION IN THE BUDGET TO EASE PRESSURE ON INTEREST RATES WHILE SUPPORTING SOLID GROWTH IN PRIVATE SECTOR ACTIVITY. HE PREDICTED A RISE IN GROSS NON-FARM PRODUCT OF BETWEEN 3 AND 3.5 PER CENT THIS FINANCIAL YEAR AND WITH FARM PRODUCTION EXPECTED TO RECOVER GDP COULD RISE BY MORE THAN 3.5 PER CENT IN 1981/82, COMPARED WITH ABOUT 3 PER CENT LAST YEAR (SUBSTANTIALLY LOWER THAN THE OECD FORECAST OF A 5.75 PER CENT RISE IN 1981 AND 5.25 PER CENT IN 1982). THIS OUTLOOK IS CONSIDERED TO BE CONSISTENT WITH EMPLOYMENT GROWTH OF ABOUT 2 PER CENT IN 1981/82, SLIGHTLY BELOW THE INCREASE OF 2.5 PER CENT RECORDED IN EACH OF THE PAST TWO YEARS.
3. THE GOVERNMENT WILL SEEK TO RESTRAIN GROWTH IN M3 TO BETWEEN 10 AND 11 PER CENT IN 1981/82. THIS COMPARES WITH A BUDGET FORECAST IN 1980/81 OF 9-11 PER CENT WHICH OVERSHOT TO 12.7 PER CENT. THE GOVERNMENT'S REVISED MONETARY TARGET SHOULD BE ASSISTED BY AN ESTIMATED REDUCTION IN THE OVERALL BUDGET DEFICIT FROM AUST DOLLAR 1127M IN 1980/81 TO AUST DOLLAR 146M, A REDUCTION OF AUST DOLLAR 981M ON LAST YEAR'S OUTCOME. THE DEFICIT AS A PROPORTION OF GDP WILL BE A MERE 0.1 PER CENT IN 1981.82 COMPARED WITH A RECORD FIGURE OF 4.9 PER CENT IN 1975/76. AFTER ALLOWANCE FOR TRANSACTIONS ABROAD, THERE SHOULD BE AN ESTIMATED BUDGET DOMESTIC SURPLUS OF AUST DOLLAR 1542M, APPROXIMATELY A BILLION DOLLARS MORE THAN THE FINAL OUTCOME FOR 1980/81.
4. TOTAL OUTLAYS ARE ESTIMATED TO INCREASE BY 12.6 PER CENT IN 1981/82 TO AUST DOLLAR 40862M, AN ESTIMATED INCREASE IN REAL TERMS OF A LITTLE UNDER 2 PER CENT; WHILE REVENUE IS ESTIMATED TO INCREASE BY 15.8 PER CENT TO AUST DOLLAR 40716M. MR HOWARD PREDICTED AN INCREASE OF 10.75 PER CENT IN THE CPI FOR 1981/82 OF WHICH 1.5 PER CENT WOULD BE ATTRIBUTABLE TO THE TAX MEASURES EXPUNDED IN THE BUDGET AND HEALTH INSURANCE MEASURES ANNOUNCED EARLIER THIS YEAR.
5. PERSONAL INCOME TAX RATES ARE UNCHANGED BUT RECEIPTS WILL RISE 18.9 PER CENT THIS YEAR AS A RESULT OF FISCAL DRAG. THIS INCLUDES THE BENEFIT DRAWN FROM A HALF TAX INDEXATION CONCESSION WHICH IS TO BE WITHDRAWN ON 31 DECEMBER, A MEASURE ANNOUNCED EARLIER IN THE YEAR. SALES TAX IS TO BE INCREASED BY 2-1/2 PER CENT AND ITS BASE HAS BEEN WIDENED TO TAKE IN FROM 1 JANUARY A NEW LIST OF ITEMS PREVIOUSLY UNTAXED, INCLUDING CLOTHING, FOOTWEAR, DRAPERY, BUILDING MATERIALS, SOFT FURNISHINGS, BOOKS,

/MAGAZINES

MAGAZINES AND NEWSPAPERS, PACKAGING AND HAND TOOLS, (BUT NOT MEDICINE, FOOD OR WINE). THERE IS NO INCREASE IN EXCISE ON PETROL, SPIRITS, BEER AND TOBACCO. THIS IS EXPECTED TO PRODUCE AN EXTRA AUST DOLLAR 553M IN 1981/82 OR AUST DOLLAR 892M IN A FULL YEAR. SALES TAX COLLECTIONS ARE NOW EXPECTED TO OVERTAKE THE CRUDE OIL LEVY RECEIPTS AS THE MAJOR SOURCE OF GROWTH IN INDIRECT TAXES IN 1981/82.

6. DEFENCE SPENDING REMAINS AT A CONSTANT 2.8 PER CENT OF GNP BUT NEVERTHELESS RISES BY 16.3 PER CENT IN CURRENT PRICES OR 5.3 PER CENT IN REAL TERMS TO AUST DOLLAR 4.112 BILLION IN LINE WITH THE GOVERNMENT'S HIGH PRIORITY GIVEN TO THE STRENGTHENING OF NATIONAL SECURITY.

7. OTHER MEASURES INCLUDE AN INCREASE OF OVER AUST DOLLAR 100M OR 18 PER CENT IN FOREIGN AID EXPENDITURE. THIS IS ESTIMATED TO RAISE THE RATIO OF ODA TO GDP FROM 0.43 PER CENT IN 1980/81 TO 0.45 PER CENT IN 1981/82. TOTAL EXPENDITURE ON SOCIAL SECURITY AND WELFARE IS ESTIMATED AT AUST DOLLAR 11.357 BILLION, AN INCREASE OF 14.5 PER CENT. INCREASED FAMILY ALLOWANCES FOR THIRD AND SUBSEQUENT CHILDREN WILL COST THE GOVERNMENT AUST DOLLAR 62M IN 1981/82 AND AUST DOLLAR 124M IN A FULL YEAR.

8. MR HOWARD ALSO ANNOUNCED ACCELERATED WRITE-OFF FOR INCOME TAX PURPOSES OF CAPITAL EXPENDITURE ON PLANT AND EQUIPMENT USED EXCLUSIVELY TO PRODUCE BASIC IRON AND STEEL. ELIGIBLE PLANT WILL BE DEPRECIABLE AT A SPECIAL RATE OF 20 PER CENT PER ANNUM WHERE THE CURRENT SCHEDULED LIFE FOR TAXATION PURPOSES IS 5 YEARS OR MORE, AND AT 33-1/3 PER CENT WHERE IT IS LESS THAN 5 YEARS. COAL EXPORT DUTY, AT PRESENT APPLICABLE TO COKING COAL AT RATES OF EITHER DOLLAR 3.50 PER TONNE OR DOLLAR 1 PER TONNE, DEPENDING ON THE QUALITY OF THE COAL, IS EXTENDED WITH IMMEDIATE EFFECT AT THE DOLLAR 1 PER TONNE RATE TO STEAMING COAL, NOT AT PRESENT SUBJECT TO DUTY. THE GENEROUS INCOME TAX DEDUCTIONS ALLOWED FOR CAPITAL EXPENDITURE INCURRED IN THE DEVELOPING OF A MINING PROPERTY OR AN OIL OR NATURAL GAS FIELD ARE BEING SCALED BACK. DEDUCTIONS WERE CALCULATED BY REFERENCE TO A MAXIMUM STATUTORY LIFE OF A MINE OR FIELD AND THIS HAS NOW BEEN INCREASED FROM 6 TO 10 YEARS.

9. DEPARTURE TAX RISES BY DOLLAR 10 TO DOLLAR 20 AND THE TAXABLE AGE IS LOWERED FROM 18 YEARS TO 12 YEARS. THESE CHANGES TAKE EFFECT FROM 1 OCTOBER 1981.

10. FULL SETS OF BUDGET PAPERS WILL BE SENT BY BAGE TO CRE, TREASURY AND BANK OF ENGLAND.

11. FOR COMMENT SEE MIFT.

12. FCO PLEASE PASS SAVING TO UKDEL OECD, UKREP BRUSSELS, WASHINGTON AND TOKYO.

MASON

FINANCIAL
SPD

[PASSED AS REQUESTED]

-2-

THIS TELEGRAM
WAS NOT
ADVANCED



seen in
meeting
folder for 19H

Australia

Foreign and Commonwealth Office

London SW1A 2AH

18 May 1981

Dear Mike,

Australian High Commissioner's call on the Prime Minister
on 19 May

I enclose a brief for the above call together with a biographical note on Mr Garland.

The brief is largely defensive. However the Prime Minister may wish to raise the CHGM (paragraph 6 of brief) and to ask how Australian thinking is progressing on ways of limiting the damage that may be caused in Melbourne by the Springbok tour of New Zealand (paragraph 7 of brief).

Mr Garland may refer to press speculation about possible defence cuts. The Prime Minister may wish to say that the UK continues to recognise that we have common interests with Australia and face similar threats. We should continue to seek ways of facing these threats in concert.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M Pattison Esq
10 Downing St



INITIAL CALLS BY THE HON R V GARLAND, THE NEW AUSTRALIAN HIGH COMMISSIONER

Background Note on Anglo-Australian Relations1. General

Courtesy calls only. No points to make. Relations close and generally cordial.

2. Poland - Contacts with non-NATO countries

The Australian Ambassador in Brussels has been kept informed of NATO's contingency planning on Poland by a contact group composed of the British, Canadian and Netherlands Permanent Representatives. The Australians have welcomed this arrangement, which is designed to meet their request that they should be aware of, and have the chance to comment on, the measures the Western Allies would take if there were a Soviet invasion of Poland. The Australians are aware that, in the event of an invasion, there would be an emergency session of NATO Foreign Ministers in Brussels. They have asked that this should be accompanied by a separate discussion, in parallel, with the Australian Foreign Minister who would go to Brussels for this purpose. We have expressed support for this idea, but there is resistance from some other NATO countries. In general, the Australians support the NATO proposals but consider that the trade embargo should also be applied to imports from the Soviet Bloc. NATO members are opposed to such an inclusion which would be hard to monitor and could hurt the West more than Russia.

3. EC - Australia

The Australians are long-standing and vociferous critics of the CAP. They dislike EC trade barriers. (Their agricultural exports to the UK have dropped 80% since 1973 but they have found other markets). They also dislike, perhaps even more, the subsidised disposal by the EC of high-cost surpluses on world markets in competition with Australian produce. Within the Community the UK is working to curb surpluses and reduce the disproportionate budgetary expenditure on the CAP. This will be a major element in the negotiations on the restructuring of Community policies which are to begin in the second half of this year.

During the last twelve months the Australians' specific grievances have been:

(a) Sheepmeat where an agreement was eventually reached in September 1980. UK opted for deficiency payments instead of intervention. Australians obtained a halving of the tariff on their exports to the Community in exchange for voluntary restraint on quantities. The latter were generous in comparison with traditional sendings.

/(b)



(b) Manufacturing beef where the Australians interpret an ambiguously worded agreement (negotiated by Mr Garland himself) as a firm commitment by the Community to set the quota at not less than 60,000 tonnes per year. This figure was finally agreed for 1981 by the March Agriculture Council. The Australians made a major issue of it and threatened indiscriminate trade retaliation against all Member States (including the UK, despite the fact that we supported them throughout).

(c) Sugar where the Australians secured a GATT ruling that the EC used export subsidies in 1978/79 to obtain a 'more than equitable share of world trade'. We hope the new EC sugar regime (starts 30 June) will prevent this recurring. It involves some reduction in production quotas (particularly for the UK) and discourages surplus production by shifting a significant part of the financial burden of disposal onto the producers themselves.

The Australians are not immune from charges of protectionism themselves. The EC is pursuing complaints in the GATT over Australian restrictions on imports of cars, textiles and fork-lift trucks.

4. Defence

The UK is a signatory of the Five Power Defence Arrangement with Australia, New Zealand, Malaysia and Singapore, set up in 1971. Representatives of the Five Powers met in Canberra recently to discuss the revival of the Arrangement and the holding of air, naval and land exercises this year. We have close defence and intelligence links with the Australians.

5. Constitutional Issues

We understand that at a meeting of the joint committee of the Commonwealth and States Attorneys General in April, a wide measure of agreement was reached on proposals to sever the residual constitutional links with the UK. These will be submitted to the next Premier's Conference in July. If they are approved, which is by no means certain, then necessary legislation in UK and Australia will be considered.

6. CHGM

We attach considerable importance to such Commonwealth meetings and have high hopes for this one. Mr Street's visit in June will provide an opportunity for exchanging views on Commonwealth matters before Melbourne. North/South issues expected to be dominant topic but Southern African issues, especially Namibia and the Gleneagles Agreement, will no doubt also be important.

7. Springbok Tour of New Zealand (July 1981)

Mr Street has already raised with the Secretary of State the damaging effect this tour could have on the Commonwealth Games in Brisbane in 1982. There could be a boycott by African States and the atmosphere at CHOGM soured. (We have recommended to the Secretary of State that UK should avoid intervention).



8. Nuclear Matters

If raised, Australia and Community have reached agreement on safeguards covering imports of uranium into Community. We attach importance to Australian sources of uranium although we have no immediate need due to slowdown in UK nuclear programme. We hope future decisions on Australian enrichment plant will utilise URENCO offer.

9. Ministerial Visits

Mr Fraser is due to visit Britain for the Royal Wedding in July and again in October. Mr Street will start his visit on 10 June. Mr I Macphee, the Immigration Minister, will be here from 26 June. Mr P Nixon, Minister for Primary Industry arrives on 22 May. Mr D Killen, Minister of Defence arrives on 26 May.



GARLAND, THE HON (RANSLEY) VICTOR

High Commissioner-designate to the UK

Born Perth, WA 1934

Educated Hale School and University of Western Australia, Perth. A chartered accountant by profession. Senior Vice-President, WA Division of Liberal Party 1965-69; Federal Councillor of Liberal Party 1966-71. Liberal Member of the House of Representatives for Curtin, WA, (former seat of Sir Paul Hasluck) since 1969. Federal Minister for Supply 1971-72 (and Minister assisting the Treasurer 1972). Chief Opposition Whip 1974-75. Federal Minister for Posts and Telecommunications November 1975-February 1976. Resigned as Minister for Posts and Telecommunications in February 1976 following a request by the Attorney-General to the Police to investigate allegations of bribery of ACT independent Senate candidate during 1975 elections, which implicated him. (Although case was dismissed, presiding magistrate considered that a prima facie case had been established against him). Reappointed to the Government as Minister for Veterans' Affairs (1977-78). Minister for Special Trade Representations and Minister assisting the Minister for Trade and Resources 1977-79. Minister for Business and Consumer Affairs and Minister assisting the Minister for Industry and Commerce December 1979-November 1980.

Intensely ambitious, sometimes devious, but with a pleasant urbane and easy manner. Quiet rather than flamboyant. Personally well-off the pressures of commuting between Perth and Canberra are known to have contributed to his decision to decline a Ministerial promotion in favour of his present appointment.

Married, 1960, Lynette Jamieson, a musician of professional standard. 2 sons, 1 daughter.

Recreation: reading.

