



PRIME MINISTER

TRANSCRIPT OF RADIO INTERVIEW WITH JOHN JOST, RADIO 3UZ
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JOST: And it is welcome to the Prime Minister of Australia, Bob Hawke. Thanks for joining us.

PM: Pleasure John as always.

JOST: Well Prime Minister you have been making a big media splash lately.

PM: Well, there seems to have been a bit of coverage, yes John.

JOST: Big coverage. I want to ask you, why did you talk so frankly about your marriage to Clive Robertson?

PM: Well there was nothing planned about it. As you know, I always say to any interviewer beforehand I don't want to know what the questions are. That's what I said to him. I had no idea what the questions were, and I believe in telling the truth. Questions were asked, there was no point in avoiding them.

JOST: I suppose you have to say this about Australia. It is probably the only country, the only Western democracy in the world where you could speak so frankly, and make such admissions.

PM: Well I don't know whether that is so John. But I think I know Australia and Australians better than any one just about. I don't want to, even now on this program, I don't want to go on talking about -

JOST: (inaudible)

PM: I'm just making the point if you'll excuse me. I don't want to go on and on about essentially private matters, I did want to take the opportunity really at that time of paying a tribute to my wife. And I did that. But I had no feeling that it would be offensive, or that Australians wouldn't expect me, if asked, as I was, to talk about these matters. I did. It was nothing more complex than that.

JOST: Well it was a personal interview and I gather it was put to you on that basis. But it does obviously, it does impact into the political arena because I know that the Government's got some concerns, for instance, about the vote of women, the level of support from women voters. And I was wondering what you think, because you probably know the electorate better than I do, how that interview last night would impact say on women.

PM: I've got no idea. I don't think we should think of women as essentially different as human beings, as voters, than men. There are some issues which are of particular interest to women, and I acknowledge that and I think in that area of issues of particular concern to women like education and child care and so on, we've got a particularly good record. But on this issue of the reaction of women to what I may say in these areas, I think generally they will have the same reaction as men. I haven't thought about it.

JOST: Why do you think the standing of the Government is a little bit lower with women than it is with men?

PM: I don't know. It may be that women traditionally are a little bit more conservative than men. There is the suggestion that is the case John. Obviously to some extent we have to accept some blame in communication in those areas that I've mentioned. By example, points that are of a particular interest to women, we haven't communicated our successes there, I think, as we should have. I don't have any feeling of agro about this. I just think that we have a good story to tell to the electorate generally, and in a sense, to women in particular and we've just got to communicate that story better.

JOST: Well maybe you make the point though, that men and women do have similar, these days, certainly have similar aspirations, perhaps react similarly. But, as I was thinking that perhaps the problem with the female vote it that women do have control, I think, of most expenditure in households and they, when they go down to the supermarket, are perhaps aware that there is not as much money now as there was a few years ago to spend and they feel that -

PM: Well that's not right. Lets get the facts right. That simply isn't right. There has been in real terms a five per cent increase in average real per capita income. And that's because while there hasn't been a real reduction in real wages, there has been an enormous increase in employment. So more people in households are employed. We've increased jobs, as you know, four times faster than the previous government. We are increasing them more than twice as fast as the rest of the world. So there are more people in jobs and we have increased the level of benefits in real terms. So it is simply not right of you to say that there is less money. In average real per capita terms - a five per cent increase since we've been in office.

JOST: What about the suggestion that over the last five or six years there has actually been a sort of reduction in our overall living standards though?

PM: If you take an employed person at the beginning and an employed person at the end, there has been a reduction because there has been a reduction in real wages. I'm simply saying if you take average per capita in a household income, then there has been a five per cent increase, and that is simply because there are more people in households in employment. The benefits for people at the lower level of income, and particularly what we have done in regard to sole parents and where you've got kids living in low income areas, all we've put in there, for instance, has meant that taking the combination of the increase in jobs and the increase in benefits that there has been this increase in income. Now that doesn't mean, and I don't avoid the fact that for some people who have been continuously in employment, there has been a reduction in standards. The interesting thing about our opponents on this has been that they have been trumpeting around the country that there has been a reduction in standards, and they put fancy figures on it - \$50 a week. And yet you pick up this document that he wants to live by, but which he'll die by, this Future Directions, and you go to the very heart of that document and they attack us for protecting the standards of people. They say that there has been a loss of national income because of the decline in the terms of trade, national income's gone down but this awful Labor Government has protected the standards of the people in the community. They can't have it both ways.

