

BRITISH HIGH COMMISSION

CANBERRA

9 August 1988

The Rt Hon Sir Geoffrey Howe QC MP
LONDON

Prime Minister (u)

*John Chen's despatch assessing
your recent successful visit*

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Sir

VISIT BY THE PRIME MINISTER TO AUSTRALIA

1. The Prime Minister, accompanied by Mr Thatcher, paid an official visit to Australia from 1 to 6 August, 1988. She did so at the invitation of the Australian Prime Minister to mark the celebrations of the Australian Bicentenary. I annex an outline of the programme which took the Prime Minister to Perth, Alice Springs, Canberra, Melbourne, Sydney and Brisbane.

The British Offer

2. Although Mrs Thatcher had visited Australia four times previously, this was the first substantial official visit by a British Prime Minister since 1957. That fact speaks volumes. In the three intervening decades the British/Australian relationship had declined to a point where senior Australians could openly describe Britain as "irrelevant". The Prime Minister used all the opportunities the visit presented to argue the case for a revived relationship. Privately and publicly she explained that while for reasons of history and self-interest the two countries had necessarily come to concentrate on their own immediate regions - Europe and the Pacific - there were still important bonds including those of trade, family and personal connexions, which linked us. Our own failure to think of Australia as a nation, "and not just a piece of Britain transposed to the other

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side of the world", had constrained the relationship. But the mood of national self-confidence, so evident in Australia this bicentenary year, and the equally striking resurgence of Britain's spirit, provided a good basis for overcoming the inhibitions of the past. We each had our regional interests but we shared wider and deeper interests too - in extending democracy, in removing restrictions to free trade, in strong defences against totalitarianism and in the soundness of the world economy. The Prime Minister looked to a future in which Britain and Australia "will each have its independent policies and priorities, but should be constantly looking to see what we can achieve together."

3. The fullest presentation of this offer of a closer and more modern relationship was made in the Prime Minister's major speech to the National Press Club in Canberra on 3 August. But from the first interviews she gave to Australian journalists before leaving London to her last speeches and interviews in Brisbane Mrs Thatcher set out the case. Many thousands of Australians have now heard her speak of the vibrant and confident nationalism of their country and Britain's wish to do business with it.

The Australian Response

4. The question, when the visit began, was how the Australians would respond. Would they recognise the language and the sentiment as new and commendable? Would they see an Australian interest in moving down the path proposed? Or would the old inhibitions about Britain prevent them, and in particular the Federal Labor Government, from responding positively? The Labor Premier of Western Australia, the first port of call, said straight away that he wished to respond to the challenge of a new economic relationship. The Labor Premier of Victoria said publicly that "The future holds a very different relationship - a much more dynamic and creative one and, I should hope, a mutually rewarding one. We want to do business". The Liberal (Conservative) Premier of New South Wales and the National (Conservative) Premier of Queensland were even more enthusiastic in their support for closer links of all kinds.

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5. - The response of the Federal Government was impressive. Mr Hawke's speech at his official lunch for the Prime Minister on 3 August was the most pro-British statement anyone can recall him making; he could have met the requirements of the occasion without being anything like so effusive. He had earlier accepted the Prime Minister's invitation to pay an official visit to Britain next year, accompanied by a number of his Ministers. Mrs Thatcher had made it clear that she envisaged a substantial visit with full scope for bilateral talks and perhaps a conference on Anglo/Australian trade and other events. The details still have to be arranged but we now have an excellent opportunity to re-examine all aspects of the relationship and to find ways of strengthening British interest in Australia, just as the Australians will be working to promote Australian interests in Britain.

The Official Talks

6. It became apparent during the visit that both sides see a number of practical advantages in a revived relationship. The Prime Minister emphasised Australia's strategic importance to Britain as a friendly, like-minded country situated in the fast-growing development area of the Pacific Rim and well-placed to preserve stability and advance democracy in the Pacific. In the official talks in Canberra the Australian government showed great interest in the Prime Minister's account of the Europe of 1992 and its significance for the Community's trading partners, clearly seeing Britain as the best channel for Australian trade with, and investment in, the European Community. They were reassured by the Prime Minister's determination that 1992 should not mean the erection of new barriers to external trade and her assessment that the Single Market should provide opportunities for Australia to increase its trade with Europe. The Australians also went out of their way to express appreciation of British efforts to reduce agricultural protectionism and both sides registered a convergence of interests in the Uruguay Round and the success of the mid-term meeting in Montreal in December.

