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PRIME MINISTER

TRANSCRIPT - INTERVIEW WITH BOB MAUMILL, RADIO 6PR

19 OCTOBER 1984

E. & O.E. - PROOF ONLY

MAUMILL:

How has it been since last I spoke to you, oh, it must be nineteen months ago?

PM:

It's been the most interesting and rewarding period of my life, I guess, Bob. We've had the opportunity of leading the Government to deliver the promise we made to Australia that we'd turn it round from the recession and the divisiveness and the confrontation of early 1983 to the country which now has the highest rate of economic growth in the world - a happier, more united country, more hope for our young people. And it's been a matter of pleasure and pride to be associated with that.

MAUMILL:

Any personal disappointments in the job?

PM:

Well nothing that you wouldn't have expected, just in the sense that it's a terribly lonely and isolated job in many respects. Very long hours - I don't complain about that - but it means that your capacity to maintain the personal friendships and links that you had before has diminished. You simply haven't got the time or

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the opportunity. And that's a drawback.

MAUMILL:

It's been said by friends of mine from the BBC who have been in Australia looking at our country and our style of politics that one of your most brilliant performers - and they use the word sincerity - is your wife, Hazel. Now I've met Hazel on a number of occasions. I've interviewed her on this programme. We had a rap one time behind the scenes when you and I both performed before a live audience in Hyde Park over here. And my friends from the BBC said they were struck by the simplicity of Hazel Hawke's approach to political life and her sincerity.

PM:

Mm. She's a remarkable woman. I knew, Bob, what her qualities were, but I don't think even I realised how magnificent she would be in the job because up until I became Prime Minister she had consciously and for good reasons remained in the background with the family - hadn't been into public projection. When I became Prime Minister she accepted that as my wife she inevitably had duties and obligations to play a different role from the one she had in the past. And none of us had seen her in this more continuously projected position, but she has been nothing short of superb.

MAUMILL:

Sincerity and strength?

PM:

Yes. All of that. And an articulateness - she's got everything.

MAUMILL:

Do you feel that you can always rely on her, that she's not going to go out in public and make a gaffe? What I'm really asking is has Hazel got political nous?

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PM:

Yes. She's got nous in the sense that she doesn't play politics. I mean if a person espouses - 'cause it may just as well apply these days to a man whose wife is in public life - but if the spouse hasn't himself or herself been naturally and continuously in politics and they then come to that role and are trying to play it, they'll make mistakes. There'll be gaffes. But she's not in that...oh she just calls it as sees it. And therefore, there are not going to be those gaffes I think.

MAUMILL:

Prime Minister will you carry any scars out of recent political battles, and...

PM:

I will out of recent cricket battles! (Laughter) Bob..

PM:

(Laughter) The best shiner I've ever seen!

PM:

You ain't seen the best of it! You know it's really diminishing a bit now!

MAUMILL:

What about the scars because of accusations that have been made on the floor of Parliament?

PM:

Oh I think the scars are being worn by those who made the accusations. It was very...as well as being low, gutter politics on the part of those who did it - the Leader of the Opposition and others - it was also stupid. Because I've been a publicly exposed figure for so long people know my nature and to be making those allegations that I'm a crook and I associate with crooks and I'm directed by those who direct crooks were so manifestly absurd.

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Then they were given the opportunity. That fortnight ago, the Tuesday, in the Parliament, three weeks now. They were given the opportunity. And I think there is nothing that the Australian people really despise more than those who make recklessly, willful, false allegations given the chance to stand up and they don't. People despise that. So the scars are not with me, but with others.

MAUMILL:

The last time we spoke on this programme was the day that Australia won the America's Cup - a joyous time for all of us.

PM:

Yeah.

MAUMILL:

At that time I said that I felt that your parliamentary performances indicated that you were trying to find your feet, that you had a tendency at times to labour the point in an effort to make it. Not so now. Economy of wordage seems to have come into your parliamentary performances and you go straight for the jugular.

PM:

Well.

MAUMILL:

You learned a bit about the game.

PM:

Well I hope I'm an intelligent person, Bob, and - I think I am - and if you don't learn at anything you do then it's very silly. And I am a better parliamentary performer now than the brief time ago when I went into the place. I hope that everything that I do now I do better through time, except playing the hook shot. I used to be able to play that very much better...

MAUMILL:

(Laughter) As the black eye will testify!

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MAUMILL:

Prime Minister we also discussed last time you were here the Hawke luck. There's a lot of it and a lot of it is good luck. You said we won the America's Cup, the drought's broken, Australia is on the threshold of an era of prosperity because of the breaking of the drought we'd suddenly been projected into the international eye - particularly in the business community - the OECD figures were all great and their view of us was excellent. Can we keep it up?

PM:

Yes I believe we can. You're quite right in pointing out, as I have myself, that we've had our share of good fortune. The breaking of the drought certainly was good, not only for the rural community, but for the country as a whole. But let me put it this way, Paul Keating, my brilliant Treasurer hasn't recently been awarded the prize as the world's number one finance minister because the drought broke. He has been awarded that in recognition of his and the Government's spectacular efforts in turning this economy around from the point where we'd had the worst recession since the Great Depression, the place was economically stagnant. We've turned that round, where in the last twelve months we've had the highest rate of economic growth in the world. And that's happened because we've made the right decisions, but in turn that goes back to the people themselves. What I promised Australia in February and March of '83 when we were campaigning was that I wanted to bring Australia together. And I said if we come together, work together, then there is nothing we cannot do. Now the people have responded to that and the results have been spectacular.

