



PRIME MINISTER

TRANSCRIPT OF JOINT NEWS CONFERENCE WITH THE RT HON
GEOFFREY PALMER, PRIME MINISTER OF NEW ZEALAND,
GOVERNMENT HOUSE, AUCKLAND, 2 FEBRUARY 1990

E & O E - PROOF ONLY

PALMER: Ladies and gentlemen, the Australian Prime Minister and myself have just concluded a very fruitful round of talks and one of the results of those talks, and indeed of previous Australian and New Zealand cooperation on this important issue of driftnet fishing is that the Australian Prime Minister is going to sign the Driftnet Fishing Convention on behalf of the Government of Australia right now.

Can I say a word or two about the discussions we had on driftnetting? There's a great deal of anger and resentment in the South West Pacific about this practice. Mr Hawke and I have decided to take some significant steps towards increasing our cooperation to stamp out this practice. We are going to develop a program of surveillance by our aircraft - both of the RAAF and the RNZAF over the Tasman Sea for driftnetting in the 1990/1991 season. We're going to intensify our surveillance in the high seas, we're going to target driftnet activities within the South West Pacific economic zones of the Forum island countries in consultation with those countries of course and we're going to give the fullest support to the Forum Fisheries Agency in the design of a program for this surveillance. I think this will be a practical measure that will assist those steps which really began with the Tarawa Declaration and I am very encouraged at the response to the Convention and I am also very encouraged that Australia and New Zealand are going to be able to work to work very closely together on this issue. I'd like to hand over to Bob to say a few words on that issue and some other very significant things that he discussed with me.

HAWKE: Thanks Geoffrey. Well, I take very little time to add to what Geoffrey has said about the driftnet fishing issue. As you know, at the last Forum we were involved in making sure that this was picked up and it

resulted in the Tarawa Declaration. We're very indebted to New Zealand for the follow-up activities in which they've been involved and I think that together, as being the two major powers in this South Pacific region, the decisions that we've taken today in regard to increased surveillance will give weight to the commitment that we've expressed before as to our abhorrence about this practice. We hope that, as a result of the actions that together we've initiated, the world will come to a situation that this wall of death practice will be eliminated in our region in the relatively near future. The next thing I would really like to refer to is that I had come here to New Zealand with some ideas about how we would like Geoffrey to make Australia's contribution to the important events that you celebrate, the 150th anniversary of the signing of the Treaty of Waitangi. I'm very pleased that the Prime Minister of New Zealand has responded positively to the suggestions we've made. The gifts that Australia will be making are in two categories. Firstly, we are going to fund the establishment of a South Pacific oral history archive to commemorate this year. There'll be a fund established, of the order of \$NZ1 million and that will fund the Australian awards in New Zealand oral history. That grant will establish a trust and will be named the Australian Trust for Promotion of Oral History in New Zealand and the South Pacific. The selection of the awards will be made by a board with representations from Maori and Pacific island groups and professional historians, practitioners of oral history and archivists. Copies of all the material collected will be deposited in the National Library of New Zealand and, as I understand, administration will be supplied by the Historical Branch of the Department of Internal Affairs which will provide the monitoring and the technical assistance to the grantees. So in this way we are going to try and ensure that what has been part of the tradition of New Zealand and the Pacific islands where the history of the peoples has traditionally been handed down by word of mouth, that the most modern techniques that are now available will be provided for under this scheme to ensure that for future generations there shall be retained the best possible statements of the evolution of affairs in this region. We think that this is a very practical, meaningful sort of way to express the depth of the relationship between our two countries.

The second category of gift that we are making is to recognise that in the great range of relationships we have between Australia and New Zealand, the sporting rivalry is not, not the least significant.

PALMER: This is true.

HAWKE: So what we are doing is to provide cups in perpetuity for a contest between the two countries in the two areas of rugby league - we'll provide what is called

the Australasian Trophy for Rugby League and it would be played for in August during the rugby league test being organised to take place at the same time as the Bledisloe Cup is being played for in rugby union and to show the impeccability of our gender credentials, on the one hand will be the rugby league and on the other hand there'll be a Southern Cross Cup for women's test cricket.

