



cc: FCO

*Australia*

10 DOWNING STREET

THE PRIME MINISTER

23 March 1981

Dear Premier,

Thank you for your letter of 3 March. I am most grateful to you for taking the trouble to write to me on this matter, and for the continuing concern your letter shows for good relations between South Australia and the UK.

Even taking into account your generous offer of financial assistance, I am afraid that it is just not possible for us, at the moment, to consider re-opening our career office in Adelaide. We have, as you know, had to make many cuts in a wide range of government functions, and this included the closure of a variety of Diplomatic Service posts. None of these closures was made without considerable regret, but all of them were necessary. We in Britain must concentrate on putting the British economy back on its feet. Bringing public expenditure under tight control is a necessary part of this.

Meanwhile, I have looked in some detail into the problems you describe. Our posts in Canberra and Melbourne are under instructions to pay close attention to South Australia. I understand that officers from Melbourne pay, at the moment, an average of one visit a fortnight to South Australia, and of course there is a great deal of telephone contact. Sir John Mason is also, I believe, due to visit you at the beginning of May and again in August; he was a speaker at the Royal Adelaide

/ Agricultural



Agricultural Show last year, where he will be represented again this year. I think also that we have been very lucky to secure the services of an excellent man, in Mr. Schmidt, to be our local representative. He does a good job for us.

On this basis, therefore, I believe that we can clearly be seen to be continuing to take a close interest in your State, reflecting the importance which it has for Britain in a variety of fields. I hope that we are not only being seen to do so, but also that we are in fact keeping in close touch with events in South Australia, and not missing any opportunities, commercial or otherwise, for Britain! In this we are greatly helped by the cooperation of your government. Is there anything more which you feel we could usefully do, given our constraints? Have there been any particular cases in which you feel our contact has been inadequate?

I am sorry that my own commitments will make it impossible for me to see you on this visit to the UK. However, you may wish to discuss the matter further with Sir John Mason. I believe you are seeing Peter Carrington on 25 March, and lunching with Peter Blaker on 26 March. Both will be pleased to talk to you about this. They share my view that UK-South Australia relations are important, to both our governments, and my anxiety to further those relations.

Yours sincerely,

(sgd) Margaret Thatcher

The Hon. David Tonkin