JOST: Well of course that is something you've got to sell very hard to people isn't it. The fact that, and I would imagine the economists would agree with this statement, that if the Liberals came in they may well be much harsher with the electorate on the economic front than your Government.

PM: Well that's one of the horns of many of the dilemmas on which they are stuck. Because they are saying, with different voices, but they are saying that they will cut expenditures more than we have. But, you notice John that they are reluctant in the extreme to the point of total refusal at this stage to say where they will cut. They will not be able to go up to an election - and that's quite a long way off the election - but they will not be able to go into the election simply saying we'll cut more, without saying where.

JOST: Well Prime Minister, still using Clive Robertson's interview with you last night as a counter point. You mentioned a life after politics, doing ... interviews, a particular ... of interviews with international figures.

PM: Not just international, ... with some Australian people too.

JOST: Of course. That wasn't the question I was going to ask. I was going to say what impact personally electoral loss, electoral defeat would have on you.

PM: On?

JOST: On you?

PM: Well I don't accept that there is going to be electoral defeat. I mean, that's such a hypothetical question I don't face that.

JOST: I think that there's a chance that you could. I think that this election is going to be the hardest election you've fought. I think that you're the life of the Government, you've been there for six years, with interest rates, inflation, maybe there's a little bit of - hope is abating down there among the people and -

PM: I don't believe that's true, I think hope is rising, it's entitled to. In April, the Treasurer, Paul, will be announcing the significant tax cuts which we targeted, as they should be, ^{not} for electoral reasons, because of the restraint that's been exercised, they'll be targetted towards those people in the community who need and deserve assistance. So, I think that we're going through a tough period at the moment for some of the reasons you're talking about, but I have no sense of pessimism.

JOST: Well, when you were advised last year about the parameters for this year's budget, Treasury obviously got it wrong and caused the Government to get it wrong on the question of how strongly the Government was going to grow.

PM: Not just Treasury, I mean, economics as we know, it's true to say that it's not an exact science, you've got to make the best assessments that you can, it's a very complex profession because you've not only got to make judgements about your own internal operations of the Australian economy, but very much also you've got to try and get it right about the level of international activity, and that impinges upon the prices that you receive for your exports. There's a complex interaction of decisions by individuals and groups here and all over the world which are going to, in the end, say what happens. Now, it is true that there was an underestimate of the level of activity and what we've done simply, John, is what we've done through six years. When we are confronted with a given set of economic circumstances which require action, albeit tough action, we take it. As I keep saying, and I want to impress upon your listeners and I know they're intelligent and will understand it, they will know that Bob Hawke wouldn't want to have interest rates for one day higher than is necessary. I mean, I'm no idiot. I know people don't like high interest rates. And they are there, high, now, trying to bring back activity because that is in the best interests of this country, which I'm about trying to do the best for. It would be against the interests of Australia and Australians to allow this level of activity to continue, because we can't sustain a level of imports which goes with that level of activity. OK? You've got to do the tough thing and the tough thing is high interest rates. I don't like doing it but it's the right thing, and I will not refrain from taking what is the right action in the interests of this country. Just as last night, I mean I was up till...I got to bed about half past two this morning because we had this long, long, long Cabinet session where we finally had to make a decision about the extra airport capacity in Sydney. Now the easy, political decision John, would've been to say, no extension at Kingsford-Smith,

because we've got seats around there which I frankly acknowledge will be put at some risk because of the position we've taken. But I changed my view. I originally thought when I started to become INAUDIBLE this, that the economics of it, as well as aviation principles, would suggest you go straight out to Badgery's. The more I looked at it, the more I got...with information in response to questions I asked...the more it was clear that the right decision for this country, for Sydney, for the aviation industry, for tourism, the more it became clear that the right decision was a tough political one, we took it.

JOST: Where does it leave Gary Punch, your Aviation Minister ^{who} is basically standing four-square against the decision Cabinet took last night..

PM: I've got to honestly say that it's created difficulties for Gary. But let me say this, in respect of him. No person could've more strongly, outside and inside the Cabinet argued his case. And I say, in tribute to him, that he argued his case strongly, and from his perspective, very effectively in the Cabinet.

JOST: Are you going to leave him in the position?

PM: Well I've had a discussion with him and I said well look you just think about it Gary, it's up to you to come back to me and give me your thoughts...as the first step in my thinking...I want you to think about it. In a very mature way he had that discussion with me this morning, early, and he'll come back to me and give me his thoughts and in the light of his thoughts I'll make a decision.