7. The other major subject raised in the official talks was that of East/West relations where positions were broadly similar. Mr Hawke paid tribute to the Prime Minister's early recognition of the

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potential of Mr Gorbachev and shared her view that one could do business with him. But he also argued for caution and scepticism until we saw that Gorbachev's words were matched by deeds, expressing doubt as to whether in the end Gorbachev would be successful. This was more prudent language about the Soviet Union than we have heard from Mr Hawke of late, a prudence which will perhaps have been reinforced by Mrs Thatcher's comments in reply and her appearance at the National Press Club on 3 August when she warned against relaxation of defences against the Soviet Union and, in answer to a question, urged that Australia should examine very carefully the implications of the fishing agreement with the Russians which it is currently considering.

8. An earlier tete-a-tete meeting between the two Prime Ministers had touched on the situation in Vanuatu, Papua New Guinea, Fiji and Malaysia and had also dealt with outstanding bilateral issues. On the possible uprating of pensions paid to British pensioners in Australia Mrs Thatcher said that if she saw any possibility of a change in the situation she would let Mr Hawke know (and she later told a press conference that it was possible that a new reciprocal agreement would be reached). Mr Hawke emphasised that there was a very strong wish in Australia to obtain from our archives one of the two originals of the Constitution Act, Australia's basic constitutional document. The Prime Minister explained the difficulties but said she would investigate further on her return whether there was any way in which the Australian government could hold an original copy while it technically remained part of our archives. Mr Hawke sought the Prime Minister's support for the candidature of Mr Malcolm Fraser as the next Commonwealth Secretary-General and Mrs Thatcher was non-committal in her response. There was no reference to the question of clearing up the Maralinga ranges, on which studies are still proceeding.

9. More interestingly, Mr Hawke did not raise the question of South Africa where the issue of sanctions has on previous occasions divided the two Prime Ministers. He doubtless assumed that there was no chance of moving Mrs Thatcher and therefore no point in discussing it. Later, at two press conferences, questions gave Mrs Thatcher the opportunity of spelling out the case against sanctions with much more clarity and conviction than the Australian audience is used to.

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Commercial Questions

10. I believe that the Prime Minister was impressed by the current extent, and potential strength, of our commercial interests in this country. Her first act on arriving in Australia was to open a turbine blade factory, a joint venture between Rolls-Royce and an Australian partner. She then held a private meeting with Western Australian businessmen. In each state she visited she discussed the commercial prospects with its Premier. In Sydney Mrs Thatcher gave a lunch for some 20 leading Australian businessmen and exchanged views with them about the British and Australian economies. She also opened an exhibition of the Wellcome Foundation. Nor were defence sales neglected. The Prime Minister told the Federal Defence Minister (Mr Beazley) in her first hour here that she wanted the British defence industry to perform better in Australia. When in Sydney she visited the submarine training facilities of the Royal Australian Navy and gave particular attention to a new Ferranti simulator. I am most grateful to Mr Thatcher for undertaking a separate visit to Plesseys in Canberra where he heard about their important Raven contract to provide the Australian Army with a battlefield radio communications system.

The Melbourne Demonstration

11. The Prime Minister's visit to Melbourne was marred by a demonstration for which the Victorian police had made inadequate preparations. A walkabout had been planned in a pedestrian mall and shopping arcade in central Melbourne. Gay and Lesbian rights activists and some apparent supporters of the IRA managed, because of the insufficient police presence and the absence of barricades, to turn the walkabout into a noisy, physically unpleasant and tense affair. It is still hard to understand how it can have happened. The intention of these groups to demonstrate had been known to the Victorian police, and to us, for some days but the police had reassured us on more than one occasion that they were confident that they had things under control and no suggestion was made that the walkabout should be cancelled on security grounds. The demeanour of the Prime Minister and Mr Thatcher won everyone's praise, and fortunately neither they nor anyone of the party were hurt in the crush. But it was an experience to which they

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should never have been exposed. Attempts at repeat performances by similar groups of demonstrators in Sydney and Brisbane were competently handled by the police and therefore made little impact. But inevitably the Melbourne incident tended to dominate the attention of the British and Australian media for a time, and questions about it pursued the Prime Minister during her remaining media interviews, at least until she announced firmly, and in my view generously, to a press conference in Brisbane on 5 August that she had no complaints about the security arrangements for her visit.

