



## PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP  
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- J: Prime Minister, in the Japanese press today there are suggestions - not only in the Asian press - that without the presence of Bill Clinton, it seemed a very bad signal to just how important APEC is, and if I could add to that question, in Bogor, yourself, President Clinton and President Soeharto played a key role in the Leaders Meeting, without, you know, Mr Clinton on the weekend, is there a chance that you won't be able to stiffen the resolve...(Inaudible)...free trade?
- PM: Well, obviously, it would be better had President Clinton been able to come, and I am very disappointed that he can't come. But he has a huge fiscal crisis - a Budget crisis - on in the United States, and the Federal Government in the United States, in some parts of it, have now ceased to work for a number of days, so it is obviously a matter of great gravity for him. It is true that the President has worked with others - myself included - at now the 2 previous meetings of APEC. The big meeting was the declaration meeting of Bogor - the declaration for free trade by 2010 for the developed countries, and 2020 for developing countries, and now the Action Agenda is under discussion here in Osaka. There has been a lot of commitment by all countries to this - including the United States - and we are moving positively towards what I think will be a very substantial outcome here in Osaka. So, yes it would help if he was here, but again, the only thing that I am sure that would keep him away from here is this kind of crisis.
- J: How damaging is it to Australia that while you are here trying to promote Australian trade, you have got the waterfront effectively being shut down back home?

- PM: Well, what I'm here is trying to promote a future for Australia for the next half century - not the next 5 days. And this is what this is about - it's about Australia's integration with the economic community of the Asia-Pacific, and it is very much both a medium and a long-run thing. The dispute on the waterfront is one that's now had 2-3 years in the making. And that is, around this principle that one particular company has had a religious view that individual wage contracts are a good thing, and working under an award is not, and that they will pay more for a contract than they will pay under an award. The ACTU and the union movement want this question of no discrimination - you can at least offer working people a choice. But there is no choice - there is no choice at all - when there is much greater emoluments and salaries available under contracts for the same work. Now, that's the issue on principle - the CRA has been promoting it now for 2-3 years, and we are seeing the culmination of this dispute when they put civil actions on the employees. Now, I'm confident that we can get a resolution on it. The parties are now meeting around the four principles I alluded to yesterday, and I had an indication from both parties yesterday morning - the previous evening, in fact - that during yesterday, we would have the matter resolved. Nevertheless, they are still speaking around the same subjects, and I think that's a very good sign.
- J: So you are saying that the company is completely to blame for the present situation?
- PM: It wants to bust unionisation of its sites. That is, they will pay more in the first instance to be rid of the union, and when the unions are gone, each individual then has no-one to deal with but the company. Now, this has always been - if you look at the United States - a recipe for lower wages. Unions understand this - this is what the antecedents of the dispute are. What brought it on, was putting the civil actions on. In other words, not content to have some wins at the sites industrially, they have gone after the individuals. That's when the ACTU, of course, were forced to intervene. But that said, I am pretty sure - particularly after my conversations with Mr Davis from CRA - that he wants the dispute settled, and that the points that were broadly agreed on the evening before I left for Japan are the ones which will give a resolution of the dispute. Now, some of those points have been widened, I think, over the course of yesterday. They are now seeking to get them back to those essential points.
- J: Are you adamant that you won't change the Government's legislation?
- PM: It doesn't need to be changed - the Government's legislation is not an issue here. It's all about the question whether or not there is

discrimination in offering a proposition to a worker under an Award, versus [a worker] under a contract. That's the issue. You see, the people on the conservative side of the IR agenda in Australia - the Liberal Party in particular - say we will give you a choice. Well, there is no choice, if in fact you get more under the contract and you get less under an award. People say well, at least they are getting more. Well, in the short term they will, but in the long term will they? They probably won't.

J: The ACTU says that the legislation allows this to happen, and that it should be changed.

PM: Yes, but the ACTU is not pressing that point with me. They were not pressing that point - they haven't pressed that point with me.

J: Prime Minister, John Maitland announced a short while ago that the CRA mines in Queensland would be closing today, and that they are bringing forward a national stoppage to Sunday. They don't seem to share your optimism about the resolution of the dispute.

PM: Well, there are two matters here. There is the waterfront stoppage, which was an action by the whole union movement, which then, of course, then effects a whole myriad of companies and individuals across the board in the country, and then there is the question of CRA itself. CRA has made this a site-by-site matter, and they do have mining interests. And so, what you are probably seeing is the CFMEU starting to narrow the dispute to CRA. But hopefully we'll get beyond all that.

J: Mr Keating, have you spoken to any of the main parties today?

PM: Yes, I have.

J: And that's what gives you hope?

PM: Well, I think that people do want us to get this settled, but it's a matter of whether...I think ideology is going to try and fear over common sense, and I think common sense will always win.

