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TRANSCRIPT - Press Conference 15 April 1983

JOURNALIST: Mr. Hawke, the Premiers' Conference that Mr. Bourke and Mr. Jolly from Victoria suggested might be a good idea - is that going to go ahead?

PM: It will be considered by the Cabinet.

JOURNALIST: Is there going to be another Summit?

PM: How many years to the end of the century - 17 aren't there?

JOURNALIST: PM, What did you tell the Unions on superannuation? What is your ..... (inaudible).

PM: I had a conversation with them as to what I thought would happen on this matter. I am glad you have asked the question, Geoff. Let's get the background to it and what will be involved. This rather prolonged speculation followed from an answer which I gave to a question on this matter a couple of weeks ago and I said all existing expenditure programmes and taxation expenditures were subject to review. I was asked did that include the question of the limit of 5% tax on lump sum superannuation and I said honestly and openly - look all things naturally are under review. That carried no implication of an intention to impose a tax beyond the 5% tax which is currently imposed. It carried no implication at all. It was simply an honest answer saying, look, everything is being looked at. Now for reasons which I don't quite understand people have given it a currency which that honest response did not warrant. Because there has been the speculation, because there have been some concerns about accelerated resignations I think I can go this far to say I will have the matter before the Cabinet so that this can be decided. Because there has been speculation a number of my Ministers have spoken with me and I can say on the basis of the conversations I have had, without pre-empting the decision that will have to be made in the Cabinet procedures, that I think you will find that there has been no basis for the speculation which I think has been unfortunately extended beyond what my initial observation warranted.

JOURNALIST: Prime Minister, Are Australians looking at paying more taxes after this Summit?

PM: I hope they are going to pay some more taxes, if not we'll all go broke. The situation is quite clear. I think with a very great sense of responsibility the participants at the conference said if there is to be additions to aggregate expenditures and the language was very careful, then there may have to be either an increase in taxes and or reduction in the expectations about tax indexation. Now that statement from, I think a very responsible group of people, reflected that they want the Government to do a number of things. Now what are those things that they want the Government to do on behalf of the people of Australia. They are these. They want stimulatory action to get the economy moving. They want action which is going to generate jobs and, to the very great credit of the conference, they gave a centrality to the responsibility of this community to the impoverished and those in need. Now, if you are going to undertake all these things, and in a way which may involve an increase in aggregate expenditure, they accepted and realized and told the Government that if all those things are done which involve an increase in aggregate expenditure that may be involved. Now I am simply saying that the Government has been given an indication to the feeling of representatives of the community. These will be taken into account. It is quite impossible for me to say at this stage what specific decisions the Government will take in an attempt to give effect to the clearly articulated view of such a representative gathering.

JOURNALIST: At the Conference several Premiers indicated the desire to have access to overseas funds to fund their own State deficit which they saw they needed. At the same time business have expressed concern at the level of Government debt and the possible overseas borrowing. How is it that the Federal Government plans to resolve that conflict?

PM: Oh, it's not a question of resolving a conflict. Let's look at the two issues that are involved and see what happens. The expression, if I can take the second part first, the expression of the concern about the growth of overseas indebtedness is a legitimate one. You can't just open endedly say you are going to go on borrowing overseas forever because you have to service that debt and in time repay it and it is legitimate that Governments should be warned of the fact that you just can't do this in an unlimited way. Going to the first point it is natural enough that States are going to say, looking at their responsibilities that they would like to be in a position that they perceive it as being a fact that they could have access to more funds at lower rates than overseas markets. I understand that. We will be looking at it, but we will have, as a Government, to take into account the other factors which are relevant which are, firstly, if States have an unlimited access through their authorities to the overseas market, what effect is that going to have on the borrowing capacities and qualities that will be attached to the claims of

the Commonwealth and of other States if they all have that sort of capacity? What impact will that have upon the rates which we can borrow? What status would particular authorities of particular States in fact have on those markets? Now, we will take into account all those considerations and it is proper that the States should have raised that concern. It is a perfectly legitimate one and as requested, we will look at it.

JOURNALIST: Prime Minister, How heavily are you prepared to lean on Unions in the building industry to ensure that your job creation programmes go ahead with the thought maybe of deregistration going ahead?

