

INTERVIEW WITH JUNE BARTON , MORNING EXTRA

---

Question

Good Morning Prime Minister and thank you for joining us in the program.

Prime Minister

(inaudible)

Question

Sir, we are obviously facing uncertain economic times, what is your assessment of the Australian economy?

Prime Minister

...inaudible....in the Australian economy. The country has grown. In spite of what people might want to say, the after tax household disposable income of Australian families has been rising and there is a great deal of investment taking place. Investment gives us the basis for rising living standards and greater wealth for Australia in the years ahead. So, there are many strengths and there are also problems, and I imagine there always are in the management of an economy. The problems I think are basically twofold. The extent of wage increases, coupled with shorter hours and the worst of this has occurred over the last 10 to 12 months. Now that has put cost pressures into the Australian economy at the very time when overseas countries are becoming more competitive, when they are have been getting very low wage settlements, very often because of very high and tragic unemployment. So, we have been becoming less competitive, while overseas countries are doing things better, producing their goods more cheaply. The other thing that makes it difficult for Australia and indeed, makes it difficult for every country around the world, is lack of growth in major industrial economies, the United States and in the major countries in Europe. That again of course makes it harder to sell Australian goods. It means that we need to do what we can do better and make sure that we remain competitive. These are the twin problems, the sluggish world economy and costs that have been rising too much in Australia over the last 12 months.

Question

So those pundits which are saying that we are in a mild slump, recession or heading towards a depression, in your view they are not correct?

Prime Minister

I think this is over-stated. There are problems that we have to face, we have to understand what is possible. A few weeks ago in the Parliament I sought to get a degree of balance into the national debate on what is happening both in Australia and overseas. There are some countries overseas that are in a far, far worse situation than in Australia because again while in this country the economy has been growing- we have been producing more as each year passes over recent times.- a number of other countries, whether it is the United States or Germany or the United Kingdom there is no growth in their economies at all. Indeed, in a number of areas they have been producing less than in earlier times. In the United States about four years ago they would have produced 15 million automobiles in their industry, last year they produced 7½ million and there is massive unemployment in their motor industry, in spite of a fair degree of protection. In the home building industry in the United States, the number of new houses being built or started is running at about 40% of what it would have been two years ago. If you put that against the situation in Australia, we are infinitely better off.

Question

Prime Minister we do have several callers already waiting to speak with you, so with your permission we will go ahead with the first one.

Prime Minister

Yes that is fine.

Question

From Nafra in Victoria, Mrs Anne Bradbury you are now speaking to the Prime Minister.

Caller

Mr Fraser this is a thought regarding unemployment, relief of unemployment. If parenting was taught somehow in an expert way, by way of the media, and TV especially at night in a fun way, in a concentrated way by the direction of experts mothers and fathers would know how to raise children in a fun way. Especially fathers, if they could be shown how to help, and mothers would be more content to stay in the home and that would make more jobs available to the males, who are after all best suited to bring home the necessary means of support. It is just that we are so bored at home. We get too much (inaudible). I was a nurse for a very long time and I was happy in it. I did not want to be married because it is always a gamble, but when I did get married and suckled two children, it was the greatest joy. But now that they are teenagers and heading out into the world, I worry how they will be employed. If I could just teach the mums, please stay at home. But on the other hand, we have to teach the fathers.

Question

What is your response to this?

Prime Minister

I think this is an interesting suggestion and obviously Mrs Bradbury is voicing things which I think are probably in many peoples' minds, how to bring up kids in a world that can be difficult, that can be very competitive. At one point I thought Mrs Bradbury was saying we almost needed a school for parents and I am not sure if I am interpreting her remarks...

Question

I think perhaps Mrs Bradbury is saying parents should be taught how to be good parents.

Prime Minister

A very large number of parents of course are and this probably comes to people instinctively, but if parents believe they want help, guidance, I would agree with Mrs Bradbury that ought to be available. That can partly come I suppose in talking with friends, but there are also family guidance organisations which are prepared and able to give advice, how much they can help in the specific circumstances Mrs Bradbury had in mind, I am not too sure because I have not tried them.

Question

Thank you sir, we will move on to another caller. Still from Victoria, from Talamba, Mr Morrison.

Caller

South west Tasmania is part of the national estate which requires the Federal Government to ensure that no part of the national estate is destroyed if feasible and prudent alternatives to proposed threatening action exists. However, you have publicly stated that the decision on whether the Franklin or more of the Gordon Rivers will be flooded is a matter for the State Government. It seems to me that this is a clear abrogation of Federal responsibility in this matter and it seems that the Federal Government should intervene.

