



PRIME MINISTER

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JOURNALIST: Prime Minister, the New Zealand Rugby Union team is going to South Africa.

PM: Yes.

JOURNALIST: Do you have any comment on that.

PM: I think it's very sad. I applauded in the Parliament yesterday the attempts by Mr Lange to dissuade the New Zealand Rugby Union from that course of action. I regret that they have not seen fit to accede to his strong advice in this respect. In my conversations with Mr Lange today I expressed the hope that the decision would be the other way. I can't understand how those responsible for the administration of the code there can do something which is going to cause very very considerable dissension within New Zealand itself and possibly cause repercussions, adverse repercussions, for them in other fields where they seek to compete internationally with other nations, quite apart, of course, from the basic question of principle that they can be giving aid and comfort to a racist regime like that.

JOURNALIST: In view of the decision by the New Zealand Rugby do you think that Australia should play rugby with New Zealand as planned, I think, in June or July.

PM: Well, we'd have to give consideration to that and to see whether in these circumstances that would involve an infringement of either the letter of the spirit of the Gleneagles Agreement. We'll have a look at that.

JOURNALIST: Prime Minister will you allow the All-Blacks people to transit in Australia.

PM: We'll have to give consideration to that Laurie. Obviously, by definition, the matter hasn't arisen until just an hour or so ago. We'll give consideration ...

JOURNALIST: Presumably Prime Minister this strengthens those in the Australian cricket community who believe that touring South Africa is acceptable.

PM: Well I don't know whether it would strengthen them or not. I'd just like to say a couple of things that. You know I gave an answer in the Parliament yesterday. If it is the case that these offers have been made I would certainly express the renewed hope that those involved should not take any comfort or support from the decision of the New Zealand Rugby Union. Another point I want to make on it - I notice in reading about the rumours, there's some suggestion that the players who would accept would be beneficiaries of a very considerable amount of money because it is said the contracts have been signed in a third country and negotiated in a way which would avoid the payment of the income tax in Australia. Can I just say this to those who may be contemplating this offer, because it's been made, that the Australian Tax Office will be looking extraordinarily closely at any arrangements with a view to ensuring that tax to be paid in Australia in that can at all possibly can be done they should not be contemplating the acceptance of any such offer if they are on the basis that there will be any slackness as far as the Australian Taxation authorities are concerned.

JOURNALIST: (Inaudible)

PM: Well, I would hope that under the existing legislation there would be sufficient powers, but we'll be looking at it.

JOURNALIST: Sir, if the tour does take place would you be prepared to take action to prevent it, such as by cancelling passports or refusing to issue passports ...

PM: Well, I think you know the way I always operate. I don't like to go down the path unnecessarily. And I indeed expect that as a result of the actions within the cricket community itself that if there is something in fact nipped here, it can be nipped in the bud. If against all the policy of the Cricket Board and of the Government, which I repeat has been so overwhelmingly supported by sportsmen and women and organised sporting bodies in Australia, if a few cricketers decided to put themselves beyond the pale, then we would have to look at that. But I'm not going to hypothesise on that at this stage.

JOURNALIST: Mr Hawke on a different subject, are you attracted to the idea of changing the world parity pricing policy to offset the inflation ... devaluation.

PM: Michelle, I never cease to admire your tenacity in seeking to get me to debate my clear rules in these conferences. That's a matter that will be discussed in the Cabinet shortly and that's where I'll put my point of view.

JOURNALIST: ... the Queensland power dispute - you claim that the Premier has deliberately brought about this national blockade is an extremely serious charge.

PM: Well the Queensland economy is in a very serious state. Those figures which I read out to the Parliament today are a devastating indictment of the Queensland Government and the Queensland Premier - gross economic mismanagement, which is dragging that State down and down. I would think that the Queensland Government and its Premier wouldn't like the spotlight to be on their own abysmal incompetence as demonstrated. And this could be a very handy diversion. But I would just go back to the basic point that I made again in the Parliament - the sensible thing to do is to sit down and talk. It won't be resolved in any other way.

JOURNALIST: Well what can you do now that Sir Joh has rejected your invitation.