PALMER: Which is on now.

HAWKE: Which is on now and the women's cricket bodies in both countries that had expressed the hope that it can be played for in the current series. The ... the cup is here.

PALMER: Yes, that's right.

HAWKE: There you are, that's it. That will now be ... how about if ... I'll infect you, there you are.

PALMER: Thank you very much. That's very nice Bob. Very heavy, substantial and hotly contested cup it will be.

HAWKE: Yes, it will - the third and deciding match is pretty evenly poised I believe at the moment. So quite seriously, my friends, we in Australia deeply value, Geoffrey, the relationship between our two countries. I think it's in great shape, both at the personal level, the people level, the organisations level and this will be seen, these two gifts will be seen in the area, the oral archive and the cups for rugby league and women's cricket, will be seen as a tangible expression of the deep affection that the people of Australia have for New Zealand.

PALMER: Well, I think I should say, Bob, on behalf of all New Zealanders that we, we really are very grateful for this great gesture on the occasion of our 150th. It's a great way of marking this occasion. It's also, it'll continue to be brought to the attention of the New Zealand public every year without fail. I think it's fair to say that the sporting rivalries between Australia and New Zealand have done a great deal which is positive for the relationship. This is just another indication of that and I think that the oral history project as well will be very important for the furtherance and preservation of the particular unique culture of New Zealand. We are very grateful to the Australian Government and to yourself for your generosity and we thank you for it.

HAWKE: Pleasure. Now what about the other matters we talked about? Do you want to -

PALMER: Well, we had pretty wide ranging discussions on a whole range of issues. We discussed driftnetting. Mr Hawke was good enough to give me a rundown on the

situation in Bougainville which, of course, is a situation of considerable concern. We talked about the developing situation in Eastern Europe. We had some discussions about Antarctica, Cambodia. I briefed the Australian Prime Minister on the New Zealand Government's review of its Pacific policy. I pointed out what we were doing to look at our relationships with the Pacific island countries and we will make sure that the Australian Government is kept in close touch with the development of our thinking on that. We looked briefly at the situation in Fiji. I think that there's a, there's a similarity of approach over the questions of Fiji and there haven't been any developments I think there that cause us, either of us, to change our present policy stances. I think the most important things that we discuss really always are the relationship between Australia and New Zealand. The relationship between Australia and New Zealand has been mostly characterised in recent years by the acronym CER. CER has been a tremendous success from New Zealand's point of view, there's been a dynamic development in our trade relations. We are going to be reviewing it in 1992, it may be useful to bring forward that review - we'll look at that - but on July 1, free trade and goods this year between New Zealand and Australia will be complete. That is a most significant development. I expressed to the Australian Prime Minister that my view that we should start now looking ahead to how the relationship will develop post-CER. What sort of relations do we want to have, how do we want to have those expressed in institutional ways? Now we haven't made any decisions on any of that, but what we have decided to do is to do some long range thinking about how relations between Australia and New Zealand will develop. I think that there are no two countries that have closer relations than Australia and New Zealand. The depth of those relations is quite extraordinary. I looked at the list of Ministerial contacts between Australian Government Ministers and New Zealand Ministers. They meet, in one range or another, just about on a weekly basis throughout the year depending on what portfolio area they are in. We have a habit of picking up the telephone and talking to our opposite numbers which must make the life of diplomats very difficult to keep in touch with actually how the relationship's developing. So I just think that the relationship's in great shape and as a result of these talks it'll get better.

HAWKE: I just want to very, very briefly confirm what the Prime Minister of New Zealand has said, both as to the range of matters covered, the usefulness of the discussions and to confirm, as I say, as he has the relationship between our two countries is in great shape and I think that not only our Governments, but organisations, people are entitled to be proud of the way in which that relationship has developed. Now I think we can be open to questions.

PALMER: Sure.

JOURNALIST: Mr Palmer, considering the depth of the relationship, would you like to see Australia plead your cause in Washington or improve official contact with the United States?

PALMER: I don't think there's any need for any action to be taken in that connection. I've had discussions with Gareth Evans in the past about that. The Australian Government's position is clear about that. In fact that is not a matter that Bob and I even discussed today because there's nothing on the agenda in relation to that.

