



## PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH RAY MARTIN, MIDDAY SHOW,  
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E & O E - PROOF ONLY

MARTIN: Welcome PM.

PM: Thanks.

MARTIN: You've had seven years in office, you've spent the best part of 20 million bucks on trying to convince the electorate that you should win this election. Why haven't you convinced them?

PM: Well, I thought it was a bit of an even split there, but we've got, we've got a bit of a hard fight on our hands.

MARTIN: Let's ask again. Those who think Bob Hawke has the answers - put your hands up. Can I be honest? Here's your chance.

PM: Yes, let's ask.

MARTIN: Well those who don't think he has? Alright go ahead. So you've only convinced half.

PM: Yes, well half, half plus one will be enough, but I admit I know that people here in this audience and out there in Australia have had some tough times and I just want to make this point. I've been in public life all my adult life. I've worked for ordinary Australians all my life and I wouldn't impose hardship for the sake of doing it. We just reached the point where we had to slow things down a bit because we were importing too much and I know it's hurt and I'm sorry about that. But now the banking industry is saying the rates can come off and they will.

MARTIN: I want to talk about that -

PM: Yes.

MARTIN: I mean, I suggest one of the reasons people have some doubts about both sides is the headlines and what they've seen over the last five weeks. In some ways the

Alice in Wonderland headlines for non economists, people simply reading it -

PM: Sure.

MARTIN: Such as jobless up, housing down, Government happy. Or today's brink of recession, headlines we see, Australia in the brink of recession and a headline that says Keating, beautiful figures. How do they make sense out of that?

PM: Well, it's hard for people who are, are not economists to, to understand the complexities of the figures, but could I quickly try and make it as simple as I can? We were growing that fast that we were sucking in too many imports we couldn't afford so we had to slow things down a bit. Obviously when you do that people get hurt and I, I don't like that but now what the banking industry is saying that that's worked and they say after next Saturday when we're returned, that the rates can come off.

MARTIN: Is the banking industry saying that ...

PM: Yes, they are indeed.

MARTIN: On the front page, front page of today's paper had Nobby Clark, who's the boss of the National Australia Bank saying ... what you've done in the monetary policy is akin to Atilla the Hun.

PM: Yes, well Nobby Clark is two things. He's the head of a bank and he's also a lifelong identification with the Tories. Now when he wants to make comments like Atilla the Hun that's not objective bankers' talk. I, I prefer to rely on what the Reuters screen said the night before last and they said that rates will come down assuming that Hawke's re-elected.

MARTIN: Bob, but you know, I mean, John Hewson is an ex professor of economics, Andrew Peacock has got some background, so did John Howard as being Treasurer of this country. They, you can do anything with statistics. You can say we're on top of things, they say we're in a recession.

PM: Well, the, there's no-one who can say on the basis of yesterday's statistics that we're in a recession. No-one and no-one has said because it's impossible to say we're in a recession.

MARTIN: How about brink of a recession.

PM: No because, look, the technical things I want to avoid, but when you, when you get up a set of national accounts you do two sides. You look at increase in spending, increase in income. On the increase in

spending side it's a positive 0.7 percent. On the income side it's 0.2 minus.

MARTIN: Now we're about to lose them.

PM: I know.

MARTIN: As you say, you, you don't want to get technical, all I'm say is you say no, -

PM: ... recession.

MARTIN: Well, headlines of papers say it -

PM: Well, look I -

MARTIN: ... the papers say it. Are they all wrong and you're right?

PM: No, but the economists are not saying it.

MARTIN: The front page of the Herald this morning - brink of recession.

PM: Front page of the Herald says brink of recession. That doesn't say that economists are saying it.

MARTIN: The Australian Financial Review says recession, question mark.

PM: Question mark, question mark. You're perfectly entitled to say question mark, is there one? The answer is no, there's not.

MARTIN: We've got pensioners here, a group ... who've probably heard politicians, heard politicians for the last 60 years.

PM: Yes.

MARTIN: - on the eve of an election say, I can do it right for you and most times they lied.

