



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH ANNETTE MARNER, ABC ADELAIDE
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MARNER: Well your itinerary includes such places as The Whyalla Workers' Club, the BHP Long Products Division and so forth. Many people would say that that's really the hub of ALP support in regional Sth Australia and yet many of your critics would argue they're the very people that have been alienated from the govt through your tough economic policies. Do you agree?

PM: No I don't know where many of the critics are that you're talking about. I think it's an historical exercise as far as the govt is concerned. We are receiving the clear endorsement of these people for two basic reasons. One, we have ensured the creation of an enormous amount of jobs - more than one and half million jobs since we've been in office through our policies which is twice as fast as the rest of the world and five times faster than existed before we came to office and that's what they want, security of employment and also we're ensuring that there is a very equitable creation of social services to families, increasing the education opportunities for their children - these are the sort of things which a Labor Govt has traditionally been committed to do but which in the past hasn't been able to do as effectively as we are.

MARNER: You don't see those six and half years as PM has in any way distanced you from the ordinary Australian.

PM: Well I suggest you ought to walk around with me as I go round these centres and you wouldn't ask that question. I still have the same rapport with the ordinary people of Australia as I've always had and that's because I've been with and of them for now almost 30 years in public life. So if you have any about that I suggest next time I'm going around you might come with me.

MARNER: Well I might take you up on that. There are elements within the unions that have expressed concern about your handling of the airlines dispute.

PM: You....you may I say with respect are very selective in what you Why don't you refer to the facts. The Secretary of ACTU Mr Kelty and the incoming President of the ACTU

PM (cont): Mr Ferguson again last night have expressed total endorsement and support of what the is doing. When of course you have a movement as large as the Australian Trade Union Movement you'll get some people who want to express a different point of view. But the President and the Secretary representing the Trade Union Movement have fully endorsed our handling as you would expect they would because it's not a very difficult thing to understand. What we are about in rejecting the claims for the pilots is to say that the whole of the Trade Union Movement has exercised restraint under the Accord which has created one and half million new jobs because people with power have not used it. People who could have gone out and grabbed more wages haven't done it. They've exercised restraint. And we're protecting that situation and protecting Australia. When you have 1600 people who have the power to say to the rest of the community - go to hell, we'll have 30% which increases are equal to what the rest of you are getting in the whole of the year - of course the Trade Union Movement as a whole is going to say 'good on you, you support the restraint system which we've practiced ourselves'. It's not surprising.

MARNER: Dick Holt, past President of the Aust Fed of Air Pilots in his full page ad in many of our papers today has said 'It's an attack on the most important principle in Australian industrial relations, 'your right', he's addressing this to the pilots, 'your right of freedom of association, your freedom to negotiate with your own employer', how do you feel about those criticisms?

PM: ..fully what Capt Holt's saying. He has followed a principle which he dearly wants to protect. When he was head of the pilots, they followed exactly this principle - they said, we don't give a damn about the rest of the community, if we want x% increase, x improvement in conditions, we will go and hold a gun at the airlines' head. That was the principle which Holt and his colleagues followed and the only question that was in issue when the Fed in the past followed this "principle", as they held the gun at the airlines' head, was which would fall over first, Ansett or Australian. That was their principle. Hold the gun at the heads, say this is what we want, and they always got it. That of course is a precious principle for pilots - lovely principle. Have some power, exercise it, knock the boss over, ruin the system in the process. It was the principle followed by the pilots which produced the situation of an average \$80,000 salary per year for 8 hours flying at the stick - a beautiful principle. I'm not surprised that they think it's the best principle in the world - a cherished principle that they should adhere to. The only problem is, they're not going to be able to because the principle that's been followed by the rest of the Australian workforce is saying no, we won't use our naked power, we'll exercise restraint, and in doing that.....create a more competitive Australian economy. So the pilots Fed can talk about their precious principle of the gun at the head, but they've got to understand that that precious principle is gone.

MARNER: But the principle of freedom to negotiate with your own employer, is that something you support?

PM: We support the system under which of course unions within the wage guidelines of the centralised wage system are doing now. What is happening now, right around this country under the metal trades award, and elsewhere, there are negotiations going on between unions and employers to give effect to these principles. Of course we accept that. We do not accept the so called principle, I mean it is straight out blackmail, spelt "principle" according to the pilots, whereby their concept is no, all those concepts go out the window where your own perception of interest has to be measured against the national interest. That goes out, and their negotiation simply was to say to the airlines, 30% increase that's it, no adherence to the Industrial Relations Commission's guidelines, what everyone else is doing, there's our negotiation, 30% and planned from February might I tell you, planned from February in their own documents, a commitment to close down the industry entirely. Now don't let's go on, I mean I can't really understand how someone at this stage like yourself, can be talking about their principles, and their willingness to negotiate when from February, their stated intention was to take everyone on in the community, shut the industry down. So don't talk about their principles.

