



PRIME MINISTER

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JOURNALIST: Prime Minister, are you disappointed that Bill Kelty has described the idea of taking housing out of the CPI for wages purposes as conceptually flawed?

PM: No, I don't make any judgement on that statement of Bill Kelty's. I know that the ACTU is agreeing with the idea of examining the way in which the issue is being treated. Out of that discussion that will take place we would hope to get a process which is most appropriate for all purposes for which the CPI is used. I don't get upset by that comment by Mr Kelty.

JOURNALIST: But it does seem to make it less likely that your proposal will get carried through.

PM: Well we'll see what happens. The Statistician himself has indicated that they're going to have a look at it, all the parties I think agree that it ought to be looked at, let's see what happens.

JOURNALIST: Are you as confident as you were the other day Mr Hawke that you can reach some arrangement with the ACTU about housing components for the last couple of quarters?

PM: The overall point that I am confident about is that the wages outcome will be negotiated in a way which is relevant to both the legitimate aspirations of the Australian workforce - and they do have legitimate aspirations to maintaining and gradually through time improving their living standards. The equally important consideration which is in our mind is maintaining responsible economic management in the context of the circumstances, including the external circumstances, with which we're confronted. I'm confident on the experience of the last few years that the trade union movement and the Government, together with input from the employers will get an outcome which is relevant to those two considerations. I've been confident about that all along, I have no reason to doubt that we can get that outcome.

JOURNALIST: It would be disastrous wouldn't it if wages were to rise at the same sort of level as prices are now rising, wouldn't it?

PM: It would be disastrous if the wages outcome were not consistent with the capacity of the economy to sustain living standards and not impose too great a strain on the external account. Those are the criteria. I made it clear that a wages outcome which is not consistent with those criteria is not acceptable.

JOURNALIST: Back in '85 you agreed to delay tax cuts for three months because of the economic situation. Would you be prepared to contemplate delaying tax cuts this time for all ...?

PM: That question hasn't arisen in my thinking at this stage.

JOURNALIST: There's been a suggestion that there be some special allowance or weighting for people in Sydney because of the housing cost. What do you say to that?

PM: I haven't addressed my mind to a particular weighting for Sydney people. I think that's just an issue that may arise in the discussions but I'm not going to prejudge that suggestion. On its face I don't get terribly excited about it.

JOURNALIST: ... Bangkok, is it possible to ask a question about your meeting with the Thai leadership?

PM: Perfectly possible Peter.

JOURNALIST: Do you think Prime Minister that you'll be getting the support from the Thais for the regional trading bloc group/alliance, call it what you will, that you hoped for in Korea?

PM: I've to meet with the Prime Minister and other Ministers later this morning. I would hope that at the least they would find the concept one which is worth further analysis and discussion. I would hope and expect to get that reaction and I'll find out when I talk with the Prime Minister a bit later this morning.

JOURNALIST: Is Kampuchea on the agenda today and what aspects will you discuss?

PM: You couldn't be here and not have Kampuchea on the agenda. Yes, it will be discussed and both the external and the internal aspects will be discussed. The external aspects being of course the withdrawal of the Vietnamese troops and the phasing down of external assistance to the factions within Kampuchea. And then of course, internally, what will be the processes leading to an acceptable government within Kampuchea. Those are the essential issues and that's what I'll be discussing.

JOURNALIST: ... putting regarding some possible international body and Australia's possible part in it?

PM: Well those discussions about what is now talked of as an international control mechanism, the word mechanism being a generalised phrase to cover the differences which have existed between the concept of an international peace-keeping force on the one hand what some elements ... and on the other just a monitoring body, it is now referred to as a mechanism. Well I want to find out from talking to the Prime Minister and the Foreign Minister here just the latest thinking amongst the various parties and they are absolutely up to date with that about where the areas of difference are on that concept. Essentially what I will be indicating as far as Australia is concerned is that as an interested party and one with a record of concerned involvement on this issue Australia would stand ready to be of assistance in any sort of mechanism, if we can use the word that's in vogue now, if our presence is desired. But I repeat, we are not here to push ourselves in as a participant in the final supervising process whatever form that might take but if it were regarded as desirable by the parties concerned then obviously, consistent with our past concern and involvement, we would be prepared to consider that.

JOURNALIST: Do you think it would be regarded as desirable?

PM: By the parties? Well, I would tend to think so. Not every party would have exactly the same attitude by definition because you have such a range of parties. But I think generally speaking Australia's standing is such that they would regard it as sensible for Australia to have some involvement.

JOURNALIST: Prime Minister, there have been reports from Peking that Gareth Evans after his round of talks is pessimistic of an early Cambodian settlement, do you share that pessimism?

PM: I don't accept that he has it.

JOURNALIST: Mr Hawke the official figures show that the performance of Australian exporters in Thailand has been fairly mediocre. Are the faults all on the Australian side?

PM: Well let's just get that in perspective. There has been a doubling of the performance in the last couple of years which is admittedly from a low base but it is not right to say that the movement is not substantial and in the right direction. But I think you are right in saying that compared with our trading relations with other countries in the region, in absolute terms its not as high as we would like. And in fact I will be proposing to the Prime Minister and other

Ministers a process whereby we can see a further significant improvement in that in the couple of years ahead. I think that there is a case to be argued that Australian businessmen haven't been as enterprising in Thailand as they should have been. The opportunities here are obviously very significant, and it is a country which is in a period of rapid economic growth with needs to greatly enlarge its infrastructure, significant demands for a range of materials of imports as well as manufactured goods. Now I think the opportunities, generally speaking haven't been grasped or pursued as vigorously as they might have been by Australian business. Always there will be some difficulties and you could point to some problems in the country concerned and there would be some here. But what we are about on this occasion is to try and create the framework at the government level, government to government level, which will ensure that the environment is there for the Australian business community, both the private sector to the extent that public utilities would also have a role, that the environment will be right for them to take advantage of very significant opportunities that undoubtedly exist here.

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