PM: Well, let me, say as far as pensioners are concerned, when I was at the ACTU the representative of the pensioners, Marjorie Noonan, came to me, a young research officer said, can you work out with me some way of trying to get a formula to look after pensions. I said let me work on it. I came up with the idea that what should happen is that pensions should be a percentage of average earnings. In other words, as you and I in the workforce, as our earnings increase, those who've set, created this world for us in this country, their pensions should come up as we go. So we got the idea of 25 percent of earnings. When I came to office the pension was 22.7 percent of earnings. Now, in just a couple of weeks time as a result of legislation, it will be over 25 percent of earnings - the highest it's been

for 40 years. So I've gone from being a research officer who worked out the concept to the Prime Minister who's done it.

MARTIN: We've had the Pensioners Association on here, Bob, and they say that both Parties really don't care about pensioners because inflation hits the little nest egg that they have ...

PM: The Australian Pensioners Federation have come out and said that pensioners should vote for Labor. That's the largest group and they've said you should vote Labor.

MARTIN: What, what, in fact, as you know ...

PM: But the largest one has said they should vote for Labor and it's not surprising. I mean, 22.7 percent when Hawke comes in, it's now 25 percent. We've increased the purchasing power by seven percent, they reduced it by two and a half percent. I mean, who would you go for?

MARTIN: Does your life, does your economy seem rosy you people who are on pensions?

PM: No-one's saying it's rosy.

MARTIN: But I mean, that, that's the danger. I mean, we went through this last night when you spoke to Jana as well. There's a picture abroad that somehow the economy is under control, that somehow things are good -

PM: No, but ...

MARTIN: But people who come in here every day don't think things are good.

PM: No, I'm not trying to say that things are good for everyone, but what I do say amongst other things, is this. Look at the jobs we've created. Now we've created jobs, 1.6 million of them, five times faster than the other mob, twice as fast as the rest of the world we've created jobs. We've got investment higher than it's ever been. We've got manufacturing industry now exporting cars to Japan.

MARTIN: And we've got a debt of \$120 billion, the foreign debt and we've got 17 percent interest rates.

PM: Yes, but, part of that, part of that debt has been the investment coming in to restructure our industry. I mean, you can't now have BHP being a major exporter of steel without it having imported machinery and equipment to put itself in a position ...

MARTIN: But you know, I mean, as I just said a moment ago, you can do anything with statistics. You're saying this at the moment and all the papers Australians are

reading this morning say recession question mark, despite what you say.

PM: Well, what I'm say is that all the papers were telling us at the end of last year, in the latter part of the year, they were telling me what you've got to do is slow the economy down, we can't keep having this level of imports. We've done that. The high interest rates have worked and now they can come off.

MARTIN: Did you tell us in '87, did you predict in the '87 election that interest rates would fall within three years?

PM: And interest rates did fall after '87. They came down dramatically after the election in '87.

MARTIN: So what, 17 percent now?

PM: Yes, and then they went up because -

MARTIN: But they went up again.

PM: Yes, they went up again and they went up because we had a situation in this country of excessive demand. I've said that I and all the Government economists, like every economist in this country, underestimated the strength of demand that we got in this country.

MARTIN: What's to stop you, in two years time when things don't go according to your predictions at the moment saying, well we didn't expect that.

PM: Well all I can say is that what the Australian people have to, have to do on Saturday - a very simple choice. They're going to wake up on, on the following day with either Bob Hawke as Prime Minister or Andrew Peacock. Now Bob Hawke has got a predictable wages outcome, Andrew Peacock has said he doesn't know, but everyone else says the wages will explode under them.

MARTIN: He says they won't of course.

PM: Well -

MARTIN: He sat here and said they won't explode.

PM: He said when he was asked what will the outcome be and he said 'who's to know'.

MARTIN: But you said last year in the West Australian election, you said that interest rates were going to come down before the end of the year.

PM: Yes and I believed, on all the evidence available, that would be the case.

MARTIN: But they didn't.

PM: Well, what happened. I've just said, we -

MARTIN: But, I know what you said -

PM: Let me make the point, Ray, let me make the point.

MARTIN: These people have heard that, Bob. They've heard that for the last six years of their lives.

PM: And they've heard me be honest and say, like every economist, like every economist in this country in the private sector, in the public sector we underestimated it. I'm saying, I mean, can I be more honest than that? We all, every economist, underestimated the strength of demand. We were wrong.

MARTIN: Alright. Couple of quick yes, no answers before we bring your lovely wife out.

