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PRIME MINISTER INTERVIEWED BY REV. NEIL ADCOCK,
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Adcock

On Nightline I'm happy to be talking by 'phone in Canberra with the Prime Minister of Australia, the Rt.Hon. Malcolm Fraser. Mr. Fraser, welcome to 6PR and thank you for your willingness to talk to me.

Prime Minister

Thank you very much.

Adcock

People I talk to in Perth are very deeply concerned, as I'm sure they are all over Australia, about what they see as the present fragmentation of this nation. What are you and your Government willing to do to bring us together again?

Prime Minister

Well, I'm also concerned. I don't believe the fragmentation is as great as people often see but in industrial matters it's very often more evident than in other areas. There have been problems in Western Australia. There have been problems in Telecom, especially in the Sydney area right at this very moment. One of the things that we've got to do is to understand that in many things we need to put Australia first and our own particular or individual interests second or third. In the industrial arena if we could all only understand that we have established an arbitration system, a system of independent tribunals designed to determine the merits of cases between employees and employers, that we don't need industrial disruption, bans and limitations to enable that system to work, that if we allow the arbitration processes to work then the public are not going to be inconvenienced. We are not going to have confrontation as essential services dry up and fail, then that in itself would be making an enormous contribution. I was very disappointed last Friday when we appealed to the ACTU to put its weight and to try to get its affiliates to support the general system of conciliation and arbitration. We weren't putting it to them that they should support any on side in that, merely that they should support the system and urge their trade union affiliates to do so and leave strikes and bans aside. I was very disappointed indeed that Mr. Hawke and the ACTU executives who were with him were not prepared to join in that particular appeal.

Adcock

Do you believe that the time has come in Australia for people at top level of Government, trade union and management maybe to get away from the eyes of the media, the general publicity, to do maybe what was done by President Carter with Begin and Sadat, to talk together in the hope that there can be some sort of personal conciliation.

Prime Minister

I think that's certainly a good thing. Now, again, during the proposed national stoppage and the possible blockade of Western Australia with the members of the ACTU, Peter Nolan and myself and other members of his organisation and my Cabinet, we were able to discuss that matter for several hours, to be in communication with Des O'Neil in Perth and also with the TLC representatives and a major national stoppage or a blockade of Western Australia was averted as I believe, by sensible discussion. I think that was an example of the way we ought to go about our business.

Adcock

Well do you believe that this sort of thing can happen again or should happen again?

Prime Minister

I think it should happen again. We hoped the process would work in what we thought was, in a sense, an appeal to motherhood, in support for the arbitration system. That didn't work last Friday.

Adcock

Thank you. Now, on another track, why is it apparently inevitable that high unemployment should be the price that Australia is paying to achieve the commendable goal of containing inflation?

Prime Minister

It is not really the price of it. The high unemployment we now have is the price we are paying for high inflation in earlier years and we need to remember what happened. Wages went up too much, Government expenditure went up too much, there was a rapid inflation that went up to 19 percent in one half year and, against that background, Australian manufacturers were just not able to sell their goods overseas. They were also prejudiced in delivering overseas because of strikes which meant they couldn't deliver on time so they lost overseas markets. But they also lost many domestic markets because Australian goods became too high priced compared to prices from countries overseas, which had done a better job in controlling inflation.

Prime Minister (continued)

If a factory in Perth can't sell its goods it plainly can't employ. So to overcome that situation we've had to get back to re-establishing the competitive basis of Australian industry so that we get a better share of the local market and get back into exports. Now that's starting to happen. Australian manufacturers are getting out into export markets in a very imaginative way and they're getting a much better share of the local market, but the process unfortunately takes a considerable time to work its way through.

Adcock

And when do you anticipate it will have basically worked its way through?

Prime Minister

Well, to get back to the kind of employment levels we had seven or eight years ago might be very difficult indeed. Wage levels have gone up so much that many jobs have disappeared. You know, you get automatic petrol pumps and self-help petrol pumps, less jobs there for young people who might sometimes find it hard to get jobs that take many particular talents or qualifications.

