



PRIME MINISTER

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E & O E - PROOF ONLY

PM: I apologise for keeping you waiting. A couple of things that have just arisen. I just want to make a brief statement against the background of the written statement that you have.

The first thing I want to say is that the situation that we're dealing with is one of a national emergency. The pilots and their Federation have created an abnormal situation and that requires the responses appropriate to such an abnormal situation. In this dispute the Government is absolutely determined to protect the national interest and the economic welfare of all Australians and in those circumstances we have had and continue to have no choice but to oppose and oppose completely to the blackmail and the destructive tactics of the Federation for however long it takes.

Cabinet yesterday took a further step in a process which will guarantee the full restoration of domestic airline services. Australian pilots must now decide whether that's going to take place with them or without them. Obviously the Government would clearly prefer that pilots should rejoin the domestic airline system and that they should negotiate contracts with the airlines. If they do that, they then can in that way get reasonable increases in pay, associated with significant increases in productivity and Australia can, in that way, retain their particular skills and experience. That's what we would prefer. Let me make it clear that if they continue to follow the wilful and greedy and destructive line of the Federation then those pilots should be under no illusion that Australia's domestic airline industry will in any event be fully restored and in those circumstances there will be no place in it for them. I repeat that the Government has the total resources, resolve and capacity to protect Australia's immediate and long term interests in this dispute and we will do precisely that.

JOURNALIST: Prime Minister, in the letter to James Strong yesterday from the Air Pilots Federation, they said they were willing to negotiate productivity and conditions and other matters. Do you see that as at least a basis for talking and negotiating and perhaps even bringing them back to the guidelines?

PM: No, and for very clear reasons. Let me go through them. Firstly, there is no indication whatsoever in anything that's been said that the pilots, the Federation are prepared to negotiate within the system. Nothing that they've said indicates that they're prepared to negotiate within the system. Second point is that the Federation has now no nexus upon which to negotiate by. Their deliberate decision, their members have resigned their employment. The airlines have no employees who are members of the Federation. The third point is that all those pilots who have signed individual contracts with the two airlines have specifically made the point that their resigning is conditional upon the airlines having no dealings with the Federation, which given the intimidatory tactics that have been employed is not surprising on the part of those pilots. And of course the final point I would make is that given the action of the pilots to this point, what guarantee at all could you have that if that were to be done that in some months later the Federation wouldn't employ exactly the same tactics again. For those all those reasons compellingly lead to the conclusion I've put, yes.

JOURNALIST: How will last night's Cabinet decision guarantee a full restoration, as you put it, of domestic services?

PM: Very simply. You will have seen from the statement, which I think you will agree is a pretty extensive statement, that the airlines and the Government and may I say in that sense particularly myself, have not been idle on this. I've been interested to see that we should be taking action to see that this matter is resolved. I've lost count of the number of hours that have been involved in doing precisely that. What has happened is that as of today something like 20% of capacity has been restored, by the beginning of next week, 25% will be restored and by the end of this month, something like 50% and action is now underway in the methods outlined in my statement to ensure that there will be a full restoration of the domestic airline industry. All the steps outlined in my statement which cover the signing of pilots previously employed, and may I say just today there has been another significant breakthrough in that the first time some senior route captains - 737 captains from the Federation - have now signed contracts. So there will be an acceleration of the signing of people previously employed, so you've got that. You've got an acceleration of the provision of services by the RAAF. You have now an acceleration of the recruitment processes, not only in Australia but overseas, by the opening of joint offices by the two airlines in the United Kingdom and in the United States. You will have an accelerated training program so that more quickly you will have that critical mass of pilots available who will be able to ensure that all those who are signing up are able to be used. You will have the bringing into Australia of additional aircraft from overseas and of additional pilots. Now all these things are calculated to ensure what must be done and that is the building up as soon as possible of the domestic airline