PM: Yes.

MARTIN: Will the Democrats preference decide the election on Saturday?

PM: Preferences not only of Democrats, but ... independents -

MARTIN: (inaudible)

PM: Yes, they will be decisive.

MARTIN: And have you spent a million dollars as Richard Farmer writes, chasing that second preference vote?

PM: I don't know what the figure is. I mean, there's obviously been a lot of advertising. I don't know, I doubt if it's a million, but we've obviously spent a fair bit.

MARTIN: But certainly in my 25 years of covering politics, I've never seen a candidate, senior candidate, come out on camera and say give us your second preference.

PM: Yes, well, simply because we are in a different world now, not only in Australia but right around the world, environment has become an issue of dimension it never did before. In this country and all around the world, there are an increasing number of people who are saying our first concern is the environment. And I've simply said alright, if your first concern is the environment and you're going to give your first vote to someone, make sure that you make sense of your concern by giving your determinative preference to the Party whose got the best record on the environment.

MARTIN: Alright, yes, no, if we can.

PM: Yes, sure.

MARTIN: If you had to choose, is Victoria the key State on Saturday. Will that make or break?

PM: It's one of the key States.

MARTIN: Well ...

PM: Well, I mean, how can I possibly say it is the key State when, if I pick up seats in Queensland and Tasmania, that that's not key. I mean it is one of the key States, yes.

MARTIN: OK. Charles Blunt predicted here in this chair an eight seat win for the coalition. How much are you going to win by?

PM: I think we'll hold something like our present majority.

MARTIN: Eighteen.

PM: Something of that order.

MARTIN: Alright, if you lose, will you quit Canberra?

PM: I've said I'd put myself in the hands of the Party. I'd, if they pressed hard for me to stay, I'd have to think about it.

MARTIN: If you lose and stay, would you quit the leadership?

PM: Oh no, if I stayed it would only be because they wanted me to stay in the leadership.

MARTIN: So if they didn't offer that, you'd -

PM: Well, it's not a question of offer. I mean, I won't be pressing, I won't be pressing for it. But, I mean, that's entirely hypothetical. I do believe that, I hope the audience and all the viewers there will understand I'm trying not to be cocky or complacent about it, but I think, I think that we'll win.

[commercial break]

MARTIN: Alright, the status of women. Of the one thousand plus candidates who are running in this Federal election, less than two hundred are women and most of them happen to be Independents. So, the status of women. Mrs Hawke, welcome, would you please welcome Mrs Hawke. You're always honest and frank, as your husband is, what has your old man done for the status of women in Australia?

MRS HAWKE: A great deal, a great deal. I've watched it with interest. Seven years is quite a long time and he hasn't been twiddling his thumbs. In respect of women there's been a great deal done. Immediately he upgraded the Office of the Status of Women by renaming it so and took it into his own Department which meant there was better access to the Prime Minister's Department for the women. The Office has been very vibrant and Affirmative Action was, of course, a very exciting thing. First, the two year pilot study, and then the enactment of the legislation ...

MARTIN: Could we come back to - I'm sorry, could we come to that point that I just made then, that only two hundred of the one thousand candidates are women. What's happened to women in representing women in politics?

MRS HAWKE: Well, that's at the Federal Government level. In State politics there are more women.

MARTIN: But he's the Federal Government.

MRS HAWKE: Yes, but you see for women - and it takes time for all this to filter through, and it's not unique to Australia, the imbalance in male and female representation ...

MARTIN: We're one of the worst though, accordingly to today's figures we're one of the worst. I just wonder whether you, I mean, again ...

MRS HAWKE: But let me insist ...

MARTIN: Go on.

MRS HAWKE: ... that at State government level, for instance we have a Premier in Western Australia, and a beauty she is ...

MARTIN: But I just wondered ...

MRS HAWKE: ... and also, taking it back to local government, where women who are doing traditional roles and even working in career jobs too, can more easily participate in local government - the percentage is higher again. So that's going to take time to filter through.

MARTIN: Be honest, do you think that blokes can represent women in terms of needs and desires?