Prime Minister

The Heritage Commission Act affects the activities of Federal Government Departments and agencies, it does not impinge on state government departments and agencies and the states have always made these decisions in the past. Tasmania has had a referendum on the issue, although I know there are questions about the basis of that particular referendum and this really is a decision that has got to be resolved in Tasmania. It is capable of being resolved in Tasmania and there you be very real difficulties stepping in on top of this kind of decision.

Caller

...one state government has already fallen over in this matter seems to indicate that they are not able to resolve the matter satisfactorily there.

Prime Minister

If a government is responsible for a certain/good enough to say well we have got to go to another government to get them to fix it, because just because one government may not be giving the kind of answers or making the kind of decisions that a person or a group of people want. This really is a matter that needs to be argued out in Tasmania. There is an election on and I have got no doubt that this is going to be a matter of high politics during the course of the Tasmanian election.

Question

We have a number of callers trying to get through, so please try to be a little patient. From the Central west of NSW we have Mrs Webb from the town of Forbes.

Caller

Mr Fraser at the moment tax reform is on the Parliamentary agenda and I was wondering is there any good reason why income tax cannot be abolished and a value added tax imposed on luxury goods only, not food, or reasonably priced clothing or shoes. In this way the lower salary population would not be taxed at all. I feel that as every week goes by and you hear somebody in some occupation saying they only want to work so many days a week because of the tax burden. This goes even into the professional field, dentists and doctors and I think that it would get Australians working and create more jobs because as they would save they would have the money to buy the luxury goods, I mean also the high priced clothing. Naturally people who are used to buying that type of clothing, they are not going to buy cheaper clothing. I believe too there are quite a number of aged people with considerable sums of money in banks that they don't want any interest on because it takes away their pension benefit and this is money that perhaps could be used in cheap housing loans.

Question

What is your response to this Prime Minister?

Prime Minister

I think it is a very nice idea, but I just don't think the figures would work. The countries that do have a value added tax or a retail turnover tax, do put that tax on virtually everything that is sold in their countries because if they did not do that they would not be raising enough money to carry on

the business of government, supply schools, hospitals and roads and all the rest. The amount of money that you could get from luxury goods by taxing them is not all that great. The present sales tax rate on luxury items is already about 30%, but there are not enough of those goods sold to give the revenue that you would need and that is why in overseas countries which do have a value added tax, they basically put it on all goods that are sold, and not only on goods, they often put it on services. If you are out in restaurants, or going to a drycleaners or whatever, there is a tax on the services that are provided through those sort of activities. If you were going to lower income tax substantially, you would need to put an indirect tax across the broad range of goods and services and it would need to be quite a substantial one and it would add at least in the short term very significantly to inflation. To give you a rough order of figures, to take one cent off the standard rate of tax costs the revenue about \$700 million. About 1% on a retail turnover tax or a value added tax, might provide about \$6 or 700 million in revenue. That is a rough order of figures, but you are dealing in very, very large sums. So, you are going to have to replace a huge amount of revenue if you want to abolish income tax. I must say I would love to be able to do it, it would be a wonderful idea.

Caller

I understand that, but what about the aged people? Could you give them more confidence in their savings by not taxing them on their interest of their money, if they were to invest their money in a section of the bank that was to go to cheap housing loans. They would have that little confidence. I think mainly aged people when they get to the age of retiring they just want that little bit of security to know that their funds are not being eaten away. IF they could invest this money openly to help the housing burden and not be taxed on that income.

Prime Minister

This is one of the things that we did look at when we were introducing the revised housing package, but up to this point we decided that we should not pursue that path. We have indexed pensions and are doing that twice a year. We have introduced an income test only for pensions and did away with the asset test on capital to try and achieve the very thing that Mrs Webb is talking about, to try and give elderly people a degree of insurance in their older years. If you are going to enable older people to invest money and get the income off it and not have that count for pension purposes, there are some contradictions if you are not going to make the same allowance for people who might be able to earn a bit of money by doing a bit of part time work, maybe handicraft and selling it. So, you have got a question of equity then, between different groups of elderly people and it is not one that is necessarily easy to solve.

Question

We will move on to southern NSW to Wagga, where Mr Schaunberg(?) is waiting to speak with the Prime Minister.

Caller

I have done a few jobs in my life and I have been concerned about the unemployment of young people. I think we all are. Now it has been proved to me that if you have been idle for a time they have got some opportunities to learn some bad habits regarding future job personnel are concerned. Unfortunately even if they are only out of work for 12 months, you don't get your real good type of work person out of that person that is my general experience. It concerns me also that on the other end of the scale nearer to retirement age, you get people who would like to retire if they were only eligible for a pension. If we reduced our eligibility, instead of retiring at 65 but 60, that we can reduce the unemployment ratio and open up jobs for young people. I would like to have your thoughts on that please.

