

PRIME MINISTER INTERVIEWED BY VINCENT SMITH AND COLIN PARKS,  
RADIO STATION 2UE

Tape begins as follows:

Vincent Smith

...the IBM-Facom affair; the sacking of Senator Withers; persistent unemployment; reverses of some aspects of the Budget; difficulty in fulfilling the promise of a 2 percent fall in interest rates; your personal popularity in the polls hasn't been high and the polls have for a time indicated a Labor win in an election were it held now. Do you accept these as early and mid-time liabilities that will be forgotten or will disappear as the term progresses.

Prime Minister

I think your record of events through the course of this year also overlooked a number of other things: a very remarked success in reducing inflation; interest rates are coming down and it's worth noting, I think, that the precise works I used in relation to interest rates were that important interest rates "could", and that was the word, "could", come down by as much as 2 percent. Now, some interest rates have come down by nearly as much as 2 percent. Not quite, by nearly as much.

Housing rates by the end of this week I expect will have come down pretty generally by about 1 percent and that's, one can say, not as much as one would have liked. But at the same time, of very substantial benefit to home owners; about \$17 a month off the re-payments of an average loan and \$5,000 off the total period of the loan -- for an average loan.

Continued success in getting inflation down: Australian industry is starting to get on its feet -- get out and compete in export markets. So, in politics I suppose there are often rough patches and difficult circumstances. It would seem to me that you've just put all the 'roughies' together and had not paid attention to one or two other things.

Question

I did that because I wanted to ask you whether you looked forward to a better 1979.

Prime Minister

I'm quite certain the Government's policies, economic policies, are working and also quite certain that Australian industry is becoming more competitive, that it will get a larger share of our own markets and I look forward to the future - 1979, the 1980's and the decade of the 80's - with an enormous degree of optimism. I believe that is shared by a number of the States and the State Premiers and that's judging from the unanimous view of all us at the last Loan Council a Meeting when major developmental works were supported in a new way by the Commonwealth and the States acting together. Again, I think, all pointing to an optimistic and prosperous period in the 1980's.

Colin Parks

Could I look to January/February of next year. Tony Street says that unemployment will reach a new peak then. Will that be the highest peak that unemployment will go in this term of your Government's office. In other words, will unemployment drop from January/February next year, or could it in fact rise the following year?

Prime Minister

I don't know whether that will be the highest peak or not. A great deal depends upon what happens in wage claims and we've got significant decisions before us at the moment. But what I can say is that a number of industries are now starting to employ more people. That's not uniform. There are other areas where that is not the case. In the motor industry, for example, one major manufacturer, by next March or April as I understand it, will have put on about 2,000 people over the twelve months leading up to that. These are the sorts of signs of optimism. It is my understanding also that the BHP order book over the last six months is quite significantly better than for a long while. Now that is for domestic market - domestic steel - and that spreads out into a lot of industries. We just have to face the facts of life. There is only one way in which we can get this country really where we would all want it and that's by having Australian industry competitive; being able to sell in our own markets profitably, and having people being able to sell overseas.

Colin Parks

Is one of these facts of life unemployment reaching half a million early next year?

Prime Minister

I'm not going to put a figure on it. It depends upon a number of factors: the fall in the ABS figures for the last month was better than I think many people had thought -- a fall of 17,000. The ABS series haven't been going for all that long and therefore I don't read more into it than just state the fact -- it fell 17,000 in one month. I noticed in a report I think this morning, very substantial fall in unemployment in Britain, 37,000, but in relation to the size of our economy a fall of 17,000 in one month in Australia would be bigger than the British fall. There are again seasonal factors that would have to be taken into account to get a completely valid comparison. Employment is obviously a matter that is one of continuing concern to us, as it is to countries right around the world. Much more could be done about it if there was a wider recognition of the factors that led to unemployment. But it basically gets back to the competitive basis of Australian industry; the capacity of people to provide jobs of a real kind that add to the productive strength of this nation.