MRS HAWKE: Some blokes can represent women better than others. I think they need to be good listeners, to understand and to make a distinct effort in terms of their research and outreach, and this has been done in an extraordinary way by developing the Agenda for Women by this Federal Government. It's been a taskforce which has gone out into all different areas of women's condition,

rural women, Aboriginal women, women in traditional roles. All of that has been thoroughly taskforce researched and ...

MARTIN: With respect though, Mrs Hawke, that's sounds like words. I mean, it just sounds like ... I mean, do you think that men - ladies, do you think that men can represent what you want? Or do you need women?

[audience response]

MARTIN: So, I know, I accept that it takes time ...

MRS HAWKE: ... if you ... that information, that honest inquiry into what women's needs are, as expressed by women, not as expressed by men, that's the important thing.

MARTIN: Well that's ... but they're not there you see. We've got Ros Kelly in the Cabinet, that's the only woman.

PM: [inaudible]

MRS HAWKE: But you don't have to be a women to listen to women and to understand.

MARTIN: But why not have women? Fifty-one per cent of our audience, of our ...

MRS HAWKE: [inaudible]

MARTIN: ... population are women.

MRS HAWKE: [inaudible]

MARTIN: Bob?

PM: Well, I just make the ... I agree with what Hazel's saying, and I ...

MARTIN: I'm sure you do.

PM: No, no. When I don't, I tell her.

MRS HAWKE: Yes.

PM: Let me say this. I think that women are capable of representing men's interests. I think that Ros Kelly, who, you mentioned her, she can represent the interests of men. But I take the view that more women ought to get into the political process.

MARTIN: Where are they?

PM: Well, they are coming through. There are many, many more now than there were at the beginning of the 1980s.

MARTIN: But there's have to be, Bob, would there, there'd have to be. Because, I mean, they are fifty-one per cent of our population ...

PM: [inaudible]

MARTIN: ... but the major parties do nothing for them do they?

PM: That's not right to say the major parties do nothing. We've got a lot of women in our Caucus, but I want to see more.

MARTIN: How can you speak about women? In this campaign, how often have you actually said - here's the vision for women at the end of the line?

PM: I tell you what, I stood up in Perth and made a major speech, with Premier Carmen Lawrence standing next to me, and announced a very significant program for women.

MARTIN: Alright. What do you think? If you understand women, you obviously understand this lady, what do you think is the single most important issue for Australian women?

PM: I think the most important, the single most important issue for Australian women is that we change the education system to ensure that the women of the future are going to be the product of an education system that, when a girl goes into the education system, she is going to have the same opportunity of access for training, for any vocation or profession. So that we will not, in the education system, hive off women so that they're only going to into that vocation or to that vocation. That's the single most important thing we can do, to have an education system which gives equality of opportunity to women.

MARTIN: Now, I haven't been on the campaign trail with you, so you may have said that, but I certainly have not read or heard or seen on television, you saying anything like that.

PM: [inaudible]

MARTIN: Let me tell you what people here say, because we get two hundred a day who come in here and about sixty per cent of them are women. They don't really care about bracket creep and they don't care much about GDP, or very much about national account figures. But they talk about their families, and they talk about violence in our community.

PM: Yes.

MARTIN: They talk about drugs in our community.

PM: Yes.

MARTIN: They talk about immigration in our community.

PM: Yes.

MARTIN: They talk about selling off the farm to Japanese. That's what they talk about, regularly. They're not racists, but that's what worries them.

PM: Well, let me say this in regard to some of those features that you've talked about. They talk about their children. The single most important thing for anyone who's concerned about their children is the opportunity for education. And I think the single thing of which I'm proudest after seven years of Prime Minister is that when I came to office, only one in three of Australian kids stayed on in the education system. We had a pattern of privilege in education. Now, it's two out of three, nearly two out of three of our kids stay on in school because I've more than doubled the education allowances going to low and middle income families. That's the single most important thing that you can do for families, is to say that your kid is going to have the same opportunity of developing his or her talents in the education system. And that's what we've done.

MARTIN: Mrs Hawke, those issues that I raised, obviously they're close to your family and they're close to all our families. Again, please be honest, do you think that those issues get enough attention? Such as violence in the community. I mean, it hasn't been raised in this election, but every woman and child is concerned.

MRS HAWKE: They have been raised in this campaign, maybe you've missed them, but ...

MARTIN: I've covered it pretty closely.