JOURNALIST: Mr Palmer, you've state before you'd like to see or perhaps or you can foresee New Zealand and Australia having the same currency. Is that still something you're looking at?

PALMER: That's not something that we had any discussions about. What we had discussions about was the nature of how the relationship might develop and rather than backing into some sort of evolution that takes place, we ought to do some hard thinking about what shape we want to give the relationship.

JOURNALIST: Mr Palmer, is the vessel which has attracted some Greenpeace attention in Auckland Harbour, is that supplying driftnet fishing fleets in the Tasman?

PALMER: The allegation is that that vessel was. The New Zealand Government investigated those allegations, wasn't able to obtain proof, but as a result of pressure brought by the Greenpeace organisation and by the trade unions in New Zealand, the vessel decided it was not going to refuel here and is going to proceed elsewhere.

JOURNALIST: So there's every possibility the vessels involved in driftnet fishing, either directly or indirectly, could be bunkering in New Zealand waters?

PALMER: No, I don't think there is that possibility because, under the Sovereign rights that we have, we can stop that when it comes to our attention. But the -

JOURNALIST: ... you don't know.

PALMER: Well, of course that is one of the problems. If you are going to use your legal powers you've got to have some proof. You've got to have the facts at your fingertips. The facts are not always easy to ascertain in respect of intentions of that sort.

JOURNALIST: Is that good enough do you think?

PALMER: Well, as a result of the Driftnet Fishing Convention coming into force, New Zealand legislation is

going to have to be changed and the changes that we can make can encompass explicitly this sort of risk. We have taken very, very drastic measures against driftnetters in our own internal law. Anyone who brings driftnet equipment into New Zealand's economic zone is for the high jump. Now we can tighten it still further as a result of the measures in this Convention.

JOURNALIST: What about the servicing of driftnet fleets?

PALMER: We can, we can make that covered, but it is not a simple thing because there are international arrangements about third party flag vessels. This vessel is not flagged by the driftnetting nations.

JOURNALIST: Mr Hawke, will the Australasian rugby league trophy be played on a nation of origin basis or a national representative basis?

HAWKE: That's going to be a matter for the sporting bodies concerned. I must say that my inclination in these matters from Australian experience is the origin concept.

JOURNALIST: It's going to rip the guts out of the Sydney side.

HAWKE: Well, we're a very adaptable nation in all respects. We're an adaptable nation.

JOURNALIST: Mr Hawke, have you been able to negotiate an export licence for the precious metal our team will be taking back from Auckland?

HAWKE: No, I must say the people of New Zealand and its Government have been extraordinarily generous in their attitude on these matters.

PALMER: And on a per capita basis we're doing pretty well ourselves.

JOURNALIST: Mr Hawke, are you going to grab another gold for Australia when you play Mr Palmer at golf?

HAWKE: Well, let me very briefly recap the history of this important sporting contest. And you will imagine properly, correctly, that I only recap the history because I'm just marginally in front. Our first meeting was two years ago here and I don't know whether it was because of his generosity as host, but I won the first one. Our second meeting was our game in KL which he won and then we had another one up at the retreat which I won. So it stands at two/one now and I hear from our intelligence service which has been deployed on these matters that he has been practicing vigorously over the Christmas/New Year period - to the extent that some of his political advisers have been questioning whether he's got his priorities right or not, so I'm looking forward to a very tough match.

JOURNALIST: Mr Hawke, on the development of free trade and goods between New Zealand and Australia: regarding the report currently before the Australian Government talks to remove tariff rates by the year 2000. Can you tell us what your personal views are in relation to that please?