Question

Ian Viner announced on your behalf this morning, Prime Minister, that the Government would legislate to allow public servants to opt out at 55 with reduced benefits. What practical effect do you see that having on unemployment?

Prime Minister

This is one of the measures that we have introduced at this time because, clearly to the extent that people do that, it will open up additional employment opportunities for juniors, for young people, who might want to enter the Commonwealth Public Service. That's quite specifically why we chose this time to introduce this measure.

Colin Parks

How would you expect the unions to react, given that you are going to also allow forced retirement where people can't be put into new jobs?

Prime Minister

Well, management initiated; this is something that has been in negotiation with the union movement for a very long while and my understanding is that there is general agreement with the package that if there is going to be the question of voluntary retirement at the age of 55, you also need the question of management initiated retirement under appropriate circumstances. The purpose of that, of course, is to enable the Public Service to operate as efficiently and as well as possible.

Vincent Smith

You mentioned earlier that inflation has been coming down, and I don't think anybody would deny the Government the credit for bringing it down to the level it is at at the moment. It hasn't moved, as measured by the CPI, for the last two quarters and December isn't likely to show much of an improvement either. At the same time you've got rising unemployment, the capital inflow isn't coming as fast as you would like it to come. How long can we wait poised in this very delicate way, on the brink of recovery or disaster before you may decide to change course?

Prime Minister

We are not going to decide to change course because no other course is possible. Capital inflow in the last few months, compared to the same period last year, has demonstrated a very marked turn around - a very significant turn around indeed -- and while you might say capital inflow is not as much as one would like it is certainly very much greater than in the same period last year, again reflecting the improvement in our inflation rate compared with that in a number of overseas countries. One of the things that's the hardest thing to sometimes get across is that there is no easy solution to the problem of unemployment. It is very easy for politicians to say they are going to do things which some people will believe will help unemployment. It's very easy for politicians to promise to spend more money, to undertake more works and to do it in an utterly irresponsible way while they themselves know the relief, to the extent that there is any, will be very short-lived and merely herald in a new and increased period of inflation.

Prime Minister (continued)

I think that is a very callous view - approach - to political life -- to offer a short-term palliative that you know isn't going to succeed, that you know is going to make the Australian economic circumstances worse; will lead to more industries being in difficulty because of increased inflation. I believe that my Government shows much more concern for the unemployed by being prepared to stay with policies which we know over time will work.

Vincent Smith

Would you agree that perhaps you have in fact slightly changed course by offering mild stimulation to the economy-- the simulation that is inherent in the big loan raisings authorised to the States -- in that you are now chasing up that mild stimulation psychologically by talking up the economy?

Prime Minister

It's not a question of talking up. It's a question about talking about the facts of life and the capital inflow that has been occurring over recent months; reduced rate of inflation, reduced housing interest, rates and other interest rates coming down. These are facts of life. Also, I think it is worth noting that the infrastructure proposals that came to the point of decision two or three weeks ago with all the Premiers in unanimous agreement with the Commonwealth has resulted in two years very close and detailed discussion between the Commonwealth and the States. Nobody should have been surprised at that decision. It's something which we agreed in Loan Councils about two years ago to examine. Last June at the Loan Council we agreed on the guidelines for the borrowings by the States overseas and we immediately set officials to work to examine the proposals being put forward by the States. I don't think therefore you can point to that as being a change of tac, or a change of policy. It's something that's been foreshadowed over a long period and the knowledge that that was coming up in the lift was certainly known and understood at the time we prepared the last Budget.

Vincent Smith

But it must have a stimulatory effect?

