



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH MARIO D'ORAZIO, 6WF, 28 January 1986
E & O E - PROOF ONLY

D'ORAZIO: Good morning Mr. Hawke.

PM: Good morning Mario.

D'ORAZIO: Well, how do you feel the election campaign is shaping up for Brian Burke ?

PM: Very Well. That's as it should be because a number of reasons. Firstly, his performance has been outstanding. Last three years Australia has been turned right around from recession into the most rapidly growing economy in the Western World. This has been again recognised internationally, and within that overall Australian performance the West Australian performance has been quite outstanding, above the national average. If I can use the current jargon, has the runs very much on the board. And he is going to the people with constructive policies for a continuation of that outstanding success. Against that, what the people of Western Australia are offered - total negativism and smear campaigns. I don't believe they are offering a serious alternative and of course they are faction ridden, divided against themselves. They, Mr. Hassell, Mr. Howard are at odds on basic issues like interest rates, privatisation. The Liberals haven't won an election in mainland Australia since 1980, and they're not going to break their duck here in WA in 1986.

D'ORAZIO: So you think the Burke government will be returned, despite the liability that land rights poses for you ?

PM: Well, I'm not sure that it does pose a liability. I believe that he's made the position and I believe his position is understood and accepted by the majority of Western Australians.

D'ORAZIO: I would have thought the liability for him was the fact that there's a lot of pressure in your government to introduce uniform land rights.

PM: Well, you see Mario, one of the things that fascinates me about Australian politics is how commentators, like yourself, get well paid to talk about affairs, but don't seem to understand your basic facts. What we have said is that we were, the first situation, where the States handled this matter themselves. Holding has made it clear that we have looked at this generally, general ideas about it. We have talked and he's talking to the States and various interested bodies to try and get a situation where the States will handle this matter in accordance with those general principles. And he's in the process of having discussions around Australia with various State Governments, interest groups and Mr. Burke has made his position clear. I understand that. And I believe that we're going to be able to resolve this matter in a way which is acceptable and we'll recognise the rights of WA. I would also make this point-I find it rather annoying that when people are talking about what governments are going to do for Aboriginal people. They talk about land rights and forget that there is so much that has to be done in the areas of health and education and those sorts of things which in many senses is much more important to Aboriginals than the question of land rights.

D'ORAZIO: The mining community is very concerned about the question of land rights. Another matter that they are also very worried about is, which featured very prominently in advertisements in today's press, is the gold tax. What's the latest situation there, will you be introducing one ?

PM: Well, what we've done is to set up an independent inquiry, in the person of Gerry Gutman. And he will be investigating this issue of course, and taking submissions from interest parties, which include particularly the gold mining industry in WA and the WA Govt. And I was able to indicate yesterday Mario that I understand that **MR. GUTMAN** is prepared to extend the period of inquiry, including the period

for the taking of submissions. And that means that it is certain that the WA private sector and Government will have a full opportunity to prepare and present their case and I made it clear to Mr. Burke that they will be given particular consideration, because it's a most important issue for Western Australia. They'll have full opportunity to develop, prepare and put their case when Mr. Gutman reports we'll consider that report. D'ORAZIO: What's your inclination though. Do you feel there's a strong case to exempt Western Australia from that sort of a tax.

PM: Well, I think there's a strong case to examine whether there should be a tax and I would think that the WA industry itself would accept there's a strong case for investigating it. They think there's an even stronger case for having investigated it, that there shouldn't be one. But I don't think that anyone would argue that we have a situation where you have one industry which is exempted from the tax, and the economics of the environment within that was done, has changed, they wouldn't, so there shouldn't be an examination of that. But, well, as to whether, after that examination we do or do not depends on that report. It is independent. I have no idea what will come out of Mr. Gutman's examination.

D'ORAZIO: So the gold tax is by no means definite.

PM: Well, you can't say it's definite when you've established an independent inquiry into it.

D'ORAZIO: One of the other issues that's troubling the State Government at the moment has been the question of interest rates. And most people have agreed that the State Government is fairly powerless to do anything about that and they point to overseas factors and the way the Federal Government has handled that. Can you see any respite for people who've got mortgages ?

