



## PRIME MINISTER

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E & O E - PROOF ONLY

PM: Good afternoon. A few comments to start with and then I welcome your questions. First of the outcome of the election. You may have noticed that in the period since last Saturday week I haven't been bouncing around the place making great claims about victory and so on. I have had my head down and engaged in the serious business of getting ready for the fourth Hawke Labor Government. However, I should say about the outcome of the election first of all that I am indebted to the people of Australia for the confidence that they have once again reposed in me and my colleagues. I was often asked during the election what my view was as to the likely outcome and I think many of you will recall perhaps that I said, almost adnauseam, that I was confident, without being cocky or complacent, and I want to say that having achieved victory I am now neither cocky nor complacent, I am grateful that we have been given the opportunity once again of serving the people of Australia. I think I discharged during the campaign the obligations that I felt I had to set out to the Australian people the vision, and the plans and the concepts that we had for the future. And I can give the people of Australia the commitment that what was promised during the campaign will be delivered. Now as I say I have been engaged in the process of drawing up the Ministry for this fourth term and I attempted in this period to use the authority that I believe rests with me to secure a direction that I thought was appropriate. That is I understand that there must be, in the formulation of a Ministry within the Labor Party, some taking into account of the group within the Party. And it would be futile to try and avoid that fact. But I was determined that those considerations would not monopolise in any way the outcome of the Ministry. I also understand that there must be some taking into account of state and regional considerations. Again that can't be an exclusive matter but neither can it be totally ignored and I want to express my appreciation to the Caucus and the groups within the Caucus for the way in which, generally speaking, they took account of my wishes in this regard. I believe in the outcome, as a result of the co-operation

that I have received, that I have been able to establish in this fourth Hawke Ministry one which has a great deal of vibrant new talent and one which I have been able, in the allocation of portfolios, to place in a way in which I believe will ensure that in this fourth term there will be the delivery of relevant and imaginative constructive government. And as I say I thank the Caucus for the way in which I have received their co-operation. There is no addition to the Ministry but I have appointed four Parliamentary Secretaries whose duties will be as outlined in the accompanying statement to assist their portfolio Ministers in the area of correspondence, assistance with departmental papers, the making of inquiries on behalf of Ministers, representing Ministers at official engagements, meeting with delegations and clients, maintaining liaison with other members of Parliament, and generally acting in a way which will be of assistance. And this will be a way in which, at minimal cost, another group of people are able to gain experience. One feature of the decisions that I have made that I would also particularly draw to your attention is the fact that I have asked Senator Collins, in addition to his portfolio duties, to be the Minister Assisting me on issues concerning northern Australia. It is very interesting if you look at a map of Australia now you will see that the whole of the north of Australia has put its trust in Labor. Western Australia, the Northern Territory, Kennedy, Leichhardt at the very north, and ones below that. So it is appropriate both in terms of the intrinsic importance of northern Australia and the fact that northern Australia has put its confidence in us, that Senator Collins is particularly well informed on the needs, the opportunities and the challenges of northern Australia should be advising me in this way. Finally, before I make myself available for your questions, I would put on record here, as I did in the Caucus, my gratitude to those who have served as Ministers but who will not be in that capacity in the fourth Hawke Ministry. There are eight departures. Four who are retirees and four who have been compulsorily retired. In regard to those eight, and they are Senators Walsh and Reynolds, and in the Reps, Holding and Morris and West and Duncan and Jones, and very importantly of course, my dear friend, Lionel Bowen. To those eight I place on record my thanks and the thanks of my Party for the service which they rendered.

JOURNALIST: Mr Hawke have you and Mr Keating got the guts to continue to tackle Australia's economic problems?

