



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, COMMONWEALTH OFFICES, WHYALLA,
20 SEPTEMBER 1989

E & O E - PROOF ONLY

JOURNALIST: The latest Bulletin poll shows the ALP's drop of 1.5% to 43. If a poll was in early September you would be out of Government.

PM: No that's not right. If a poll now was, in my judgement, we would win and I tell you what if Mr Peacock could do a swap with me on the polls he would grab it like a brown hungry dog. But I'm not going to swap with him though.

JOURNALIST: His rating might be down but their Party's up to 45.

PM: Well I say with an election, no, you've got preferences to be distributed. We're very, very confident given the present circumstances it's quite clear that when the election is held, we'll win. But elections, that's some time off. Let's talk about some beautiful things here in Whyalla.

JOURNALIST: The Bulletin magazine, sorry to keep the same point, has said that because of the pilots dispute that you've dropped. Do you think that's the reason?

PM: No. All I can say is we're doing polling privately on the dispute and the overwhelming majority of Australians are in favour of the Government's position and against the pilots, which is not surprising because the pilots are trying to smash the economy and bring a great deal of hardship upon people. So it's not surprising that people are supporting the Government's position.

JOURNALIST: The pilots' union have asked you to back off so they can negotiate.

PM: That was yesterday's. I don't know what their next piece of hypocrisy will be but the situation is quite clear and that is clear from Mr McCarthy. He said they'll have nothing to do with the Industrial Relations Commission, which at least is consistent. They have from February of this year made it clear that they were going to be prepared to absolutely close down their industry, smash the Australian economy because they - a group of 1600 people - were different from all other workers and that they should have special treatment. I said from day one that is not on. I've remained immovable in my commitment to protecting the Australian economy. What's going on is very simple, it's not complex, it is that they have resigned, the Federation has no members in the airline industry and the airlines are going steadfastly about their business of restoring the Australian airline operation. That they will do.

JOURNALIST: On the question of the pilots dispute, the forecast current account figures tomorrow don't look too good. Do you think that the problem with the pilots dispute is causing a major problem for the Government, given the loss of revenue through loss of tourism and foreign dollars coming into the country?

PM: What you've got to understand is this; of course the pilots dispute is causing some immediate economic problems, there's no doubt about that, for the tourist industry, we're going to help the tourist industry. I've written to the leaders of the banks, of the finance industry, asking to accommodate operators during this period because the fundamentals of Australian tourism remain strong and I'm going to give them financial assistance when the dispute's over to help them re-attract visitors. But as I say, while there are problems now what we are fighting to protect is a situation which would be one of chaos, I mean absolute economic disaster. The simple facts are that if the pilots were allowed to get away with saying, 'we're different, we're going to just thumb our noses at everyone else, get 30% and tell the rest of the workforce to go hang themselves', then we would have disaster, mounting unemployment and inflation, the economy would collapse. That would be bad for the tourism industry as well as everyone else. So the issues have been clear to me from the beginning. I think they are increasingly clear to the people and hopefully I think they're becoming clearer to pilots. We will have, as I've said, we'll have at least 50% of capacity by the end of this month, I think that's a conservative estimate, and the airline industry is being restored. My only hope is that

(PM cont) individual pilots against whom I have no vendetta, no vindictiveness, I would hope that as many of them as possible will sign up with the airlines. It's quite clear there's not going to be jobs for all of them because with the productivity changes that are involved in the new contracts, the airlines will need very, very significantly less pilots than they had before. But I hope as many of them will join up now so that they can be part of a restored and reinvigorated and more efficient and productive airline industry in this country.

JOURNALIST: You said earlier 50% by the end of the month but yesterday it was said 50% by the end of the week back in the air.

PM: No-one has said 50% by the end of the week. It's consistently been said 50% by the end of the month. I think no-one now questions that that will be achieved.

JOURNALIST: Prime Minister, are you satisfied that safety and training standards are not being eroded in the methods you are adopting?

