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BU

Foreign and Commonwealth Office

London SW1A 2AH

6 February 1986

Prime Minister
CDP
G/2

Dear Charles,

Courtesy Call on the Prime Minister by the
Australian High Commissioner on Friday 7 January 1986

As requested in your letter of 3 February, I attach a brief on the current issues in Anglo-Australian relations for the 15-minute courtesy call to be paid on the Prime Minister by the Australian High Commissioner. I also attach a Personality Note on Mr Parsons.

Mr Parsons is returning home for mid-term consultations. His last official contact with the Prime Minister was when he accompanied Mr Hayden in May 1984. She may wish to be aware that Mr Parsons suffered very minor injuries during the bombing of the Grand Hotel in Brighton.

Yours ever,

(P. N. Culshaw
Private Secretary)

C D Powell Esq
PS/10 Downing Street



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COURTESY CALL ON THE PRIME MINISTER BY THE AUSTRALIAN HIGH COMMISSIONER, FRIDAY 7 FEBRUARY 1986

POINTS TO MAKE

Mr Parson's Role

1. Greatly appreciate closeness of contact between two Governments, facilitated by you.

Australian Royal Commission into British Nuclear Tests

2. Grateful close co-operation with Senator Evans and officials. Pleased recent discussions so cordial and constructive.

3. Trust UK experts in Technical Assessment Group will make positive contribution and issue can be resolved satisfactorily.

4. Remain convinced Britain has no legal or moral obligation for further clean-up of test sites.

Residual Constitutional Links

5. Passage of Australia Bill completed in House of Lords on 28 January. It went very well with unanimous support. Clear evidence of affection in which Australia held.

6. Second Reading in House of Commons was on 3 February. Remaining parliamentary stages expected to be completed on 10 February.

7. Have very much in mind your Government's wish to bring legislation into force while The Queen in Australia next month.

Australian Bicentenary

8. You will be aware I informed Mr Hawke that our gift will be sail-training vessel. Understand warmly welcomed.

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9. [If raised] Regret not possible to meet your Government's request for copy of Australian Commonwealth Constitution Act. Understand why this important to Australia. Have gone into this in great detail. Essential that complete sets of nationally important documents not dispersed.

British Investment in Australia

10. Australia major recipient of British investment, helpful to both countries. Therefore welcome recent liberalisation of foreign investment rules, hope more can be done. Australian companies showing greater interest in UK market, encouraged by our liberal regime.

South Pacific Department, FCO
February 1986

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COURTESY CALL ON THE PRIME MINISTER BY THE AUSTRALIAN HIGH COMMISSIONER, FRIDAY 7 FEBRUARY 1986

ESSENTIAL FACTS

Mr Parson's Role

1. Mr Parsons has been in London since December 1983. A career diplomat, he has maintained very close relations with British Government, despite occasional differences over eg South Africa.

Australian Royal Commission into British Nuclear Tests

2. Royal Commission's report tabled before Australian Parliament on 5 December. Following preliminary talks by officials in Canberra (9-10 January), Senator Evans, responsible Australian Minister, called on Foreign Secretary and Lady Young on 21 January, and Mr Lamont on 22 January.

3. Talks focussed on Royal Commission's recommendations which call for former test sites to be cleaned up to permit unrestricted habitation; for establishment of Maralinga Commission with UK participation; and for UK to pay full cost of clean-up.

4. Agreed with Senator Evans that contentious question of who should pay for clean-up had to be left until such time as all options had been investigated and costed. Preliminary work will be carried out by Technical Assessment Group of 2 Australian, 1 American and 2 UK scientists.

5. Also agreed that Australian Government establish Consultative Group, rather than Maralinga Commission which Royal Commission recommended. This group would consider possible future uses of former test sites, and would include representatives of Australian, Western Australian and South Australian Governments, together with Aboriginal interests and representatives from our High Commission.

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6. Britain's position on responsibility for clean-up is to adhere to agreement signed by both Governments in 1978, which released UK from any further responsibility for clean-up.

