



PRIME MINISTER

E & O E - PROOF ONLY

INTERVIEW WITH MURRAY NICOLL, RADIO 3AW - 2 DECEMBER 1986

- N. I notice the Herald says you're here electioneering, sharing your smile with tax-payers, is that what you're doing in Melbourne?
- H. Oh, well you always take with 75 grains of salt what the Herald says. No. I guess a PM in that sense is always on the election trail, you're always trying to tell the story of what your Govt. is doing; expose the inadequacies of your oponents. But it's not electioneering in the sense that there is an election imminent.
- N. I suppose you're still selling the FBT too aren't you?
- H. No, I'm not. That's I think sold, the changes that we made, Murray, have been vory widely accepted, and those changes are now seen as part of a general tax reform, which is being about significant tax cuts now, more tax cuts in July, which will bring about overall a much fairer and more efficient tax system. I don't think there is much of a selling job to be done in the FBT now.
- N. Eric Risstrom says don't expect further tax cuts in July, is he barking up the wrong tree?
- H. Well he's got absolutely no right to say that. The decision of the Govt. is embodied in legislation and that's why we wanted to make it quite clear that it's not simply this December that we're getting a tax cut, but by ensuring that it goes into legislation it will be there and people can know and plan on getting the second stage of the tax cuts in July next year.
- N. No doubt about that at all?
- H. No of course there's not.
- N. It's been a pretty tough year for you just looking back on a few of the issues. This must be about the most rugged you've faced in your political career?
- H. Yes it's been a hard year Murray, but basically tough because of the great loss that Australia has suffered from the drastic fall in the prices we get for our exports. And that's as you know lopped about \$6B off our National Income and that has meant that responsibly as a Govt. we've had to take some tough decisions to try and share that around the Aust. community and then make the range of decisions which is going to put the Australian economy in the best possible position, to take advantage of the big depreciation in our dollar which makes us more competitive against imports, more competitive on overseas markets.

So we're engaged in a range of decisions which is looking at the medium to long term to put Australia in the best possible situation for the future.

Q. I think your tax-payers are looking at you saying 'yeah you're biting the bullet' but they're a little bit concerned as to just how you're doing it. How you're perceived to be performing publicly?

A. Well it's always the case Murray, that when a Govt. has got its head down and tackling the very hard problems and making a range of complicated decisions it's very much easier for your political opponents and for interest groups in the community to just pick off a bit here and there and attack you. It takes a time for the whole package, the whole programme to be seen in its entirety. But that is emerging and it is being understood and accepted by the community.

Q. I want to say this particularly that I have enormous pride in the Australian community and that the people who've been asked to accept sacrifices, and I think particularly of the pensioners: I just can't speak too highly of them, we've delayed the pension increases for 6 weeks now and 6 weeks in the middle of next year, and they've just been fantastic the way they've said 'well we understand, that there've got to be some sacrifices and we're pleased to be part of it'. Now that has been increasingly understood. You can't, the simple fact is no country, whether it's Australia or anywhere else, you can't lose \$6B of your National Income and then go on as though nothing's happened. The way you're going about things lately, people are saying, and Gough Whitlam is one of them: that you've lost touch with the electorate, that the Govt. has forgotten what it's like, and you in particular as Paul Keating in particular, forgotten what it's like to live in the real world?

A. Well he and they are wrong, no times are the same as previous times. I'm not here to comment upon the Whitlam Govt. nor to comment upon his comments.

Q. You ^{don't} want to talk about that? (Beg your pardon) you don't want to talk about that?

A. Well I'm not going to personalise is what I'm saying. If I wanted to I could obviously talk about his Govt., his economic competence and so on. But what is gained, what advantage do I do by entering into that. My job is to say what we're doing and to make the point that if either Mr Whitlam, or anyone else thinks that you can have the drastic change in economic circumstances that have been imposed upon Australia and then ignore them, then I'm here to say that you can't do that. That if you lose \$6B of your National Income that there are tough decisions that have to be made. I'll also point to the social record of this

Govt. which is second to none. We, for instance, you compare, I talked about pensions a while ago. In the 7 years of the Fraser Govt. the real increase in the value of pensions was 1½% 1.5% increase in the real value of the pension. By this month the increase in real value of the pension under my Govt. will be of the order of 7%. And so at a time when economic problems beset this country we've had to make tough economic decisions, we've made them, we've got the economy into leaner more efficient shape than it's been before. But we haven't lost sight of the needs of those people in the community who depend upon the rest of the community for assistance.