PM: Just before I answer that question I also meant to say, and I take this opportunity of saying it, that it is for me, a matter of very great satisfaction that my friend and colleague Paul Keating was unanimously elected Deputy Prime Minister. It is an honour which he has thoroughly earned, and thoroughly deserves, and I look forward to working in a sense of an even closer relationship, if that is possible, with Paul in his dual

capacity as Deputy Prime Minister and Treasurer. Now the question was have we got the guts to make the tough decisions. I believe the answer is yes. We have in the past, I believe, made the tough decisions. The best evidence of that I suppose is the nature of the campaign that was run against us. They say look at what you have done to Australia. That was our opponents cry. Of course it was a very slick, superficial analysis but it was referring to the fact that we had been prepared to make tough decisions. And I think on our record, to the extent that tough decisions are necessary, they will be taken. But let me finally make this point. That while I believe there will be tough decisions to be taken in the next three years, we also believe that it is going to be a very good period for Australia because of the sorts of things that I was talking about in the campaign. And also because in fact that some of the tough decisions have been taken in the past. What we are now going into the nineties with is an Australia in which more Australians are employed, better trained, and with better equipment. We have in that the foundation for growth and for greater competitive capacity.

JOURNALIST: Why did Senator Walsh have his doubts about that?

PM: Well I think my friend Peter sets particular standards, has expectations which are not always either necessarily economically correct or politically sound. But having said that let me say in respect of Peter Walsh that I think that Peter Walsh has been a person who has made an enormous contribution to the achievements of my Government in the past seven years. And despite the fact that he has expressed some reservations don't upset me. I want to place on record my sense of obligation to him for the contribution he has made. I think that he would be the first to admit that he tends by nature to be the resident pessimist. And he is entitled to be such. But I don't share the pessimism which he has expressed.

JOURNALIST: Who is going to be the resident pessimist now?

PM: Well I guess he is around for a while, isn't he.

JOURNALIST: Mr Hawke, what do you think Senator Walsh is worried about with the power of the environmental lobby. How will you balance the environment ..... and how much of a debt do you owe the environment lobby ...?

PM: Well I think that any democratic government anywhere in the world today that is going to be one of the classic challenges of Government. How you balance the legitimate concerns for the environment and the need for growth. And I will just say one or two things about that. I said during the campaign, and I don't want to say it at great lengths because all of you would have heard me say it before, that it is the fact that on the one hand we had

record economic growth, record employment growth, during the seven years of my government, and at the same time we have achieved in the area of the environment the situation where the World Heritage Bureau has said, that no government has done more to advance world heritage values than has Australia. So I can talk about this not in nebulous terms of balance but saying, well look at the records. Record growth and a record achievement in regard to world heritage values. And that hasn't been easy. I mean it is all very well for people to sit down in the comfort of their analyst armchairs and deliver their opinions but to make those decisions at times is very very difficult. And I think I can look Australia in the eye and say, well look at the record, I think we have done it fairly well. Now I don't pretend that in the next three years that it is always going to be easy. But I can say that we will approach these issues on the basis of knowing that we have got to strike the right balance. Now having said that let me make a raw concrete observation that I think that I was going to have to build upon what I have already done in this area in terms of process. Let me remind you of what that process has involved to this point. At the end of last year I called meetings of groups from farmers and miners and so on as well as the environmentalists and put before them the concept of sustainable development and undertook that we would have prepared a working paper on that concept which would then be brought back to the groups. And then, on the basis of agreement, we hoped that we could get, we would then take that concept into a whole range of areas of rural industry, manufacturing industry, mining, tourism and so on, and having got hopefully an agreed concept then try and work through the implications of that in these areas. Now those processes are going to continue. But what I also had in mind is that I will, I think, be recommending to my colleagues that probably we should establish a subcommittee of the Structural Adjustment Committee which, for want of a better title at this stage, would perhaps be called the Sustainable Development Committee of the Structural Adjustment Committee, so that I would have the input of the relevant departments, environment, primary industry, DITAC, without being exhaustive about it, so that in this way, both through what I have done and now trying to get the concept of sustainable development formulated and with a process within the government, enable us better to deal with these issues so that there will be a total framework we can reduce adhocery as much as possible. Now these are concrete ways in which I think I can answer your question. And finally, I think there is a part of your question, how much do I feel that we owe to the environmental forces. A very considerable amount. It is not possible at this stage, I mean all the analysis hasn't been undertaken, but I would find it very surprising if both directly and in terms of influence upon the votes to the Democrats and so on, I would be very surprised if indeed there hadn't been a significant influence in the number of seats. I am grateful for that

support. I think it was earned by the decisions that we have made in the past and I will be conscious of the representations of that area in the future but we will not be their captive.