UNCLASSIFIED [CULL]
FM CANBERRA 010528Z MAY 81
TO PRIORITY FCO
TELEGRAM NUMBER 200 OF 01 MAY
AND SAVING TO ALL CONSULS-GENERAL

AUSTRALIAN GOVERNMENT EXPENDITURE CUTS

1. MR FRASER YESTERDAY ANNOUNCED TO PARLIAMENT A PROGRAMME TO CUT FEDERAL SPENDING BY DOLLAR 560M A YEAR, AS RECOMMENDED BY THE AUSTRALIAN COMMITTEE OF REVIEW OF GOVERNMENT FUNCTIONS (THE RAZOR GANG), HEADED BY SIR PHILLIP LYNCH. REACTIONS VARY FROM MR HAYDEN'S COMMENT THAT MR FRASER IS MOUNTING A CLEARANCE SALE OF THE COUNTRY'S NATIONAL ASSETS TO EDITORIAL JUDGMENT ('MORE SCRAPE THAN SLASH') THAT THE EXERCISE AMOUNTS TO A WELCOME SPRING-CLEANING BUT IS MODEST IN RELATION TO OVERALL GOVERNMENT EXPENDITURE OF DOLLAR 36 BILLION PER ANNUM (DOLLAR 1 TODAY EQUALS 54P) AND WILL HAVE LITTLE EFFECT ON GOVERNMENT FUNCTIONS AS OPPOSED TO RUNNING COSTS.
2. THERE ARE 350 INDIVIDUAL DECISIONS TO REDUCE FEDERAL SPENDING. THEY INCLUDE THE WINDING-UP OR AMALGAMATION OF 40 GOVERNMENT BODIES, (SEE NEXT PARA.), AND THE SALE OF NUMEROUS GOVERNMENT ASSETS AND PROPERTY TO PRIVATE ENTERPRISE. A NUMBER OF FUNCTIONS ARE ALSO TO BE HANDED BACK TO THE STATES. STAFF LEVELS IN AUSTRALIA'S MISSIONS IN LONDON AND WASHINGTON ARE TO BE CUT BY 232 AND 75 RESPECTIVELY.
3. AN ITEM DRAWING GREAT ATTENTION IS THE DECISION TO CUT COMMONWEALTH PUBLIC SERVICE NUMBERS BY SOME 17,000 (PARTLY EFFECTED BY THE TRANSFER OF FUNCTIONS TO PRIVATE ENTERPRISE AND THE STATES) TOGETHER WITH A 2 PER CENT CUT IN STAFF LEVELS, AND A 3 PER CENT CUT IN ADMINISTRATIVE AND OPERATIONAL COSTS OF ALL DEPARTMENTS. IN ADDITION, THE PRICES JUSTIFICATION TRIBUNAL, THE SHIPBUILDING BOARD AND THE COURIER SERVICE OF AUSTRALIA POST WILL BE ABOLISHED. A NUMBER OF GOVERNMENT UNDERTAKINGS SUCH AS THE HOUSING LOANS INSURANCE CORPORATION, THE GOVERNMENT ORDINANCE FACTORY, AUSTRALIAN GOVERNMENT PUBLISHING SERVICE BOOKSHOPS AND SURPLUS COMMONWEALTH LAND ARE TO BE LEASED OFF OR SOLD. OUTSIDE CONTRACTING IS TO BE INCREASED IN MANY FIELDS, AND TAX CONCESSIONS AND OTHER ASSISTANCE TO INDUSTRY CUT. THE RURAL SECTOR, HOWEVER, HAS EMERGED LARGELY UNSCATHED. COMMONWEALTH FUNDING FOR 30 OUT OF THE 70 COLLEGES OF ADVANCED EDUCATION IS TO END, AND TUITION FEES WILL BE INTRODUCED FOR STUDENTS ON SECOND DEGREE AND HIGHER STUDIES. THE FEDERAL OFFER OF AID IN ELECTRIFYING THE SYDNEY/MELBOURNE RAIL LINE HAS BEEN WITHDRAWN.
4. MR FRASER STRESSED IN HIS ANNOUNCEMENT THAT THE REPORT WENT BEYOND A PROGRAMME OF HOUSEKEEPING AND SPENDING CUTS, IN EMBODYING A PHILOSOPHY ABOUT THE FUTURE ROLE OF GOVERNMENT IN AUSTRALIAN SOCIETY. SIR PHILLIP LYNCH SAID THAT HE EXPECTED THE REVIEW COMMITTEE TO CONTINUE ITS SCRUTINY OF FEDERAL EXPENDITURE: YESTERDAY'S PACKAGE SHOULD NOT, HE SAID, BE SEEN AS A ONE-OFF OPERATION.

5. MR HAYDEN DESCRIBED THE PACKAGE AS A GIFT TO THE
OPPOSITION, REFLECTING MR FRASER'S IDEOLOGICAL RIGIDITY AT THE
EXPENSE OF A NUMBER OF HIS LIBERAL MEMBERS IN MARGINAL SEATS.
(HE ADDED A LITTLE WEDGE-DRIVING, BY SAYING THAT PUBLIC
REACTION TO THE CUTS COULD ONLY IMPROVE MR PEACOCK'S PROSPECTS.)
FULL DETAILS BY TODAY'S UNCLASSIFIED BAG.
SEE MY THREE IFTS FOR DETAIL ON ASPECTS OF CUTS RELATING TO
RESPECTIVELY FOREIGN INVESTMENT, CONTROL OF NUCLEAR ACTIVITIES
AND TELECOM (AND PRESTEL).

MASON

FINANCIAL
ERD
SPD

THIS TELEGRAM
WAS NOT
ADVANCED

RESTRICTED

GRS 440

RESTRICTED

FM CANBERRA 290006Z APR 81

TO ROUTINE FCO

TELEGRAM NUMBER 193 OF 29 APRIL

INFO WASHINGTON WELLINGTON

MY TELNO 186 : RESIGNATION OF MR PEACOCK

1. ON PARLIAMENT'S RETURN YESTERDAY AFTER THE EASTER BREAK, MR PEACOCK MADE THE STATEMENT FORESHADOWED WHEN HE RESIGNED ON 15 APRIL. THE GENERAL REACTION TODAY IS THAT THE EVENT WAS AN ANTICLIMAX, REFLECTING DIFFERENCES OF STYLE AND PERSONALITY RATHER THAN THE SUBSTANCE OF POLICY, AND THE DEBATE HAS NOW MOVED INTO A SEMANTIC DISCUSSION OF WHETHER MR PEACOCK DID OR DID NOT EFFECTIVELY THREATEN TO RESIGN OVER THE POL POT ISSUE ON THE EVE OF THE ANNOUNCEMENT OF LAST OCTOBER'S ELECTION.

2. MR PEACOCK'S 55-MINUTE SPEECH BROKE NO NEW GROUND, BUT ESSENTIALLY FLESHED OUT HIS EARLIER ALLEGATIONS AGAINST MR FRASER'S PRIME MINISTERIAL STYLE. DENYING EXPLICITLY THAT HE WAS MAKING ANY BID FOR THE LEADERSHIP HIMSELF, HE CRITICISED MR FRASER FOR DEGRADING THE SYSTEM OF CABINET GOVERNMENT, IN PARTICULAR BY HIS USE OF A CO-ORDINATING COMMITTEE SUPERIMPOSED ON CABINET ITSELF, HIS CONSISTENT PRACTICE OF LOBBYING MINISTERS BEFORE CABINET DISCUSSED ISSUES, HIS USE OF AD HOC COMMITTEES TO MAKE DECISIONS WHICH SHOULD PROPERLY BELONG TO CABINET ITSELF, AND HIS DUPLICATION OF MINISTERS' OWN DEPARTMENTS IN HIS RELIANCE ON THE PRIME MINISTER'S DEPARTMENT - QUOTE WHICH SETS PUBLIC SERVANT AGAINST PUBLIC SERVANT UNQUOTE. MR PEACOCK DWELT AT SOME LENGTH ON HIS DIFFERENCES WITH THE REST OF CABINET OVER DERECOGNITION OF POL POT: IN PARTICULAR, HE CLAIMED THAT HE DID NOT QUOTE THREATEN TO RESIGN UNQUOTE SHORTLY BEFORE THE 1980 ELECTION UNLESS THE RECOGNITION POLICY WERE CHANGED, BUT RATHER HAD AGREED THAT IF IT WERE NOT, HE WOULD KEEP SILENCE ON THE ISSUE DURING THE CAMPAIGN, AND DECLINE TO ACCEPT ANY PORTFOLIO AFTER THE ELECTION.

3. IN A REPLY OF ALMOST EQUAL LENGTH, MR FRASER COUNTERED MR PEACOCK'S ALLEGATIONS. HE ASSERTED THAT IF ANYTHING HIS STYLE OF GOVERNMENT TOOK MORE ACCOUNT OF INDIVIDUAL MINISTERS' VIEWS THAN HAD ITS PREDECESSORS, THAT SOME 90 PER CENT OF MATTERS COMING

RESTRICTED

/ TO CABINET DID

RESTRICTED

TO CABINET DID NOT PASS THROUGH THE CO-ORDINATING COMMITTEE AT ALL, AND INDEED THAT MR PEACOCK'S PROPOSALS HAD BEEN ACCEPTED IN SOME 90 PER CENT OF THE SUBMISSIONS HE HAD PUT TO CABINET: QUOTE THIS RECORD DOES NOT SUGGEST A MINISTER WHOSE AUTHORITY IS BEING UNDERMINED UNQUOTE. MR FRASER EXPRESSED PUZZLEMENT AND SADNESS THAT IN ALL HIS YEARS AS A MINISTER AND SHADOW MINISTER, MR PEACOCK HAD NEVER RAISED DIRECTLY WITH THE PRIME MINISTER OR HIS COLLEAGUES THE ALLEGATIONS HE HAD NOW MADE PUBLICLY IN AN IRREVOCABLE LETTER OF RESIGNATION.

4. MR NIXON, MINISTER FOR PRIMARY INDUSTRY, WHO WAS INVOLVED IN THE PRE-ELECTION DISCUSSIONS QUOTED BY MR PEACOCK, LATER YESTERDAY CONTRADICTED THE LATTER'S VERSION OF THEM, AND CONTRADICTIONS CONTINUE TO FLY TODAY. THE BARRY SIMON INCIDENT SEEMS TO HAVE BEEN OVERTAKEN AND FORGOTTEN.

5. COMMENT WILL FOLLOW.

MASON

[THIS TELEGRAM WAS NOT ADVANCED]
[COPIES SENT TO NO 10 DOWNING STREET]

STANDARD

SPD

CABINET OFFICE

B/F 18th



10 DOWNING STREET

He is coming on
May 19th. Please
keep.

C.S.

29/4

28 April 1981

Following my conversation on the telephone with Mr. Marten at the FCO I am writing to confirm that the Prime Minister has agreed to receive the Australian High Commissioner on Tuesday 19 May at 0930. We will require a full brief to reach this office by close of play on Monday 18 May.

0915
CAROLINE STEPHENS

Chris Jebb, Esq.,
Foreign and Commonwealth Office.

Phil Stephens
Australia

Mr Carruthers, South Pacific Department

1. The new High Commissioner for Australia, The Hon R V Garland arrived in London on Friday, 24 April 1981 and assumed his functions immediately.
2. An appointment with the Prime Minister to present the Letter of Introduction will be arranged in due course. An audience of Her Majesty The Queen will also be arranged.
3. In due course, you should arrange for the appropriate FCO Minister to give a lunch in honour of the High Commissioner.
4. Appointments for the High Commissioner to pay his initial calls at the FCO have been made as follows:

	<u>Date</u>	<u>Time</u>
Minister of State (Mr Blaker)	30 April	3.30 pm
Assistant Under Secretary (Mr Donald)	30 April	4.00 pm
Head of Commonwealth Co-ordination Department (Mr Barltrop)	30 April	4.30 pm
Permanent Under Secretary	30 April	5.00 pm
Deputy to Permanent Under Secretary	1 May	12 noon
Secretary of State	TO BE ARRANGED	
Vice Marshal of the Diplomatic Corps	TO BE ARRANGED	
Head of South Pacific Department	TO BE ARRANGED	

5. For these calls would you please prepare a biography of the High Commissioner and a short brief on our relations with Australia. They should be given the following distribution:

Top copies on blue paper to:

- a. Protocol and Conference Department - to forward to the Marshal of the Diplomatic Corps for Her Majesty The Queen.
- b. Private Secretary (10 Downing Street)

Other copies to:

Private Secretary - for the Secretary of State
APS to Secretary of State
Minister of State (Mr Blaker)
Permanent Under Secretary
Deputy to the Permanent Under Secretary
Assistant Under Secretary (Mr Donald)
Assistant Under Secretary (ODA)
Vice Marshal of the Diplomatic Corps
Head of South Pacific Department
Head of Commonwealth Co-ordination Department

5 copies to Protocol and Conference Department for Mr Martin

Deila MacTaggart

S M MacTaggart (Miss)
Protocol and Conference Department

27 April 1981

cc:

PS/PA of those in para 4

PS/Minister for Overseas Development

✓ PS (10 Downing Street)

file

Australia

DSG

16 April 1981

In Mr. Alexander's absence with the Prime Minister in India, I am writing to thank you for your letter of 14 April, with which you enclosed the original of a letter from the Australian Prime Minister to the Prime Minister.

M. A. PATTISON

F. C. Murray, Esq.

Australia.

FCO will repeat to Delhi.

CONFIDENTIAL

GRS 480
CONFIDENTIAL
FM CANBERRA 150640Z APR 81
TO PRIORITY FCO
TELEGRAM NUMBER 185 OF 15 APRIL
INFO PRIORITY WELLINGTON WASHINGTON

na
MAD

RESIGNATION OF MR ANDREW PEACOCK

1. MR PEACOCK, AUSTRALIA'S MINISTER FOR INDUSTRIAL RELATIONS, (MINISTER FOR FOREIGN AFFAIRS IN THE LAST FRASER MINISTRY,) TODAY RESIGNED FROM MR FRASER'S GOVERNMENT. IN AN UNUSUALLY BLUNT STATEMENT (TEXT IN MIFT) WHICH APPARENTLY DELIBERATELY ECHOED PHRASES FROM A STATEMENT MADE TEN YEARS AGO BY MR FRASER WHEN HE HIMSELF RESIGNED, AS MINISTER FOR DEFENCE, FROM MR GORTON'S MINISTRY, MR PEACOCK SPOKE OF QUOTE ACTS OF GROSS DISLOYALTY UNQUOTE TO HIM BY THE PRIME MINISTER, WHICH HE FOUND QUOTE INTOLERABLE AND NOT TO BE ENDURED UNQUOTE. HE CLAIMED THAT EFFECTIVE INDUSTRIAL RELATIONS IN AUSTRALIA HAD BEEN PUT AT RISK BY THE CONSTANT UNDERMINING OF HIS AUTHORITY, AND CRITICISED MR FRASER'S QUOTE DANGEROUS RELUCTANCE TO CONSULT CABINET, AND OBSTINATE DETERMINATION TO GET HIS OWN WAY UNQUOTE. MR FRASER ACCEPTED MR PEACOCK'S RESIGNATION QUOTE WITH REGRET UNQUOTE IN A TWO LINE STATEMENT.

2. MR FRASER'S RESIGNATION IN 1971 SET OFF EVENTS WHICH LED TO MR GORTON'S REPLACEMENT AS PRIME MINISTER: ASKED AT A PRESS CONFERENCE WHETHER THIS WAS HIS AIM TOO, MR PEACOCK SAID THAT A CHALLENGE TO MR FRASER QUOTE DID NOT EVEN COME INTO QUESTION AT THE PRESENT MOMENT UNQUOTE. CERTAINLY MR PEACOCK IS NOT THOUGHT TO HAVE THE NUMBERS WITHIN THE PARTY TO UNSEAT MR FRASER AS LEADER. MR PEACOCK'S RESIGNATION LOOKS FAR MORE LIKE A REACTION TO EVENTS FORCED UPON HIM THAN A CRISIS ENGINEERED TO ALLOW A LEADERSHIP BID.

3. MR PEACOCK'S EMPHASIS THAT IT WAS NOT SIMPLY QUOTE ACTS OF RECENT DAYS UNQUOTE THAT LED TO HIS DECISION IS A REFERENCE TO THE ENFORCED RESIGNATION YESTERDAY OF HIS PRIVATE SECRETARY, MR BARRY SIMON (AN EX-LIBERAL MP, WHO LOST HIS SEAT AT THE OCTOBER 1980 ELECTION), WHO AT A PRIVATE MEETING OF BUSINESSMEN LAST WEEK, HAD CRITICISED THE GOVERNMENT'S HANDLING OF THE 35 HOUR WEEK CAMPAIGN, AND FOUND HIS REMARKS REPORTED IN THE PRESS. SIMON'S BEHAVIOUR WAS LESS OUTRAGEOUS IN AUSTRALIAN POLITICAL TERMS THAN IT WOULD BE IN OURS. MR PEACOCK PUBLICLY REPRIMANDED HIM. MR FRASER APPARENTLY TOOK THE INDISCRETION SERIOUSLY ENOUGH (OR SAW IN IT A SUFFICIENT OPPORTUNITY TO CHASTEN MR PEACOCK) TO RAISE IN FEDERAL CABINET YESTERDAY.

CONFIDENTIAL

CONFIDENTIAL

4. MR FRASER AND MR PEACOCK ARE MEN OF CONTRASTING STYLES. AS MINISTER FOR FOREIGN AFFAIRS, MR PEACOCK GOT OUT OF LINE WITH MR FRASER JUST BEFORE THE FEDERAL ELECTION LAST YEAR, CALLING FOR EARLY DERECOGNITION OF POL POT. HE WAS REPORTED AT THE TIME TO HAVE OFFERED HIS RESIGNATION. AGAIN, MR PEACOCK'S UNSUCCESSFUL CHALLENGE TO SIR PHILLIP LYNCH FOR THE DEPUTY LIBERAL LEADERSHIP AFTER THE OCTOBER ELECTION WAS SEEN AS REGISTERING HIS CANDIDATURE AS HEIR APPARENT.

5. ALTHOUGH MR PEACOCK HAS A HEALTHY FOLLOWING IN THE PARLIAMENTARY LIBERAL PARTY, HE HAS FEW ALLIES IN CABINET WHERE HE HAS FOR SOME TIME ALIENATED HIS COLLEAGUES BY FITS OF PIQUE AND A SHORT TEMPER. MR ANTHONY AND SIR P LYNCH HAVE TODAY PUBLICLY EMPHASISED CABINET SOLIDARITY BEHIND MR FRASER. MR PEACOCK WILL PROBABLY BIDE HIS TIME ON THE BACK BENCHES UNTIL HE CAN CONTEST THE LEADERSHIP ON FAR FIRMER GROUND THAN THIS WEEK'S FRACAS HAS OFFERED HIM.