1. Gough Whitlam really wasn't talking about, in the comments that are reported from him, from Adelaide, wasn't talking about economics, he was talking more your Labor philosophy. He says you've gone to water on human rights: he says that you've distanced yourself from his style of Govt., that's not necessarily a bad thing as you point out: and things such as administrative fees in tertiary institutions: that sort of thing. He says that you've gone to water and you're a weak Labor Govt. and he says the chances of you being there next election are not good?
2. Well I'm not going to enter into a public debate with Mr Whitlam. If he believes he is serving the interests of Labor by getting into that sort of exercise, that's a judgement that he has to make and he has to live with it. I'm not going to satisfy those who would like to see some public brawl between Mr. Whitlam and myself, I'm not going to enter into it.
3. Okay, somebody you will want to talk to and about is Allan Border.....

Be your discussion (who is Border a metaphor for??)

..... Speaking of letting it hang out, you've been doing a bit of that in Federal Parliament lately, with your language, you've copped a bit for that too. (Murray I just..) It's true! It's true!

1. It's just one sentence in a year and I think that it's a bit unkind, I mean it's like if I watched you in action for a year behind here and picked out sentence of the year and said that's typical of your performance, you'd say that's a bit unfair Mr. PM? One sentence.
2. It was a good sentence though wasn't it?
3. Oh no no. Well, it's for you to make a judgement on whether it's a good sentence. Just a couple of words slipped out. Look I take the view and I think if you look at my performance in the Parliament, while I'm strong in attacking people about their positions, I am not one who goes into personal attacks, if I attack people it's on the basis of

positions they've adopted. I don't think the cause of parliamentary democracy is served by personalised attacks and.

N. Soen a bit of that lately too?

H. Yeah we have, and I don't like it. But as far as language is concerned I, it's sometimes difficult, and I think I did lapse a bit there in that one phrase I mean one likes to be colourful, I mean you want to get attention and so on, and I concode ^{that} in that particular sentence I think I went a bit over the dividing line between colour and what's appropriate. But I think if you look at my record, I've tried to play my part in the Parliament in not descending into vulgarity and into personal abuse. Because I don't think that helps the institution.

N. I'm relieved to hear you say that.

H. Well I believe it, I'm not saying it because I think it's the right thing to say, I do believe it. If I make a mistake, I've always in my public career I've tried to take the view if you make a mistake, it's more honest and straightforward to say so.

N. There are reports coming out of Canberra of considerable tension between you and Paul Keating, are they true?

H. No, the gossip mongers of this place really amaze me. And talking about PK let me just say this again, and I'll get someone right in the sights on this, the National Times. I've said this before, they are a total disgrace to journalism. Absolute disgrace. And they will not learn. I talk with them, after I made that attack before, they said 'can we come and see you'. They came and saw me, I laid out the details, and they've done it again, this week. I mean the attack they made on the front page of PK this week in regard to that decision in Chile, saying that it had been done against the advice of Bill Hayden, (Inaudible word). Totally untrue, unchecked with Keating, and yet there he is he suffers particularly in these circumstances where he's in the spotlight. Now people who pedal these stories without checking them. I mean they really ought to look in a mirror and examine their conscience. Now as far as the particular point, the relationship between PK and myself let me make it clear. I have enormous respect for the capacity of Paul Keating, he's been an integrally important part of tackling the economic problems of this country. He's applied a fine mind and great hard work to tackling those problems, including the question of tax reform. Now there's been some misrepresentation of what I said in the Parliament, including may I say, Mr Howard couldn't even when he moved the censure motion use accurately the language that I used. I said that what Mr Keating was not of immense consequence. Now that didn't carry the implication, let me make it quite clear that I didn't, that

I thought it wasn't important.

N. That's the failure to lodge a tax return?

H. It was important the failure. He shouldn't have done it. I said it couldn't have been condoned. And it couldn't be. It's inexcusable. But I wanted to make the point that, now let's get some fairness in this country.

N. You mean fairness to you?

H. No. I mean I'm not talking for myself now because I think by and large that the people of Australia and the media of Australia are fair to me. I'm not here. But I think there should be a recognition of the enormous work that Paul Keating has done to face up to the economic problems of this country. I mean if you look in the area of the floating of the dollar: the deregulation of the financial sector: the bringing in of those Banks to make for a more competitive system: the work that he's done in the whole area of tax reform. All that is I would think work of a calibre which when the history books will (be) written he will be written up in the front ranks of all time quality Treasurers in this country. Now he made a bad mistake, and I've told him that, he's acknowledged it, I mean he acknowledged it without qualification that it was a mistake.