MRS HAWKE: ... not only in the campaign, there's been a great deal done. And in fact, for at least the last three to four years, I've been speaking to girls' seminars, Year 10 girls mainly, to (a) encourage them to stay on at school and finish it and (b) to keep science and maths subjects going so that their horizons are widened and their opportunities are much greater.

MARTIN: Could I ask the audience please. Have you heard, in all the campaign that you've read and seen on television or on radio, have you heard any of the candidates talk about hard drugs, about violence in our community?

[audience response]

MARTIN: ... about immigration, apart from this furore that we've had in the last few days? About Japanese investment apart from the city?

[audience response]

PM: Well let me go to the question of drugs. Just earlier this week I announced a new program under which we are going to ensure that the proceeds from the crimes in which people are involved in trading in drugs, that those proceeds are going to go - fifty per cent of the proceeds from the conviction of people who trade in drugs - fifty per cent of those proceeds are going into the law enforcement agencies to increase their financial capacity. And the other fifty per cent is going into funds to help the victims of drug usage. Now that was a specific announcement that I made at the beginning of this week, and allocated the money to do it.

MARTIN: What about getting the mister bigs, what about reducing the ...

PM: Let me say this in regard to mister bigs. When I came to office, we set up the NCA, the National Crime Authority. I was opposed at the time that I set it up by the Opposition, they said no we're against that, simply because we did it. But now, they've conceded the fact that under the operations of the National Crime Authority which I set up, there have been major busts, major busts of major crime rings in this country and it's happened because, with the National Crime Authority, I've co-ordinated their work with the work of State police authorities and we've busted.

MARTIN: Well you know better than I know that politics is not - and what you've said I accept as fact - but you know better than I do that politics is about perception. And the perception is that drugs are rampant in our community and that nothing's been done. The perception is again, the Daily Mirror ran a poll yesterday, and they said that the silent issue in this campaign is immigration. No-one is talking immigration. The people who come in here want to talk immigration ...

PM: Yes, well I'll talk about immigration.

MARTIN: ... so they're not racists, but you're not ...

PM: You say they're not racists, you say they're not racist, and I accept they're not racist. Let's talk about immigration.

MARTIN: But why hasn't it been the issue, why haven't you been out there saying ...

PM: Because, because it has a bipartisan position. The Opposition supports our immigration program. There is no issue between the Opposition and the Government on

immigration. No issue at all. So, if they agree with our position, why don't we get up and say, alright, there's no issue, now I'm going to pick a fight with you.

MARTIN: But your own Commissioner, Stephen Fitzgerald, said in that report on immigration, said that the government, whichever government, should calm fears in Australia. There are great fears about Asians in Australia.

PM: Well, you say there are great fears about Asians in Australia, some people have apprehensions. Look, just let me give you my history. When I grew up as a kid, do you know what their fears were about? Do you who used to be the object of hatred? ...

MARTIN: The Italians and the Greeks probably.

PM: The Greeks and the Italians. The wops, the dagoes, that was the language. And I fought against it. And then, after it was the wops and the dagoes, the Greeks and the Italians, and it required people of guts and decency to stand up for them, and I did. And now it's Asians. And you'll have Bob Hawke standing up there, in favour of them. Because all I ask of people who come to this country is one thing, and that is that they commit themselves to Australia. That they are Australians. And this country is a country of immigrants. As I look out into your audience, the fact my friend is that, right now, forty per cent of every person out there, forty per cent of all Australians are either immigrants or the son or daughter of an immigrant. We are a country of immigration. We've been built up and strengthened by the British, the Irish, the Scots, the French, the Greeks, the Italians, and now we're getting more from Vietnam, these people, and we are a stronger, better country because basically Australians are tolerant. Sure ...

MARTIN: [inaudible]

PM: ... sure some of them make an ...

MARTIN: I'm talking about perception, it's not just some we're talking about ...

PM: ... and what I'm talking about the responsibility of leadership. The responsibility of political leadership is not to succumb to the lowest common denominator. And I tell you what ...

MARTIN: We're not talking about that ...

PM: No, but what I'm saying ...

MARTIN: ... we're not talking about that at all.

