



PRIME MINISTER

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JOURNALIST: Mr Hawke can we get the Balance of Payments figures out of the way first? They've been described generally as being within market expectations. What do you have to say about it?

PM: Well they seem to be in about the middle of the market expectations, 1.8 billion. There was over \$300 million of Qantas imports in that and importantly the downward trend in imports which has been apparent for many months has continued. So we are on line with the Budget expectations and importantly the Government policies which have been aimed at two things. That's firstly dealing with the current account deficit and secondly with inflation. They are on target. Of course when I say that about inflation you have to have one question mark there which has been acknowledged as to what the impact of oil prices will be but as far as these figures are concerned on the important question of the current account deficit the Budget forecasts seem to be on track.

JOURNALIST: Still, Prime Minister, a look at the breakdown in exports. The rural sector is still performing very badly.

PM: Well wool of course is very bad. Now we see in this morning's paper an indication that perhaps the Soviet Union is going to come back into the market and of course if they do that that will be a good thing. But wool there's nothing Government can do about that other than exhortation. We're sending Minister Kerin overseas with a mission to the Soviet Union and other countries to try and revive the overseas interest in the wool market. I think that will come.

JOURNALIST: Prime Minister, any chance of tax relief as a result of the windfall from the oil price rise?

PM: No. The question of tax relief is not on the agenda. You'll appreciate that in January there will be significant tax cuts coming up which have already been legislated for.

JOURNALIST: ... rural lobby groups ... today called for some sort of crisis meeting with the Government about the

situation facing the rural sector. Is that something that's on the cards?

PM: I'm always prepared to meet representatives of the rural industry in the 7½ years we've been in Government I've frequently met with them. Of course the basic problem of the rural industry is, as it's been in the past in times of crisis, is the fall in their commodity prices. The only thing basically that Government can do on the prices receive side is what I have been, myself and had my Ministers working hard on, and that is in the Uruguay Round to try and ensure that we get a reasonable outcome on agriculture out of the Uruguay Round. Because what's been an enormously devastating thing for Australian rural producers, who are the most efficient producers in the world, is that they are denied access to the large markets. I mean in Europe, North America, but as bad as that is what's been even worse is the export subsidisation by those trading blocs of their rural producers which has meant that our more efficient producers have been losing markets or suffering significantly reduced prices in markets. Where if there were free competition we would be doing very very much better.

JOURNALIST: South East forests. You've granted an extra week for discussions before any decisions are made. Obviously the people on the South coast are extremely concerned that this has been an ongoing problem. Will the Government have a final solution by October the 8th?

PM: I hate the phrase final solution. The Federal Government responded to a request from the New South Wales Government for more time but we've made it quite clear that the final decisions as far as we're concerned will be made by the 8th of October. This is an area where I want to get an outcome which will get the proper balance that is necessary for the community. That is the protection of jobs and the making available of adequate resources, the timber industry, getting that balance with the responsibility that we have for this and future generations of having ecologically sustainable development, as we put it. I hope and believe that we will get the balance right.

JOURNALIST: Jervis Bay is another environmental issue. You've ruled out the fleet base relocation what about disarmaments depot?

PM: There is further consideration of that matter going on and again I hope that we'll be able to find a location which matches the needs of the navy with the proper consideration that we must give to the environment. There's further work going on on that. I hope we'll be able to come up with an acceptable solution.

JOURNALIST: ... current account ...

PM: Just a minute the Current Account I'm back on here.

JOURNALIST: Financial markets believe that there is scope with today's figure for an ease in interest rates by the middle of next month and that would also help the rural and the manufacturing sectors?

PM: When you say the financial markets believe, what's the financial markets. You mean certain people who purport to speak for the financial markets express a view. Well that they express that view is not surprising.

JOURNALIST: You don't think there's any room for an easing ... in interest rates?

PM: I think that I have the responsibility as Prime Minister not to say anything which can influence the movements in the markets because that's to no-one's advantage. Let me say this, that in 1990 we've had four discreet reductions in interest rates, four percentage points in prime rates. That is proof of the fact that this Government in co-operation with the Reserve Bank authorities has been prepared to give effect to the commitment we made. That is that when circumstances were appropriate and we believe we could safely move to reductions in interest rate levels we would. Now we've given proof of our capacity and readiness to do that during this year and we will follow the same process, that if the circumstances are adjudged appropriate and that we can responsibly further reduce rates then they will be.

JOURNALIST: Mr Hawke, you've just spoken to the local unions. Their concerns are mainly unemployment. Did you make any commitment to them, especially on relocation ... the tax office ...

PM: They've raised a number of matters, including that one. I have indicated, as I have before, that I have sympathy with them. That's not just ... of words. I have sympathy with them. I have more than that. I believe you know something may develop in this area but I'm not prepared to make a specific comment upon that now. Things are happening in that area.

JOURNALIST: Prime Minister, an immigration issue, some of the Cambodian boat people have been waiting up to nine months. Is a decision on them forthcoming ...

PM: You say that some of the Cambodian people have been waiting for nine months. I can tell you my friend that there are people in the refugee camps in Asia who have been waiting years and years and years and years. So get your balance and priorities right.

JOURNALIST: Prime Minister, yet again holiday makers' air travel plans have been interrupted through regrettable circumstances. Do you think this country's becoming more sophisticated, is the union movement becoming more sophisticated in its response to the problems that arise and

seem to influence people like the airlines where it's directly not even their problem?

