



PRIME MINISTER

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TRANSCRIPT OF INTERVIEW WITH IAN MCMINN - 3AK - 11 DECEMBER 1986

MCMINN: Prime Minister, welcome to the program and at the end of the parliamentary year with the Senate finishing last night I am wondering whether Christmas has arrived early for the Government. Obviously I am referring today's extraordinary trade figures. How do you see them?

PM: Well, we have said consistently Ian, that we don't get overly carried away by any one month's figures but having said that we, of course, welcome this remarkably low figure of \$685 million which is significantly below I think what the market was expecting. I think it does confirm what the Treasurer Paul Keating and I have been saying that the basic strategy of the Government as contained in the Budget and our wages policy is having its impact. There is just simply no question now that the J-Curve - that is the expectation that the depreciation would have its impact in lowering the volume of imports and gradually creating a better environment for exports is working and that is good for Australia. We will not simply as a result of one month's figures relax our firm policy position because what we are committed to is creating the environment within which we can be as certain as possible that the longer term requirements for Australia's best interests are satisfied.

MCMINN: It seems an extraordinary drop though Prime Minister, from \$1.5 billion to \$685 million. I am wondering if that could have anything to do with the new computer service that is this month's figures?

PM: It can't in any sense explain all of the massive drop. The Opposition I understand is saying that you can't rely on one month's figures. I must say I have a very healthy belly laugh when I hear them say that because when the one month's figures were very high they latched onto them and said that that is proof that the Government's policies are not right. They wanted to say we do attach weight to one month's figures. They seem to want now to say, oh well, this is an aberration, you can't take any notice at all.

MCMINN: I was just wondering is there any particular area that you can pin point why there should be such a drop in our current accounts?

PM: Well, you have got to say, I think what the Treasurer and I have been saying that it is inevitable that with the depreciation

that has taken place that there would be an impact upon import volumes. Now there clearly has been and that is working its way through and whether there is some particular element this month which has played some part in this very dramatic reduction you can't be sure. But what you can be sure of is that taking this figure into account with the underlying trend of what has been happening you can be certain that import volumes are falling and that export volumes are rising over the period. And that is precisely what Australia needs.

MCMINN: Would you see the trend continuing in the next figures to come out?

PM: Both Paul and I have been saying that we had to expect reasonably tough figures as we went into 1987. It may be that now the trend is accelerating a little bit faster than we thought. If that is so that is welcome but it is a reflection of the fact that the both the Treasurer and I are cautious about these things. We have said that there should be cautious optimism about the Australian economy for 1987. And all I can say is that these figures certainly justify the expression of cautious optimism by the Treasurer and myself.

MCMINN: On another set of figures Mr Hawke, the unemployment figures, they fell slightly as well. Is that due to the same policy setting or is it

PM: What we have seen there is a drop in the unemployment rate down to 8.3% but that is a reflection obviously in part of the decline in the participation rate. But we have said that in regard to the general employment and unemployment figure that we couldn't expect significant continuing growth in employment and significant reductions in the unemployment rate given the fact that we have got to contain the level of economic activity in this country so that we don't suck in imports at a more than sustainable level. But again I think we have to take some cautious optimism from these employment figures.

MCMINN: Well, both sets of figures obviously come at a very good time given that the parliamentary year is at an end. At the start of next year you are going to the Middle East. I was wondering if I could ask you how you would see that trip?

PM: Well, the trip has two components if I can put it that way. I have been invited to give the keynote address at this very prestigious meeting in Davos in Switzerland which is attended by leading political figures from many nations as well as outstanding business leaders from around the world. And I am going to take the opportunity there of making a major speech in regard to the international trading situation including the position affecting agriculture which is of fundamental importance to Australia. And I am taking the opportunity while going there to deliver that important address to make a brief visit to the Middle East. I will be going to Israel and Jordan and Egypt and let me just make these points about that visit Ian. Firstly, I don't want any overstatement of Australia's capacity to play any sort of mediating role in the Middle East. I am not going there in that sense but we are in the fortunate position where we are

regarded favourably by Israel and by the moderate Arab states, by Egypt and Jordan and so I am sure that the leadership of these three states will talk fully and frankly with me about how they see the current and future situation in the Middle East. I hope that in that context I can become better informed about the possibilities in that region. And if in any way they believe there can be some input in Australia, but only if they so believe, then of course Australia is prepared to make whatever input to such processes that they would seek of us.

MCMINN: Of course Israel, Prime Minister, has been something very close to your heart over a number of years and I am just wondering whether or not there is some danger in the trip so far as that you are closely aligned to the motivations of the Israelis and there might be an expectation that you might if you like not maintain a balance, that you might go their way rather than the way of moderate Arabs?