J: What sort of signal do you think this sends to the public in the debate between the Coalition and the Government way of...?

PM: The signal to the public is this would be on in every business across the country for the rest of time - certainly the next half dozen years - if the Coalition were to win an election. What you are seeing with CRA is a taste of what you will get under a Coalition government.

- J: Mr Keating, on APEC - The agreement that you will be signing on Sunday allows for flexibility. What is your definition of flexibility, and do you think it differs from that of some of the Asian countries?
- PM: Well, we haven't published a declaration at this point, and we are not in a position to publish now the large bulk of the communique. But one thing is clear, I think, and that is that the essence of Bogor is going to be reflected here. There has been a mighty amount of work put into this by at least the Australian Government, by the Government of Japan of course - they have got principal carriage of it - by the United States, by all of the other players in the region. And I think they realise what the importance of the stakes are here. And that is, to see that East Asia is going to be adequately resourced into the future. That is, to keep growth going in East Asia, where we will need to have a free flow of goods and services, and to not have the income disparities - say, between coastal provinces of China, and the inland provinces of China - disparity of opportunities of the kind you see in Africa and these other continents. All of this leads to a more harmonious political and strategic environment. These are the issues at stake, and I think that's why people will see the broader picture.
- J: Would you be hoping that the language in the final communique will sound somewhat less ambiguous than what we have been led to believe it is at the moment?
- PM: There's only one line that you need to really watch - and that is whether it says 2010 for the developed countries, and 2020 for developing countries. That's the key bit.
- J: Not the farm sector considerations?
- PM: There's not going to be...I would be surprised now after the work we have done - and others - that there are going to be exclusions for particular sectors.
- J: And you are confident those dates will specifically be in that communique? Not just a reiteration of...?
- PM: That's what I'm here for - to bang those nails into the wall. Or to do my best to do it.
- J: Hasn't it already been agreed that those dates will be in it?
- PM: What is agreed is what walks out of the final meeting - that's what's agreed.

- J: Yesterday before you left you were predicting that the strike would be wrapped up and all over by midday - of course, it wasn't. I was just wondering if during the nature of your discussions earlier this morning there were principles involved in this dispute - are you prepared today to put any timetable on when you think it will be resolved?
- PM: No. But I had an indication then from the ACTU and the company that it would be near to resolution by the middle of yesterday - a written indication. So, the fact that we are still making progress, and around the same points, augers pretty well for it.
- J: You have had a written indication from both sides?
- PM: Indeed.
- J: How hard will it be to bang those nails into the wall - just how hard?
- PM: Again, the situation politics of meetings is what we have all spent our lives being involved in, and so has everybody else there. And so it is a matter of keeping the key elements of the Bogor Declaration, and the prospects it holds for everybody under close and serious attention. And I think if that happens - if that happens - we will get the result we want.
- J: Mr Keating, there seems to be an encouraging sign out of the US today in terms of potential cutbacks in their farm subsidy programs. What implication will that have for us?
- PM: That will have very positive implications for us, I think. I think we are starting to see an understanding that in the end, if the US wants to subsidise sectors from its central budget, in the end the whole of the US economy will be weaker, and it won't have the increments to growth and to product and to employment that it would otherwise have. It is, essentially, taking the trade liberalisation story further by taking some of these subsidies down.
- J: Given that you said earlier that you had some written indication yesterday - an undertaking from the parties that you believed it would be settled yesterday, I was just wondering if in the light that it wasn't, could you tell us whom you believed reneged on that deal that you...?
- PM: It's not a matter of reneging, it's a matter of clearing of details, but details have become more amplified. I think that is what's happened.

- J: So, basically, did you have to spend the morning trying to get them back to those four principles - is that what you are saying?
- PM: Well, the four principles are the key issues.
- J: Is that what you had the agreement on?
- PM: Yes.
- J: An agreement from the ACTU, the CRA, that that would be what they are negotiating around?
- PM: We had an agreement between the parties, which was then put in writing, and which was then communicated between the two of them with an indication from both of them that - certainly from the company - that it had to go and sort some of the details out. But hopefully then they could clear their way midday yesterday, or thereabouts.
- J: So what went wrong?
- PM: I think what happened was when you throw a matter like this inside a big industrial company which has been fighting an issue like this for 2 or 3 years, you know, all their fine-print people come out of the woodwork.
- J: So it was on the company's side that the problem was struck?
- PM: In terms of progressing it to that point yesterday, I think yes, yet it may have been in the afternoon the ACTU then in other matters as well - I don't know.
- J: So the best way to describe it is that we have an agreement in principle for an end to this dispute?
- PM: There is an agreement in principle around these four points - they need to be confirmed as to what some of the text to the points mean.
- J: Does the legislative remedy...(inaudible)...?
- PM: No. It's not relevant to that.
- J: Have you found it at all frustrating being preoccupied with International events in the last 3 weeks, and you haven't been involved in the domestic scene?