MAUMILL:

The accord. It was a central plank in everything that Hawke wanted to do - that was to get business and unions together. It's derided by some people, namely John Stone, yet, overseas it's been accepted by people over there who have trouble getting the unions and the business community together as a sort of a utopian ideal

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that they should all strive for. That an accord where unions and business get together and sort out their problems rather than having lengthy strikes and, if you like, confrontation. Would you say it can continue?

PM:

Yes it will. It will continue for a number of reasons, not least of which is the self-interest of the peoples involved. I mean I never underrate in life the motive of self-interest. Everyone has it. Now as far as the trade unions are concerned, they want to have a position where ordinary working men and women that they represent are going to be able to maintain their standards of living, and through time gradually improve them. And the business community, equally legitimately, wants an environment in which they are going to be able to increase their profitability, their capacity for more investment, their capacity to create more jobs. Now the accord which exists in the formal sense between the trade unions and Government, but which in reality has been extended to the business community, the business community and the trade unions understand the truth of what I've been putting for so long. And that is that in working together and co-operating they're each much more likely to achieve those objectives if they work together rather than fight one another. So there's a self-interest for the trade unions. There's a self-interest for the business community and there's an interest for the Government on behalf of the people in working together rather than against one another. And we've produced those spectacular results. We've created more than a quarter of a million new jobs since the summit. Prior to that a quarter of a million rise in unemployment in the last twelve months. We've halved inflation from 11.2 per cent down to significantly less than half of that. We've reduced interest rates and as far as the business community is concerned profitability has returned to the levels of more than a decade ago. Real unit labour costs have been reduced to the levels of the 1960s and the trade union movement has been able to maintain the real standards or its members. So, everyone is better off. And while everyone

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sees that the results are better - with industrial disputation the lowest for 16 years - then, for all these reasons, people are going to say it's more sensible to live and work this way.

MAUMILL:

People are also saying; will the Hawke Government impose a capital gains tax if they're re-elected?

PM:

Well let me say that Mr Peacock is doing his very best as he sort of nips around the edges without talking about matters of substance to try and instill some fear on this subject. Now the facts are quite clear - and I'm glad, Bob, that you've given me the opportunity of going to it - we have said that the whole area of tax is one in which we ought to have the processes of public consultation in the same way as we've conducted economic policy since we came into office. The reason why the economy is going so well is because we talk with the various groups in the community and try and get a degree of consensus. That's what we'll do in tax. And what I've said is that if you're going to have a total review of the tax system then capital gains would be one issue, obviously, that would be involved in that debate. But what Mr Peacock won't face up to is the fact that the Liberal Party says that in any total review of the tax system from their point of view a capital gains tax would be inevitable. Could I just read to your listeners, Bob, what was in The Australian newspaper of the 20th of August. And it refers to the "federal Liberal Party was told yesterday by its economy committee that it must immediately release a new and imaginative taxation package" and goes on, "the committee said the long-term Liberal taxation strategy should be based on a total overhaul of the taxation system". And it then said, "it would be inevitable, the committee said, that a Liberal Government would have to look at a capital gains tax in some form as part of that long-term strategy". Now that's what they say. It's no good Mr Peacock getting up on Monday and announcing his tax policy and saying, "no, no, no, never a capital gains tax"

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because if there's one thing the people of Australia know about the Liberals and tax is you can't believe what they say. People haven't got short memories. They remember 1977 in the election campaign - you remember it Bob - the "fist full of dollars". This was Liberal Party policy, here's our policy, there's your fist full of dollars. People fell for that and elected the Libs. As soon as they were back in Canberra they took the dollars and within a short time imposed a super tax on them. So he can say what he likes on Monday at his tax launch, but they have in fact disclosed their hand. With the Liberals a capital gains tax is inevitable. It's not with us. But what is the case is that we will honestly talk with the community about it and the whole system of tax. We want a fair tax system.

MAUMILL:

So you're not ruling out the possibility that there'll be a capital gains tax, but you're saying there'll be no capital gains tax without community input to see how the - if you like - the blow can be softened the most?

PM:

Well see...and it's to be understood in that context of a community discussion. It's not simply to be looked at as a blow because the argument that's basically put by those who advocate a capital gains tax is not that it's a general, revenue-raising tax which affects the great mass of people. It wouldn't. If it were imposed it wouldn't affect the great mass of people because, clearly, it would not at least as far as Labor were concerned, if it did it it wouldn't affect the family home. With the Liberals it might. They may well say well we'll cover the family home.

MAUMILL:

Are you saying quite categorically that people who have bought and paid for over a period of time the family home, possibly sell it, go into something smaller a unit, when they're at retirement age...

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PM:

No capital gains tax.

MAUMILL:

..would not - that wouldn't be touched by capital gains tax?