JOURNALIST: Senator Walsh ... over the economic effect of immigration. Have you got any comment on that?

PM: Yes, there is a view in Australia, and it's interesting how it spans the political spectrum, David, from extreme left right through to extreme right when you think about it's ... get the Rainbow Alliance - strange group of people - who would be either reduced immigration people or zero immigration. Now I'm not, by philosophic disposition, a low immigration person. I believe that we have basically got the, the balance right. We have to, I think, always have as a fundamental criterion the economic capacity of Australia to absorb migrants. And I think that the figure that we've been running at, at about 140,000 net a year is about right according to that criterion and I'm aware of the fact that some people want to argue that immigration at that level, or some say at any level, imposes unacceptable economic strains. I believe that that is an inadequate economic analysis because I believe that you've got to look at the other side of the coin and point to the pluses of immigration. The point is getting the balance right in economic terms and I think, David, we've basically at about this level got it right at this stage. I would hope that as we go on that we may be able to look at higher levels of immigration. That would be my propensity rather than lower, but economic -

JOURNALIST: (inaudible)

PM: - just a minute - the economic criteria is important. The final point I make is this, that one thing that will be a constant, however, in the immigration area, as far as I am concerned and this Government is concerned, that we will never in any circumstances allow the, the race card to be played. And I must say that this campaign was unfortunately marked by the use of that card. It happened in 1984, it happened in the Parliament in 1988, it surfaced again in this election and indeed I, it's probably can be argued that there's one member of this Parliament, the Member for Lowe, who can owe his election to the fact that he distributed in the last weeks of the campaign a letter, blatantly racist in its appeal and deliberately false. A letter to the electors of Lowe that they would have 80,000 Japanese living on their doorstep under the Multi Function Polis, or 80 percent ... 80 percent of the people that would be there. Why people who profess to have principles resort to these sorts of tactics, I, I just don't know. They have not sense of responsibility to the future of this country.

JOURNALIST: Well the issues outlined by Senator Walsh had nothing to do with it ...

PM: No, no, of course not. I mean, let me make quite clear, David, in any of the comments I made about race that had nothing to do with Walsh's comments. The first part of my response where I was talking about economic matters, were relevant to what Peter had said. There was no suggestion in what I'm saying that he was going to those issues.

JOURNALIST: Would you ... that any way to deal with the economic aspects of the issue to be raised?

PM: Well -

JOURNALIST: The impact on savings and on -

PM: I'm simply saying that our judgements have been to this point that the, I mean, we haven't lightly reached our judgements about the immigration levels. They have been reached on the basis of what is economically appropriate. Now I'm saying I think they've been economically appropriate to this point, I wouldn't want to see them lowered.

JOURNALIST: ... raised by Senator Walsh, he gave a very bleak picture of the Australian economy, saying that time was running out for Australia and that it was urgent to address the problems over the next couple of years. Do you think that he, that he exaggerated the extent of our problems?

PM: I think he somewhat exaggerated them, yes. But that is a, a, I suppose, a legitimate technique of the Cassandras. If they have a feeling of concern, I suppose if you want to make colleagues and the community think about economic issues it's a reasonably valid technique to write the message large. I think he's written it too large, but having said that, having said that as I did during the campaign, we haven't got easy street coming up, we have not got easy street coming up. I think we've got the prospect of very good streets, of great avenues opening up, but they're not going to happen just by assuming, as Australia too often has tended to assume in the past, that she'll be right mate. What we have demonstrated to this point is that you need tough decisions both in the macro economic and the micro economic field. And as I said to the Caucus in my address this morning, there will be tough macro economic and micro economic decisions required and to the extent that they are required, they will be taken. But what I am saying is that I think we've got a great deal of evidence which I think Peter has not sufficiently paid attention to. We've got a great deal of evidence of very, very significant improvement taking place in Australia's competitive position. After all you can't have a massive increase in the number of people employed,

