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PRIME MINISTER

TRANSCRIPT OF JOINT NEWS CONFERENCE WITH DUNCAN KERR MP,
WREST POINT HOTEL, HOBART - 24 FEBRUARY 1990

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KERR: Just three months ago the Prime Minister and I sat in this very room to announce the establishment of TasPact, the joint Commonwealth and Tasmanian Government's Task Force on Tasmanian ... issue.

At the time the TasPact arrangements were announced, the Prime Minister indicated that it would be an action-orientated program designed to bring about substantial results in the shortest possible time.

I just want to put on record some of my thanks to those who have worked on this project so strenuously over the last three months, particularly our Task Force consultant Peter Datton and the members of the taskforce who include two Federal Ministers - Peter Duncan, the Minister for Employment, Senator Michael Tate, our Tasmanian Minister, State Ministers Pat Moore... and Kerry O'Brien from the Tasmanian Trades and Labour Council and Paul Salmon representing industry.

Today's announcement will mark the fourth round of major announcements flowing from TasPact. When the Prime Minister announced the establishment there was an announcement of certain OLMA, Office of Labour Market Adjustment Initiatives. Since then there have been announcements in relation to a \$10 million package in relation to the Salamanca Accord, and arrangement to make sure that that process could proceed smoothly and a third announcement in relation to the Soviet fishing fleet and access to the port of Hobart.

So today marks the fourth round of major announcements that have developed out of the TasPact process. I'm very proud to have been associated with it and thank you very much Mr Prime Minister, Bob Hawke for being so enthusiastic.

PM: Thanks very much Duncan. Before I go to some detail about this Tasmanian package let me just if you like establish my credentials as to commitment to Tasmania.

Tasmania I suppose more than any other State was at the centre of the campaign in which I was elected Prime Minister of this country. Because you'll recall in that campaign I had to fight the conservatives who wanted to

dam the Franklin. So the issues of Tasmania transcended the State, went into the whole of the mainland campaign. So Tasmania was central. And it was a bit of a paradox because I think the strength of the stand that I took with my colleagues on saving the Franklin won me votes in mainland Australia, probably cost me votes and seats in Tasmania.

You'll recall that the night I was elected Prime Minister I said we'd be a government for all Australians and I particularly went out of my way to say to Tasmania, alright you've cast your vote against me, but I assure you that this will be a government which will take particular concern for Tasmania.

Because as President of the ACTU I had got to know Tasmania's particular problems and concerns, been here frequently, and I made a commitment then on the night of the 5th of March '83, which I think every observer and commentator has acknowledged that I had more than kept my promise that in respect of the loss of the dam that we would, through negotiations, enter into an agreement which would ensure that Tasmania in employment was not disadvantaged. I more than kept that promise.

I continually came back to Tasmania to ensure that through consultation with a State Government which was, I may say, not terribly cooperative and with the trade unions and with the business community that you had a government in Canberra which was continually taking account of the interests of Tasmania. I have done that consistently:

In the area of Commonwealth-State relations, at each Premiers' Conference I've gone beyond what the formulas would've required to take account in a special way of the needs of Tasmania.

I'm here now just before an election but I remind you that just after the election in 1987, the last election, I came over here in August of '87 and there acknowledged the importance of the tourism industry and gave a \$30,000 grant on a dollar for dollar basis with the Tasmanian Government to undertake special studies in regard to tourism. Those were to be done in the United Kingdom, Europe, Japan and North America with a view to trying to do what we could to maximise for Tasmania its share of growing inbound tourist traffic to Australia.

So I simply give that background to say that from 1983 until the present I as Prime Minister have had a particular concern to try to take account of the particular situation and difficulties of Tasmania. And therefore what I am announcing now is to be seen as a consistent part of the continuing concern for this State.

So what I'm announcing today is that the Government has accepted a series of recommendations from Duncan Kerr's

Commonwealth-State Task Force on Tasmania, this Task Force which I established in November of last year. These proposals which I am announcing today are designed to enhance Tasmania's economic and social development.

I'm particularly glad to be doing this not only in the presence of you Duncan but in the presence of our other candidates over here - Gordon Lyons, Eugene you all know, and Nick Sherry.