PM:

Let me make it clear. I am not saying there will be a capital gains tax because there's got to be the community consultation that is about the whole tax system. But what I do say is quite clearly to the extent that there has been thinking about this there would be no capital gains tax on the family home, if it's sold and people move out of that. We can say that because there has been some consideration of this issue. With the Liberals you don't know in their capital gains tax what they would do. But I wanted to make this point, Bob. A capital gains tax would not be seen if it were to come in as a significant revenue-raiser. And you talked about it being a blow - the greatest blow that's been imposed upon the Australian taxpayer in our history as a nation is what was done by the Liberals and National Party between 1976 and 1981 when they fostered the tax avoidance industry in this country. And...I mean I...perhaps I could just read to you briefly, Bob?

MAUMILL:

By all means. Plenty of time. Our sponsors have been kind enough to waive all the commercials this morning. So we have an uninterrupted run Prime Minister.

PM:

Thank-you sponsors. But I'm relating this question of the capital gains tax to whether you see it as a blow. The name Commissioner Costigan is a pretty well known one isn't it?

MAUMILL:

Yeah. He's done a fair bit to sort of expose those who have not paid the tax that was their due.

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PM:

Well in December 1981, Bob, he brought down one of his interim reports. And this is what he had to say, he's talking of the tax avoidance industry. This is December 1981 and the date is very important - December '81 - he said: "This industry, the tax avoidance industry, has developed in Australia, particularly over the last five years", now see, December '81. That's from 1976 to 1981 - the years of the Liberal Party in government. He said in that period "the industry has developed at a rate far in excess of any other industry and has brought with it profits comparable only to the heady days of the Victorian goldrush." And he said, Bob, "the amounts involved are very large indeed amounting to many hundreds of millions of dollars per year or more." And he went on to say that that had involved a protection of a very wealthy minority and it meant that the ordinary, honest, average law-abiding taxpayer had had to cope the burden.

NAUMILL:

You're saying that the Fraser/Howard years were the halcyon days?

PM:

The halcyon days of the tax avoidance industry. The fastest growing industry in Australia. Now coming back to your capital gains tax and whether it's a blow or not. What many people argue, Bob, is that the most important role of a capital gains tax is as part of the armoury against tax avoidance, not that it would be a tax that would be imposed on the ordinary, average citizen. Because they wouldn't be in a situation where it would attract it. But the absence of a capital gains tax, it's argued, has been significant in the growth of the tax avoidance industry. So when we have the community discussion after the election about getting a fair tax system that means that the ordinary people get a fair go and we have an efficient tax system - it's in that context that a capital gains tax would be argued. And, of course, I suppose it's not surprising that your Peacocks and your Howards, who were ministers in that period - right through that period '76 to '81 - which allowed the growth of the tax industry which cost

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you and your listeners - the ordinary law abiding people - hundreds of millions of dollars a year with the absence of a capital gains tax, it's not surprising I suppose as they protected the tax avoiders in that period and have continued to do it in Opposition, that they might still be talking and saying a capital gains tax is a bad thing. Now I'm simply saying I haven't got a commitment to this position, but what I believe 99 per cent of the Australian community has got a commitment to, is getting a fair and equitable and efficient tax system and within that they will want to have a look at all the element which are necessary to get fairness and equity.

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MAUMILL : "I don't think anyone in the Australian community would be opposed to a tax that tax windfall profits that taxed speculators who through inside knowledge or more than a little sharp business practice or if you like, business nous, suddenly without the use of labour or input, suddenly have several million dollars or hundreds of thousands of tax free dollars dropped in their lap.

I think most people in the broader Australian community would support the idea of taxing that kind of windfall profit. What I believe most people are opposed to is a tax that taxes those people who have over many many years strived to build up a capital base, and when they go into the years of their life when they want to sit back and enjoy it, suddenly, they've said, along comes the taxman and says we're going to take a bit of it.

Now, you're saying that that as far as you can see those people will, and their assets will be protected. I've got to ask you, in this discussion that will take place on revamping our tax system, who'll be involved? Will it sort of be a taxation summit meeting?"

HAWKE : "Well, we, could I just pick up the first part of what you said and then come to the latter part of the question, Bob, the question of whether there should be a tax upon windfall or speculative gains, of course, it's a very good point you make because what people don't, a lot of people don't recognise is that there is in existence now, and has been for sometime, a Capital Gains Tax on those sorts of things.

If a person is deliberately in the business of buying and selling for the purpose making an income in that way, then that attracts tax on that capital gain. If a person does that sort of thing also deliberately within a period of less than a stated time in the legislation, it's there, so there is a capital gains tax in the system at the moment to catch that sort of thing, and that's why I say, I'm not going to say that there will be some additional capital gains tax, because it may well be you see, that what is there in the system now together with other changes to create a fairer tax system may be enough.

But there is a capital gains tax there now, in one sense. It's argued perhaps that to assist in the fight against tax avoidance, there may be a need for something further.

But going to the next point that was involved in what you're saying, of course, the ordinary person who buys a home and that, through time improves in value, that person would never attract a capital gains tax

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in two situations which would cover for them the 100% situation if they stay in their home and they never realise, never sell, then by definition there is no capital gains tax.

Capital gains tax would only, in any system anywhere, operate if the person who's got the asset actually realises it and sells it."

MAUMILL : "But they might"

HAWKE : "Yeah, but the more important situations you're concerned about.... what if they move from their home, they sell it to go and settle somewhere else, capital gains tax does not apply to the disposal of your family home."