(PM cont) industry to full strength. May I take the opportunity of hanging it on that question of making it clear that we understand the costs that are involved in having to take these courses of action and no-one needs to be very imaginative to understand those costs. Let me say in particular I am more conscious than most people of the costs in the tourism industry. What must be understood, what simply must be understood is this fact; that whatever these costs are, they are transient and minimal compared to the costs that this country would suffer if I was prepared and the Government was prepared to - and the airlines were prepared - to bow to the demands of the Federation because you all know that if that were to happen then the whole wages system would collapse and the economy would collapse with it. So it is not a question - you have achieved nothing if you say, 'look at the costs, they are real, present costs'. But they are, as I say, minimal as compared with the absolutely uncontemplatable costs that would be associated with bowing to these pressures. -

JOURNALIST: inaudible

PM: Will you just excuse me. I want to make this point because I'll be making it later on at any rate so I may as well make the point in this context. It is to me and I hope to you somewhat fascinating to see in this context the latest offering of the Leader of the Opposition in a totally irrelevant press release from him today, there is included this remarkable passage. 'The Government seems prepared to go to any lengths to prop up a wages system which is in its death throes'. I ask you to compare and I ask the Australian people to compare that absurdity about a wages system being in its death throes. Now with the assessment made in today's Financial Review, I just read some of the passages from that assessment. 'I would like to report that the Hawke Government's wages accord is crumbling under the weight of the pilot's dispute. It would make a good story however, only mugs allocate their portfolios on the basis of good stories'. And may I interpolate by way of parenthesis and only mug Leaders of the Opposition make such absurd statements. And then there follows the analysis of the achievements and current achievements of the accord and of the wages system, which is what this dispute is about now, an attack upon it on the one hand and our commitment to protect it. So let me point out just what it is that we're protecting. There's reference in the article to the historic threshold that has now been reached in terms of a massive restructuring of the Australian wages and industrial relations system under the accord. The elimination of hundreds of classifications, getting down to something like 10 core skilled classifications, the basis upon which not only will there be a restructuring of the industrial system but the elimination of a basis of demarcation disputes and so on but the analysis properly goes further. It says this properly; that under the wage accord the ACTU has deliberately facilitated the biggest redistribution of

(PM cont) national income from wages to profits for at least a generation. This fact seems to be conveniently forgotten by those who are now squawking for an abandonment of any centralised drain on aggregate labour costs. The accord has underwritten the corporate profit boom which is in turn funding the current surge in business investment. Now I've gone onto those points, my friends, because that is what this dispute is about. The Leader of the Opposition would dearly love to believe his own nonsense that the accord and the centralised wage fixing system is in its death throes. He would like to believe that that is the case. Indeed the pilot's dispute is centrally about destroying that system, a system which is as properly recorded here in today's financial Press has been responsible both for now reaching a situation where Australia at long last is able to have a totally restructured industrial relations system in which the award structure will be relevant to a modern industrial economy and will provide the basis for further improvement and in the process it has also, by the restraint of all Australian workers, allowed this massive shift of profits, which shift has been necessary to enable this massive boom in investment and under which one and a half million new jobs have been created. Now that's what this dispute is about and we are not going to allow a situation where a small, greedy, powerful group of already privileged people are going to smash that system. That is why I say this is a national emergency and that is why, from the outset, I have been utterly dedicated to ensuring that every resource of Government will be directed to ensuring that those massive gains for this country which have been achieved and which further gains are in prospect, are not going to be jeopardised.

JOURNALIST: What areas Mr Hawke, of Government regulation will be looked at by the officials ... and will that include any revision of the timetable for ending the two-airline policy?