Prime Minister

I think that's, again, the wrong way to look at it. It will enable the States to borrow overseas, to strengthen the infrastructure, the export capacity of Australia. In N.S.W coal-loading facilities, new power projects, similar provisions in Queensland and right around the Commonwealth major infrastructure which will support industry - support our export capacity - is going to be funded by this mechanism. When people look to Government expenditure as a stimulus, they generally are talking about something coming off the Budget, being financed out of the Budget, and this isn't. It's self-financing loans that the States raise and for which they are responsible and they haven't asked us to be responsible or to guarantee it. They are prepared to do that on their own account. The real stimulus that will come into this

Prime Minister (continued)

economy, and any other that has been experiencing the same problems, comes from lower inflation, lower interest rates and people regaining confidence. You can't buy that with a Government spending more money which is going to increase a deficit. Ray Groom pointed out that a 1 percent reduction in housing interest rates will save home buyers \$103 million a year. That's \$130 million that they can spend on other things. Now that's real benefit -- real worth -- and that I agree is a stimulus. But that is the kind of stimulus that we need because it is based in real results and not on the Government printing more money or spending money inadvisably.

Vincent Smith

Are you concerned that inflation, as measured by the CPI, hasn't move downwards in the last quarter?

Prime Minister

Well, the overall rate has come down. I would have liked the September Quarter to be down further but taking all our present knowledge into account, the Treasury advised me that there is no reason to withdraw from the Budget forecast of a inflation rate running at an annualised rate of 5 percent by the middle of next year -- the middle of 1979. There is no need to withdraw from that forecast at all. Now that's their forecast based on their models, their projections -- I've got no reason to doubt it's validity. Let me also say that there is much dependent upon what is happening in the wage area and it's worth noting I think that there was a recent survey of trade unionists that showed quite plainly that in relation to wages and hours of work and many other matters affecting employment, the majority of trade unionists just do not agree with the attitudes being expressed, quite irresponsibly, by the union leaders.

Vincent Smith

And yet Mr. Hawke and the ACTU Executive yesterday decided that they would pursue almost a policy of abandoning indexation as a result of the Government's decision to water down the powers of the PJT.

Prime Minister

Well we haven't watered down the powers of the PJT and Mr. Hawke knows that full well. We've altered the nature of the PJT to enable it to conduct a surveillance role far more effectively. And we've, since our decision, announced an examination in the food processing industry price structure and that's something of intimate concern to all housewives - to all families.

Vincent Smith

That's hitting at the wage sweetheart deals done in that industry.

Prime Minister

Well it's hitting at the price structure, not only at the wage sweetheart deals, but making sure that the pricing arrangements have been adequate and we'll get a good deal of information out of that which I hope would be useful. Mr. Hawke knows very well that if the kind of wage claims that could be inherent -- possible -- as a result of that ACTU decision; he knows quite well that that will lead to more unemployment than would otherwise be the case. I think it is the grossest hypocrisy of any person to claim to be concerned for unemployment and at the same time pursue policies which they know must lead to more unemployment. It really is time Australia's trade union leaders began to show a concern for those who are out of jobs, not merely trying to get higher wages for those who are in jobs. It's not only a Liberal Prime Minister's statement, saying that. British Prime Minister, Jim Callaghan, British Chancellor of the Exchequer, Dennis Healy, have said in the strongest possible terms - much stronger language than I or John Howard use - that if wage claims in Britain go up too much that will damage the whole economy. It will lead to more unemployment and they will either have to tax more or cut their own expenditures as a very direct result of just that. Frank Crean, when he was Labor Treasurer here, said one man's wage increase is another man's job. Over the last several years it is the total lack of responsibility by a number of trade union leaders that have not doubt hampered, slowed, delayed, the return to full competitiveness of Australian industry. I think that's a tragedy because we are all Australians and we ought to be able to act together in these particular matters and not try to make political capital out of what is a very serious human and social problem.

TALK-BACK

Question

Mr. Fraser? How do you justify the (inaudible) you made to the American columnist, Mr. Buckley, that your Government has brought inflation down while not taking it out on working people. Look how you've butchered Medibank and how you've raised all the taxes -- that just tell lies about the taxes. How do you justify that statement that you made to the Americans?