MAUMILL : "And it won't apply under a Hawke government?"

HAWKE : "If there is any addition, if we do have a capital gains tax beyond what's there in the system now, and I've got to say 'if' because you can't say we're going to have a community public discussion about this thing, and allow the whole thing to be tossed around and in advance, say I'm sorry there can't be a discussion about this because I've made up my mind on it.

But I'm saying in answer to your question, if there were to be some extended form of capital gains tax, it would never cover the domestic family home, which means that the great mass of Australians would not be adversely affected. But where they could be very beneficially affected, it is argued, where the great mass of Australians could be helped, is where they've been hit in the past by the Liberals.

The ordinary taxpayer, the ordinary person listening to this program has paid over the years of the Liberal and National Party Government, they have paid hundreds of dollars more in tax, Bob, because of the tax avoidance industry which has been protected by Mr. Peacock and Mr. Howard.

Now, it is argued that we could eliminate totally the tax avoidance industry if there was a capital gains tax system there which prevented those who have avoided meeting their income tax obligations by going down the capital appreciation route.

Now, as far as your ordinary listener is concerned, they shouldn't be worried therefore about this situation, it may offer them some additional form of protection."

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MAUMILL : "Prime Minister, the other curly one of course is aboriginal land rights. Here in Western Australia the Burke Government has been applauded in the editorials of our more conservative newspapers for the stance that they've taken on the question of aboriginal land rights.

Brian Burke has been forced to walk, to tread a very difficult path, he and his Cabinet seem to have come up with a proposal that is acceptable to most people that held fears about the coming of aboriginal land rights, but at the same time they haven't walked away from the issue.

They've taken alot of the wind out of the sails of the Opposition over here who seem to be the only ones at present who are dissenting from what Brian Burke's done. But they're now saying that anything that the Burke Government does in the area of aboriginal land rights can of course be ruled out by federal legislation that will apply.

So, what they're really saying is although Burkie has done a pretty good job of grasping the nettle and not getting his hands stung and of course satisfying to some degree most parties, Bob Hawke's going to wreck all his good work. Is that the case?"

HAWKE : "It is not the case and it's just another measure of the hopelessness of the Liberal Opposition here and federally. They ruined this country in the period until the beginning of 1983 by creating divisiveness, of seeking deliberately to create confrontationism, division within Australia.

That's brought Australia to its knees and why Australians are now in the position at the end of 1984 of having a much better economy, a much better society is because we are healers of division, not the creators of confrontation and to their great disappointment, I have to say to them that again they are fanning the fires of confrontation fruitlessly. I have been in full consultation with Mr. Burke before I came over here and since I've been here and within a matter of an hour or so there will be a press conference at which there will be released a statement agreed between Mr. Burke and myself which indicates that this nonsense which has been pedalled by the Opposition that we would come in over the top of Mr. Burke is like all their lies and smears and innuendo groundless, false, unbased. Perhaps that's clear enough."

MAUMILL : "The Federal position on aboriginal land rights then will not cut across what the Burke Government's doing. You're saying that categorically?"

HAWKE : "I think I said it pretty categorically then, yes."

MAUMILL : "Prime Minister, organised crime was the big issue that the Opposition was running with and they ran with it for several months, I just can't get anyone in the Opposition now to talk about it.

I've noted that Andrew Peacock has studiously almost fanatically, kept away from the subject. I listened to him on other radio stations, and our own radio station when he was in town during the week, I listened to him on AM this morning, and I got tapes of all his interviews on various radio and television stations sent to us over here, and I've looked at the lot before I did this interview, for two weeks now and particularly in the last seven days he has kept right away from the question of organised crime, he just doesn't want to answer questions on it.

Would you say that as far as the Liberals are concerned, organised crime is an issue that they can't win?"

HAWKE : "Well, of course it's an issue they can't win, because they chose and again Bob it fits in with what I've just been saying, I ask you and your listeners to cast their mind back, you've been looking at the way they've been conducting themselves. Over the last few months, have they been addressing themselves to economic policy issues at all? No. Have they been questioning the economic recovery? No. Have they been addressing themselves to the long term sorts of policies that are needed for Australia, that we've been working on to create a better more secure economic future? No. What were they talking about? Exclusively, organised crime. They were accusing me, Mr. Peacock got up and went on for weeks and said I was a crook, that I associated with criminals and that I was directed by those who directed criminals.

Now that was his charge, his concept of his responsibility to the people of Australia that as Leader of the Opposition to concentrate on issues was to say that's the issue. That's what he talked about. I said alright when we got back to Parliament now come on, here you are you've got the Parliament, the full protection of Parliamentary privilege, come on put it out. And he was exposed in front of the whole of Australia for what he is, a man who will engage in a lying technique of smears and innuendo, creating falsehoods and then when given the opportunity not facing up to it.

Now he has damaged himself, you rightly identify now, that having been exposed as fraudulent in his charges, not being able to back them because of course he can't, then he's walked away from it but he cannot walk away from it in the judgement of the Australian people.

What faith is the ordinary Australian man and woman going to have in a Leader of the Opposition who aspires to the office of Prime Minister, who abuses the intelligence of the average voter by saying to you - Mr. & Mrs. Australia, I'm going to get up in the Parliament and go round Australia saying these things about the Prime Minister, saying these things about organised crime, that the Prime Minister would protect criminals, that's the judgement I, the Leader of the Opposition, make about your intelligence.