6. MR VINER (WHO WAS MINISTER FOR EMPLOYMENT AND YOUTH AFFAIRS) HAS TAKEN MR PEACOCK'S PORTFOLIO. HE IN TURN IS SUCCEEDED BY MR NEIL BROWN, A VICTORIAN BACK BENCHER.

MASON

[COPIES SENT TO NO 10 DOWNING STREET]

STANDARD
SPD
CABINET OFFICE

GRS 280

UNCLASSIFIED

FM CANBERRA 150610Z APR 81

TO PRIORITY FCO

TELEGRAM NUMBER 186 OF 15 APRIL

REPEATED ROUTINE WELLINGTON

MIPT: RESIGNATION OF MR PEACOCK.

1. FOLLOWING IS TEXT OF MR PEACOCK'S ANNOUNCEMENT TODAY:

I WISH TO ANNOUNCE THAT I HAVE TODAY RESIGNED FROM THE FRASER GOVERNMENT. THIS DECISION IS IRREVOCABLE.

I BELIEVE THE PRIME MINISTER HAS ENGAGED IN ACTS OF GROSS DISLOYALTY TO ME AND MY OFFICE. THE PRIME MINISTER HAS CONSISTENTLY ALLOWED FALSE AND DAMAGING REPORTS TO BE PUBLISHED ABOUT ME IN MY CAPACITY AS A SENIOR MINISTER. HE HAS BYPASSED THE SYSTEM OF GOVERNMENT BY ACTING WITH A MANIC DETERMINATION TO GET HIS OWN WAY. I FIND THE CONSTANT DISLOYALTY AND ERRATIC ACTS OF BEHAVIOUR INTOLERABLE AND NOT TO BE ENDURED.

IT IS QUITE IMPOSSIBLE TO CARRY OUT EFFECTIVELY THE DUTIES OF A SENSITIVE AND EXTREMELY IMPORTANT PORTFOLIO WHILE THE PRIME MINISTER BOTH OVERTLY AND COVERTLY SEEKS TO UNDERMINE THE AUTHORITY OF A SENIOR MINISTER.

I HAVE BEEN GRAVELY CONCERNED FOR SOME TIME THAT EFFECTIVE INDUSTRIAL RELATIONS IN THIS COUNTRY HAVE BEEN PUT AT RISK BY THE CONSTANT UNDERMINING OF MY AUTHORITY. THE NATION REQUIRES STEADY AND RESPONSIBLE CONDUCT OF ITS AFFAIRS AND ESPECIALLY IN THIS EXTREMELY SIGNIFICANT AREA. I HOPE MY SUCCESSOR WILL RECEIVE THE COOPERATION NECESSARY FROM THE PRIME MINISTER.

IT SHOULD NOT BE THOUGHT THAT ACTS OF RECENT DAYS ALONE HAVE FORCED ME TO THIS POSITION. THE PRIME MINISTER HAS CAST ASIDE THE STABILITY AND SENSE OF DIRECTION OF THE GOVERNMENT. INDEED HE HAS A DANGEROUS RELUCTANCE TO CONSULT CABINET AND AN OBSTINATE DETERMINATION TO GET HIS OWN WAY. AS STATED THIS DECISION IS IRREVOCABLE. I WILL SEEK LEAVE OF THE HOUSE TO GIVE MORE DETAILED REASONS WHEN THE PARLIAMENT RESUMES.

MASON

[COPIES SENT TO NO 10 DOWNING STREET]

STANDARD

SPD

CABINET OFFICE

ck. Harth
ops
Australia related



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T 644/81

BK
cc 710
cw

10 DOWNING STREET

THE PRIME MINISTER

14 April 1981

Dear Nelson,

It was kind of you to inform me, in your letter of 7 April, of your exchange with Michael English about the Canadian Constitution.

If I may say so, the line you took was of course exactly right. Thanks for keeping me in touch.

Yours sincerely
Malcolm Fraser

The Rt. Hon. Malcolm Fraser, C.H., M.P.

JS



AUSTRALIAN HIGH COMMISSION · LONDON

Acting
THE/HIGH COMMISSIONER

14 April 1981

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, the Rt. Hon. Malcolm Fraser, to convey the enclosed letter from him to your Prime Minister, the Rt. Hon. Margaret Thatcher.

It is the original of the letter to Mrs Thatcher, the text of which I sent to you on 7 April 1981.

Yours sincerely,

F.C. Murray

Mr Michael Alexander,
Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON, SW1.



Foreign and Commonwealth Office

London SW1A 2AH

13 April 1981

Dear Michael,

Thank you for your letter of 7 April about Mr Fraser's exchange with Mr Michael English MP about the Canadian Constitutional issue. We agree that a brief reply to Mr Fraser would be a courtesy and I attach a suggested form of words.

I am sending copies of this letter and its enclosure to David Heyhoe (Chancellor of the Duchy's Office) and Murdo MacLean (Chief Whip's Office).

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Dowing Street

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

Reference

PRIME MINISTER

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

The Rt Hon Malcolm Fraser MP
Prime Minister of Australia

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

It was kind of you to inform me, in your letter of 7 April, of your exchange with Michael English about the Canadian Constitution.

If I may say so, the line you took was of course exactly right. Thanks for keeping me in touch.

Enclosures—flag(s).....



13 APR 1981

Faint, illegible text, possibly bleed-through from the reverse side of the page.



→ Australia

10 DOWNING STREET

From the Private Secretary

7 April 1981

I enclose a copy of a message which the Prime Minister has received from the Prime Minister of Australia. Mr. Fraser's message sets out the terms in which he had replied to a letter received in January from Mr. Michael English MP.

There is, perhaps, no necessity for the Prime Minister to reply to Mr. Fraser. However, you may think that it would be courteous to send a reply indicating that the Prime Minister agrees with the line taken by Mr. Fraser.

I am sending copies of this letter and its enclosure to David Heyhoe (Chancellor of the Duchy's Office) and Murdo Maclean (Chief Whip's Office).

M. O'D. B. ALEXANDER

Francis Richards Esq
Foreign and Commonwealth Office.

RESTRICTED



10 DOWNING STREET

From the Private Secretary

7 April 1981

Thank you for your letter of
7 April. I have drawn the message
which you enclosed from Mr. Fraser
to the Prime Minister's attention.

M. O'D. B. ALEXANDER

F. C. Murray, Esq.

RESTRICTED



AUSTRALIAN HIGH COMMISSION · LONDON

Acting
THE HIGH COMMISSIONER

7 April 1981

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, the Rt Hon. Malcolm Fraser, to convey the enclosed letter from him to your Prime Minister, the Rt Hon. Margaret Thatcher, which has been received by telegraph this morning. The original is following by air.

I should be grateful if you could bring this letter to Mrs Thatcher's attention as soon as possible.

Yours sincerely,

F.C. Murray

Mr Michael Alexander,
Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON. SW1.

RESTRICTED

RESTRICTED



AUSTRALIAN HIGH COMMISSION • LONDON

PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL NO. T60/81

SUBJECT
Acting
THE HIGH COMMISSIONER

7 April 1981

My dear Prime Minister,

I have been asked to convey to you the text of a letter received by telegraph today from the Australian Prime Minister, the Rt Hon. Malcolm Fraser:

Begins -

"My dear Margaret,

I have recently received representations from Mr M. English, MP, Member of the House of Commons for Nottingham West seeking the views of the Australian Government upon the possibility that the Canadian Parliament may request the Parliament of the United Kingdom to amend the Statute of Westminster 1931.

I enclose for your information a copy of my reply to Mr English.

Yours sincerely
Malcolm Fraser"

Ends -

Begins -

"Dear Mr English,

Thank you for your letter of 27 January 1981 concerning the possibility of the Canadian Parliament requesting the Parliament of the United Kingdom to amend the Statute of Westminster, 1931.

I understand that the proposed amendments to the Statute of Westminster would apply only to Canada.

.....2/

RESTRICTED

RESTRICTED

-2-

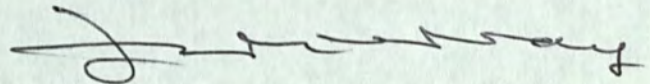
In these circumstances I do not think it would be appropriate for me to express a view on the matters you have raised.

Yours sincerely
(Malcolm Fraser)

Mr M. English, MP,
Member for Nottingham West
House of Commons
London SW1A 0AA
United Kingdom."

Ends -

Yours sincerely,



F.C. Murray

The Rt Hon Margaret Thatcher, MP,
Prime Minister of Great Britain
10 Downing Street
LONDON.

RESTRICTED

cat. Marks
eps



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T60/81

PRIME MINISTER
CANBERRA

7 APR 1981

My dear Margaret

I have recently received representations from Mr M. English, M.P., Member of the House of Commons for Nottingham West seeking the views of the Australian Government upon the possibility that the Canadian Parliament may request the Parliament of the United Kingdom to amend the Statute of Westminster 1931.

I enclose for your information a copy of my reply to Mr English.

You sincerely
Margaret

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister of Great Britain,
10 Downing Street,
LONDON



PRIME MINISTER

CANBERRA

-7 FEB 1981

Dear Mr English,

Thank you for your letter of 27 January 1981 concerning the possibility of the Canadian Parliament requesting the Parliament of the United Kingdom to amend the Statute of Westminster, 1931.

I understand that the proposed amendments to the Statute of Westminster would apply only to Canada.

In these circumstances I do not think it would be appropriate for me to express a view on the matters you have raised.

Yours sincerely,

A handwritten signature in black ink, appearing to read 'Malcolm Fraser', written in a cursive style.

(Malcolm Fraser)

Mr M. English, M.P.,
Member for Nottingham West,
House of Commons,
LONDON SW1A 0AA
UNITED KINGDOM



*Aswale
Box*

NEW SOUTH WALES HOUSE,
66, STRAND,
LONDON, WC2N 5LZ.

~~AGENT-GENERAL~~

London, 27th March 1981

The Rt Hon Margaret Thatcher, MP
Prime Minister
House of Commons
London SW1

230

My dear Prime Minister,

It was exceedingly kind of you to invite my wife and myself to dinner with you last night in honour of the Privy Councillors who are gathering for the meeting today to deal with the forthcoming marriage of the Prince of Wales and the Lady Diana Spencer.

We very much enjoyed the evening and the opportunity of seeing you again, as well as a number of old friends who were at the dinner.

With kind regards,

*Yours very sincerely,
Roden Butler*



10 DOWNING STREET

THE PRIME MINISTER

Dear Malcolm

Thank you for your letter of 27 February about relations between the developed and the developing countries.

Like you, I am deeply concerned about the worsening economic situation in the poorest developing countries. It is going to be difficult for many developing countries, especially in Africa, to maintain a reasonable level of per capita growth; in some it is already a question of decline rather than growth. Disappointed aspirations can and do breed unrest and instability. Moreover, a number of developing countries in difficulty are strategically important or are already exposed to Soviet encroachment.

Our policy towards developing countries, both political and economic, will have to take account of these factors. We must show that our concern about their problems is real and that we are determined to do what we can to help. We must convince them that it is with the industrialised countries, rather than with the Soviet Bloc, that their true interests lie.

We shall only be able to do this if we view the problems of developing countries in the light of their widely differing capacities and needs. As you say, flexibility will be one of the conditions of the survival of the existing economic order.

/Fortunately,

subject copy filed on -

Econ Ppt: Pt 2: Brank Commission.

Mr. Master
ops

20 March 1981

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 52/81

JFT

Fortunately, the present system has already shown an impressive ability to adapt to changing circumstances. This can be seen in the trade figures and in private financial flows. Of course government aid is of great importance, particularly to the poorest. But the thrust of our effort must be to help the developing countries to help themselves. It is here that trade and private finance is of such importance.

The domestic economic policies of the industrialised countries are also of great significance for the developing countries. I have in mind the reduction of inflation, along with other policies to promote sustained growth, the maintenance of the open trading system and effective measures to achieve energy conservation. I entirely share your view that a pragmatic and co-operative approach is what is needed. I hope that our discussions in Melbourne can be so arranged as to encourage this.

Finally, I am sure you are right in saying that our two Governments should continue to exchange ideas. I understand that a visit to London by Tony Street is under discussion and that Professor Harries may be here before long. So we ought to be able to take things further well before Melbourne.

(sgd) M T

The Right Honourable J. M. Fraser, C.H., M.P.

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1621</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Lyne to Stephens dated 13 March 1981, with enc.</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

Australia

Foreign and Commonwealth Office

London SW1A 2AH

13 March 1981

*Dear Michael,*Call by Australian High Commissioner

In her letter of 9 March Caroline Stephens requested briefing for Sir James Plimsoll's call on the Prime Minister on 16 March at 1115.

Sir J Plimsoll leaves London this month and will become Ambassador in Tokyo. His replacement by Mr Garland (LPR also attached) attracted some controversy in Australia at the time of its announcement, largely because it was suggested that Sir James had not been given long enough in his position in London, and that Mr Garland's appointment was for purely political reasons.

There are no major outstanding issues in Anglo/Australian relations. Problems over the EC's 'balance sheet' figures for entry of frozen beef into the Community have now been almost resolved to Australian satisfaction. The Australians have therefore not taken the threatened retaliatory measures in respect of Government purchases from EC countries. The only problem is an Italian reserve on a completely unrelated element in the same package: we are bringing pressure to bear on the Italians. The Australian authorities have, however, expressed concern at suggestions that the UK may be considering taking action to limit its coal imports. (We import approximately three million tonnes of coal a year from Australia). The Australian High Commission are in direct touch about this with the Department of Energy.

Mr Fraser will be visiting the UK in October to speak at the Conservative Party Conference, and to stay on for a few days afterwards as a guest of the Government. We hope that the new Foreign Minister, Mr Tony Street, will be able to visit the UK in June. There may however be problems about dates for Mr Street's visit, which we are looking into now.

Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

CONFIDENTIAL

PLIMSOLL, HE SIR JAMES, Kt AC CBE

Australian High Commissioner designate to Japan. His replacement in London (by Mr Garland, due in April 1981) announced in November 1980.

Born Sydney 1917.

Educated Sydney High School and the University of Sydney, BA, B.Econ. From graduation until 1942 he served as a professional economist with the Bank of New South Wales. In 1942 he enlisted in the AIF and finished his military service as a Staff Officer with the Australian Military Missions in Washington and Tokyo. He entered the Department of External Affairs as a First Secretary in 1948 and was promoted Counsellor in 1951 after service in the Department, at the United Nations, in Washington and in Korea. His first major appointment, as Australian Ambassador and Permanent Representative to the United Nations, came at the age of 42 in 1959. He held this post until 1962 when he was transferred as High Commissioner to New Delhi. In 1965 he returned to become Secretary of the Department until 1970. Ambassador in Washington 1970-74, and in Moscow 1974-77. Ambassador to Belgium, Luxembourg and the European Communities 1977-80. High Commissioner to UK from March 1980-March 1981.

His rise to high rank in the Australian Diplomatic Service was notably rapid. He has the reputation of being particularly expert on United Nations affairs. His succession to the Secretaryship brought obvious changes in the outlook of the Department which became less defensive and insular in its thinking. Plimsoll sought to turn attention outwards, particularly towards South-East Asia, and publicly stressed the need for Australians to be far better informed about Asia. Whilst fully aware of Australia's ultimate dependence on the United States for her security, he also attaches considerable value to the British connection.

A bachelor, wrapped up in his job. A man of high character, sound judgement and great professional ability, who can also be an agreeable and humorous companion. Made no secret of his annoyance at the abrupt announcement of his replacement after only a short period in London.

GARLAND, THE HON (RANSLEY) VICTOR

High Commissioner-designate to the UK.

Born Perth, WA 1934.

Educated Hale School and University of Western Australia, Perth. A chartered accountant by profession. Senior Vice-President, WA Division of Liberal Party 1965-69; Federal Councillor of Liberal Party 1966-71. Liberal Member of the House of Representatives for Curtin, WA (former seat of Sir Paul Hasluck) since 1969. Federal Minister for Supply 1971-72 (and Minister assisting the Treasurer 1972). Chief Opposition Whip 1974-75. Federal Minister for Posts and Telecommunications November 1975 - February 1976. Resigned as Minister for Posts and Telecommunications in February 1976 following a request by the Attorney-General to the Police to investigate allegations of bribery of ACT independent Senate candidate during 1975 elections, which implicated him. (Although case was dismissed, presiding magistrate considered that a prima facie case had been established against him.) Reappointed to the Government as Minister for Veterans' Affairs (1977-78). Minister for Special Trade Representations and Minister assisting the Minister for Trade and Resources 1977-9. Minister for Business and Consumer Affairs and Minister assisting the Minister for Industry and Commerce December 1979-November 1980.

Intensely ambitious, sometimes devious, but with a pleasant urbane and easy manner. Quiet rather than flamboyant. Personally well-off the pressures of commuting between Perth and Canberra are known to have contributed to his decision to decline a Ministerial promotion in favour of his present appointment.

Married, 1960, Lynette Jamieson, a musician of professional standard. 2 sons, 1 daughter.

Recreation: reading.

