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## PRIME MINISTER

E. & O.E. - PROOF ONLY

### TRANSCRIPT OF PRESS CONFERENCE - 19 FEBRUARY 1985

PM: Ladies and gentlemen I've just come from the Caucus where I made a lengthy report to the Caucus on a range of matters including, of course, recent events around the MX decision and my visit to the United States. I'm pleased to say that the Caucus without dissent endorsed the decision that was made by the Federal Cabinet on this matter. I read the decision of the Cabinet which was, as I say, unanimously endorsed by the Caucus. It was in these terms -

"Federal Cabinet today reaffirmed Australian Government policy on the basic issues of the Australia/U.S. Alliance, ANZUS Treaty and on disarmament and deterrence.

Cabinet took these decisions today after it received and endorsed a report on my recent overseas visit.

As a result of the discussions, and bearing in mind our close relations with both the U.S. and New Zealand, Cabinet will shortly consider a paper on the practical measures with regard to the U.S. and New Zealand for giving effect to the ANZUS Alliance following the recent New Zealand action to ban U.S. ship visits, and another paper elaborating on the relation between and the implementation of the Government's policies on disarmament and support for deterrence.

The first paper will be prepared by the Foreign Minister, the Hon. Bill Hayden, and the Minister for Defence, the Hon. Kim Beazley, and the second paper will be prepared by Mr Hayden.

The Cabinet discussion was lengthy, amicable and conducted in an atmosphere of genuine desire to ensure continuing unity and cohesion both at the Government and Party level over these complex and sensitive issues.

There was also general agreement that both the Australia/U.S. Alliance and the need to do all in our power to ensure the maximum possible progress on disarmament were essential to Australian foreign policy.

All Ministers addressed the issue without rancour and with a desire to search for the best method of both implementation and understanding of these policies.

An important theme of the discussion was the need to ensure that the decision making processes of the Government were directed most effectively to these ends."

Now that was the decision of Cabinet. On 12 February it was unanimously endorsed by the Cabinet and that has in turn been endorsed without dissent by the Caucus. Let me comment on that before going to a second resolution which was passed by the Caucus. In speaking to this motion, as I had in my report, I made it clear that the papers that were being prepared did not go to the question of the policies. The first was a working, practical paper to look at the questions of how now in fact the relationship between the United States and Australia, under ANZUS, would be conducted and how the relationship between Australia and New Zealand would be conducted. While the second paper, as the Cabinet decision indicated, is one elaborating on the relation between and the implementation of the Government's policies on disarmament and support for deterrence.

The second decision which was, as I say, passed by the Caucus was in these terms -

"Caucus renews its commitment to the goal of ensuring a long term reforming Labor Government.

Towards this end, Caucus calls on all members, including Ministers, to participate actively in the Caucus decision-making process to ensure that the Government achieves the Party's objectives in the most effective possible way.

Recognising the importance of the unity of the Government and of the Party, Caucus calls upon all members to promote the decisions of the Government, and so to ensure a unified and effective presentation of Government policies.

Caucus further notes that there are long-standing processes available within the Party for the resolution of differences of opinion, and that it is in the best interests of the Party and the Government when debates are properly confined to the processes of the Party."

May I say, ladies and gentlemen, that the comment that I made - and it was endorsed by the Cabinet - as to the nature and character of the discussion in the Cabinet of this matter was also reflected in the discussions in the Caucus. They were useful,

constructive and harmonious and reflected the desire of the Caucus as of the Cabinet to ensure that the purposes of the Government are effective in the most constructive manner. And I believe that we have the basis of going into the Parliament now on a firm united basis, with the recognition that the events of the week before last had not been entirely helpful to the Government. And that is now reflected in, I believe, the unanimous view of the Caucus that we have the opportunity now in the Parliament and outside the Parliament of developing and presenting to the people of Australia the positive policies which are going to be to the immediate and the long-term benefit of this country.

JOURNALIST: Prime Minister, who moved and seconded the two resolutions?

PM: I moved the resolution, the first one, which was an endorsement of the Cabinet resolution. I think it was seconded by Mr Bilney - I can't recall. And the second resolution was moved by Mr Ron Edwards and seconded by Mr John Scott.