Adcock

On the development of technology, this leads me into the next question because it appears to me that the galloping effects of technology have largely caught us in Australia unprepared. Is Australia facing up realistically to the predictable social effects of new technology, of automation and the resultant increased leisure time, say in the next ten years?

Prime Minister

We sometimes need better mechanisms of consultation between management and labour on the introduction of new technology but what we also need to know very clearly is that without new technology unemployment will rise. New technology is one of the things that again makes it possible for Australian industry to compete. If something can be produced more cheaply as a result of new technology, well then there's the chance for the Australian firm to be producing more of it. You can be very certain that countries overseas will be using the new technology so if we don't we get left behind. We've got no option in that.

Adcock

I suppose what I'm really saying is that, you know, have again the leaders of the nation from the various disciplines sort of sat down and worked out a policy whereby it will not create unnecessary unemployment but the new technology can be absorbed and used constructively for the benefit of the nation.

Prime Minister

I think so, yes. But it varies industry by industry. Some industries are much better at consultation than others and, you know, very often the introduction of new technology in fact opens up more jobs because you find industry doing new things and additional things, supplying additional commodities which people are going to want, all things which have only become possible because of new techniques and new technology. So what we need to do is to embrace new technology and use it to Australia's advantage. The Government has had surveys of this particular matter long before there was general public concern in Australia. We had expressed our own concern by initiating significant investigations and examinations of technology, its implications for Australia, what we ought to be doing about it. That was going back a couple of years so there are complex questions. But one of the most important things is to make sure that more people understand the implications. I think that so often it is the unknown that frightens people.

Adcock

Mr. Prime Minister, I would like to ask you a question not related to the whole oil issue, but if more oil reserves were discovered in Australia would it be necessary then to lift our prices to world parity and why?

Prime Minister

I believe we ought to, yes. The main reason is that we want industry and individuals to make rational economic decisions about the energy they use. That means we want an economic price for oil, the gas, the coal and then people will make the appropriate choices. If we keep oil down to artificially low levels, then more industries will stay on oil, more individuals will use oil, less people will go to natural gas-fired motor cars than to petrol. That means that a finite resource will be used up more quickly than it should be. One of the great tragedies in the United States is that it uses more oil than any other nation, it uses vast quantities and the price is so low that they use much more than their fair share of, again, a finite resource. It ought to be understood also that most European countries put much higher taxes on oil than we do, again to try and make sure that there are rational and sensible economic decisions made about the use of energy. Because their taxes on oil are higher, their actual fuel prices will be anything up to double ours. I'm not suggesting we should do that but I do believe we need to stay basically with world parity pricing.

Adcock

Well, are you suggesting it's more a conservation measure than an economic measure?

Prime Minister

Well, it's a conservation measure, but we're only going to get that conservation measure if industry makes rational decisions about the source of energy they are going to use.

Adcock

Now can I ask you a question about one issue that's on here in the West? Gold is running at a record price. Is it likely that your Government will take any initiatives or give any incentive to get the Golden Mile operation again in Kalgoorlie?

Prime Minister

Well again, this is very much a function of price and if more mines could open up as a result of the current price nothing would please us more.

Adcock

You'll be very happy to know that the arena that you opened, the gift of the Federal Government for Western Australia's 150th year, the hockey stadium here in Perth, is being used very effectively and very thoroughly. Are you involved in any other event in the 150th celebration coming to Perth before the end of the year?

Prime Minister

I hope I'll be over in Perth towards the end of the year. I'll be over in two or three weeks time for a particular function but it's not specifically related to the Centenary and I hope very much to be there towards the end of the year.

Adcock

Right. Thanks very much for talking to us and will it be possible for me to talk to you again maybe about once a month so that you can keep us up to date here in Perth with the things that are happening in Canberra?

Prime Minister

Yes. I'd be very happy to do that, very happy indeed.

Adcock

Mr. Fraser, thank you very much for talking to us on 6PR tonight.