

Prime Minister's Press Conference at Port Moresby

30 October 1978

Prime Minister:

This is principally an opportunity to give you a chance ask any questions related to what I said last night and this morning at the handing over of the Library. I think the Library is a particularly fitting gift as an Independence gift, and I hope very much that there will be an on-going link, and I'm sure there will be, between the Australian National Library and this Library, and between other Australian insititutions and this Library. As I also indicated in the speech this morning, I believe that in the National Library and in our own Archives we ought to look through documents and see which documents of a historical nature would more appropriately find their final home in Papua-New Guinea, and I will be very surprised if there aren't such documents in our care at the moment. We would want to hand them over to Papua-New Guinea on a future occasion. I had very useful discussions with the Prime Minister Michael Somare earlier this morning, and as you know there are on-going consultations on a number of issues. Over the last several months there have been very successful negotiations between Papua-New Guinea and Australia on what at different times seemed to be a very vexed border issue in the Torres Strait. I think you know Ian Viner and the Foreign Minister, Andrew Peacock and Mr Petersen are visiting Torres Strait shortly to go through that with Torres Strait Islanders. In 1976 we entered a five-year aid agreement with Papua-New Guinea, and the basis of that aid agreement was to provide \$900 m. in annual instalments of \$180 m. The agreement also provided for topping-up in each year, and the first years have been \$10 m., \$20 m., and \$35 m. over and above the \$180 m., and we need to have a topping up arrangement for the last two years of the current five-year arrangement, and Sir John Crawford will be over here shortly to advise us on the best means of pursuing that. Papua-New Guinea has put the point of view that rather than having annual discussions about it, it would be better if it could be related to an appropriate formula. We have no objection to that in principal if such a formula can be found, and Sir John Crawford will be here and part of his task is to recommend in relation to that. This morning, of course, the Prime Minister rose with me what might happen beyond 1981, and quite clearly an Australian commitment does continue and obviously it has been a substantial commitment and will continue to be a substantial commitment, although in accordance with Papua-New Guinea's own efforts and wishes they want the Australian grant component to become smaller part of their total national effort, and a smaller part of their total Budgetary circumstances, and it's obviously part of their drive towards independence and being independent - or less dependent on - the very substantial aid that has come from Australia. All I can say is do you have any questions:

Question:

Prime Minister, the point you made about Papua-New Guinea asking if they would like the content of their Budget to be of increasingly less importance in depending on Australian aid, I wonder could we

ask you does this envisage an actual drop in the amount of money involved in Australian aid?

Prime Minister:

I think it's too early to indicate that at the moment. It is worth noting that the topping-up provisions in the first three years of the current five-year aid program have increased each year, so that would be going contrary to the thrust of the question.

Question:

Would that mean that they are aiming at a bigger budget of their own?

Prime Minister:

Their own Budget has been growing, yes.

Question:

So do we diminish in terms of relationships?

Prime Minister:

Well it's open at the moment. I think it would be wrong to draw conclusions as to what would happen beyond the five-year program. But obviously there will need to be discussions, and Papua-New Guinea will need to know the basis of provision from Australia, and the whole purpose of the five-year program - which I think is a unique one - is a supplement to the Budget and not tied to project aid, leaving it entirely to Papua-New Guinea to determine how the funds should be spent. I think that principal has been much appreciated in Papua-New Guinea, and the Prime Minister has mentioned it to me - and the former Treasurer - on a number of occasions. That will give us plenty of time over the next two years to work out appropriate arrangements to go beyond 1981.

Question:

New Guinea is being very successful in containing inflation. Is there anything Australia might learn out of this.

Prime Minister:

Oh yes indeed. I think indeed you relate your aspirations to your resources. I think we are learning that slowly in Australia. But Papua-New Guinea never had the circumstance I think in which the Government expenditures went up by 46% in one year and wage rates went up by over 50% over a three year period. We are well aware of developing nation aspirations and resources must march hand in hand.

Question:

Mr Fraser, Papua-New Guinea's Foreign Minister last week indicated he was seeking support from other members of the South Pacific Forum, including Australia, to pressure metropolitan powers:

the United Kingdom and the U.S. and France and the Pacific to accelerate the decolonisation process. In particular you seem to be referring to France and New Caledonia. What attitude would Australia take in such a campaign?

Prime Minister:

Well this matter hasn't been raised with me during this visit, but any point of view thrusting in that direction is one that we clearly want to discuss and assess upon its merits. I think it's worth noting the remarks I made last night, which weren't in the printed text of the speech. The process of independence is much better a bit sooner rather than later - rather than too late, and so it's better to err on the side of the process being completed earlier rather than later.

