



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH STEVE RAYMOND, RADIO 2WS
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RAYMOND: Prime Minister, thank you for your time.

PM: My pleasure Steve.

RAYMOND: The dynamics of setting an election date. I'm just curious to know the factors preventing you from completely ruling out December here and now.

PM: It's ... what I've been saying is that overwhelmingly I think the election will be next year. I guess no Prime Minister is ever going to say that there isn't some circumstance that might arise but to all intents and purposes I'm talking about what I've been talking all along. That's 1990 Steve.

RAYMOND: So the bottom line is you go when you've got your best chance of winning?

PM: I'd be the first Prime Minister in all of recorded history I think who wouldn't regard it as a relevant consideration to try and maximise your chances. I mean it'd be peculiar if you didn't do that. But essentially what's happened since I've been elected in '83 is I went in '84 then to get the coincidence of the Senate and the House of Representatives. ... was '84, it was three years to '87. I went in '87. 1990 would be the normal thing to do.

RAYMOND: Would a December date be an admission on your part that you can't get interest rates in sync with your re-election ... timetable?

PM: No it wouldn't be. I've said on interest rates that they will ... two related things about that. Firstly I'm not an idiot. I don't like interest rates being high. They're not up there for fun. They won't be up there, high, for a day longer than is economically responsible. But I won't take them off a day earlier than is appropriate. We believe that the tight settings we've got Steve, fiscal policy, wages and monetary policy, are going to produce a gradual slowing of the economic activity so we can get a level of imports that we can live with. When we see that then we can ease off monetary policy.

RAYMOND: What I was saying in layman's terms was if you did go in December it might be an indication that, well, that it's not going to get any better between December and May of next year.

PM: As I say from my earlier answer, it's a very very hypothetical situation.

RAYMOND: You'd probably balk if I said steamrolling, but isn't it true of late you've been asserting your personal authority to get Cabinet to back your political judgement. I'm thinking of compensation for the airlines, Kodak assistance and Kakadu last week.

PM: I think in regard to Kakadu a somewhat unusual thing happened in there in this respect. The meeting we had in this past week was not the first consideration of it. We'd considered it a week or so before. So we came to it with general arguments having been considered. I'd thought about it a lot and I thought well the best thing I'd say to my colleagues is this is what I think ought to happen ... at the beginning of it. I did that and so people were discussing it in the framework in the clear understanding of what I thought was best. ... way this Cabinet has operated since 1983. ... that I tend to let them talk through it and as it becomes clear what I think ought to happen I don't think there's been one situation in six and a half years in which my view hasn't prevailed. I don't say that in a dogmatic way in any sense but that has been the case. We don't take votes in the Cabinet. Generally people think that well he's the bloke that's in charge, he's the bloke that's got to go and sell the Government's position and who has the responsibility. If it goes well he gets support, if it goes badly he gets a kick in the backside. So in these past few occasions I've certainly had a view that these things ought to happen and that view has prevailed. But that in a sense is not basically different to what's happened for six and a half years.

RAYMOND: Are you as dirty on Sir Arvi Parbo, the Chairman of BHP, as he appears to be on you and your Government, saying you can't be trusted?

PM: It's interesting. After an interview I did this morning, in which I made it quite clear that the position wasn't being put accurately about the phone call he'd made to me, I spoke to Sir Arvi because I thought it sensible that I do so. I must say with full respect to Sir Arvi that he said quite straightforwardly that what I was saying about the phone call was absolutely correct and I think by now he's probably indicated that publicly. I've got no desire in these things to have personal antagonisms. There's an issue there and as I said to Sir Arvi well if you'd like to talk about that at some stage then we can talk about it. He indicated that he'd like to do that. So at some stage we'll talk about it.

RAYMOND: The pilots' dispute. After two months you certainly appear to be on the winning side. Is it fair to suggest though, with the position you hold and with your powers of persuasion, you should've been able to knock heads together and get a resolution long before two months was up?

PM: Well it's fair enough for you to suggest it but it's not an accurate reading of the situation. Because people say Hawke you were the great negotiator, the skilled person bringing people together. Well that's true. I was. I was the best in that country.

RAYMOND: Modesty aside.