Prime Minister

Well I can make it very easily because in the 12 months to June, for example, average earnings increased more than the Consumer Price Index and that might be the simplest way of showing that our policies haven't taken it out on the working people of Australia. In addition to that, I believe Medibank, as we now have it, offers a universal health care with special regard to lower income groups in the Australian community of a simpler kind and the reaction that I have had is it much better received and better accepted than any of the earlier versions of Medibank. But Medibank is

Prime Minister (continued)

universal cover for all Australians. That has been maintained. We are seeking to provide that cover in the best way we can and make sure that the cost of health care, which has grown greatly in Australia and in many other countries remain within our capacity to afford. I think it is worth noting that even the Labor Opposition now support the basic structure of Medibank as it is. I think that does away with the claim that Medibank has been dismantled. On the question of taxes. On indirect taxes - on whisky and cigarettes - the taxes have been about restored to the level which Mr. Hayden introduced in one of his budgets and in addition to that and in spite of the temporary tax surcharge, the person on average earnings with a dependent wife and two children when family allowances are taken into account, is paying about \$13 a week less than he would have been paying if Mr. Hayden's tax scales were still operating. Now that \$13 I think is a very significant benefit to the working people of Australia.

Question

What about the .... you promised people in their pay packets in February. You bring out a budget and take a .. what about all that?

Prime Minister

No. We haven't taken it away and I just made the point that despite the temporary tax surcharge, which runs out at the end of June, taxes are significantly lower, \$13 a week for somebody on average earnings with a wife and two children, than they would have been under Mr. Hayden's tax scales. Nobody can get away from that particular point and it's just a plain statement of fact. When I first came into Government the number of elderly people, the number of low-income who were writing to me complaining about the injustice of Mr. Hayden's tax scales was very great indeed and our reforms removed the best part of 250,000 low-income people from the need to pay any tax at all. Our family allowance reforms gave very significant help to 300,000 low-income families and nearly 1 million young people who got no help out of the older system of family rebates, simply because their families didn't have enough income to take advantage of that rebate. Our reforms have shown a very real concern for the less well-off people in the Australian community and they will continue to do so.

Question

I am and always have been a very moderate, middle-of-the road Australian and in company with most people in this country I voted for the Government. I perhaps expected too much from a Liberal Government. I felt that a lot quicker than it has been. But with the economy - well it still is in a rather disastrous state - ..bringing down inflation is obviously the only way to really restore the economy to any hope of a good life for all us and progress for the country. But with the economy being the way it is and the Exchequer being pretty well drained and we've got to borrow money overseas, would it not be possible to say this

Question (continued)

generation of youngsters coming up who are going on the dole through mostly no fault of their own, who are not going to know the joy of work - they are going to get a reasonable amount of money to live; they are not going to know the joy of work and by the time they do get an opportunity to go into work they will be too old to take trade courses or professional courses because not all of them have got the facilities or the background to get in -- would it not be possible to possibly put the Commonwealth more in debt by instituting a compulsory training programme, through the C.E.S. to give the kids ground training for employment, the responsibilities of employment, etc. I know it is going to cost money, but do you possibly worth-the decisive forthright thing which could save a lot of kids from being no-hopers?