Question:

Prime Minister, I wonder if you discussed the Fisheries Agency with Mr Somare this morning, and whether - as he was suggesting last night - Australia might take the view more in mind what Papua-New Guinea is doing.

Prime Minister:

Well I don't think we've got a view out of line with Papua-New Guinea's in relation to this. We did discuss this matter this morning, and there will be discussions between our officials about the form of the Agency and what it will do, and we always envisaged that that would happen. I think it is worth noting that the resolution adopted by the Forum countries was one which I proposed and was adopted unanimously. There had been quite sharp differences of view expressed in the Forum by some of the island nations, and the resolution that I proposed was one which people on all sides were able to accept, and accept very willingly. As you know, Australia doesn't have a commercial or a material interest in what happens in relation to these matters, but we had thought that because of the present American law in relation to tuna fishing that an involvement with the United States could be beneficial to Pacific nations. That would enable them to override their present law, and in a sense bring tuna fishing under regulation. The Pacific States are taking the view that at this stage they don't want a relationship with the United States - they want to sort out their own arrangements first. Since this is a matter that affects them, I think that is what is important, and Australia will provide every assistance it can to see that the Forum Fisheries Agency is launched as speedily as possible, and launched with a useful and constructive charter and in a sensible way. Then again in the terms of the agreement and resolution that were passed at the last Forum meeting, at a later point the wider issues will again be discussed. I think that was a sensible resolution of contrary points of view. Australia put a point of view at the Forum meeting, but having put it - as far as we are concerned - it is the majority view of the Pacific nations that ought to prevail, because they are the nations that are affected by whatever arrangements might be made. It would be quite wrong for Australia to seek to argue further her own view or seek to

have that view imposed. I wouldn't be a party to that for one minute. I don't think there is any difference between ourselves and Papua-New Guinea on this issue, because the Prime Minister indicated to me this morning that he is not adverse to re-examining the wider question at a later point. Australia is completely relaxed about the issue. We want arrangements that suit the national aspirations of Pacific nations, and I think that's what we've got.

Question:

Prime Minister, is your government considering giving political asylum to the Papuan Freedom Fighters?

Prime Minister:

I haven't heard of that question raised. We've certainly got no plans in that direction at all.

Question:

Prime Minister, the Leader of the Opposition (remainder of question inaudible).

Prime Minister:

If any part of the aid that we did provide each year was directly to the Parliament building, that would be for Papua-New Guinea to decide. The whole purpose of the grant that we do provide to Papua-New Guinea is that it is in grant form, and it is spent as Papua-New Guinea's chooses. So, within that sum, it is for Papua-New Guinea to determine their priorities. I thought the Leader of the Opposition was making the point that he rather thought Papua-New Guinea would have a permanent Parliament House before Australia, so maybe Papua-New Guinea should help us with ours.

Question:

On the subject of (inaudible), the Papua-New Guinean government has requested the United Nations (remainder inaudible).

Prime Minister:

I'm not advised on this point. Obviously if a request was put to us by Papua-New Guinea we would consider it seriously, as we would any communication from Papua-New Guinea, official communication. I'm not advised of the totality of the consequences of such a matter at the moment, and before giving a definitive response I'd certainly want to look at it closely.

Question:

You can't see any particular problem with it though?

Prime Minister:

I don't think I want to add to what I've already said.

Question:

(Totally inaudible)

Prime Minister:

I'd hope that we could have a ceremony in Australia before Christmas, and I would hope it might be a ceremony in which both Torres Strait Islanders and people from Daru and others as necessary will amongst themselves be involved. Rather than just the Prime Ministers getting together in a room and signing it, I think it is an historic agreement. I don't know any other agreement of the same time of that nature. There has been a great deal of good will on both sides, and so much of it has been motivated by which to protect the traditional way of life of Torres Strait Islanders and people of Daru and the coastal regions, and therefore the final ceremony is thought appropriate. I think it would be good if figures from these people could also be present during the occasion.

Question:

Are you suggesting that it might be signed in the islands themselves?

Prime Minister:

No I don't think so. It will probably be signed in Canberra. That's the present intention.

Question:

Mr Edwards did mention certain events in Victoria at the weekend. I was wondering if you would care to add to the comments you made last night.

Prime Minister:

We all know that there have been a number of State issues involved that have run furiously in Victorian newspapers and other newspapers in Australia over many many months. Indeed one particular issue was running for years, and quite clearly that issue had an impact on events within Victoria. I think it's rather naive to suggest that the result of that election was not influenced by State events.

Question:

Trees in St. Kilda road is another long-standing issue in Melbourne.