PM: Not modesty. A factual statement. I was the best. Given that sort of situation again I still would be. But what you had here was something different. You had a situation where there was a Federation which simply said as its basic position it was not going to be in the wages system. It was alright for all your ordinary listeners, all their husbands or their wives, alright for every other person in the community to be bound by a wages system which had created this enormous surge of employment in this country, more than twice as fast as the rest of the world. That's happened because the workers of this country, to their great credit, have exercised considerable restraint. There have been improvements in the social wage to compensate for otherwise larger increases in money wages. But the pilots said, no, we'll grab all the benefits in the social wage, we'll be the greatest beneficiaries of the tax cuts that have been associated with it, all the other things, but we want the extra money wage increases as well. So we weren't in the same playing field for me to an umpire or a negotiator. They said we are not going onto that playing field. As far as I was concerned from day one what was at issue was not the pilots' wage claim as such but what was an issue was to whether all your listeners and all of the ordinary people around Australia, whether their commitment to an orderly wage system and all the benefits that have gone with it, whether that was going to be saved or not. They said we're not on that playing field. So from day one as far as I was concerned the situation was, very well, you absolutely say that's your position. I pleaded with them at the beginning. I said come into the system, negotiate, ... some increases there. They said no. In that situation there was only one thing and that was, particularly when they ordered their people to resign, which they did, so there was no employment nexus between the Federation and its members and the airlines. It was simply a question then, airlines recruit and get the thing going. I was not going to have Australia knocked over by these people.

RAYMOND: How will it end? A KO or a points victory?

PM: Quite frankly I'm not looking at it in terms of victory. If you go back to the previous situation you talk about where I used to organise resolutions for dispute. I never, as you know, look at the record when we had that great fight in regard to retail price maintenance. I guess it could be said we knocked people out there. I got the bloke in and said I'm not interested now in saying that we've won, knocked you out and I'm not here, I mean it's not about saying Hawke won and the other mob lost. The winners in this will be Australia. The ordinary people, your ordinary listeners. They are the people that are going to win out of this.

RAYMOND: Alright. Because of the pilots' situation, tourism at the moment, a suggestion. Why not make, for the remaining life of your Government, tourism a single status ministry and reinstate John Brown who has the confidence of the stricken industry?

PM: Of course he has the confidence but to John Brown's great credit he hasn't been inactive. He's been very very active. I've been talking with him. He's very very much involved in this. John's retiring at this next election.

RAYMOND: I said the remaining life -

PM: Yes I know but you're talking obviously a period of six, seven, eight months at the most. John wouldn't want that. What I give John Brown enormous credit for since he's been out of the ministry is he hasn't ceased to maintain, not just a formal interest, but a dedicated and involved interest with tourism. He's talked to me a lot, made some suggestions which have been very helpful.

RAYMOND: A few personal questions. If Labor wins a fourth term do you intend to remain leader throughout and head the fifth election campaign?

PM: I've said that I would go through the next full term ... then after that one has to start wondering as to how long you keep going. As I said I'm in the fortunate position there was life before politics for me and there'll be a very interesting life after politics.

RAYMOND: The other side of the coin. If you were to lose this time around are you prepared for the hard slog of being an Opposition leader for three years?

PM: A hard slog's never worried me. I've worked hard all my life, very hard. I enjoy hard work. So a hard slog is not something that worries me. It will be another set of considerations as to whether I'd want to do that. But hard slog doesn't worry me. It never has.

RAYMOND: How do you feel about it at the moment though?

PM: We're going to win. I've never regarded it as a useful exercise in life to wonder about what if, either forward or backwards. I get on and deal with things as they are.

RAYMOND: This is not intended to be disrespectful.

PM: Thank you Steve.

RAYMOND: Nice qualification.

PM: Yes, here comes ... whack.

RAYMOND: Have you at least to some degree become addicted to the power?

PM: No.

RAYMOND: The lifestyle?

PM: No. I'm sure you can ask anyone with whom I'm associated, anyone, and they will tell you that power is not something which Hawke gets carried away by. I mean I lead an ordinary sort of existence. As an ordinary sort of existence as I can. Obviously I live at the Lodge, I live at Kirribilli. That's not ordinary. So I'm not trying to be silly about it. But I go to the races, I love going to the races. I was there yesterday, I went to the races in Canberra. It was Canberra Cup day. I just move around amongst the people. The trappings of power have never interested me. All the business of the 19-gun salutes and that sort of thing, it's something that you've got to tolerate and go through. It never ever has ... me. I've always like to, in 30 years of public life, the thing that I've enjoyed most is getting round and meeting people.