Australia

9 March, 1981

~~BF 13.3.81~~

Sir James Plimsoll, the retiring High Commissioner from Australia, is coming to say farewell to the Prime Minister next Monday, 16 March at 1115 hrs. Could you kindly send us a short brief, to reach us here by close of play on Friday, 13 March.

CAROLINE STEPHENS

C Jebb, Esq
Foreign and Commonwealth Office

JS

FINE

RH

PRIME MINISTER

Sir James Plimsoll
the Australian High
Commissioner would like to
come and say farewell to
you. Michael Alexander
says that we ought to fit
him in so he is coming
next Monday.

CAROLINE STEPHENS

9 March, 1981

File

OSG

Australia

6 March 1981

AF27.3.81

VISIT TO THE UK OF RETIRING GOVERNOR OF
NEW SOUTH WALES

The Prime Minister is happy to see Sir Roden Cutler and I have arranged with the New South Wales Agent General's Office for him to come in on Tuesday 31 March at 0945 for fifteen minutes. Could we please have a brief to reach us by close of play on Friday 27 March.

CAROLINE STEPHENS

Roderic Lyne, Esq.,
Foreign and Commonwealth Office.

sb

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Lyne to Alexander dated 3 March 1981, with enclosure</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 @Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

Subject an Econ Pol: PE 2
Brandt Commission

Text of Letter dated 27 February 1981
from the Rt Hon. Malcolm Fraser to the
Rt Hon. Margaret Thatcher

Prime Minister (2)

I have asked for advice

PRIME MINISTER'S
PERSONAL MESSAGE

SERIAL No. T36A/81

Ans - 3/3

Begins:

My Dear Margaret,

It is apparent to us here that the problems of developing countries and issues in the North/South dialogue will be prominent in international discussions over the year ahead. I expect that we will be giving particular attention to these matters at the Commonwealth Heads of Government meeting in Melbourne later in the year.

My Government has been conducting a review of North/South matters. In looking at the Third World, we see some disturbing trends. As the situations of the poorest countries have worsened in recent years and as others have experienced the dislocation attending change, there has been an increased incidence of conflict and instability in several areas. Continuing difficulties and frustrations exacerbate strains in political relationships and when - as in the case of Iran - the atmosphere deteriorates sufficiently, economic rationality can all too readily become subordinated to political passion and a turning away from cooperation with the West.

As we see it, the fact that East/West rivalry has assumed a new urgency in the last year or so is not a reason for relegating North/South issues to the "back-burner". On the contrary, given the Soviet strategy of using its extended military reach to exploit instability, some Third World countries are likely to provide the focus for East-West confrontations in the difficult years ahead. Preventing the deterioration of relations between the West and developing countries therefore assumes even greater importance.

It seems to us to be in the enlightened self-interest of the West to respond in good time to moderate elements in the Third World rather than to wait and to see its mood become more radical and its condition more desperate and unstable. We also see purely economic interests of the West involved in maintaining cooperation with the Third World. If the existing economic order is to remain substantially in being, with the willing participation of Third World countries, its benefits must be demonstrably mutual. Reform and flexibility which serve this purpose are not the enemies of that order, they are among conditions for its survival.

It is in this light that we see a pressing need for progress in North/South matters. Probably progress will be slow at best in the dialogue on the large structural and systematic issues raised by the Third World under the NIEO banner, but that must not prevent progress in other areas where there are urgent - and tractable - problems. These are areas such as food, health, education and technical assistance -

CONFIDENTIAL

especially in agriculture and energy. Progress can be made in such areas both multilaterally and bilaterally. It would make a vital contribution to the well-being of ordinary people in Third World countries, as the Brandt Report has reminded us.

For its part, the Australian Government is prepared to make a positive contribution, particularly in areas in which Australia has strong credentials - for example, food security and agricultural development, and energy and resources development. We will also be seeking to play a constructive role in discussions on North/South issues generally.

Progress over the year ahead will not be easy. It appears possible that the global negotiations in the United Nations General Assembly may not begin for some months and that progress in them will in any event be difficult. Arrangements for the summit meeting recommended by the Brandt Commission and scheduled to be held in Mexico in June have yet to be firmed up.

In the circumstances, the meeting of Commonwealth Heads of Government, representing some forty-five developed and developing countries, may well be the most important forum in which progress can be made in discussions of North/South issues this year. I believe that within the Commonwealth we have an invaluable opportunity to foster a pragmatic and cooperative approach to the dialogue between developed and developing countries.

I would welcome your reactions to these ideas. Exchanges of ideas between our Governments will be helpful in developing a common approach and in ensuring a positive outcome from the Commonwealth Heads of Government Meeting.

My warm personal regards.

Yours sincerely,

(Malcolm Fraser)

The Rt Hon. Margaret Thatcher, MP,
Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON.

Ends.

CONFIDENTIAL

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Lyne to Alexander dated 19 December 1980, with enclosure</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C. Wayland</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	

Sir John McEwen

367 Collins Street,
Melbourne, Vic. 3000

16 December 1980

Telephone: 62 1734

df ps?

Ann Smith

12
37/12

Dear Mrs. Thatcher,

(37/12

mb

Thank you for your kind message of sympathy on the death of my husband.

I am comforted by the knowledge of how deeply admired and respected he was and of the affectionate regard people had for him.

Sincerely,

Mary McEwen

The Rt. Hon. Margaret Thatcher, M.P.,
Prime Minister,
No. 10 Downing Street,
LONDON, SW1A 2AA, England.

26 November 1980

Thank you for your letter of 25 November
and for the enclosed original of a message
from Mr. Fraser to the Prime Minister.

MODBA

His Excellency Sir James Plimsoll, A.C.

GB

AS
Asmatia

26 November 1980

DEATH OF SIR J. McEWAN

The Prime Minister has approved the message of sympathy to Lady McEwan enclosed with your letter to me of 25 November. I should be grateful if you could arrange for its despatch.

MODBA

R.M.J. Lyne, Esq.,
Foreign and Commonwealth Office.

9B



AUSTRALIAN HIGH COMMISSION · LONDON

THE HIGH COMMISSIONER

25 November 1980

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, The Rt. Hon. Malcolm Fraser, to convey the enclosed letter from him dated 12 November 1980 to your Prime Minister, The Rt. Hon. Margaret Thatcher.

It is the original of the letter of thanks to Mrs Thatcher of which I sent you a telegraphed text on 13 November 1980.

T 204/80

*Yours sincerely,
J. Plimsoll*

(J. Plimsoll)

Mr Michael Alexander,
Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON, SW1

T 204/80



PRIME MINISTER'S
PERSONAL MESSAGE
SERIAL No. T. ²²¹~~204~~/80

Subject

PRIME MINISTER
CANBERRA

12 NOV 1980

My dear Margaret

I appreciated very much your warm message of congratulations on the results of our recent elections. I too look forward to continuing to work with you in facing the many international problems which pose a threat to world peace and stability.

I hope we will have the opportunity of seeing each other in the near future and I do look forward to welcoming you warmly to Australia for the Commonwealth Heads of Government Meeting.

My warmest regards
with
love

Robert Hawke

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister,
No. 10 Downing Street,
LONDON S.W.1
UNITED KINGDOM

T 204/80

T. 221/80



PRIME MINISTER
CANBERRA

12 NOV 1980

I appreciated very much your warm message of congratulations on the results of our recent elections. I too look forward to continuing to work with you in facing the many international problems which pose a threat to world peace and stability.

I hope we will have the opportunity of seeing each other in the near future and I do look forward to welcoming you warmly to Australia for the Commonwealth Heads of Government Meeting.

The Rt Hon. Margaret Thatcher, M.P.,
Prime Minister,
No. 10 Downing Street,
LONDON S.W.1
UNITED KINGDOM

020



Foreign and Commonwealth Office

London SW1A 2AH

25 November 1980 ①

Prime Minister

Accepted?

Yes no

Recd 25/11

Dear Michael,

Death of Sir J McEwan

Sir J McEwan, who was Prime Minister of Australia for three weeks in 1967/8, has died. Normally we would not recommend that the Prime Minister should send a message of condolence to his widow, given the shortness of his term of office. However Sir J McEwan was Deputy Prime Minister from 1958-71, Acting Prime Minister on many occasions, and played a prominent part in Australian public life.

I therefore enclose a draft message which the Prime Minister may wish to consider. If she agrees to it, I will arrange for it to be forwarded via the High Commission in Canberra.

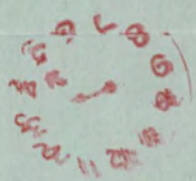
Yours ever
Roderic Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing St

THE OFFICE OF THE ATTORNEY GENERAL

London SW1P 3AF



25 NOV 1980

DSF (Revised)

DRAFT: minute/letter/teleletter/despach/note

TYPE: Draft/Final 1+

FROM:

Reference

Prime Minister

DEPARTMENT:

TEL. NO:

SECURITY CLASSIFICATION

TO:

Your Reference

- Top Secret
- Secret
- Confidential
- Restricted
- Unclassified

Lady McEwan

Copies to:

PRIVACY MARKING

SUBJECT:

.....In Confidence

CAVEAT.....

I was very sorry to learn of the death of your husband. He was well remembered here for his outstanding contribution to Australian public life.

Please accept my deepest condolences.

MJ.

Enclosures—flag(s).....

FILE

VLS

Anstrakii

13 November 1980

Thank you for your letter of
13 November. I have of course brought the
enclosed message from Mr. Fraser to the
Prime Minister's immediate attention.

His Excellency Sir James Plimsoll, AC, CBE.



AUSTRALIAN HIGH COMMISSION · LONDON

AUSTRALIA HOUSE STRAND WC2B 4LA TEL. 01-438 8209

THE HIGH COMMISSIONER

13 November 1980

Dear Mr Alexander,

I have been asked by the Australian Prime Minister, the Rt Hon. Malcolm Fraser, to convey the enclosed letter from him to your Prime Minister, the Rt Hon. Margaret Thatcher, which has been received by telegraph this morning. The original is following by air.

I should be grateful if you could bring this letter to Mrs Thatcher's attention as soon as possible.

Yours sincerely,

(J. Plimsoll)

Mr Michael Alexander,
Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON SW1.

FILE
CONFIDENTIAL

VLB

13 November 1980

Governor of New South Wales

The Prime Minister has seen your letter to me of 10 November. She agrees that Air Marshal Sir James Rowland is a suitable candidate to succeed Sir Roden Cutler.

MICHAEL ALEXANDER

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.

RRB

CONFIDENTIAL

SUBJECT

PRIME MINISTER'S
PERSONAL MESSAGE

T 221/80

Text of Letter dated 12 November 1980
from the Rt. Hon. Malcolm Fraser to
the Rt. Hon. Margaret Thatcher

SERIAL No. T221/80

(2)

Prime Minister
I have ack'd receipt.
M.F.
M.A.

"My Dear Margaret,

I appreciated very much your warm message of congratulations on the results of our recent elections. I too look forward to continuing to work with you in facing the many international problems which pose a threat to world peace and stability.

I hope we will have the opportunity of seeing each other in the near future and I do look forward to welcoming you warmly to Australia for the Commonwealth Heads of Government Meeting.

My warmest good wishes,

(Malcolm Fraser) "

[Handwritten signature]

DEPARTMENT/SERIES <i>PREM 19</i> PIECE/ITEM <i>1421</i> (one piece/item number)	Date and sign
Extract/Item details: <i>Letter from Lyne to Alexander dated 10 November 1980, with enclosure</i>	
CLOSED FOR YEARS UNDER FOI EXEMPTION	
RETAINED UNDER SECTION 3(4) OF THE PUBLIC RECORDS ACT 1958	
TEMPORARILY RETAINED	<i>2 May 2014 C. Baylond</i>
MISSING AT TRANSFER	
MISSING	
NUMBER NOT USED	



Australia
GH

10 DOWNING STREET

From the Private Secretary

3 November, 1980

Telephone Call from Mr Fraser

Further to Laing's letter of 1 November to the Duty Clerk, I should record that Mr Fraser rang the Prime Minister late on Saturday evening. The only point of substance which came up was, as foreseen in Laing's letter, the identity of the new Australian High Commissioner in London. As you will have seen in the papers, it is to be Mr Vic Garland, Minister for Consumer Affairs in the outgoing government. The Prime Minister told Mr Fraser that she saw no difficulty in his announcing the name of the new High Commissioner the next day but she suggested that Mr Fraser inform Buckingham Palace as a matter of courtesy. Mr Fraser undertook to put this in hand. I myself informed Robert Fellowes of what Mr Fraser had said: I do not know whether in the event Mr Fraser's Office got in touch with Buckingham Palace.

Mr Fraser told the Prime Minister that Mr Garland would not be coming to London until well into next year and that Sir James Plimsoll, who had always known his appointment to London would be a short one, would be here for several months further.

M. O'D. B. ALEXANDER

R M J Lyne, Esq
Foreign and Commonwealth Office



10 DOWNING STREET

PRIME MINISTER

(Cheques)

You may wish to ask
Mr. Fraser if the appoint-
ment is to be made public
immediately, or whether
he would first wish
Buckingham Palace to be
informed as a courtesy?

N.P.G. Mitchell

Duty Clerk

1/11/80

MS
Spoke - agreed
Asked MF to
visit Palace
before issuing
statement
ms

CONFIDENTIAL

NEWFAX COPY SEEN BY
PM AT CHEQUERS 1/11/80.
CONVERSATION HELD 9.30 p.m.



Foreign and Commonwealth Office

London SW1A 2AH

1 November 1980

The Duty Clerk
No 10

Dear Duty Clerk,

MR FRASER'S TELEPHONE CALL TO THE PRIME MINISTER,
1 NOVEMBER

1. In our telephone conversations today I undertook to give you some background for use by the Prime Minister when Mr Fraser telephones her this evening.
2. From contacts with the Australian High Commission in London, we understand that Mr Fraser wishes to give the Prime Minister advance details of his new Cabinet and the name of a new High Commissioner to London. Mr Murray, Deputy High Commissioner here, does not know who has been selected for this appointment.
3. There has been press speculation that Mr Killen, the Minister of Defence in Mr Fraser's last Government, might be appointed to London. Other possible candidates are Mr Lynch, the Deputy Leader of the Liberal Party, and Mr Peacock, Minister for Foreign Affairs. (There has been open speculation that Mr Peacock would be replaced at Foreign Affairs and be given a domestic appointment.)
4. Mr Fraser, as Prime Minister of a Realm, does not require HMG's formal approval for the appointment of a new High Commissioner. Normally he would inform the Prime Minister in advance by letter and she would respond by welcoming the choice and stating HMG's intention to offer him full cooperation. On this occasion the exchange will be oral, although Mr Fraser may still intend to follow up with a formal letter. The Prime Minister need make no further comment although she may wish to express regret at Sir James Plimsoll's departure.
5. If Mr Fraser does use this telephone call for this purpose, you may, in addition, wish as a courtesy to inform Buckingham Palace of the new High Commissioner designate. Normally this would be done by Protocol and Conference Department at the same time as the Prime Minister herself was informed. Obviously in the present unusual circumstances this will not be possible and (assuming, as we suspect, that Mr Fraser releases the name of the High Commissioner designate simultaneously with his Cabinet appointments) you will no doubt wish to ensure that the news reaches the Palace in advance of any Australian press announcement.

Yours ever,

J S Laing

J S Laing
Resident Clerk

PM: - You may wish to ask Mr Fraser if the appointment is to be made public immediately, or whether he would wish Buckingham Palace to be informed as a courtesy?

CONFIDENTIAL

Duty Clerk



bcc: PS
PS/LPS
PS/PUS
Mr Carruthers
Mr du Boulay
Mr Fenn

GRS 470
RESTRICTED

RESTRICTED

Australia

FM CANBERRA 200551Z OCT 80
TO IMMEDIATE FCO
TELEGRAM NUMBER 575 OF 20 OCTOBER

MY TELNO 570 : AUSTRALIAN FEDERAL ELECTION 1980

1. MR FRASER'S COALITION GOVERNMENT HAS BEEN RETURNED WITH ABOUT HALF ITS PREVIOUS NEAR-RECORD MAJORITY. WITH NINE SEATS STILL IN DOUBT (AND FINAL RESULTS UNDERTAIN FOR A WEEK OR MORE BECAUSE OF THE COMPLEXITY OF THE ALTERNATIVE VOTING SYSTEM) THE COALITION MAJORITY IN THE LOWER HOUSE WILL BE BETWEEN 13 AND 23. TWO SENATE SEATS ARE STILL DOUBTFUL AND MAY REMAIN SO FOR THREE WEEKS. THEIR FATE WILL DETERMINE WHETHER OR NOT MR FRASER WILL HAVE A MAJORITY IN THE SENATE FROM NEXT JULY, WHEN, AND ONLY WHEN, THE NEWLY-ELECTED SENATORS TAKE THEIR SEATS.