JOST: Well obviously he has a position for himself, but clearly you'd have a position for the Government. And if you've got a bloke who has opposed it, it would be a lot easier and make a lot of sense, would it not, to put him into another portfolio. And it might give you the opportunity to shuffle a few people around as well?

PM: Well, prima facie there is a case of - obviously if he were to say that well he doesn't think that comfortably he could do it, if that was his view, well I would have to take that into account, and I would. But you talk about creating the opportunity for some extensive reshuffle. There is no extensive reshuffle required. If you look now at the end of six years in office with this Government and compare it with the six years of my predecessors, this has been a remarkably stable Government, it is regarded as one of outstanding calibre. You have the situation where the senior figure on the Opposition, Hewson, the Shadow Minister for Finance, spoke of it properly as, you know the outstanding Ministry since the war. It is. But if a slight change is judged desirable in the circumstances to which you refer, it will be made.

JOST: It just seems that there are a couple of queries about the Ministry. And I certainly would agree with you that it has been a very stable ongoing administration. But people get tired. We've got Senator Peter Walsh sort of saying, feeling enervated I guess and feeling that he might like to get out.

PM: Well let me pick that up quickly. Again I didn't try and dodge this issue. I acknowledged quite freely that Peter had come to see me and he said he was tired. And he was. He's got, in many senses, one of the worst jobs in the Ministry.

JOST: Oh, he's got to be a bastard all the time.

PM: That's right. It's not a word I'd normally use on air, but that's a fair description. He's Mr No so often to proposals which intrinsically are worthwhile, but taking the overall view just can't be afforded, or have to be cut back. And Peter is not an ogre. I mean Peter is a very, very decent committed bloke whose concern with the welfare of ordinary Australians -

JOST: Maybe you'd like another track to run around?

PM: Well, I don't think so. It's just that it's very, very intellectually and psychologically enervating to be having to be Mr No, Mr tough guy. And he's honest enough to say that he's psychically a bit run down with it and of course it's added to by the fact that he's West Australian and that adds a bit more pressure. But the important thing is this. We talked about it maturely and Peter is so committed to this Government, and what it's about, he said yes, I will stay.

JOST: Wesley Vale. I mean that seemed to me to be, and I've got to be honest with you, just starting from the ground floor up, they put it in the wrong place, both sides indulged in misinformation - it's very hard for observers like me to know who was telling the truth - and I'm talking about how dirty it was going to be. It's a fantastic proposal and proposition for Australia economically speaking. But we had the Tasmanian government going in one direction, half your Government going - I mean obviously you people wanted to do it. You had the conservation movement against it and you had Graham Richardson in the end arguing against it with a lot of scientific support from CSIRO. A terrible shambles really.

PM: Well in one sense a shambles, but not as far as my Government was concerned and you can't put a position of a split in my Cabinet. I mean all of us -

JOST: I'm not say it was a split. You've got to have arguments obviously.

PM: Yes. Discussions. But there wasn't one person in the Cabinet, Graham Richardson included who, in principle, was against the idea of a mill, because what we need as far as we can is to have value added processes to our raw material. And that is good in terms of our balance of payments considerations, employment considerations. But, let me make it quite clear to your listeners, I've said it before and its important that it be said again. While I'm Prime Minister, while this Labor Government is in power we will pursue development, but not development at any price, and the price was too high. We made it clear that they just couldn't assume that they could get away with no environmental impact statements, which is essentially what they tried to do and we expected that they would have higher standards. Then they put to us, well a proposal which wasn't acceptable and we weren't going to have thirteen tonnes of these chlorides going into the ocean every day.

tape break

PM: ... Yes we will be doing that but there can be no suggestion that the joint venturers were booby trapped.

JOST: They tried to booby trap you ...

PM: I don't want to be nasty about them and I don't intend to be but it's quite clear they thought they'd be able to steamroll the Tasmanian Government and it's not too difficult to do that and they did it. They seemed to think that we were so desperate for the mill and foreign exchange and so on that we would just cop anything. Now, they had no reason to believe that. The agreement between us and Tasmania was that Tasmania would handle, they had to make their decisions and then once they had done that it would come to us. That was understood all the way along. But through that it's quite clear that we had strong views about standards and in the end they conceded that it wasn't what they were proposing, weren't the highest standards at all. They certainly weren't. I'm not going to cop a situation where there is danger to the environment which means that we'll hand onto future generations an Australia which has been unnecessarily damaged. When we had, as we did then, the report from the CSIRO, then no responsible government in receipt of that advice could have gone ahead. The mark of the difference between me and my Government and Howard and the Opposition and I hope all Australians understand this. What did Howard say? It doesn't matter a damn about the CSIRO. He said, we would've gone ahead. Well that's the difference and that's the difference going up to the next election. Development at any price, whatever the best independent scientific advice is of hurt to this environment, damage to future generations, the Opposition - go ahead. Well if that's what Australians want then they've got that choice.