The Australian Media

12. The Australian media are notorious for their low standards of journalism, their scurrilousness, triviality and bias. Even the Prime Minister has not yet conquered them. But it was fascinating to observe the development of their coverage during the week. In the first days the mixture was one of snide comment, half-baked and out-of-date ideas about Britain and grudging admiration of the Prime Minister. At the end of the week Australia's most serious newspaper, the "Financial Review", produced a major and favourable article entitled "She's got it all down to a T." The almost equally prestigious "Australian" gave similar space to an article entitled "Maggie the Master...and what the British want from Australia." Melbourne's leading paper, "The Age", produced a long verbatim interview with the Prime Minister. But perhaps most satisfyingly of all was the comment column of "The Australian" on 8 August which, most unusually, assessed the performance of the Australian media during Mrs Thatcher's visit, expressed much sharp but accurate criticism of them and concluded: "It is time our media stars began to exhibit the same high professional standards which they expect from others."

Brisbane

13. I cannot, in the space of this despatch, describe all the events of the Prime Minister's visits to the four Australian States. But it is worth dwelling on the final full day (5 August) in Queensland partly because the media did not give it anything like so much prominence as the unfortunate 35 minutes in Melbourne, partly because it was a day eloquent in its affection for Britain and rich in its

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symbols of the British/Australian relationship, present and future.

14. The Prime Minister formally opened British Day at EXPO with a fine and enthusiastically received speech on the role of technology in promoting achievement and fulfillment. She then toured the British pavilion which, despite its modest size, remains one of the most popular on the site. After other engagements she went on board "Young Endeavour", the sail-training ship which was Britain's bicentennial gift to Australia, and sailed for a short time on the Brisbane river, talking to the Australian officers and the young Australian boys and girls who make up the present crew. At a reception given later by the Queensland Premier Mrs Thatcher disposed of her prepared text and delivered a moving impromptu speech (the last and eighth of her tour) about the nature and future of Queensland and the bilateral relationship. She then returned to the EXPO site to attend part of a re-enactment of the "Last Night of the Proms" at which between seven and ten thousand people enthusiastically waved Union Jacks and sang "Rule Britannia", "Land of Hope and Glory" and much more besides. Then to the last two acts of Swan Lake, danced by the Royal Ballet in Brisbane's magnificent new theatre, and finally to a further reception. All day the Prime Minister was surrounded by excited, applauding crowds. Many thousands of people were that day made more conscious of the new Britain with its confident and successful leadership, its advanced technology, its creative dynamism, its cultural excellence, its tradition of greatness and its vision of a modern relationship with Australia.

Conclusion

15. The visit achieved much more than I expected. This is not an easy country for a British visitor. The barriers created by past resentments and inhibitions are strong. The average Australian is a sceptical, down-to-earth chap, usually not much moved by grand ideas or emotional speeches, a famous cutter-down of tall poppies, an unpromising target for practitioners of "conviction politics". But there were some important shifts of attitude on this occasion. Few could have expected the Australian Prime Minister to speak so warmly of the British connexion as he did in the new Parliament House on

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3 August and to say, as he did in conclusion:

"The basic understanding between us - the firm friendship, the common traditions, the shared values which form the very basis of our nationhood, the strong and abiding links of kinship and the coincidence of many of our real international interests now and in the future - all of these will stand us in good stead as we prepare to enter the third century of a relationship characterised by maturity, dynamism and exceptional warmth."

16. Mr Hawke's most likely successor when the day comes, Paul Keating, described the Prime Minister, with his usual penchant for vulgar aptness, as a "class act". Another important Labor Minister, Kim Beazley, said in Perth that no more prestigious visitor than Mrs Thatcher could possibly be imagined. All this from a government thought by many to be anything but enamoured of Britain. A very prominent journalist, Paul Kelly, who rarely has anything to say of Britain, said of Mrs Thatcher's performance at the National Press Club and Parliament House, that she "radiated a confidence bred of political success and a sharpness, clarity and conviction rarely seen in these Australian forums." The Opposition Leader, John Howard, was of course delighted to see the Prime Minister again and assured her that her invitation to Mr Hawke to visit Britain was welcome to the Liberal Party as a strong traditional supporter of close links with Britain. The new Liberal Premier of New South Wales, Nick Greiner, found remarkable the parallels between the earliest years of Mrs Thatcher's administration and the tasks he has now set himself in Australia's most important state.

