



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH ALLAN DICK, PACIFIC RADIO, NEW ZEALAND, 12 SEPTEMBER 1989

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DICK: We dithered a lot in this country over the purchase of the two frigates. Are you pretty satisfied with what we've done?

PM: Yes, I am. It's the purchase of two with an option of a further two. I'm pleased with that and I certainly want to make it clear to your listeners there, Allan, that this has not been a case of Australia standing over or attempting to stand over New Zealand. What we've tried to do is to put our case as to why we think, in terms of future relationships and future capacities and future inter-operabilities of our forces, that this was a sensible decision. But, in the end, the New Zealand Government has made a decision according to its assessment of what New Zealand's best interests are. I'm very pleased with the decision.

DICK: Were you beginning to get a bit impatient though with all our dithering and chain dragging?

PM: Well, I suppose it's fair to say we would have liked to have seen a decision earlier, but let me say quite straightforwardly that I understand that within New Zealand, both within the Labour Party and more generally, that there are people of goodwill who had reservations about the wisdom of this decision. I respect their integrity, but I am certain that the decision that it's taken is the right one. So if, in the result, we've got a decision which is better understood within New Zealand so much the better.

DICK: One of these confidential business newsletters that every country appears to have says that we now have aligned ourselves with the Australian defence and that the flexibility on the price was in fact based on the Australian perceived fears of Indonesia some time in the next 20 years. Do you think that would be incorrect?

PM: No, we haven't developed our defence policy on the basis of perceived fears of any particular nation, but we have developed our white paper, on defence and

ensuing policy decisions on the basis that we have to accept a responsibility for any likely eventuality into the future. We see the future, sensibly handled, as one where there shouldn't be conflict. But no Government can responsibly ignore that it must accept the necessity of taking decisions which enable you to meet with any possible eventuality. That's what we've done. But Australia, like New Zealand, is a peace loving nation and if you are going to understand our decision, not only in regard to frigates, but in regard to the acquisition of other naval craft and aircraft, this has to be seen in the context of the fact that I think no nation has done more in the international councils of the world to push the causes of peace and disarmament.

DICK: Have you noticed anything already in New Zealand's attitude towards Australia now that we've got Geoffrey Palmer as Prime Minister? Have you noticed any change at all so far?

PM: No, I think that would be quite unfair to David Lange. I mean, it's fair to say this, that although David and I had a difference of view on the question of the ANZUS relationship and ships visits - a difference which was conducted between us intelligently and civilly - I must say in fairness to David Lange that in all our meetings, particularly in relevant international fora like the Commonwealth Heads of Government and the Pacific Forum, he was always very supportive of me and the positions which I took because we had views which, apart from that major area of difference, coincided. So, if I were to say that now things are better with Geoffrey, that would be unfair to David. But let me say this, I've always enjoyed very good relations with Geoffrey including just being able to pip him on the golf course in New Zealand and we respect one another. I like him very much and what I see as a continuation under Geoffrey Palmer of the warm relationships that existed with his predecessor.

DICK: I showed the good judgement to go to Australia for a holiday last year and while I was there I read a Sydney newspaper. One of the things that was being said by manufacturers, I think it was a manufacturing group, was this. Now that we've got CER in place, don't overlook the New Zealand market. It might be small but after all it has got the population of Sydney. As I put the brakes on the car I thought 'well, we really are pretty small aren't we?'

PM: Well, Sydney's pretty big of course too. That's the other way of looking at it and you ought to try driving through it. But let me say this, the CER agreement between our two countries has been enormously successful. There's been a very, very significant growth in two-way Trans Tasman trade since we negotiated the agreement in 1983. In fact, the average growth in that Trans Tasman trade since 1983 has been 14 percent per annum. So this has been good for both countries.

DICK: New Zealanders continue to flood to Australia, even though every day across here we hear more bad news about the Australian economic scene -

PM: You haven't been reading all the right news then.

DICK: Perhaps not. Can you understand what it is that's dragging New Zealanders in their tens of thousands to Australia?

