



## PRIME MINISTER

E. & O.E. PROOF ONLY

QUESTIONS AND ANSWERS - NATIONAL PRESS CLUB - 27 JUNE 1983

PETER BOWERS: Mr Hawke, I wish to ask you about the decision taken by Mr Bowen to commit the two existing uranium miners to renew negotiations for new export contracts. The day before you left Australia sir, you said that that ministerial decision was in conformity with party policy on uranium. Will you now say which part of that extraordinarily complex new policy permits the negotiation of new uranium contracts?

PM: I will say in regard to that question Peter, that the decision to which you refer and the whole question of the application of the policy of the Australian Labor Party in regard to the mining and export of uranium will be considered in the near future within the councils of the Australian Labor Party, both at the Parliamentary and the organisational levels, and it is not appropriate in my understanding of the fact that that is going to take place and it is a discussion in which I will play a prominent part, that I go any further than that.

TED KNEZ: Prime Minister, in an interview with Radio Australia last Tuesday, your Foreign Minister, Mr Hayden described Australia as having a certain innocence of view about regional and world affairs not unlike America up until the late 1930's. He expressed confidence however that like the United States, Australia will mature quite rapidly. But at present is that innocence of view, which Mr Hayden spoke of, apparent in your party's stated policies on uranium, nuclear testing, Vietnam aid and East Timor?

PM: No, I don't believe that it reflects innocence. I indicated in the speech that I made that I have a long association with a knowledge of this great Australian Labor Party. And one of the things that you will understand about this great party if you study it, is that it has been a party which has concerned itself with issues in the social and economic, political and international area in a way in which reflects passions and prejudices if you like, of a wide range of people. We are not some uniform monolithic party and in the processes of arriving at decisions there is a need, - there always has been and I suppose there is always likely to be in the future a need to accommodate differing emphases and differing points of view. And that tends to mean at times if you want to put it, there is no point in running away from it, it tends to mean at times that there's a lack of specificity, or if you want to put it another way, there's a range of options which are put, which are there to accommodate that indisputable fact about the social democratic parties, such as ours. I believe that there is sufficient goodwill and understanding within our great party and within the various emphases if you like, factions if you want to be more specific - there is sufficient goodwill, ensure that in the days, the months and the many years ahead that there will be an appropriate relationship between statements of broad policy and the application and the timing of application of those policies. I am not fussed or phased by the publicity and the emphasis which has been given to this matter over recent times. I am quite confident and your question is particularly related to the foreign policy area, or more particularly to that area - I am quite confident that there will be an appropriate relationship between the broad objectives of policy to which I alluded during my address. There will be an appropriate relationship between those broad purposes of policy and the application of those policies by this Government. May I finally make the observation that I have had no closer working relationship with any minister, than I have had with my Foreign Minister, Bill Hayden. And I believe that we are at one in our views about how the policies of the party will be applied in the terms that I have just put.

JOHN SHORT: Prime Minister, given your statements today on the need to hold the 1983-84 Budget deficit at \$8.5 billion how do you react to calls from some of your ministers, Labor Premiers, and Caucus members, for the Commonwealth to follow an even more expansionary economic policy next year and secondly given the costly proposals your spending Ministers want included in the August Budget, and calls from the Premiers for more Commonwealth funds at the Premiers conference this week how can you hold next year's deficit at your target figure without increasing income taxes?

PM: Let me make two points which I think are relevant. Firstly, I think you will notice if you listened very closely to the words I used, and you can check them in the speech that I did not say, because if really after all I've got to leave something to the 23rd August - I did not say that our deficit will be \$8.5 billion for 1983-84. I suggest you look at the text. But in saying that I don't want to in any sense suggest that that ball park is not the one I have in mind. The second point I make in response to your question, how do I respond to these observations by some of the people you've suggested. I respond with the degree of acute interest, that a Prime Minister should have in these expressions of points of view. I listen to them, I take note of them, I try as often as is possible to discern what is the line of intellectual reasoning if there is one attached to it so, that I can deal with the thought processes and the thinking. But I then at the end of the process say to myself, well I think I understand, economic arithmetic and I believe that we have to relate our objectives in the longer term to that arithmetic. I just want to conclude on that point, by saying as I said during my address that the essential thing in politics, I've always believed it and I reassert it now, that the essential thing is to get your time scale right. It is an absurdity in the extreme, particularly I suggest for a Labor Government in a country which has historically tended to be somewhat conservative, it is a mistake in the extreme, for a Labor Government to believe that it's going to be able to achieve in 12 months the objectives that are intrinsic in its election commitments and in its policy. And I repeat, I unequivocally said to the people of Australia in respect of the major issue of employment and unemployment, that we will arrest the explosion in unemployment, that during the term of our Government we will start to turn back the levels of unemployment and we will create half a million jobs. Now that was the commitment, it was a three year commitment and I am totally convinced that if we continue on track as we are, we will achieve what we promised.