Prime Minister

The question of young people being able to find jobs is obviously a very serious one and it is a very important one. I think we need to bear in mind that a large number of young people go on to universities or colleges. A large number also find work for themselves in their last year of school but there is a group of young people in each age group who do find a very real degree of difficulty. What we have been doing here is to try and develop in co-operation with the state governments school to work transition programs, different kinds of education programs, vocational training programs which will give young Australians a better opportunity to gain useful employment. About 220,000 to 230,000 Australians go through these courses in the period of a year so that the programs are reaching out to a large number of people and they are costing quite a lot of money. One of the things that is involved here is having secondary schools better able to suit the needs and the talents of all the people who go to those schools. For so long people thought that going to a university was the answer to everything, education at secondary schools was orientated towards an academic career and helping people to get to university and the schools as a result were not paying enough to other young Australians who might not be all that good academically, but they had different talents of a different kind, but those talents were not being developed or encouraged at schools because the schools were not properly organised. Attention has been drawn to this by the Schools Commission and with the School to Work Transition Program and with an increasing awareness that schools have got to try and provide courses that suit the talents of all their students. Not just of the academically minded, I hope that we will get into a better position and provide better training for young Australians. It takes a

while unfortunately to get all the changes that we would like. But I believe a good deal of progress is being made. As people have left and have got a job and have lost that job there are training programs and special youth employment assistance programs designed to encourage and help young people gain useful employment. There are still areas of difficulty and still areas of hardship, so we review what we are doing to try and improve it as we gain experience. The idea of lowering the pension age is one that has been suggested on a number of occasions, but I don't really think it would provide any long term solution to the problems, and I don't think that it would necessarily assist young people by making places available to them that they would be able to take. The pension age for men is 65, if that were lowered, is that going to become the compulsory retiring age, or is it only going to be voluntarily. Probably I think the majority of people want to keep active and keep working because that is one of the things that helps to keep them young.

Question

Thank you Prime Minister, the next call is from Lake Cattai Mrs Kennedy.

Caller

If Britain declares war in the Falklands will Australia as part of the Commonwealth, automatically also be at war and if so what military force and strength have we got? And, will national service be recalled for the good and protection of our country?

Prime Minister

There was a good deal of static in that question so I will repeat what I heard of it and I could be told if it was accurate or not. I was asked if the British and the Argentinians go to war over the Falklands, does that affect Australia and then I think I was asked a question about national service. Were those the questions?

Caller

That is right Prime Minister.

Prime Minister

I hope very much that the dispute between Britain and the Falklands can be resolved without developing into a shooting war and I am sure we all do, but there has been unprovoked aggression against a very small number of people who have been under British protection, under British sovereignty for a very very long while. The European community and many others and Australia too, have roundly condemned what Argentina has done. The Commonwealth Secretary General, Mr Ramphal has branded the Argentinians' actions as unprovoked aggression and

asked all Commonwealth countries to do what they can to assist. Now we introduced some economic measures at the request of the British, but there would be no question of Australia going to war over this particular issue, and we are not bound by decisions of the United Kingdom. We make our own decisions completely. They understand that and that has been the case for a very long while, but I am sure that the United Kingdom would not be expecting Australia to join them in battle in this particular conflict if it develops that way. Whatever support we can provide them morally and through some trade sanctions and financial sanctions and these things have already been announced, of course we will do so. But it is not the kind of circumstances in which I would expect to see Australians involved directly.

Question

We have news in brief in just a little under 1 minute from now, so at this point there is not a great deal of point in taking another phone call, but I do hope that those listeners who are still trying to get through to us will continue to do so. The Prime Minister has agreed to be with us until 10.45. (Break for news)

Tweed Heads on the north coast of New South Wales, Mrs Dylan.

Caller

I would just like to ask you your reaction to the West German proposal for their unemployment benefits. I presume you are aware of it. What are the chances of the Senate accepting such a Bill in this country.

Prime Minister

Are you talking about the proposal whereby they get paid a high percentage of their previous wage, but the longer they are unemployed the less they get paid.

Caller

No, not that one. They have four months in which to obtain a similar position that they previously held and after that time they must accept the direction of their CES or the equivalent, if not forfeit their rights to unemployment.

Prime Minister

the same  
In a sense we try to get at the problem in a different way, because there is a work test. If somebody has become unemployed obviously they would try to get a similar job, but then if that is not available, under the work test that person must be prepared to accept other work for which he is reasonably suited. If there is work of that sort that is available to him, and is not prepared to take that job, then in those circumstances the person would also forfeit unemployment benefits.



