



PRIME MINISTER

TRANSCRIPT - 'PRESSURE POINT' - 26 APRIL 1984

E & O E - PROOF ONLY

EVANS: Prime Minister, it's not a gala occasion, it's not a glittering one, it's the ABC, but I'm glad you could make it to the first night of this new series of the Pressure Point program.

P.M.: It's a pleasure Huw.

EVANS: Can I ask you if you're going to spell out the pattern of bias that you've expressed about the ABC in recent times.

P.M.: I'm not going to do anything publicly about it Huw. I believe that perhaps the management and the board of the ABC may like to speak to me. If they do I'm more than happy to speak with them. I'm certainly not in the business of applying any public pressure.

EVANS: Ken Myer said that he's not prepared to talk to you about a general allegation of bias. Would you be prepared to spell out the details to him in the formal way I suppose in which ...

P.M.: If he'd like me to, yes. That's easily done.

EVANS: Do you want him to take the initiative and ask you to?

P.M.: I think there's been some initiative already taken but I don't think that the interests of the ABC or anyone else are assisted by a public canvassing any further of the issue.

EVANS: But presumably you're concerned that the issue isn't taken to the point where you're accused of trying to intimidate the ABC.

P.M.: Oh absolutely. Because I have historically been a friend of the ABC, of the institution, of the concept. I remain so. I've said that doesn't mean that it should be immune from criticism. I've referred to it. I don't want to pursue it publicly. I think it could be of assistance if they'd like to hear my views I've got in detail and the spelling out what I see as examples of what I've been talking about.

EVANS: Your Government brought in the legislation and appointed a Board. I've heard a senior Minister express doubts about that Board. Do you have any doubts?

P.M.: I'm not going to pursue that issue publicly ...

EVANS:

You've set out to bring about a process of reconciliation when you won Government just over a year ago.

P.M.: Yes.

EVANS: Has that been accomplished do you think?

P.M.: To a large extent Australia is a much more cohesive and reconciled community in April 1984 to the country that we came to govern in March 1983.

EVANS: Do you think you've got more than just good will there? Do you think people are prepared to make sacrifices in the long term interests of where you want to take us?

P.M.: The first thing is that they are prepared to talk and communicate and co-operate with one another. And out of that process will come, and has come to some extent, the sort of concessional approach that you refer to in your question. What I was trying to say to Australia in February/March of last year was that our capacity to develop had been seriously diminished by the dissipation of energy and resources in confrontation which unfortunately had been nurtured by the previous Government. And that I was trying to make it clear to business and to the trade union movement that they each had legitimate aspirations - for business to increase profitability and for the trade union movement to protect and through time improve the standards of the people they represented. And what they had to understand was that these are not mutually conflicting aspirations, that indeed aspirations which were more likely to be achieved if there was a greater degree of co-operation.

EVANS: Do you believe people really are aware though where you are taking us to. I mean in a sense you have calmed the fires, if you like, but do you think that they really understand where it is that Hawke and the Labor Government are taking us to.

P.M.: No, I don't think the community yet has a detailed vision of the future and nor are they to be blamed for that. Because these things, if they're going to work don't involve a snap of the fingers and say hey Australia, here we go, that's the path, there's the picture. Life isn't like that. Not if you're

serious. But what they do understand is that we are trying to get together a coherent policy in which what you do in the general field of macro-economics, what you're going to be doing in the education field, what you're going to be doing in the international relations field are all melded together to try and ensure that we get the highest possible rates of growth and do it in a way which enmesh this country into our region and that is necessary for the facts of geography and geo-politics. Now I think that we can say one very specific thing that we have achieved in that part. You will recall that before we came to office the basic debate in this whole area that we're talking about is the extraordinarily sterile and ultimately useless debate about protection - whether we're going to have more protection or less protection. Now we jumped that hurdle. As a result I think basically of that recent visit to Asia there's been an acceptance of what I've been saying that Australian industry must restructure and through time that's going to involve a gradual lowering of protection and the discussion now in our country is how we go about that restructuring.

EVANS: Has it really been accepted as widely as you suggest it has - I mean there's quite a lot of resistance from people in the heavy manufacturing sector who fear that their jobs would be at risk.

P.M.: No - you're in the media - you've got to make the distinction between a person getting a headline because he makes a reactive shout and the considered opinion of the wider constituency of which he's part. Now true it is that a couple of trade union people did give a knee-jerk reaction. But the fact is that the ACTU at the Economic Planning Advisory Council meeting after my return said there in that body we've studied what the Prime Minister has said, we support him.

EVANS: You said you don't really approve of the Party's gee whizz approach to where we're going.

P.M.: I don't.