HAWKE: I've indicated when the Garnaut report came down that I had a personal predeliction, which is nothing new. In the days when I was trade union leader and since I've been in Parliament I've made it clear that by inclination I am a free trader rather than protectionist. Because I am a student of history and if you look at history the causes, not just of economic conflict, of political conflict and wars has been the increasing economic ... under which people and nations operate under the delusion that they can put walls around themselves and have this trading posture of keeping others out and subsidising their own to hurt others elsewhere. That always seems to me to be a recipe for potential disaster. That's why New Zealand and Australia have in a sense given a lead to the rest of the world and shown that co-operation is the way, that you shouldn't be afraid of competition. Competition can be something that is initially uncomfortable, but ultimately it will make for greater efficiency. We are, in the international field, putting action where our mouths are. We are out there leading in the Cairns group in moving towards firming up a liberalisation of the international trading system and so in our consideration of the Garnaut report recommendation it will be within the framework of a philosophical approach towards the elimination of tariffs. We've got to make sure that we do that within an understanding; that we do it within a negotiating framework of this year of the Uruguay Round. And I don't know whether you appreciate this, but the processes that are now involved in this final ten months of the Uruguay round of negotiations involve a series of bilateral and multilateral negotiations about tariff positions and tariff findings. Now you don't maximise your capacity to extract sensible positions from others if you just now say we're really just going to eliminate everything. I mean we've got to make sure that you put yourself in the best bargaining position in this final stage of the Uruguay Round. But we'll be doing that within the framework of a philosophical and economic commitment to a free trade position.

JOURNALIST: (inaudible)

HAWKE: It doesn't follow. I gave an answer the other day. When we received the Garnaut report what I did immediately was to convene the relevant committee which is the Structural Adjustment Committee and we now have groups of officials and of Ministers examining all the relevant

recommendations of Garnaut including this. Now the time at which I will make decisions, through our government processes is a matter which will depend upon the reception of their reports. If that one comes before I call the election, it will, and if it doesn't then it will be considered by the fourth Hawke government.

JOURNALIST: Prime Minister ... do you support the unconditional position?

HAWKE: There is no one who in this interdependent world says that you approach these matters by simply saying to the world we are going to abolish all our tariff and non-tariff measures. No one. Not a single nation. But what you have to do, in our judgement, is what my government has done and certainly with the support of the New Zealand government and others in the Cairns group, is to state your position and that is: the world will be better off with a liberalised trading machine. To put it into historical and contemporary terms and, in any sensible analysis of the future, to point out that the world has expanded in the post war period within a situation which has encouraged trade between the nations and that the most recent period where there have been signs of increasing tariff and non tariff measures as impediments to trade is precisely the period where difficulties have been created.

And not only for nations like our own which are relatively prosperous but very particularly for those third world countries which depend so overwhelmingly upon a freedom of access to the markets of the developed economics for what is often a mono economic bait - with just one commodity or one or two commodities. So that what you do is to establish the philosophical position. Of course in Australia's case we have put our money where our mouth is, if you like, by the very significant tariff reduction processes which we initiated in 1988 at 30 per cent.

JOURNALIST: Given the importance of the micro economic debate in the coming campaign do you think its reasonable for people to expect that even if you haven't made detailed decisions on Garnaut you will have a position in principle on the key recommendations ...

HAWKE: I have just stated the position in principle, weren't you listening?

JOURNALIST: Mr Hawke, can I ask you what do you think should be done to back up the doping scandals that we have had in the Commonwealth Games? Bearing in mind that one of the problems at the Games has been a limited budget for doping tests, is Australia willing to put more money up for doping tests both in the Games and ...

HAWKE: Well we will certainly be prepared to play our part in any international approach on this issue. I think that

the exposure of this issue again can only be helpful and we within Australia have adopted a very stringent approach, as

you will appreciate and Australia will be prepared to play its part, in co-operation with others to try and stamp it out. It's a blot upon the sport and very unfortunately the good name of the overwhelming majority of sports and of sportsmen and women have been tarnished by a few and I think we should all co-operate to try stamp this practice out and play our part.

JOURNALIST: But is bearing in mind that Australia is one of the wealthiest nations in the Commonwealth could perhaps put in more money - well if - you've put alot of money into winning medals I mean -

HAWKE: And put more money than any other nation other than the United Kingdom and Canada into the Commonwealth. We put more money, if I can use this per capita concept so clearly beloved by my friend Geoffrey, we've put infinitely more money into the Commonwealth in all its activities probably than anyone else and we will continue to do so and if in this particular area the Commonwealth decides that money is required to have an effective programme then as we do in every other area we will continue to be economically supportive.

