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RADIO INTERVIEW - JOHN LAW'S PROGRAMME - WITH THE PRIME MINISTER  
FRIDAY 7 AUGUST 1981

Prime Minister: Happy birthday John.

Laws: Ah, that's very nice of you. Thank you. That's very nice of you I appreciate it.

Prime Minister: Anyway, what are you going to do?

Laws: I'm going to get back on that big motor bike that you told me not to get on.

Prime Minister: Which one is it this time?

Laws: I didn't buy that one that we were talking about. I got hold of a 430 Husquavana.

Prime Minister: Oh, good heavens.

Laws: Great motor bike.

Prime Minister: That's a really exciting machine.

Laws: Yes, that's a fabulous motor bike and there's another one around, that if ever you get an opportunity to try it you should. It's a 390 CC Husquavana Automatic. And that's unbelievable it's really a fabulous motor bike. While we're into machinery, are you going to buy that little Alfa - they said on the television the other night you were looking out to buy?

Prime Minister: That was during the car strike down here and I was driving myself and enjoying it. It's a lovely little car but the agent's got a twin better version which is just a little bit tougher. So I'm tempted but I don't get a chance to drive very much, but it's a beautiful machine it really is.

Laws: Yes, it looks very good and it looks as though it'd handle pretty well.

Prime Minister: It handles very well and it's got a lot of room in the front. It's a small trunk but it fits in tall people very easily.

Laws: Yes, I haven't looked at them or sat in them, but I'll take your advice on that as I took your advice on the motor bike and I did fall off the motor bike incidentally.

Prime Minister: You fell off!

Laws: Yes I certainly did.

Prime Minister: It's very easy to do.

Laws: It's not difficult is it! Well, you've come back to some interesting situations in Australia. It seems when you go away things seem to happen and when you come back they seem to happen even more because next week you've got this summit meeting to decide on the alternatives to wage indexation. Did you really predict the downfall of indexation?

Prime Minister: No, I think that probably moved a little faster than I would have expected. The main thing next week is to get a broad understanding of the Government's position. We have got on the board in terms of

and employment that's rising and real wages have also risen very substantially over the last 12 months, and so you know we oughtn't to have to argue the real benefits of our policies, but we have got to consolidate it and build on it and make sure it doesn't get blown away by irrationally stupid or unreasonable strikes or by a few powerful people in the community trying to grab too much for themselves. And, you know, the ACTU wants us to maintain a centralised system of wage fixing, well, you know, if they want that and are serious about it, and I've got no reason to doubt it, then I think the community has a right to

expect some kind of restraint on claims made outside the arbitration system.

Laws: What sort of stand do you expect from the ACTU?

Prime Minister: During the Transport Workers' dispute, I think they demonstrated and we demonstrated that we could both work together as Australians, certainly from different organisations, but nobody was trying to grandstand, nobody was trying to score points over the other or claim victories or defeats; we were trying to solve a problem together on the basis of some agreed principles. And basically, that worked, and it was sensible. I can see no reason why we shouldn't approach matters next week in the same week. We can't solve things next week, because these are matters which involve the Arbitration Commission, they not only involve the ACTU they involve all their constituent parts all the other trade unions.

Laws: What are the alternatives to wage indexation?

Prime Minister: Well, over the time you have a number of different situations - you've had an annual national wage case apart from other industry cases throughout the course of a year that's happened, you know, quite frequently during the course of Australia's history. The common factor has been the reliance that has always been made on a centralised wage fixation system. And if the ACTU say they want to maintain that, and I can understand their reasons for it because it is that system that protects the weaker unions and the weaker people in the community. But at the same time, if we are going to maintain arbitration as we traditionally know it, I think we have got to do more to make sure that unreasonable strikes do not occur, and that people accept the unbiased verdict, or they think that we ought to be going to collective bargaining and these are legally enforceable

Laws: Yes, well, what's the possibility of that?

Prime Minister: Well, it would be a very substantial change from the current situation. I know it would make a lot of employers nervous and it's not being advocated by the trade unions. But, I don't want to go into the discussions next week, you know, having stated fixed views. I want to, on Tuesday when the Government meets, be able to clarify on our own mind, on the various options that might be available to us, and then discuss these in a plain way first with the employers, then with the unions, and then on the Thursday we have got discussions with the States also about wages, but also about where we are going with interest rates.