Now these developments which I am announcing, part of the package, are these. A \$5 million package to improve the education and training opportunities available to young Tasmanians. I'll say more about that in a moment. A grant of \$3 million for the upgrading and the transferring of CSIRO's forestry division to the University of Tasmania; the establishment in Hobart of an Antarctic Foundation to promote Hobart as the centre of Australia's Antarctic activities - and we'll be doing that at a cost of \$1 million; restructuring assistance of \$550,000 administered by the Office of Labour Market Adjustment for skills development in Tasmania; and a \$75,000 feasibility study into a national hospitality training school located in Tasmania if it arises out of that feasibility study; and an offer to provide CSIRO and Commonwealth Government Department assistance and expertise to assist the Tasmanian Government in cleaning up the Derwent River.

Further, the Commonwealth has nominated Hobart as an access port for Soviet fishing vessels. I want to say that during the recent visit to Australia of the Soviet Prime Minister Mr Ryzhkov I went out of my way deliberately to press representations on behalf of Hobart for it to be one of the cities to be chosen by the Soviet Union. I'm expecting decisions from the Soviet Union in the near future on this matter.

That's broadly the package. And of course the centrepiece of today's package, ladies and gentlemen, is the \$5 million program for increasing the education and training opportunities for young Tasmanians. Because here we go right to the core, the very core of the problems, the peculiar problems confronting Tasmania.

There's many things of which I'm proud of my seven years in Government, but I think there is none of which I am more proud than that we have massively lifted the retention rate of our kids in the education system. Remember the facts. In the seven years before I came to office, a miserable two per cent lift in the retention rate from 34% to 35%. That was the grand total of the conservative commitment and achievement to lifting the retention rate of kids in Australian schools. Two points, from 34 to 36. We have lifted it in our seven years from 36 to 62. In other words from one in three of our kids staying on in school to two in three. But unfortunately, here in Tasmania, it hasn't shared in that

tremendous lift in the retention rate. And indeed the retention rate in Tasmania is just under 40%. Now there you have the core of the problem. Because if your kids aren't staying on in school developing their talents then they are not going to be equipped to be able to do jobs that are going to be opening up and it then becomes, in a sense, a vicious circle of lost opportunity for the individuals and lost employment for the State.

So we've decided that that should be the centrepiece of how we approach these issues of concern here in Tasmania. So with the collaboration of the State Government we will be launching a massive drive to encourage and to make it possible for children in the most disadvantaged schools in Tasmania to complete high school, to give them that flying start in life that participation in and retaining a place in the education system gives to young kids and which is increasingly the feature of the rest of Australia.

We must see that Tasmania starts to reflect what is happening in the rest of Australia. And may I say that when young Tasmanians do complete high school, much better tertiary education and training opportunities will be available to them. Some 1300 more university places are being provided; the Tasmanian Science Equipment Centre is being upgraded and relocated; and the Youth Education Studies Centre is being established.

I go next to the question of what I intend to do in this package to uplift forestry research capability in this State. CSIRO forestry research capability in this State is going to be expanded considerably by the \$3 million that we'll be making available for relocation and improvement of the CSIRO's division of forestry. Due to the cooperation that we've had from the University of Tasmania, construction of a new facility and its association with the University of Tasmania will establish CSIRO's forestry research in Tasmania as a national centre for temperate forestry research.

That of course, again, goes to an area where you have obvious potential advantages. We in the Commonwealth Government and in association particularly with the new Tasmanian Government, have been concerned with the environmental aspects of your forests. But we also in doing that want to make sure that consistent with our environmental concern we have as much research done as is going to make it possible to develop, particularly in the plantation area, the supplementation of cutting from what had previously been an exclusively, to a large extent, native forest. This new centre will enable that to be done.

I go to the Antarctic Foundation. I believe that the establishment of an Antarctic Foundation in Hobart will help to confirm Hobart, as it should be, as the centre of Australia's Antarctic activities. I'm very pleased to

say that I will be visiting the Antarctic Division this afternoon with my good friend Jacques Cousteau.