Caller

Is that enforced in this country, So often, employers say they can't obtain staff, and there is a shortage of staff in various industries and we have this mounting unemployment problem.

Prime Minister

There is a very real problem in administering the work test, in many cases it is probably not applied as it is meant to be. There have been difficulties in this, because I have experienced this, many people have spoken to me about, just as you have. When there is a lot of unemployment around and people want to be able to employ somebody but find that they cannot get anyone to do the work, then it is frustrating and annoying and it does hold the country back.

Question

Western Division of New South Wales, Mr Mitchell from Bourke.

Caller

As Chairman of the National Water Resources Association the question I wish to raise with you is the diversion of surplus waters from coastal rivers into the Darling-Murray River systems. As you know such diversions have been talked about for a long time, but now studies carried on with Federal and State Government funds have certainly proven their feasibility. The huge amounts of water that can be distributed would do such a lot for Southern Queensland, Western New South Wales and Northern Victoria and South Australia. Now the question I wish to ask you sir, how do you see the Federal Government's role in the future development of such massive construction projects and their impact on the areas of work opportunities for young Australians and the resulting lift of the morale and future development of all Australia.

Prime Minister

The Federal Government does have a natural water resources program in which we provide funds to the states. Generally, the projects that are selected are ones which the states themselves regard as the highest priority matters. That is an ongoing program which we pursue. The Minister for National Development has recently commissioned a study of Australia's water resource needs up to and beyond the year 2000. I would be disappointed if the kinds of matters which you have mentioned are not embraced and examined in that particular study. Australia is a dry continent and the conservation of water has always been a matter which Australians regard as of very real importance and there have been some great Australian conservation programs undertaken. The management of the River Murray in the River Murray system with four Governments, the Commonwealth, Victoria, New South Wales and South Australia. That has been a landmark in water use in this country. The development of the Snowy Mountain Scheme was another. I certainly do not rule out proposals in this area in the

years ahead, but I would like to get the results of the study which Senator Carrick has commissioned and which is now proceeding.

Question

Moving to Queensland and Goondiwindi, Mrs McLyremount.

Caller

I would like to talk about the price of farm fuel. Do you realise that farmers use as much fuel to produce a failed crop as they do to produce profitable ones. Do you think there is any possible way we could have the price reduced for farm fuel?

Prime Minister

Farm fuel is already free of the normal excise and we sought to help in that way. We also have the fuel freight equalisation program which is costing \$120 million this year. This equalises to within very narrow margins the freight cost of getting fuel out to country and the remote parts of Australia. The other thing that helps of course, I know that farmers are using better and more efficient equipment than they have in the past, but for reasons that we all know, the price of fuel is a very substantial cost today. We have tried to help in the ways that I have mentioned. Farm fuel does not pay excise and the fuel equalisation program is also designed to keep down the cost to people in country areas.

Question

Thank you for your call. Now to the north coast of New South Wales, Mr Simson in Caranbah.

Caller

I'm calling about the home savings grant and I would like a policy change. In 1979 I purchased my home in the Entrance in New South Wales, Mr Cohen was our local Member and the value of the house was \$42,000. Now it was just after the price escalation of the 1978-79 period. We were not eligible for the home savings grant because our house, or the price of our house was outside the limit of \$40,000 for home savings grants when we had been saving for quite a few years. So I was hoping it would help pay solicitors . . .

Prime Minister

Are you aware of the policy changes that we have introduced over the last week or so?

Caller

Not over the last week.

Prime Minister

About a month ago.

Caller

Yes, I don't think that is backdated from the period . . .

Prime Minister

Well it could not be backdated. I suppose one of the unfortunate things is that there is always a cut off time and a start time for new policies. But because we realised there were problems with the home savings grant and it was also being paid too late about nine months after the person has probably moved into the home, that is why we altered the basis of it. The new proposals are helpful and much more constructive in assisting people into their homes. I am afraid there is nothing I can do about your case, I am sorry that you have missed out.

Question

Now, to Mt Isa, Mr Simons.

Caller

I am a pay as you earn tax payer, and that means that I pay tax on my income as I get it. Then I claim back any rebate at the end of the financial year. Now I realise that tax is a necessary evil and I don't object to paying tax because it does help support the Government etc. But what I do object to are these people who are evading and avoiding tax. Now isn't there some way that the Government can get the money out of them first, and then they can claim all their tax deductions and so on afterwards, the same way that I do. Once they have got the money then the Government can hand it back again like they do to everybody else, instead of not getting the money off them in the first place.