Laws: Now, tell me is one of the prime objections of these discussions next week to do something about the strike situation as it has existed in the past 12 months in Australia?

Prime Minister: Yes, of course it is.

Laws: Do you think that you are going to have any joy there? Do you think that the unions and the more powerful and generally more militant unions, will be ever prepared to accept the umpire's decision?

Prime Minister: I think that they are starting to understand that the community is increasingly impatient with unreasonable strikes. For example, I believe that most unions who are now involved in Commonwealth employment know that we would be using the Commonwealth sessional provisions in the Commonwealth employment bill which was passed some time ago which enables us to suspend or stand down people who aren't doing the normal work for which they are paid. And you know, we started off by saying that we only wanted to use this legislation as a last resort. Well we're getting to the stage when people who

have ignored arbitration, who won't accept the umpire's verdict, then they go along and do 70% or 80% of their work, they expect to be paid by government, which is not really by government, it is by taxpayers, by John Laws, and all the people who have written to you and everyone else, and we have virtually come to the position where people are going to do this act and these powers will be used and people will be suspended forthwith. Now, I think already there's starting to be an understanding in what we say to the unions, that this is the position. And maybe a glimmerings of a greater degree of responsibility and commonsense as a result.

Laws: We seem to go so close to it so often, there seems to develop a situation where we almost reach a crisis point and the Government appears that it's going to show a great deal of strength, and there's talk of deregistration of unions, there's talk of massive standowns or whatever it might be, and then it seems to fizz.

Prime Minister: The reason it hasn't is because the unions then draw back. See, you take the 'Transport Workers' dispute and the disputes in Telecom. We were using in the shorthand term the 'feedback' as it's called, and we had over 2,000 people suspended, there would have been about 20,000 people suspended, and then the ACTU wanted talks, we came to an arrangement which was reasonable and people went back to work without any bans and limitations so the suspensions were lifted; but the Transport Workers' Union, we said look we would rather get a declaration from the Arbitration Commission which would either have enabled us to deregister the Union or part of the Union, or exercise other powers on the basis that the Arbitration Commission has indicated that the Transport Workers' Union had threatened the

safety, health or welfare of the community or part of the community, and you know, they were refusing to drive milk trucks and all this sort of thing.

Laws: But don't you think it will happen again?

Prime Minister: If it happens again we will go to that position, but they said alright, if we all go back to work are you going to continue with that action; well on the basis that they were prepared to go back to work forthwith it was reasonable enough not to continue with that action.

Laws: But, what happens if the same situation arises again and you're forced into a position where you have got to make moves so it looks as though there is a possibility of deregistration of the union and then they go back to work again, the damage is still done isn't it?

Prime Minister: The damage is still done, but I think out of it all there's coming a greater understanding of the union movement that the Government will use the power that it has taken to itself by legislation over the last two or three years and if people behave unreasonably towards the wider community then we will, if necessary, use the powers quickly and firmly and irrevocably. If the Transport Workers' Union were threatening milk supplies to baby health centres and hospitals again, I doubt if anyone could persuade us to call the action off. I think it would be the third time. You see, the legislation was put in place when the Transport Workers' Union did that in Victoria, I think, what, two or three years ago.

Laws: So, in other words, they have had fair warning, they've had two or three bites at that cherry.

Prime Minister: It was put there, because they, you know, with respect to milk, they held up milk two or three years ago and

we didn't have the powers we needed to deal with them.

Tony Street then introduced these additional sections into the legislation, we showed that we were quite prepared to use those provisions in the dispute of two or three weeks ago.

Laws: Prime Minister, I am going to have to leave you because we are about to encounter the news. But, in summary, next time you may not draw back as quickly as you did this time?

Prime Minister: Next time, if they cut milk supplies, again keeping it nice and simple, I believe that we would go straight in and use those provisions and would not draw back from it.

Laws: Thank's very much for your time, it was good to talk to you.

Prime Minister: Thank you very much.

Laws: Goodbye.

Prime Minister of Australia, Malcolm Fraser.

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