Now my friends these various measures which I have referred to without going into full detail into all them were, as you know, developed by the Joint Commonwealth and Tasmanian Government Task Force on Tasmanian employment issues. That was chaired by my friend and colleague Duncan Kerr. I want to thank you Duncan. I certainly want to thank the two Federal Ministers, Peter Duncan and Michael Tate together with their Tasmanian counterparts. I also want to thank Tasmanian industry and the trade unions for their cooperation. This has been what good government and concern for regional areas is all about. You don't sit up in Canberra and try and pluck some idea out of the air. You get involved the people who are committed and responsible, concerned and knowledgeable, get them talking to the community interests and that's how this has arisen. I want to thank you Duncan and all who have been involved for it. When I set this taskforce up in November it was not to be a talkfest. I wanted it to be action-oriented, to come up and say these are the things that are relevant to addressing the needs of Tasmania. I thank you for coming up with sensible proposals. Your work hasn't finished. I want you to keep going and anything that you come up with will be seriously considered within the obvious constraints of fiscal responsibility. Because as distinct from our opponents, what we do we will fund.

So I hope finally, ladies and gentlemen, it will be seen that here is a package which is a consistent part of my ongoing commitment to Tasmania. Not something new but another part of a continuing concern and commitment. What I want to see emerge from all this is a position where particularly the kids of Tasmania are going to be put in the position where they can have the same possibility of fulfilling their legitimate aspirations for education, training and employment in their own State as can Australians throughout the rest of the country. Thank you. Is there anything more you want to add to it Duncan?

KERR: I don't think so Bob. That was a very comprehensive outline. But I'd certainly be happy to respond to any detailed questions perhaps at the conclusion of this conference.

PM: Let's deal with Tasmania. Any questions about this or Tasmania now and then we'll go to wider matters.

JOURNALIST: Given the unique alliance between Labor and greenie dependence in Tasmania at the moment, will Labor direct preferences to them in the Senate and the House of Representatives instead of the Democrats?

PM: Well I am not involved in what's happening in terms of allocation of preferences. That's a question if you

want to you can direct to those who may know better than myself. I just don't know the answer. I don't get involved in every State in the details of preference allocation. But if you want to ask a question of those who may be in a position to answer well .. quite happy to do that.

JOURNALIST: It's been very difficult to get an answer.

PM: Well then that may well be because in politics there's a lot of negotiation that goes on in politics. And in politics it's very rarely a one way street. Preference allocation involves what others do as well as what you do. I wouldn't be surprised if what's going on here is a fair bit of negotiation. That would be very sensible if it is.

JOURNALIST: ... establishment of the Antarctic Foundation mean that Tasmania will eventually get Commonwealth funding for the Antarctic Centre which was rejected in the last ...?

PM: That is possible. What's got to be done with this centre is we want to really increase public understanding of the importance of Antarctic issues. You know that I've never ... at all but as far as Australia is concerned, Hobart should be the centre of our Antarctic activities. We have argued that if the Antarctic Treaty partners are going to set up a Treaty Secretariat it should be Hobart. Made it quite clear. Nowhere else. Hobart is where it ought to be. Obviously Australia's involvement in matters concerning the Antarctic are increasing enormously. I have had the opportunity this morning of having a long breakfast session with my friend Jacques Cousteau who I met last year and with whom I've very quickly developed a very close personal and I think effective working relationship. It's a matter of very considerable pleasure to me to be able to share the information that we both have. There is absolutely no doubt that the Australian-French initiative to ban mining in the Antarctic and to have it created as a nature reserve with full environmental protection is gathering momentum around the world. Now to the extent that this happens and with the Australian initiative it's much more likely I think that you're going to see an increase in action-oriented activity which will make possible the emergence of an Antarctic Centre. But now I've not been adopting in the past a pie in the sky approach about this. As you'll see we've been concrete. We're now putting \$1 million which is going to start developing the consciousness and obviously it will increase the understanding of the significance of Hobart as Australia's centre in the Antarctic. To the extent that Australia increases its involvement in the Antarctic, as it manifestly is, then it is more likely that what you refer to will take place. Let me say if we make that decision it will be a result of relevant staged processes and if it is done it will be fully funded.

JOURNALIST: What exactly ...?