PM: Taking the last part of the question first, there is no question of revising that deadline, that comes into effect next year as you know, and all planning is being undertaken on that basis, there is no suggestion of changing that. What is involved there is this point; properly, very properly the CAA has ensured that as it deals with applications by the airlines for accelerated access of aircraft and of pilots, they should not in any way take any action which would jeopardise the safety situation of the airline industry in this country. They have been faced with what is for them a totally new situation and there has been some frustration on the part of both the airlines that things could've been done quicker. Now to the great credit of the CAA they have, as they've been handling these things as they arise, they have been able to accelerate the processes and that will be done. But I give the assurance on the basis of the conversations that I was able to have yesterday with the acting head of the CAA, Mr Rainbird, that

(PM cont) nothing will be done at all in trying to accelerate these processes under the regulations which will in any way jeopardise the safety record of this country, which is something of which we all should be properly proud.

JOURNALIST: You've just said that if need be Prime Minister, the airlines can be rebuilt without the bulk of the Pilots Federation members. Just how feasible is it for you to be saying that? I mean is that in fact possible and where do the pilots come from?

PM: Yes, it is possible. Let me say Paul, my very clear expectation is that more and more of the previous employees of the airlines will in fact rejoin. There is already a significant number and as I say today there has been a very significant breakthrough in regard to senior route captains. I have no doubt that as the reality dawns upon members of the Federation, they will join. So I'm not avoiding your question but I'm simply making it clear to you that it is my clear expectation that a very significant number of previous employees will rejoin their previous employers under individually negotiated contracts. Having said that, the actions are in train to ensure that if you take the worse possible case scenario that on the basis of those who have already joined, that there will be an enrolment of people from two sources. One, there have been many applications from pilots within Australia who have previously flown for minor airlines and who would seek to become employees of the two major airlines. As part of that process there will be an acceleration of training programs to ensure that their skills can be upgraded so that they can be properly certified to fly with the major airlines, so that's one source. The second source of course is from overseas.

JOURNALIST: Mr Hawke, can you explain this concept of a critical mass of pilots and can you say how soon you expect flights to be in the air with their normal crews?

PM: The critical mass point is simply that if, given the structure of an aircraft operation, you have captains and you have junior pilots, and you have to have a proper number of senior pilots to ensure that you can maximise the use of junior pilots - and it's in that sense you're talking about a critical mass - you've got to have the proper mixture of people available to ensure that you're able to maximise the use of the total numbers that are available - that's the essence there. Now the second part of your question was -

JOURNALIST: inaudible

PM: Well I really have nothing to add to what's in the statement because I think that's a conservative expression of what's involved. I repeat that as of today with the aircraft of the major airlines now in the air that brings us to what I'm assured is 20% of capacity with the two America West aircraft, which will come into operation at the

(PM cont) beginning of next week, that will take it up to 25% and as the statement says on the basis of the processes that are underway now and to which I have alluded, we should be looking at 50% by the end of the month. I tend to believe that in fact you will get an acceleration of the process because I believe - and I certainly hope - that members of the Federation are going to change their position. In that sense, let me say not only to you Amanda, but I think it's relevant to all your consideration, that I think increasingly the members of the Federation are going to be asking themselves - and they certainly should be asking themselves - the very serious question about what this Federation has cost their members. And I just ask you to consider the list of things which the action of their leadership has cost their members. Firstly and obviously it's cost them their jobs because following the instruction of the leadership their members have resigned. So they have lost their jobs. Secondly and very importantly for them, they have lost their seniority in the operations of any airline system. The seniority of a pilot is very significant in terms of the conditions and the remuneration that they enjoy. So they have lost their jobs, they have lost their seniority. Thirdly, what they should increasingly have been considering is this; that they have lost any opportunity or right to redundancy payments. In a situation where the airlines, under what is happening now, will at the end of the process employ a significantly lesser number of pilots than they did at the beginning of the dispute. By their action the Federation, in getting their members to resign, have created a situation where previously in employment and with productivity negotiations, these pilots would've had an opportunity or a right for redundancy payments, that's gone because they are no longer in employment as a result of the Federation. So those three things they have lost, their jobs, their seniority and their rights to redundancy payments. Of course, finally, what they could've obtained - if they had done what all other wage and salary earners have been prepared to do - that is to operate within the system, they would've got a 6% plus wages increase on the basis of a very low number of hours flown per week. That has gone under the contracts that have been negotiated. Yes, they will get a 6% increase but it will be on the basis of a significantly greater number of hours flown. Hence the significant productivity increases. Hence the need for a significantly lesser number of pilots.

