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PRIME MINISTER

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JOURNALIST: The Hawke Government is entering its fourth year with the economy looking pretty good and the Opposition not so good. But there are a few clouds on the Canberra horizon nonetheless. Prime Minister thanks for joining us. I suppose the biggest cloud must be the mood in the bush right now. You massaged the farmers in Western Australia for all your worth, and yet they still showed you the door.

PM: Well you're wrong on that. You don't want to believe everything you read in the press in the immediate analysis. From what's been indicated to me, in fact the vote in rural West Australia has held up. So I would hold your fire on that one Andrew.

JOURNALIST: Well Brian Burke seemed to be impressed by the figures too, because he lamented, and it was quite a sight on the night, he doesn't know what a government has to do to impress those people out in the bush.

PM: Brian's reaction immediately was as you say. I'm suggesting to you before you make this assertion now you have a good look at the figures.

JOURNALIST: You can't afford to have the people in the bush offside though can you?

PM: Of course you can't and I don't want to have them offside. We are very concerned with the troubles that are being faced by very, very many of our Australian rural community. And I have the Minister, Mr Kerin, coming to us with submissions to Cabinet to see what extra help we may be able to give.

JOURNALIST: Is the real problem that a lot of their problems are really beyond your control, that they're to do with marketing overseas and yet you're still expected to deliver the goods?

PM: Well Andrew that's in part right. The international markets for the products they're selling have been corrupted by the practices of the European community and now very unfortunately the United States, in retaliation against those corrupting practices of Europe have brought in their export enhancement program under which they are mandated to spend some \$2 billion in the next three years. And unfortunately unless we can do something about it Australian producers, the most efficient rural

producers in the world, are going to get another slap behind the ear as a result of those things. Now there is a limit as you say rightly to what we can do there but I can assure you I have got Mr Dawkins who has just been over there - coming back. We will do all we can to impress upon the United States the impropriety of making Australian producers suffer as a result of their actions.

JOURNALIST: And cross your fingers. But, of course, there is one thing you can do here and that is drop the price of petrol. The farmers say that that would save them something like \$850 a head in a year. When are you going to bite the bullet on import parity?

PM: My relevant ministers will be meeting on Thursday and they will be coming up to Cabinet. I will have a Cabinet meeting on Friday to consider this matter. And all the relevant factors including the interests of rural Australia will be taken into account.

JOURNALIST: It is a nasty choice you face, isn't it? Political credibility or economic credibility?

PM: Well, you shouldn't be in politics if you don't realise that there are hard decisions to be taken. And I realise that. You said in the opening of the program we have been in Government for three years. I think all Australians including rural Australia will look at that record and share with us the pride in the achievements there have been. We have had to take hard decisions. We will be prepared to take them again but I'll certainly be making decisions with a very considerable degree of consciousness of the needs of rural Australia, I can assure you.

JOURNALIST: You're in something of a cleft stick on the petrol one can I put it to you though. You promised to keep the import parity but you are also, of course, committed to the trilogy and to tax cuts. Something has got to give surely?

PM: I think you will see that we will manage a decision which will take into account all the considerations to which you have referred and which will be consistent with the three years of sound macro-economic policy decisionmaking that's given this country the outstanding record of growth that it has got. And the prospect for 1986 of virtually double the OECD average.

JOURNALIST: Of course, there is one other option and that is to slash spending. But your Caucus Committee Chairman doesn't seem to keen on that either?

PM: Now, when we are talking about slashing spending, let's look at the political realities. The people who currently attempt to pass for an Opposition in this country make some noises about that. When they were in they had all their noise about the Razor Gang and they came up with some miserable \$300 million. Now what we have done since we came in, we inherited a deficit in prospect of 5% of GDP. This year that will be down to about 2.1%. Whereas they were all talk, we have been action.

JOURNALIST: Yes well I'm wondering if Caucus isn't getting a little bit restless about that though?

PM: I have the privilege of being in the Caucus. I was in there again today and I can assure you a very harmonious, constructive, united Caucus.

JOURNALIST: They haven't had enough of this fiscal restraint. I mean it's the fourth year in a row.

PM: What they do say they like is the continued endorsement of the Australian people. I mean after all if you want to look at what's happened since we rose in the Parliament at the end of last year - massive endorsement of Labor in South Australia. The same thing in Western Australia. A very good result in Scullin and in Tasmania, well we know that they've been out of the mainstream of Australian politics since 1982/83.

JOURNALIST: There's certainly an element of Caucus that is a bit restless though over the question of land rights. A Caucus sub committee is meeting tomorrow, as you know, to discuss your comments during the Western Australian election campaign, now that that election is over where do you stand on land rights?

PM: Well it's not a question of before an election, during an election and after an election.

JOURNALIST: Well Mr Burke made it clear he couldn't win with that sort of policy.

PM: Well let me make it clear that on the question of land rights, Mr Holding, a very, very good Minister for Aboriginal Affairs will be coming to the Cabinet in the near future with the policy proposals which will be calculated to take into account the needs of the Aboriginal people, not only in regard to land rights might I say because that's not the only issue which concerns the Aboriginal people, but take into account the interest of the Aboriginal of the states and of the mining community and of the agricultural community. We've made it clear, and I've said this in the Parliament so has Mr Holding, that we'd like to see a situation where the states would themselves handle this matter in a way which is consistent with the broad principles which we think should apply. We believe we're capable of bringing that situation about.

JOURNALIST: I suppose one thing you would want to avoid, of course, would be another rural backlash and that is an issue they haven't been too keen on - the land rights - isn't it?

PM: Well, there are some people in the rural area obviously who have fairly strong feelings on this issue but we have shown our capacity to talk with the various groups that are involved. And that is not only rural people but the mining interests, the Aboriginal people themselves and the states. And those series of discussions are going on with Mr Holding in charge of them. I have a great deal of confidence in his capacity to produce a result which will be appropriate. An appropriate judge by the criteria of the interests of the Aboriginal people themselves and, let me say, in terms of the interests of the Aboriginal people themselves it would be against their interests to have something imposed which of itself would generate a greater degree of antipathy and antagonism towards them. So we have got to work this out in a way which will meet the legitimate concerns of the Aboriginal people and the legitimate concerns of a range of other people in this community. We will do that.

JOURNALIST: At least, as you say Mr Hawke, you are prepared to take notice of the voters. That's something that doesn't seem to be troubling President Marcos at the moment. I am wondering if you're very worried about the implications to regional security of the current events in the Philippines?

PM: Obviously it must be a matter of concern on that score but I think much more a matter of concern in regard to the internal affairs of the Philippines itself. And it is clear Andrew, that those independent observers are saying that the election has clearly not been a completely fair exercise. It is our hope as a Government, and I am sure I speak for the overwhelming majority of Australian people, that this will be resolved in a way which is going to be able in the future to sustain a democratic process within the Philippines.

JOURNALIST: Well, we have all got our fingers crossed. Mr Hawke, thank you for your time this evening.

PM: Thank you very much indeed.

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