you can't have a massive increase in the education of your people and the training of your people and you can't have all that happening with the massive re-equipment of your economy and not in fact be seeing good things happening. I mean, I saw them during the campaign. I went around Australia and I saw an Australia which is becoming more competitive. For instance, I think there would be some of you here who would have been with me when we went to that Pacific Dunlop tyre truck factory in, in Melbourne and there you had both management and unions proudly talking about the fact that together they'd been to the United States for twelve months, had brought back what they'd learnt there and now we're establishing there, in Melbourne, the best state of the art plant in the world. Now those things are happening. Now they haven't happened by accident, they've happened because we've created the environment for it. But we can't be complacent about that. We've got to continue to do it. We will.

JOURNALIST: Prime Minister on macro and micro economic reform -

PM: Beg your pardon?

JOURNALIST: What specific macro and micro economic reforms then would be your priority issues -

PM: Read the speech of the 22 February, Geoff.

JOURNALIST: ... Senator Walsh wants fiscal policy tightened. Now is that something which you'd be planning during the next few months or as far as you're concerned, is fiscal policy on hold?

PM: No, fiscal policy is never on hold and, see, I have to say to you people so frequently when you ask me questions like that - look at the record. I mean, we have not in seven years been a Government which has said of any arm of policy, it's on hold. I mean, how can you - you take the area of fiscal policy where you produced a situation where you've had a 7.1 percent turnaround, \$30 billion in terms of reduction of Commonwealth outlays, four successive years of real reductions in outlay. I mean, what possible intellectual basis have you got then for talking about putting things on hold. What we do, what we've done each year, we've looked at the three arms of policy - wages policy, we sit down, we say there you are, we'll work it out, we come to an arrangement with the trade union movement and say there you wage and salary earners and you employers now know for the next period what your incomes and costs are going to be. In regard to fiscal policy, both at the time of, of May statements or April statements and the Budget we undertake the task of seeing what is necessary in the area of fiscal policy. And in the area of monetary policy no-one can say that we haven't been active in that area. I mean, I've just been through a campaign where

the impact of monetary policy decisions was the number one issue. Now, now, Paul, in other words what we will be doing this year will be the same. We will be, as we approach the Budget, we will be looking at what the appropriate fiscal settings should be. Not resting on any laurels.

JOURNALIST: ... tough decisions already been taken, so that there is room for a little bit of easing -

PM: Well, I think the right -

JOURNALIST: (inaudible)

PM: No, I think the right answer is this, that you won't be able to expect the same degree of fiscal cutting in the future as you've had in the past. I mean, there is a, you don't get into some exponential or even arithmetic series in this sort of thing because when you've made big cuts as you have in a whole range of areas, you are getting rid of more fat and getting closer to the bone. So I don't think there's anyone with any knowledge of the economy and the social structure of this country who sensibly believes that you can go on in the same measure as the past. That doesn't mean, however, that savings are over. I mean, just look at the most recent experience. I mean, here we are just into April and already in this year we've shown what we can do. This was what distinguished me from my opponent in this last election. What we did first was to get the savings, the new savings, then on the basis of getting the new savings, made our new commitments. So there are still things that will be looked at and ... but it would be unreal to think that you're going to have the same sort of availability of expenditure cutting that you've had in the past.

JOURNALIST: A Party Committee ... A Party Committee has been meeting for two years discussing privatisation. Is that one area where you want to move more quickly?

PM: I'll be interested in getting their, their report.

JOURNALIST: When do you expect that?

PM: I don't know. In the last week when I've been engaged in these matters I haven't really been on the phone ringing up about that.

JOURNALIST: (inaudible)

PM: Well, we'll see. I mean it depends on what's in their report. But it's not a matter about which I feel nervous at all, Peter.

JOURNALIST: But if micro economic reform -



PM: Just, just let me make this - in the area of micro economic reform, may I say, I don't think that the question of whether the airlines are sold or not is by any means, by any means, the most important area of micro economic reform. It's not irrelevant, not saying it's irrelevant, but let me make it clear to you I don't think it's by any means the most important.