JOURNALIST: Mr Hawke, just coming back ... it seems to me that you have two positions on the table: on the one hand you said that you agreed the Garnaut recommendations to the unilateral move, you're attracted to it and on the other hand ... of the negotiations can you just clarify that?

HAWKE: Yes, well I also said this means we'll have a total recap. I said that we had already moved. I mean what we have done in terms of the decision in 1988, the 30 per cent reduction in fact brings us towards a position which has been predicated by many of those that are negotiating what should be the final outcome of the Round. Now we are not satisfied that there shouldn't be further progress than that. Now what we have done is to, in the area of most the concern, but while not exclusively concentrating on agriculture we have been leading via the Cairns group the pressure on the two major groups, the European community and the United States, to have substantial changes in that area of concern. But we have also been very much involved in the discussions and negotiations in the other areas which are covered by the Uruguay Round. Now what we are making clear is that we take into the Round a position of already made decisions, which are much more than what most other countries have done. But we are saying, not merely in response to the Garnaut report but as a general philosophical position, which has been the basis of our approach in the Cairns group, that the world should be moving towards a greater freeing up of trade. As

far as Australia is concerned there is no basis upon which it should be seen that what we did in 1988 is the end of our commitment - it is not. The processes of moving beyond the very substantial reductions that we have already made will involve not merely a unilateral decision in response to Garnaut and other matters. But by definition when in 1990 you are in the final months of the Uruguay Round I'm saying it must by definition, the decision to take must be related to the negotiations you will have in that Round.

JOURNALIST: Mr Hawke do you see any irony in you coming to New Zealand to celebrate the anniversary of the Treaty of Waitangi when Australia is still ... own indigenous people?

HAWKE: No, I don't, I don't feel any problem about that. The simple position is that we will proceed with the concept of a treaty within Australia. I am to have further discussions with the Minister about, Gerry Hand, about this. What we want to see is - Gerry of course has had time overwhelmingly taken up with getting the ATSIC legislation through the Parliament. Now that that's done, he's going to be able to give more time to this issue, but what I want to see is a process settled upon whereby we can accelerate the consideration of these issues. We will want within the Aboriginal community to be quite sure that we've got a process whereby we can get the feelings and the attitude of the Aboriginal people and now that ATSIC is ... is established, the legislation is through, I think via ATSIC we're going to have a better way of getting the views of the Aboriginal community. On the other hand we also want to now get going the process of education, if you like, of the community generally. In the non-Aboriginal community, about the importance of this issue. I can assure you that in the fourth term that these things will be processed, the resources will be made available because I do believe that the total Australian community - Aboriginal and non-Aboriginal - is going to be well served by the achievement of that treaty. It's not something that's imposed, but something that emerges from as far as possible a coalescence of the wishes, the aspirations of the Aboriginal people and a recognition of the non-Aboriginal community of the appropriateness of such an outcome.

JOURNALIST: Mr Palmer, given the historical nexus of the election of Labor Governments on both sides of the Tasman, would you personally prefer an Australian election earlier rather than later this year?

PALMER: I don't think it makes any difference. From the New Zealand Government point of view, when the Australian election occurs is a question for the Australian Prime Minister, not for me.

JOURNALIST: Mr Hawke, there's still some progress to be made on trade ... services under CER -

HAWKE: Yes.

JOURNALIST: One area that's been quite controversial has been greater access in air services between the two countries.

HAWKE: Yes.

JOURNALIST: Was that discussed today ...

HAWKE: Yes, Geoffrey and I did have some discussion about that and it's recognised that this is an area of importance. You'll appreciate that in Australia, as a result of the decision taken by my Government, we are now

abolishing the two airline agreement and that happens this year. And within our consideration of the impact of that, that decision later this year - I mean, it comes into effect in the second half of this year - we will be looking at the impact of that decision, what developments take place in terms of new enterprises that may set up, and so on. Within the framework of that consideration we'll certainly be considering the trans-Tasman aspect of that. It's quite clear we need to take account of the aspiration of Air New Zealand. We've got to ask ourselves questions about the relationships between Qantas, Australian and so on, and we've agreed that within the framework, as I say, of the deregulated Australian situation following the abolition of the two airline agreement that this is one of the matters that will be taken into account. We tend to think that having accelerated so much the freeing-up of trade goods because, as you recall, that under the original timetable there wasn't to be complete freedom of trade in goods until 1995. Now, we've brought that forward five years. Now we think it's appropriate to accelerate our consideration of trade in services.