2. ONLY ONE OF THE FOUR MAJOR OPINION POLLS, ALL OF WHICH HAD PREVIOUSLY A GOOD TRACK RECORD, PREDICTED A COALITION WIN, AND EVEN THEN IT CONSIDERABLY UNDER-ESTIMATED THE SIZE OF THE MAJORITY. ALTHOUGH LABOR CAME CLOSE TO THE FORECAST NATIONAL SWING OF 6% PLUS WHICH, ON SIMPLE ARITHMETIC, THEY NEEDED TO GAIN OFFICE, THE SWING WAS TOO UNEVEN IN TERMS OF SEATS TO GIVE THEM VICTORY. THE MAJOR SWING IN MANY CASES WAS IN SEATS ALREADY HELD BY LABOR. SOME LIBERAL SUCCESSES AGAINST THE TREND ARE SEEN AS A TRIBUTE TO THE PERSONALITY AND HARD WORK OF THE INDIVIDUAL CANDIDATES CONCERNED. THUS THE COALITION WON CONVINCINGLY IN SEVERAL MARGINAL SEATS, INCLUDING THOSE OF TWO MINISTERS AND, PERHAPS MOST SIGNIFICANTLY, THAT OF DENISON IN TASMANIA, WHERE A SWING OF 3.1% WOULD HAVE GIVEN THE SEAT TO MR KEN WRIEDT (UNTIL THE DISSOLUTION THE ALP SENATE LEADER, OPPOSITION SPOKESMAN ON FOREIGN AFFAIRS AND A POTENTIAL CHALLENGER OF MR BOB HAWKE FOR EVENTUAL LEADERSHIP OF THE ALP).

3. LABOR'S GAINS WERE LARGELY AT THE EXPENSE OF THE AUSTRALIAN DEMOCRATS, WHOSE VOTE IN THE HOUSE OF REPRESENTATIVES HAS CONSIDERABLY DECLINED. THE APPEAL OF THE AUSTRALIAN DEMOCRATS AS A VEHICLE FOR PROTEST SEEMS CORRESPONDINGLY REDUCED. YET, FOR THE SENATE, THE DEMOCRATS HAVE ALMOST CERTAINLY GAINED TWO FURTHER SEATS AND MIGHT YET PICK UP A THIRD. THE SOLE INDEPENDENT SENATOR, RETURNED WITH AN INCREASED VOTE, MAY HOLD THE BALANCE OF SENATE POWER, DEPENDING UPON WHETHER FOUR OR FIVE DEMOCRATS ARE RETURNED.

4. MR FRASER'S PREVIOUS LARGE MAJORITY HAS BEEN HALVED, BUT THIS IS SEEN AS MUCH AS A RETURN TO THE NORM AS A SETBACK. HE CAN RIGHTLY CLAIM TO BE THE ONLY AUSTRALIAN PRIME MINISTER, OTHER THAN MENZIES, TO HAVE WON THREE CONSECUTIVE ELECTIONS. MR HAYDEN, FOR HIS

RESTRICTED

/PART,

RESTRICTED

PART, HAS COME THROUGH A WELL FOUGHT CAMPAIGN WITH INCREASED STANDING, WITH HIS LEADERSHIP FOR THE PRESENT ASSURED, AND WITH HIS PARTY BUOYED BY THEIR RETURN TO THE VOTERS' CONFIDENCE. THE NCP LOOKS LIKE HOLDING ALL ITS 19 SEATS IN THE LOWER HOUSE, WHICH SUGGESTS THAT IT WILL INCREASE ITS CLOUT IN THE COALITION. NONE OF THE THREE PARTY LEADERS THUS LOOKS VULNERABLE TO BIDS AGAINST HIS LEADERSHIP.

5. THE FIRST BRIEF SESSION OF THE NEW PARLIAMENT WILL PROBABLY BE DURING THE TWO WEEKS AFTER 25 NOVEMBER, AFTER WHICH IT WILL ADJOURN UNTIL FEBRUARY. MR FRASER IS NOT EXPECTED TO RESHUFFLE HIS MINISTRY UNTIL ALL RESULTS ARE KNOWN, BUT SOME RESHUFFLE IS PROBABLE, MR PEACOCK IS LIKELY TO BE GIVEN A DOMESTIC PORTFOLIO.

MASON

STANDARD
SPD
NEWSD
OJD
IPD
NAD
CABINET OFFICE

COPIES SENT TO
No. 10 DOWNING STREET

2

RESTRICTED

RESTRICTED

La
Australia
SUBJECT *Am*

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T204/80

GRS 70

RESTRICTED

DESKBY 190130Z

FM F.C.O. 182345Z OCT 80

TO IMMEDIATE CANBERRA

TELEGRAM NUMBER 463 OF 18 OCTOBER

MESSAGE FOR MR FRASER.

GRATEFUL IF YOU COULD PASS THE FOLLOWING TO MR FRASER
FROM THE PRIME MINISTER.

"MANY CONGRATULATIONS. I AM DELIGHTED AT YOUR VICTORY
AFTER SUCH A HARD FOUGHT CAMPAIGN. I LOOK FORWARD TO
CONTINUING TO WORK WITH YOU ON THE MANY DIFFICULT INTERNATIONAL
PROBLEMS THAT LIE AHEAD.

MARGARET THATCHER"

CARRINGTON

[COPIES SENT TO NO 10 DOWNING ST]

MINIMAL

S.P.D

PS

PS/LPS

PS/MR BLAKER

RESTRICTED

GRS 320

RESTRICTED

RESTRICTED

FM CANBERRA 160430Z OCT 80

TO ROUTINE FCO

TELEGRAM NUMBER 570 OF 16 OCTOBER

MY TELNO 539 OF 08 OCTOBER

AUSTRALIAN FEDERAL ELECTION : 18 OCTOBER

1. LABOR'S GOOD SHOWING IN THE OPINION POLLS REPORTED IN MY TUR HAS BEEN MAINTAINED. THE RESULTS PUBLISHED YESTERDAY OF A SURVEY TAKEN LAST WEEKEND, SUPPORTED BY OTHERS BASED ON SURVEYS LAST WEEK, PUT LABOR COMFORTABLY AHEAD. TRANSLATED INTO SEATS, THE SWING WOULD MEAN A LABOR MAJORITY IN TWO FIGURES. AND THE DEMOCRATS WOULD HOLD THE BALANCE IN THE SENATE.

2. THE SURPRISING FAILURE OF THE COALITION TO COUNTER THE ADVERSE SWING SEEMS TO REFLECT A DISENCHANTMENT WITH CONFRONTATIONAL POLITICS AND THUS WITH MR FRASER WHOSE AGGRESSIVENESS CONTRASTS WITH THE RELATIVELY CALM AND REASONED APPROACH PROJECTED BY MR HAYDEN (AND HIS TROIKA COLLEAGUES MR BOB HAWKE AND MR NEVILLE WRAN). AGAIN, THE CONCENTRATION OF THE AUSTRALIAN LABOR PARTY ON SHORTER TERM HELP TO THE FAMILY (COMPARED WITH THE COALITION'S EMPHASIS ON THE LONGER TERM BENEFITS OF RESPONSIBLE DEVELOPMENT) MAY BE CAPTURING SUPPORT (PARTICULARLY OF THE YOUNG MIDDLE CLASS WHOSE GROUP IS A DISPROPORTIONATELY LARGE ONE IN THE MARGINAL METROPOLITAN SEATS).

3. THE PERCENTAGE SWING TO LABOR IS MUCH GREATER THAN MARGINS OF ERROR IN PAST OPINION POLLS. IT IS NOT OF COURSE POSSIBLE TO ESTIMATE THE DEGREE TO WHICH THE OPINION POLLS WILL INFLUENCE THE EVENTUAL (AND COMPULSORY) VOTE OF THE ELECTORATE. PERHAPS THEY HAVE THE GREATEST INFLUENCE OVER THE JOURNALISTS IN WHOSE NEWSPAPERS THEY ARE PUBLISHED. I DETECT A GROWING BELIEF IN A LABOR VICTORY AMONG THE LATTER. THE ELECTION WILL BE WON OR LOST IN MARGINAL CONSTITUENCIES IN MELBOURNE AND SYDNEY, AND I SENSE A STRONGER BELIEF IN MR FRASER'S SURVIVAL IN SYDNEY. THE PUBLIC SERVANTS IN CANBERRA ARE GENUINELY CONFUSED, AS WELL AS APPREHENSIVE OF THE UPHEAVALS, BOTH POLITICAL AND ADMINISTRATIVE, WHICH A CHANGE OF GOVERNMENT WOULD MEAN.

4. FOR MYSELF, LIKE MANY OTHERS WITH WHOM I HAVE RECENTLY TALKED, I STILL CANNOT BRING MYSELF TO BELIEVE THAT MR FRASER WILL BE DEFEATED. BUT, AS WAS NOT THE CASE WHEN I LAST REPORTED, I SHOULD NOT NOW BE AT ALL SURPRISED.

MASON

STANDARD
SPD
OID
NEWS D
IPD
NAD
CABINET OFFICE

[COPIES SENT TO NO 10 DOWNING ST.]

THIS TELEGRAM
WAS NOT
ADVANCED

RESTRICTED



file No

10 DOWNING STREET

From the Private Secretary

13 October 1980

Thank you for your letter of
10 October and for the enclosed
signed text of your Prime Minister's
message of 25 September.

M. O'D. B. ALEXANDER

F. C. Murray, Esq.

CS

010
RESTRICTED



Minute to P.M.
Foreign and Commonwealth Office

London SW1A 2AH
16/x

10 October 1980

Dear Michael,

Australian General Election: Message From Prime Minister

The Australian General Election takes place on 18 October. The Prime Minister may wish to consider the following two draft messages:-

- (a) to the leader of the winning party (or coalition)
"My colleagues and I send you our congratulations on your success in your General Election. We look forward to working closely with you on the many international questions in which we have a common interest and to sustaining the robust and friendly links which have always existed between our two Governments and countries."
- (b) to Mr Fraser if he loses
"I would like to extend my personal sympathy to you after the result of your General Election. I have enjoyed working with you, and am very grateful to you for the close and helpful relationship that we have been able to develop."

If the Prime Minister approves these drafts I will arrange for them to be telegraphed in advance to the High Commissioner and delivered as appropriate. There will thus be no need for Mrs Thatcher to sign an original copy.

Yours ever
Rodric Lyne

(R M J Lyne)
Private Secretary

M O'D B Alexander Esq
10 Downing Street
LONDON

RESTRICTED



CONFIDENTIAL *Australia*

AUSTRALIAN HIGH COMMISSION · LONDON

FROM THE DEPUTY HIGH COMMISSIONER

10 October 1980

Dear Mr Alexander,

In the High Commissioner's absence, I have been asked by the Australian Prime Minister, the Rt. Hon. Malcolm Fraser, to convey the enclosed letter from him dated 25 September to your Prime Minister, the Rt. Hon. Margaret Thatcher.

Subject copy filed under 25 September
I should be grateful if you could bring this letter to Mrs Thatcher's attention as soon as possible.

Yours sincerely,

(F.C. Murray)

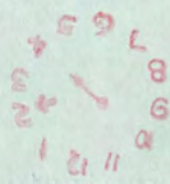
Mr Michael Alexander,
Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10 Downing Street,
LONDON SW1.

CONFIDENTIAL

AUSTRALIAN HIGH COMMISSION LONDON



FROM THE DEPUTY HIGH COMMISSIONER



10 OCT 1980

CONFIDENTIAL

CONFIDENTIAL

T185/80



PRIME MINISTER

CANBERRA

By Dea Bryant

25 SEP 1980

Dear Prime Minister,

I am writing to draw your attention to the current situation in trading relations between Australia and the European Community.

In recent years Australia has brought to the notice of the Commission and the Member States of the Community its strong concern at the growing imbalance of trading opportunities between Australia and the Nine, and the damage being caused to Australia's trade in Third Markets by EC policies, particularly in the agricultural area.

The strained relations which these trade problems have produced should be a matter of great concern to all the parties involved, as there are very compelling and obvious reasons why the European Community and Australia should seek to establish the closest economic and trade co-operation.

In recent months and weeks we have been especially concerned over the imposition of the new EC sheepmeat regime, and the failure of the EC to fully implement its undertakings to Australia under the Multilateral Trade Negotiations Settlement. These new problems are of course in addition to longer term trade concerns.

In an effort to remove these immediate problems the Deputy Prime Minister, Mr Anthony, last week visited Brussels and negotiated with the EC Commission agreements designed to regulate the sheepmeat trade. After considerable effort by all concerned forms of agreement were reached, subject of course to endorsement by the Council of Ministers and the Australian Government.

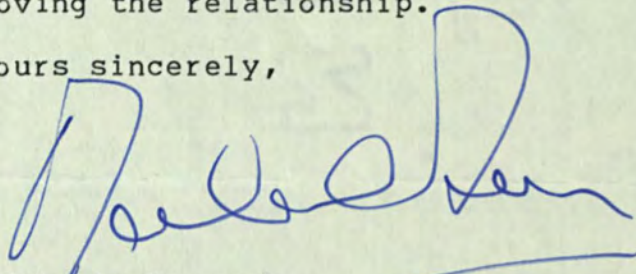
Mr Anthony is of the view that the agreements negotiated could form the basis of reasonably equitable arrangements for the sheepmeat trade, so long as there is an overall will to co-operate on both sides. We, for our part, are ready to implement both the spirit and the letter of the agreement - despite its evident reduction in our existing trade access - in the context of working towards a sounder economic and trade relationship with the European Community.

.../2

It is my sincere hope that the Community and all its Member States will adopt the same attitude and response at its forthcoming deliberations in the Council of Ministers.

It is evident to us in Australia that the longstanding ties between Australia and Europe have been weakened by the developments in trade matters in recent years. We believe it would be in our mutual interest to seize every opportunity of improving the relationship.

Yours sincerely,



(Malcolm Fraser)

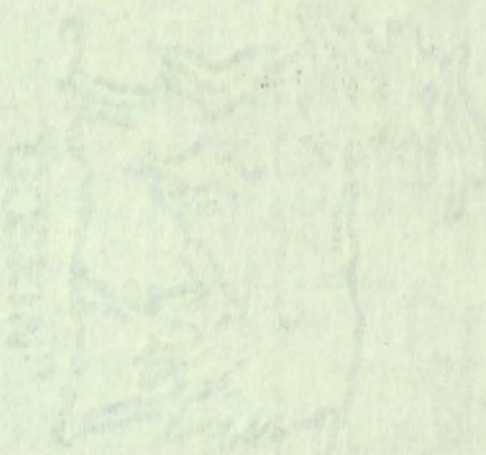
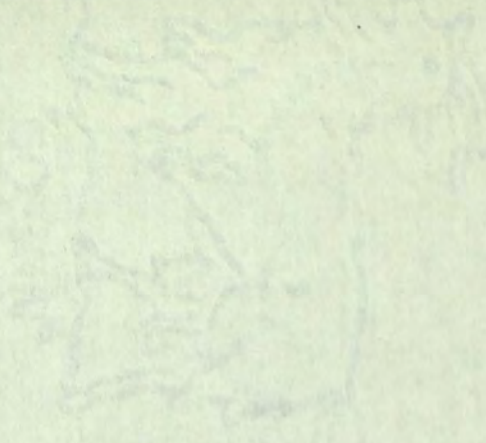
The Rt. Hon. Mrs Margaret Thatcher,
Prime Minister of Great Britain,
10 Downing Street,
LONDON
U.K.

