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FM WASHINGTON
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INFO PRIORITY CANBERRA, WELLINGTON, UKREP BRUSSELS

NO. 10 DOWNING ST.
(3 COPIES)

IMMEDIATE

VISIT BY PRIME MINISTER OF AUSTRALIA
SUMMARY

1. HIGHLY SUCCESSFUL VISIT. HAWKE GOT WHAT HE WANTED ON AGRICULTURAL ISSUES, MADE SUPPORTIVE NOISES ON LIBYA, AND SHARED US FRUSTRATION OVER NEW ZEALAND SHIPS VISITS.

DETAIL

2. IN HIS TWO DAYS HERE, MR HAWKE MET THE PRESIDENT, VICE-PRESIDENT, AND AGRICULTURE SECRETARY LYNG, HAD TETE-A-TETE TALKS (AND GOLF) WITH SHULTZ, AND SEVERAL SESSIONS WITH CONGRESSMEN. STATE AND THE AUSTRALIAN EMBASSY TELL US THAT THE VISIT WENT EXCEPTIONALLY WELL, AND THIS IS REFLECTED IN THE FULSOME TONE OF STATEMENTS AT THE WHITE HOUSE (COPIES BY BAG).

3. DISCUSSION ON NEW ZEALAND SHIPS VISITS REPORTED SEPARATELY. OTHER MAIN POINTS AS FOLLOWS :

AGRICULTURE

MR HAWKE SAID PUBLICLY THAT THE MAIN PURPOSE OF THE VISIT WAS TO DISCUSS AGRICULTURAL PROBLEMS. HIS FIRST MEETING WAS WITH LYNG WHERE, AFTER SOME HARD BARGAINING, HE SECURED THE ASSURANCES HE WANTED ON THE OPERATION OF THE US EXPORT ENHANCEMENT PROGRAMME (EEP). AS REPORTED IN CANBERRA TELNO 257, HE ANNOUNCED THE RESULT IN HIS STATEMENT ON THE WHITE HOUSE LAWN (IN A PASSAGE AGREED WITH LYNG) : QUOTE

I WAS ENCOURAGED TO HAVE YOUR REASSURANCE, MR PRESIDENT, THAT THE EEP WILL CONTINUE ON A TARGETTED BASIS, AIMED ESSENTIALLY AT MARKETS OF SUBSIDISING EXPORTERS, AND THAT YOU WILL CONTINUE TO ENCOURAGE EEC RECIPIENTS TO MAINTAIN THEIR NORMAL LEVEL OF IMPORTS FROM TRADITIONAL NON-SUBSIDISING SUPPLIERS UNQUOTE. MR HAWKE ALSO OBTAINED, AND ANNOUNCED, ASSURANCES THAT THE IMPLEMENTATION OF THE FARM ACT WOULD BE HANDLED SO AS TO MINIMISE DISRUPTION IN AUSTRALIA'S MARKETS FOR BEEF AND DAIRY PRODUCE ; AND THAT AGRICULTURE SHOULD BE INCLUDED AS A KEY AREA IN THE NEW MTN ROUND.

LIBYA

5. MR HAWKE ONLY REFERRED IN PASSING AT HIS MEETING WITH THE PRESIDENT TO HIS IDEA OF AN INTERMEDIARY BETWEEN THE US AND LIBYA (CANBERRA TELNO 248). THE PRESIDENT DID NOT RESPOND DIRECTLY. THE ADMINISTRATION WERE GRATEFUL FOR MR HAWKE'S SUPPORTIVE COMMENTS IN HIS WHITE HOUSE STATEMENT (QUOTE WE ARE

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AT ONE 'IN OUR DETERMINATION TO SEE AN END TO THE SCOURGE OF INTERNATIONAL TERRORISM, AND THEREFORE CONDEMN UNEQUIVOCALLY LIBYA'S ROLE IN DIRECTING, EXPORTING AND SUPPORTING SUCH ACTIVITIES UNQUOTE.)

OTHER ISSUES

6. ON SOUTHERN AFRICA, MR HAWKE ASKED FOR THE PRESIDENT'S SUPPORT FOR COMGEP. THE PRESIDENT SAID THAT THE US FULLY SUPPORTED THEIR EFFORTS. THERE WERE ALSO BRIEF EXCHANGES ON ARMS CONTROL AND SPNWFZ, ON WHICH THE US LINE WAS THAT THE MATTER REMAINS UNDER CONSIDERATION.

7. THE NEXT MAJOR EVENT WILL BE THE US/AUSTRALIA MINISTERIAL MEETING IN SAN FRANCISCO ON 11/12 AUGUST (TAKING THE PLACE OF THE ANZUS MINISTERIAL). SHULTZ IS EXPECTED TO ATTEND.

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