JOURNALIST: So it's possible Air New Zealand will be given domestic rights into Australia.

HAWKE: Well, that's one of the things Air New Zealand would like to have. It's legitimate for it to be on the table.

JOURNALIST: Mr Hawke, a number of Australian companies have caught New Zealand disease -

HAWKE: What's the New Zealand disease?

JOURNALIST: Going into liquidation.

HAWKE: Is it? I see.

JOURNALIST: Are you expecting a recession in Australia this year and if so what impact could it have on New Zealand.

HAWKE. No. There is no expectation of a recession in Australia. There will not be a recession in Australia. No-one who is acquainted with the Australian economic scene expects a recession. No-one.

JOURNALIST: ... yesterday's trade figures show, confirm the trend of a slowing economy and may give rise to a further easing of monetary policy?

HAWKE: Well, like you, I've read what the Treasurer said about this. He's put it correctly. I don't really have anything to add to what Paul has had to say because what he said reinforced what I'd said myself. And that is we refuse to be rushed into a change in monetary policy when in conjunction with the Reserve Bank we made the steps we

did, which Paul properly described as a limited initial step. It was on the basis of a range of economic information available to us which gave us the feeling that the stance of policy which had been in place had produced the results that we wanted, was producing it - that is a slowing down of the economy. Now we said at the time, when some cynics or relatively ill informed people said why don't you wait for the, the balance of payments figures. We've said that that reflected earlier positions rather than the current. But it's interesting that that reflection of the earlier position, orders made and so on, some six months or more ago, confirms the assessment that we made about the slowing down of the economy. It's not something that comes as a surprise in the light of the range of other statistics and to the extent that our assessment has been confirmed, that means that at an appropriate time there can be a further consideration of easing. We will not be rushing into that as the Treasurer said.

JOURNALIST: Mr Palmer, what conclusions did you and Mr Hawke reach about the current situation on Bougainville?

PALMER: Well, our primary interest for New Zealand is the safety of our citizens who are there. There were substantial numbers of New Zealanders in Bougainville. We've advised them to leave and a lot of them have and our discussions really revolved around the mechanics of ensuring that our citizens could safely be evacuated from Bougainville in the event of a deterioration. The numbers there now are many, many fewer than they were just a few weeks ago. Obviously the whole situation in Bougainville is a matter of concern, not just in New Zealand and Australia, but throughout the Pacific.

JOURNALIST: What chance is there of New Zealand or Australian intervention in some form?

PALMER: I would think no chance from New Zealand's point of view of intervening. Our only concern is to keep our nationals safe and get them out of there in the event that it's necessary to do so.

HAWKE: Let me make it quite clear that I've said in Australia, and I take the opportunity of repeating it here, there will be no Australian military intervention in Papua New Guinea in regard to the dispute. Not on under any circumstances. All that can happen which would involve Australian military forces is as a result of an understanding which I initiated now a couple of months ago with the Government of Papua New Guinea, if a circumstance were to arise of danger to Australian nationals where their safety required our intervention for the purpose of rescuing them, evacuating them, then we would do that and that would be done with the understanding of the Government of Papua New Guinea. Under no other circumstances would Australian military forces intervene.

JOURNALIST: Are there any contingency plans for a joint Australian and New Zealand action?

HAWKE: Well, it follows what I've said, no. That there's no -

JOURNALIST: Not necessarily military, but -

HAWKE: We are prepared in the present circumstances to, when we've got our forces standing by in a contingency situation and we are prepared to look after New Zealand people as well as our own.

JOURNALIST: Mr Hawke, were you giving us another tantalising tip yesterday when restating your intention to go to Gallipoli? Does this mean early April rather than -

HAWKE: Good question.

PALMER: No answer.

JOURNALIST: What's your answer?

ends