



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, CABOOLTURE TAVERN, CABOOLTURE
27 APRIL 1989

E & OE - PROOF ONLY

JOURNALIST: Mr Hawke, can you tell us the results of your trade talks with Vice-President Quayle yesterday?

PM: The Vice-President is now very well acquainted with the facts of the adverse impact upon Australia of the operation of the Export Enhancement Program. I think he had the belief until he'd spoken to me that the Export Enhancement Program was not adversely affecting Australia, that is was something not targetted at us but particularly at the Europeans. I repeated to him what I'd had cause to say before and that is if a bullet hits you in the head it hurts just as much if it was not aimed at you as if it was aimed. I was able to give him the statistics of the very adverse impact on our wheat trade of the operation of the Export Enhancement Program. If you look at seven countries, export markets that we have which are EEP targetted, and those seven countries are China, the Soviet Union, Egypt, Iraq, Mexico, Sri Lanka and Yemen. Those seven countries have been targetted by the EEP and in those seven we've suffered a very significant loss of our exports. In the case of two of them, in major areas, in the Soviet Union a 91% reduction in our exports in the period of the EEP and in the case of China a 21% reduction in our exports. Now these sort of things are not figments of imagination, they are cold, hard and brutally hurtful economic statistics which have adversely affected our farmers, our wheat farmers. I have given those to Mr Quayle, now he knows them.

JOURNALIST: Did the Vice-President give you any assurances Prime Minister?

PM: He said well look I'm very interested in what you've told me, ... taking it on board and I think now that we'll have a voice over there which is much better acquainted than it was before with the adverse impact upon this country, an ally of the United States, than that important individual was before.

JOURNALIST: Do you think ... talking on that issue may have won you a new trade ally in Mr Quayle?

PM: In terms of the negotiations that are going on under the Uruguay Round I think we have a position as a result of Australia's leadership of the Cairns Group that the United States is going to be joining with us in the processes which are calculated to bring about a reduction through time of the subsidies and support systems which have corrupted the international system. So I think we're going to get that support but what we want to see is, consistent with that action and argument which they will produce in the international area, a consistency in what they do in their own farm bill and in associated budget measures. We will continue to put to them the need to do that.

JOURNALIST: ... raised with Vice-President Quayle and what was the upshot of discussions on that if it was raised?

PM: Of course that came up and the basic point of course was that there was recommitment by myself on behalf of Australia to ANZUS and whatever New Zealand may or may not do following from that speech of Mr Lange's in the United States, our mutual commitment, that is of the United States and Australia to the Treaty remains undiminished. One doesn't know as a matter of fact if anything additionally will flow from Mr Lange's speech. I mean I'm not here to intervene in New Zealand politics but one would have to say there is a great degree of uncertainty as to whether after the speech anything else happens.

JOURNALIST: Are you considering an election before January of next year?

PM: That's off the agenda, that's been settled.

JOURNALIST: Is there any suggestion that you could act as a broker between the US and New Zealand on this question of ANZUS?

PM: No, I've made it clear from the time that New Zealand made the decision it did to exclude United States' vessels that we disagreed with their position. New Zealand has no doubt as to what our position is. We've continued to have bilateral defence exercises and relationships with New Zealand, we'll continue to do that. So really nothing's been changed by the speech. It seems to be sitting out there in a rather aberrant fashion. The speech had some interesting things in it but no certainty that it means anything in a sense of any additional action.

JOURNALIST: ... you stole the seat of Fisher in the last election from the Opposition -

PM: Stole?

JOURNALIST: Now you've got it, -can you keep it?

PM: How do you mean 'stole'? How do you steal a seat?

JOURNALIST: Most people would suggest that this should be a National Party seat, it traditionally has been, you've got it now. Can you keep it?

PM: It's not good looking at electoral politics in Queensland in terms of history and in terms of previous predominance of the National Party. The National Party is going to be battling to survive anywhere. They are very very much a diminished force. We had the good fortune in Fisher of two things, a Government and a Prime Minister with a very good record and secondly an outstanding candidate in Michael Lavarch. Now, you talk about the next election. You'll still have the outstanding Government and Prime Minister, an even better record, but you'll have not a new candidate, Michael Lavarch, but a man who will have been a Member for one full term and who in that period has proved himself an outstandingly good and effective Member. So as far as Fisher is concerned, bye bye Nats.

JOURNALIST: Senator Button said today that he believes that the Government is walking a tightrope in regards to interest rates and the deficit. Do you agree with that?

PM: There's nothing new about that being said, whether it's by John or by anyone else. I mean it's been said many times by me and by others, you're walking that line in which you have to have a level of interest rates, a tightness of monetary policy calculated to gradually bring down the high level of activity which is bringing in an unsustainably high level of imports, but not to do that for such a period or with such intensity that you move back towards a recessionary situation. So there's nothing new in what John said. This is a question of considered, calculated and tough policy management and we've shown ourselves capable of doing that in the past and we'll continue to.

JOURNALIST: ... if an election was held now that you'd lose and if there's an election to be held some time in the near future you'll have to come from behind.

PM: I don't accept your interpretation of it. I haven't heard what he said and so I'm not going on any second hand reports. But to talk about an election now is so hypothetical as to be ridiculous.

JOURNALIST: Do you agree though you'll have to come from behind?

PM: We would win an election at the present time on the most recent polls.

JOURNALIST: Dick Woolcott has found overwhelming support for your proposal for an economic regional deal. Do you see the ministers of the relevant countries meeting later this year?

PM: On all the evidence that's available to me from the reports from Mr Woolcott which have been coming back regularly, it is the case that there is very considerable support for my initiative and it does look as though we will be able to have a ministerial meeting before the end of this year.

JOURNALIST: Mr Hawke, are you concerned that a Power's trophy you're presenting this weekend is going to infuriate liquor trade unions in Queensland and also flies in the face of State ALP resolutions?

PM: I've seen some reference to that but I thought the best comment that was made was by someone who said that if I presented the Elders Cup it didn't mean that I'd embrace John Elliott.

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