PM: The concept is that it will in fact, as I say, have the charter of increasing the consciousness of Australians about the importance of Antarctic. In the past we've tended to have a sort of romantic idea about the Antarctic. It's down there, we had early explorers. We haven't really I think come to understand fully the nature of the significance of the Antarctic now. It's been seen more and more by scientists around the world as a unique continent. It's one which is pristine, it's untouched by human and industrial activity. So it is a magnificent station on the continent for observing the impact of environmental changes uncomplicated by local industrial or human activity. What we want to do, and this Foundation is calculated to do it, is to increase the understanding in Australia in general, Tasmania in particular, but internationally, of the importance of these issues. It will have a distinguished independent chairman and basically that will be a ... to increase understanding of the importance of the Antarctic.

JOURNALIST: Mr Hawke, ... news reports this morning that Britain is in fact using or having a far more positive response to Australia's initiative on the Antarctic than had been expected. What's your understanding of their position now and how will that possibly influence ...?

PM: I think really the emphasis has probably been the other way. I've heard some sort of indication that there may be some change within the United Kingdom. But it's certainly been within the United States where we are getting grounds for considerable enthusiasm as to the outcome. I would say that it is very unlikely that the United States will ratify the Convention, the Wellington Convention. Very unlikely they'll ratify it.

JOURNALIST: (inaudible)

PM: Why do I say that? I say it because there is first of all in the United States, as there is elsewhere in the world now, a very positive and growing response to the Australian-French initiative. Public opinion, as I predicted at the time when people, the sceptics were saying, oh what can you do. You wait and see. What is happening is that country after country is responding to public opinion. They are increasingly seeing a public view which said that it would be an obscenity to allow mining in the Antarctic. Now most specifically recently on the 7th of February in the United States there was a televised debate between ... who is the administration person in the United States who's invested many years of his life in the development of the Wellington Convention, the Minerals Convention. And in the televised debate between Senator Gore and ..., Senator Gore recommitted himself to support for the Australian position. Now ... been legislative processes in the United States Congress

are moving in a way where all our intelligence suggests that it is unlikely that the United States will ratify. Now I think that's had its influence within the United Kingdom. That's where there's really been a more public development of an anti-Convention position. And of course I've just had the Prime Minister of the Soviet Union here and he more than confirmed the recent statement of President Gorbachev. So if you look at what's happening, you've got, starting off, Australia and France. We started it. Then we got some of the .. the Italians and the Dutch, some of the Scandinavians, the Germans making much more responsive noises, now the Soviet Union. I believe the Soviet Union and the Eastern bloc will be supportive. We've got the position now of the United States I think moving more to position non-ratification. There are some signs in South America that Chile will be supportive and perhaps others. So I think we're entitled to have a much much more optimistic view. I think by the time we have the special meeting later this year, which has been agreed in Paris last year to be held to consider the Australian-French position, I think we're going to that with a very very sound position. This is another example of the way in which the Australian Government has taken an international lead on matters on environmental concern. Is there any other Tasmanian, just quickly and then we'll -

JOURNALIST: ... good raport with the Americans. Do you think there's a case for them to be asked to move their scientific base activities from Christchurch New Zealand to Hobart?

PM: Well, I mean I don't want to declare war on New Zealand.

JOURNALIST: I hope not.

PM: It would create a quaint situation for you wouldn't it. We wouldn't ... to that. No, I think that would be a pretty gross act of unfriendliness if I were to do that. Let me say that I think you probably know that at the time when the difficulties between the United States and New Zealand were at their height on the question of the visit of United States ships there were some pressures within the United States and elsewhere to say oh well to New Zealand and we'll shift to Australia. It didn't seem to us that that was a very sensible thing to do. Nor do I think Tasmanians would've wanted that to be done. So I wouldn't think the United States would be doing that.

JOURNALIST: Prime Minister, at his news conference this morning - can I go onto that?

PM: I'll just ask the locals first.

JOURNALIST: Why are you focusing on Hobart during ...?

PM: That's right. I'm going to be not just in the seat that we hold, Denison, but I will be going into Lyons for instance where we have Bob here. That, if I'm right the seat of Lyons Bob covers how much? What proportion of Tassie?