TONY O'LEARY, Sydney Sun

Q: Prime Minister, I wanted to ask you about superannuation. Since the Public Service, through advice from the Government, has had a crack at our superannuation and our lump sums, I wondered when the Government would be having a look at their scheme, which is widely regarded as highly generous and also I wanted to ask you whether you think it is appropriate for retired public servants to get a pension increase in line with the CPI on Saturday while the rest of us are all supposed to be enduring what is called a wages pause.

PM: Well there is a thread running through there of let's drop the Public Service, and let me say, and I'll come to the specifics of your question, that I repudiate this concept which seems to be pretty widely spread in our community of let's bag our favourite target, the public service. I said two or three years ago in an address I gave to the International Public Service Association Conference in Singapore that its really about time we became a bit mature as a society and understood that if we are going to as a society achieve the sort of purposes that are necessary for our society to meet increasingly complex and difficult times, we ought to recognise that an efficient and dedicated public service is an indispensable instrument in the achievement of those purposes. I add to that, that doesn't mean that we just simply give public servants what they want, but I want to put on record my repudiation of this favourite game of let's bag public servants. Having said that, I make the next point. I don't shed any tears in respect of what we did in regard to superannuation, and if you're talking about what's happened there I simply say this, that if in fact as a society you want this government to put itself in a responsible position where its able to undertake expansionary programs, as we did in regard to community employment and as we did in regard to public housing, as we did in regard to private housing, then the money, the capacity, has to come from somewhere. And in fact in respect of what we did in regard to pensions, in what we did in regard to superannuation, we started a move to make sure that those with the greatest capacity should make a greater contribution. In regard to the specifics of the Commonwealth Public Service superannuation schemes I haven't addressed my mind to it. I am more than relaxed if someone wants to put up some submission to me about it.

MICHELLE GRATTAN, The Age

Q: If Mr. Hayden's mission to Hanoi produces no progress, will the Government then consider resuming aid to Vietnam and, if so, when?

PM: That question, if I may say so, Michelle, is based upon, I will put it as gently as I can, a less than adequate understanding of how foreign policy operates. If you believe that in matters as intricate and complex as the future of Indo-China that a decision, a definitive position, is going to arise at the end of one visit by Mr. Hayden at this point to Bangkok to engage in a dialogue with ASEAN Ministers and then his visit to Vietnam and Laos, then I simply have to say to you that that isn't the case. You can't say that consideration of these highly complex issues is going to be determined by that one visit. Mr. Hayden certainly doesn't believe it and I don't believe it and I'm not going to say anything here or in the next few days which in any way can compromise the capacity of Bill Hayden to undertake the important mission on which he is engaged. It would be absolutely improper and counter-productive to his capacity to achieve anything in that difficult task if I were to answer that hypothetical question at this point in time, and I don't intend to.

JOHN LOMBARD, Radio Australia

Q: A couple of quick clarifications. Did President Mitterrand give you a firm date for the end of the French underground nuclear testing program in the Pacific? Did the New Zealand Prime Minister, Mr. Muldoon, give you the date he said he had been given by President Mitterrand and a more general question, in the light of the situation that's been repeated in East Timor and the fact that there is a reported ceasefire between the Fretilin and Indonesian Forces, do you believe that the Labor Party resolution of last July has any relevance or validity today?

PM: The answer to your first question is no. The answer to your second question is yes and if I could add an observation in regard to what I think it necessary to say is because I'm put in a competitive bidding position then aren't I. I had a very useful discussion with President Mitterrand and I tend to think that his conversation with me more accurately reflects what I understand to be the French position. I know that that is not going to precipitate war between Australia and New Zealand but, as always, truth must out. Now, in regard to the third question I believe that what has, as I said in my address, John, now publicly emerged for the first time is an obviously relevant consideration. I think you will appreciate that I am not in a position publicly to display the extent of my understanding of what is going on, but I have been not unaware of it for some time and I would think that, or let me put it this way for the purposes of exposition only, and it is not to be inferred

from what I say that I believe this is the immediate likelihood. For the purposes of discussion, let me put it this way - if in fact there were to be a freely negotiated position in East Timor where the Fretilin Forces and the Indonesian authorities came to what was regarded by both sides as a workable and into the future arrangement, which was accepted by both sides, within the framework of East Timor remaining part of Indonesia, then, of course, that is relevant and an imperative consideration to be taken into account, not merely by the Australian Labor Party, but by anyone concerned with this issue.