10 OCT 1980
11 12
8 9
7 6 5

10 OCT 1980

COAT OF ARMS
DOCUMENT

COAT OF ARMS
DOCUMENT



RESTRICTED

FM CANBERRA 030045Z OCT 80
TO ROUTINE FCO
TELEGRAM NUMBER 559 OF 08 OCTOBER
INFO SAVING WASHINGTON WELLINGTON

AUSTRALIAN FEDERAL ELECTION : 18 OCTOBER

1. WHEN MR FRASER OPENED THE ELECTION CAMPAIGN ON 30 SEPTEMBER IT SEEMED A FOREGONE CONCLUSION THAT HIS LIBERAL/NATIONAL COUNTRY PARTY COALITION WOULD COAST COMFORTABLY TO VICTORY AT THE POLLS ON 18 OCTOBER (BUT WITH ITS 1977 MAJORITY OF 48 OVER THE AUSTRALIAN LABOR PARTY (ALP) IN THE 124 SEAT HOUSE OF REPRESENTATIVES REDUCED TO PERHAPS LESS THAN 20).
2. THE OUTCOME HAS NOW BEEN THROWN INTO DOUBT BY A SUBSTANTIAL SWING TO LABOR IN SEVERAL PUBLIC OPINION POLLS PUBLISHED BY THREE SEPARATE ORGANISATIONS SINCE THE CAMPAIGN OPENED (BUT BASED ON SURVEYS TAKEN BEFORE THE POLICY SPEECHES OF THE MAJOR PARTIES). LABOR NEEDS A SWING OF 6.1% OVER 1977 TO GAIN A BARE MAJORITY. THE AVERAGE OF THE RECENT OPINION POLLS SUGGESTS A SWING OF SOME 8% GIVING LABOR A MAJORITY OF 15.
3. THIS QUITE UNEXPECTED SHIFT, DEMONSTRATING THE UNUSUAL VOLATILITY OF THE FLOATING VOTER AT THIS ELECTION, HAS INTRODUCED INTO A LACKLUSTRE CAMPAIGN A DEGREE OF PUBLIC INTEREST WHICH THE POLICY SPEECHES HAD FAILED TO GENERATE.
4. THE GOVERNMENT COALITION IS STANDING ON ITS RECORD AND ITS ACHIEVEMENT COMPARED WITH THAT OF MOST OECD COUNTRIES. IT REPEATS ITS FAMILIAR EMPHASIS ON RESPONSIBLE ECONOMIC MANAGEMENT (CONTRASTED WITH LABOR'S DISMAL RECORD UNDER WHITLAM) AND STRESSES THE OVER-RIDING IMPORTANCE OF NATIONAL SECURITY. MR FRASER, PROJECTED BY HIS PARTY AS THE STRONG DEPENDABLE LEADER AND BY HIS OPPONENTS AS ARROGANT AND OUT OF TOUCH WITH PEOPLE, HAS PRODUCED A LONGISH LIST OF INDIVIDUALLY RATHER SMALL PROMISES BUT HAS MADE NO ACROSS THE BOARD COMMITMENT TO REDUCE TAXES OR ASSIST FAMILIES.
5. LABOR'S POLICY SPEECH REHEARSED POLICIES ANNOUNCED OVER RECENT MONTHS AND IDENTIFIED UNEMPLOYMENT, INFLATION AND PETROL PRICING AS THE MAJOR ISSUES. (THE LATEST POLLS SUGGEST THAT THE FIRST OF THESE FIGURES LARGEST IN THE PUBLIC MIND.) MR HAYDEN, PAINTED BY THE COALITION AS WISHY WASHY BUT COMING ACROSS WELL AS QUIETLY SELF-ASSURED AND COMPASSIONATE, HAS PLEDGED PROGRAMMES (INCLUDING A GENERAL CUT IN INCOME TAX) WHICH WOULD BENEFIT THE AVERAGE FAMILY THE THE TUNE OF 10 TO 20 AUSTRALIAN DOLLARS A WEEK.
6. BOTH SIDES SEEK TO DEMONSTRATE THEIR MODERATION AND ECONOMIC STEADINESS. EACH IS LOUD WITH CLAIM AND COUNTER-CLAIM OF WHAT THE OTHER'S POLICIES WOULD REALLY COST. BUT NEITHER IS YET FIGHTING DIRTY.

RESTRICTED

7. THE AUSTRALIAN DEMOCRATS, GENERALLY INCLINED TOWARDS THE ECONOMIC POLICIES OF THE COALITION AND THE SOCIAL POLICIES OF THE ALP, LOOK LIKE HOLDING A BALANCE OF POWER IN THE SENATE (WHERE THEY NOW HAVE ONLY TWO SEATS): THEY ARE UNLIKELY TO WIN A SEAT IN THE HOUSE.

8. DESPITE THE FIGURES IN THE OPINION POLLS, FEW PEOPLE REALLY EXPECT LABOR TO WIN: ALTHOUGH THE STOCK MARKET HAS FALLEN SUBSTANTIALLY (AS HAVE AUSTRALIAN STOCKS IN LONDON) QUOTE JUST IN CASE UNQUOTE. (THERE WAS A SIMILAR QUOTE SCARE UNQUOTE IN THE OPINION POLLS BEFORE THE 1977 ELECTION WHEN THE GOVERNMENT AFTER ALL ROMPED HOME). THE GAME, HOWEVER, IS STILL TO PLAY FOR AND THE SWING VOTER, IN THE RELATIVELY FEW CONSTITUENCIES AT ISSUE, (A POLL PUBLISHED TODAY SHOWS 8% OF ELECTORS QUOTE UNDECIDED UNQUOTE) MAY BE INFLUENCED LESS BY BROAD ISSUES (WHERE THERE IS LESS OBVIOUS DIVERGENCE BETWEEN THE PARTIES THAN IN 1975 AND 1977), THAN BY HIS HIP-POCKET, WHERE MR HAYDEN'S PROMISES MAY SEEM MORE IMMEDIATELY ATTRACTIVE. MY MONEY IS STILL ON MR FRASER, ALTHOUGH I BELIEVE HIM NOW TO BE RUNNING MORE SCARED THAN HE EVER FORESAW.
FCO PASS SAVING TO WASHINGTON.

MASON

[REPEATED AS REQUESTED]

STANDARD
SPD
OID
NAD
IPD
NEWS D
CABINET OFFICE

[COPIES SENT TO NO 10 DOWNING ST.]

**THIS TELEGRAM
WAS NOT
ADVANCED**

-2-
RESTRICTED



file Kb
Australia

10 DOWNING STREET

From the Private Secretary

8 October 1980

MESSAGE TO MR. FRASER

I enclose the signed text of a letter from the Prime Minister to Mr. Malcolm Fraser in response to Mr. Fraser's letter of 25 September. As you will see, the text is based on, but is not identical with, that enclosed with your letter to me of 3 October.

I am sending a copy of this letter and its enclosure to David Jones (Ministry of Agriculture, Fisheries and Food).

M. O'D. B. ALEXANDER

Paul Lever, Esq.,
Foreign and Commonwealth Office.

SL

MINISTER'S MEETING WITH NEW ZEALAND DEPUTY PRIME MINISTER - 2 OCTOBER 1980

The Secretary was present when the New Zealand Deputy Prime Minister, Mr Talboys, called on the Minister on 2 October. He was accompanied by Mr Lynch, Mr Thompson, Mr Ansell and Mr Woodfield.

2. Mr Talboys expressed his gratitude for the successful negotiations on sheepmeat and 1980 imports of butter. The outcome he described as mutually advantageous.

3. The Minister warned that New Zealand would face difficulties in getting arrangements settled for access for her butter after 1980. France and Ireland would be the difficult ones, with France perhaps tempted to use the issue as a tactical counter in forcing our agreement to a high price settlement. Ireland remained hostile because of natural commercial rivalry but could be bought off if she was isolated. The Minister advised the New Zealanders to continue cultivating other European Ministers. He warned that the National Farmers' Union in England and Wales was becoming more vocally hostile to New Zealand dairy products. His advice was that New Zealand should stick to its position that the Commission proposals were the least that should be done for New Zealand. He confirmed that, at the worst, if no arrangements were made, there would be no right for New Zealand to send us butter at less than the full EEC levy after 1980. He agreed that Mr Talboys could see him before the next Council.

4. Mr Talboys said that the New Zealanders might refuse to ratify the recent sheepmeat agreement unless arrangements could be settled for the import of butter after 1980. The Minister warned him that New Zealand would incur the dislike of the European Community and of British farmers if she did so; and to no useful purpose. The sheepmeat régime could go ahead without New Zealand agreement and the Community could ruin New Zealand's exports.

5. Finally, the Minister outlined what he had been able to achieve for New Zealand in the sheepmeat régime and the points still to be settled.

G R Waters

G R WATERS
8 October 1980.

Mr J H V Davies + 1

cc Miss Rabagliati
Mr Steel
Mr Sadowski
Mrs Brock
Mrs Archer
Mr Dixon
Mr Andrews
Mr Mordue
Mr Edwards

PS/Lord Privy Seal
Mr Pattison - No 10
PS/SS Scotland
PS/SS Wales
PS/SS Northern Ireland
PS/Cabinet Secretary
PS/SS Trade

1234567890

8 OCT 1950

SUBJECT

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T199/80 10 DOWNING STREET



T199/80

file JD
ofro
MA77

THE PRIME MINISTER

8 October 1980

Ken Nicholson.

Thank you for your letter of 25 September.

You will already be aware that final agreement was reached on a sheepmeat regime at the Agriculture Council on 30 September. The Community is now aiming to implement on 20 October the new agreements which have been negotiated with Australia and the other significant supplier countries.

The fact that Mr. Anthony was able to reach agreement with the Commission on acceptable terms gives me and my Cabinet colleagues great satisfaction. As you will recall, earlier this year we successfully forestalled pressures for unbinding the tariff, with all the damage that would have done to the Community's relations with our traditional suppliers.

It is all the more gratifying that it has now been possible to reconcile adoption of an internal Community regime with the safeguarding of the legitimate interests of traditional suppliers, and that our pressure for a halving of your tariff and a quota based upon your traditional exports proved effective.

Like you, I hope that this agreement will be a step towards a sounder economic and trading relationship between Australia

/ and

and the European Community. This is of course something which we have consistently worked for, and you can rest assured that we shall continue to do so.

Yours sincerely

Raymond Redden

The Rt. Hon. Malcolm Fraser, C.H., M.P.

RF



2pps
Foreign and Commonwealth Office

London SW1A 2AH

3 October 1980

Dear Mike,

Message to the Prime Minister from the Prime Minister of
Australia: Voluntary Restraint Arrangement for Sheepmeat

Thank you for your letter of 25 September which crossed
Stephen Gomersall's letter to you.

I attach a draft reply to Mr Fraser, the text of
which has been cleared with the MAFF and the DOT.

I am copying this letter to Garth Waters (MAFF),
Stuart Hampson (DOT) and David Wright (Cabinet Office).

Yours ever

Paul

(P Lever)
Private Secretary

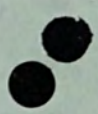
M A Pattison Esq
10 Downing Street
LONDON

DRAFT MESSAGE FROM THE PRIME MINISTER TO THE RIGHT HONOURABLE
MALCOLM FRASER, PRIME MINISTER OF AUSTRALIA

Thank you for your letter of 25 September. You will already be aware that final agreement was reached on the EC sheepmeat regime at the Agriculture Council on 30 September including, I am glad to say, endorsement of the outcome of the Commission's negotiations with Mr Anthony.

The fact that Mr Anthony was able to reach agreement with the Commission on terms acceptable to you gives me and my Cabinet colleagues great satisfaction. As you will recall, earlier this year we successfully forestalled pressures for unbinding the tariff on lamb and mutton with all the damage that would have done to the Community's relations with our traditional suppliers. It is therefore all the more gratifying that it has been possible to reconcile adoption of an internal Community regime with the safeguarding of the legitimate interests of traditional suppliers such as Australia and New Zealand. ^A Like you I hope that this agreement will be a step towards a sounder economic and trading relationship between Australia and the European Community. This is of course something which we have consistently worked for and you can rest assured that we shall continue to do so. ^A

13 OCT 1930



Faint, mostly illegible text covering the main body of the page, possibly a letter or report.



From the Minister's
Private Office

Ministry of Agriculture, Fisheries and Food
Whitehall Place London SW1A 2HH

Draft to come as

amended.

Paul

Michael Alexander Esq
Private Secretary
10 Downing Street
London SW1

3 October 1980

Dear Michael

My Minister has seen the draft message about the Community agreement on sheepmeat for the Prime Minister to send to her counterpart in Australia, about which Foreign Office officials consulted ours yesterday. He has asked that the message should be amended and I attach a revised draft which he has prepared.

I am copying this letter to Paul Lever (FCO).

Yours sincerely

David Jones

D E JONES
Assistant Private
Secretary

DRAFT MESSAGE FROM THE PRIME MINISTER TO THE RIGHT HONOURABLE
MALCOLM FRASER, PRIME MINISTER OF AUSTRALIA

Thank you for your letter of 25 September.

You will already be aware that final agreement was reached on a sheepmeat regime at the Agriculture Council on 30 September. The Community is now aiming to implement on 20 October the new agreements which have been negotiated with Australia and the other significant supplier countries.

The fact that Mr Anthony was able to reach agreement with the Commission on acceptable terms gives me and my Cabinet colleagues great satisfaction. As you will recall, earlier this year we successfully ~~negotiated arrangements which~~ forestalled pressures for unbinding the tariff, with all the damage that would have done to ^{the Community's} ~~our~~ relations with our traditional suppliers.

It is ~~therefore~~ all the more gratifying that ~~matters have now~~
→ ~~come to a satisfactory conclusion.~~ We pressed for a halving
of your tariff and a quota based upon your traditional exports. ~~I~~
I am pleased that we ~~succeeded~~ ^{achieved} ~~on your behalf.~~ ^{proved effective.}

^{now} it has been possible to reconcile adoption of an internal
Community regime with the safeguarding of the legitimate
interests of traditional suppliers & that our former

[A-A attached]

0
1
2
3
4
5
6
7
8
9

= 3 OCT 1980

Australians

Foreign and Commonwealth Office

London SW1A 2AH

await draft
1/x. Then to MOOSA.
see MAFF 13 ECO 25/9.

MAFF 26/1/x

26 September 1980

Dear Mike,

MESSAGE TO THE PRIME MINISTER FROM THE PRIME MINISTER OF AUSTRALIA:
 VOLUNTARY RESTRAINT AGREEMENT FOR SHEEPMEAT

The Australian High Commissioner called on the Lord Privy Seal on 25 September to deliver the attached letter from Mr Fraser to the Prime Minister.

Sir J Plimsoll said that Mr Anthony's final meeting with Mr. Gundelach in Brussels last week had resulted in agreement on a Voluntary Restraint Arrangement for sheepmeat which Australia could live with. This would be discussed at the 30 September Agriculture Council and the Australian Government hoped the United Kingdom would do everything in its power to secure its acceptance by the Council.

The Lord Privy Seal assured Sir J Plimsoll that we wished to see the sheepmeat agreements enter into force as soon as possible. There were some indications that the French might now be prepared for the regime to begin on 15 October and, while there could be no guarantee, we should do our best to ensure that it did. As to how to achieve that result, the tactical judgement would have to be left to Mr Walker.

We have informed the relevant division of the MAFF of this Australian approach. I understand that the briefing they are providing for next Tuesday's Agriculture Council already covers Australian concerns. In the circumstances the Prime Minister may prefer to await the outcome of the Agriculture Council before sending Mr Fraser a substantive reply. I shall aim to let you have a draft on 1 October.

Yours ever
S J Gomersall

S J Gomersall
 Private Secretary to the
 Lord Privy Seal

M A Pattison Esq

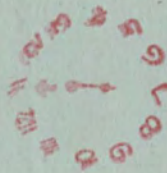
1961
1962
1963
1964
1965
1966
1967
1968
1969
1970
1971
1972
1973
1974
1975
1976
1977
1978
1979
1980
1981
1982
1983
1984
1985
1986
1987
1988
1989
1990
1991
1992
1993
1994
1995
1996
1997
1998
1999
2000
2001
2002
2003
2004
2005
2006
2007
2008
2009
2010
2011
2012
2013
2014
2015
2016
2017
2018
2019
2020
2021
2022
2023
2024
2025
2026
2027
2028
2029
2030
2031
2032
2033
2034
2035
2036
2037
2038
2039
2040
2041
2042
2043
2044
2045
2046
2047
2048
2049
2050

1967

1967

1967

26 SEP 1980



Text of a letter dated 25 September 1980 from
The Rt.Hon. Malcolm Fraser, Prime Minister of
Australia to The Rt.Hon. Margaret Thatcher

*Copy of original
received direct
from Aussie H/C.*

My dear Prime Minister,

I am writing to draw your attention to the current situation in trading relations between Australia and the European Community.

In recent years Australia has brought to the notice of the Commission and the member States of the Community its strong concern at the growing imbalance of trading opportunities between Australia and the Nine, and the damage being caused to Australia's trade in third markets by EC policies, particularly in the agricultural area.

The strained relations which these trade problems have produced should be a matter of great concern to all the parties involved, as there are very compelling and obvious reasons why the European Community and Australia should seek to establish the closest economic and trade co-operation.

In recent months and weeks we have been especially concerned over the imposition of the new EC sheepmeat regime, and the failure of the EC to fully implement its undertakings to Australia under the multilateral trade negotiations settlement. These new problems are of course in addition to longer term trade concerns.

In an effort to remove these immediate problems the Deputy Prime Minister, Mr Anthony, last week visited Brussels and negotiated with the EC Commission agreements designed to regulate the sheepmeat trade. After considerable effort by all concerned forms of agreement were reached, subject of course to endorsement by the Council of Ministers and the Australian Government.

Mr Anthony is of the view that the agreements negotiated could form the basis of reasonably equitable arrangements for the sheepmeat trade, so long as there is an overall will to co-operate on both sides. We, for our part, are ready to implement both the spirit and the letter of the agreement - despite its evident reduction in our existing trade access - in the context of working towards a sounder economic and trade relationship with the European Community.

It is my sincere hope that the Community and all its member States will adopt the same attitude and response at its forthcoming deliberations in the Council of Ministers.

2.

It is evident to us in Australia that the longstanding ties between Australia and Europe have been weakened by the developments in trade matters in recent years. We believe it would be in our mutual interest to seize every opportunity of improving the relationship.

Yours sincerely,

(Signed) Malcolm Fraser



3/F 3-10-80.

10 DOWNING STREET

From the Private Secretary

25 September 1980

I enclose a copy of a letter to the Prime Minister from Malcolm Fraser about trading relations between Australia and the European Community. I should be grateful for a draft reply. It would be helpful if this could reach us by 3 October.

I am sending copies of this letter to Stuart Hampson (Department of Trade), Garth Waters (MAFF) and David Wright (Cabinet Office).