I'll do all these things, I'll say all these things then I crawl away. Now what is the voter going to say about that person? They won't make him Prime Minister and his Party won't leave him Leader of the Opposition."

MAUMILL : "The National Crimes Authority has taken over much of the work that the Costigan Royal Commission was doing. Are you satisfied that the National Crimes Authority's got enough teeth and can you give us some idea how it will operate?"

HAWKE : "Yes I can. But perhaps from the point of view of your listeners Bob, what is even more important than the fact that I'm satisfied is perhaps the fact that the members of the National Crime Authority are satisfied. I just remind you of the composition of the National Crimes Authority.

The Chairman of it Mr. Justice Stewart, who is universally recognised as the most experienced fighter of organised crime in this country and indeed, the Opposition in the debate in the Parliament acknowledged his integrity, his competence, his capacity, so he's the Chairman.

The other two members and we appointed him, and the other two members have, we gave two names ourselves but they then have to be endorsed by all the State Governments and the Northern Territory Governments. The other two unanimously endorsed.

Now the first Mr. Max Bingham, previously Deputy Liberal Premier of Tasmania, QC and Mr. Dwyer, QC from Melbourne. Those two unanimously endorsed by all the Governments, Labor and non-Labor so I have the three of them Mr. Stewart, Mr. Bingham, Mr. Dwyer in my office, the Prime Minister's Office

in Canberra and I directly asked do you need any more powers, do you want me to give you any more powers? No. We're satisfied with what we've got.

Second question. Do you believe they'll be adequate for you to do your job? Answer Yes.

Now there you have it. They are constituted under the law of the Commonwealth and importantly constituted in a way which carries with it the full co-operation of the States of Australia.

You can't have an effective Crime Authority operating in Australia if it simply imposed from Canberra and you've got conflict with the states. What we've done is to create a situation where those in it, these experienced people say we've got adequate powers and we've got the co-operation of the States, now their job will be in the immediate sense, they will have handed over to them all the work of the Costigan Commission, so that they can study that and they can make recommendations to the inter-governmental committee as to what the references should be for them on which to proceed.

Not only do they have the actual work of the Costigan Commission handed over to them, but all of the facilities, the computer facilities, all the data base of the Costigan Commission, the specialists involved in the work of the Costigan Commission, all go over to the National Crime Authority."

MAUMILL : "Now you're saying that the people go over too?"

HAWKE : "The people go over, the data base, the systems, all go over from Costigan to the National Crime Authority, similarly, all that material, data base from Mr. Stewart's own Royal Commission goes over to the National Crime Authority.

So they've got all that experience, all the people all the material, they will now perceive the difference between the National Crime Authority and the Royal Commissions and this involves no reflection upon the Royal Commissions but the Royal Commissions do not have the job of assembling hard admissible evidence for prosecutions. Now this is what the National Crime Authority will do, and will move now to the important task of starting to get those major criminals where they belong and that's behind bars."

MAUMILL : "Prime Minister, enough of the tough questions, let's get on to some of the lighter ones. I like the way Bill Hayden's handling himself and I'm sure that most Australians do with exception of David McNichol of The Bulletin who says he's a disaster.

Bill Hayden seems to have grown in stature, to a more confident, tougher Bill Hayden, he walks the

international arena, the arena of international affairs with more than a little authority and he's not frightened to make Australia's feelings about contentious issues well known.

After a scratchy start with your political relations, you must be very very happy with his performance."

HAWKE :

"Well, I want to say this. That Bill as you say has been an outstanding Foreign Minister and I believe that Bill is happier now than he's ever been in his political career. He and I went through a period of trauma and I'd be quite silly to deny that of course and he was hurt and disappointed, but I must say from the time I've assumed the Leadership of the Party, Bill and particularly once we came into government, as Minister for Foreign Affairs, Bill has been in constant communication with me his first visit overseas in April of 1983 when he went to Indonesia and was to talk not only with the Indonesians but to take up the whole problem of this area of Indo-China and our relationships with the Asean states, I put to him my views, how I thought we could in fact play some sort of role because of our good relations with all the countries concerned and he agreed with that, he went on and he's worked on that basis in that area in complete co-ordination with me as he has as he goes into the other areas.

He talks with me and he has as you say articulated Australia's position forcefully. I believe that if you look now, at the end of 1984 at Australia's international relationships, we have without any question a better relationship now with the countries of our region than has ever been the case before.

For instance, when I came to office, the relationship between ourselves and Malaysia were very very distant, there was a rigidity there, now I've met Dr. Martere* the Prime Minister of Malaysia who I think is an outstanding man and we have extremely cordial and productive relations there.

Importantly, we have with China as well. Now in all these things, it's been a constructive co-operative relationship between myself and Bill Hayden. He's doing his.. and Lionel Bowen as Minister for Trade, let me say, which is an important part of your international relationship. With the United States, this country has never had a better relationship with the United States than we have now. That's not a relationship of sycophancy, it's a relationship of constructive, firm, warm alliance relationship but one in which if we have some differences of view about particular issues, we put them."

MAUMILL : "For a long time though they took us for granted. Would you say that's changed?"