EVANS: But in the case of manufacturing industry, for example, I think people would like to see some kind of a picture of what Australia's going to be like in five or ten years hence. What sorts of industries are we going to be doing without? Where will people be working? What will they be doing?

P.M.: Let me give you the background statistic so that we can get the right context. In 1966 26% of employment was in manufacturing. Now in February of this year that's down to just under 18%, so there's been a massive restructuring and change in Australian industry that's taken place. And unless we understand that the discussion is pointless. It starts from the basis that everything has remained unchanged but suddenly we're going to do something different. The point of my Government's approach is

P.M. cont.: this - that that change that's taken place has been unstructured, un-thought through, unplanned, it hasn't involved trying to make sure that we do the things most that we can do best and most efficiently. Now what we are about is perhaps best illustrated here by what we've done in the steel industry. When we came to office the threat was that the steel industry was going to disappear from this country. Now that was an unacceptable stupidity as far as I was concerned and I said it wouldn't happen. We would involve the government in the restructuring approach. Now what we did was to sit down with BHP and the unions and ourselves and we got a commitment from each to make sure that the industry became more efficient. That involved the industry undertaking a commitment to invest \$800 million over a period of four years. It involved the unions undertaking to change their work practices to increase productivity and on our part it meant assistance via bounties to reduce the adverse downstream cost effect. Now in the result the Australian steel industry has not only survived, but it's become more profitable and more efficient. I've just recently been in Newcastle - and it was a matter of enormous satisfaction to me to go out to the steel mill and have the workers and management just saying to me, the thing is working now, it's more efficient, it's better for all of us.

bounties

EVANS: But can we afford/for all sorts of industries if they're going to run into that kind of problem. There are going to be quite a few.

P.M.: Not necessarily. But let me give you the next example of what we're working on.- the vexed motor vehicle industry. Before this year is out, well before it's out, we will have in place a new plan for the post-84 period. And that will involve the emergence of an industry which through time will become more efficient, more competitive and one which will over all contribute more to the Australian economy. And we will do that in the same way essentially - through talking with the companies and the unions, and John Button, my Minister for Industry and Commerce, is just going overseas to Japan in particular to talk to the companies over there.

EVANS: Will it involve those same elements of requiring the industry to invest and to increase its efficiency and unions to make sacrifices.

P.M.: I don't like the word sacrifices because if you talk to the workers up in the steel mill they won't talk about it now in terms of sacrifices.

EVANS: They're still in work.

P.M.: They have got jobs and they are happier. I was talking to one and he said look, my job is to be in charge of the actual industrial relations situation in these sections. He said we used to be having a stoppage a month. He said now we've had twelve months - no stoppage.

EVANS: We have been inefficient in large measure. What chance do we have of moving in as you've suggested and enmeshing ourselves in Asia in that particular field where there's so much competition?

P.M.: We have very good chances because we have demonstrated - one doesn't have to be hypothetical about this - Australian manufacturing industry has shown its capacity to compete in the toughest markets in the world against the toughest competition because as Australians we mustn't get this idea that we have some inferior capacities. Our pure research will match up to just about any in the world. Where our problem in the past has been to a large extent is in applying that research into industry and making sure that we've got the infrastructure to take advantage. But we've shown that we can do that.

EVANS: We've talked about restructuring industry. It's going to be a slow process, it's going to be a gradual process. But what are the other changes in our society. I mean for example we've got to meet our daily bills, we've got to provide our welfare and so on. The Australian community has invested in you, and very obviously they have, a great deal of good will. Are there sacrifices that they now need to make in order to tide us through this time of change, till we reach some kind of economic equilibrium?

P.M.: To some extent. And that's happening. It's always been the attitude, for instance, of the trade union movement that we've been fashioned in this great period of post-war years that they could look each year to significant real increases in standards. Now they understand I think that what we've really got to do as Australians now is not to be in the immediate term looking for significant increases in our standards. It's a legitimate aim to try and maintain what we've got and that's what the operation of the accord is about now. And I think that their commitment to that accord, of not trying to use their muscle in areas of emerging prosperity involves a sacrifice and I welcome it as I welcome the great co-operation of the business community. In other words economics really and economic development is about your time scale. You have got to understand that if you are really going to have a substantial basis upon which to get improved standards you've got to lay the economic framework for doing it over the longer period and that may mean postponing your immediate satisfactions. Now, I think that essentially that is what Australia is about at the present.

EVANS: Do you believe there's a need at this time to restate the aims of the Summit, perhaps even focussing the public mind with a similar kind of approach.

