



PRIME MINISTER

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TRANSCRIPT OF INTERVIEW ON ABC 7.30 REPORT - 11 JUNE 1986

GOWARD: Mr Hawke, thank you very much for joining us this evening.

PM: My pleasure Pru.

GOWARD: How quickly do you believe your policy outline tonight will start correcting our balance of payment difficulties and heading us away from bananahood.

PM: I think that in many respects it can start immediately if the Australian people, as I believe they will, respond with the changes of attitudes that you rightly referred to Pru, then that starts to have its impact. As to when you see it in the statistics, of course, that is further down the track. But what I am trying to say is we have got both an immediate problem and, in what I am saying about wages and so on that is addressed to those immediate problems, we have got the longer term problem and challenge which we can meet of realising that we have got to broaden our export base. Now as I said ...

GOWARD: Have we got time?

PM: We have got as much time in a sense as we give ourselves. If we accept the challenge immediately and the world sees that we are accepting the challenge then the reactions will be right.

GOWARD: Would you say that your speech will be welcomed by international finance markets?

PM: I don't know, but let me say this Pru, I think what I have done is to make it clear that we'll do everything within our direct power to create the best macro-economic environment. We want a lower wages outcome. We are, as Governments, going to exercise very severe budgetary restraint. So I think if they look dispassionately at what I have said they will say yes, well, this Government, and I think the people of Australia, are dinkum in the right areas.

GOWARD: Is your speech weighted against wage earners, salary earners, and perhaps a little bit too, employers?

PM: No, it is not weighted against them. I mean the fact is that wage and salary earners constitute by far the greatest proportion

of our national income and our national expenditure therefore you have got to talk about them. But if we are going to get the co-operation of the wage and salary earners business has a corresponding responsibility. In three areas particularly, 1., their pricing policy, 2., their own remuneration policies, and 3., in investment policies.

GOWARD: Well, your speech tonight had Simon Crean reacting already, and we will come to him in a moment, that the unions had already done their bit in terms of wage restraint. Do you believe they can be made to accept any more?

PM: Well let me go to the first point. The trade unions have exercised considerable restraint. The outcome in 1985 in wages was 6% against 5.5% of the OECD - our major trading partners. That was good. Certainly if you hadn't had a centralised wage fixing system with which they co-operated the wages outcome would have been much more. Now as to the future part of your question Pru, the actual decisions as to what the wage outcome should be must be made under our system by the Arbitration Commission. I believe the trade union movement will co-operate with the decisions of the Commission.

GOWARD: Would you be prepared to forgo the Accord if they weren't prepared to co-operate?

PM: I don't want to forgo the Accord. As Prime Minister I have a responsibility in this country to make the decisions which are necessary. As we see it, looking at the economic situation, we need a further discount in the next case. That's what we will be putting to the Commission.

GOWARD: You don't want to forgo the Accord?

PM: No I don't want to forgo the Accord.

GOWARD: You seem to be suggesting in the national interest you would accept that you might have to.

PM: No, I don't think it will happen because I do believe Pru, that the trade unions will say well, we want to see what the outcome of this wages case is. And I think they will abide by that decision and then face up to the realities whatever they are when we come to the next case which will be the end of this year. But there should be no further decision before the 1st of January 1987.

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GOWARD: Now back to you Mr Hawke, I suppose you heard all of that. Are you encouraged by Simon Crean?

PM: Well I think that Simon has said the Accord is still alive. He recognises the right under the Accord of the Government to put its position. We'll be putting that position. I think that the rank and file of the trade union movement are going to give support to responsible leadership because it is my firm belief that the ordinary rank and file trade unionist, that's the ordinary Australia, knows that we have a challenge and will want to respond to it.

GOWARD: I also asked Mr Crean about the dole, the young people, and making people work for it. He, like a lot of us, is a little bit puzzled by what you mean. Would you like to expand on it. Does it mean having to work for the dole.

PM: What it means is this, I have had the opportunity Pru, of talking intimately with large numbers of young people in Australia now. I did that during the Priority One campaign. Almost universally the young people told me that they wanted to do something for the benefit. I'm terribly encouraged by that. Correspondingly, I think, the community wants to see something done. So what we're going to be about, this is not trying to impose something upon a reluctant unemployed constituency, what it is is co-operating with a constituency that wants to do something. In talking with the voluntary organisations, the State and local governments and the trade unions, I'm sure we're going to be able to create a situation of a fairly large number of worthwhile community activities which will involve the opportunity for young people to do something for the community for the benefit they get.

GOWARD: And if they choose not to do they lose the dole?

PM: Well that situation doesn't arise. At this stage, and later on, if you had a position where the community saw that you had large numbers of people who just didn't want to do anything, then I think the community would want to address that, but that's entirely hypothetical. We've got to understand those unemployed people the overwhelming majority, there are some you might call bludgers, but the overwhelming majority of those kids and the unemployed out there want to do something. We want to help them.

GOWARD: Mr White, just finally, referred to some disappointment with your package. He felt that we were a bit soft on work practices in Australia?

PM: Well he referred to soft on the productivity case. Bob I hope you're still watching. Remember I said a prolongation of this over two years, now if as a community, including you in the business community - you've got a great responsibility don't put it all on the trade union movement - management in this country has got to get off its butt in a lot of areas and invest and use its entrepreneurial spirit as so many of you are doing. The rest

of you have got to do it too. Now if together, over those two years, we lift our productivity performance we'll be able to absorb this productivity superannuation decision, which I hope will come within the context of a significant improvement in our own productivity performance.

GOWARD: Mr Hawke, thank you very much for your time.

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