HAWKE : "Yes, they don't take us for granted, now."

MAUMILL : "All the way with LBJ and all that."

HAWKE : "No it's not that, but what they do recognise is that we have a commitment to a free democratic way of life as the best sort of environ society for people anywhere in the world, to be able to grow up in.

We are committed to the free democratic system as against tyrannous dictatorships, and it's that commitment which shared commitment, which binds the United States and Australia together, now that doesn't mean that in some interpretations of some issues we won't have differences, but why the relationship is so good is because the United States knows that we share that basic commitment, it is unquestionable and unshakeable that they listen to us if on some particular issues we have a slightly different emphasis and interpretation and the facts are that there is a continuous warm, close, personal communication between the Secretary of State, George Schultz and myself, and the President of the United States and myself.

And that adds to the relationships that are created by Bill Hayden in his work as Foreign Minister and Australians have very very good reason to be extremely satisfied with what has been done in this period of office by its Minister for Foreign Affairs and myself and Lionel Bowen, the three who have the major responsibility of cementing good relations with other countries in the world."

MAUMILL:

The Soviet Union is one of our big customers. The Soviet Union buys much of what we produce. For many years they have been a customer - a customer that we have often called nasty names. How are relationships at the moment with the Soviet Union? Are we talking to them?

PM:

Yes we talk with them. Here again what has been done is that the Soviet Union has been left in no doubt whatsoever about our attitudes to what they do in the area of human rights. Their totally unjustifiable excursion into and remaining in Afghanistan, the building up of their military presence in Vietnam - very significant building up of military presence there. Now we make it quite clear to the Soviet Union our abhorrence of these things but there is a responsibility in government to make the distinction between putting on the record and telling people what you disapprove of, as we do unequivocally with the Soviet Union, and then recognising that they exist, that they are a major element in the world commercial and trading relationship. So we don't call people names just for the sake of calling names and we have restored a more constructive trading relationship with them, as indeed the United States is in the process of doing. And that of course is to the benefit of our farmers and others in Australia whose welfare depends on being able to have access to as many markets as you possibly can.

MAUMILL:

Prime Minister, Paul Keating when the Hawke Government first took office looked really crook. I mean he was no good thing to last the term. He was black under the eyes, green around the gills, had a lot of trouble fronting up, lost weight, his suits were hanging on him as though he was a scarecrow. I thought, well Paul Keating is not going to see the distance. He can't cop the pressure. Now at that time John Howard was sort of the school master of Australian economics because he was constantly in the public eye giving forth with opinion. Lately, during parliamentary broadcasts and televised debates, Paul Keating has put on weight, the black

circles have gone, the confidence has returned, he's loving the job and he very firmly - often very caustically, some would almost say bordering on the cruelly - put John Howard and any other spokesman on economic matters from the other side firmly in their place. Now, honestly has Keating's performance - superb performance - been a surprise to you? He's always been a tough political cookie.

PM:

Well look I think you have summed it up very well. It may be a little bit unfair of me to ask whether it has been a surprise. But I think the honest answer is the extent of his - and the speed of his - acquisition of supremacy has I think been somewhat surprising. You are quite right, that when Bill Keating - er sorry - when Bill Hayden put Paul Keating into the position of shadow Treasurer at the beginning of '83 it came as a surprise and everyone said well he's thrown Paul in the deep end. And within a matter of just days really he was there in an election campaign being the Treasurer spokesman for the Labor Party. And then again within just a matter of weeks he's the Treasurer. So he's thrown into this most complex of portfolios with just a matter of weeks in the shadow position with no formal training in the past in economics and financial matters, although as shadow Minister for Minerals and Energy impinging in many areas; and it was clear in those early days that he was battling. And he recognised that. But I had confidence in his ability because he is a very intelligent man and a hard working man. I knew he would get there. But yes, frankly I was surprised with the speed with which, and the comprehensiveness with which, he mastered that intricate portfolio. I just saw him day by day grow in confidence and capacity. It was said in those early days that he was a creature of John Stone and the Treasury and there were some very cruel cartoons you remember. But no one draws those anymore. Let me say this. Keating lasted the course, one other gentleman didn't.

MAUMILL:

Yes, well John Stone's having an awful lot to say now. Do you see him as a future Liberal politician?

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PM:

The Liberals would run a mile from him. Well some of the Liberals would.

MAUMILL:

He almost sounds as though he's running for office.

PM:

Yes. Of course, in the latter days of his Treasurership, Mr Howard wasn't really talking with Mr Stone. They used to conduct their communications by correspondence. I don't think John Howard would be welcoming John Stone. But look I think this is a democracy. I observe that there is this hypocrisy involved. Mr Stone was the one when he was a public servant who talked about the standards, and the integrity, the apolitical nature of the public servant and so on. Well, you know, he's seemed to forget that in his latter days. But that doesn't worry me, I mean I'm not concerned about it. This is a democracy. If Mr Stone wants to engage in his observations let him do so. I would just en passant make the observation that I don't know what Mr Stone thinks gives him any right to be talking with any degree of authority about the Age tapes for instance. I mean Senator Evans and his rejoinder exposed the complete inadequacy of Mr Stone's knowledge or competence in that area. But if John Stone wants to talk in this environment, let him talk. I mean I think the reaction of the editorials have been pretty telling. They've made it clear what they think about his contribution.