JOURNALIST: ... Parliamentary Secretaries look a bit like over-manning while we're on the subject?

PM: No I don't think they look like over-manning. There's been in the history of federation, in the history of federation, a fairly, you know, continuous use of them. And you can go back and a long, long way back and I've had people do that for me and they've pointed out that in one form or another they've been used for a long period during federation. They were used in the '70s by the McMahon Government and then formalised by the Fraser Government with the legislation in 1980 and they appointed a number of them. They have a situation where there's obviously no possibility of saying that this was a factional accommodation thing, I mean, the factions have made their adjustments and that's evident in the list you've got before you. But I, I think there is a case for them. I don't think it's the sort of thing that you want to have great numbers of and some people might have liked more. I don't think there is a case for great numbers, but I think I've got the balance right there.

JOURNALIST: Is Bob McMullan's appointment a token gesture?

PM: No, you ask Bob McMullan. He certainly doesn't regard it as such.

JOURNALIST: ... why didn't ...

PM: Beg your pardon?

JOURNALIST: Why did Kelly get a Ministry and he didn't?

PM: Well, you've got a situation where there are 30 positions, 30 positions and within that 30 there wasn't a place for, at this stage, for Bob McMullan.

JOURNALIST: ... reflection on his talent?

PM: No reflection on his talent at all, nor does he regard it as such.

JOURNALIST: Mr Hawke, going back to Senator Walsh's remarks, were you surprised that yesterday he referred people approvingly to John Stone's critique of the 1988 Budget, do you think he is totally wrong and what's your

PM: Yes, I had a, I had a private meeting with Peter yesterday and as I think you know now from seven years, I don't talk about private meetings in any detail, but I don't think Peter will mind if I say this. That during that private meeting he referred me to this, this speech, as I understand it was September 1988. I asked was it in the Parliament, he said no it was outside the Parliament so you can see we talked about it -

JOURNALIST: Did you get a copy?

PM: No, just a minute, just a minute. Don't get so excited, Michelle, just wait. And I said to him that I didn't necessarily regard Senator Stone - I was going to say the late, that's improper - but the ex-Senator Stone as a great authority on matters economic. And I reminded Peter of the fact, fact which are burnt indelibly into my memory of Stone in his earlier capacity, or incapacity, whatever, which way you want to look at it, Secretary of the Treasury. In that capacity when we had the discussion in the Cabinet room about the floating of the dollar. And Senator Stone was vehement, vitriolic in his opposition to the floating of the, of the dollar and had the view if we did it the dollar would go through the roof. Now - and that we would learn to regard this as one of the great mistakes to be equated with the 25 percent tariff cut in the Whitlam Government period, that we would come to regret that like Whitlam came to regret that. I reminded Peter of this and said with that sort of background, Peter, don't be surprised if I don't have the faith that you may have in John Stone and his analysis. Having said that I said ... I'm not therefore saying that everything he may have said in this paper is necessarily erroneous. I'm simply saying that on my experience I have no reason to regard the pronouncements and the analysis of one John Stone as of any great significance.

JOURNALIST: Did the environment groups express any concern to you about Graham Richardson's move from that portfolio?

PM: They had hoped that Graham was going to stay in the portfolio so there's no state secret about that. That view had been conveyed to me. But I think the next thing to say is that they do understand and accept, albeit reluctantly, Graham's reasons for leaving that portfolio. I believe that in the appointment of Ros Kelly they will have someone who will be very, very understanding of their position consistent with the overall responsibilities that she has.

JOURNALIST: Did you offer the job to Kerin?

PM: I discussed the matter with him, Michelle, because I must say I was fascinated - as no doubt all of you were - by the suggestion that both the ACF and the Wilderness Society made that if they couldn't have Richardson they'd

like Kerin. I was fascinated by that, as he was, and we did have a bit of a yarn about it. But you see Kerin has the problem of the talents, I mean he has a remarkable talent as Minister for Primary Industry, without any question the best Minister for Primary Industry that this country's ever had, to use the bucolic analogy, no-one's ever come within a bulls roar of him and is likely to. He is just very valuable in that area and it's an area in which he wants to stay.