JOURNALIST: What practical steps apart from the doubling in the number of Caucus Committees are being taken to improve the consultation and the decision-making process.

PM: As I left the Caucus Mr Keating was reporting on behalf of the Kirribilli Committee. That discussion is still going on and as I understand there will be further discussions and then decisions at the next meeting of Caucus.

JOURNALIST: Mr Hawke were you asked to amplify the background to your decision on the MX?

PM: I wasn't asked to. I did it without being asked.

JOURNALIST: Were you then asked whether or not you thought it was the right decision.

PM: No I was not.

JOURNALIST: Did you suggest to the factional leaders, when you met them this morning for breakfast, that they should stop holding press conferences?

PM: Well, obviously the whole question of public statements by individuals and groups was mentioned. And that was included in the discussion. And I think you will see that the intent of the second resolution that was passed by the Caucus would cover that situation.

JOURNALIST: Have the Left agreed not to hold press conferences?

PM: Oh well, I am the Prime Minister and I'm speaking now on behalf of the Caucus. I don't presume to be the spokesman for the Left particularly. I think you should direct that question to

them. But I would believe that that practice wouldn't continue.

JOURNALIST: Is that just a matter of press conferences or would you expect the factional leaders who are outside the Ministry not to make any public comment on matters of Government policy before the decision by Cabinet?

PM: I believe that in terms of the resolution and the spirit of it that in future the discussions will be within the Party processes.

JOURNALIST: Did you make your own views on this clear to the factional leaders this morning and did they agree to that.

PM: Yes. I made my position clear. But let me make it clear that it wasn't a question of the Prime Minister having to impose a view. I think there was a general recognition amongst all groups that, as I've said earlier, that the events of the week before last were not helpful to the Party and to the Government. And I think there's a determination as reflected in the resolution to pursue a different course.

JOURNALIST: Yes but you didn't seek, nor did they give, a guarantee that they wouldn't speak out.

PM: Well I didn't feel it necessary to seek a guarantee because I felt from discussions that had taken place that there was an understanding that we needed to handle these things differently. That understanding was clear and I believe was explicitly reflected in the resolution passed by Caucus.

JOURNALIST: ... pre-empting Party policy by, for example, speaking out on taxation matters before the Party's has decided on a formal policy?

PM: As Prime Minister I have the right and the obligation to speak to the public on issues concerning the areas of Government initiatives. I don't pre-empt the decisions of the Government that will be taken in the area of tax. I expressed a clear view and made it clear in the discussion today, in my report which covered more than MX and the United States visit, that the Party will be fully involved in the processes of preparation of the White Paper which will be issued we hope in May or June before the Summit in the first week of July, there will be full involvement of the Party in those processes.

JOURNALIST: Well what about other people on taxation. Is that included in this resolution or do you think it's fair enough that people put a view on an issue like that which is not yet resolved?

PM: Well I think in the spirit of the resolution that was passed, Michelle, that the way in which members of the Party will pursue that will now tend to be within the actual processes of the Party. Because what you've got to appreciate is that the Treasurer,

Mr Keating, will be discussing these matters with the Caucus Committee and so there'll be full opportunity within the processes of the Party for different points of view to be put.

JOURNALIST: Mr Hawke do you think, ... the first of a series of trying to heal the rift between the factions?

PM: Well you say a rift between the factions - I don't put it that way. What this morning was about was to address a situation that had arisen, where as I said, the Government had not been helped by the events of the previous week. And we were all of the mind that that was the case and it seemed to me sensible to bring the representatives of the groups together. They all positively responded. I think we all found it a very useful exercise. Whether that will be a regular feature - no decision has been made. But certainly it was very useful and it may well be that something of that kind more frequently could be useful.

JOURNALIST: Whose idea was it ...

PM: It was mine.

JOURNALIST: Prime Minister was there any criticism of you for formally attending a meeting of a faction before Christmas and are you the first Prime Minister, Labor Prime Minister, to attend a formal faction meeting.

PM: No there wasn't and secondly, I don't know.

JOURNALIST: Now that harmony has been restored, Prime Minister, in the ANZUS/MX affair is the Government in a position to re-open the offer to restore to the Americans the facilities to refuel their aircraft when ...