1. People don't have the overview though, you see, they just see junk things happening, they see foolishness and inconsistency and they judge you by that. And that's what happens.

. And people are entitled to be critical of Paul's mistake, and I was critical to him. But I try and get a balance in these things, I mean I'm sure that he will never make that mistake again, and which of us is there in this life.

. Will he be fined for it?

. I don't know, the decisions in this matter are totally a matter for the Commissioner of Taxation, and that's an arms-length position.

. And it's between him and Paul Keating. Purely.

. That's right. Let me say this who of us is there, in public life, who of us is there, who hasn't made a mistake? And I would think some of the mistakes that some people have made are of greater dimension than Paul's. Now I'm critical of him. He's critical of himself and he's going to pay a price for that for some time. But I would have thought that the Australian sense of fair play, should say 'okay, Keating you're wrong, you made a mistake, having said that let's put the whole balance, let's look at the hard work, the commitment of this bloke to try and get

a better economy. He's been an important part in the achievement of the highest rate of employment growth in the history of this country. There are 670,000 Australians, more Australians in jobs now than when we came to office.

- N. But you know the public really doesn't take account of that in the short term?
- A. But I think all of us have some responsibility to try and get some balance in these things. I don't believe I'd be entitled to be listened to by your listeners seriously, if I just simply came on and said 'look give Paul Keating a fair go, just leave it at that'. What I think I am entitled to be heard as saying is 'look, firstly Paul Keating has made a mistake, it's a bad mistake. Shouldn't have been done. But I repeat the financial loss is his not the community's. I can't see he's entitled to a refund, as I understand it, he always, he got the refund before, and so by not putting in the return earlier, it's meant he hasn't got his refund. Now let's have a pretty fair go. If we're going to analyse the bloke, put the pluses into the judgement, I'm simply saying if you look at the balance sheet about PK, my view is that the pluses so very considerably outweigh a significant minus on this issue.
- . But people see that as a symptom of something that they don't like seeing happening in politics at the moment, the general feeling around this country, if I interpret it correctly, is that they would dearly love to see Federal politicians clean up their act. Get out of the dirt slanging, get on with the business, I'm not talking Govt. I'm talking Parliament. And just get down to business like a Board of Directors, not like a bunch of school kids.
- . Well I don't
- . Politics is a messy game these days.
- . I don't find myself dissenting from a view that the Parliament should lift it's game. I believe that there is too much personalising. I don't want to be a hypocrite, if a person on the other side says or does something which is wrong, I think that which he says or does, which is judged to be wrong should be attacked, and attacked strongly, but I make the distinction between that and attacking the personality, the individual. And that's why in recent times I've tried to use my best influence to see when these sort of things have arisen that it's brought to an end. Now, look you don't find me therefore Murray arguing with you about the desirability of all of us lifting our game. We all have a responsibility and I think the institution of Parliament needs to be protected and that's the responsibility of the people in

the Parliament itself, but let me say this: the responsibility is a pretty comprehensive thing, I mean if parliamentarians are going to be continuously subject to abuse and attack then that makes it hard for them. I think there is a responsibility in the media, for instance, to recognise the very very hard work that's done by the overwhelming majority of Parliamentarians. Look I can say that because people know how hard I work so I don't have to defend myself. I'm saying it not just about Govt. members I'm saying it about both sides of Parliament. The average parliamentarian works very long hours and in terms of the actual rewards, a lot of them, not all of them, a lot of them could do much better outside of the Parliament. They work very long hours, they do have a sense of commitment, and I say that on both sides of the Parliament. And I think it would just be a little bit firmer and you might get sort of better responses from a lot of your members of Parl. if there were something on the positive side. I mean you look at the media, and be fair..

N. No you look at the Press Gallery that's different.

H. Well Okay, the PG as well.

N. They're not the media are they?

H. No no, they're not exclusively, and they have a major responsibility.

N. And they're about as cloistered as you are in Canberra.

H. Sure, now Murray, if you look at the whole output of the Gallery, but also the media generally, and tell me how many stories do you see written about the hard slogging, unreported, undramatic work of members of Parliament.

N. None.

H. No, of it.

N. Nobody wants to read that.

H. But what you do is you get ^{them} when they make mugs of themselves, as we've all been guilty of at times. Highlight it, all that's talked about. Now I think fairness would suggest..

N. Get caught with your pants down that sort of thing?

H. Well I'm not going into that. I think that fairness suggests that some coverage of the hard work that's done and the commitment wouldn't be out of place.