JOURNALIST: So was it a rebuff to the environmental groups to appoint Ros Kelly?

PM: No, not a rebuff. They would've liked Richardson, he wasn't available and in their thinking they expressed this desire for John Kerin. John Kerin's not available. I've given them a very good Minister.

JOURNALIST: Did you try to persuade Senator Walsh to stay and if so did you offer him any change of portfolio?

PM: I think that part of the discussion I had with Senator Walsh is appropriately between me and Senator Walsh.

JOURNALIST: During the election campaign, Prime Minister, you made some predictions about interest rates. In view of the emerging international and domestic pressures now on rates do you care to make any further predictions?

PM: The predictions I made have been fulfilled. That is that if we won - as we have - that the Treasurer would be talking immediately with the Reserve Bank - that he has done. He's had discussions with the Governor of the Reserve Bank. The board of the Reserve Bank is meeting today. After their meeting the Treasurer will be talking again with the Governor. It would be presumptuous for me to speculate on what the outcome of that will be other than to say that it is a matter of record that we did what we said we would do and that is, through the Treasurer, conveyed our view to the Reserve Bank that the conditions were there for a fall in rates. Now as to what that will be, we'll see.

JOURNALIST: Prime Minister, do you think the appointment of Ralph Willis as the Minister for Finance will send the right message about the determination of your Government to handle the tough issues in your next term?

PM: As far as messages go out, I don't think there's just one appointment. I think that the reaction of the markets - as of the media and anyone who looks at it - will be that this is a remarkable Ministry. It's a very, very well constructed and talented and fresh blooded Ministry. I think the markets, to the extent that they look at it, will be very encouraged by the determination

that the Prime Minister has shown and the cooperation he's received in shaping an appropriate Ministry.

JOURNALIST: Was Senator Ray at one stage led to believe he would get the Finance portfolio?

PM: No, not by me or as I understand by anyone.

JOURNALIST: What are you expecting from Dr Hewson and Mr Reith?

PM: What am I expecting from Dr Hewson and Mr Reith?  
Well -

JOURNALIST: ... the answer?

PM: Well the answer is Liberal, they are both Liberals. It's a bit early to say and seriously I don't want to be ungenerous about this. I mean, I am, I don't want to be ungenerous about it. Clearly Professor Hewson brings to the position a good knowledge of economics even if he gets his ideas wrong. I mean he knows what economics is about. He's literate in it and understands things even if some of his answers are wrong. It'll be very interesting, for instance, I tried to get your interest during the campaign on a couple of points, to get the question up to Professor Hewson - and I'll give him the opportunity. Just to show how generous and charitable I am, I give him notice now. I'm going to try and find out from Dr Hewson why it is that as a Professor of Economics in 1987 he had a very firm and unqualified view that there should be a capital gains tax but when he became a captive Liberal politician he changed his mind. I mean, this is one of the things that's going to be interesting to see with Dr Hewson as Leader of the Opposition how to what extent he may bend his economic beliefs to what he regards as the imperatives of Liberal politics. But I think that Dr Hewson brings positive qualities to the position. I would say this finally in regard to Dr Hewson and then I'll have something to say about Mr Reith in a moment, but I'd say this finally about Dr Hewson. However closely I will be watching Dr Hewson it will not equal in the intensity of scrutiny that of those behind him and alongside him. It will be very interesting to see the reaction of those opposite. We'll be very modulated in our reaction. Now Mr Reith, well now here's a fascinating one isn't it, Mr Reith. He made his reputation on the basis of going out and defeating our proposals for a referendum. Four year terms, our proposals, and now part of the Reith proposal for a better Australia is what? Four year Parliamentary terms. He's got a certain amount of elasticity which was to me ...

JOURNALIST: Will you be having another go on that question in this term of office on constitutional reform, Mr Hawke? For example, -

PM: I must say that one is tempted at the first meeting of the Cabinet to put a bill through for a four year or five year or a ten year term immediately. I think having had this election I'd have a fair chance of satisfying the dual constitutional requirements of an overall majority and a majority of States.