Prime Minister

I understand and appreciate your reason for that question. Let me try and answer it this way. But first you made an earlier comment that you hoped the economy would be put right quicker but obviously inflation getting down is the only way to get it right. I think a lot of us, including the Government, hoped that it would be possible to make greater progress more quickly. I believe that one of the things that has held us back is the rate of increase in wages that has gone on. But secondly, the other thing, was something where many people in Australia and overseas in a sense, hoped for too much, was in the revival of world trade. Now, world trade has grown much less than we had hoped and that's partly because inflation has been increasing in the United States and increasing in a number of countries in Europe instead of falling, as it has been falling in Australia. Therefore, we have to look more to our own resources and less to any lift through general world trade and getting a larger share of growing world markets. The problem of young people is a very real one. We've done a number of things to try and help and we will continually review our programmes. But it is not a question of a whole generation not knowing or getting the satisfaction from work because overwhelmingly in each age group the greater number of people within a few months of leaving school, do get a job. What we are left with, and what our programmes are designed to help with, are those who don't have a great deal of motivation - the people whose education might be less good and the, say 10-20% of each age group who do have difficulty in getting a job. Now, to try and help with this, we've got special training programmes designed, orientated, to assist young people and in those training programmes about 110,000 people are in training at any one time. If these programmes can be improved, expanded, further developed, if new initiatives can be undertaken within the programmes they certainly will be. Indeed, within two or three weeks time Tony Street will have a complete review of the various training programmes before Cabinet and this has happened before and there have been modifications as a result. I can't predict what will come out of it. It's possible there should be modifications. Let's leave it like that. I don't want to pre-empt it. The programmes do need review because we spent, I think the best part of \$200 million in all the programmes this year and quite plainly we want to make sure



Prime Minister (continued)

that the help is getting to the maximum number of people, young people, as possible.

Colin Parks

When would you expect the review to be announced?

Prime Minister

Again, I said we are reviewing it in two to three weeks. Let's not try and pre-empt what comes out of that. So, we have shown concern and we want to demonstrate that. There are youth job centres in the capital cities and I have been in those centres and seen young kids coming in and looking around to see what work is available and many of them getting assistance through the centres. I don't really believe that a compulsory programme would be something that would work with great effect. Compulsion for national defence is one thing but compulsion for civil work, civil labour, is something that I believe many unions would have very strong objections to and I'm not sure that it wouldn't be in defiance of international labor organisations conventions to which Australia has committed itself. If we can find ways of getting to more people who need help, then certainly we will follow that path.

Question

One question. Have you yet read the report from the Commission of Human Relations?

Prime Minister

I have studied some parts of it. Not all of it.

Question

I could recommend Ann Deveson's book "Australians at Risk". That would help you.

Prime Minister

Thank you very much.

Question

Health costs. We say in Australia that health costs are increasing at a great rate. Perhaps an example of this would be, & your comment would be quite acceptable - recently I took my daughter in for an operation into a hospital. There were people involved filling out forms and 34 forms were filled out prior to the little girl being put into the operating theatre. Wouldn't this be a great expense on the health costs?

Prime Minister

Well if that's happening to everyone who goes in for an operation, it's certainly a great expense. If you would like to give me the details of that and my office could contact you, ring you back, I ~~would~~ certainly would be very happy to look at that particular case and find out what happened because one of the things that we've doing for the last 18 months is - you know we share half the costs of running State hospitals with State Governments - and we have been in negotiation with the states to try and reduce costs, maintain health care, but make quite sure that we get rid of unnecessary costs. Now, sometimes we find circumstances in which States are very reluctant to institute any changes which we think could indeed reduce costs and we've got no doubt that, we need the agreement of the States, but we've go no doubt that there is room for further cost savings. In some areas of Australia, for example, the occupancy of hospital beds is only about 60%. Well that means we are keeping 40% of the beds, staffed and ready for use but not being used. Now that sort of thing obviously adds greatly to costs. If you could give the station your phone number and name, I am not asking for it to come over the air, I would be very happy to follow your particular suggestion in relation to your own kid.

Question

I am a seventy year-old pensioner, above means test pensioner who receives no benefit because I have an income of over \$20 a week. I have paid tax all my life and I am still paying tax, including provisional tax. I pay full rates on my unit, I pay full medical insurance. If you lower the insurance rates, lower the rates that we are getting on our invested money, how are we going to live?

Prime Minister

Is this money that you have invested with...

Question

This is money I have invested, yes, in bonds. And how are we going to live?