N. No I agree, but it will never happen.

H. Well, no it would be an ideal world I suppose.

N. Listen I'd really like you to explain to me just before you go.

Because I know you've got other commitments, something that's really bothered me about your Govt. and has bothered a great many people.

Why are you selling uranium to France?

H. Well I can't answer that in 30 seconds, so if you give me.

N. Give you 3 minutes.

H. Right, the decision was made on the basis that we hoped that we may be able to use the refusal to supply uranium to France as a lever to get them to end their objectionable testing of nuclear weapons in the South Pacific.

N. Can I just stop you there, just very briefly?

H. As long as your not taking it out of my three minutes?

N. No, no, I'll add it on the end. (Okay) Just slide off on a tangent for a minute while we're talking about nuclear testing. Do you know of any plans by the French to shift their testing base out West of this country?

H. Out West of this country?

N. Ah, out South-west of this country to the islands called, damn it I can't remember what they are, you know it's bound up with the...

H. I don't know of any plans, I think I saw some suggestion, one newspaper once said about it but I don't know of any plans. I can tell you I don't know of any such plans. As far as I know they intend continuing there in the South Pacific. Now what I was saying was that there was a hope that it would produce that result. Now the facts are that it had no such result and what we were doing by, See there was an existing contract that had been entered into, and so what the Govt. had done is said well we will meet the financial obligation to the producer, the Australian producer, and that was costing in the order of \$60M. And that simply that we were paying the producer and that uranium was being kept in drums under a tarpaulin in the Northern Territory. Now the great pressure that we put on France by doing that was that we forced them to buy their uranium cheaper, they were able to get their uranium cheaper on the spot market. Instead of having to pay, the contract price was a higher price, because we wouldn't sell it to them they were still getting their uranium but getting it at a cheaper price. So not only did it have no impact but it was in fact a bonus to them. Now it's a very hard decision and let me say this to your listeners, including if I may say so, particularly you young. I understand the emotions on this issue but the simple unarguable fact is that we were doing France a favour by allowing them not to meet their contract obligations but to get uranium cheaper. Now that meant that in these tough budgetary situations, were we going to pay \$60M out and give an advantage to France where that money would have been available as a result of our decision to ensure that we didn't have to impose further restraints upon our

people, those least able in this country to bear that burden.

- N. The alternative was comprising your principles which you did.
11. What principle, that we were not added to in our capacity to argue with France, we haven't diminished our argument to France at all. I've continued, my Foreign Minister Bill Hayden, we've continued bi-laterally and in every multi-national forum to press for a comprehensive test ban treaty. There's no Govt., and this is recognised in the United Nations, there is no Govt. which has pressed harder than my Govt. for an end to nuclear testing that's recognised. So the fact of providing uranium to France, under these conditions, let me remind you, there is a total unqualified guarantee that not one ounce of Australian uranium can be used in the nuclear weapons programme. It is totally for use for the generation of power for peaceful purposes.
- N. People don't believe you can police it well enough to guarantee that?
- H. Well, there is not one piece of evidence that we can't, and haven't been. There is not one piece of evidence that Australian uranium has been or can be used other than for peaceful purposes. And let me say this the IAEA has pleaded with Australia to make sure that it retains a supply for the peaceful cycle, because we have, and it's recognised, we have the most stringent safeguards in the world, and to the extent that Australia doesn't supply countries with less stringent safeguards, or with no safeguards at all, that means that the international nuclear fuel cycle becomes more dangerous. Now that's not an opinion, that is a fact. So if you bring all those things together we've continued and will continue to use every pressure, effective pressure, we can upon France for an end to nuclear testing in the South Pacific. We'll use every pressure we can in the international forums to bring an end to all nuclear testing. That we made the judgement in these circumstances that keeping the uranium in the drums up there while France got it's uranium cheaper was not adding one iota to our capacity to exercise that pressure.
- Lost you a ton of votes. Lost you a ton of votes.
- Well if I make judgements on every issue as PM and if my Govt. makes judgements on every issue simply on the basis of what is a vote consequence you won't have responsible Govt.
- Plus policy don't forget Hobart.
- Policy okay, now I'm saying that the policies of Hobart and of the Labor Party weren't just to be found in one item, we have a fundamental economic and social responsibility and you say, what you're saying is it would have been for instance, just to impose a further burden on pensioners

