



PRIME MINISTER

TRANSCRIPT OF PRIME MINISTER INTERVIEWED BY ANNA MCMAHON ON
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AM: The countdown has started, just forty-eight hours to go. At that point history will be made - Andrew Peacock will be Australia's 17th Prime Minister or Bob Hawke will take the Labor Party to a record fourth term. On Monday we spoke to Opposition leader Andrew Peacock when the key issues confronting the electorate were the environment and, of course, the MFP. Today it's back to the main underlying theme of the whole campaign, the economy. Joining us now is Prime Minister Bob Hawke, thank you very much for your time Prime Minister. First off on the economy and the threat of recession we're hearing from a number of economic pundits, the latest December figures - you're happy about them, your Treasurer's even described them as "beautiful" but isn't the fact of the matter that the people that count, the people in the electorate, they're just hurting too much?

PM: Well let's just look at the figures. There is no basis on the figures for saying that we're in a recession because what has happened, and what needed to happen, is that we've got the community's consumption and production have moved into balance. Before we were just consuming much more than we were producing and that was causing us problems externally. So, what the banking industry is saying now, Anna, is as a result of these changes if we are returned on Saturday interest rates will fall and the hurt that certainly has been experienced by a lot of your viewers, that will be eased then with a fall in rates.

AM: But you are admitting that a lot of people have been hurt and they've been hurting badly haven't they?

PM: Anna I've never denied it. I said it in my policy speech in Brisbane that we had a situation where the economy was growing that strongly and we were in fact importing that much that we couldn't keep that. I had the responsibility as Prime Minister of this country of making a tough decision. I could have just said oh let it go, and if we had the whole economy would have collapsed completely as it did before under the Liberals. I said no we're going to have to have tight monetary policy for a while but that's now done it's job. No one, you know, worries more than I do about the fact that it has hurt people but I would have been irresponsible if I hadn't slowed the economy down somewhat.

AM: Prime Minister, you mightn't be talking about a recession

AM (cont): but the fact of the matter is some of our leading bankers and economists are, take Nobby Clark for example, who today certainly poured a lot of cold water on your interest rate hopes.

PM: Yes, well I don't take any notice of Nobby Clark as a political commentator. As far as the market as a whole is concerned, Anna, just let me....

AM: But the fact of the matter is he is still one of Australia's leading bankers.

PM: And an identified Tory supporter. I mean he has no independence when it comes to political judgments or political comments. I'll read to you, if you want, comments from the bankers. Let me give you what was on the Reuters screen, Anna, I mean here is, talking for the market as a whole, just let me briefly read this, just two days ago: "Traders said credit markets ended the day firmer in anticipation of a further easing in monetary policy in the next few weeks, assuming" this is the market "assuming the Hawke Labor Government is re-elected at Saturday's Federal election". In other words, what the market is saying is as a result of interest rates having done it's job and slowed the economy down, if we are returned then interest rates will come off. That's what the market as a whole is saying. Now Nobby Clark is throwing in his Attila the Hun comments, not the language of an independent observer.

AM: Prime Minister there's certainly been a lot of tooting and froing over interest rates throughout this whole campaign....

PM: Not by us...

AM: Well by a lot of other people.

PM: Yes.

AM: Would it be fair to call you Mr Two Percent after your slip earlier this week. Is that figure a reality?

PM: Not, no I've made it quite clear. I mean this is an exercise in history. What I said is that I got into a parenthesis of comment by John Howard. I have said all through the campaign and I had said the same day and I say today that there are two things that are important; one that we've got the policies in place to bring about sustained reduction in interest rates; and secondly, and more importantly, that the banking industry is saying, as I have just read out to you some excerpts, the banking industry is saying that in fact rates will come down under my Government if we're re-elected. And that the extent of

PM (cont): the fall will be a matter for decision by the banking industry. But, against that, it is certain that interest rates would have to rise under the Opposition because they would have A a wages explosion, and B they would blow the Budget surplus that we've built up.

AM: For the first time in this election campaign the latest opinion polls have put the Coalition ahead of the ALP - do you think you have been too tough on the electorate?

PM: Absolutely not right, I mean, with respect Anna, get your facts right, that simply is not the case....

AM: They are the latest opinion polls released today.