PM: Well I suppose wait for good sense to emerge. It's a fairly slow process up there.

JOURNALIST: Are you attracted to the idea of Federal legislation of some kind to override aspects of Queensland's ...

PM: I'm not attracted to it.

JOURNALIST: Would you consider it.

PM: Well again we're in the hypothetical area. I don't want to complicate the situation. I've gone as far as saying I'm not attracted to the idea and I maintain the hope that better sense will prevail up there.

JOURNALIST: The reality is, sir, that you can't really do very much can you?

PM: Well I've been involved in industrial relations for a fairly long time and probably know as much about it as most people in the country and I can recall on many occasions it being said there's nothing you can do. There's no industrial dispute in the history of this country that hasn't been settled. The sensible thing to realise, if you are concerned with the interests of the people, is that it's better to settle them early by negotiation than making an enormous number of people suffer needlessly.

JOURNALIST: This is hardly just an industrial dispute though, it's more political than industrial.

PM: Well I think obviously, Gary, there are political elements to it. I mean I've made the point that I think there's a large diversionary element in it. But there would have been political elements in other disputes too, so it doesn't really take away from the basic truth of the proposition I make.

JOURNALIST: Senator Macklin's Bill, one-vote-one-value - when will you be deciding your approach to that.

PM: Cabinet will consider that shortly.

JOURNALIST: Prime Minister was there any sort of breakthrough on Kampuchea as a result of your talks with the Chinese and, if so, can you tell us what ...

PM: It wouldn't be right to say a breakthrough, no. But what we really did together - I had some initial talks with the General Secretary and then I had Bill Hayden in with us. And what we really did together was to expose our thinking. Bill explained to the General Secretary the discussions that he'd had with the Vietnamese and the Kampuchean Prime Minister. And I think it is fair to say this - that we established that we had identical objectives. And those objectives quite clearly are that we wished to see the emergence of an independent Kampuchea which would be able to resume contact in all fields - economically, socially and politically - with its neighbours in the region. And that to achieve that situation there needed to be a total withdrawal of the Vietnamese forces. The Chinese leadership made it clear that, and let me say this is not entirely new ground but a clarification, that they would be prepared to enter into dialogue when there was a statement of the intention to totally withdraw and the commencement of the actual withdrawal - a real withdrawal and not the withdrawal of some replaced by others which has happened in the past - that if there was the statement and the real beginning of a withdrawal they would be prepared to enter into dialogue on this matter. Mr Hu Yaobang repeated again, and he had said this to me when I met him last year, that the Chinese were not looking to the emergence of a Kampuchea ruled by the Khmer Rouge - that what China wanted to see was a Government of coalition under the leadership of Sihanouk. The Chinese leadership expressed their satisfaction with gratitude for the work that Australia had been doing in seeking to open up the possibilities of dialogue in this area. And, as distinct from some suggestions that appeared to be in some press reports from overseas earlier, there is no suggestion of a perception on the part of Hu Yaobang that he saw some differences between Bill Hayden and myself. He indeed congratulated Mr Hayden on the outstanding work that he'd been doing.

JOURNALIST: Mr Hawke, on tax reform, do you think it's practical to talk about substantial reforms of the tax system without some form of broadly based indirect tax.

PM: Oh, it's possible to talk about it Mike. I mean I think what you've got to do in this period is to try and examine all options that are available and there must be some option which doesn't include that. As I've said consistently, you've got to look at the balance of considerations that apply - that's economic efficiency, equity, simplicity and acceptability. Now those are all relevant criteria. And if you accept that those are relevant criteria then I think it's appropriate in the course leading up to the White Paper and then to the Summit beyond, to have a look at a variety of packages to see in that process and out of that

process whether one package rather than another is more likely to satisfy those criteria. And this process is continuing.

JOURNALIST: ... Mr Keating's view that if Cabinet Members were presented with information on economic forecasting ... that they'd probably leak.

PM: Well I just want to say two things about this. I answered a question in the Parliament on it and indicated there that I was considering the correspondence that I'd received from Bill and Paul and we'll have a look at this in Cabinet. So I don't really want to say anything more about it other than to make briefly the second point. And that is to say that I am a student of history and there is some, let me say, precedent for disclosing it.