PM: We're a very attractive country. Well, let me say, that relatively the employment position in Australia has been more attractive than New Zealand. I mean, I can give you some idea of the dimension of employment growth since we've been in Government. We've had an employment growth since we've been in office which is about half your population. In other words, we've had over one and a half million new jobs created in Australia since we came to office in March of 1983. That increase in employment has been across a wide range of industries, particularly in the tourist industry and a lot of that has been in areas which are very congenial. So, where you've had a greater problem in regard to employment than we have, I suppose people have made the judgement over there that they've got a relatively better chance of employment and in relatively congenial environments here.

DICK: There's always been a pretty strong spirit of competition between Australia and New Zealand.

PM: There sure has.

DICK: Do you think it's perhaps stronger from our point of view than the Australian?

PM: I guess so and I guess that's understandable. I mean, I don't take gloat in the fact but it is the fact that we are relatively very much bigger, I mean, in both the size of our country and the size of our population, we're about 17 million which is five or so times your size. It's inevitable in circumstances like that, that the relatively smaller country is going to be the one which is relatively more aggressive in its attitude. I think that's perfectly natural and understandable. Without making an exact parallel, I suppose you'd think of the position of Canada and the United States where the same sort of phenomenon exists.

DICK: We continue, I'm talking about New Zealand continues to be at logger heads with the USA primarily because of our anti-nuclear stance, the Australians aren't. Is that a problem for you?

PM: Well let me put the position this way. We have made it quite clear from 1984 when this Government came to office in New Zealand that we didn't agree with their nuclear ships policy. We took the view and maintain the view that you can't have a defence alliance relationship, which is what ANZUS is, and say to you "hello I'm sorry your ships can't come to our port". That to us is a claytons policy. A claytons defence alliance relationship policy. Now we say that with no sense of aggression or superiority. That's our view. You have a different view. But the fact of the difference meant that we weren't able to have as an effective defence interrelationship between the United States, Australia and New Zealand as existed before. There was some limitations on the exchange of intelligence information, but with the full understanding of our American friends in that situation. We tended to increase the bilateral defence relationship between Australia and New Zealand because that made a lot of sense because we have shared responsibilities in regard to the South Pacific. So it has been a case of saying well you have your view, we have ours, we think we're right, we know you think your right, but don't let that stop, in any way, the relationship between the two of us.

DICK: \$64 billion question. There is not a great deal of difference in attitudes between Australia and New Zealand and it is not going to happen in your life time or mine, but political amalgamation, 100 years away?

PM: It is silly to put any time table on it Allan. I'd simply say this, that it is not, as far as we are concerned, a pressing issue, and I wouldn't understand that it is in New Zealand, but if you look at the whole span of human history with things that at one stage didn't seem possible, (they) changed. And all I can say is that if that is ever going to eventuate, it will only eventuate if the peoples of the two countries come mutually to a perception that it would be in their respective self interest for it to happen. So I think that this is a slow evolution, it may occur, but it won't occur in my political life time. If at some time during the life of my children or their children, our dependants here and in New Zealand just make the decision that a full political integration would be in their best interests, then it will happen.

DICK: How about a common unit of currency though?

PM: Well, I was talking earlier about the CER. We are in this situation, if I can look at the steps that occurred. By July of next year virtually all impediments in the way of trades and goods and services will have been removed and that will be five years ahead of the schedule that was contemplated when it was signed in 1983. What we're into now is the sort of next stages of discussing the issues of an investment agreement and harmonisation of business law and cooperation in customs and quarantine areas. So we are well ahead of the schedule that was set. The next major review of the CER is set to take place in 1992 and in that there will obviously be some fairly difficult issues involved. Now whether, with the accelerated pace of dealing with issues that marked the way it has operated so far, whether we will get to that stage in the foreseeable future I can't say. But obviously, while posing some advantages, also has difficulties. I mean in terms of the fixing of exchange rates and so on.

DICK: Final question Mr Hawke. You have already indicated that you going to stand again. When do you see yourself retiring?

PM: What I have said is that I will lead the party in this coming election and the next one. I think probably after that it will be time to think about it. But I am nearly 60 now, I will be 60 in December. I think it is generally considered that I am a pretty fit and healthy and alert near 60 and that sort of schedule would have me up into the mid 60s and then I think there is plenty of time for life after politics then.

DICK: ... Prime Minister, Mr Bob Hawke. It has been a pleasure. Thank you for your time Sir.

PM: Thank you very much indeed Allan.

DICK: Thank you very much indeed Sir.

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