JOST: There's one question that alluded me, we changed the subject. I was going to ask you, we're looking at an inflation rate I think at the moment of about 7-8%, the Budget parameters were for about 5%, we're looking at interest rates at about 16, I'm not sure what the Budget parameter was for that. There is some talk about interest rates slipping up a bit higher, there seems to me a bit of inflationary pressure building up in the United States. Could you put a figure on what you think the inflation rate will be by the end of this year and what you think the interest rate will be?

PM: No, when the Treasurer brings down the Budget in August then, as is usual, as part of that process there will be figures contained in the associated papers which will set out the assumptions as to the inflation expectations.

JOST: Can you see moderation?

PM: Yes I can, there will be moderation in inflation in my judgment.

JOST: And interest rates?

PM: Well I've said at the beginning of this year, when I was asked a very simple and perhaps not very sophisticated question, I was asked in January would interest rates fall by the end of the year and I said yes, I believe they would. Now that's not a prediction in regard to the immediate future. This is March we're talking, we're still in March and my judgment is, as it was in January, that before the end of the year they'll fall, but I am not going to do a disservice to the markets and more importantly to the people of this country by sitting here in your studio or anywhere else and saying tomorrow or the next week this is what interest rates will be. That would be counter-productive and I don't intend to do it. I'm simply saying that in terms of how I see the fundamentals moving through this year, that before the end of this year interest rates will be moving down.

JOST: A lot of people hope you're right.

PM: And I hope I'm right. I mean I repeat the point I made before John, just let me talk directly to your listeners. There's no-one that'd be happier than Bob Hawke if I believe that the best thing for Australia now would be to bring interest rates down. Bang, it'd be done, because I know it'd be nice and politically it'd be beautiful, but it would be economically wrong and I'm not going to do the economically wrong thing.

JOST: Well, as you pointed out it's March and next month it's April and we've got an economic statement coming next April and there are going to be tax cuts in that. I was wondering if there are going to be any micro-economic measures in it as well.

PM: Not necessarily right in the April Statement. ^{Were working,} as we have been continuously on micro-economic reforms, very important areas like the waterfront and the Maritime industry. We will, not necessarily in the April Statement, but in the period in the near future after that be making a series of statements and announcing decisions in important areas affecting the micro-economy.

JOST: Well, one I suppose is the transport industry, another one and closely related is the waterfront, as you mentioned. Well, the problem there, what is it? Is it the unions?

PM: It's a mixture of attitudes of unions and employers and let me say just how long-entrenched this has been. I just ask you to remember this. If you look, we're now in 1989. We go back to 1949, forty years. Of that forty years, John, thirty-one of them, conservative governments. So if you've got entrenched attitudes and positions in Australia, you talk about now, it's as I say, thirty-one of those forty years conservative governments. We have done more in this six years than in the whole of the previous period combined, to tackle problems of the micro-economy. Just let me quickly remind you and your listeners of the sort of things we've done...of deregulating the financial market, bringing in the banks, the massive tariff reforms, ending of the two airline policy, making competitive your Government business enterprises so that they are subject to competition and that they've got to operate on commercial lines, now tackling this area of the waterfront and Maritime industry. Now over all that period that I've been talking about, unions and employers in those two industries have adopted attitudes and practices which have been to their mutual advantage, but which not in all circumstances have necessarily been to the advantage to this country. Some of their arrangements...I'm not trying to set them up as an evil conglomerate of always acting against the interests of the country, some of the things that they have done together have been to the advantage of the country, not all of them. And it's only this Government which is now really effectively tackling those issues. And I can say this. That during this year, during this year there will be significant changes on the waterfront and in the Maritime industry brought about as a result of our activities.

JOST: I think a lot of people reckon it's overdue, a lot of people felt that maybe the Government's been a bit slow to move on the waterfront.

PM: Well, at least we are moving and we'll get results. For thirty-one years under that mob it got worse and worse.

JOST: Election timing. We've heard Mr Howard suggest July.

PM: Who takes any notice of Mr Howard.

JOST: Oh well, lots of people take a lot of notice of him. I mean you know that. You said he was assiduous and hard-working and loyal last night.

PM: Yes, yes I did.

JOST: Anyway, leaving aside that because I'm being frivolous but the point is that he's certainly talking election in July. I suppose the favourable option from my point of view, judging your position would be November, December or February.

