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CONVERSATION BETWEEN THE PRIME MINISTER AND THE PRIME MINISTER OF AUSTRALIA, MR. MALCOLM FRASER, ON 1 MAY 1980

PM: Hello, Malcolm, good morning.

PRIME MINISTER'S

Mr. Fraser: How are you?

PERSONAL MESSAGE

SERIAL No. TAA/80

PM: Oh, I was about to say good morning, it's good evening, isn't it. I'm fine. And you

Mr. Fraser: Oh, fine thank you. Thank you for the conversation yesterday.

PM: I just hope it was all warmly received in Australia.

Mr. Fraser: Yes, I'm sure it was. Have you had my letter?

PM: Yes, I've got your letter, I've got it in front of me. Can I just give you a quick reaction? First, we were very very pleased to receive it because we've all been just a little bit worried but we think because we were a little bit worried that there are quite a certain number of things already going on. We met in Luxembourg as you know, both the Nine Heads of Government and Nine Foreign Ministers of Europe and had a discussion. But within that there's Giscard, Helmut Schmidt and myself plus the three Foreign Ministers, Peter and the other two. We all met separately to discuss these matters and at that meeting we discussed the invitation that Helmut Schmidt had received from Moscow. He's not finally mind up his mind as yet but if he goes he will go soon after the Venice meeting in June and before, probably before the Olympics. But he's still considering that. Because one never knows what's going to blow up next. We felt that in view of the other things going on which I will tell you about, the time wasn't quite right for a Summit yet and indeed, well, we didn't take any decision about whether there should be one. After last weekend Peter Carrington is going to Washington this weekend and of course will see Muskie. Whether he'll see President Carter or not I don't know. On the 14th of May there's a NATO meeting which has been extended to include Foreign Ministers as well as Defence Ministers. On the 15th May there's the 25th Anniversary of the Austrian Treaty in Vienna at which there will be present the Foreign Ministers from the United States, Russia, France,

ourselves, and Germany has been asked. And on the 17th of May the Foreign Ministers of Europe meet again. So we think that that is quite a lot going on at the moment. And that really we could consult again after we've more information, particularly from Peter's visit this coming weekend. What we all felt, on a little side meeting at Luxembourg, was that any Summit, we would have to know exactly what we wanted to get out of it. It would have to be prepared extremely carefully because as you realise, once it was announced there was going to be one there would be enormous expectations, possibly it could be used as a certain amount of criticism of the United States which we wouldn't want at the moment in any way. But with all of those things going on and we'll obviously try to, let you, keep^{you}/informed about what's been happening, I think we're very very grateful for the suggestion but I think we ought to wait just a little while.

Mr. Fraser: I can understand that and I'm very glad to know that it is being taken with that kind of seriousness, that those consultations are proceeding. I think that, obviously if there is to be a Summit of the big four the preparation would have to be very very careful and well worked through. But I'm sure it could be done in a way that is supportive rather than critical. One of the things that concerns me is, maybe only implied in my own letter, was that while Europe has taken a number of actions to demonstrate total solidarity with the United States, there are many people who would have much more confidence in the totality of the strategies that are pursued by all of us and the things that we'll all be asked to do at different points to support whatever strategy is adopted. If we know that the three major countries of Europe have also been very much involved in the working out of those strategies and you know you will understand what I'm saying in relation to that. It's sort of world leadership that the United States has to give.

PM: Yes, I understand all that without your having to spell it out because we are on an open line. In addition to May we are already preparing, both ourselves and our Continental friends, very careful papers for the June meeting in Venice. As you know there are two, we shall meet again, the Europeans, all within six weeks of our Venice meeting. We're preparing papers very carefully so that the Economic Summit which takes place later in Venice is not confined

to economics but has just the discussion of that kind of strategy very much in the forefront of our minds. And we are preparing papers very carefully on that basis and of course Peter's consultations with the United States and with NATO and the others will help. And obviously if you have a particular input it would be, we'd be delighted.

Mr. Fraser: Well, at the moment you know we've got no specific proposals to adopt except the ones that are obvious. But what we were interested in and it's obvious that you're, what you've already done has taken a long way.

PM: I think we are all of one mind really.

Mr. Fraser: Yes. You know the mechanism to get a jointly devised and united strategy is, that was the one thing in my view which could have been lacking ...

PM: It's a big thing that matters. It's the one big thing that matters now.

Mr. Fraser: Yes. Because without it the dangers of some sort of, you know, appearance of a breach in the Alliance is a real possibility ...

PM: I think it matters even more because we're in a United States election period. But we are doing that, we are doing it extremely carefully with a view to the Venice so-called economic summit but it won't be and we have all these other contacts, Malcolm, and we will keep you very much in touch.

Mr. Fraser: Oh, well I appreciate that very much because you know we sometimes might appear distant and there is a very real concern.

PM: But it's a global strategy we need. We do very much so.

Mr. Fraser: Well Margaret thank you very much.

PM: No, thank you very much and thank you for letting us have that letter and those thoughts. You'll want us to reply formally .

I will of course reply formally. And let you ..

Mr. Fraser: There's no need to, no.

PM: Well perhaps I can let you know formally all what's happening on those various dates.

Mr. Fraser: All right. Fine

PM: Thank you. Goodbye.