Prime Minister

One of the problems with tax avoidance is that if the Government knew that people had earned the money it would go into their assessments. But as I understand it, the more sophisticated tax evasion schemes are designed to hide the fact that people have had an income. I agree totally with your sentiments about it, but I would like to make the point that over the last three or four years we have legislated time and time again to stop tax evasion and whenever we get advice of a particular scheme that is unreasonable, we legislate. In addition to that, a new broad based section has been introduced into the Tax Act which is designed to give the Taxation Commissioners much more power in preventing tax avoidance. The Government's campaign against tax avoidance will certainly continue and we have legislated on many occasions and if it necessary we will continue to do so. I think the people who participate in these sorts of schemes are just as anti-social, if not even more, than the predatory union activities which do so much damage through industrial

disruption. They both do just as much damage to the fabric of Australian society. I am with you totally with your sentiments, but the only way we can really fix the problem is to legislate to put outside the law the activities that make it possible.

Question

To southern Queensland, Mrs Bella from Cabarlah.

Caller

A couple of questions on unemployment. The reason given for a lot of unemployment is married women working. The thing is that now with paying off a mortgage, a car and bringing up a family, it is just a necessity now for a woman to work when her husband is on the wage that my husband's on, which is nothing like the average wage of \$300.00. Also I was thinking that you could make a tax rebate for the woman who wishes to stay at home rather than be in the workforce.

Prime Minister

many  
I know quite well that many married women do work because they believe it is necessary for them to contribute to their family living standard. This is a fact of life and whatever views a person might individually have about two income families, or single income families, this is a choice that individuals or families have to make for themselves. I agree with you though that the idea of a tax rebate to encourage mothers to stay at home is good, and there is in fact a spouse rebate, which we more than doubled over the last few years, and it is quite a generous rebate which goes to single income families to make it easier for a mother to stay at home if that is what she wants to do and feels she is able to do. When we are looking at changes in tax laws, we obviously look at the position of single income families and the allowances that have been made available in that area has increased much more than other allowances for the very reason that you have mentioned.

Prime Minister: (cont.)

...enough money but I would love you to have a better pair of headphones the next time around.

Question:

Perish the thought sir. Look to give our technicians a chance to perhaps have a look at those headphones, for a couple of moments, we have a report in from Antarctica, so we will delay the calls for the next two minutes.

Prime Minister:

Fine.

Question:

The eyes of the world are focussed on the Falkland Islands and the attempts at shuttle diplomacy Secretary of State Alexander Haig. Meanwhile, reports in the United States suggest the Argentinian invasion of the Falkland Islands may simply be a staging post to either richer pickings in Antarctica later on. (Report). Prime Minister, I believe you are hearing a little more easily now?

Prime Minister:

I can hear beautifully now, thank you very much.

Question:

That is marvellous. We will resume our calls. Speaking with Mr John from Barellan in the Riverina district of New South Wales.

Caller:

Good morning Mr Fraser. Can you hear me quite alright?

Prime Minister:

Yes, I can hear you well, thank you.

Caller :

Mr Fraser, I believe that a nation is only as strong as its family unit, and that the family unit is only as strong as that which it might believe. And the question I would like to ask you as you and your family are probably the leading family in the nation, and I hope you don't consider it embarrassing or impertinent, but I would like to know sir if you are a Christian?

Prime Minister:

Yes. I agree with you. I think a nation is as strong as the family is, and I think it is the most important - it is a cold word, but the most important unit in society. I really do. The basis of so much that we do and so much that we believe in is in fact based on the family.

Question:

Thank you very much for your call, Mr John. Now to Tamworth in northern New South Wales. Mr Bourke, you are now through to Mr Fraser.

Caller:

Good morning, Mr Fraser.

Prime Minister:

Good morning.

Caller:

Mr Fraser, could you expand to me in broad - why governments spend so much money on tertiary education, educating our young people to do jobs which obviously are not available to the majority of them, and why our government doesn't spend more of this money in creating jobs?

Prime Minister:

A large part of tertiary education is of course very necessary and I do believe that there ought to be access to higher education for as many Australians as possible, but over the last 15 or 20 years, I agree with you, I think people had come to believe that tertiary education was going to provide the answers to everyone's futures, and that certainly isn't so. There are a lot of Australians, either by inclination or by talent, don't want or aren't suited to university type education, but might have a very great talent for vocational training of different kinds or technical training, and in the last half dozen years, we have increased the sums available for technical and vocational training enormously. We have also increased the sums for training programmes and something over 200,000, 220,000 to 230,000 Australians, and many of them young Australians get assisted through these various technical vocational training programmes each year. And at the same time of course, the money that has been spent on university education has been held fairly tightly in real terms. So the problem that you have drawn attention to, I think, the Government has recognised, and I also believe that we have taken substantial actions along the lines that we have approved because we are diverting resources into technical and further education which gives people a practical training and that of course is essential if they are to get jobs in today's world.