MAUMILL:

Almost cruel.

PM:

Well, almost cruel but if John would like after the election to formally get into the political process, I don't think he'd be applying to the Labor Party for membership. But he can if he wants to, you know, I think he'd have a pretty slow progress through the ranks. He could try the Liberal Party.

MAUMILL:

He'd have a lot of trouble getting it seconded.

PM:

Well no, no, look we're on a very serious subject. He could try the Liberal Party, but Johnny Howard would be very, very, very opposed to that. I mean he'd be getting around the branch and saying, "what's this? We can't have this happening." Now he could try the National Party. Now that would be an interesting alliance, but he...of course some of the most vitriolic attacks that Mr Stone has made in the past upon political people is on the National Party - so I don't think he'd get in there. So what does that leave? Well, perhaps there could be something in this story about after the eclipse of the Liberals in this next election that there's going to be a move for a new conservative force in Australian politics. Now we might see a new party. Now who could it have? It could have John Stone, have Sir Joh. Who else could it have?

MAUMILL:

Porter, from Queensland?

PM:

Oh yeah and I don't know whether Mr Hassell, he might, he might - cause he's pretty conservative they tell me - you might have this group. Now it would be a question of who would be leader. Would it be John Stone, or Joh Petersen, or, or Mr Hassell. It could be interesting couldn't it? But if John would like to do that to get into politics I would welcome it.

PM:

(Laughter) Prime Minister I listen to parliamentary debates and obviously one of you most rewarding moments of late has been the return of Mick Young to your side on the front bench.

PM:

Yeah.

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MAUMILL:

And who'll ever forget Mick Young's telling retort to Ian Sinclair when Mick Young held up in Parliament the results of the investigation into his alleged customs misdemeanour and said to Ian Sinclair: "Ian, you'd give your right arm to have a report like that."

PM:

Report like that!

MAUMILL:

And what's more, "Ian, I didn't sign this myself!" - which was a reference to certain police investigations in the past. Is Mick accident prone, or is he just a good bloke who tries to do the right thing and just doesn't pay attention to detail?

PM:

Well Mick is overwhelmingly a good bloke. In the first episode it was a situation where in good faith and without any intention of harming the national security he was trying to help a friend. He admitted he was wrong. And he paid a penalty for that. And he didn't attempt to excuse what he'd done.

MAUMILL:

Doesn't run away from it does he?

PM:

No he didn't run away from it. Now he paid a penalty and he's back in now with the Paddington Bear Affair. Now this was another classic case of the tactics of the Opposition. And before I go to those tactics just let me remind you of the difference between how we approach this matter and how earlier, when the Opposition were in Government with the affair involving two ministers - I don't name them because I don't want to rub anything into their names, or....

MAUMILL:

And the colour television.

PM:

Yeah well that's what I'm talking about. But I don't want to mention the names. I simply make the point that that happened, the incident happened in October, and it was covered up and it came out, not by their volition, but it came out six months later in April. Now as distinct from that here in this case, when the Minister for Customs, John Button, brought to my attention - and I think it was the fifth of July as I recall - that there was this problem, I said well make sure that the normal investigations proceed. No special treatment. And that was the attitude of John Button himself. And so that went on. And on the twentieth of July the final report from the Controller-General of Customs was given to Mr Button. And the Controller-General said, well as far as he was concerned everything was okay. I said to Senator Button: "Are you satisfied?" He said yes and I said: "Well I am." And I said: "Now that that's solved" (inaudible) I said to Mick "you make public." He said sure okay and he went in and it was put out to the public. No attempt to hide it. There it was. Volunteered out on the table. So this was the great issue for - the great issue for the Liberals and the National Party. These people who had set their standards of covering things up - that this was the big issue. Now what happened? We had the inquiry when it looked as though there was some other element that we perhaps hadn't considered. Had the inquiry. The Black inquiry. There it was. And as Mick Young said, a total exoneration - complete. As he said to Mr Sinclair, "wouldn't you give your right arm for a report like that?" So that's the tactics of the Opposition...will seek to latch on to these miserable things. But again, do you hear them talking about it now?

MAUMILL:

Prime Minister have you got any good news for Australians? What's coming up that's good?

PM:

I think there's a lot that's coming up that's good. And it's

built upon what's happened in the last period since the beginning of '83. As I say Australia can be proud of the fact that in this last period we've had the highest rate of economic growth in the world. Under a Treasurer who's got the accolade now of the world's number one finance minister. Now the projections for the rest of this financial year are strong. There's going to be continued strong growth. I promised Australia, you remember in February of '83, that we would create 500 000 new jobs in three years. We're ahead of target and employment growth will go on in this period ahead. We'll get that 500 000 jobs in the first three years. There will be gradually rising standards of living. There will be a continuation of industrial peace. We've had the lowest level of industrial disputes for the last 15 years. That will continue. In the business community there will be significant deregulation in the whole area of business, as we have deregulated the financial community. The Australian people in business and in their personal affairs will have now available to them in 1985 a much larger more competitive banking framework. We'll have banks in from overseas who will services to offer and approaches which will be far more imaginative than the old existing few Australian banks that we've had here. So that's going to make it better for individuals and for business. We will, and I say this particularly for Western Australians, that the relationship with China is developing rapidly for the benefit of Australia and for the benefit of China. We now, as you know, will have a new iron ore mine developed in Western Australia - the Channar deposit - with the Chinese. That's the first new iron ore mine for years and years and years. That's going to create more jobs and there's the distinct likelihood that there'll be further developments affecting Western Australia involving the Chinese. So these things are good. Most importantly it will continue to be good because the basis that we established last year for these things is there. That is, we've effected a national reconciliation. We've asked Australians to put Australia first and that's the secret. And I say I want the trade unions, I want businesses, State governments, local government, and ourselves before we make decisions or adopt attitudes ask ourselves what's best for Australia. If we do that

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we'll continue to grow and we'll do what Australia's been doing in the last couple of years - it's winning again - and will continue to do that.