JOURNALIST: Prime Minister, because there's a degree of confusion about it, I wonder if you could just spell out what principles the Cabinet applied yesterday on this question of compensation?

PM: Yes, sure. I appreciate that question very much because I think there has been a degree of misunderstanding about that, and I don't blame people for it. Let me make the position quite clear. I preface it by making the point I did at the opening. That is that we are dealing with an

(PM cont) emergency abnormal situation and in that emergency abnormal situation it not only requires but demands responses which are appropriate to that emergency abnormal situation. Now what are the facts? The facts are these; the dispute which is threatening the whole wages system and the economic welfare and the future of this country is in the airline industry. That's where the dispute is. In that reality the fact is that all of the other unions in the airline industry have assiduously and completely adhered to the principles of the wages system as is reflected in the article that I've read from and quoted from in today's financial Press. As a result of the restraint which has been exercised by those people, including those - all of the employees other than the pilots in the airline industry - there has been massive restraint in wages - the other side of that coin of course by definition is that there has been a significant shift of profits and that significant shift of profits has allowed a rate of employment generation in this country which as you know is five times faster than under the previous government, more than twice as fast as the rest of the world, and is currently associated with an historically high level of investment. As a percentage of GDP investment is now 13.5%, the highest on record in our history. Now these people have been part of that process. They have seen, by their restraint, a shift from wages to profits which has brought the benefit from increased employment and a surge in investment. They are saying in their industry that they are not going to put up with a situation where a small group of fellow employees in that industry can wreak upon them a disadvantage by stand-down, now those are the realities which are understood and accepted. So in that situation the airlines, as distinct from the tourist industry which is the one which is consistently quoted, the airlines are suffering an additional cost. That is that whereas the tourism industry can and is standing down employees who can no longer be gainfully employed, that is not a course which is open to the airline industry. So the Government has decided, properly, that in those circumstances by a waiver of charges they will financially assist in a way which meets the equivalent of that specific cost unique to the airline industry. There is not a cent, not a single cent of Government money which will be going to the airline industry to compensate them for the sorts of losses that the tourism industry is suffering.

JOURNALIST: Following up question, firstly, why did you decide to use the waiver method rather than a pay out method? Secondly, will this apply retrospectively or from today to the accumulated costs of avoiding stand downs?

PM: Well, there are two points to be made about that. When the airlines raised this matter with us first and, as you know, I'm on record in the Parliament as having disclosed it was raised early, they indicated that they weren't putting this request to us in terms of the first week, they are beyond that first week. We believe that that's reasonable. The second point to make is this, that as a result of the understandings that have been reached between the airline industry and the ACTU, that many of the workers in the industry, indeed, I believe, a majority will, up until the 28th September, be taking leave in one form or another to which they are entitled or to which they are becoming entitled. So I think you can see that in terms of what the final amount will be, that I don't think it's going to be of the three figures type that some people have been anticipating.

JOURNALIST: How much a week is it?

PM: Well, by definition, one can't - I mean, in terms of pay out - the total amount and therefore how long it will go on will depend upon how long the dispute goes, by definition. The amount and as to what the amount they are losing, that is a matter of negotiation and, well, negotiation analysis currently between the airlines and ourselves. I mean, we're not taking the position where the airline says 'here's the figure' and we sign on the line.

JOURNALIST: Is there some estimate?

PM: No. This is a negotiation, a discussion that's going on now. But -

JOURNALIST: Is it an open-ended cheque?

PM: No it's not an open-ended cheque in this sense, that there will be the discussions between the Government and the airlines. As to what the amount is, you can't say what that is now, for two reasons. That discussion has to go on and, secondly, as to the final aggregate amount, it obviously, by definition, depends upon how long the dispute goes on.