Question:

Thank you very much indeed for your call, Mr Bourke from Tamworth. Now, moving to southern New South Wales and Cooma. Mrs Tozer, do you have a question for the Prime Minister?

Caller:

Yes. Good morning Prime Minister. I am ringing you on the subject of the annual seal hunt in Canada, and I would like to know what stand the Australian Government takes on this disgusting hunt, and if you are planning any legislation banning seal products from this country.

Prime Minister:

I have seen some of the pictures of the seal hunts on television and I agree with the kind of terms that you have used. We have made our views known to Canada. They of course make decisions in relation to this, and it is in a sense, unlike the problems of whaling where there was an international organisation and where we were able to ban Australian whaling and have been able to argue in an international forum to end that trade. The seal hunt is in the province of one country and for the decisions of one country. I am told that there are virtually no products that come into Australia made out of seals, but nevertheless, we are looking at the question as to whether or not we shouldn't even so, ban any products made out of seals or seal fur. I think the ban would be more symbolic than real simply because on the advice available to me, there are virtually no products that come into the country anyway.

Question:

Mrs Tozer, thank you for your call. Still in southern New South Wales, Mrs Duel in Albury, you are now through to the Prime Minister.

Caller:

Good morning Mr Prime Minister.

Prime Minister:

Good morning.

Caller:

For a long time I have been rather concerned about the standard of Australian speech. And it is not getting better, it is getting rather worse, actually.

Prime Minister:

About the what of Australian speech?

Caller:

The standard of Australian speech. Can you hear me very well.

Prime Minister:

Yes.

Caller:

Now, is there something we can do about this by introducing it into the schools particularly and having teachers forced to learn speech during their programmes, instead of just 40 minutes that they are doing now, or having specialist teachers go into the schools every week, and also including it as a subject as music is, in the AMEB curriculum, as an accepted Higher School Certificate subject.

Prime Minister:

This of course would be a matter for the schools and the curriculum for most of the schools is a matter for State Governments. I am not saying that to duckshove the issue, I am just stating the fact. I would agree with you that the capacity to express your views and to do it reasonably well is very important and I think this is one of the things that has been neglected in Australian education. But I also believe that over the last two or three years there has been some very hard questioning of the basis of education in Australian schools. People are - and I mentioned this earlier this morning - are now realising that schools have a much greater responsibility than to teach an academic training to those who are academically inclined. I think secondary schools have an absolute obligation to find something that every student not only can but wants to do well, and if the school can't succeed in that, then they are very much failing the student. Ending up, when people leave school, being able to speak well, with a good standard of speech, I also think is a very important obligation on the whole school system. Now, how that is done is open to the schools themselves, but in a number of States, local parents bodies are having a greater and greater impact on the curriculum that is taught in schools and whether that occurs in your own district or not I wouldn't know, but if it does, it is one avenue of being able to influence what is taught in the schools.

Question:

Mrs Duel in Albury, thank you very much indeed for your call. Prime Minister, we are certainly getting a variety of matters being raised.

Prime Minister:

Yes, we are. I think that is good.

Question:

Fine. Well we will find out now, moving to Mt Isa, what Mrs Florence, would like to speak with you about.

Caller:

Good morning Prime Minister.

Prime Minister:

Good morning, Mrs Florence.

Caller:

I would like to know if the ABC could have licences brought back, and thereby give country people a better variety of programmes and the city ones able to compete with the independent television.



Prime Minister:

Are you saying you want everyone to have to pay for a licence so the ABC would have more money, is that it?

Caller:

Yes. I have no objections.

Prime Minister:

Well there was some thought of that years ago and there was a great deal of objection. The ABC is encouraged to compete. You may not know that some years ago we made a decision that would enable the ABC to keep the benefits, the profits of programmes that they might sell to encourage the creative talent within the ABC. I don't know to what extent they have taken advantage of that, and we have also of course recently had a report on the structure of the ABC and that has become known as the Dix Report, and the Government will very shortly be able to make its decisions in relation to that. If you are after a vigorous, vital interesting ABC, I would agree with you totally. It is a great challenge. I think it is sometimes met, and sometimes not met, but I hope that with the changes that will come as a result of the Dix enquiry and report that the ABC will in part be revitalised. I don't think it is only a question of money. I think it is also a question of structure and attitudes, and there are many dedicated people in the ABC, but sometimes I think they could be given more encouragement.