BOB: Two thirds of Tasmania.

PM: Two thirds of Tasmania. That's the seat that Bob Gordon's our candidate for. So I'm going into part of that. I will be returning. This is not my only visit. I would like to make a more extensive tour but as in all the other States I will not be going into every part of every State. But I will be coming back here again before the election.

KERR: Just to wrap up the Tasmanian material, if I could close this section by just putting on record formally my thanks to the Prime Minister. He and his office have been an enthusiastic background to all the work we did on TasPact, initiating the program, seeing it through and steering it through. There are many detailed elements that are included in your detailed papers, including for example establishing an Asia-Pacific regional centre for sea transportation, elements which are going to be of vital importance to this State into the future. They're soundly based, they're costed, they've been established through a very sound consultative process and Bob I'm just absolutely delighted that we do have the this opportunity to place on record our thanks to you.

PM: Thank you. May I say, just finally on this, on the costings. I hear with ... as we will be during this campaign and what you won't see from the other mob, the March 1990 ERC scoresheet Labor's Fiscal Discipline. What you have set out here is on the top line the savings identified by the Treasurer in Wednesday's economic statement. They are set out not just for the first year but for the three years. There they are, the savings, \$347.7 million, \$547.8 million in the second year, \$602.9 million in the third year. Then the outlays announced in his statement, the Treasurer set out what the cost would be of our labour market reform program. Now today you have the second line, the Tasmanian package, set out, funded for each year. Which gives you then remainder of savings and that leaves outlays to be announced and the bottom line ... for the three years. In other words my friends you will be getting through this campaign, from this side of the campaign, the clear indications of cost of promises and how they are funded. You will not be seeing that from the other side. They are going to be burdened right through this campaign with a \$6 billion credibility gap, where's the money coming from.

JOURNALIST: At his news conference in Melbourne this morning Prime Minister, Andrew Peacock implied as strongly as he could that the Government was deliberately

thwarting his ability to get a good look at the documents relevant to the Elliott case.

PM: I'll answer that question now and then as far as I'm concerned it's the end of the matter. Mr Peacock is deliberately attempting to misrepresent this situation. He is expecting that I and the Attorney-General would give him a greater access to NCA documents and material than the Attorney-General himself has. That is on its face an absurdity. What was promised is what will be delivered, and that is, in the face of the slur that was made by Mr Peacock and Mr Elliott on the integrity of my Attorney-General, Mr Peacock can see what the Attorney-General saw which was the basis upon which the request, from the NCA, that there should be a reference. Now Mr Peacock can see what the Attorney-General may have seen. It would be manifestly absurd. No-one would suggest that he should see more than the Attorney-General. That, as far as I'm concerned is clear and it is all that I'm going to say on it. Because I have only gone to this issue because they questioned the integrity of my Attorney-General. It is not appropriate, it would be against all practice for us to be getting into discussions about the operations of the NCA. I am not going to get into it any more.

JOURNALIST: Has Mr Elliott effectively muzzled both you and Mr Keating with his defamation action and ... difficult to target him for the rest of the campaign?

PM: Well let me say this Bob. I wasn't going to be about targeting Mr Elliott as such. I mean, as I've said before, Mr Elliott has said himself, and I can give you the transcript reference if you like. Mr Elliott has said that he has had an input into the formulation of the Liberal's economic policies. That's no surprise that he has. Now, all I have said before is that in reference to Mr Elliott in this campaign, ... not be as far as I'm concerned a personal attack on him. But he, if you like, represents, typifies the thrust of privilege, the thrust to privilege of the Opposition's economic policies. Because the simple fact is that under my Government we have put into the public coffers hundreds of millions of dollars which over the years will come to billions of dollars through a capital gains tax. Those billions of dollars will be used, as the proceeds already are being used for the education of our kids for instance. What the Liberal's economic policy is about is to transfer those billions of dollars from our kids' education into the pockets of people like Mr Elliott. Now that's the sense in which Mr Elliott comes into it. But as far as he's concerned personally, I have no interest in him.

JOURNALIST: Mr Hawke, are you concerned that the Elliott question appears to have dominated this first week of your campaign?