JOURNALIST: So will you -

PM: I said I'm tempted, and I'm ...

JOURNALIST: On the question of constitutional reform, will you be having another crack at it in this term of office?

PM: Look, I am very pessimistic about constitutional reform, not really about the people of Australia as such, but I'm pessimistic about the vision of the Tories in this country. I mean, it is to me still almost impossible to understand how any responsible party in this country - without going to all of the four points where I can if you want to go through the four of them. But you just take the obvious one's, the one's I've just talked about - four year term. Take the proposal that there should be entrenched into the constitution a provision that if any citizen were in a situation where a government had compulsorily required his or her property, they were entitled, as a constitutionally entrenched provision, to fair compensation. But the Tories of this country opposed that, as they did the four year terms and the freedom of religion and entrenching in the constitution the rights of local government. By any objective assessment, the interests of Australia into the future would be well served by each of those proposals being passed but these people have no capacity, no capacity for looking at the real interests of the Australian people. They are political opportunists par excellence. They knew that each one of those proposals which their leaders had in fact supported in one way or another within their own party and within their own constituencies, but when it came to the question of supporting them politically, they were not prepared to because they regarded it as politically opportune to inflict a blow upon the Labor Party, little caring that the blow was really inflicted upon Australia. That's what makes me depressed about constitutional reform. The incapacity of the conservatives of this country to have any vision and commitment to the future of this country.

JOURNALIST: What about national powers over prices and incomes as a possible subject for constitutional reform, Prime Minister?

PM: That doesn't fascinate me very much, David.

JOURNALIST: Mr Hawke, given that an alleged rumour -

PM: One of them.

JOURNALIST: Given that an alleged rumour has received national circulation if not national credence -

PM: Now what's this one?

JOURNALIST: Can you briefly, essentially briefly, give us a report on the condition of your health generally and your prostate gland in particular?

PM: Well I think it's for you to judge. I mean, if we had a - in general I'll come to the prostate gland in particular in a minute. Perhaps you're not in a position to judge about that and I don't intend to give you the opportunity of becoming more familiar -

JOURNALIST: Perhaps I should ask Hazel.

PM: Will you deal with your colleague, will you deal with your colleague. But, I mean, I think in answer to the general question about the state of my health, I mean, I submit myself to you. I went through a pretty vigorous campaign, I think I held up well, I felt that I did and I think I look OK now. My general health is excellent. As to the state of my prostate, at this stage I'll leave that as between my doctor and myself.

JOURNALIST: Mr Hawke, just back on the election campaign, the Labor Party's vote fell to a very low level ... Why do you think that it was and do you think there's a need for some sort of internal review process to look at the reasons for that happening ...?

PM: Within the Party?

JOURNALIST: Yes.

PM: Oh no. What we always do, Geoff, after an election is we have a detailed analysis provided to us by the Secretariat. And may I just parenthetically say what a brilliant job I think Bob Hogg and the Secretariat and the Party did in this campaign, I think they did a brilliant job. The post-script of that brilliant effort will be, I think, a very detailed analysis provided to us and we will sensibly and responsibly analyse that report that we get. If out of that there are lessons to be learned, you can be assured that we'll learn them and that we'll apply them. Going to your question more broadly, it's a question as you know that was asked many times in the campaign - and I'm not saying it critically because you are talking about the future, what will we learn from. But going to the point generally about the lowered primary vote, I think it was a combination of two factors - perhaps more than that but two essentially. One that I referred to during the campaign that I think that in this country as around the world, there is a heightened and a significantly heightened interest in the environment. I mean anyone who's analysing politics and