Residual Constitutional Links

7. Following passage of agreed legislation by all Australian State legislatures and Commonwealth Parliament to sever residual constitutional links between United Kingdom and Australian States, Australian Government formally requested enactment of complementary legislation at Westminster.

8. Australia Bill completed all parliamentary stages in House of Lords on 28 January. The Second Reading Debate in House of Commons took place on 3 February. Remaining stages in Commons are scheduled for 10 February. Following Royal Assent Commencement Order, announcing entry into force on 3 March, will be made.


9. Tight timetable because Australians are understandably eager that Her Majesty proclaim coming into force of Australia Act during Her visit to Australia from 2-13 March. We have expressed, without commitment, willingness to meet this timetable.

Australian Bicentenary

10. HMG's commitment of £1 million to Bicentenary announced in May 1985. No other country is known to have announced financial contribution.

11. £850,000 set aside for Britain's official gift, specially commissioned sail-training ship. Vessel will combine British craftsmanship and modern technology in equipment it carries. Will benefit young people. Ship will take part in Hobart to Sydney race and subsequent Tall Ships Parade in Sydney Harbour before being handed over.

12. In connection with Bicentenary, Australian Prime Minister requested one of two original copies of Australian Commonwealth



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Constitution Act. Prime Minister informed Mr Hawke on 3 January for second time that request had had to be refused.

British Investment in Australia

13. Current UK investment accounts for 25% of total foreign investment in Australia. UK is second largest investor in Australia (behind US) with some 1,500 British companies established there.


14. Australian investment policy restrictive. Insistence on Australian industrial involvement major disincentive. Past two years have seen some easing with 16 foreign banks (including 4 British or British-owned) granted licences to operate in Australia.

15. Australian Government is moving gradually to ease its investment controls. While latest package of liberalisation announced October 1985 welcome could go further. Thresholds below which foreign investment policy rules do not apply have been raised considerably. Potential investors no longer have to demonstrate that no Australian concern is interested or can compete. Foreign Takeovers Act being amended to raise thresholds for offshore takeovers.

South Pacific Department
Foreign and Commonwealth Office

February 1986

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PARSONS, HE MR ALF (RED ROY)

Australian High Commissioner to the Court of St James since December 1983.

Born Hobart 24 May 1925. B Comm, University of Tasmania.

A career diplomat who has served in a variety of posts, more recently as High Commissioner in Singapore 1967-70 and High Commissioner in Kuala Lumpur 1973-76. First Assistant Secretary (AUS equivalent) South-East Asia and Papua New Guinea Division, Department of Foreign Affairs, 1976-78; Deputy Secretary May 1978-December 1983.

Alf Parsons is a thoroughly professional diplomat, whose rather diffident manner is deceptive. His appointment caused some surprise, and is thought to have been due to the good impression he made on Mr Hayden during the latter's early overseas tours.

Married 1958 Gillian Pigot, a British lady (they met while serving at their respective Embassies in Rangoon in the fifties) who is shy but charming. 2 sons, 1 daughter.

Likes golf and reading.

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3 February 1986

The Australian High Commissioner has asked to see the Prime Minister before he returns to Australia for "mid-term consultations". The Prime Minister has agreed to see him for 15 minutes on Friday, 7 February. I should be grateful for a short note on any outstanding problems on United Kingdom/Australia relations.

(C. D. POWELL)

Robert Culshaw, Esq.,
Foreign and Commonwealth Office.



MR. POWELL

Prime Minister ①
Here is something
to be said for
agreeing to this &
giving him 20 minutes

Tony Vincent from the Australian High
Commission rang me to see if the Prime
Minister would agree to meet the High
Commissioner before he returns to
Australia for "mid-term consultations"
on 17 February.

Agree?
COP
30%

He rang me because I dealt with him on
the First Fleet Re-enactment invitation.
But this is one for you.

MEA

Mark Addison

30 January 1986

COP-
Do you wish to deal?
MEA 3/1

Copie.

Send you for his
20 mins please.

MEA 3/1

John

FRI 7 Feb.
11.15 - 11.30
CR.

Yes no