



## PRIME MINISTER

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E & O E - PROOF ONLY

JOURNALIST: Prime Minister, with regard to the election of John Major, the Prime Minister-elect of Great Britain, what's your response to that?

PM: Well I can't speak from any great knowledge of John Major. I did have the opportunity of meeting him at the Commonwealth Heads of Government Meeting in Malaysia last year and he is obviously a man of considerable ability. I have already written to him and congratulated him, wishing him well because Australia has a very considerable interest in who is leading and the nature of their leadership in Britain because Margaret Thatcher, with whom of course I had some arguments on South Africa, but she was a very great supporter of British-Australian relationships and particularly she was a great friend to Australia in terms of her attack upon the common agricultural policy in the European Community. I'm certainly hoping that Mr Major will continue that very strong support.

JOURNALIST: Do you think you'd get on better with Mr Major than Margaret Thatcher?

PM: In regard to Margaret Thatcher, we had our arguments and they were pretty considerable, robust arguments in regard to South Africa. But apart from that, we were able to cooperate on a large number of matters within the Commonwealth and as I say, particularly in regard to developments in Europe she was at one with us in wanting to see a very considerable modification of the common agricultural policy. We couldn't have had a better supporter in Europe on that matter than we had in Margaret Thatcher.

JOURNALIST: The Morgan Poll has you down 33%, your lowest ever. I know it's a long way to the next election but how do you feel about that?

PM: Well I am feeling quite composed about it. As you say rightly, it's a long way to the last election, I've just won my fourth one and by the time we go to the next we'll be ready to win that.

JOURNALIST: What about your own leadership, Mr Hawke? There's speculation still running. What are you going to do?

PM: I'm going to do absolutely nothing. I mean as Graham Richardson rightly put it, he said his dog wakes up in the morning at times and barks for no reason at all. It's a quiet inter-Parliamentary period and a few of the people in the Gallery have got nothing better to do. It has no basis.

JOURNALIST: Mr Hawke, Mr Major was the Treasurer who became Prime Minister. Does that forebode anything for Mr Keating?

PM: Oh, my God. You see what I mean about, you know, the media? Mr Major was the Treasurer, he has become Prime Minister, does that mean anything for Mr Keating? That's a measure of the quality of the discussion on this issue.

JOURNALIST: With regard to the next election, you said you were going to lead the Labor Party into the next election but not the next one after that.

PM: Well I wouldn't think so. I mean there comes a time when you have to say well that's it. Now I have - in saying that this morning I said nothing new, nothing different. I've said that on several occasions before.

JOURNALIST: Some time after the next election you'll be pulling the pin?

PM: I think that would be right. I think that would be close.

JOURNALIST: Are you confident on Antarctica, Sir?

PM: Well I think the best way of putting it is that I'm extremely hopeful. Let's analyse this. When I took the initiative on this a year ago not only within my own Government did I have cynics and sceptics but internationally they said you've got no chance. Now that was almost a universal view. But there has been a massive change - as I expected there would be - because I don't think people generally have understood the force of movement around the world on global environmental issues and the Antarctic is an environmentally important thing from an international point of view. Now governments have been subject to pressures not only from other governments like my own and the French Government have been pushing this case, but substantial environmental interests in all the countries around the world have also been saying to governments that the Australian initiative is something that ought to be supported. Now I'm hopeful therefore that Chile will see the first steps towards the achievement of the position which will ensure that there will never be mining in the Antarctic.

JOURNALIST: And if the initiative doesn't get up?

PM: You ought to know me by now. I don't sort of answer these hypotheticals - if it doesn't get up. I think it will. Whether you get it in its totality is one step, I'm not sure but I think now that there is a very, very considerable body of opinion that there ought to be at least a finite ban on mining in the Antarctic and we'll get that, at least, for the first step and I think that then the move towards a permanent ban is the next step.

JOURNALIST: In foreshadowing an expansion of the marine reserve system around Australia, what areas do you have in mind?

PM: Well this is something that we've just been thinking about and we haven't made any pre-emptive decisions about it because as you will appreciate by definition this is something which involves very much cooperation with the States and we're just flagging that we think that this is something we ought to move to. Now what we'll be talking about ... with the States is what they think about it and I think we're fortunate in having a model, I think, in the Great Barrier Reef arrangement that we have with Queensland. So those discussions will commence very shortly with the States.

