

JP

SUBJECT

RECORD OF A CONVERSATION AT A WORKING BREAKFAST IN THE HIGH
COMMISSIONER'S RESIDENCE IN NEW DELHI AT 0740 ON WEDNESDAY
23 NOVEMBER 1983

Present

Prime Minister
Foreign and Commonwealth
Secretary
Sir Robert Armstrong
Mr. A.J. Coles

Prime Minister of Australia
Sir Geoffrey Yeend
Mr. Henderson
Mr. Evans

* * * * *

Following a discussion of the economic situation in Australia and the United Kingdom, and a brief reference to Mrs. Gandhi's concern about the Tamil problem, the conversation turned to Grenada, on which Mr. Hawke said that he would be interested to hear the Prime Minister's views.

The Prime Minister said that we expected Mr. McIntyre would arrive in Grenada soon. He was well thought of. The United States intended to withdraw its troops by 23 December, though Mrs. Gandhi had commented to her that she presumed that the United States Administration could secure Congressional approval for a longer stay if necessary. After the American departure there would be a need for some moderating influence to keep order in Grenada. Mrs. Gandhi was strongly of the view that until American troops left there was no role for the Commonwealth. It was important that there should be no hiatus between United States withdrawal and whatever security arrangements were to follow this. As regards the discussion of Grenada at CHOGM, there was no point in seeking Communique language which would be divisive. Mr. Hawke said that this was not an issue in which Australia wished to become engaged. The events in Grenada were of less concern to Australia than to the United Kingdom or the Caribbean countries.

The Prime Minister briefly explained our wish to withdraw our troops from Belize; but the task of extraction was difficult.

/ In response

In response to a question from the Prime Minister about Cyprus, Mr. Hawke said that Australia had a real interest in the issue because of the presence of Australian soldiers in the Island. The Prime Minister said that the Security Council had adopted a good resolution. President Kyprianou would doubtless wish to secure support from CHOGM but thereafter it was not clear what would happen. The Greeks and the Turks did not appear to be ready to engage in consultations. The Foreign and Commonwealth Secretary said that he was just making a fresh approach to both Governments in an attempt to persuade the Greeks to change the position they had adopted. But this was unlikely to be successful. Mr. Hawke asked whether the local situation on the Island was containable. The Foreign and Commonwealth Secretary said that it had held so far and there was as yet no sign of Greek or Turkish forces being increased. It was a striking fact that the presence of our own troops in the UN force in Cyprus had cost us £½ billion over nineteen years. We were paying a high price to keep the peace there. The Prime Minister expressed concern at the proliferation of multi-national forces. Their presence often rigidified rather than solved problems. Future proposals for such forces should be examined very carefully. With regard to the Cyprus problem, it was necessary to keep well in mind the importance of Turkey to NATO.

The Foreign and Commonwealth Secretary said that our Security Council Resolution represented the limit of what we thought it was sensible to do. The text had stopped short of proposing sanctions. The Prime Minister said that experience showed that sanctions never worked - take the cases of Rhodesia, Iran and the Soviet Union. Mr. Hawke said that sanctions could only work if they were universal and that was an unattainable aim.

In response to a question from the Prime Minister, Mr Hawke said that there had been a major debate in Australia over the export of uranium. It was clear that it was in Australia's interest to participate in this trade but there had been a dramatic and tense debate - for this reason it was politically

/ necessary

necessary for Australia to be prominent in public discussion of nuclear issues. Their fundamental position was one of alliance with the United States and the West but starting from that position they wished to promote effective discussion of disarmament issues.

With regard to the form of the CHOGM Communique, there was agreement that it should be as short as possible and that the suggestion that there should be a declaration couched in first person terms ("We, the Heads of Commonwealth Governments" etc.) was not a helpful one.

The Prime Minister said that she believed that nine days was too long for Commonwealth Heads of Government Meetings. Mr. Hawke said that he entirely agreed. Having read the material prepared for this Conference, he believed that a much more astringent programme was necessary. If they were away from home for so long, Heads of Government could not help worrying about what was happening in their own countries.

Australia was also not keen on regular regional meetings of Commonwealth Heads of Government - they should be spaced out more. The holding of these meetings was often financially painful for the host country. Mr. Samora was likely to have to spend £2½ million on the next regional meeting in the Pacific. So Australia had been discussing with Ramphal and others the case for reducing the frequency of meetings. After all, the Pacific countries had the South Pacific Forum which was a useful and intimate body.

The Prime Minister said that she was not keen on the idea of a new Bretton Woods conference. Mr. Hawke said that Australia recognised that the present system was not functioning well, but an international conference was not likely to provide the answer. He wished to strengthen the existing international institutions. The Prime Minister said that that was exactly our own position. Mr. Hawke said that Mrs. Gandhi, with whom

/ he had

he had discussed this matter the previous evening, was certainly not a strong advocate of Mr. Muldoon's ideas and Mr. Muldoon himself seemed to be less fervent in promulgating them than he had been.