MAUMILL:

Prime Minister I've got an interest in Fremantle. That's my town. That's where I'm from.

PM:

Yep.

MAUMILL:

I'm giving some consideration to running for Mayor of Fremantle now that the best mayor the place has ever had, Bill McKenzie, has taken an important job. And I've put my name forward as mayor.

PM:

Have you!

MAUMILL:

So naturally I'm interested on behalf of all Fremantle residents to know if you'll give us a hand financially during the America's Cup period?

HAWKE : "We've made \$30m. available, Bob and we've put it up front because we recognise that we, as the Federal Government, have got a responsibility in this matter. So firstly, put the money up, secondly, I've created I've appointed John Dawkins as the Minister to represent us in a committee between the Federal Government and the State Government and the City of Fremantle to co-ordinate activities so yes, Fremantle can be assured of total support from the Federal Government because I believe the defence of the America's Cup is going to be great for Fremantle, great for Western Australia, great for Australia.

And I don't use words loosely, I mean the money that's going to pour into this country, the employment that's going to be created by these tens of thousands of visitors is marvellous.

Our responsibility is to make sure, Bob, that this happens in a way which is going to provide lasting benefits to the people of the area. We don't want the citizens of Fremantle just to be the victims of some transient passing thing, we want the developments that are created to deal with this challenge to be of lasting benefit to the citizens of Fremantle.

I believe it will be."

MAUMILL : "Prime Minister, you've given us plenty of your time but there is one more question."

HAWKE : "Yeah."

MAUMILL: "Why the hell are we having this bloody election?"

HAWKE : "Well, good question. And the answer is very simple. The Liberals and The National Party at the beginning of 1983 called on an early election with a double dissolution of both Houses of Parliament, now that threw the whole question of elections out of kilter.

Because under the constitution, I've had to call, I would have had to call an election for half the Senate by April, next April, you just have to do that, half the Senate. Now if I'd just done that and then said we'll let the House of Representatives run on, it would have meant that in a relatively short time after that I then would have had to have a House of Representatives election. But what I've done, these things, and I think that every one of your listeners will understand it, I've said alright, we'll do for the twenty-third time what's been the normal thing in the past is to have the House of Representatives and the half Senate election together, we'll have it now and that means that if the people pass the referendum which I put for simultaneous elections, we will never again have the situation

of Prime Ministers calling extra elections. We will save the people of Australia \$19m. by having the two together rather than two separate ones and that's the reason."

MAUMILL : "Prime Minister, just before you go and your staff now are saying that you've got to get on to your next appointment.

You said before that there would be discussions within the community about a re-vamped taxation system, and I'd applaud that, I said who'd be involved in such discussions. Do you envisage a taxation summit, similar to the economic summits that you held before where people such as the Australian Taxpayer's Association, the various Treasurers from State Governments, yourself, Paul Keating, leaders of business, community groups would be represented, the Trade Union Movement, would be represented at a taxation summit, I mean it's something that we have discussed off air and you seemed at that time to have something up your sleeve about an announcement.

Would a taxation summit be possible? I think it would be welcomed."

HAWKE : "It's a good idea Bob and I'll certainly give consideration to that - what we'd had in mind was that we'd start the discussions in what is the mini summit we've set up under legislation, that's the economic planning advisory council where the business community and trade unions and local governments, State Governments and welfare organisations are represented on that, on EPAC, which meets regularly in the Cabinet room under my Chairmanship."

Now to project that back into a summit concept, is attractive and I'll give thought to that. It may well be that as we get the formal discussions going within EPAC, that it might make a lot of sense to expand that into a summit idea where there could be a projection of views by representatives of the people in a more direct way. It's a good thought and I will give attention to it."

MAUMILL : "Prime Minister, thanks for joining us on 6PR again you have an important press conference coming up with our Premier very soon, we've run overtime but as usual it's been a rivetting discussion.

Thanks to everyone who participated today in putting the program together and we look forward to seeing Bob Hawke around as our Prime Minister for some time to come. That is a personal view, not necessarily the view of the station and the Board of Directors."

HAWKE : (laughs)...well thanks Bob, I have this press

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but certainly at the press conference there will be a statement reflecting the discussions that Brian and I have had, but to you, thank you very much, it's always enjoyable to talk with you, to respond to your questions and I thank you for your personal indication of support and you never know we might have a chance with the Board on the station as well."

MAUMILL : (laughs) Thanks Prime Minister.

You've been listening to Bob Maumill talking to the Prime Minister of Australia, Mr. Bob Hawke.

ENDS