GAY DAVIDSON, Canberra Times

Q: If I can bring you right back to Australia and mention Moore v. Doyle.

PM: Let's bring us right back. I know everyone is throbbing to hear about Moore v. Doyle.

DAVIDSON: In your Boyer lecture you described as there being different registration requirements under State and Federal industrial legislation and it meant that Federal unions must recognise the existence of three separate and distinct bodies, that's the Federal Union, the State branch and also the State registered union and you pointed out yourself that this was a futile and almost endless source of conflict created for warring factions - you referred to it as an artificial situation. Now, Mr. Whitlam certainly attempted to do something about this. Mr. Cameron did. I believe that Mr. Wran did earlier in his Premiership. What do you intend doing and how and what priority will you give it?

PM: It has a high priority. I understand that work is being done within the Department of Employment and Industrial Relations under the Ministership of Ralph Willis on this issue I must say, Gay, I haven't received any recent report on it, but I understand that they are not merely working on it themselves, but that discussions are going on with the States, but I just simply haven't got any up to date information on that. Let me say this, I mean I go beyond the immediate answer to that question. I take the view, as I did at the time you mentioned as I had expressed before then, that one of the most fertile and annoying sources of industrial disputation arises because of the split jurisdiction in this field of industrial relations. In no area of our experience has it been more evident than in the oil industry where the people particularly of N.S.W. periodically have been vastly inconvenienced by the attempt to play one jurisdiction off against the other and I think that the interests of Australia would, in fact, be served if the will of Neville Wran and of myself could be reached where the States could see that it was in their interests and the interests of their people to have in respect, and I'm not taking it beyond this, but in the area of industrial relations if we could have a situation where that possibility was eliminated.

CHRIS PETERS, New Zealand Press Association

Q: Mr. Muldoon told this Club last week that the relationship between New Zealand and Australia had matured as the two nations grew away from Britain and established their own identities. With the different migration patterns both countries have altered their characteristics and therefore their values and outlooks on the world in general and to each other in particular. In your address you gave emphasis on Australia's foreign policy more towards the North to Asia. Is there still a place in Australia's foreign policy for the ANZAC spirit? How do you believe the spirit has changed. In what ways is it relevant to the positions the two nations find themselves in and the directions they are going and how do you see this bond operating in the future?

PM: Well, let me say that at the dinner which Mr. Muldoon hosted on Friday night I indicated that I believed that there was a bipartisan view in Australia that the strengthening of relations between Australia and New Zealand was inevitable and was in the best interests of the people of both countries and I attribute them as I am more than happy to do now to the work of the previous Deputy Prime Minister, Mr. Anthony, and the work that he did in fashioning that agreement and it was a matter of ease for our government within a matter of days to confirm our intention to operate that agreement and in large part that was easy because Mr. Anthony had ensured in the processes of those discussions that the Trade Union Movement of Australia and the organised business community had the opportunity of being fully involved in the processes and we knew therefore that there was a widespread acceptance of what was involved in the CER agreement. Now, I simply repeat here, therefore, what I said then that I think those sorts of developments are inevitable. The only hiccups that can occur is if there is a tendency across the Tasman by the Prime Minister for perceived domestic political purposes to bag my Treasurer and he is getting on very dangerous ground if he does that.

BARRIE CASSIDY, ABC News

Q: Prime Minister, do you think Kim Hughes should have taken up your offer to play for Australia?

PM: You couldn't have done bloody worse, could you.

STEWART SIMPSON, Business Review Weekly

Q: In your speech today you noted on page 16 that our private investment next year is expected to represent only about 13.4% of GDP and you said that's more than 1 percentage point below the average of the last decade. In the light of this do you believe business has the capacity to pay a 3-4% wage increase in 1983 without being at a cost to employment either existing or future?