PM: Yes, sure. We have, as you know, an independent arms length authority, the Civil Aviation Authority, which has statutory responsibility in these matters and they will not undertake measures or processes which will in any sense involve a dereliction of their statutory duty.

JOURNALIST: The Department of Statistics figures seem to point to the fact that retail finance and housing industry finance is down. Isn't it time to really loosen the brakes on the economy with interest rates ...

PM: No, not yet. But I'm very glad you mentioned those. The two sets of statistics to which you refer - the retail sales down and housing down - the sort of things that we want to see, that's why we've had tight policy and I can assure you, and I thank you for raising it, I can assure you that consistent with what we've said, we will act in this way; that interest rates won't be kept higher for one day longer than is necessary but they won't be brought off one day sooner than is responsible. We've got to have a situation where we have a level of activity which is consistent with growth and employment growth but not at a level which will suck in too high a level of imports. These two sets of statistics which you mention today are welcome.

JOURNALIST: But they do point to a slow down in the economy.

PM: Yes, but you've got to say that the indicators are still somewhat mixed. For instance, the most recent employment figures that we had was an increase of some 50,000 in employment - would point to a still continuing high level of activity. As I've been saying for some weeks now, the indicators are mixed but that these two which you rightly refer to are of themselves an indication of the slowing down, and that's welcome.

JOURNALIST: Prime Minister, the founder of the West German Greens Party this morning has painted you and your Government as imposters on the environment question. Would you like to respond to that?

PM: Well I want to be gentle and charitable as is my normal nature -

JOURNALIST: The pilots would be glad to hear that.

PM: Well if they read my letter they would see that that's exactly what I am. Well Petra, she was over there when we were there, she was at the dinner that we gave and she was very fulsome in her praise at that meeting of the things that we were doing. I just get a little bit amused about the monopoly of moral righteousness that people like Petra have. Now I don't want to get stuck into her. The simple facts are that I can point to the World Heritage Foundation. For instance, they've got no reason for running a line for Bob Hawke and his Government but they have said that no government in the world has done more in this area of protection of the environment than this Australian Government. They are right.

JOURNALIST: Prime Minister, Neal Blewett today was quoted as discussing the possibility of legalising heroine in Australia, in today's SMH. What's your feeling on that?

PM: I haven't seen the report. There is a fair bit of discussion going on over the years, not only in this country but around the world on this issue but that is not on the Government's agenda. It's appropriate in this whole area of drug discussion for people to be talking about it but it's not on the Government's agenda.

JOURNALIST: Prime Minister, one last question. On the question of the pilots strike and the ACTU Congress coming up, figures this morning pointing to the Congress suggest that there's been a dramatic fall away and possibly a trend in that direction in union membership in Australia. The methods you have endorsed in solving this pilots dispute can't be filling the ACTU with any sort of optimism about the turnaround -

PM: ... We've got a secretary of the ACTU and the incoming president of the ACTU. The secretary of the ACTU consistently from day one has been fully supportive of what we're doing. Mr Martin Ferguson today - I don't know whether you've seen the report yet - I recommend you read it and you'll see that he is fully supportive of the Government and so he should be because the situation would be if we allowed a position where those with industrial muscle were able to hold the community to ransom, there wouldn't only be the trade union movement who would suffer, everyone would. What you refer to, and it's a proper thing to refer to about the pressures upon unionism - it's not a unique characteristic of this country. You have a world in which the processes of production are dramatically changing, more rapidly you know they have before in the history of mankind and as the processes of production change, as you move more to white collar areas of employment which have not been traditionally unionised, and the experience of every country in the world is that there has been some decline in unionism. The thing that is going for Australian unionism is that you have a leadership there which is imaginative, which is looking at what's happening in the rest of the world, which understands changes that are taking place, and they are saying these do involve new challenges, it's not good enough just to rely on the methods and the attitudes and the assumptions and the presumptions of the past. You have to be prepared to change your structures, your objectives, your processes of operation. I think Australian workers generally, and the trade unions in particular, are fortunate in having a leadership which understands these things and is acting accordingly.

ends