JOURNALIST: Prime Minister, could I just return to Queensland for moment ... having seen the way in which conceptions and misconceptions about the Australian politics can feed into the exchange rate, aren't you at all concerned that the seemingly fatalistic conceptions of the governments and the ACTU ... industrial tactics might create the impression abroad that we have a government that is soft on industrial anarchy?

PM: No, because I still take the view Max that there is an element of rationality in the markets here and overseas and all they have to do is to look at the record of this Government in regard to industrial relations. I don't want to bore you again going into the detail, but it is the fact that under this Government's control of and approach to industrial relations this country has had the best record for 17 years. And it stands in stark contrast the policies of confrontation that operation in Qld and therefore the rational judgement to make is that it is better, you are going to have a better situation in the longer term if you don't keep on the path of confrontation. Now of course in the mean time there will be difficulties. And I deplore that fact. But you have got to have your perspectives right on this and I believe that the more rational elements of the markets will have their perspectives right. And the alternative is simple. I mean, you go back to the earlier period when you had the conservatives in government, now they attempted the rhetoric of confrontation, at times they talked about resorting beyond rhetoric to legislation. But what was their record. It was an abysmal record. So if you are looking at what happens to the level of economic performance, what happens to the impact upon economic performance of an industrial relations situation. The clear and indisputable fact is that the approach of the confrontationists hasn't worked. It has produced worse economic results. The alternative of our approach, which is not rhetoric about consensus, but it is practical discussion, negotiations produces the better economic result. And it would be entirely irrational for the market to make a judgement which was not reconcilable with the facts and with the records.

JOURNALIST: Would you have preferred a different approach by the ACTU, in specifying 51 companies?

PM: Well I am not in the business any more telling the ACTU how to run its business. We have made it clear to the ACTU that we would prefer a situation in which there wasn't industrial confrontation, industrial action and reaction, and that is why I have behind the scenes and publicly now been trying to get the Queensland Government to sit down with us and with the ACTU. It is inevitable I guess that if you have a situation where the Queensland Government, which is in this dispute on one side, says it is not going to talk, it is not going to negotiate, it is not going to discuss, human nature being what it is here, not only in this country, but around the free world, you are going to have reaction. And you don't have to be theoretical about this, you simply have to know your Australian history, know your history of other countries, and in the end, I repeat, in the end, this dispute will be resolved as a result of discussion and negotiation. That is as certain as, I won't use the phrase that has drifted into the political lexicon recently. He has actually named a horse that, that is about as successful as he is in some other respects. It is as certain as anything you like to nominate that this dispute will finally be resolved by discussion, by negotiation. The tragedy is that the Queensland Premier is determined to spread out the time before that happens and the spreading out of that time benefits no-one. It is against the interests of the people of Queensland and it is against the interests of the people of Australia. And it is ultimately against the interests of the Queensland Government and all people and all parties concerned. And that is the tragedy that he is hell bent on spreading out this spreading before ultimately there is a negotiation to settle it.

JOURNALIST: When you say the dispute will in fact be resolved, Mr Hawke, that is on the assumption that there has to be some change to Queensland laws ...?

PM: No that assumption is not necessarily correct because the matter I believe could be resolved without the repeal of the laws. I mean you can have legislation on the statute book which is not implemented. And you know that is true in the federal and in a number of state spheres. So the matter is capable of resolution without the actual repeal of the legislation.

JOURNALIST: Mr Hawke can you give us your reaction the defeat in the WA Legislative Council earlier today of the Burke Government's land rights legislation and say what your Government now intends to do about applying national uniform principles to WA?