P.M.: We're not having another Summit, but I think we may give some public expression to what the accord has been about and what it's achieved. There's been suggestions from both sides of industry that we should do that because it's worked so well for them both. And if I can just complete the point that I was making about your general question about are we now involved in getting a new relationship - the answer is yes, because you're having industry and the unions and governments meeting together and working together now in a way they've never done before. And they are getting the habit of co-operation and the attitude of co-operation and that's essential.

EVANS: Do you think business has responded in the way you wanted it to in terms of investment or is that yet to be tested?

P.M.: Yes, it is the case in economic recovery and the economic cycle that private business investment tends to come in the latter stages of that recovery. What we've done is create the ideal environment for further investment. That is by bringing down interest rates and gradually we'll be withdrawing proportionately from the capital markets and our demands upon them. With interest rates down, inflation down, unit labour costs now have come down to a point where they are getting - by the end of this year unit labour costs will be down to what they were at the base period of 1966-72. And so when you take all those things into account the environment's there and I believe private investment will start to provide that surge for further growth.

EVANS: To what extent do you agree with the proposition that it was in fact the previous government's wage pause rather than your wage accord which provided much of the impetus that has resulted in the good figures of the country's ...

P.M.: Well if you're going to talk about their wage pause what you've got to remember is that it was their criminally irresponsible wages policy in the period '80, '81, '82 which led to an unsustainable wages explosion which brought about the severest recession in this country since the Great Depression. And to talk about the pause that they then imposed on that situation, as though that was the stroke of economic genius does less than justice to the pattern of their economic approach. Now we realised that what you've got to do in government is to build a wages policy not just for a recession, in a sense you didn't need the wages pause because the recession would have virtually done it anyway. What's necessary for the future of this country is to have a wages policy for recovery and growth. And that's what we've done. We've got the habit of commitment of the trade union movement to a centralised system which is going to ^{prevent a} wages explosion because as we now come into this high growth period which we are in, that if you didn't have such a policy of restraint would mean that you'd get back to what you in 80/81/82 which would have wages going through the roof, which would guarantee the end of expansion.

EVANS: But this high growth rate isn't going to continue next year is it.

P.M.: Of course and we've said quite clearly you can't expect to continue 10% through the year growth, the highest in the world.

EVANS: What are we expecting for the next year or two in the growth ..

P.M.: Well it will be a low rate of growth, but it will be a significant growth rate which what we aim to have is high enough gradually to make a dent in unemployment because you get your growth in the workforce and so you've got to have a high enough growth rate to cover productivity and the growth in the workforce. So you need growth of the order of 4 to 5 per cent to start to make that dent. And I'll believe we'll achieve that.

EVANS: What's going to happen at the Conference later on this year. Have you got it all tied up so you're not going to have any problems. Are they going to tear themselves apart or are they going to agree sweetly?

P.M.: There will never be, I hope, a Labor Party conference where there are no problems. We'd all die of heart attacks and shock. But what there will be I think is a conference where the overwhelming majority of delegates will be committed to acquiring good sense, to recognising the very significant achievements of this government in office and to try and far as possible to get agreed positions. Now that doesn't mean that there won't be

some argument about issues. For instance, on uranium I believe that the Government's position will be sustained but those who don't agree entirely with that will certainly be putting another position. But the great thing about the end of last year and into this year within the Party has been that this debate is now at a much more rational level than it's ever been before.

EVANS: You say it will be sustained but do you believe that the policy will be altered sufficiently to allow greater flexibility on mining and export of uranium.

P.M.: Well the position that the Government has adopted will allow the development of Roxby.

EVANS: I mean going beyond that

P.M.: Well, yes I think that the conference is really going to be looking at this issue of uranium in the broader sense. I think this has been reflected what's been happening in the community in recent months. You will notice that even in the great rallies that occurred just in the last weekend or so that the focus was more on disarmament than on uranium as such. And that's right because this Government has done more in its year of office positively in the area of disarmament than any other Government's done before and it's always been an issue of fundamental importance to me and it is to my Ministers. So that we will be concentrating on the need to prevent the proliferation of nuclear weapons horizontally.

EVANS: ARE you going to get a nuclear weapons free zone in this area.

P.M.: Well we've advocated it strongly. Last year at the South Pacific Forum we got the support of basically the countries of the area. I put it directly to the President of the United States and his administration there that we intend to press for it and they understand that. We will press for that in all relevant forums. It's not something again which you achieve overnight.

EVANS: What's a reasonable time frame? You sound hopeful.