PM: Well, obviously when you have a problem like this it is disturbing and I wish that it hadn't happened. But you ask whether the trade unions, plural, collectively are becoming more sophisticated and responsible. If you were listening to my brilliant address here today you would've heard one part of it indicating that in the steel industry in this region, in this year the level of industrial disputes is five per cent of what that level was at the beginning of the '80s which would be proved positive I would suggest of the increasing sophistication and sense of responsibility of the trade union movement. If you want to reflect that on an aggregate level for the whole of Australia there has been a 59% reduction in industrial disputes since 1983. So yes the evidence is overwhelming that the trade unions of this country have become both more sophisticated and more responsible. They've accepted a shift in national income away from wages to profits which has allowed a very substantial increase in investment. Which will mean that in the longer term Australia is going to become more diversified and more economically able to insulate itself from the devastating effects of wide swings in commodity prices. Now having said all that you're still in a free democracy where there is the right of industrial action. You're going to have some exercises of that freedom which do appear to be irresponsible and I think in this case you can categorise the stoppage in that way. I think it's particularly unfortunate that it's occurred at a time which inflicts problems on kids and their holiday period. I don't like that and I hope that it's very quickly stopped.

JOURNALIST: Prime Minister, a year ago we had the pilots strike, the planes were down and the Government was quite vocal then about ... Yet the Government has been very very quiet about this latest round ... I mean I believe your comments just now are the first you've made.

PM: Yes well, if you just sit down and think about ... and if you believe that there's an analogy between what the pilots were trying to do there and this dispute well I think you really do need to do a bit more thinking.

JOURNALIST: In The Age this morning Mr Willis was quoted as saying that if oil prices remain high the Government must look at some form of tax relief. Is he speaking out of turn?

PM: Mr Willis never speaks out of turn.

JOURNALIST: So there is no likelihood of tax relief?

PM: That doesn't follow. You see, what you seem to forget, I don't know why, is that we've been in office for seven and a half years and we have shown in the whole of that period a preparedness and a capacity to deal with changing economic circumstances and make the decisions which are appropriate

to those changing circumstances. Nothing's new. If a position arises where you needed to look at the level of taxation because a new situation had arisen then the whole of our record of seven and a half years shows that we'd be prepared to do that. But I'm not going to speculate at this point that the circumstances as they exist now require that decision.

JOURNALIST: Just to bring it down to a local level ...

PM: You pay taxes here too don't you.

JOURNALIST: You made a commitment today to look at the report. Do you think we might get another commitment of some dollars and cents in the short term?

PM: I don't know about the short term but I think I'm entitled to look the citizens of Illawarra directly in the eye and say well you look at Bob Hawke's record, has he got a commitment to this region, does he take seriously the proposals that are put up? I think the answer is yes. I think this is a very good piece of work that has been done and I will not only look at it closely myself but I will see that it's examined by all relevant Ministers and departments. I say this, if there are ways that we believe that we can positively respond to proposals that have been put and that we can responsibly do that then that will happen.

JOURNALIST: Mr Hawke, have you made any commitment to the South Coast Labour Council on approaching the Greiner Government over building projects like Caloola Pass?

PM: I think any discussions I've had with the Labour Council at least at this stage ought to remain confidential. But I have certainly listened to a range of matters that they've raised. I think that they have put up serious questions for consideration and I've given them an undertaking that I will look at them. Obviously some of the things that they've raised are more within the area of State Government responsibility. I'm prepared to raise them in that context too. But my first reaction will be to go back and talk with my Ministers who have a responsibility in the areas where the issues have been raised.

JOURNALIST: Millions and millions of dollars worth of projects. I mean there was one for example out at Brandon Park, they said \$600,000, way too much. You haven't got that sort of money. I mean we're talking about millions of dollars here. Where's the money going to be coming from?

PM: Well the money that governments provide comes out of the pockets of taxpayers. That's where the money comes from. I haven't got a mint that I just create money. State governments really haven't got it. Where the money comes from is out of the pockets of taxpayers. The responsibility of governments is to get a proper balance between what you expect the taxpayers will pay and what you understand

taxpayers want expenditures outlaid on. That's what government is about. You've got to try and get your priorities right. I think that at the Federal Government level we have. I'm not altogether sure as far as this region is concerned that the State Government has.

JOURNALIST: So some of these would be pie in the sky?

PM: Well I don't think any of the things that have been raised with me are pie in the sky.

JOURNALIST: Prime Minister, Bob Hogg said the other day that he thought that there should be more open forums and would like in one way to address the leadership crisis, the membership crisis ...

PM: He said, Bob Hogg certainly thinks there's no leadership crisis. He's very happy with what he's got.

JOURNALIST: Do you agree with the idea for more open forums?

PM: I'm always in favour of open forums. But I think really that as far as the Labor Party is concerned if you look at the political parties in Australia we're the open forum party. I mean we couldn't be more open. We do it at length. I would always support Hogg or any other operative in the Party who was calling for more discussion. I don't think you can ever have too much of discussion of issues. This recent exercise that we've had was invigorating I think in that at the industrial and political level the discussion went on for a very considerable period. We refused to pre-empt the discussion at the early stages by having a Cabinet decision. We waited till the very end ... discharge the responsibility we had of saying what the Government position was. In the process I think the Party came through it well. The important thing on that particular issue is that we will go into the next election with an absolute dichotomy between Labor and the conservatives because Labor remains totally committed to a competitive telecommunications system within which there is a fully publicly-owned telecommunication facility operating internationally and domestically. The others want to dispose of that absolutely and to put it totally into the hands of the private sector as I've indicated. That's a debate. You talk about open forums. I'll be debating and arguing that at the Tories for all the time between now and the next election.

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