Prime Minister

The changes that were made to the pensions for people over seventy were designed to make sure that the funds go to a maximum extent, to those most in need and that's why the means test was introduced for additional pension over seventy. There is still a fairly significant base amount that of course goes to every person. But, getting inflation down is very important.

Question

It's all very well for you who is classified as above millionaire.

Prime Minister

I'm not thinking of myself in these particular matters. You've got many young couples who don't have a home; who want to borrow money to buy a home. If they have to pay 10% rate of interest to get that home it often puts the home beyond their reach and it is very important that the rate of interest get reduced. Now in this particular regard I think that there is complete unanimity between Neville Wran and myself because we have often spoken about interest rates and their impact on Australian society.

Question

I'm afraid there is going to be heck of a lot of invalid votes, informal votes, because we just won't vote for either Party.

Prime Minister

Getting inflation down is going to be a very real help to you and to every Australian because one of the things that was happening before is that you might have your money invested at say 8% or 9% but if inflation was running away at 16% or 17% or 18%, the value of that money was falling, the value of your income from that money was also falling very greatly. Now with inflation about half that, or less than half that, obviously the value of your money is being maintained and the value of your income you get is also being maintained.

Question

Would you come and live with us in -- you live in such a beautiful world. ...you get the very best of the world.. but you will both get a lot of informal votes because people of the over-seventies are just fed up with the reaction of both these unthinkable...

Prime Minister

The other thing I think ought to be said is that about 250,000 low-income people, and many of them would have been elderly people, are removed from the need to pay taxes because of the tax changes that we introduced. If you are still paying tax all that means is that there are many many people who are worse off than yourself, who have been relieved of the need to pay taxes as a result of the changes that we introduced.

Question

Do you agree that the crime, violence and murder rate are up high in hard-hearted societies where unemployment is accepted and secondly, ... you get all your ideas from Ayn Rand.

Prime Minister

I don't get all my ideas from Ayn Rand. I know sometimes my political enemies try to suggest that I do. I think Ayn Rand takes her views much too far. There is one thing that is attractive, and one that attracted me to her books, apart from the way it was written, and that is that she places great importance on individual people and individual people being able to develop their talents. Now that I think is important in our society - to place pre-eminent importance on people. At the same time, for those who are disadvantaged amongst us, we need to show concern and compassion and have policies that will act on that concern and compassion. So, I hope that the fact that I have read Ayn Rand doesn't brand me as embracing all of her philosophy any more than the fact that I have read Karl Marx can be construed as suggesting I embrace Karl Marx's particular philosophy - because I certainly don't.

I don't think unemployment is accepted and I think it is a very real problem and I don't believe Australia is a hard-hearted society. I think there is one factor in our society in relation to crime which I do regard with the utmost seriousness and I don't think it's got much to do with unemployment and that is the problem of drugs and drug addiction. And you will have know from the success of the Narcotics people over recent years of the enormous hauls involving many tens of millions of dollars sometimes, of the extent to which drug peddlers and salesmen trying to operate in the Australian market. I regard that as the cruellest and harshest crime of all because people who try to make profit out of drugs are doing so -- it's not a crime of passion -- cold-bloodedly, calculatingly and designably and in the process they can destroy the lives of tens of thousands of people, young and old alike. I think that the penalties that our society puts upon such people should be very heavy, very great and I don't believe they deserve much mercy at all. They do enormous damage to society. They are the enemies of society and they certainly bring with them increased crime.

Question

Did you ever look at the societies of Japan and Sweden. They are soft decent societies who don't accept unemployment like we do and so on - have a low crime rate.

Prime Minister

You've got many different facets in different countries but I haven't understood that the Swedish crime rate was particularly low. In a number of Scandanavian countries my understanding is, I am not saying that divorce is a crime, but the break-up of families and divorce I think has been very very great. We can often write down Australia society. I believe this is one of the best countries of the world and I think it is one of the best countries of the world in which to bring up a family. I have been to a number of countries. I haven't been to Sweden, but I have been to Japan. We often, I think, knowing our own faults, as we obviously have -- I think we often depreciate Australia and knock Australia when we should proclaim Australia's virtues and the very great benefits that Australia does and can provide to its citizens.