JOURNALIST: But surely you have some rough estimate per week, based on their wages bill from which you deduct people who are on holidays?

PM: Yes. But what I'm saying is, if you'd listened to what I've said before, that what that amount is per week will be a function in part of how many people now are in fact taking

leave and that is not determined, that's part of what has to be analysed. So you can't, at this time, say precisely what the amount will be. I'm not trying, in any sense, to avoid the fact but these sums can be reasonably considerable. We've not avoided that fact.

JOURNALIST: What is their wages bill per week?

PM: I don't know what their wages bill is, but if you got to a situation where there was no leave offset, the sorts of figures that could be involved of the order of about \$7 million a week, \$6 to \$7 million a week for each airline. But that's in a situation where there is no offset in regard to people taking leave. So, Paul, just going back to your question, why I can't give you an answer at this stage is that I don't know, we don't know yet what the impact of the leave taking is and we don't know how long the dispute is going on. But, in regard to that question, which is, is it open-ended. The only way in which you can say, and it is open-ended in this sense, for as long as the dispute continues and there is this unique disadvantage, the airlines, which is the basis upon which this is taken into account, then the concept of financial assistance for that fact which is unique to the airlines will operate.

JOURNALIST: Mr Hawke, given that this dispute is dragging on and looks set to drag on for some time yet, might you at any stage consider some sort of help for the tourism industry in a similar way to how you've dealt with the airlines?

PM: Surely I've made it clear that there is no analogy between -

JOURNALIST: So it's out of the question totally?

PM: Let me finish, I haven't finished my answer. There is no direct analogy between the airlines and the tourism industry. The dispute is in the airline industry and the airline operators have not available to them, for the reasons that you understand, they have not available to them the possibility of stand downs. Quite apart from that, there is also, as the statement makes quite clear, the need to ensure if you are going to be keeping any sort of service going on and building it up, that you have a situation where those who are required to service that are there. So the dispute is in the airline industry and they do not have, for the reasons that I've put, the opportunity of stand down which the tourism industry has. So there is no analogy there. Having said that, I'm conscious, very, very conscious indeed of the fact that under this Government tourism has been the spectacular growth industry. Let everyone, including those in the tourism industry, know that their prosperity has been very much a function of the success of this Government's economic policies and which

success is foundationally based upon the wages system. So the tourism industry, as well as every other industry, has a vested interest in ensuring the continuing success of that system which, as I say, has been spelt out in today's Financial Review. The best interests, the best interests of the tourism industry and of the rest of the Australian economy, is that that system is maintained. Of course, in the present circumstances, the best interests of the tourism industry are in having at least some services and there are some services and they'll gradually be built up. But could I make one final point in regard to your question? I have agreed to meet a deputation from the tourist industry and I think I'll be meeting them tomorrow. I certainly want to hear from them and it is conceivable, and I can make no commitment about this, but it is conceivable that looking at the future after this dispute, there may be ways in which we can be of some assistance to the tourism industry in campaigns to explain the situation and to try and get the tourist industry back on to its growth path as quickly as possible.

JOURNALIST: Mr Hawke, your Government puts considerable emphasis on fairness, do you see any inherent unfairness in the fact that, say a cleaner from the airline industry has protection from being stood down, while a cleaner in the tourism industry loses his wage?

PM: Well, I can understand from what you've written already that you have difficulty in beginning to understand the essence of this dispute, but let me, let me say this - that if you can't understand that the welfare of the cleaner in every industry, the welfare of the cleaner's children, the welfare of the cleaner's parents, pensioners, if you don't understand that all their welfare depends foundationally upon the success of the wages system and its continuation then I'm sorry if you don't understand that. You've got to look at alternatives. We have a situation, which I don't think's very difficult to comprehend, have a situation where there is an attempt to smash this system. If there were negotiation with, or if there had been accession to the demands of the pilots outside this wages system, then the wages system is destroyed. If the wages system is destroyed, then inflation becomes rampant. You would have a wages breakout which, as the statement says, would be beyond that of 1982. So to get some perception, if you don't want to get your mental processes fully going along it by using your imagination, have resort to history. What was the history in 1982? Precisely in 1982 you had a wages breakout. The centralised system was given away and you had the whole thing flowing outside the system. What happened then? You had the worst recession in Australia's history. You had 11 percent unemployment, you had double digit inflation, you had the worst recession in 50 years. The cleaner, whether they were in the airline industry, the