PM: I'm glad you asked that question. I believe that the ACTU is a totally responsible body and a body with authority - an authority and status which has been considerably enhanced by the events of the last few days. I believe that the ACTU has a clear view, and indeed they have publically said so as well as privately to me, that they have a clear view of the responsibility of constituent members and that is that a Union cannot at one and the same time say that it is part of the Trade Union Movement, part of the Australian Council of Trade Unions and then at the same time say we are not bound by the democratically arrived at decisions of the ACTU. I firmly believe that the ACTU will address itself to this problem and if you take the more pessimistic view that a Union within the ACTU is going to flout the authority of the ACTU - if that were to happen and I trust that it won't. I trust that all the Unions will see that they are bound by the decisions of the ACTU, but if you take the more pessimistic scenario that that is not to happen, the ACTU moves to take the decisions that are necessary to ensure that effect is given to its decisions, then it will have the full support of my Government.

JOURNALIST: Prime Minister, Can you describe your thinking of the Queensland Premier's attitude in one word?

PM: I think complexities never lend themselves to single word answers. No, not in one word. I simply say that I think it was rather sad in a number of ways - more for the Premier than anyone else, but he is entitled to express his view and at an appropriate time he will have the opportunity of asking the people of Queensland to say in the light of circumstances of the Summit and subsequently as to whether they share that view and that will be an appropriate course of action.

JOURNALIST: Would you seek retribution against him, Prime Minister?

PM: No, you know me well enough that I don't operate like that.

JOURNALIST: Do you mean you won't be campaigning in the Queensland election?

PM: That's not retribution, that's democracy in action.

JOURNALIST: What is your judgement now on the wage pause?

PM: Again, I'm glad you asked that question. At no stage was it ever put by me that this Summit could be a determiner of how long a pause would last or what the circumstances coming up to that pause should be. The people who have tried to say that in some sense the Summit may have been a disappointment because it didn't make those decisions betray, if I may say so, an abysmal ignorance of the Constitution and institutions of wage fixing in this country. There has been nothing which could or should stop the rights of Unions or employers to go to the Arbitration Commission at the end of the first half of this year. That has always been the case. There was nothing the Summit could have done to stop that. What has been reflected in the Summit is a recognition of what the facts are and let me make it quite clear so that it will not be beyond the comprehension of anyone in this room what those facts are. Wages can move in this country for one of two reasons. Firstly, they can move because the Arbitration Tribunal makes a decision in respect of wages. Alternatively, they can move because, as a result of a negotiation or action between Unions and employers, there is a decision between them that wages should move. Now, what the Summit has done is to say that in respect of that second area that that will not be pursued by the Unions, nor be encouraged by the employers. They have agreed that there shall be a return to the first method of centralised wage fixation. Beyond that they have said that there are clear guidelines which should govern conducts of the parties in terms of applications to that Commission and that is that there should not be applications for increases in wages based upon the circumstances of particular industries but that they should be restricted and restrained to movements in terms of national prices and at a later period in respect of perhaps the national productivity. Now those are very significant achievements and are the limits, represent the limits, of achievement that was possible within that Conference and it should clearly be understood that those were the possible limits and that the Summit has gone a very long way in transforming into a sensible and realistic framework what will happen to wage movements in the country. Now, in explaining all that as necessary background to your question, I am not avoiding your desire to have some view about likely timetables. Now it seems to me, that it is likely that the ACTU and employers will make a relatively early approach to the President of the Commission to begin to have discussions in the light of the decision of the Summit as to some conference within the Commission to discuss picking up the tangled and broken threads of the processes of wage fixation in this country. Now, I would assume, but I can't speak for him, and I have not spoken to him, but I would assume that the President of the Commission would respond at a time of his

choosing to such a request by the employers and the ACTU. I would assume, therefore, that some time down the track a conference would be held and again I would assume that out of that conference agreement would be reached as to a time for a National Wage Case hearing which, clearly, I believe, would take place in the second half of calendar 1983, or to be precise then in financial year terms, after the end of financial 1982/83 and the financial quarter of 83/84. Now, how long that hearing would take when the Commission would fix the date for such a hearing, how long it would take, and certainly what the decision would be, I can't say. It seems to me, however, if my assumptions about the course of action are accurate, then we would not be seeing, if there were to be an increase in wages, and I don't know what the decision of the Commission would be, but we would not be seeing an increase if there were to be one, much before the end of third quarter calendar 83. Now, I repeat, that is a series of assumptions on my part on the basis of the very very clear advance and responsible advances that have been made in respect of wage fixation by the Summit.

JOURNALIST: Will you be taking any direct action yourself to bring the Building Unions into line?