MARNER: Mr Hawke how do you feel about Mr Peacock? He's also had a full page ad in many of our papers today, with the headlines "Mr Hawke for Australia's sake, sit down and talk" and I'll just quote you a piece from it - 'To win a point you' he says, 'seem determined to sacrifice the tourist industry, small business, the economy and the nation, all to prop up an outdated wages system which is holding Australia back'. Is the Accord outdated?

PM: No. And it's very interesting. The other day when Mr Peacock was saying the same thing the very, very, same day in which he was saying this, that the wages system had broken down and was outdated, in the Australian Fin Review you had the Fin Review itself making quite clear the very opposite because they spelt out the achievements of the Accord and there what the Fin Review was saying on the same day as Mr Peacock was saying the wage system was gone, they were spelling out the achievements of the Accord. Just let me read you from the same day's Fin Review. It said, this is Mr Stutchbury in Fin Review, "I would like to report that the Hawke govt's Wages Accord is crumbling under the weight of the pilots' dispute, it would make a good story. However, only mugs allocate their portfolios on the basis of good stories'. And he then went on to talk about the massive restructuring, the bringing up to date of conditions in industry, and then he says this "the Accord has kept the lid on wage inflation during what has been Australia's biggest economic boom since at least the early 70s. Under the Wages Accord the ACTU has deliberately facilitated the biggest redistribution of national income from wages to profits for at least a generation.

PM (cont) This fact seems to be conveniently forgotten by those who are now squawking for an abandonment of any centralised rein on aggregate labor costs." And they conclude, "the Accord has underwritten the corporate profit boom which in turn is funding the current surge in business investments". So at the very same time that this discredited Liberal leader is saying that the wages system is holding Australia back, the independent financial authority in this country, newspaper, is pointing out precisely what has been achieved. It's this wages system which has brought about the move to profits in a way which has allowed investment to reach the highest level in the history of this country and which is sustaining the growth of Australia. But of course Mr Peacock who doesn't A, understand anything about economics, and B, of course is discredited within his own party, the moves are already starting to get rid of him. Now there you have a situation where in his desperation he's just setting his face against the recognised facts.

MARNER: Is the Accord in any real danger?

PM: The Accord was in danger from the beginning of the pilots' dispute if the pilots had been allowed to get away with just holding the gun at the head of Australia. And that was why from day one, I said, on behalf of this country, you are not going to get away with it. It would have been destroyed if the pilots had been successful and with the destruction of the Accord would have been the destruction of all these achievements that the Fin Review is properly spelling out. The economic future of this country is only in danger if you allow the pilots and their supporters, Mr Peacock, to get away with the destruction of the wages system which has brought all these benefits.

MARNER: The Accord though is an agreement between some of our major players in the whole wages system in Australia, should it have legal status?

PM: Well it has its legal ramifications in that the principles of the Accord are reflected in the way in which the Industrial Relations Commission is making their decisions. And then those awards then have the force of law.

MARNER: You've had six and half years in govt, has this been your most challenging time?

PM: What at the moment? Oh, I don't know that you'd say the most challenging, every day is a challenge, but I think it's right to say that it's been the most important for the reasons that I've just been talking about because of the danger that's involved to the system. I mean at no point before has there been such a challenge to the fundamental underlying the way in which the economy has recovered. I mean we've had as I say and that's the position where we are creating jobs in this country twice as fast as the rest of the world - five times faster than under Mr Peacock's mob before when they were in govt. And all of that has

PM (cont) been done on the basis of wage restraint and never before has there been a challenge like this to the restraint that Australians are exercising. So in that sense a challenge, but in the personal sense, no, I mean there have been times before which were just as busy and tough and hard.

MARNER: The trade figures are due out mid morning today, your expectations of those figures.

PM: I'll only say this that both Paul Keating and I have said Annette, at the time of the budget and before that, that we expected the first six months of this financial year, in other words July to December, we expected those to be pretty tough and we wouldn't see the really easing-off until the second half of the financial year but what the specific figure would be I'm not predicting that.

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