Question

I would like to know why there is not a parent or single-parent pension scheme for men as there is for women....widower and against widow - deserting husbands and/or wives with the children.

Prime Minister

We brought in at the end of last year a sole parent pension which was meant to put men on exactly the same position as women.

Question

That didn't do the trick did it?

Prime Minister

Well it is meant to. If there is a deficiency in the legislation I would like to know about it.

Question

I want to clarify this for you. Being a man, having care and control of the children, we get a benefit. We get the same money as the women but we don't get a medical health charge for one thing. Medical health charge, which you must agree, is very important to us because we have to go and plead poor mouse to the doctors and we are getting the same money as the women are getting.

Prime Minister

Let me look into that for you.

Question

We've tried with Minister for Health, and for Social Security...

Prime Minister

We did make a very significant advance when we did give sole male parents the same benefits as women. Now if there are some areas where women still get an additional benefit let me look at it because I certainly believe in no discrimination between men and women of any kind.

Question

Good afternoon. It is Mel Hercam (?) from the Sydney City Mission. We have completed a twelve-month programme for the training of unemployed young people in the Liverpool Green Valley area. We've had a most successful programme. We have had 93% or 90% of those young people now employed. You and your Government have rejected the repetition of this programme on the grounds of budgetary constraint. But what concerns me more than anything on the fact that your Government has decided to only fund Government-operated programmes and

Question (continued)

I would just like to have your comments on why you feel that programmes operated by non-Government organisations, particularly in low-income areas, does not receive this approval.

Prime Minister

Again, I would have to look into this because I know that a number of the community youth support programmes -- was it under that programme that you were operating?

Question

Yes, it was. We were originally funded under NEAT and ...

Prime Minister

I do know of other programmes that are not run by Governments that are funded under NEAT. I know of one run by some people in some way attached to the Brotherhood of St. Lawrence and that is not run by the Government. So I think that part of it is not right, but let me look into it. The only programme that I am aware of that has been continuing - I'm not saying there aren't others - that I think wasn't funded this year was one because the training costs were much higher than other programmes and other people who giving a benefit to more young kids for the same value of money. I don't know that that was your programme or another one.

Question

No. I think it's ours. But I think the costs that were worked out by your Department were not correct.

Prime Minister

Well if there is a mistake in the costs we can certainly look into that. Did your programme cost about \$350,000 last year?

Question

No, no.

Prime Minister

What did it cost, do you know?

Question

\$90,000

Prime Minister

Let me look into it and get a report on it for you because the total sum that we are spending on the training programmes this year is up very very substantially from last year. The money hasn't been restricted. There are more people at any one time in training than there were last year. It is now running at about 110,000 at any one time. Right at this moment.

Prime Minister (continued)

That's up very considerably. The sum being provided, I think, look I don't want to held to ransom over the figures, but I think they've gone from something like a bit over \$100 million, maybe 120 or 30, to approaching \$200 million.

Question

I have to say this: that Mr. Street and Senator Carrick and members of the State and Commonwealth Education Department, have said our programme, which is the only one of its kind operating in the whole of this country, is the most successful programme that is operating. And yet I have a letter from you, I have a letter from Mr. Street and from Senator Carrick which says that it cannot be funded because you are not funding private operated funds.

Prime Minister

Let me look into it for you, will you?

Question

Maybe I can contact you again directly?

Prime Minister

Yes, certainly.

Question

I wondered if you could tell me if there has been any examination as to what extent the tariffs on imported inputs could be lowered or eliminated. I realise there has to be some sort of ... to the effect that revenue foregone and increases in domestic manufacturing. The second thing I wanted to ask you -- will the Government, plus business and employer/ employee groups put or start an ongoing programme for a manpower policy. Not something just in with the end of the Government but an ongoing sort of body. The third thing I would like to ask you is what would you like to be seen as your major contribution to Australia after you finish in political life?

