



Foreign and Commonwealth Office

London SW1A 2AH

6 June 1983

Dear Tim,

Visit of Australian Prime Minister

As agreed, Mr Hawke will be telephoning the Prime Minister at 6 pm this evening. You may like to know that he is staying at the Savoy Hotel (836 4343 exts 551 or 2158).

The call is expected to be no more than a matter of courtesy, but one to which Mr Hawke attaches importance. He may ask particularly about the Prime Minister's impressions of Williamsburg, US-European relations and world economic prospects. You should also be aware that Mr Hawke has said that he will raise the question of Residual Constitutional Links with Britain when he calls on The Queen. Australian officials will be briefing us separately on progress of the proposed Australian legislation.

Mr Hawke's Australian Labor Party (ALP) took office on 5 March after 7 years in opposition. The Government has a 25 seat majority in the House of Representatives, but balance of power in the Senate is held by 5 Democrats and an Independent.

Hawke's principal problems are economic. Australia is in deep recession with 10% unemployment and 11.5% inflation and he inherited a huge balance of payments deficit. His policy for recovery - voluntary prices and incomes restraint, central wage bargaining and mild stimulus to the economy - was given general approval at an Economic Summit in April.

In other areas, after a promising start, the new government has encountered a number of embarrassing pitfalls, eg over a review of intelligence organisations, a conflict between the Commonwealth Govt and a State Government (the Tasmanian Dam) and their handling of foreign affairs initiatives. The Government's prospects, whilst by no means poor, no longer seem glittering.

/In foreign



In foreign affairs the Hawke Government is working for closer relations with regional neighbours, sees an opportunity for constructive diplomacy in Indo-China and is worried by the deterioration in US/China relations. Australia/US relations are close although defence links are being questioned.

Mr Hawke, who has come from Indonesia, leaves Britain for France, where he is expected to take issue over the continuance of French nuclear tests in the Pacific. He is then going to Geneva (to talk to the ILO) and thence to Washington as the guest of the US Government.

Mr Hawke will have spoken to Mr Foot this afternoon.

/ An LPR on Mr Hawke is attached.

Yours ever
J E Holmes

(J E Holmes)
Private Secretary

Tim Flesher Esq
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HAWKE, Robert ('Bob') James Lee

Leader of the Australian Labor Party (ALP) Opposition since 8 February 1983.

Born Bordertown, South Australia, 1929. Father a Congregational Minister; uncle Labor Premier for Western Australia 1953-59.

Graduated University of Western Australia, then won Rhodes scholarship to Oxford 1952 (Took a first in PPE), returning to Australia 1956 to become Research Scholar at the Australian National University (ANU), Canberra.

Appointed Research Officer and Industrial Advocate for the Australian Council of Trade Unions (ACTU) 1958.

Unsuccessfully contested Federal House of Representatives seat for ALP 1963 and then concentrated on ACTU career.

Became President 1970-80 and dominated Australian labour relations, often defusing potentially explosive situations. His ACTU record shows his ability as a consensus politician - during eight of his ten years there only three issues were put to executive vote.

ALP President 1973-78. Following 1975 ALP electoral defeat there was speculation that Hawke might enter Federal politics, taking Gough Whitlam's ALP leadership role. But Whitlam retained his position and groomed Bill Hayden to be his successor instead. Nevertheless in 1979 Hawke secured pre-selection for the safe north Melbourne seat of Wills, and in 1980 he resigned ACTU Presidency to win the seat.

Hawke's entry into Federal politics touched off more or less continuous speculation about an ALP leadership challenge. But despite his admitted greater charisma and electoral appeal a caucus challenge to replace Hayden with Hawke was beaten off in July 1982. Speculation soon switched to the possibilities of an early general election, and the Hawke challenge seemed a dead letter until its outcome. But 1982 ended with growing dissatisfaction with Hayden's leadership. This came to a head after ALP's shock December defeat in the Flinders by-election, and on 2 February he stood down. Hawke was elected unopposed at a special party Caucus on 8 February.

Hawke is widely respected, though his often deliberately abrasive and even arrogant manner offends some. He is intelligent, industrious, shrewd, articulate, and a formidable negotiator. He is thought to be more to the centre than his centre-left public image; he is on record as saying that

Australia will be a Republic one day, though this is not high in ALP priorities.

Athletic; plays tennis, golf and cricket. Had a widely known weakness for drink and women, and studiously cultivated an 'locker' image. He has publicly gone "on the waggon" and been teetotal since election to Parliament.

Married 1956, Hazel Masterton. One son, two daughters.