PM: You don't seem to realise, David, that there was a mutual decision between myself and the Americans that that was no longer required.

JOURNALIST: Mr Hawke what explanation did you give to Caucus about how you arrived at the original MX decision.

PM: I explained that the matter was brought to my attention in May of 1983, before I went to the United States. And it was pointed out to me then, by the then Minister for Defence, that this situation may arise in my discussions over there and that I had raised the question without making a decision at that point of the splash-down point that was proposed, and indicated that no splash-down point within any definition of Australian territorial waters would be acceptable if we were going to consider such a decision. Then, later in 1983, the question was raised with us - were we going to provide the facilities - and that a decision was taken by the three Ministers in good faith and in full integrity on 16 November 1983.

JOURNALIST: Mr Hawke when you were in Washington you were assured that Australia would not be involved in any research under the SDI program. I wonder whether you can assure us whether Australia, or whether you've received any guarantees that Australia will also not be involved in any subsequent testing, deployment or use of the strategic defence arrangements.

PM: Well let me say two things in regard to that. Firstly, I made it clear both in my discussions with the President, the Secretary of State and the Secretary of Defense that we could not support the SDI initiative. And secondly, I received assurance that the facilities, the joint facilities in Australia, were not and would not be involved in such research.

JOURNALIST: How can you prevent the joint facilities being involved in the testing and deployment of missiles under the SDI though?

PM: Well, following our accession to government in 1983 there was a review of the whole question of the facilities and the ANZUS relationship. We are in a position where we are involved in and know of the operations of the facilities. We have specifically put the question to the United States. They have given us an unequivocal answer and, as distinct from some people, I am not in the business of questioning the integrity of the United States.

JOURNALIST: Could I take your answer to mean, ... research rather than anything further so that if the Americans deploy or even test ...

PM: I specifically put to Mr Weinberger, and I thank you Mike for your question because it makes clear what did emerge, that firstly I received the assurance that facilities were in no way involved. And further than that, I indicated that should there be any developments on the part of the United States which, on their part would contemplate the use of the facilities, then we would be required to be informed because it is not our position that we would be involved in the SDI.

JOURNALIST: Prime Minister, did the faction leaders at this morning's meeting seek any undertaking from you in return for their undertaking to to make any public comments?

PM: No, there was no seeking of undertakings from me. We all recognise that there should be a use of the Party processes for expressing views, and for my part, as I have said previously, I welcome any moves that are going to facilitate the processes of consultation on the part of Ministers with the Caucus and through the Committee system. I have made that quite clear that I welcome that so the question simply didn't arise. I made that clear. They understood that. It was a shared view.

JOURNALIST: Prime Minister, could I just whisk you away from Caucus for one minute? Do you intend any further meetings with

the NSW doctors?

PM: I will be actually having a meeting this evening with Mr Shepherd and Dr Blewett will be involved in that meeting and I hope that that may lead to some avenues for resolving the dispute. Let me make it clear, as we have in previous discussions, where the procedural specialists and the AMA were involved, that my Government will not brook any changes in the basic structures of Medicare - we are not about that. But we are concerned with the great damage that is developing as far as innocent patients in NSW are concerned. And if we can, by meeting with Mr Shepherd, move towards or start to move towards a resolution of this dispute, then that is a good thing, but it should be made clear that we have responded to all the points that have been raised in our earlier discussions. We believe there is there a basis for a resolution of this dispute and I hope that as a result of these discussions we may be able to move more quickly towards resolving a dispute which is doing no credit to those immediately involved, but more importantly is starting to assume quite tragic proportions for innocent people in NSW.

JOURNALIST: What changes do you intend to make to your own decision making process to prevent a repetition of the original MX decision?

PM: Well it is not a question of changing decision making processes. I have indicated in a previous answer here this afternoon how the decision was arrived at - this particular decision was arrived at - in good faith and in discussions with the Ministers concerned. Let me make it clear that no-one is suggesting - no-one has suggested in any discussion with me that security matters are ones which can be a matter for Caucus discussion and decision. No-one has put that. And I believe that the record shows in regard to general matters that, as far as I have been concerned, I discuss matters with Ministers widely. This is not an authoritarian government and certainly, however, we should all, all of us, all intelligent people, should learn from the difficulties of the previous week. The difficulties arose from reactions to a particular decision and so we have all sensibly got to make sure that as much consultation as possible takes place. On some issues there will be clearly a limited amount of consultation that will take place, but there should be as much as it is possible in regard to the issue with which you are dealing. I certainly have always, both before and since I have become Prime Minister, believed that the most effective decisions come from involving as many people as you can and that has been the hallmark for this Government. I will continue along those lines.