PM: Well I regret that the attempt by the Western Australian Government to affect some improvement in this area, was defeated by interests in the Legislative Council which are not reflective of the, I think, of the view of reasonable people. That they were not concerned with dealing with this on a consideration of its

merits. It is quite clear that the Western Australian Government, although it hadn't come to, in all respects, exactly the same positions as the Commonwealth has indicated in its model approach, nevertheless addressed itself to the problems in way which had involved consultation not only with the aboriginal people but with the mining industry, the rural industry and it is interesting that the mining industry in Western Australia supported the legislation and as I understand it sought to get the Liberal Party and the others in the Legislative Council to agree. So that indicates I think the reasonable of approach of the West Australian Government. But the Liberal Party was not interested in realities, it was not interested how you could get a reconciliation of the legitimate interests of the aboriginal people and of the mining industry. That is of no concern to them. Like their colleagues here in this place, they are concerned always with political point scoring, gimmickery. The last thing on their agenda of politics is the real public interest. They are the same all over Australia, federally and there. Now, what we will do is to continue what we are doing. That is, Clyde Holding has drawn up, not a final bill, it's modelled as a basis for discussion around Australia with the states, with the aboriginal people, with mining communities, with the farming communities, and he will proceed with those discussions and when they have been taken through to an appropriate point then the Commonwealth will legislate.

JOURNALIST: Can I take you back to Mr Lange once more, and presumably you didn't only discuss rugby, can you give us a summary of what you did discuss and was there a specifically a re-iteration of each side's position on the nuclear ships question?

PM: Well we discussed a range of issues. I can't go to them all, time doesn't permit. But we did talk about that issue. I reiterated the view of the Australian Government, I didn't do it with heat or fury or venom but just calmly said well we have got our position and you have got yours, we think we are right.

JOURNALIST: And he said the same?

PM: Well he left me with the impression that he wasn't going to change his position.

JOURNALIST: Did you repeat the position I think you made in your January letter to Mr Lange that different interpretations and obligations under the treaty were I think if I remember rightly unacceptable?

PM: Well I don't recall the exact language but let me say what the thrust of that letter was and what our position is. We don't need to depend upon any letter of January or February or any other date. The position of the Australian Government is quite clear and indeed it is unequivocal. And that is that we have an alliance relationship and we believe that under that alliance relationship the capacity of the ships of the naval vessels of the

United States to visit our ports is an intrinsic element of that treaty relationship. We don't take the view that the United States can have two navies, one for the rest of the world and one for treaty partner, New Zealand. That is not consistent with any realities that are seen, in our view. Now, and we have so acted. Now, the New Zealand Government has a different view. Now they are entitled to have that. Now we have from the outset not tried internally or externally to engage in political point scoring. Again as distinct from our political opponents. Just let me remind you of the Peacock track record on this one. Last year what did he say. He said the Australian Government must bring pressure to bear upon New Zealand. It is totally unacceptable that they can have this position. Australia and the Australian Government should negotiate a new treaty with the United States and if I were there, he said, I would give the New Zealand Government 3 months, this was in October so they were given till January, and then after 3 months if they hadn't come to heel, if they hadn't responded to this hectoring and bullying then the time had come, there must be bilateral new treaty negotiated with the United States. Well as in so many things, it is just a pity that they hadn't stopped their attempt at political point scoring and thought about the issues and realised what should have been obvious to any reasonably intelligent person from day one. The United States wasn't interested in the negotiation of a new treaty. The position of the United States was identical with the position of Australia and that is that the treaty should stay in place, should be there, that if the New Zealand Government acted in a way which didn't enable the continuation of the normal operation of the treaty, then there should be discussions between the United States and Australia to ensure that leaving the treaty in place you would work out what need to be done to look after the interests of the two countries. Now that has been the consistent position of the United States and of Australia. When belatedly Mr Peacock very, very belatedly started to understand the realities of the situation, that it was nonsense to talk about the negotiation of a new treaty. He then said now the role of Australia should be to try and bring the United States and New Zealand together and of course we keep the treaty. Now you have got, you should have this role. Now it is quite clear that in this area, as in so many others, the Australian people can't pay any attention to the posturing of the Peacocks and the conservatives. What is in the interests of this country is what we have been doing from the beginning, that is a situation has been created outside our control, we had nothing to do with it, so our primary responsibility is to look after the interests, the security interests of Australia. We have done that. The relationship between Australia and the United States remains as strong as ever. It is very interesting to note, very interesting to note in the light again of the political posturing of the Peacocks and the conservatives in the House about the damage to the United States/Australian alliance. What did the Ambassador of the United States say last night in Sydney. I guess he knows a bit more about it than Mr Peacock and the conservatives. After all he is very close, personally to the President of the United

States and he is reported as saying in Sydney last night that the relationship between Australia and the United States out of these recent events is as strong, he said, perhaps stronger than it has ever been. Now there are the realities. Because the United States administration realises that what this Government is been doing from the word go is to deal with the realities. Not to politically posture, but to say now what needs to be done in a situation created by others to protect the relationship. And we have done that.