PM: I wish you wouldn't use the word direct action in those circumstances. No, I believe that the Government is playing its role so far through the Minister of Employment and Industrial Relations, Mr. Willis, who has been involved in discussions with the Unions and in significant discussions with the ACTU and he would share my view, I believe, that the ACTU will, through its own processes ensure the adherence of the Building Unions to the Accord and I am sure that Ralph Willis would have conveyed that, as I have, to the Unions. The first step has got to be the Unions, the ACTU themselves, handling this matter. I have total confidence that the ACTU will handle this matter in a way which establishes their credibility because their credibility is on the line. They know that and they attach such importance to their integrity that I am sure they will handle it.

JOURNALIST: Prime Minister, on AM this morning you gave what would probably be your clearest indication yet about your Government's intentions towards tax cuts. I think you used the expression that tax cuts were a lesson. Could you clarify that please?

PM: I thought that was pretty expressive, Ken, that they are less likely. I can't make it much clearer than that. What I said was this and I remember now the context. I started off that interview by saying that we had shared knowledge in a way that had never been done before and will continue to do it. I said that the policy proposals of the Labor Party in the period leading up to the election had been drawn up on the basis of our understanding as to what the budgetary position was. I said that now that we had the full knowledge of the true budgetary situation and now that the community had that knowledge, all of us, not just the Government, but the community, regarded it as appropriate, in the light of the knowledge we now have, that the decisions relevant to the fact should be made and obviously the right decision now in respect of the knowledge we have is one which would make it very significantly less likely that there would be an opportunity of any general tax cuts. That would not preclude the possibility that, in giving effect to the range of indicated desirable targets for Government action, that there could be not some assistance to those most in need, but the possibility of general tax cuts is obviously, to put it at its lowest, very very much less now in the light of all known facts.

JOURNALIST: Mr. Hawke, Somebody also called for an urgent review of migration policies. Why is it so urgent and when will it be?

PM: Well, I would have thought that the urgency relates to the fact that the levels of migration still being followed by the previous Government could not be realistically justified in the light of the growing unemployment in this country and those reviews are already underway. The relevant Departments are looking at them. I would believe that before long, I would, and the Government, would receive submissions from the relevant Department, and when I say relevant Departments I am clearly talking about Employment and Industrial Relations as well as the Department of Immigration itself. I would believe that in a relatively short time submissions in regard to that matter will be before our consideration.

JOURNALIST: Mr. Hawke, can you give further details about your forthcoming overseas visit. I understand that you are now going to Geneva and a number of other countries.

PM: Yes, I will be going to a number of countries. There are certain details that are in the process of finalisation and it does involve a question of courtesy to some of the countries involved. Very early next week I will be able to make the full details available and if you want a press conference in regard to that we can have it.

JOURNALIST: Prime Minister, is Senator Evans going to let you have an Air Force boeing?

PM: Well, if I can take that as a serious question. If you want some observations in regard to other matters I am prepared to make them, but I'd better have a more serious peg on which to hang an observation.

Inaudible.

JOURNALIST: Prime Minister, are you prepared to agree to numerous requests for question time and debates in the House next week?

PM: I don't think it is appropriate on the 21st. I have referred Mr. Newman's telegram to SMOS, Mr. Young. You must treat this with seriousness. It is a very serious issue. It is clear that the time constraints upon the Parliament are extremely important. I would have hoped that Mr. Newman, as well as the rest of the Opposition, would regard as a priority the requirement of the Parliament to get through the legislation which will enable our Government to provide the funds to Victoria and South Australia in regard to bush fire relief. I would hope that their sense of priorities are not in the rather desperate political situation in which they find themselves that they would seek to elevate this relatively insignificant, but in a sense, not justifiable, incident. I wouldn't expect that their sense of priorities would be so perverted that they would want to put that above the assurance that the people of South Australia and Victoria, the victims of the bushfires would be prejudiced. There won't be any doubt that when we get to May that they can have the fullest opportunity they want to to discuss this matter and indeed, I will be encouraging, actively encouraging, the provision of the widest opportunity in the Parliament for discussing this issue because, as a matter of purely personal and not political interest, of course, I would like to just see it clearly spelled out what the positions are. I put it in the plural, of the Opposition, in regard as to what has happened in Tasmania.

JOURNALIST: Mr. Hawke, given that the need to lift public national confidence is urgent, when will you be in a position to announce your job-making programmes and at that time, Sir, will you also announce how you propose to fund those programmes given the budgetary constraints placed upon you by the Summit communique, if not common sense?

PM: The answer to your question is that I would expect that to be able to be done next month.