RAYMOND: When you move out of the Lodge or when you're rejected, one or the other, will you be taking up residence in Sydney or Melbourne?

PM: I've got this situation. My daughter Sue and two of my grandchildren, Sue's, live here in Sydney. My other daughter Ros, with two of my grandchildren is in Canberra and may come to Sydney. So all the pull of my family would be towards Sydney. But even if that brings me to live here, and I love Sydney, there's no doubt about that, I will still always retain a very great affection for Melbourne. Melbourne in many senses, it doesn't have the glamour of Sydney as you know, but it's a great city. I've had many happy years of my life there.

RAYMOND: Can you name just one area where you've failed to live up to your own expectations as Prime Minister?

PM: That's a good and a tough question. There obviously must be some. I guess the thing that worries me a little bit is that I haven't been able to communicate I think as well to the Australian people the sorts of things which we've achieved. When I say we've achieved I don't mean we as Government alone. Because if I look back over six and a half years where, for instance, I'll just go back to that employment bit Steve. We've created one and a half million new jobs. To get an idea of what that means, that rate of job growth in Australia in our period of Government has been more than twice as fast as the rest of the industrialised world. It's five times faster than occurred under the conservatives when they were in from '75 to '83. There's been an enormous increase in benefits to people in the community who really need it. I guess to some extent I'm disappointed that I haven't been able as fully to get through to the Australian people that together, that is Government and the people together, that this is an enormous achievement of Australia. I think in a vague sort of way they know it and they're proud of it. There are two things about it. It's an enormous achievement and we've done it together.

RAYMOND: Alright, that achievement aside, the communication gap. What else? Where else have you failed to satisfy your own expectations?

PM: Well, on the side of the employer organisations, I had hoped that we might get a better - two things - a better form of organisation where the employers of Australia were able to speak with one sort of voice. I started off when ... Prime Minister to talk about that, and they set up the Business Council of Australia. And I think even employers themselves would say there hasn't been the sort of response to organisation that I'd hoped there would be. That's not, you might say isn't that a pretty small deal? It's not really because the trade unions of Australia have their organisations improved enormously. They speak with one authoritative voice and they are undertaking the process of reform in a way which employers regard as quite remarkable. I think it would have been good for Australia if we could have matched that form of commitment to organisation and restructuring and modernising and authority in speaking. If that could have been matched on the employers' side I think it would have been a good thing. I tried to get that going but I don't think it has been terribly successful.

RAYMOND: After a gestation period of nearly two years the Opposition will finally unveil its tax policy on Thursday. Do you already know what's in it?

PM: No. But what I do know is that they are years behind schedule. Two, I know that there has been a very small group of people involved in it and that a lot of the people in the Liberal Party in the Parliament and the National Party are wondering with trepidation what's going to be in it. They are probably looking ... as closely as we are to

it. It's been you know a very secretive sort of exercise. Thirdly I would bet you this. You remember when Andrew Peacock went on his mini campaign. The first day he trumpeted off the big, what he said was going to be the knock-out blow. His words. The knock-out blow was the interest deduction scheme. You remember I went onto the Sunday Program, that next Sunday, and I said I bet you one thing - that was straight away - I said I bet you one thing. It won't be in their policy. ... I'll bet you now, it won't be in the policy.

RAYMOND: Will you be gracious enough to commend any innovative proposals?

PM: I have always, when I was in Opposition and when I was in the trade union movement, if anyone outside of my own group had come up with something that's worthwhile I've always been prepared to recognise it. I mean they've had a long time though haven't they?

RAYMOND: Yes they've had a very difficult labour period.

PM: It makes an elephant look like someone in a hell of a hurry doesn't it?

RAYMOND: Who's given you the toughest, the tougher contest? John or Andrew?