Turning to aid questions, the Prime Minister said that she disliked the trend for an ever-increasing proportion of our aid to be given through international organisations where we obtained no recognition for what we were doing. Mr. Hawke said that his Government was carrying out a complete review of all aid programmes and conducting a cost benefit analysis of them. The effectiveness of aid was a serious domestic issue, particularly at a time when unemployment was rising. The Prime Minister said that we had similar problems.

Mr. Hawke said that the international trade system was more fundamental to the problems of developing countries than aid itself. If international trade could be made freer, many of the problems would be solved. The Foreign and Commonwealth Secretary said that it was in the agricultural sector that one found the greatest amount of protectionism. Mr. Hawke commented, "Are you telling us?". The Prime Minister said that we had to lead the attack on agricultural surpluses in the European Community.

The Foreign and Commonwealth Secretary said that an agreed Commonwealth line on some of these issues could be useful. For example, when he had negotiated the increase in the IMF quota, the fact that there was a clear Commonwealth position had been helpful in persuading the United States to come along. Mr. Evans said that Australian thinking on Mr. Muldoon's ideas had been influenced by the fact that the United States Administration found it difficult enough to maintain its present level of contributions to the IMF and IDA. It was unrealistic to expect them to increase their contributions substantially.

Reverting to disarmament issues, the Prime Minister asked whether Mr. Hawke had any specific ideas. Mr. Hawke said that

/ the first

the first point was the necessity of recognising that neither of the two super powers could get itself into a position of perceived weakness. Mr. Andropov and Mr. Reagan were not going to behave differently because of discussion at CHOGM. Nevertheless, there were a small number of initiatives which it might be possible to take. For example, nowhere near all the Commonwealth countries had signed relevant conventions. With regard to INF and START, it was necessary to establish that we all had an interest in the outcome of the negotiations. The facilities which Australia provided for the United States made it a likely target in the event of hostilities; hence Australia's legitimate interest in the discussions was evident. But it was silly to set assumptions and objectives which were not related to reality. He did not wish to appear to be strutting prominently on the stage.

The Prime Minister said that she had noted that Mr. Hawke was to visit Japan and China at the end of January and in early February. We would keep him up to date on the Hong Kong talks where there would be another round on 7 and 8 December. Mr. Hawke said that he appreciated our efforts to keep him informed. There was considerable interest in Australia among the Hong Kong business class. Many of them would do well in Australia. In a brief description of the present position in the talks, the Foreign and Commonwealth Secretary stressed that we were not interested in hanging on to a colonial regime in Hong Kong. The Prime Minister added that but for the position of China, Hong Kong would have been independent long ago.

The Prime Minister thanked Mr. Hawke for having called on her for the discussion. Mr. Hawke said that while we did not agree on all things, our positions on the fundamental issues were very close.

The discussion ended at 0845.

A.S.C.



FROM: A K Goldsmith
DATE: 22 November 1983

cc: Sir J Leahy
Delegation Secretary

22
[Handwritten initials]
PUS

RIA
Cabinet Secretary

CHOGM: PRIME MINISTER'S MEETING WITH MR HAWKE

Paragraph 2, 12 and 13 of PMVE(83)C5, mention the Australian interest in the discussions on the future of Hong Kong. You may wish to let the Prime Minister know before her working breakfast for Mr Hawke that it now seems likely that Mr Hawke's visit to China, in return for Zhao Ziyang's visit to Australia last April, will take place in February 1984. This will add further point to Mr Hawke's interest in the progress of negotiations with the Chinese.

A.K. Goldsmith

A K Goldsmith

Mr Giles
WA 22/11

FUTURE OF HONG KONG ADVANCE COPIES

PS
PS/PUS
PS/MR LUCE
MR DONALD
ED/HKD
ED/FED

~~RESIDENT CLERK~~

108

COPY TO:

MR COLES, No. 10 DOWNING ST

Mr Roberts News D.

ADVANCE COPY

IMMEDIATE

GRS 70

CONFIDENTIAL

DESKBY 210930Z

FM CANBERRA 210420Z NOV 83

TO IMMEDIATE FCO

TELEGRAM NUMBER 602 OF 21 NOVEMBER

INFO IMMEDIATE NEW DELHI, PRIORITY PEKING

MY TELNO 596: (NOT TO NEW DELHI) FUTURE OF HONG KONG: BRIEFING
THE AUSTRALIANS

1. NO. 10 MAY WISH TO BE AWARE BEFORE THE PRIME MINISTER'S
BREAKFAST WITH MR HAWKE ON 23 NOVEMBER THAT IT NOW SEEMS LIKELY
THAT MR HAWKE'S RETURN VISIT TO CHINA FOR ZHAO ZIYANG'S
VISIT HERE LAST APRIL WILL TAKE PLACE IN FEBRUARY NEXT YEAR.
THIS WILL OF COURSE ADD FURTHER POINT TO MR HAWKE'S INTEREST
IN THE PROGRESS OF OUR NEGOTIATIONS WITH THE CHINESE OVER
THE FUTURE OF HONG KONG.

MASON

NNNN