PM: I don't think it's dominated this first week at all. It certainly, as I move around and hearing what people are saying, it hasn't dominated. Let's get the picture of what I think is the issue which in real terms has emerged with dominance from this week. What have you had from Mr Peacock? You've had from Mr Peacock a parroting, but not a consistent parroting, but you've had a parroting from Mr Peacock that they'll bring down interest rates. Interest rates will come down under a coalition government. Now of course he hasn't been consistent, as I say. Early on it was going to be, from day one and massive, then it was going to be 15%, then the next day I didn't say that. I mean very inconsistent. But they would bring interest rates down. Now, what has also come through this week consistently is that they refused to give an outcome figure for wages and inflation. He said, to get interest rates down you've got to bring inflation down. But he will not give the Australian people an outcome figure for wages. If you cannot give an outcome figure for wages and then inflation you cannot make this promise about bringing interest rates down. It's like saying the cheque's in the mail. That's how good it is. The simple fact is they have no policies. They have no policies about bringing down inflation because they have no wages policy. Therefore what has emerged at the end of this week is that it is a nonsense. And as the campaign goes on it will be seen as a nonsense. You cannot say I'll bring down interest rates if you're not prepared to say to the Australian people this is what I expect the wages outcome to be. You'll remember, this is nothing new for Mr Peacock. When he was confronted by all you journalists at the Gallery, the Press Gallery and asked the critical question - it's critical not just about wages, it's critical about inflation, it's critical about whether you can bring down interest rates - that is, what will the wages outcome be? He stood up, shrugged his shoulders and said 'who's to know'. Now if you don't know what the wages outcome is going to be you cannot, with credibility, say to the Australian people I'll bring down interest rates. The truth is that he can't give a wages outcome because, because he knows there will be a wages explosion under his policies, as there was before at the beginning of the '80s when they had the same policies. And if there's a wages explosion then interest rates don't come down. They go up and the economy collapses. That's what's come out of week one.

JOURNALIST: Mr Hawke, some of the commentators have given the coalition, notwithstanding all that, the points for the first week. Is that your assessment ...?

PM: It certainly is not. Now, look. I just get back to the point of what are you really, what judgement are you making about the intelligence of the Australian electorate? I see that it comes up again and again during this week, as they talk about the week, the microphone incident in Sydney, where I had a lot of fun,

I thought, with the audience. They were certainly laughing with me. But the microphone incident in Sydney in the eyes of the profound political analysts, is the big thing of week one. Great deal. Now I was there. I laughed with and at the audience and with the media. But this in the eyes of the analysts is the profound thing about week one. Now I just happen to think, as I have always - and you know from my discussions with you of people in the media - I think the Australian people are more serious than all this. Do you really think that Bob Hawke's observations about a sea of microphones is more important than what I've just talked about? That you have Andrew Peacock wandering around Australia uttering platitudes, saying I'll bring down interest rates. Not saying it consistently, contradicting himself one day from the other as to what he's really said, but nevertheless saying he's going to bring down interest rates, but refusing, refusing consistently during this week, and his economic spokesman as well, refusing to give a wages outcome. The people of Australia know that if a party seeking to become government cannot give a wages outcome, and can't give it because they know there's going to be a wages explosion under their policy, they know that interest rates must go up, that the economy explodes. Now I just happen to believe in my analysis of the Australian people that they regard those things as more important than the fact that Bob Hawke might have said something about a sea of microphones in the Opera House on Monday of this week.

JOURNALIST: Mr Hawke, ... much about perceptions as you go in the second week into the debate where people are going to form perceptions of your performance in that debate -

PM: Sure.

JOURNALIST: How are you going to knock off the perception that you've had a bad first week and get the campaign on the rails?

PM: I don't think it's off the rails. I don't accept it.

JOURNALIST: What's the outcome of the debate going to be ...?

PM: I don't know. We haven't had the debate yet. But I feel fairly confident about it. I think the debate will enhance existing perceptions. As I've said a couple of times before when I was asked about this, there's an interesting symmetry about the careers of Peacock and Hawke. In time that is, not in many other respects. But we've both been in public life for 30 years and I think people, y'know, have made their judgements about Hawke and Peacock in terms of seeing them around for 30 years. While, as I say, I'm confident about tomorrow night, I

think that that will essentially enhance the perceptions I have out of 30 years.