put off the pension increase for another two weeks and at the same time allow France to get its uranium cheaper, if that's what we would have done we would have imposed, if we'd done that we would have imposed in one way or another, another \$60M of burden within Aust. and allowed France to get its uranium cheaper. Now if you say that's principle okay, you're entitled to that but I don't see it. If you could point to the fact that this Govt. is in any way, in any way at all diminished it's position of principle pressure against France, and not only against France but against all nuclear powers, of saying look you must have a comprehensive test ban treaty. The reason why Australia stands so high in the international forums of the world is because it's recognised that we have done more work than any other Govt. in the world to try and get a comprehensive test ban treaty. And we are entitled to take some credit for the fact that at Reykjavik the two super powers in fact got to the stage of having a proposition about a comprehensive test ban treaty on the table. Now that's the way you pursue principle in an effective way. And not by saying to France 'well we'll keep our uranium in the drums under a tarpaulin in the NT while you can still get your uranium, but get it cheaper and in a more dangerous way.

V. You haven't convinced me.

I. You don't want to be convinced.

V. No it's not that at all. That's why I asked you.

I. Tell me, Murray.

V. I looked for a reason other than what I have read so far.

I. Well tell me what is wrong with the argument I put. You tell me what's wrong.

V. Nothing, nothing....

I. Okay there's nothing wrong with it..

V. Economically and logically but you see the Labor Party is all about, Emotion?

I. Principle too, no not just emotion.

V. But I didn't talk on the basis of anything other than principle, the principle is that testing, nuclear testing, in this world ought to be brought to an end. That's the principle, now don't let's talk about emotion. The principle is how do you go about bringing an end to nuclear testing by France and by other countries, Is that our principle do we want to bring it to an end? Okay?

V. I'm not talking about that aspect of it, I'm talking about principle, of your party setting a policy, and the principle of you being very loudly anti-nuke all your life, all your career, very loudly anti-nuke

now what you're doing is turning that principle around.

H. Well you're wrong, you cannot say that because, you either haven't listened to what I've said, or you just don't want to listen.

N. I listened very carefully.

H. Tell me where I'm wrong in saying that we have done more in actual effective terms to pursue that policy and that principle than any other Govt.?

N. I can't tell you that, I can't tell you that.

H. Well the simple answer is there is no other Govt. that's done as much that's recognised. It's recognised by the Americans,

it's recognised in the fact that we got the record vote in the United Nations for election to the Security Council. Now the thing is that we are doing that, we've continued to do that in an effective way. See you've got to say

H. I'm accusing you on behalf of a lot of a lot of Labor adherents...

N. You're accusing me, you're entitled to do that, but I believe that the accuser has a responsibility then after he's made the accusation to refute the argument of principle. I'm saying the principle is to be committed unqualifiedly to press the case against nuclear testing. I have not wavered for one moment from that. Because what you're saying and you will not face up to it is you're saying that by selling uranium to France or allowing the sale to continue under an existing contract, that I've walked away from the principle of stopping nuclear testing. But you will not face up to my question how has that happened, it hasn't happened in any way there is diminution, not one iota of diminution in the principle of Hawke and his Govt. against nuclear testing. It's internationally recognised that we're the most effective Govt in the world in pressing that case. It is internationally recognised that in allowing that contract to go ahead our capacity to press that argument has not been diminished that it wasn't relevant to it. It's internationally recognised that if we continue to keep the uranium here the French would have got the benefit, still got the uranium but at a cheaper price.

How come it almost split your party right down the middle. How come half your party's arguing against you?

I ask you to look at the party at the end of '86, of course they were worried about it in August, of course and I've...

And you made the same explanation you just made.

And I respect the emotion that was felt there, but I have a responsibility as PM to go out and talk with people and listen to them, that's what I've done. I haven't sat in Canberra and said, Hawke's right, you're wrong.

I've gone round, I've talked with people, I've listened with people, I have written literally, literally, hundreds, and hundreds, and hundreds of letters, to kids, to party members, party organisations, community organisations, I would think, it's not hundreds, I would think it's probably thousands by now. ^{So} I haven't sat back and said now I'm right, I've gone through the patient task of trying to explain without rancour the facts of the situation, now that's what I've had to do I accept my responsibility, and I think at the end of 1986 as we go into 1987, people are saying 'alright we mightn't like the decision but at least we recognise the integrity with which he and the Govt. took it, we recognise their reasons, and we recognise the fact that this Govt. has done not only more than any other Govt in the history of this country but more than any other Govt. in the world relentlessly to pursue the policies, bi-laterally and in multi-lateral forums against nuclear testing. We are recognised as the nation in the world which most relentlessly pursues the achievement of a comprehensive test ban treaty.

And that issue is one of the more serious in what has been a very tough year for you. Thanks for coming in this afternoon.....

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