tourist industry or wherever, suffered. There weren't jobs for them. That is what is an issue. What has to be done at this time is to take the steps which I have said are abnormal. You have to take the steps in an abnormal situation, created by the pilots, you have to take the steps which are going to save the wages system which has produced all these benefits, benefits for everyone, cleaners wherever they are, in whatever job you have. The whole of Australia has been the obvious and massive beneficiary, as is spelt out here today, the obvious and massive beneficiary from this system. Its continued existence is an issue. There is only one way in which that system can be maintained and that is to ensure that this claim is not successful. That's the answer to your question.

JOURNALIST: Prime Minister, the attendants, are they covered by this -

PM: I beg your pardon?

JOURNALIST: The attendants who have been stood down -

PM: Well, the attendants have negotiated a situation yesterday within the Commission in which their union and the ACTU as well as the Commission have been involved and they have chosen a particular course of action, which you will appreciate, which says - well, they have this stand down situation, they seem to believe that for many of their members that they're able to get more money in a temporary way rather than just staying on and being on their base salary as they would be, if they were kept on, that they can do better by going out and getting other employment. So the situation there will be that for, the principle will be the same. If for those who are in fact still remaining in employment and who may not be able to be employed but who haven't been stood down, the principle would apply. But they seem to have chosen to take a course of action which they regard as unique to their circumstances and I've noticed, although I've had no communication with or from the ACTU, I've noticed on the media that a spokesman for the ACTU has said that the agreement which they have with the airlines generally, which is the basis of what we're talking about, is not affected by that arrangement.

JOURNALIST: Will the future benefits to the airlines of operating fewer pilots and increased presumably be accounted for in this compensation payment?

PM: No, because, I'd hoped you'd understood before that, in this package that we have agreed to as a Cabinet, we are not making compensation for anything other than this factor of costs that they incur in not being able to stand down their employees. They are incurring, as the statement, I recall says, losses of around \$20 million a week not taking that into account. Obviously when the airlines of this country

resume normal operations then they will attract benefits from the significant increases in productivity. Let me make this point though in addition, that it would be our expectation that when the airline industry has utilised that productivity improvement after resumption to recoup themselves for their other losses, which are very significant. But once that's been done it would be our expectation that those continuing improvements would be shared with the air travelling public of this country.

JOURNALIST: Will you seek to recompense, or get the money back for the taxpayers?

PM: Beg your pardon?

JOURNALIST: Will you seek to get the money back for the taxpayers. You know, half this money is going to a large private company which last year had spectacular profits and it's owned by two private companies which also have record profits. After the dispute's finished you conceded the profitability will be even higher. Why shouldn't the taxpayer ask for the money back?

PM: Not a question of getting taxpayers' money back. What we're about here is a situation, as I've explained at some length before in answer to at least two previous questions, is to protect the whole Australian economy. It is an appropriate use of Government financial capacity, taxpayers' money, if you want to call it that, to protect the Australian economy. There can't be any argument -

JOURNALIST: (inaudible)