PM: Yes and I'm saying that you're referring to the Morgan poll which in terms of two-party preferred votes when the preferences of the non-major parties are distributed, would have Labor winning. That's what comes out of that poll. That is one poll. All the other polls in fact show Labor in front on primary votes. Now I'm not therefore saying, Anna, that I've got to be complacent. On the contrary, I think it is a tight election, I've said that right from day one of the election and, there's not much time left but I'll be fighting hard right up until tomorrow night.

AM: In fact really it's the closest election in the history of Australia isn't it.....

PM: Oh no, I mean it's very hard to say it's the closest election in the history of Australia. In 1961 we had an election which was decided on 92 communist preference votes in the seat of Moreton in Queensland. I don't think it will be that tight.

AM: Okay but it's certainly an exceedingly tight election.

PM: Oh yes, it's a tight election....

AM: And it's going to be won or lost on preferences isn't it?

PM: Well it will be on preferences, I don't think there is any doubt about that. See, one of the things that's happened in political life in this country, and indeed around the world Anna, is that people have become very interested in environmental issues, and I'm very glad they have. And if I can just make this point Anna that a number of people in this country are so concerned about the environment that they're going to cast their first vote for either Democrats or Green candidates to show their interest in the environment. Now all I'm saying to those people - well that of course is your right to do that, but if your real

PM (cont): concern is the environment then you must make sure that your second preference goes to Labor because our record on the environment, as the environment movement has said, is head and shoulders above the Coalition.

AM: Mr Hawke still on the environment but if we could move on to the local issue of Fraser Island, what's your position? Should logging continue or should it stop?

PM: Our position is that we understand that the Queensland Government has set up the Inquiry. We'll be making submissions to that. My own disposition is when I look at Fraser Island to, you know not like the idea of logging. What we'll be doing is, however, putting our position to the Inquiry and in the light of what comes out of that the consideration will be undertaken between us and the Queensland Government about World Heritage values and what is the appropriate course of action.

AM: But personally you would like to see logging banned?

PM: I, I think Fraser Island is a magnificent place. I don't want to intrude, you know, a personal position and I think that the Queensland Government has acted wisely in setting up the Inquiry. They've got Mr Fitzgerald to do that and I'm sure that the Inquiry will be very efficiently and impartially undertaken and we will want to participate in putting positions before it. I think Mr Goss has acted wisely in this.

AM: Mr Hawke if I could move back to the campaign itself. How tough has it been for you personally?

PM: Well, campaigns are always tough Anna, particularly when you put yourself into it heart and soul as I do. But I would have to say in one respect this campaign has been a little easier than previous ones in that we haven't had the same large number of fund-raising dinners at night. They can take a lot out of you emotionally. I mean you have hundreds of people there and I always make a point, Anna, of going round and shaking hands with everyone individually and there's a lot of autograph signing. That takes a fair bit of energy out of you. There haven't been so many of those at night so in that respect, and in that respect alone, it's been an easier campaign than in the past but I've been going flat out and I'll certainly be glad when it comes to an end. I hope the people of Australia will share a view I expressed when I called the campaign that there is no way we could have had the election in May. We would have, as I said, gone collectively bonkers if we'd been in an election mode until May.

AM: Prime Minister will Queensland make the difference between

AM (cont): you winning or losing?

PM: I think the relevance of Queensland is this that, firstly, Federally we hold a majority of the seats - I think it's 13 out of the 24 Queensland seats, we hold just a majority. I think we have a possibility of winning additional seats in Queensland. That's going to be important and, therefore, Queensland has that significance.

AM: Mr Hawke, yesterday at the National Press conference you said there was room to lift your game. You're coming into a fourth term, what would you do differently that you've done the last three times?

PM: Well I think that if a person is intelligent and he's got integrity and he says I'm perfect I can't improve, then he's a case for, you know, for the psychiatrists. I mean I just believe that I'm a wiser person now than I was when I became Prime Minister. I'd be a bloody fool if I wasn't, I mean I've had the opportunity of being exposed to an enormous amount of information about Australia, about what's happening in the world. I work very hard, I try and absorb all that information - economic, political, strategic - and so just as I learn more I am able to apply that accumulation of knowledge in an effective way I hope.

AM: Mr Hawke, thank you for your time.

PM: It's been a pleasure Anna, thank you very much indeed.

Ends