PM: Thanks Stewart, that I think is a simply important question. If you were living in a world of academics or disinterested public servants there is obviously a case that you could argue that it may be, according to certain assumptions, more likely that you

would get an increase in private investment if there were no increase in wages before the end of this year. Now, I stress, though, so I'm not misrepresented, that I'm saying that its possible to argue that in some dessicated ideal, theoretical world. I believe that, of course, there are two things that you have to say about that. It's not quite as simple as saying in a situation like that that an increase in wages would represent an increase in cost to business and therefore that's the end of the discussion. You know that I've always said that when you are talking about wages you have to understand that they are both a cost and an income and that's got to remain a relevant part of your thinking. The second, and perhaps if you like more immediately relevant consideration is this, that we live in a world where, particularly in Australia, the concept of using your strength and your power to get what you can to advance your own perceived interests is something which has been fostered, particularly by our political opponents, its not to be regarded as surprising therefore that the trade union movement should have embraced that concept of using whatever power they have got to advance their perceived interests. Now, the great future of the period since 5 March and one of the great achievements of this government is that in a short period we have started to get both sides of industry to understand that its not the end of the road and it doesn't represent the exhaustion of your responsibility to stop the exercise at that point. In other words, following the Summit, I believe that business understood that it makes sense - they don't say, look, if there is a 4% increase in wages that adds to our costs, we'll get to the bottom line and say, well, we'd be better off if there wasn't 4% and the other side of the coin - I think that the trade unions have essentially understood that they don't exhaust their responsibility if they say look, we've lost 9.2% over this particular period and what we ought to have is that 9.2% plus 2.2% for the March quarter 83 plus whatever the percentage is for the June quarter. They are not saying that. They are recognising that if they went too far in their wage claims that could have a counter-productive effect, so I think that on the balance the business community are saying alright, we would probably prefer a no increase situation, but we, as responsible managers, have got to look down the track and that's what we've all got to do because the strength of the Prices and Incomes Accord and particularly the wages part of it is this, that if you left it just to the Adam Smith invisible hand concept that has been so embraced by people who haven't advanced in some 200 odd years - if you left it to that at the present time, the way the invisible hand would work would be that there would probably be an increase on average of less than 3-4% in the economic circumstances confronting us now, but what you have got to look at is that you've got to get into place now in 1983 an operative and understood and accepted wages policy which is going to then operate in the expansionary phase of 1984 and beyond. And even looking at it from the point of view of the self interest of businessmen I think they overwhelmingly understand this, that if you get a modest increase in 1983 - in the latter part of 83 and accepted, as I believe it would be, by the ACTU, then their interests are going to be served as you go into expansion and as a negotiating capacity would increase in lots of areas of the economy, if the trade union movement have accepted restraint as they would see it in 1983 the interests of business are going to be served and the capacity for recovery are going to be increased in that expansionary period.



MAX WALSH, The Nine Network

Q: One of the major events of your first hundred days in office was the rejection by the Senate of tax legislation involving a collection of some \$350 million a year. Your Finance Minister, Mr. Dawkins, has suggested that not unequivocally that the Government won't re-introduce this in the August session. It has also been suggested that the legislation was drawn up hastily and there was some validity in the criticism levelled by the opposition of Senator Harradine against this. Could you tell us if the legislation will be re-introduced in the Budget session or do you accept that the cost benefit involved in this - political cost benefit - is not on and the legislation is no longer - to use one of your expressions - realistic or relevant?

PM: No, I can't tell you that because no decision has been made. It is a matter still to be discussed. When it is I can't guarantee I will tell you either directly or on the Sunday program, but it will be announced.

ANNE SUMMERS, Financial Review

PM: The best questioner of them all.

Q: A rather daunting framework with which to have to start. I'd like to return to the theme raised by Stewart Simpson and the level of wage increase which you and the Treasurer have argued would be desirable this year. How confident are you that the Arbitration Commission will see it your way given that the Union Movement will be arguing for full catch-up and the employers will be arguing for none and how important is the achieving that 3-4% wage increase has been for maintaining a moderate balance of forces on the ACTU executive as currently prevails.

PM: Anne, let me say, first of all, obviously I don't know what the Arbitration Commission will do and nor will I attempt to find out. My hunch is, I suppose, having had some experience in the area, my hunch might be worth a bit more than others - I tend to think that the Arbitration Commission and I say this in terms of having a knowledge of the way they have operated in the past and the judgement of things that I have said - I tend to think that they would come out at about the sort of figure we are talking about. Now, we will certainly be arguing that, as I have said in the Parliament, that an increase of the order of 3-4% is what is appropriate and any more than that would be damaging. Now, let me pick up another point in your question - you talk about the ACTU's claim, but you will have noticed - you will have noticed that there have been public statements by the ACTU and I think they are to be applauded for it, that in respect of parts of their claim which they put in - the 9.2% that is not being pressed with any sense of immediate relevance. It's something which they say is appropriate to go on the back-burner and to be looked at in times of obvious economic recovery. Now, I applaud them for that and I say I believe that

the employers and the trade union movement would be able to live with the sort of increase that I and the government have talked about. I will complete my answer by saying in respect of that part of your question how important I regard this. I regard this as fundamentally important.