PM: Well, just a minute. I heard your question. I'm not in an argument, let me finish my answer to you. There can't be any argument from any reasonable person that what is being done is in the interests of the Australian economy as a whole. That is that we are going to protect the wages system and one which has produced all the benefits to which I have alluded. Everyone is the beneficiary of that, not just the two airlines involved or particularly the private airline involved. Everyone is the beneficiary. I repeat that it's our expectation that the benefit, the ongoing benefit which that company, together with Australian, gets from the outcome of this dispute in terms of productivity increases, it's our expectation that they will share that in terms of their fare structure. That's our expectation. In other words, they are not as a result of this decision getting, as I repeat, they're not getting one cent of taxpayers' money. Not one cent of taxpayers' money for the position which they share with the tourism industry and, you know, please get that in your head. They are unique in that they can't stand people down. That's what they're getting financial assistance for. In terms of the losses which they

are suffering, apart from that the same sort of losses that are being suffered by the tourism industry, the airlines are not getting one cent of compensation. Now, I repeat, what our expectation is that when they do resume normal operations, that they will use the productivity benefits to recoup those losses which they've suffered and we will expect that after that the productivity improvements will be shared with the Australian public.

JOURNALIST: Prime Minister, my earlier question got a bit lost, or part of it. Why did you choose the waiver route rather than the pay out route? What are the advantages of doing it?

PM: Well we do have available, uniquely, with the airlines this system whereby a significant cost to the airlines are the charges that are imposed upon them by our instrumentalities, the CAA and the FAC. It's an appropriate way which, if you like, serves to make the point that I made, that I've made throughout this conference, about what is being done uniquely in regard to the circumstance of the airline industry, that we use what is uniquely available there. It should be, I think, more readily understood the uniqueness of the situation. If you were making a payment to the airlines, it may more easily be seen or misrepresented as a compensation for overall losses. I hope that all of you understand that there is no distinction being made between the airlines and the tourist industry in terms of losses suffered.

JOURNALIST: Is it not the case of the uniqueness of the position of the airlines is that the threat of industrial action by the airline unions and, therefore, is that a reasonable basis for the Government to be paying compensation to the airlines?

PM: It's not simply the basis. It is the fact, as I spelt out at the beginning of this conference if that - the dispute is in the airlines industry, it's not in the tourism industry, it's in the airline industry. You have a situation there where the other employees, yes, I've said - I mean, that's not the first time it's been said, I mean, I said at the beginning of this conference and I've said it right through - that the other unions representing all other employees in the airline industry have said, if they are going to have imposed upon them and their industry a significant penalty because a small group of their fellow employees are going to take this action and if there's a concession on that, then they would take the view - it's alright for those other employees - then they would take action. Now that is unique to the airline industry. That's where the problem is and we are not going to allow something to happen which is going to smash the wages system. There is no doubt, quite clear, if these other unions in the

airline industry said 'well, we are being hit because of the action of other employees in this industry where we have consistently exercised restraint, we would then take action which would lead to the smashing of the system' and that is the position that has to be dealt with. That is the position with which we're -

JOURNALIST: But given the fact that you feel the subsidy is necessary to the airlines in this national emergency, why not require when the situation returns to normal, that they should repay the subsidy consolidated revenue?

PM: There's no, you've got the position where that is a loss which is unique. It's not something that they recover, that's something which is unique to them. It's not a situation which anyone else has got. This is no attempt, I repeat, this is no attempt and we wouldn't contemplate compensating the airlines for their general losses, the losses which have the common features with the tourism industry or anyone else that's suffered. This is a loss that they've suffered which is not recoverable. That is something that is dealt with. It's discreet, it's unique and it will be dealt with. I repeat, we are not going to be compensating them for general losses and we expect, as I say, that the benefits that they will ultimately get out of these arrangements will be shared. We will do what we can to ensure that that's the case.

JOURNALIST: On a different note, I'm just wondering, what's your reaction to comments in the US, that Australia's going to cave in on its opposition to mining in the Antarctic?

PM: Well, let me say they don't know what they're talking about, which is not surprising. Just let me say on that point that it's reported that one Mr Scully, I think is his name, has deigned to know what the mind of my Government is on this issue. Well I've got news for Mr Scully. He's wrong and I will be contacting Senator Al Gore, the Chairman of the relevant committee to whom this statement was made, to assure him that Mr Scully has got it wrong.

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