JOURNALIST: .. blame the issue blowing up as it did?

PM: I know that a lot of you have been almost exclusively involved in the question of blame allocation and that is probably an interesting exercise. I regard it as rather futile but I have

never believed in regard to this issue or any other that I am perfect. I think I have made that quite clear. And I am an intelligent person who can learn from experience. Now in regard to this issue three Ministers in good faith and with integrity made a decision. Our integrity and good faith was not questioned at all. It hasn't been questioned at all. Now, once, and I think this ought to be made clear - once it became clear that there was a very broad concern about that decision, then I, I believe with complete responsibility, responded to that position. In other words, as I made clear in Washington, as I make clear again here in this press conference, I believe the two fundamental positions appeared to be in jeopardy if that position was adhered to. The first was that the continuing fundamentals of the Australia/United States alliance relationship, the joint facilities/bases, ship visits - that those continuing, fundamental, important elements of our relationship were being put in possible jeopardy by a continuing adherence to a previous decision in regard to a matter which was transient - was not part of the permanent, fundamental, important issues. And secondly, I believed that there could be some impairment of our capacity to proceed assiduously as we had done since we have been in government in the various areas of disarmament. And I wasn't going to allow either of those two fundamentals to be impaired or diminished. Now, if you want to say would I change that decision making process, I wouldn't. I would always try and make the decision and be involved in decisions which are going to enable the fundamentally important issues of government to be pursued. It did not to me make any sense to adhere to a position which was going to impair those fundamentals.

JOURNALIST: If you say that security matters are not a matter for Caucus deliberation, how then do you get around another MX problem, I mean, given that you can't tell the Caucus about this decision, how do you get around the ...

PM: Let me repeat. No-one has put to me that those sorts of issues and decisions are for Caucus deliberations. No-one has put that. Now they will be handled by consideration within the appropriate committees which are established for that purpose.

JOURNALIST: Prime Minister, do you agree that the National and International Security Committee of Cabinet should report back to Cabinet on its decisions?

PM: You are a bit out of date. It is no longer called that.

JOURNALIST: Sorry, the security committee.

PM: Alright.

JOURNALIST: As contained in the Party platform - that it should report decisions back to Cabinet. Do you agree with that?



PM: Well, the position that we will adopt I think will be a flexible one that there is an attitude, I believe now, in the Party that we have to ensure that where the fullest range of consultations is possible, that that will be done and we will seek to do that. Now, these matters have been discussed and I think satisfactorily resolved within the Cabinet. There was an acceptance within the Cabinet discussion on 12 February that you have different categories of situations. Quite clearly I and the Ministers directly concerned in this area which is the Minister for Defence and Foreign Affairs will seek to involve as many people as we possibly can in the widest range of issues that we have a responsibility for dealing with.

JOURNALIST: Prime Minister, you say the first resolution was passed without dissent. To what extent was there any criticism of you or of the decision in the first place in the Caucus debate?

PM: What was the last part of your question?

JOURNALIST: To what extent was there any criticism of your decision in the course of the debate.

PM: As I recall, none.

JOURNALIST: None at all?

PM: None means none at all.

JOURNALIST: Mr Hawke, on the question of wider consultation ...

PM: Let me make it clear, that doesn't mean that in the minds of some people there might not have been criticism. I mean, some has been expressed before. I was referring to the meeting.

JOURNALIST: On Caucus consultation, do you accept the structure put forward in the Dawkins paper?

PM: I am not going to, now, break the unanimous decision of Caucus. What a question. I will be involved in the discussion in the processes of the Party. There are Party processes for dealing with these things, not at a press conference.

JOURNALIST: Prime Minister, are you aware that Mr Lange is planning to visit Australia in April?

PM: No, I wasn't.