JOURNALIST: Prime Minister, do you intend releasing next year and in future years at about this time the economic projections of the economic ... (inaudible). In other words, continuing the process.

PM: Yes. When I say yes, the question of timing, let me keep myself not committed to a specific time. so because we did it on this day this year it will be

JOURNALIST: It will be about this time.

PM: Yes. Look, I am not going to be inaccurate in these matters. As soon as the information is available it will be released.

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JOURNALIST: Can I ask you a question Prime Minister about the visit of the Chinese Premier on Sunday. It is the first visit by a Chinese Premier to Australia. I imagine one of the major issues to be discussed will be the situation in Indochina at the moment, particularly on the Thai-Kampuchean border. What line will you be taking with the Premier, given the known Chinese objections to Labor's policy to resume aid to Vietnam?

PM: Well I won't be taking a line with Premier Zhao. I will be wanting to listen to what he's got to say. And as I've made it clear before in respect of this matter - we will be discussing with all relevant countries this issue before we take any action. Bill Hayden is going to the ASEAN countries very shortly as you know. And it is clearly appropriate that discussions be held with them. It is clearly appropriate that he has those discussions. We'll be talking with the Premier of China. We will have discussions with the United States. I'll certainly be talking with the President of the United States about this when I meet with him on the 13th of June. And we will be waiting before we make any final decisions on this matter until we've had the opportunity of having all those discussions.



Now just let me particularly say in respect of the discussions with the Chinese Premier that I would understand that he would be putting to us the reasons which they regard as compelling why there shouldn't be any change of the Australian position. We would be opening up all the range of considerations that obviously are regarded as relevant in this matter including, as I've said in my earlier statements, the concern that every country in this region must have about the way in which that country is forced more and more into the Soviet orbit by the fact that its not receiving assistance from elsewhere. And that ought to be discussed and will be. So those are the sorts of discussions that would be held. I'd rather put it that way than saying - putting a line.

PAUL KELLY: Mr Hawke, were you at all concerned or at all unhappy about the comments Mr Hayden made on his overseas trip following the latest trouble between Vietnamese and Thais? And if you were did you arrange or were you responsible for any message sent to Mr Hayden about that?

PM: There is a communication that went to our party in Indonesia and the statements (plural) that were made by Mr Hayden in my judgement reflected a very sensible progression of expression of views. There has been at all points of Bill Hayden's conduct of the Foreign Ministry of this country very, very great satisfaction on my part. That has been consistent, it remains. And let me say in respect of his visit, I think it was a brilliant and outstandingly successful performance. I'm happy with all that he did and I believe he is going to be an outstandingly successful Foreign Minister.

PAUL KELLY: Just on that point though Mr Hawke, were you unhappy about his original comments and were you responsible for the modification in those comments?

PM: To say I was unhappy is inaccurate. I believe that as more evidence became available a stronger statement was necessary and desirable - a view which is clearly shared by Mr Hayden. These things aren't static. With each hour virtually more evidence was becoming available as to what in fact had happened. And it seems to me whether you're dealing in economic affairs or international affairs that you should make judgements according to the information that you've got. That's what's happened there - that's what will continue to happen.

PAUL KELLY: Have you posed(?) an expression to Mr Hayden about this matter either during the trip or since he came back?

PM: No I did not speak to Mr Hayden during the trip. Of course, since he came back we've had discussions about the whole of his trip. We are at one in respect of what he did before he went, what he did when he was there and what he's done since his return.

JOURNALIST: Mr. Hawke, when the National Wage Case is convened will the Government be supporting a pay rise?

PM: The position of the Government in respect of the submissions to the Arbitration Commission will be determined by the Cabinet when its necessary. I will not be predicting the position of the Government in terms of the details of our submission.

JOURNALIST: Could I ask you a question about the financing of the ..... Houses of Parliament. Is it possible that the main statement on job creation could also include reference to revenue measures and some of the results of the expending review which are now complete?

PM: The answer is yes, it is possible.

JOURNALIST: Prime Minister, a little while ago you said that you viewed the RAAF flights over South West Tasmania as relatively insignificant, but unjustifiable. Why do you consider they were unjustifiable and what steps are you taking to monitor the situation?

PM: As soon as I became aware of it on Monday morning, I contacted the Minister for Defence and said it had to stop and it is my understanding that within quarter of an hour of my issuing that instruction to him he had himself issued the necessary instructions.

JOURNALIST: Mr. Hawke, there has been some concern .....

At this stage the tape ran out.

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