- PM: No. I mean, I haven't been away for that long - I have been in and out of the country. Let me tell you this - bringing back to Australia a set of trade arrangements for the next half century are the antithesis of frustration - the absolute antithesis of frustration.
- J: Do you think there just needs to be some goodwill on both sides of this dispute to solve this?
- PM: Look, it's been fought out site by site for over 3 years. This has been a particularly drawn out and intractable matter, and you know, like all matters of weight and substance like this, where issues are hotly debated and disputed, it will take some goodwill to get to the point of settlement.
- J: Prime Minister, I heard what you said before, but there seems to be a sense that if this was a G7 Summit, that Bill Clinton would be here come hell or high water.
- PM: No. I think that the President's commitment to East Asia is quite a profound one, and the concept of an Asian Pacific grouping is a profound one, and I think he would have major reservations and misgivings about not being here. And I say "major", underlined, because he was involved with this from Seattle - from the first meeting in Seattle - through Bogor, and remember, he came to Indonesia two days after the Congressional drubbing the Democratic Party took in the United States. And I think he would have come here had it not been for a paramount fiscal crisis.
- J: With things obviously so difficult...(inaudible)...could his absence make the difference between getting...(Inaudible)...?
- PM: Well, I hope not. I think Vice-President Gore is coming in his place, so the US will be represented.
- J: Are you running a bit of a lone race in trying to hammer home the things that you want?
- PM: We have made our presence felt I hope in these negotiations. I certainly had many opportunities of discussing now with Prime Minister Murayama with my visit here where I spent a lot of time on this subject, on the details of this subject with Ministers Hashimoto and Kono, and twice - when they had the return visit to Australia about two months ago. And subsequently, of course; we have had discussions with the Diet Members' League Agriculture Committee, and we have had, of course, visits here by Bob McMullan, Minister for Trade, and the Foreign Minister, Gareth Evans, and they have been involved in negotiations. And last week I also sent back with my own annotations, changes in the Declaration which the

Japanese Foreign Ministry communicated to us yesterday that the bulk of which were included in the Draft. So, you know, we have been in there trying.

- J: Prime Minister, do you have any comment on the Senate's consideration of holding up appropriations at all?
- PM: No - I'm just not up with that, I'm not sure where that matter is.
- PM: Prime Minister, Senator Evans indicated yesterday that a deal had virtually been stitched up - how much more is left for the Leaders to do on Sunday?
- PM: Well, again, this we believed was the case exactly at the beginning of the Bogor meeting, and then we found that a couple of countries were not completely happy with some of the text. I mean, I think we are going to go in here in a fairly good position, but it will be a matter of keeping it there.
- J: How would you characterise the mood - last time there was a sense of euphoria that reached this landmark decision, the mood this time, is it a case of...(Inaudible)...?
- PM: Well, last time it was.....let's just retrace where we have been. APEC was a mini-OECD body, which met at Ministerial level from its inception - you show me your economic statistics, and I'll show you mine. We have turned APEC now into a Head of Government body - a complete change to get the authority of Leaders to be brought to bear to decisions - and then met as a group, decided to meet a second time, and at the second time take on the ambitious project of open trade in the Pacific in goods and services by these certain time-frames. That was the big leap. Here is [about] putting flesh on the bones of that structure - that is, putting an Action Agenda down. And then, at the following meeting in The Philippines, will be about national country offers, and the longer this process goes, the more likely it will be bureaucratised, and the less likely it will be the major input of the Leaders. But it will still need their authority to guide it. We're in that second stage with this one.
- J: Mr Keating, President Kim said that he would like to see APEC remain a consultative body rather than a negotiating body - is that a sort of sign that they are backtracking on this?
- PM: People have all sorts of different expressions for these things and again, part of the translation is part of the problem in all this. I think President Kim has been a very strong supporter of APEC, and he knows that to keep...I mean, one of the great challenges for Australia, for the United



States, Korea, Japan, is how we accommodate the burgeoning Chinese economy in the Asia Pacific. How we will let it come into the Asia Pacific economies, and how we resource it properly. And I think President Kim knows as well that it can only happen with this sort of forethought, this sort of structure. I think we might make this the last, okay?

J: You said a couple of countries weren't particularly happy - can you tell us which countries?

PM: Oh well, in a communique of this depth, there would be at some point none of them would be happy. It's a matter of what is distilled from their real motivations in this, what they're prepared to trade away. I mean, the essence of a negotiation is trading that which is not paramount to you to keep that which is. I mean, I think this is what is of its essence - a negotiation around those principles. Thank you.

ends.