17. But I shall end on a note of caution. The opportunity for establishing a closer and more productive relationship with Australia has been created. The framework has been established. But much of the excitement and emotion of the last week will quickly disappear. Many of the old scepticisms and doubts will probably resurface. The work of strengthening the relationship will have to be persistent and skillful if we are to succeed. Success matters because Australia is likely to be of strategic and commercial importance to Britain well

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into the next century and because, as the Prime Minister's visit showed, there is a great reservoir of goodwill here waiting to be tapped. We have got off to a very good start.

18. I am copying this despatch to the Secretary of State for Trade and Industry, the Secretary of State for Defence, Her Majesty's Representatives in Washington, Moscow, Tokyo and Jakarta, and the High Commissioners in Wellington, Singapore and Kuala Lumpur.

I am, Sir,

Yours faithfully,

A J Coles

PROGRAMME FOR PRIME MINISTER'S VISIT TO AUSTRALIA

MONDAY 1 AUGUST

- 1400 Arrive Perth (met by Mr Beazley, Federal Minister for Defence, and Mr Dowding, Premier of WA)
- 1410 Depart Airport (accompanied by Federal Minister for Defence)
- 1430 Arrive Bishop's House (met by Lord McAlpine)
- 1510 Depart Bishop's House
- 1530-1615 Open Turbine Components (Australia) factory (a Rolls-Royce joint venture)
- 1635-1700 Walkabout in City Centre (accompanied by Lord Mayor of Perth)
- 1705 Arrive Bishop's House
- 1715-1800 Meeting with prominent Western Australians at Bishop's House
- 1910 Depart Bishop's House
- 1915 Received by Premier of WA at Parmelie Hilton
- 1930 Pre-dinner drinks
- 2000-2200 Official dinner offered by State Government
- 2205 Depart Parmelia Hilton
- 2210 Arrive Bishop's House

TUESDAY 2 AUGUST

- 0705 Depart Bishop's House
- 0725 Arrive Airport (farewelled by Premier of WA)
- 0730 Depart Perth
- 1145 Arrive Alice Springs
- 1150 Depart Airport
- 1205 Visit School of the Air (broadcast to school children followed by questions from them, presentation of gift to School of the Air)
- 1245 Depart School of the Air

- 1250 Visit Royal Flying Doctor Service Communications Centre (presentation of gift to Royal Flying Doctor Service)
- 1315 Depart Royal Flying Doctor Service Communications Centre
- 1330-1340 Visit Royal Flying Doctor Service Airbase (at Alice Springs Airport)
- 1345 Depart Alice Springs
- 1710 Arrive Canberra (RAAF Fairbairn): met by Prime Minister and Mrs Hawke
- 1715 Depart RAAF Fairbairn
- 1730 Arrive High Commissioner's Residence
- 1840 Meet High Commission staff at Residence
- 1900 Depart Residence
- 1910 Received by Governor-General at Government House
- 1920 Prime Minister and Mrs Hawke arrive
- 1930 Receive guests
- 2000 Official dinner offered by Governor-General
- 2230 Depart Government House
- 2240 Arrive Residence

WEDNESDAY 3 AUGUST

- 0815 Depart Residence
- 0825-0835 Visit Australian War Memorial (to lay wreath and sign visitors' book)
- 0845 Ceremonial welcome at New Parliament House (including Guard of Honour)
- 0900 Walk with Prime Minister Hawke to his office
- 0920-1050 Meeting with Mr Hawke (Private meeting, signature of UK/Australian Drug Trafficking Agreement and expanded meeting)
- 1055-1120 Call on Leader of the Opposition