P.M.: Well I don't believe in giving people false expectations. All I can say is that we will raise it again at the Forum in August of this year and I don't know how long it will take. But in all forums, in the United Nations, in other international meetings we will be doing what I've done during this year - at the CHOGM conference in Dehli I took a leading role in pressing the importance of the non-proliferation of nuclear weapons. I had a pretty hefty go in with Mrs Gandhi on this issue and they don't believe in the non-proliferation treaties. I do and we do and we're going to continue to press for that.

EVANS: What do you think of being called by Helen Caldicott the most dangerous Prime Minister Australia's ever had.

P.M.: I'm not going to engage in a public airing of my views about Dr Caldicott. If she wants to do that that's her business.

EVANS: Do you expect a debate at that level at the Conference at all.

P.M.: It will be, with all due respect to Dr. Caldicott, it will be a more rational and sensible discussion than she's enabled the Australian community to have.

EVANS: The draft platform on the economy that's come from Mr Keating for the Conference does seem to point to a number of things - it points to restraint, it points to expectations being geared over time, but it also points I think to the possibility of the Government looking for more an alternative area of taxation, in the indirect tax field. Is that something which really any Government would have to fall into.

P.M.: Any government which is sensible about thinking of the future of this country has got to look at the revenue base. To assume that the mish mash of revenue measures which comes to make up the current total, efforts by government to get its revenue, to assume that that is ideal is an exercise in lunacy. Of course it's not ideal. So what we're doing within EPAC and in general discussion in the community is try and examine where we are, whether there are better more efficient and more equitable ways of providing Government with its revenue to assist the community with the doing of the things that the community wants done. And so we've got to get rid of this concept that we as a Government are taxers and there are taxpayers that pay. What Government is about is a transfer of revenue from the community in various ways so that the Government can do the things that the community wants. And so the sensible thing to do is to have an interaction with the community and its representatives to see from their point of view how they think it's most efficient and equitable to make that transfer so that we can do the things they want.

EVANS: A lot of people believe that your Government hasn't really bitten the bullet hard enough on that in transferring, for example, in the distribution of wealth question - whether you've let the wealthy get off a bit too lightly so far.

P.M.: Well you say some people say that. I suppose you'll always have some critics/while you've got a democracy. All I can say is that I'm prepared and more than happy to point at what we've done in our first year in office in the welfare area with the very stringent circumstances economically that we've inherited. We targetted in on those areas most in need and so you have the single dole - that will have gone up by 20 percent by May of this year, the benefit. The benefit for those recipients of welfare with dependant children have gone up by 20 percent. So we've targetted in with our limited resources on those areas in greatest need and we are now undertaking in all the areas of welfare and tax related areas studies as to what are the most appropriate areas in the future to provide assistance. Our record will stand up with any Government in the post-war period.

EVANS: This country's fascinated with you at the moment. Its popularity rating of you is enormously high. I wonder if in any way you feel that that gives you a leg-in, if it gives you an advantage, does it make governing easier, does it mean in a sense that you have a responsibility to the people that goes beyond that to the Party.

P.M.: There are a bag of questions in that ... Well let me say these things which I think are relevant to the various points you raised. I guess any political leader would prefer to have a higher rating than a low one and anyone who says the opposite, I think is not telling the truth. Obviously I am happy about the high ratings, but also that the rating that the Government gets, it indicates to me that people approve of the sort of approach that I'm adopting and that gives you confidence to go on with that sort of consultative approach that I have. It gives me the feeling that that's what they want and so in that sense it makes it easier. It does have this aspect to it Huw that it gives you a considerable sense of responsibility that you know that you've got that confidence and you mustn't abuse that it and I try not to.

There are those who

EVANS: / wonder how you'd be if you didn't have that popularity rating, whether you'd go nasty on us.

P.M.: No, I'm by nature a decent sort of bloke, you know I wouldn't do that.

EVANS: You do think long term. You're obviously planning on being around for the bicentennial.

P.M.: I hope that our Government will be there and that I'll be leading it.

EVANS: How long would you like to go, have you thought about that?

P.M.: Well, I don't know whether most politicians think like this but I think one of the reasons why I rate pretty well is that people know that they can trust me and believe me and I can tell you that I haven't thought, and don't think in terms of personal ambitions for breaking records in office and so on. I really have an ambition to be able to say at the end of my term of office that we had changed this society and made it a better more cohesive, happier, better-structured society - one which is going to be better for the next generation of Australians and if that can be done in eight years, ten year, whatever it is, then that's what I'm about. It's certainly encompasses the bicentennial period.

EVANS: No doubt. To exceed Menzies, the single longest ..., of course you'd have to still be here by 2,000 - you'd be over 70. Not a prospect?

P.M.: I haven't addressed my mind to that yet.

EVANS: Prime Minister thank you for talking with us on this our first edition of Pressure Point.

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