M. A. PATTISON

SP.

Paul Lever, Esq.,
Foreign and Commonwealth Office.



10 DOWNING STREET

From the Private Secretary

25 September 1980

I am writing to acknowledge your letter of 25 September with which you enclosed the text of one from the Rt. Hon. Malcolm Fraser to the Prime Minister about trading relations between Australia and the European Community. I will bring this to the Prime Minister's attention on her return from Yugoslavia.

M. A. PATTISON

His Excellency Sir James Plimsoll, AC, CBE



Australia 2

10 DOWNING STREET

PRIME MINISTER

Malcolm Fraser has written to you about trading relations between Australia and the European Community.

I have asked the Foreign Office for advice on a reply.

MA

[Handwritten signature]

25 September 1980



AUSTRALIAN HIGH COMMISSION · LONDON

THE HIGH COMMISSIONER

25 September, 1980.

Dear Mr Pattison,

I have been asked by the Australian Prime Minister, the Rt. Hon. Malcolm Fraser, to convey the enclosed text of a letter from him to your Prime Minister, the Rt. Hon. Margaret Thatcher.

I should be grateful if you could bring this letter to Mrs Thatcher's attention as soon as possible.

Yours sincerely,

(J. Plimsoll)

Mr M.A. Pattison,
A/Private Secretary (Overseas Affairs)
to the Prime Minister,
Prime Minister's Office,
10, Downing Street,
LONDON, S.W.1.

SUBJECT

T 185/80

Text of a letter dated 25 September 1980 from
The Rt. Hon. Malcolm Fraser, Prime Minister of
Australia to The Rt. Hon. Margaret Thatcher

PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 185/80.

My dear Prime Minister,

I am writing to draw your attention to the current situation in trading relations between Australia and the European Community.

In recent years Australia has brought to the notice of the Commission and the member States of the Community its strong concern at the growing imbalance of trading opportunities between Australia and the Nine, and the damage being caused to Australia's trade in third markets by EC policies, particularly in the agricultural area.

The strained relations which these trade problems have produced should be a matter of great concern to all the parties involved, as there are very compelling and obvious reasons why the European Community and Australia should seek to establish the closest economic and trade co-operation.

In recent months and weeks we have been especially concerned over the imposition of the new EC sheepmeat regime, and the failure of the EC to fully implement its undertakings to Australia under the multilateral trade negotiations settlement. These new problems are of course in addition to longer term trade concerns.

In an effort to remove these immediate problems the Deputy Prime Minister, Mr Anthony, last week visited Brussels and negotiated with the EC Commission agreements designed to regulate the sheepmeat trade. After considerable effort by all concerned forms of agreement were reached, subject of course to endorsement by the Council of Ministers and the Australian Government.

Mr Anthony is of the view that the agreements negotiated could form the basis of reasonably equitable arrangements for the sheepmeat trade, so long as there is an overall will to co-operate on both sides. We, for our part, are ready to implement both the spirit and the letter of the agreement - despite its evident reduction in our existing trade access - in the context of working towards a sounder economic and trade relationship with the European Community.

It is my sincere hope that the Community and all its member States will adopt the same attitude and response at its forthcoming deliberations in the Council of Ministers.

It is evident to us in Australia that the longstanding ties between Australia and Europe have been weakened by the developments in trade matters in recent years. We believe it would be in our mutual interest to seize every opportunity of improving the relationship.

Yours sincerely,

(Signed) Malcolm Fraser

CONQUEROR

III

C A Whitmore Esq

o/r

✓
TWA

4c x



*With
the Compliments of
Sir Frank Cooper, G.C.B., C.M.G.
Permanent Under-Secretary of State*

MINISTRY OF DEFENCE
SW1A 2HB

Australia



MINISTRY OF DEFENCE
MAIN BUILDING WHITEHALL LONDON SW1A 2HB
Telephone 01-218 2119 (Direct Dialling)
01-218 9000 (Switchboard)

PERMANENT UNDER-SECRETARY OF STATE
SIR FRANK COOPER GCB CMG

21 August 1980

PUS/80/822
9/16

Commodore I H Richards RAN
A/Head, Australian Defence Staff
Australian High Commission
Australia House
Strand
London WC2B 4LA

Dear Commodore.

Many thanks for your letter of 19 August and the accompanying copy of part of the Australian Budget Statement. It was very good of you to send it to me. I am naturally very pleased with the announcements on Defence spending and to see - despite the adverse economic conditions we all have to cope with - that your Prime Minister's proposals are being implemented so quickly.

Yours sincerely
Frank Cooper

FRANK COOPER



AUSTRALIAN HIGH COMMISSION : LONDON

AUSTRALIA HOUSE STRAND WC2B 4LA TEL. 01-438 8000

Please quote in reply

Branch: Defence

Our Ref:

Direct enquiry 01-438

19th August 1980

Sir Frank Cooper, G.C.B., C.M.G.
Permanent Under Secretary,
Ministry of Defence,
Whitehall,
S.W.1.

Dear Sir Frank,

Attached for your interest is a copy
of the first two pages of the Australian Budget
Statement delivered to-day.

The section on Defence on the second
page (sidelined) is encouraging.

Yours sincerely,
I. H. Richards.

(I.H. Richards)
Commodore
A/Head, Australian Defence Staff

INWARD MESSAGE

O.CH910190 JYFE
TOR 1343 19.08.80

O.CH910190 2126 19.8.80 UNC FIRST

TO.
PP ALL POSTS/5837

FM. CANBERRA / FILE 735/3/2

PRIORITY

INWARD

U N C L A S S I F I E D

AUSTRALIAN BUDGET 1980/1981

FOLLOWING IS AN EXTRACT FROM THE BUDGET DELIVERED BY THE TREASURER ON 19 AUGUST, TOGETHER WITH ANNEX'S A AND B ON AID AND ANTARCTICA:

BUDGET OVERVIEW

TOTAL OUTLAYS IN 1980-81 ARE ESTIMATED TO INCREASE BY 13.7 PER CENT TO DLRS 36,037 MILLION.

TOTAL RECEIPTS ARE ESTIMATED TO INCREASE BY 16.2 PER CENT TO DLRS 34,471 MILLION.

THE OVERALL BUDGET DEFICIT IS ESTIMATED AT DLRS 1,566 MILLION - A REDUCTION OF DLRS 468 MILLION ON THE OUTCOME FOR 1979-80 WHICH REPRESENTS A REDUCTION OF DLRS 1,444 MILLION ON THE PREVIOUS YEAR.

AFTER ALLOWING FOR OVERSEAS TRANSACTIONS, THERE WILL BE AN ESTIMATED BUDGET DOMESTIC SURPLUS OF DLRS 39 MILLION, THE FIRST SINCE 1973-74.

POLICY OBJECTIVES AND RECENT ECONOMIC DEVELOPMENTS

IN BACKGROUND TO THE BUDGET, THE TREASURER NOTED THAT WHILE ECONOMIC ACTIVITY AND EMPLOYMENT HAD INCREASED NOTABLY IN 1979-80, INFLATION HAD ALSO ACCELERATED.

THE CPI INCREASED BY 10.7 PER CENT OVER THE YEAR TO JUNE 1980 AND AVERAGE WEEKLY EARNINGS INCREASED BY ALMOST 12 PER CENT IN THE SAME PERIOD. WHILE THE CPI INCREASE WAS ABOUT 3 PERCENTAGE POINTS BELOW THE AVERAGE OF OECD COUNTRIES, BOTH PRICES AND WAGES ACCELERATED IN AUSTRALIA.

THE TREASURER NOTED THAT GDP HAD INCREASED BY 2.2 PER CENT AND NON-FARM PRODUCT BY 3.1 PER CENT IN 1979-80. TOTAL EMPLOYMENT HAD INCREASED BY 2.4 PER CENT - THE LARGEST RISE SINCE 1973-74.

THE TREASURER MADE PARTICULAR MENTION OF THE SUCCESS OF THE

INWARD

INWARD MESSAGE

2-0.CH910190

GOVERNMENT'S OIL PRICING POLICY. HE NOTED THE DECLINE IN THE CONSUMPTION OF PETROLEUM PRODUCTS IN 1979-80, THE ACCELERATION OF ENERGY EXPLORATION, AND INCREASING INTEREST IN ALTERNATIVE ENERGY PROJECTS SUCH AS RUNDLE SHALE OIL.

OUTLAYS

IN RELATION TO THE RELATIVELY LARGE (13.7 PER CENT) INCREASE IN OUTLAYS THE TREASURER NOTED:

''THIS REPRESENTS A GROWTH OF JUST UNDER THREE PER CENT IN REAL TERMS IN 1980-81, AND AN AVERAGE ANNUAL GROWTH OF ABOUT ONE PER CENT IN REAL TERMS OVER THE FIVE YEARS TO 1980-81.

AS A PROPORTION OF GROSS DOMESTIC PRODUCT OUTLAYS THIS YEAR ARE EXPECTED TO BE 27.9 PER CENT COMPARED TO 30.1 PER CENT IN 1975-76.

DEFENCE

THIS BUDGET GIVES A HIGH PRIORITY TO THE STRENGTHENING OF NATIONAL SECURITY.

THE DLRS 3,541 MILLION PROVIDED FOR DEFENCE REPRESENTS AN INCREASE OF 17.7 PER CENT IN CURRENT PRICES, AND 7 PER CENT IN REAL TERMS.

THE TREASURER SAID THAT FURTHER LARGE INCREASES IN LATER BUDGETS WILL BE NECESSARY, UP TO AN EXPECTED 3 PER CENT OF GROSS DOMESTIC PRODUCT FOR DEFENCE SPENDING BY 1984-85, TO ACCOMPLISH THE IMPROVEMENTS TO DEFENCE CAPABILITIES ANNOUNCED BY THE PRIME MINISTER EARLIER THIS YEAR.

SOCIAL WELFARE

THE RATES OF RELEVANT SOCIAL SECURITY PENSIONS AND BENEFITS WILL CONTINUE TO BE ADJUSTED EACH NOVEMBER AND MAY IN ACCORDANCE WITH THE RELEVANT MOVEMENTS IN THE CONSUMER PRICE INDEX.

THERE WILL BE INCREASED BENEFITS FOR CHILDREN WITH SPECIAL NEEDS, FOR SUPPORTING PARENTS, FOR UNEMPLOYMENT AND SICKNESS BENEFIT RECIPIENTS, FOR THE HANDICAPPED AND FOR VETERANS.

THE GOVERNMENT WILL RELAX THE INCOME TEST FOR ELIGIBILITY FOR UNEMPLOYMENT AND SICKNESS BENEFITS TO OFFER INCENTIVE FOR THOSE RECEIVING THESE BENEFITS TO SEEK TEMPORARY PART-TIME OR CASUAL WORK. AS FROM THE FIRST BENEFIT PAYDAY IN NOVEMBER THE BENEFITS WILL BE WITHDRAWN ONLY ON A 50 PER CENT BASIS FOR PRIVATE INCOME WITHIN THE RANGES DLRS 3 TO DLRS 40 A WEEK FOR SINGLE PERSONS AGED 16 AND 17

INWARD

INWARD

BRUNNEN
8 9 7 6 5 4 3 2 1

21 AUG 1980

Australia

Prime Minister

To see all

MS MAP 21/8

GRS 450

UNCLASSIFIED [CULLY]

FM CANBERRA 200519Z AUG 80

TO PRIORITY FCO

TELEGRAM NUMBER 500 OF 20 AUGUST
AND ROUTINE WELLINGTON

SAVING TO UKDEL OECD; UKREP BRUSSELS; WASHINGTON; TOKYO.

AUSTRALIAN BUDGET

1. FOLLOWING THE SENSATIONAL LEAK OF THE CONTENTS OF THE BUDGET FOR 1980/81 TO THE PRESS OVER THE WEEKEND, IT WAS FORMALLY PRESENTED TO PARLIAMENT BY THE TREASURER ON 19 AUGUST.
2. IN HIS SPEECH MR HOWARD REAFFIRMED THE GOVERNMENT'S COMMITMENT TO CONTROL INFLATION AND ENVISAGED A MONEY GROWTH OF LESS THAN 10 PER CENT FOR 1980/81 COMPARED TO 12.9 PER CENT IN 1979/80. ECONOMIC GROWTH IN THE NON-FARM SECTOR WAS PREDICTED AT 3-1/2 PER CENT OR MORE COMPARED TO SLIGHTLY MORE THAN 3 PER CENT LAST YEAR. OVERALL GROWTH WAS EXPECTED TO BE ABOUT 3 PER CENT, COMPARED WITH THE ESTIMATED 2 PER CENT IN 1979/80.
3. REVENUE IS ESTIMATED TO INCREASE IN 1980/81 BY 16.2 PER CENT TO DOLLAR AUST 34,471 MILLION, WHILST GOVERNMENT SPENDING IS EXPECTED TO RISE BY 13.7 PER CENT TO DOLLAR 36,037 MILLION. THE OVERALL BUDGET DEFICIT IS ESTIMATED AT DOLLAR AUST 1,566 MILLION, A REDUCTION OF DOLLAR AUST 468 MILLION ON THE OUTCOME FOR 1979/80 AND, AFTER ALLOWANCE HAS BEEN MADE FOR TRANSACTIONS ABROAD, THERE WILL BE AN ESTIMATED BUDGET DOMESTIC SURPLUS OF DOLLAR AUST 39 MILLION, THE FIRST SUCH SURPLUS SINCE 1973/74.
4. TAXATION RECEIPTS WILL RISE BY 16.4 PER CENT AND, IN PARTICULAR, COMPANY TAX RECEIPTS AND CRUDE OIL LEVY COLLECTIONS WILL RISE AT A RELATIVELY HIGH RATE. A REDUCTION IN THE STANDARD RATE FOR PERSONAL INCOME TAX TO 32 PER CENT WAS ANNOUNCED EARLIER IN THE YEAR AND TOOK EFFECT FROM 1 JULY 1980.
5. MR HOWARD SAID THAT THE BUDGET GAVE HIGH PRIORITY TO THE STRENGTHENING OF NATIONAL SECURITY. DEFENCE EXPENDITURE IN 1980/81 WOULD RISE TO DOLLAR AUST 3541 MILLION, AN INCREASE OF DOLLAR AUST 533 MILLION ON 1979/80. THIS REPRESENTS 17.7 PER CENT IN CURRENT PRICES AND NO LESS THAN 7 PER CENT IN REAL TERMS.
6. THE TREASURER ANNOUNCED THAT TOTAL SPENDING ON SOCIAL SECURITY AND WELFARE IN 1980/81 WAS ESTIMATED AT DOLLAR 9890 MILLION, A RISE OF 12.4 PER CENT OVER 1979/80 WHICH WILL ACCOUNT FOR OVER 27 PER CENT OF ALL COMMONWEALTH BUDGET OUTLAYS FOR 1980/81. THE TOTAL EXPENDITURE ON HEALTH SERVICES IS ESTIMATED TO BE DOLLAR 3644 MILLION.

/7. MR HOWARD

7. MR HOWARD ALSO ANNOUNCED MEASURES FOR ACCELERATED DEPRECIATION ALLOWANCES FOR INDUSTRIAL PLANT AND MACHINERY AND PROVISION OF DOLLAR AUST 260 MILLION FOR EXPORT EXPANSION AND MARKET DEVELOPMENT GRANTS, A RISE OF DOLLAR AUST 45 MILLION OR 21 PER CENT OVER 1979/80. NEW SUPERANNUATION ARRANGEMENTS WERE ANNOUNCED FOR SELF-EMPLOYED PERSONS.

8. IT IS A LOW-KEY BUDGET WITH FEW OF THE BENEFITS WHICH MIGHT HAVE BEEN EXPECTED IN AN ELECTION YEAR. IT IS THIS "RESPONSIBILITY" OF THE BUDGET WHICH MR FRASER, IN INTERVIEW, HAS HIGHLIGHTED AS ITS MAIN CHARACTERISTIC. THERE ARE NO NEW TAXES AND THE GOVERNMENT HAS STUCK TO ITS POLICY OF CONTROLLING INFLATION.

9. PLEASE PASS TO CRE, DOT, TREASURY, ECGD AND BANK OF ENGLAND. FULL SETS OF BUDGET PAPERS WILL BE SENT BY BAG TO SPD, CRE AND TREASURY.

10. FCO PASS ALL SAVING ADDRESSEES.

MASON

FINANCIAL DISTN.
SPD

[REPEATED AS REQUESTED]

2.

[NOT ADVANCED]

SUBJECT.

CONFIDENTIAL

cc. *opt* Australia
Murray

88

GRS 150

CONFIDENTIAL

FM FCO 271332Z NOV 79

TO PRIORITY CANBERRA

TELEGRAM NUMBER 577 OF 27 NOVEMBER

1007
PRIME MINISTER'S

PERSONAL MESSAGE

SERIAL No. T 1538/79 T.

PLEASE DELIVER THE FOLLOWING PERSONAL MESSAGE FROM THE PRIME MINISTER TO MR FRASER AS QUICKLY AS POSSIBLE.