PM: I don't really want to go on and on about this. No, I'm not objecting to the question John. I'm simply saying that what I've said is that the real period that one would talk about, whether it was this Government or any other, the sort of period you'd be talking about would be the end of this year up until the middle of next year. Now that's the...I've got no reason to change that. That's the sort of picture. I'm not planning for an election this year, I'm not planning for an election this year. It may be though, in terms of what I've said that towards the end of this year, that's a reasonable time to be thinking about your time-span for an election. But I haven't got in my mind that '89 is an election year. I'm not thinking of '89 as an election year.

JOST: It makes sense of course to go next year, after your budget's come in. There are going to be social welfare measures there...you've had your tax cuts earlier in the year, they'll bite. Presumably interest rates will be dropping..I mean if the theory's in place you'll be well-placed to go in February. Or, as you say, between now and February and whenever you like.

PM: I think the contrast is going to be there between the Government that has the guts to make the tough decisions and do things which has got policies and a pretty stark alternative and that will be there in the whole of the period that I'm talking about.

JOST: If you're re-elected you are looking at a ten year term as Prime Minister and as we said, we've had this situation of a stable administration with consistent performances by your Ministers, but obviously you're going to have to do a lot of rebuilding in your last term in Government aren't you? You will probably be looking at departing at some stage. ... pin you down on that but it's a fact of life and other people, very important people like Johnny Button, and we could go on -

PM: Let me just make the point. That's a fair observation that you're going to. In terms of stability of people in important positions, we've now been in six years so that gives you an opportunity of a pretty fair comparison with the seven years of the other mob. There's been an infinitely greater stability in the tenure and the performance of senior Ministers in my Government than not only in that previous government but just about in any other. It is a fact of life that people after six years or more are going to say - some of them are going to say - well, ok I've made my contribution, it's time to move either to another portfolio or to move on. I'm in the very fortunate position, the Party is, the Government is, and the people of this country are, that on my backbench I've got a range of people of very considerable talent. The contrast between the Government and the Opposition is just remarkable. I have senior Liberal people saying to me that they wouldn't give people on the other side a job in their enterprises. And they contrast that with the Government side. There's an enormous amount of talent there. So when as we get into that next stage some people want to have a rest, I'm in the fortunate position of having a great pool of talent from which I can ...

JOST: You've got Simon Crean coming through too. What sort of PM do you think he'll make?

PM: I've said, as has Paul, that it's going to be good having Simon there as a person upon whom at some stage they will be able to look and perhaps call for leadership. The front runner without any question is Paul Keating.

JOST: Do you think after Simon Crean leaves the union movement that he'll be easily replaced?

PM: The ACTU has been able to replace people with talent over time.

JOST: It seems to me though that every time they stick a NSW bloke in there he's there for a little while and then he's replaced by a Victorian. Cliff Dolan lasted about 4 minutes and we've got this new bloke Ferguson, is it.

PM: Yes, but a very significant difference in age. Cliff came to the Presidency of the ACTU obviously at the latter stages of his career in the trade union movement. He took it, and it was understood that he took it in terms that he wasn't going to be there for very long. With Martin, he's a much younger guy.

JOST: Could I ask you a personal question?

PM: Just for a change.

JOST: How's Hazel?

PM: She is beaut. She's just something special.

JOST: I'd have to say I reckon you needed a facelift more than she did.

PM: I can't tell whether you do, you've got it covered with all that fuzz. But from what I can see you wouldn't go so badly with one yourself mate.

JOST: I think if I could have the fuzz sort of pushed up a bit it could fill that big gap between the ears. It'd be very nice. I've got no objection to people having - I actually thought all the discussion was in rather bad taste actually.

PM: Well the simple fact is I thought she looked beaut as she was but she is her person.

JOST: As a matter of fact a good friend of mine was in hospital with her, I knew all about it.

PM: I thought you might have. If Hazel wanted to do it then that's the beginning and the end of it as far as I'm concerned. I simply would like also to take this opportunity of saying what I said on the Bert Newton show the other day, to slam that bloody Sunday Press rag here for the totally untrue - and I won't use the word I was going to use - bastardry that they went in with on Sunday that she had done it under pressure from the Party. Totally, absolutely, maliciously untrue.

JOST: Prime Minister, I think on that note I'll let you have the last word.

PM: Thanks mate.

JOST: Thanks very much for joining us.

PM: It's a pleasure as always John.

JOST: We'll see you again no doubt.

PM: Sure.

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