JOURNALIST: Prime Minister could you at any stage or have you expressed to Mr Lange concern that he has misrepresented Australian Government policy first in a speech and later in a magazine article in New Zealand ...

PM: You refer to the Listener article?

JOURNALIST: Yes.

PM: There has been correspondence between Mr Hayden and Mr Lange on this where Mr Hayden pointed out the error of interpretation by Mr Lange. Mr Lange graciously has accepted that he was wrong on that.

JOURNALIST: Did he apologise?

PM: We are not about the business of securing apologies. Two civilised people, Mr Lange and Mr Hayden. Mr Hayden wrote to Mr Lange and said you are wrong, proved that he was wrong. And Mr Lange in a civilised fashion said I accept.

JOURNALIST: ... clarification he called it.

PM: Well I mean I don't know. I don't mind how you describe it. The proposition that he put in the article was not accurate. Mr Hayden in a very calm letter pointed that out. It was accepted by Mr Lange. So there was no need for me today to say anything more about that.

JOURNALIST: Mr Lange has recently paraded around Africa displaying a collection of nuke-busters T-shirts. Have you any comments on that display given ...

PM: Well it may be good for the New Zealand clothing industry and the New Zealand economy. And I think, as he would, it needs all the help it can. If that opens up new markets well that's good.

JOURNALIST: Mr Hawke did you and Mr Lange discuss at any stage whatever the Chinese position might be on nuclear armed ships.

PM: Yes, we did have a discussion about that.

JOURNALIST: Were you able to enlighten Mr Lange or vice versa.

PM: I was able to enlighten Mr Lange, I think.

JOURNALIST: Could you enlighten us.

PM: I think you already have been. You had the opportunity of speaking to my dear friend Hu Yaobang and I think my dear friend Hu Yaobang made it very clear he knows what the position is, I know what the position is and I think Mr Lange now knows what the position is.

JOURNALIST: Back on Queensland ...

PM: I like this - Africa, New Zealand ...

JOURNALIST: You said that the point-scoring that's going on at the moment between the Government and the Opposition over Queensland. Do you think that might be the opportunity for some statesmanship whereby your Government uses its special relationship with the ACTU and the Opposition uses its special relationship with the Queensland Premier to ... [negotiations].

PM: Well, I've done that. I mean I haven't got a special relationship with Sir Joh and I doubt, may I say, whether Mr Peacock has. I mean you know I never disclose confidential discussions, but I'm left with the impression out of discussions with Sir Joh that he doesn't have Mr Peacock on a political pedestal. Nevertheless there may be some residual relationship there which Mr Peacock is able to either directly or vicariously take advantage of. I've done what I can do as Prime Minister of Australia. I've said the Federal Government wants to negotiate with you. I've got agreement with the ACTU that they will sit down and there is no doubt that if the three of us sat down we could settle it. Now, if you're right then there may be a role for Mr Peacock to pick up the phone to Joh and say well, look, Hawke's done the right thing, he's talked to the ACTU, they are prepared to sit down and negotiate, now I ask you to do the same thing. But you'd have to wonder on the performance of the last couple of days whether he's prepared to do that. It's a great misfortune.

JOURNALIST: ... that the Opposition has more influence with the Bjelke-Petersen Government than yourself.

PM: I mean I can't really say about that. I mean I suppose you would think they ought to but Sir Joh has been very very derogatory in many of his comments about the Opposition and I just don't know what the state of their relationship is. But prima facie you'd think that they ought to have the opportunity of doing something.

ENDS