Prime Minister

The tariffs can be lowered, but we do have tariffs to assist Australian industry and Australian employment. They are not really there as a revenue measure and that is not in our minds when tariffs are adjusted. There are independent examinations of different tariffs from time to time and the Government makes decisions on the basis of independent reports coming from a body called the Industries Assistance Commission. They sometimes recommend that tariffs should go up for an industry. They quite often recommend that tariffs should go down. We don't have to accept the recommendations. We do act upon them. I believe that we do have a manpower policy but there is no one thing that is a manpower policy. It's a combination of a whole number of factors; of a number of policies that operate to affect the demands for labor; and

Prime Minister (continued)

the circumstances and conditions in which people are employed. The training programmes which have been mentioned on this programme today are a part of that manpower policy. The consultations which Tony Street conducts with employers and the peak union councils in the National Labour Consultative Council - that involves many aspects of industrial relations and other factors that affect both labour, trade union movements and industry. Again, through the Department of Productivity there are many tripartite groups - management, labour and government - all working together to assist industry to make industry competitive and therefore able to employ. There are many factors that are involved in a manpower policy, and I would hope that many of these things will be continuing ones, because I believe they are good, and I don't believe they are involved in politics.

When I leave politics, what would I like to be remembered for? I became Prime Minister I suppose at one of the most difficult times in Australia's history, with very real economic difficulties that were damaging the lives and livelihood of tens of thousands of Australians. To get those major matters right, to take Australia forward into the 1980's with confidence, confidence in ourselves as a people, united with common purposes, and knowing quite well that Australia is a good country in which to bring up a family. Also I would hope that my Government is known for its concern for the disadvantaged, and for lower income people - a government that does show concern. In this last Budget which in many ways was a difficult budget and a tough budget, there were very substantial increases in funds to assist disadvantaged people. The programmes have been enormously expanded over the last two or three years. Very great sums have been provided for building homes for aged people, and for elderly citizens clubs. Much more remains to be done, but I believe that Australia is a country in which there is a real concern for the less well off in our community and I hope my Government is, and can in the future, contribute to alleviating hardship where it is found in our midst.

Question

I would like to speak about easing the means test on the \$20 that you are allowed to have on a pension before you are penalised, unless you are allowed to have \$25 a week, then after that you lose all your benefits. I think superannuation should be exempt from that.

Vincent Smith

I think you pretty well covered that didn't you Prime Minister?

Prime Minister

I thought I had, whether you can ease those things depends upon the total funds you have got for pensions and welfare and we have



tried to see that the extra funds that are available go to those most in need, and that is often those without any additional income at all. A married couple still get some pension if their combined income plus pension goes up, I think, to \$200 a week, or maybe a bit over that. The pension is paid at levels of income that aren't particularly low, and can be much above the income that say a young couple might have, with family obligations, just started out on life.

Vincent Smith

Perhaps I could round out the programme by just asking a quick question of the Prime Minister. Parliament ends tomorrow, doesn't resume until February - would you rule out a Ministry reshuffle, or a rearrangement in the intervening period?

Prime Minister

These matters aren't in contemplation.

Vincent Smith

Not at all.

Prime Minister

Not in contemplation.

Vincent Smith

Mr Fraser do you worry that the type of questions that you have received in the last hour or so reflect a general level of dissatisfaction?

Prime Minister

No, I don't think so. There are a number of people obviously who want more done in a number of areas, and there are a number of questions concerning the pensions area. You go on different programmes, and you seem to get different listening audiences, I think, and different sorts of questions come through. The purpose of talk-back programme is to enable people to express their concerns, and I am quite certain that people who are concerned are more likely to ring up than someone who is satisfied in all respects.

ENDS