JOURNALIST: Cape York space base is back in the news this morning. I wonder can the environmentalists be absolutely assured that the joint land use study will be started and finished before any decision on whether to allow that -

PM: We won't be making any decisions in regard to Cape York without having the benefit of the advice and the work that comes out of that land use study.

JOURNALIST: Would you envisage that under this national network of marine parks, should it come to that between the Government and the States, that it will eventually get world heritage listing for those parks?

PM: Well that's something that could be a logical step. But let's take it stage by stage. You'll appreciate that what I've initiated in Australia just very recently is, I think, a new era in Commonwealth/State relations and this is something which is very much involving the cooperation with the States and the decisions that we will make will not just be the decision of the Commonwealth but decisions taken in cooperation with the States. If that's the sort of way they want to move with us well then that's ... I think you ought to know it.

JOURNALIST: The reports this morning that the Labor Party is moving to distance itself from the union movement, how do feel about that?

PM: I feel about that like I feel about most reports in the media on things like this. I don't take them terribly seriously. The relationship between the Labor

Party and the unions is one which is now of a century's duration. During that period there have been different stresses and strains but the relationship's endured and in the period of my Government of course the relationship with the trade union movement, reflected particularly in the accord, has been one of very close cooperation. Now we've shown an adaptability of the things that need to change in the relationship, well they will come but it will come as a result of serious discussion between the two parts of the labour movement. We've shown a great adaptability and capacity for considering how we should best develop the relationship in changing times. I mean you look at the accord, we've adapted that quite remarkably and I think that's the way we work.

JOURNALIST: inaudible

PM: This is you know, there's an old ... Let's make it clear what the Prime Minister has said. I've said nothing more on this than that the technical definition of a recession by the economists, God bless their hearts, is that if you have two successive quarters of negative growth then that is technically a recession. That could emerge out of the figures tomorrow. But I've also said the word recession doesn't - I mean I'm not running away from the word. Obviously there has been a lowered level of activity and there's been pain in the community. But what I'm saying and I'll repeat here is that the economy will go into, I think, considerable recovery in 1991 and as you will have seen from today's Press, there is very confirmatory evidence of that in the business investment expenditure. So yes, the figures could show that tomorrow but the important thing is have we got the essential elements of economic policy which is going to ensure firstly, that we have recovery and (b) that it's sustainable and (c) is it a policy which means that we're tackling the fundamental issues of inflation and the current account deficit? All the evidence shows that we are. If you look at inflation first, let's make the point that all Australians should be very, very proud of now and take great comfort from and that is that we've got a significant downward movement in our inflation rate as against what's happening in most of the rest of the world with inflation going up so that that gap which has been large in the past is significantly narrowing. That's good for the future of this country and we'll be able to cement that position to a very considerable extent because of the latest wage/tax deal. And secondly, in regard to the current account situation, we're obviously improving there. What we've got to do as a community is to make sure that we keep having larger increases in production than we do in consumption. That's the essence of the challenge.

JOURNALIST: Bob Hogg said last night that Mr Keating should clarify his leadership intentions. Do you have any comment on that?

PM: No. Paul and I are very relaxed about this situation. I wish everyone was as relaxed as we are.

JOURNALIST: Mr Hawke, a homegrown issue. The principle of the State Government giving a land endowment to a private university. Do you see any dangers there?

PM: I see the headlines in today's West Australian. I mean I would like not to get into comments on particular issues if I'm not across them. I've done no more than read quickly the story on the front of the West Australian. I would want to have discussions with Western Australia and with my Minister on this before I made any comment.

JOURNALIST: Mr Hawke, on a similar subject. Mining in national parks ... State Government. Do you find that some sort of an embarrassment today?

PM: Not an embarrassment. Again, I've had a letter on that from Premier Lawrence and it's been pointed out that what's been done is that in allowing prospecting and the possible move to mining in three of the sixty of the national parks - fifty seven are not affected and that there would only be a decision which would actually allow mining after a consideration by the Parliament and if it got to that point then those particular areas would be excised from the national parks. This is a decision which the Government has taken here in the light of their consideration of all the issues. It seems to have been one which has been carefully taken and which will ensure, as I say, that overwhelming ... national parks will remain free from mining.

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