PM: Oh well, in part the answer to that is that I have a long standing invitation from both Jordan and Egypt to visit their countries and I am accepting their invitation as well as the invitation of the Israelis. While it is true that I have had some fairly long standing association with Israel I have also for a very long period had good relations with Egypt and Jordan. I have been to Jordan twice. I visited Egypt - when I visited there the late President Sadat was in power - but I did have the opportunity then of meeting as he was Vice-President Mubarak. I established good personal relations with him and he is now the leader of Egypt. And I recognise the very real problems that the people of Egypt and of Jordan and the policy of my Government recognises also the interests and the rights of the Palestinian people as well as our total commitment to the right of Israel to exist behind secure and recognised boundaries. So we go there with a position of integrity which is accepted and recognised by all the countries that I will be visiting.

MCMINN: You don't see a danger of an expectation that Bob Hawke might solve the problem?

PM: Well, that is why I made the first comment that I did. I want to emphasise as strongly as I possibly can. I don't go there with some assumption about playing the role of the great international mediator. I am simply saying that we are a country and I think I am a person who is respected by Israel and by Egypt and by Jordan. It is for that reason that I think as I say they will talk fully and frankly with me and I simply say that if it is the view of the countries themselves that Australia even in some small way can play a part in what will be a very complicated process of achieving a peaceable resolution of the Middle East conflict then of course Australia stands ready to help. But I don't in any sense overstate either the capacity or the role of Australia.

MCMINN: OK, moving along to domestic politics. Prime Minister, the Senate last night knocked back the Australia Card as everyone expected them to. A double barrel question - first of all this obviously would give you a trigger for a double dissolution if you wished. The second point, Senator George Georges saying that

he is prepared to quit the ALP. I was wondering if I could get comments on that?

PM: Well, in regard to the first. It is of course a tragedy that the opposing political parties - that is the Liberal Party, the National Party and the Democrats have rejected a piece of legislation which the overwhelming majority of Australians recognise as being necessary if as a community we are going most comprehensively to fight the war on the one hand against tax avoidance and on the other against social security fraud. And so those opposing parties have clearly put themselves in the camp of those who don't want to fight the fight as hard we can against tax avoidance or to fight the fight as hard as we can against social security fraud. They have made a gross error of political judgement. They have acted manifestly against the interests of the ordinary people of this country and we will continue to fight. Let me say, however, I make it clear that I am going to ensure that this Parliament runs its full term. They will pay, in my judgement, a heavy political price for their refusal to identify themselves with the great wish of the Australian people to fight tax avoidance, to fight social security fraud. Now, your other question was about Senator George Georges. I think that the Australian Labor Party will reasonably, comfortably survive whatever George Georges may perceive as the trauma of his defection.

MCMINN: So you don't see Senator Georges, an ALP Senator, his quitting of the ALP over this issue as an embarrassment to the Labor Party?

PM: No.

MCMINN: No way?

PM: I think my answer was pretty unequivocal.

MCMINN: Another thing - a personal message if you like. As I understand it there is a lady listening to the program right now. She is 112 years of age. Her name is Carolyn Mockridge or people call her Carrie - the oldest living Australian. And I understand you have a message for her.

PM: I have indeed. Carrie, first of all, my very, very sincere and great congratulations to you on achieving your 112th birthday. This is just truly remarkable and as I understand it that makes you the oldest Australian according to our Federal Government records. I congratulate you not just on your longevity but I would like to say how thrilled I am to be told that you retain a very vivid interest in current affairs, that you listen to parliamentary broadcasts. I think it is absolutely fantastic that you are able to do this and that you like to do it. I am told that your father Carrie, came to Australia with the British Army, that he was at the Eureka Stockade as a soldier at the age of 19. When I think Carrie, of the fact that you are a 112, that means you were in fact 55 years of age when I was born back in 1929. You span a truly remarkable period of Australian history and I suppose one of the things that you must just wonder about as you look around you today is the absolutely immeasurable

nature of the change that has taken place in the world and in Australia since your early days. It is an unrecognisably different country and different world. But I guess the basic considerations, the basic values remain unchanged and I just hope that you will see in the sort of things that are happening today moves that are going to make for a better Australia. You obviously Carrie, would also have a great pride in your family and particularly some names that come to mind. I understand that your great nephew was Russell Mockridge the famous cyclist and also John Mockridge, an architect who amongst other things has designed several buildings here in Canberra. So I hope Carrie that as you look back over those 112 years you will have very, very many fond and happy memories and I certainly hope that you continue to enjoy the capacity to involve yourself in what is happening in Australia today and I wish you all the best for the future.

MCMINN: Thank you Prime Minister.

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