BEGINS

I AM WRITING TO SEND YOU MY BEST WISHES FOR A SPEEDY AND FULL RECOVERY FROM YOUR PRESENT ILLNESS. I WAS VERY SORRY TO HEAR THAT WHAT SEEMED TO HAVE STARTED AS INFLUENZA HAD TAKEN A MORE SERIOUS TURN: IT WAS GOOD TO HEAR THAT YOU HAVE NOW RECOVERED SUFFICIENTLY TO GO TO NAREEN, AND I HOPE THAT YOU WILL BE ABLE TO GET SOME REST THERE.

I WAS DEEPLY GRATEFUL FOR WHAT YOU SAID LAST WEEK ABOUT RHODESIA. THIS HAS BEEN ALL THE MORE WELCOME IN THE LIGHT OF THE UNWILLINGNESS OF SOME OF OUR FRIENDS TO STAND UP AND BE COUNTED AMONG OUR SUPPORTERS ON THIS VERY DIFFICULT ISSUE. WE HAVE NOW REACHED THE STAGE WHERE I DARE TO HOPE THAT WE MAY, WITH THE HELP OF OUR FRIENDS, ACHIEVE A PEACEFUL AND LASTING SETTLEMENT.

ENDS.

SIGNED MESSAGE WILL FOLLOW BY BAG.

CARRINGTON

FPA 020/4.		
RECEIVED IN DEPT. NO. 12		
27 NOV 1979		
DESK CEE/EM		
INDEX	PA	Serial 1/11
No	<i>15</i>	29/11

FILES
SPD
RHOD D
PS
PS/HPS
PS/MR BLAKER
PS/PUS
MR CORTAZZI
MR MURRAY

COPIES SENT TO
No. 10 DOWNING STREET

CONFIDENTIAL

FILE

MS
Australia

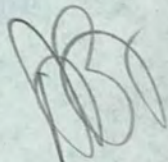
26 November 1979

Message to Mr. Fraser

As you already know the Prime Minister has seen and approved the message enclosed with your letter to me of 23 November.

M. O'D. B. ALEXANDER

R. M. J. Lyne, Esq.,
Foreign and Commonwealth Office.





Foreign and Commonwealth Office

London SW1A 2AH

23 November 1979

*Prime Minister
Apu WEL?*

Plms 23/11

Dear Michael,

Yes orb

Our High Commissioner in Canberra has suggested that it would be a useful and much appreciated gesture if the Prime Minister could send a short message to Mr Fraser, who is sick with pneumonia and pleurisy, sending her best wishes, and thanking him for his recent support over Rhodesia: see Canberra telegram No 626 (copy attached). Lord Carrington agrees with this, and suggests that the message should be as cordial as possible. I attach a draft for the Prime Minister's consideration.

*yours ever
Rodewic Lyne*

(R M J Lyne)
Private Secretary

M O D B Alexander Esq
10 Downing Street
LONDON

*Fco informed
JRL 24/11*

SECRET

CONFIDENTIAL

0
1
2
3
4
5
6
7
8
9

1979

File No.
Department
Drafted by
(Block Capitals)
Tel. Extn.

OUTWARD
TELEGRAM

Security Classification CONFIDENTIAL
Precedence PRIORITY
DESKBYZ

FOR COMMS. DEPT. USE	Despatched (Date) (Time)Z	POSTBYZ
----------------------	--	---------------

PREAMBLE

(Time of Origin) Z (G.M.T.) (Restrictive Prefix)
 (Security Class.) CONFIDENTIAL (Caveat/ Privacy marking)
 (Codeword) (Deskby) Z

TO PRIORITY CANBERRA Tel. No. of
 (precedence) (post)

AND TO (precedence/post)

AND SAVING TO

REPEATED TO (for info)

SAVING TO (for info)

Distribution:-

- PS
- PS/LPS
- PS/Mr Blaker
- PS/PUS
- Mr Cortazzi
- Mr Murray
- SPD -
- Rhodesia D

[TEXT]

Please deliver the following personal message from the Prime Minister to Mr Fraser as quickly as possible.

Begins

I am writing to send you my best wishes for a speedy and full recovery from your present illness. I was very sorry to hear that what seemed to have started as influenza had taken a more serious turn; it was good to hear that you have now recovered sufficiently to go to Nareen, and I hope that you will be able to get some rest there.

I was deeply grateful for what you said last week about Rhodesia. This has been all the more welcome in the

/light

Copies to:-

No 10 Downing St

light of the unwillingness of some of our friends to stand up and be counted among our supporters on this very difficult issue. We have now reached the stage where I dare to hope that we may, with the help of our friends, achieve a peaceful and lasting settlement.

Ends.

Signed message will follow by bag.

NOTHING TO BE WRITTEN IN THIS MARGIN

CONFIDENTIAL

AUSTRALIA

(1)



Foreign and Commonwealth Office

London S.W.1

Prime Minister

Dear Nick,

Aut
- 2/10

28 September 1979

I enclose a background brief on Australia for the Prime Minister's use when she attends the dinner to be given by the Australian High Commissioner on 3 October, together with a personality note on Sir Gordon Freeth and the telegram reporting Lord Carrington's meeting with Mr Peacock in New York (your letter of 19 September referred).

yours ever

Roderic Lyne

(R M J Lyne)
Private Secretary

Nick Sanders Esq
10 Downing Street
LONDON

CONFIDENTIAL



CONFIDENTIAL

SIR GORDON FREETH'S DINNER, 3 OCTOBER

BACKGROUND BRIEF ON AUSTRALIA

Ministerial Contacts

1. The Prime Minister may wish to tell Sir Gordon Freeth that Mr Nott's visit to Australia went well. She may also like to tell him that Lord Carrington and Mr Peacock had a full and useful tour d'horizon in the margins of the UNGA in New York.

Internal Political Scene

2. The Rt Hon Ian Sinclair, Minister for Primary Industry and Leader of the House of Representatives resigned on 26 September. An official enquiry found that he had been guilty of forgery and the unauthorised transfer of funds in a company in which his late father had been involved.

3. After more than a year of unpopularity during which election results in three States, as well as public opinion polls, had shown a substantial swing to the Australian Labor Party (ALP), opinion polls now suggest that the Federal Government is emerging from this trough. Public reaction to the Budget in August has been much less hostile than the Opposition had banked on. A recent unexpected Liberal victory in the South Australian State election has been a considerable fillip to the Government. Mr Fraser's personal popularity remains behind that of Mr Hayden, the Leader of the ALP Opposition, but both of them are behind Mr Bob Hawke, President of the Australian Council of Trade Unions (ACTU).

/ 4. Mr Hawke

CONFIDENTIAL



CONFIDENTIAL

4. Mr Hawke has just announced his intention of seeking a Federal Parliamentary seat at the next Election. Whilst Mr Hawke's wideranging abilities and exceptional popular appeal will strengthen the ALP in Parliament, his admitted ambition to lead the Party, consequently ousting Mr Hayden, could cause internal tension in the ALP which Mr Fraser will not be slow to exploit.

5. Mr Hawke's departure from ACTU will deny it a most important voice of moderation and conciliation. At the ACTU Conference early in September, elections for its Executive resulted in a marked swing to the Left with strident calls for increased militancy over wages and a maintenance of total opposition to uranium mining and exports.

Economic Situation and The Budget

6. The overriding priority of Mr Fraser's administration has been to reduce inflation. It has fallen to 8.8% (June) but there are signs that it is accelerating. Unemployment remains at an extremely high level by Australian standards and in July was 6.0%. There have been a number of serious industrial disputes which have attracted much attention.

7. The August Budget was designed to be anti-inflation and maintained a restrictive policy stance. Growth in the economy expected to be between 2 and 2.5% in 1979/80. Public spending growth restricted to 9%. Major ~~tax~~ incentives for on-shore and exploration and resources development. Personal income tax surcharge (introduced in 1978) to be removed on 1 December.

/ 8.

CONFIDENTIAL



CONFIDENTIAL

8. The Australian Government announced the elimination of a range of British trade preferences on the day of Mr Nott's arrival in Australia. Press reports indicate that the Australian Government has just lifted tariff restrictions on the import of a wide range of goods from South-East Asia and has raised the barriers against a range of British goods. Mr Nott is reported to have protested at the latest measures which were introduced without advanced warning.

Foreign & Commonwealth Office
27 September 1979

CONFIDENTIAL



CONFIDENTIAL

HE THE HON SIR GORDON FREETH, KBE(1978) LLB

Australian High Commissioner to the United Kingdom since April 1977.

Born 6 August 1914 at Angaston, South Australia.

Educated at Sydney Church of England Grammar School and the University of Western Australia. Qualified as a barrister and solicitor in Western Australia in 1938 and rowed for Australia in the Empire Games in the same year. Served as a pilot with the rank of Flight Lieutenant in the Royal Australian Air Force from 1942-45.

Liberal member for Forrest (Western Australia) in the House of Representatives from 1949-69. Minister for: Interior and Works (1958-63); Shipping and Transport (1963-68); Air and Minister Assisting the Attorney-General from 1962-64. He lost his seat in the 1969 election. Appointed Australian Ambassador to Japan from 1970-73.

His appointment as High Commissioner in London was a surprise. Even his wife seemed to think he must have been asked to keep the place warm for someone else.

Although Mr Freeth held high Ministerial office, he was never a political heavyweight. He was regarded as a conscientious but uninspiring Minister. Following the disappearance of Mr Holt in December 1967, Mr Freeth supported Mr Hasluck's candidature for the Premiership which did not ingratiate him with Mr Holt's eventual successor, Mr Gorton, who relegated him to the minor post of Minister of Air.

As Ambassador in Tokyo, Mr Freeth is remembered as rather stiff and distant and not very popular with his staff, informality being the note in most Australian Embassies; nor is he thought to have been very popular at home in Canberra, perhaps because he expected too much attention to be paid to his views. Sir John Bunting described him as a very nice and competent man who would do well in London provided not too much was expected of him.

Married in 1939 to Joan Baker. One son and two daughters.

Recreations: squash and golf.

CONFIDENTIAL

**THE
SCANNING IS
INFLUENCED
BY THE
QUALITY OF
THE ORIGINAL
DOCUMENT**

CONFIDENTIAL

CPS750

CONFIDENTIAL

FROM UKMIS NEW YORK 260422Z SEP 79

TO ROUTINE F C O

TELEGRAM NUMBER 1121 OF 26 SEPTEMBER 79

INFO CANBERRA AND WASHINGTON

FOLLOWING FROM PRIVATE SECRETARY

MEETING BETWEEN SECRETARY OF STATE AND MR PEACOCK

1. THE SECRETARY OF STATE SAW THE AUSTRALIAN FOREIGN MINISTER FOR 45 MINUTES THIS AFTERNOON. MR PEACOCK WAS ACCOMPANIED BY CAMPBELL FROM THE DEPARTMENT OF EXTERNAL AFFAIRS AND BY HIS PRIVATE SECRETARY.

RHODESIA

2. MR PEACOCK EXPRESSED GRATITUDE FOR THE WAY IN WHICH THE AUSTRALIANS WERE BEING KEPT INFORMED, THROUGH SIR GORDON FREETH, OF DEVELOPMENTS. HE ASKED FOR THE SECRETARY OF STATE'S ASSESSMENT OF THE PROSPECTS. LORD CARRINGTON SAID THAT HE BELIEVED THAT UKOMO GENUINELY WANTED A SETTLEMENT, BUT THAT MUGABE PROBABLY DID NOT, OTHER THAN ON HIS OWN TERMS, THOUGH HE WAS SUBJECT TO PRESSURE BY MACHEL. IT WAS LIKELY THAT THE PATRIOTIC FRONT WOULD IN THE END REQUIESCE IN THE PROPOSED NEW CONSTITUTION. THE REAL PROBLEMS WOULD ARISE OVER THE TRANSITIONAL ARRANGEMENTS, WHERE THEIR PROPOSALS WERE ABSURD. IT WAS NOT YET CLEAR WHAT SORT OF TRANSITIONAL ARRANGEMENTS WOULD BE ACCEPTABLE TO EITHER SIDE AND THE CHANCES OF REACHING AGREEMENT WERE DOUBTFUL. IN THE END THE BRITISH GOVERNMENT MIGHT WELL SIMPLY HAVE TO ANNOUNCE THE ARRANGEMENTS WHICH IT PROPOSED TO ESTABLISH. IT WAS IMPORTANT HOWEVER THAT ANY SUCH ARRANGEMENTS SHOULD BE GENUINELY FAIR.

3. MR PEACOCK ASKED WHAT WOULD HAPPEN IF ONE OF THE PARTIES, FOR EXAMPLE THE PATRIOTIC FRONT, REFUSED TO PARTICIPATE IN AN ELECTION. THE SECRETARY OF STATE SAID THAT THERE COULD BE NO QUESTION OF ACCEPTING A VETO BY EITHER SIDE. IT HAD BEEN AGREED IN LUSAKA THAT THE IMPLEMENTATION OF FAIR ARRANGEMENTS FOR AN ELECTION WAS A BRITISH RESPONSIBILITY. MR PEACOCK AGREED. HE SAID THAT HE WOULD FOR HIS PART, BE PREPARED, IF IT WOULD HELP, TO EMPHASISE PUBLICLY THAT BRITAIN WAS STICKING TO THE LUSAKA PRINCIPLES AND WAS PLAYING THINGS STRAIGHT.

CONFIDENTIAL

/NAMIBIA

BRUNSWICK

NS

Ambar
Cam on 5/8
Ambar
Lue

NAMIBIA

4. MR PEACOCK SAID THAT THE AUSTRALIAN CONTINGENT FOR NAMIBIA REMAINED READY AND WAITING. BUT AUSTRALIA HAD LITTLE PURCHASE OR LEVERAGE ON THIS ISSUE.

5. EURATOM/AUSTRALIA

MR PEACOCK SAID THAT IT WAS A GREAT RELIEF THAT THE COMMUNITY WAS NOW ABLE TO NEGOTIATE A EURATOM/AUSTRALIA SAFEGUARDS AGREEMENT. THERE WOULD HAVE BEEN DIFFICULTIES OVER BILATERAL ARRANGEMENTS OTHERWISE.

CTB

6. MR PEACOCK ASKED WHAT WERE THE PROSPECTS OF RESOLVING THE DIFFICULTIES OVER VERIFICATION ARRANGEMENTS FOR A CTB TREATY. HE HOPED THAT IT WOULD BE POSSIBLE TO SIGN A CTB BEFORE THE NPT REVIEW CONFERENCE IN 1990. HE UNDERSTOOD FROM MR VANCE, WHOM HE HAD JUST SEEN, THAT THE MAIN PROBLEM WAS OVER BRITISH ACCEPTANCE OF NATIONAL SEISMIC STATIONS. LORD CARRINGTON SAID THAT HE DOUBTED WHETHER, IF THE RUSSIANS WANTED TO CONCLUDE A CTB, THEY WOULD ALLOW DIFFICULTIES OVER VERIFICATION ARRANGEMENTS FOR BRITAIN TO STAND IN THE WAY. THEIR PROPOSAL FOR 10 SEISMIC STATIONS IN PLACES LIKE PITCAIRN, BELIZE AND THE FALKLAND ISLANDS WAS RIDICULOUS. BRITAIN WAS PREPARED TO ACCEPT ONE STATION ON THE TERRITORY OF THE UNITED KINGDOM, BUT THERE WAS NO CASE WHATSOEVER FOR ACCEPTING MORE.

CAMBODIA

7. MR PEACOCK EXPRESSED GRAVE CONCERN OVER FUTURE DEVELOPMENTS. RECENT INTELLIGENCE SUGGESTED THAT POL POT WAS BEING REINFORCED BY THE CHINESE AND THAT, NOW THAT THE MONSOON WAS OVER, HEAVY FIGHTING MIGHT RESUME. THE PROSPECT WAS OF FURTHER DEVASTATION, FAMINE AND DISEASE. THE NUMBER OF REFUGEES WOULD INCREASE, PERHAPS INTO HUNDREDS OF THOUSANDS, AND THE POSSIBLE EFFECT ON THAILAND COULD BE DESTABILISING. LORD CARRINGTON AGREED THAT THE

CONFIDENTIAL

SITUATION WAS APPALLING. HE WAS WORRIED LEST THE IMPRESSION MIGHT BE GIVEN THAT PEOPLE WERE MORE INTERESTED IN WHO OCCUPIED THE UN SEAT FOR CAMBODIA THAN IN THE NUMBERS OF PEOPLE WHO WERE DYING THERE. IT WAS IMPERATIVE THAT THE WORLD COMMUNITY SHOULD NOW SEND ASSISTANCE. THE EEC WAS CONSIDERING SOME IDEAS ON THE PROVISION OF FOOD AID.

PARSONS

FILES

SPD

UND

RHOD D

S AF D

ES & SD

JNU

ACDD

SEAD

PS

PS/MR HURD

PS/PUS

SIR A DUFF

MR CORTAZZI

MR STRATTON

LORD N G LENNOX

3

CONFIDENTIAL