1055 Depart New Parliament House
 1130 Arrive National Press Club
 1200-1245 Speech and Question/Answer session
 1248 Depart National Press Club
 1253 Arrive New Parliament House
 for
 1300-1430 Lunch offered by Mr Hawke
 1435 Depart New Parliament House (accompanied by Mr Hawke)
 1450 Arrive RAAF Fairbairn (farewelled by Prime Minister
 and Mrs Hawke)
 1455 Depart Canberra
 1605 Arrive Melbourne (met by Mr Cain, Premier of Victoria)
 1610 Depart Airport
 1630-1700 Visit Walter and Eliza Hall Institute of Medical Research
 1710-1735 Walkabout in City Centre (Bourke Street Mall, The Walk
 Arcade and The Body Shop, Little Collins Street)
 1745 Arrive Hilton Hotel
 1915 Depart Hotel
 1920 Received by Premier of Victoria at Arts Centre
 1930-2200 Official dinner offered by State Government
 2205 Depart Arts Centre
 2210 Arrive Hotel

THURSDAY 4 AUGUST

0825 Depart Hotel
 0840 Visit Hawker de Havilland factory
 0925 Depart for Airport
 0955 Arrive Airport (farewelled by Premier of Victoria)
 1000 Depart Melbourne
 1120 Arrive Sydney (met by Mr Greiner, Premier of NSW)
 1125 Depart Airport
 1145-1225 Meeting with Premier of NSW at State Office Block
 1230 Arrive Inter-Continental Hotel

1300 Prime Minister hosts lunch for prominent Australian businessmen at Hotel

1430 Depart Hotel

1450-1535 Visit HMAS Watson (Submarine Team Trainer, Submarine Warfare Systems Centre, meet RN personnel and visit Chapel)

1540 Depart by boat from Watson's Bay for Darling Harbour (accompanied by Premier of NSW)

1610-1625 Walk through Darling Harbour to cars

1630-1705 Visit Powerhouse Museum (including opening of Wellcome Exhibition)

1715 Arrive Hotel

1955 Depart Hotel

2000 Received by Premier of NSW at Regent Hotel

2015-2145 Official dinner offered by State Government

2150 Depart Regent Hotel

2155 Arrive Inter-Continental Hotel

FRIDAY 5 AUGUST

0705 Depart Hotel

0725 Arrive Airport (farewelled by Premier of NSW)

0730 Depart Sydney

0900 Arrive Brisbane (met by Mr Ahern, Premier of Queensland, and Lord Mayor of Brisbane)

0905 Depart Airport

0925 Arrive Sheraton Hotel

0955 Depart Hotel

1005-1020 Calls on Sir Edward Williams, Commissioner-General, World Expo 88, and Mr Bob Minnikin, General Manager, Expo Authority, at Expo House

1030-1110 British Day Opening Ceremony at Amphitheatre: Fanfare, introductions, anthems and flag-raising followed by speeches from:

- General Manager, Expo Authority
- Commissioner-General, World Expo
- Premier of Queensland
- Senator Graham Richardson, Federal Minister for the Arts, Sport, the Environment, Tourism and Territories
- Prime Minister

1055-1155 Visit British Pavilion
 1200 Arrive Australian Pavilion
 for
 1210 Official lunch offered by Commissioner-General,
 World Expo 88
 1340-1415 Tour of Australian Pavilion
 1420-1450 Visit Queensland Pavilion
 1500-1615 Final press conference at Expo Media Centre
 followed by interviews with British media
 1625-1700 Visit to Young Endeavour at Riverside Centre, followed
 by cruise on Brisbane River (Mr Arthur Weller,
 Chairman of Britain Australia Bicentennial Schooner
 Trust, presents special photograph album; Prime
 Minister presents gift to Royal Australian Navy)
 1705 Arrive Hotel
 1830 Depart Hotel
 1840 Received by Premier of Queensland at Parliament House
 1850-2000 Official reception offered by State Government
 2015-2050 Attend part of "Last Night of Proms" at River Stage,
 Expo 88
 2105-2215 Attend part of Royal Ballet performance of "Swan Lake"
 later Attend High Commissioner's reception for Royal Ballet
 cast and others at Lyric Theatre Balcony, Performing
 Arts Complex

SATURDAY 6 AUGUST

0805 Depart Hotel
 0825 Arrive Airport (farewelled by Federal Minister,
 Premier of Queensland and Lord Mayor of Brisbane)
 0830 Depart Brisbane