Question:

Mrs Florence, thank you very much for your call.  
From Cobar in north western New South Wales, Mr Arnold.  
What do you have to say to the Prime Minister?

Caller:

Good morning Prime Minister.

Prime Minister:

Good morning Mr Arnold.

Caller:

Hello, you have faded out now.

Prime Minister:

Well I just said good morning. Yes, I am listening. I can hear you.

Caller:

Well I think you are very brave to come on a programme like this where you get a broad spectrum of questions thrown at you, and I have got a fairly broad spectrum of questions here myself. I was in the Liberal Party for six years. I am not especially proud of that, but even then it was relatively difficult to get near a Prime Minister, so I think this sort of a radio programme serves a very real purpose.

Prime Minister:

I would agree with you on that. It does enable you to have a direct contact with quite a large number of people and it enables me to know what is upper most in their minds, what is concerning them most.

Caller:

I have some suggestions in that regard, but anyway, to get straight on with what I wanted to ask you about, there are three main questions and then a comment. Concerning our defence which, in my estimation at least, is in a fairly deplorable state. I understand we are to have 25 Leopard tanks in the long term when we eventually get them all and I suppose it is worth commenting in passing that when Russia started its war with Germany, in the Second World War, they were ill prepared for war, but in those first three months of that war, they lost 2,000 tanks. So, our 25 Leopards when they are eventually here and they are all stationed in Melbourne, I don't think they will do us a whole lot of good. And my suggestion in this regard is that the large Massey Ferguson tractor plant at Sunshine in Victoria where it had just had the drawings changed in the drawing office, it then becomes a tank plant. I don't know if you are aware of that engineering fact. And then to move on to .....

Question:

Could the Prime Minister answer that first of all, Mr Arnold. We are running out of time, and we still have several calls.

Prime Minister:

I think we have got a few more than 25 Leopard tanks, but the main basis of Australian defence is to have a thoroughly balanced force, and we need a modern, efficient hard hitting airforce, navy and the army of course, needs to keep up its skills with modern weaponry. We are in the middle of a re-equipment programme which is costing many billions of dollars which is going to see the introduction of one of the world's best aircraft into our own airforce, which is seeing the upgrading of the skills at sea and the capacities at sea in maritime reconnaissance, and in addition to that, of course, the army reserve or the CMF as it used to be called has been very greatly expanded over the last couple of years. The target levels were reached on time. So, I think overall we have got a better sense of defence preparedness than maybe we have ever had in peace time. I know you can make comments about one particular aspect of weaponry and tanks but you have got to make a judgment about the state of the art that needs to be kept alive in the defence forces but also you have got to make a judgment about the kind of conflicts that Australia could be involved in, and the kind of weapons therefore, that we need in our forces for the protection of Australia to enable us to contribute in any conflict where Australia might be involved. Overall, I believe we have a balanced force that is capable of operating by itself or with allies.

Question:

Thank you for raising that question on defence, Mr Arnold of Cobar. Now, to far north Queensland and Cairns. Mr Cabrer you are now through to the Prime Minister.

Caller:

Good morning Mr Fraser.

Prime Minister:

Good morning Mr Cabrer.

Caller:

Mr Fraser, a commodity that Australia is importing increasing amounts of is timber, along with the, I suppose, the rest of the world. I have in front of me a statement which says since 1950, the world has lost half of its trees, and that in about 20 years, half of the remainder will be gone. Now, apropos of that, there is a determined result being made in north Queensland on the last remnants of land forests probably in a desperate attempt to sustain the industry. But it seems to me that this is just very shortsighted policy. There is probably far more money to be made in tourism in keeping those remnants in perpetuity because in 20 to 50 years there won't be any accessible land forests left in the world. My question is, can your government do anything about the institution of large scale forestation and reforestation on a nationwide scale and secondly, protect these remaining remnants both in north Queensland and I believe there were some in New South Wales.

Prime Minister:

Well I would have no quarrel with the objectives you have got at all. Presevation of Queensland rain forests is very, very important, and I would be very disappointed if the Queensland government were not to take actions that would enable those rain forests to be preserved. Having adequate supplies of timber for the future is also very important and most State Governments now have rules so that if people are milling for timber and clearing timber they also have enter into replating programmes to make sure the future is looked after. And indeed, the reputable timber companies I think do look to the future. It is not just a question of cutting out a forest and leaving it, moving on somewhere else. The reputable firms are on a long term basis and they know they need stocks of timber not just for this year or five years time but 20, 25, 30 years time, and that won't occur if they don't undertake adequate plantings. In some areas in the last few years there has been an interesting innovation because there have been large scale replantings of native Australian timber of eucalypts where in the past the replantings were certainly restricted to pines or timber of that kind. I would have thought that under the rules that State Governments have established, that the sorts of things that you are concerned about are basically being looked after, certainly in a number of States they are.