JOURNALIST: Will you be seeing him when he comes here in April?

PM: Are you joking, Laurie? Of course I will. I hope I can have a game of tennis with him. I don't think he would be as quick around the court as I would, but he might be.

JOURNALIST: Prime Minister, have the Americans actually asked Australia to help support the SDI development or is it just an anticipating... (inaudible)

PM: No, they have not asked. I am not anticipating one. I believe that I have an obligation to make my position clear on it. I did. And as I have said before, I think probably I have made the position of my government clearer and in less equivocal terms probably than any other western leader.

JOURNALIST: Mr Hawke do you think the Americans would have any grounds for concern about the Pacific allies of the alliance and what's happened recently, particularly in reference to the private member's bill that was introduced by Senator Chaney yesterday.

PM: Well I think the answer to that question is perhaps best, as far as Australia is concerned, answered by the statements of myself and President Reagan on 7 February. I said, and he agreed with my statement, I quote what I said -

"The relationship that is between Australia and the United States under the ANZUS treaty and the rights and obligations assumed under the treaty were undiminished by recent events."

And President Reagan said, at the same time he said, I quote him -

"Australia is a reliable ally, an important trading partner, a trusted friend in a fellow democracy."

And he observed, I quote, that he -

"could not overstate the value that the United States placed on its friendship with Australia."

Now however much some people in Australia in the Opposition parties may seek to do a great disservice to the basic interests of this country by seeking themselves to undermine the relationship and the strength of the relationship, they will not succeed. Does anyone in this country who is trying to undermine the relationship between Australia and the United States, members of the Opposition who put in question whether recent events diminished that relationship, the President of the United States agrees that the relationship remains undiminished. Now if the President of the United States and the Prime Minister of Australia have that view and have that position as they do have, then it is an act grossly and manifestly against the interests of Australia and of the relationship for anyone in the Opposition to put a contrary view.

JOURNALIST: Do you think the recent experiences have been a salutary experience for you?

PM: Salutory experience for whom?

JOURNALIST: For you and for the Australian Government?

PM: I think that all experience you should learn from, but let me say this - and of course I am never one to criticise the media - you know that - but let me say this. I think it may have been a more objective assessment of the visit to the United States if there had been a full exposition - an objective exposition of what in fact was achieved there - that is that we dealt with what was a delicate issue. We arrived at a mutually agreed position and one which the President of the United States and the Prime Minister of Australia agrees involves no diminution in the strength and the force of the relationship between us. And that in that process, as Prime Minister of this country, and as an aligned country of the United States, I however strongly put the position that we are not an aligned country which had to agree, or did agree with every single aspect of the policy-making and decisions arrived at. ... and I have indicated where that was the case. Now that is the strength of the relationship - that is the strength of the relationship between two great sovereign, but allied democracies - that is that you share certain basic perceptions. They are fundamental to our perception of how this country should operate. They are fundamental to the perception of how the United States should operate. We are committed to the same fundamental values and in recognition of those shared perceptions we have an alliance relationship which involves certain fundamental rights and very fundamental obligations on our part.s Those rights and obligations remain undiminished and it is within such a healthy strong relationship between two countries committed to democratic principles that you are able to have differences of opinion. And in the expression of those differences of opinion you not militate against the alliance. They are a reflection of its basic strength.

JOURNALIST: You said there was a deliberate mis-reporting aspects of that. Do you think there is a growing press bias against you and your Government?

PM: No, I don't have a feeling against press bias. I simply say in respect of this visit that I believe there was a mis reporting there and when I returned. I mean, you are pursuing this question, not me. I am relaxed about you people. I think you are lovely. I think you are beautiful, but I don't think you always get it right and so, if you want me to give you an example, let me give it. One would have thought that by the time I got back here and there were the avenues you have available of finding out what happened, that you would be surprised by having a front page story in one of your papers that at the security committee meeting on 29 January Mr Hawke did not raise the question. It was raised under the lines by Mr Beazley. That is absolutely wrong. It was raisedf by me. Now, I don't know why you get something as simple as that wrong. There must be a reason.

JOURNALIST: You said it was deliberate, though. Inaudible.