Prime Minister:

That has always been an issue I think.

Question:

Does that by-election nevertheless on that issue you were alluding to prompt you into any sort of Federal action? It runs over a little bit into Canberra.

Prime Minister:

Not really I don't think, no. What people I think fail to understand, and maybe not enough are yet seeing, is that our policies in many ways are now starting to work in a very real way. Having said interest rates were coming down they are, the Reserve Bank has been operating in the markets on the bond rates over the last month since the indigestion caused by the special method of financing Commonwealth formal loans has been completed, and the rates have moved down again. Now that's going to flow into other areas. But one of the very pleasing things that I've seen over the last two to three months, and it's only in that time that it has emerged, is the number of industries that are saying to me that their costs are competitive, they are getting a better share of the local market, and they can get into exports. All sorts of things, it might very often be in small industries employing a hundred people, 150 people. Womens underwear, foundation garments, are being made in Victoria and exported to Japan. I have used colour television sets to Hong Kong on many occasions. Furniture made in Brisbane going to Sweden. A number of these are in labour intensive areas, where Australians - if they produce something well - can compete. I don't want it to be a commercial, but the latest automobile to hit the Australian market I think is a very, very good vehicle indeed, and I hope its competitor that comes on the market early next year will be equally good. But the more pleasing thing about that is that General Motors have told me that they believe their costs are competitive with Germany and with the United States; they are rebuilding an export organisation; budgeting for a larger number of exports; and control is slowly getting back in the area of activity that had been lost for a long while. That is good news, they have put on a lot of people over the last six or eight months, and they intend to put on more over the next few months. This is happening on a number of areas throughout activity in Australia. We always knew that our policies were going to take some time to work, but they are starting to work, and I think that should be a cause for great satisfaction for all people in Australia, and especially for the working men and women of Australia.

Question:

Prime Minister, did you raise with Mr Somare the question of (inaudible) sugar from the EEC countries?

Prime Minister:

No I didn't. No. But you know that there has been GATT action in relation to that, and I think that's on track.

Question:

Mr Garland indicated that there was a large amount of support for Australia in GATT. Do you think that will be effective in stopping the EEC from doing this in other areas, particularly in the Pacific region where they seem to be increasingly interested?

Prime Minister:

Well, I would certainly hope so. Everyone one speaks to - the Germans have recognised that this kind of activity is damaging to relationships with other countries, such as Australia - they believe it is not a good activity, that it ought to stop. But I haven't got the slightest doubt, I can't put any kind of (inaudible) on it, but I haven't got the slightest doubt that at some stage there will be a change in the common agricultural policies, and I'm not talking of revolution in relation to it, because we know that European farmers are going to continue to be protected, but we are talking about changes at the margin and changes in the policies of export subsidies, because the weight - the total weight - and the burden of the subsidies on the taxpayers of Europe, there will be a shift and change for that factor alone. Now if our advocacy can help to bring a change sooner rather than later that's obviously to our advantage. Something like \$12,000 m. a year is spent on subsidies. That, in Australian terms and in Papua-New Guinean terms is a reasonable amount of money. It's worth noting that their subsidies in this area are twice what the developing world asked for by way of a foundation fund, the Common Fund. That tends to put that into perspective too.

Question:

Prime Minister, there was a report earlier from Canberra this morning that said you had been invited to economic summit in Tokyo next June. Can you confirm that, and if so what is its significance?

Prime Minister:

I'd like to have a look at that report. I wouldn't normally expect Australia to be involved in an economic summit, and I have said that in the Parliament on other occasions and given specific reasons for it. But there have been some discussions in relation to this - not of Australia's initiative I might add. But I'd like to have a look at that report before commenting.

Question:

On Japan's initiative?

Prime Minister:

Well let me just say not on Australia's initiative.

Prime Minister (continued):

I wouldn't want that reported back as an off-hand answer to an invitation. I think the point's to be made that on the basis of the size of the Parliament, Australia would not expect to be present at that kind of meeting. But views have been expressed about the forthcoming summit because of its geographic location.

Question:

(inaudible)

Prime Minister:

I think there needs to be co-operation in this area, because the 200 mile economic zones of both countries obviously impinge, and as you know, we both don't have a clear 200 miles between Australia and Papua-New Guinea, so policies affecting these areas of reconcentration and co-operation are well worth pursuing, and I'm sure that this will take place.

Question:

Prime Minister, one last point, is Mr Whitlam going to be a constant travelling companion?

Prime Minister:

Well I think that's up to him. Of course he is welcome. I was very surprised to see some comments in the Media before I came that he might not be, or surprise that he was coming up on the same aircraft.

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