PM: Well, certainly here in Western Australia as a result of the decision taken by the WA Government, there has been a protection of their position. As far as the movement in interest rates is concerned,

Mr. Burke has pointed to the fact that the range of independent economic commentators suggested that the interest rates had peaked and will come down and it's appropriate for him to point to those assessments. But all I can say is that I'm not going to, myself, enter into that in any further detail, because I don't think that's appropriate. I just want to make the more general point, which is the relevant one, that Australians, I think they are very sophisticated now in their analysis of the economy and what's happening. And they understand that there's no point in looking just at interest rates, but look at the whole of the Government's economic policy. I think that they take very considerable pride in the fact that we in Australia, which has again been recognised this week internationally, the top of the international performance board for the economic management of this country.

D'ORAZIO: Well, if your economic policies seem to be working surely we can express some confidence about interest rates levelling off in the next six months or so.

PM: Well I think it's appropriate that people should analyse what's happening. Look at the latest indicators. Look at the strengthening of the dollar and what's happening in money supply terms, reduction in the growth and rate of money supply, and appropriate for them to be drawing their conclusions. All I'm saying Mario is that I don't want at this point to be coming out ahead of those developments. I am happy with the way things are going-let me put it that way.

D'ORAZIO: Two issues that concern the rural electorates in WA are transport in petrol prices and, of course, the phosphate issue. I read a report that suggested that perhaps the drop in fuel prices would not be completely passed on. Why was that?

PM: I simply said that the government will be looking at this issue in it's normal review. There

has to be a decision from the 1st March. And when you, the Government, look at that, look at what's happened to international fuel prices, because they've fallen very substantially and in the regiment, if you like, that we take account of, is mixture 80-20 of spot price and official price, so you've got to look at what's happening on the spot market and the official price of Saudi Arabian light crude. So that's one factor, what's happening to crude prices internationally. The second is what's happening to the exchange rate. Now at this stage, what's happening on the international crude market, that would suggest, you know, reductions. I simply sounded the note of caution if you like. But with the sorts of very massive reductions in crude prices that people were predicting for this period up until March, those sorts of reductions, if just automatically passed on, would mean very, very significant losses of revenue for the government from its application of policy which has been bipartisan. I mean, this was introduced by our predecessors, import parity pricing policy. Now the government will have to take all those factors into account. That's all I've said.

D'ORAZIO: Can we expect any sort of discounts at all ?

PM: What happens in discounting at the pump is basically a question for decision by the oil companies. That's a matter for decision by them. Discounting is not a result of ...

D'ORAZIO: What I meant was if you were to pass on your savings, can we expect to see any cut in the take of the Federal Government ?

PM: I'm simply saying to you that we will be undertaking the review of this policy, well, not a review of this policy, a review of the pricing according to the requirements we imposed upon ourselves and looking at this each two months. That's the next decision, due for the 1st March. All the factors I've referred to will be taken into account and we will, as in all areas of policy, be making

the decision best calculated to be of benefit to Australian consumers in all aspects.

D'ORAZIO: Mr. Hawke. About two or three weeks ago the Premier returned to WA to headlines of great victory to WA farmers. And this was over the phosphate question. It seems that some commentators believe that the decision that you made then might be overturned over the next year or so.

PM: Oh well. As I say I'm fascinated by the commentators in this area. They, most of them, speak from a vast reservoir of ignorance.

It is always fascinating to see what comes out of that sort of basis. The facts are very simple. Under legislation, anti-dumping legislation which has been imposed for many, many years now and has been acted upon by both sides in government, under that legislation a decision was made to impose an anti-dumping duty and that was appropriate under the legislation. Now, Mr. Burke, in an electoral context, he had a problem. No one can hide that and he came to see me in a situation where Cabinet was not meeting again until 20th January and I had the two relevant Ministers there. And I said well we've got this issue put before us, I think we need to do something because we didn't want to have a situation where, as a result of the decision that was required under the legislation, farmers were particularly adversely hurt. Now we simply had the WA situation put before us. I made, in consultation with my colleagues, a decision to give that relief and did it in the clear statement and intention that the position as whole would be considered by Cabinet when it resumed on the 20th January. We considered it then and we will move to give relief to farmers generally. And we've spoken to the National Farmers Federation and they've agreed in that sort of context where we've indicated we'd give that relief, to look at the whole question of the super phosphate industry in this country and the National Farmers Federation are going to be involved with us in that review.

D'ORAZIO: A lot of people would have said that perhaps you may not have extended that relief had there not been such an outcry from other states.

PM: Well, some people might say that, but some people would be wrong.

D'ORAZIO: Mr. Prime Minister thank you for talking to us this morning.

PM: O.K. Mario, it's been a pleasure. Thank you very much.

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