PM: Look, you are raising the question of bias. I haven't raised it. I didn't use the word bias. I am not using it. I am not here to complain about the press. I am not complaining about it.

JOURNALIST: But you talk about mis-reporting. Is it deliberate mis-reporting?

PM: Oh well, who am I to be here and enter into the minds of such a range of people as this. I mean, I don't know why things are got wrong. I mean, I just find it very difficult to understand on a simple thing like that about a security meeting where there is a deliberate assertion that Mr Hawke did not raise it. It was raised under the line by Mr Beazley. Now, it is wrong. It couldn't be more wrong.

JOURNALIST: Deliberately wrong?

PM: Well, let me say this. There is a way of finding out before going into print as to whether it was right or not and the processes weren't followed.

JOURNALIST: (Inaudible) It's pretty hard.

PM: Oh so you justify false assertions in that way. I don't think that is correct.

JOURNALIST: Inaudible.

PM: But listen, let me make it clear, I mean, you have gone down this path. I want to make it clear that I am not complaining about the coverage.

JOURNALIST: Mr Hawke, how much damage do you think has been to the Government electorally because of all the reporting over the past few weeks?

PM: Let me make it clear, it is not the reporting. I mean, I am not trying to say ...

JOURNALIST: The headlines ....

PM: Sure, about what has in fact happened. I mean, let me make it quite clear, I am not blaming anyone else outside the Party for what has happened within the Party. I think the Party will have suffered - how much I don't know. But what I assert that it is very temporary because the position of the Government is, I believe strong with regard to the basics that concern the people of this country. That is the matter of sound economic management. And there would, however, I believe, have been some reaction to the public squabbling that took place. There would have been some

adverse reaction. I believe that will prove to have been temporary.

JOURNALIST: Mr Hawke, when you have discussed this issue with the Party and also with the Cabinet, at any stage have you accepted yourself any blame for what happened in the MX .... and secondly, when it comes to the decision Cabinet took about consultation, have you changed the decision-making procedure at all. I think, from what you said earlier on, that security decisions don't necessarily have to go to the security committee of Cabinet. Is that still the situation?

PM: No, in regard to the first question of do I accept any blame. I was involved with the two other Ministers in the decision that was finally taken on 16 November. I can simply say this. I repeat what I said before. It was a decision taken by the three of us in integrity, and in good faith, and on the basis of what we believed, in the circumstances, was in the best interests of this country. Now, I can say no more than that. I can then, in regard to that stage, then when I was confronted with the breadth of the reaction in this month of this year 1985, then I accepted the responsibility of leadership of responding to that. And I made the judgement that the continuing interests of this country in regard to those two basic issues of the continuing elements of the large relationship and the non-impairment of our capacity to pursue our policies in the area of disarmament, that they were not to be put in issue. I believe that I made the correct decision there.

JOURNALIST: What about the second point ....

PM: I have answered that question before. I have nothing to add to what I have said before.

JOURNALIST: Mr Hawke, you said before that there obviously would be a limit to consultations. What matters other than security which you specifically mentioned does that apply to - what matters won't Caucus be consulted about?

PM: Well, if you want another example, on questions of the exchange rate, for instance. I mean, you obviously are not going to be discussing those with Caucus. I mean, that is a fairly obvious example.

JOURNALIST: On that point, Prime Minister, the Australian Dollar in the last hour has slipped down to new low of 70 cents. Do you still believe the downward plunge a transient thing and unlikely to continue? Or do you think that the time has arrived for Government intervention - appreciating the sensitivities?

PM:e Appreciating what?

JOURNALIST: The sensitivities to which you referred at the weekend.

PM: Well, yes, and I am glad you acknowledge those. I don't believe it is helpful for me to say anything more than I said on Sunday and I don't intend to.

JOURNALIST: Prime Minister, a question on taxation in relation to your comments on the Sunday show. In relation to the question on the possible re-introduction of the broadly based indirect tax system, would you favour any exclusions leading to and/or the operation of a differential tax base?

PM: I'm not going any further than I did on Sunday. I stated the position broadly as I see it, and I would think as the majority of Australians are coming to see it. Now, the detailed work is going on at the level of officials and Ministers and will proceed within the Party. I don't intend, at this point, to go into any more details.