JOURNALIST: Mr Hawke are you concerned though that the television pictures that are coming out every night have Mr Peacock with mystery blondes, beautiful daughters, happy pictures -

PM: I'd be more concerned if they had me with mystery blondes. So would Hazel. Look at her over there.

JOURNALIST: - whereas the pictures of you are showing constantly the protests from the pilots.

PM: Oh, constantly the protests from the pilots. Now I'm glad you bring that up. Look, let's get this quite clear. The pilots are saying very specifically that they want a vote for Andrew Peacock. The pilots out there constantly abusing me - I accept, as I've said, as part of the democratic process. You haven't heard me complain once and you won't hear me complaining once. The only thing we have done I might say in regard to it is the police, and they informed me about it, they have got in touch with the Pilots Federation and said look, it's not a very sensible idea to have your kids there, your little kids there because that could, I mean I just think that's very silly. I hope that they do to because it would be terrible if something happened to the kids in these sorts of situations. I hope they won't have them there. But if they want to protest, well and good. But what the Australian people are seeing is a very simple thing. They are seeing the pilots, understanding that Mr Peacock and the conservatives are their friends. Why? Because last year the pilots declared war on the existing system. They said we want not a system where there is centralised control so that you can have predictable outcomes. We want it just to be straight-out bargaining in which we can go against our employers and get 30%. I've said no that's not on, please stay in the system. Mr Peacock and the Opposition gave me carte blanche. Mr Peacock actually said what Australians need is for governments to get out of these disputes and out of pay fixing as such. So the pilots naturally want Mr Peacock to win because the Peacock policy is the pilot policy. That is, let the strong exercise their strength in a straightout conflict with their employer. They know that that's what happened in the early '80s when the same policy was followed. Now I wasn't prepared to allow that to happen because I know, not in theoretical terms, but I know what it did to Australia at the beginning of this last decade. It brought the worst recession in 50 years because we had a wages explosion. Now the pilots wanted to do that again. They recognised that Mr Peacock would've allowed them to do it. Why shouldn't they be out there making as much noise as they can in favour of Mr Peacock? Now that's what it's about. It's part of the choice. I mean this election is about choices and I'm glad that in this democratic way that's happening - I don't find it

pleasant, I must say I don't find it pleasant at all ... I'm happy that they are dramatising a fundamental difference and a fundamental choice that the Australian people have to make. It's this. Do you want what the pilots and Peacock want? That is, open slather where the strong can use their strength to extract massive wage increases which will inevitably destroy the economy or do you want the Hawke position under which instead of having that conflict situation we've had a centrally-controlled wage system negotiated and which has given a rate of employment growth five times faster than under our predecessors. These are the choices that people have to make in this election for the future. Do you want the Peacock pilots wages policy or don't you? So to the extent that they are highlighting that then in a sense that's helpful. Although as I say personally I don't find it very pleasant.

JOURNALIST: Mr Hawke, could I ask you a local question please?

PM: Sure.

JOURNALIST: When the Liberal ... launch their ... this week, they said that the Federal Government spends more on -

PM: They said what? Sorry, could you speak up.

JOURNALIST: They said that you've spent more money on New Caledonia and Vanuatu than you did in Tasmania ...?

PM: Well that of course is not true. If you look at the package of money that we've spent in Tasmania over the period since I've been office, that's a nonsense. But we don't expect the truth from the Liberals. That's just another example of their untruths.

JOURNALIST: Mr Hawke, can we expect your child care initiatives this week?

PM: You'll get some initiatives in regard to child care not before long in the campaign.

JOURNALIST: Mr Hawke do you think the debate is a turning point for either side ... one side or the other ...?

PM: No. No.

JOURNALIST: Mr Hawke, now that you've had a chance to become aware of the debts of the Victorian State Bank, do you think it's right that Mr Jolly has refused to accept any responsibility for those debts?

PM: Well the position is, as Mr Jolly has put it, that there is no ministerial involvement in the commercial decision-making processes of the Bank. That's the