doesn't understand that, you know, shouldn't be in the game. And that was true in this country. Now we understood that, we understood that and in an intelligent way, I believe, throughout the campaign and then particularly in the last week, we said to people well alright we weren't critical of them, we didn't abuse them for wanting to vote for others particularly on that ground. We said what you've got to realise is that when you wake up on the 25th either Hawke or Peacock - you've got as Prime Minister and what they stand for in regard to environmental matters and what their record is. So I wasn't terribly phased about that phenomenon because it is a global phenomenon. I think we intelligently reacted to it, not just in the election but that we have been ahead of the game in a very large extent from 1983. We've understood that these things are important, we've made the right decisions, not to attract a vote but because there is a great commitment within the Labor Party - certainly under my leadership - to discharge the obligations we have on these matters. So our vote went down in part because people are now so concerned about that, they wanted to register their commitment to these issues by a primary vote in that area. I think that's one reason. Now I don't ignore, Geoff, the other factor that there is some disillusionment with my Government and people were hurt by high interest rates, they didn't like it and they protested in that. But they also, as I said to many of many of you in one to one conversations, I said I have faith in the intelligence of the Australian electorate. I said it to meetings of you as a whole and I talked to you individually. I've said all along that I have great faith in the ultimate intelligence of the Australian electorate. What they did say, well alright we don't, you know we're not too keen about you, we'll not give you the vote, the primary vote we had before. But they looked at the alternative, Geoff, there is no way that they were going to be voting for them. In what mattered in the end, we got the ... of preferred votes. Look, we'll just have three more.

JOURNALIST: Do you see the significant vote for ... parties as now being a permanent feature of the political landscape or do you think it will ...?

PM: Oh no, I don't think it's necessarily a permanent feature, Glenn. I mean just let me take one part of the answer I gave to Geoff that if we get the economy going in a way I hope it will and we, at this stage of the electoral cycle, are able to go up with not that oppressive burden of high interest rates that we had to have and a more congenial economic environment - then I think we'll get many more primary votes for that reason. So I don't think you can say it's a permanent feature but I do say this, that I can't see the interest in the environment significantly diminishing. OK, there's just one here and one up there.

JOURNALIST: Just going back to your earlier statement on micro economic reform and the question Geoff asked. Will you mean then that the statements released during the election campaign on micro economic reform was going to be the blueprint for change and that you weren't envisaging any further ...

PM: Well you remember the statement, you read it? I mean it was a very comprehensive statement which covered 10 areas.

JOURNALIST: But a lot of the measures have been announced previously. I was just -

PM: Oh no, no, no, no, no. If you look through that you will see in each of the 10 areas nominations of areas that had to be addressed in the fourth term and I mean I wasn't trying to give a flippant answer to you, Geoff. I mean, it's all there and it wasn't you know, said for fun -

JOURNALIST: inaudible

PM: Just a minute. It's not a debate between you and me. I'm answering a question. In that area as in the Ballarat speech before, the Ballarat speech was delivered on. Now some people say not at the rate that some of them would've liked. But I simply assert, as I've said before, at a faster rate than ever before but I'm not resting on those laurels and what the 22nd - I think it was the 22 February speech was about was saying well here are the 10 areas of micro economic reform in which we're going to operate and I think you can see by the composition of my Ministry and the sort of people that are there, that I'm very serious about that. Now there was one up here.

JOURNALIST: Mr Hawke, ... said at the weekend that of the big challenges for the Labor Party in the next three years was ... support of the greens into the Party ... How important do you see that challenge and do you think it can be achieved? The second point he made in a personal capacity was that the Government should look at managerial salaries ... seemingly high in some areas. Is that something that could see you ...

PM: Well I'm in favour of getting as many people into the Labor Party as possible who are consistent with the basic philosophy of the Labor Party - and it's legitimate to talk about the greens and so on - but let's not get into a mind set where we think that's the only issue. I mean, I go back to the answer I gave before that we've got to get the appropriate balance. But for those people in the community who have a real involvement in the commitment to environmental matters, I think this election should show that in the end the Democrats and the greens, they are not going to form governments, not in the foreseeable future and not in my life or beyond



that. Governments are going to be formed by either the Labor Party or the conservatives, whether they be 2 or 1, whether they finally marry. Therefore I think a lot of people with interests in environmental matters would perhaps see that it makes sense to get into the Labor Party and express their point of view. Last one, Paul.

JOURNALIST: Do you see any merit in the idea of a post-election May Statement or would prefer to wait until the Budget for the bulk of the economic initiatives after the election?

PM: I would think that it's a Budget matter, Paul.

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