PM: ... I will talk about immigration, and when you say people are concerned about Asians and so on, I will not

dodge the responsibility that I have for this and future generations of Australians. If you want to do one single thing which will hurt the kids of Australia, it's this. Develop a perception in Asia that Australians are anti-Asian because, I tell you what, Asia will say OK Australia - and Asia is the faster growing region of the world - if Australia gets a reputation that we are anti-Asian, then we doom our kids and the next generation to third class citizenship. Because Asia will say, alright, if you think we're inferior human beings, we'll buy our wheat, our wool, our meat, our coal, our iron ore, and our bauxite from people who don't treat us as third class citizens ...

MARTIN: I accept that, I accept that that's good logic and I certainly don't take second place to you when it comes to racism.

PM: I'm sure you don't.

MARTIN: ... All I'm saying is perceptions. And I'm saying that Australians read in the newspapers, Surfers Paradise being bought. They read in the newspapers pieces of this land being bought. Now, in the past it was ... or the ... from America or the Brits or the Germans or whatever. Now it happens to be Japanese and Chinese.

PM: OK ...

MARTIN: That's the perception Bob ...

PM: Yes, but ...

MARTIN: ... the perception.

PM: And that's what I'm saying. If you keep saying that's perception and don't give them the facts then the perception will grow. The fact is, let me give you the figures about investment ...

MARTIN: But until mentioned Polis the other day, this wasn't even raised in this debate.

PM: And why? And why? Because until he raised it, you know what the position, what the position of the Opposition was? They have spelled out, in regard to the Polis, in answer in the Sydney Morning Herald, they have said that they supported the idea. They supported it. It was a non-issue. The Liberals and the National Party fully supported the idea, as did Greiner. Then, in a miserable twist of politics, just six days before the election, having said they fully supported it, they then dashed off onto this concept of an enclave when the fundamental principle that we laid down, and which has been followed by your Will Baileys, by your John Elliotts, everyone who's been engaged in it, is that this shall be an enclave and it's not confined to Japanese.

We are trying to attract to Australia the best technology that we can from North America, from Japan, from Europe, so that Australians, an increasingly well educated Australian workforce, will have married to it the best technology from overseas. So that my kids, and your kids, and their grandchildren are going to have a well equipped Australian industry which is going to be able to compete in the world. And that was the position of the Opposition, that was the position of the Opposition until a week before the election.

MARTIN: You don't think, I mean we're almost out of time and I just want to get a couple of quick questions in with Hazel anyway. But I mean you don't think that that poll that came in last night, the Morgan poll, that showed, that indicated that the Libs were in front, the Liberal Party is in front of you ...

PM: That shows that we would win the election.

MARTIN: ... but the result of the Polis debate, this debate ...

PM: That showed that we would win the election.

MARTIN: Alright. Hazel, can I ask you, we've seen Mr Peacock campaigning with his daughters and we've certainly seen a lot of you campaigning in this one. Do you, you don't feel you're being used as a political tool in this, or are you enjoying it?

MRS HAWKE: I'm enjoying it very much and I don't feel now, and I never have, felt that I've been manipulated or used as a political tool. It would be a denial of my human rights and my individuality if I weren't able to take part as I want to and as I see fit. And I just ...

MARTIN: What do you think you add?

MRS HAWKE: Pardon?

MARTIN: What do you think you add to the campaign?

MRS HAWKE: Well I don't claim to add anything, I'm doing what I ...

MARTIN: What are you doing then?

MRS HAWKE: Pardon?

MARTIN: What are you doing?

MRS HAWKE: Well I'm taking part as just in, as part of a team. I'm not a politician and I don't talk policy or politics. But I am part of a general team. You see, there's only a few players in this election who are actually politicians. There are staff and advisers and

people who, one way or another, help because they've got a commitment ...

MARTIN: And about ...

MRS HAWKE: ... and I've got a commitment too.

MARTIN: And about ten million voters as well. Now listen, if this bloke was to lose, and there's a headline in today's paper here saying my Bob could handle defeat, the front page of the paper. But if he was to lose, could you put up with him at home?

MRS HAWKE: Absolutely. Anyway, he wouldn't sit at home twiddling his thumbs I can guarantee. He's got too much energy.

MARTIN: Alright, we thank you both and we wish you both well.

PM: Thank you.

MARTIN: Thank you Hazel, thank you Bob Hawke.

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