Question:

Now we go to Alice Springs in the Northern Territory.  
Mrs Cassells, you are now through to Mr Fraser.

Caller:

Thank you. Good morning.

Prime Minister:

Good morning Mrs Cassells.

Caller:

One is a plea Mr Fraser to please try to keep Australia intact for the coming generation. I know it is very difficult when you have got State Governments to deal with, but the Tasmanian situation is one instance. I won't go into that, you probably know more about it than I do. The other - my main question is, could some investigation be done into superannuation. Why isn't it transferable, from Commonwealth to States, States to Commonwealth and private industry.

Prime Minister:

Some superannuation schemes are transferable. There have been examinations about the portability of superannuation pensions in the past, and some progress has been made, but not complete. Have you got a particular circumstance or a particular case in mind?

Caller:

Yes I have, my husband. I guess I cannot take up too much of your time.

Prime Minister:

If you like, what you could do is to give your details to the ABC over the telephone rather than over the airwaves and I could look into that for you.

Question:

Mrs Cassells, we will take your call back to the switchboard.

And we have another call from the Northern Territory.  
This time, Darwin. Mr Mason, you are now through to the Prime Minister

Caller:

Good morning Prime Minister.

Prime Minister:

Good morning to you.

Caller:

Can you hear me?

Prime Minister:

Yes very well.

Caller:

You are very faint, but I can just about hear you. Mr Prime Minister, we liken Darwin and the Northern Territory to be very, very similar ..inaudible.. to the Falkland Islands with the lack of defence up here in the territory. We have very , very little at the moment. Eventually it is going to have a fighter squadron. We do have ..inaudible... the CMF as it used to be called, well they are very, very good but they are very, very small. Now, we could be in exactly the same position as the Falkland Islands.

Prime Minister:

Well I don't think so because....

Caller:

...or not, we people in the territory do think so.

Prime Minister:

Well, if I could make a comment or two about that. The Falkland Islands are a very, very long way, about 8,000 or 9,000 miles from the United Kingdom. They are remote from the main centres of British power and influence and they are obviously close to other countries where the lines of communication are very short. Now, the Northern Territory is all part of one island continent, and the Australian defence effort is based to make sure that we secure the protection of Australia against any possible threats and it is not just a question of the defence force that might be in the Northern Territory, it is our capacity to move defence forces anywhere within Australia or beyond if that is necessary in Australia's interests. And if there was a threat to Darwin or to the Northern Territory, obviously the totality of Australia's defence effort, wherever people are headquartered or wherever they have their barracks, would be available for the defence of each and every part of Australia, whether it is Darwin or Sydney or Broom or whatever. I can understand that there can be a feeling of isolation but really in military terms, the situations are not the same, they really aren't.

Question:

Prime Minister we have about three minutes left in the programme, so I will try and get one more call in, if you agree. And from Coffs Harbour on the north coast, Mrs Grime. We are very short of time, Mrs Grime, could you please make your question very brief.

Caller:

Good morning Mr Fraser.

Prime Minister:

Good morning Mrs Grime.

Caller:

My question is regarding the TEAS. Is there any possibility of the TEAS levels being raised for students in the next budget or raising the amount that they can earn before they can lose some of their TEAS. I am the mother of a country student that cannot live at home, and I would like to see - these young people are our future as well as the tertiary education people - and if feel that young people on the dole get more money but they will repay it when they do get work in the workforce.

Prime Minister:

All I can say is that the TEAS matters, whether it is the allowance or the capacity to earn outside income will be looked at in the next budget. We have made adjustments from time to time and the TEAS does come up for review in each budget discussion, so it will be before us.

Question:

Thank you very much, Mrs Grime, and thank you also Prime Minister for sparing the time from your very busy schedule to take part in this talk back programme in Morning Extra today. I am sure so many people have appreciated being able to speak with you.

Prime Minister:

Well thank you very much and I have enjoyed speaking with you on the programme and enjoyed listening to the questions and responding to those questions. So thank you.

Question:

As you would understand, there have been so many people who have not been able to get through to us today, so I am wondering if perhaps in the future when time permits, would you join us again?

Prime Minister:

Yes, certainly. I will take out a monopoly on the ABC if you like, then I can answer all the questions.

Question:

And perhaps get some nice earphones?

Prime Minister:

Well they are working much better now. I think some else was wrong but the earphones seem to be alright.

Question:

Well I am delighted to hear that. But thank you again for your time.