ROB CHALMERS, Inside Canberra Newsletter

Q: I would like to ask you a question about the Economic Planning Advisory Council which, of course, is of higher importance, and you emphasise this, than the Summit. You are taking the Chair of the Council yourself, Sir, so it obviously is of higher importance. There has been some criticism in the business community that of the 17 members of the Council, only 4 of those representatives will be the private enterprise section. I am including here the farmers. How would you answer that criticism that 4 out of 17 is not great representation for the people that really have to enlarge the cake?

PM: Let me just start off the answer by addressing myself to the last part of your question. That was purely Fraserian in its position that its only the businessmen who are involved enlarging the cake. Marvellous assumption. Then I really believe that workers have something to do with enlarging the cake. I know it's an heretical thought in some circles, but I do happen to believe it. I also happen to believe governments are also, by their decisions, going to determine in part what happens to the size and the quality of the cake. The substantive point is this that in terms of the composition of the Economic Planning Advisory Council it represents the outcome, not only of the discussions of the Summit, but detailed discussion with the trade unions and business organisations following the Summit and it represents an agreed position. Now, that means, obviously, that when you are talking about a thing as diverse as the business community, those purporting to speak for the business community say, well look, everyone will share our view, but the representatives to whom we spoke are satisfied with that size and composition of EPAC.

BRIAN HILL, The Australian

Q: My question is in two parts. Firstly, bearing in mind what you said earlier about the deficit and the Premier's Conference, are you going to tell us what specific arguments the Labor Premiers made to you yesterday at your meeting in Melbourne and what your response was and also, given the size of the projected United States deficit and our own deficit, is it still appropriate for senior government authorities, for example, the State Electricity Commissions, to be able to borrow outside the Loans Council?

PM: In respect of the first question, hope certainly springs eternal, doesn't it. The answer obviously is yes, I could, but I won't. Secondly, in regard to the borrowing by the Electricity Authority outside the Loans Council operations, I think you will appreciate again, Brian, as that is going to be a matter discussed on Thursday and Friday, I really can't give you an answer on that but let me make this broad point that I think that what we have seen in respect of the Electricity Authorities generally speaking is that they have peaked in their borrowing. We would expect that that broadly would be the position. If, what we were looking at was a situation where you would expect another 132% increase in the borrowing program which we have just witnessed, then, that would create a different context.

MIKE STEKETEE, Sydney Morning Herald

Q: Mr. Hawke, I wonder if I could seek clarification of one aspect of your speech. When you have said there can be no foundation for sound relations between Papua New Guinea and Indonesia unless there are sound relations between Australia and Indonesia, were you suggesting that if you had taken a tougher stand on Timor then perhaps there could have been some implications for the security of Papua New Guinea?

PM: No.

.. HARRIS, Wellington journalist (NZ)

Q: In many curbside interviews last week, Prime Minister Muldoon indicated that there had been indeed a summit between the two trans Tasman leaders.

PM: ~~There~~ had been?

Q: There had indeed been a leaders summit between the two trans-Tasman leaders and Mr. Muldoon took as many opportunities as he could to tell Australians and New Zealanders what went on in those meetings. Could you, Prime Minister, given an indication as to why you don't hold similar interviews and tell the nation the contents of those types of meetings?

PM: Well, you're tempting me, aren't you? Well, let me as genially as I can, in the face of such diabolical provocation, observe with equanimity that Mr. Muldoon used the opportunity of the Parliament, his Parliament, because we wouldn't give him an opportunity in ours, the opportunity in his Parliament the other day of having a shot at the Hawke Labor Government and saying to the people of New Zealand that they shouldn't go for David Lange and the Labor Party there because they might do what we have done here and I think in these things it doesn't make much sense to reciprocate publicly. I have not left him unaware of what I think of this process of engaging for purposes of domestic political advantage in that sort of exercise. I take the view, as you may recall from what I said in the election campaign when questions were asked like this, I have certainly adhered to it absolutely since I have been in,

that it seems to me that once a people has elected a government and its leadership then you conduct your relationships with that leader whoever he or she may be on the basis that they are the representatives. I don't think you use discussions between leaders and particularly private discussions - I don't think that the interests of your people are advanced if you use those private discussions for the purposes of partisan advantage. That's my strong feeling and I intend not to depart from that principle.