PM: I don't want to sound complacent about this but I've felt comfortable facing either of them as I felt comfortable facing Malcolm in 1983. I think that essentially the reason is this. Not so much a matter of personalities but none of them, and this includes now the question about John Howard and Andrew Peacock. The big problem is that they have no natural constituency with the ordinary people of Australia, no relationship. So what they are doing is, the people ... When I came to office in '83 - it's a remarkable statistic but it's very important - for 31 of the previous 34 years, 31 of the 34 years before I came to office the conservatives had been power. They assumed that they had a right to office. They didn't have any natural constituency. They thrived on the internal divisions and bitterness and fighting of the Labor Party for a lot of that period. They got office by default. They hadn't been in the process of policy formulation either within their own ranks or through being in touch with the people of Australia and getting the feeling. So Howard and Peacock and before them Mr Fraser had had that problem. So I felt comfortable Steve in the sense that we are now a united party. We were terribly disunited before and often we didn't deserve to be in office because of ... But now we are united, we've got the policies, we've got the leaders, we've got the relationship. I don't think it's just a question of the personality of John Howard or of Andrew Peacock. It's a much more fundamental problem they've got.

RAYMOND: But you certainly couldn't be the same man of the people that you were six and a half years ago after being cocooned in The Lodge for that length of time.

PM: Well you come around with me. You come around with me to the races, you come around with me to shopping centres, you come with me to pensioners -

RAYMOND: ... thinking of the 'silly old bugger' -

PM: OK, sure. OK, that was one incident. You just come with me Steve when I go around the shopping centres, when I go around to pensioners meetings. You just come with me. The relationship that I have when I go around is at least as warm as it was in 1983.

RAYMOND: OK, two final questions. I thank you for your generosity with your time.

PM: It's a pleasure.

RAYMOND: Prime Minister, your thoughts on the turmoil in commercial television at the moment, the mass sackings going on at Ten and precarious financial positions faced by Bond Media and Christopher Skase's Quintex Group.

PM: Well as you know we've been a Government which has been deregulatory. We deregulated in the financial banking sector. We have in the media to a very large extent. All I can say is that what's been happening in television is that the market has been operating, I think it probably would be said that the market pitched prices far too high and in the result there have been interest burdens which have become intolerable. So you're having the market shake-out. I think that basically in terms of capacities that have been established since we introduced television in 1956 in this country, the fundamental capacity of television is very good in this country. The fundamental capacity is strong, there is a lot of talent in it. It's just going to be a question of shake-down and competition and I think there'll probably be some more casualties on the way.

RAYMOND: How do you feel about it? I don't think you'd need a crystal ball to say somewhere down the track someone's going to come to the Government pleading about Australian content and wanting to lower it because of financial constraints.

PM: The ABC has recently put up a concept ... Australian look and that created some problems of uncertainty. Now they've amended that sort of concept and there are further discussions going on between the industry and the ABC. That's the way for it to be handled.

RAYMOND: Final question. With his determination to implement reforms embodied by glasnost and perestroika, do you regard Mikhail Gorbachev as perhaps the world leader of our time?

PM: He's certainly up there ranking amongst them. I've had the opportunity of spending some three hours with Mikhail Gorbachev in just one on one conversation. He is without any question a truly remarkable man. He is highly intelligent, he's got a good sense of humour and he's also direct. When you have a meeting with him, a discussion, it's all on the table. You can ask him anything and he'll respond. There's no deviousness in discussion with him. He is by any standard Steve one of the truly remarkable figures of the 20th Century. Within the general communist orbit I would certainly mention with him Zhao Ziyang, the previous Prime Minister and Secretary General of the Communist Party in China. He was a truly, and remains although he's out of office, a truly remarkable man. I think when you think of what they have been trying to do, and that is essentially to rid their countries of the obsolescence of an outdated irrelevant Marxist-Leninist ideology and try to bring to the management of their economies more modern realities. They've taken on a task which is unmatched really by any, and a challenge unmatched by any world leader of the 20th Century. They are in a sense the equal to the challenge but the forces lined up against them. The sheer magnitude of what they are about may prove too much for Gorbachev. I certainly hope not. I think that the West is sensible in having the attitude that we do and that is while having appropriate caution that we ought to do all that we can to assist Gorbachev to prevail because in the end economic reform in the communist countries must, as we see, be associated with political reform and the gradual emergence of a freer society and greater liberty for the individual. And in the end that's what life's about.

RAYMOND: Thank you for your time today.

PM: Thanks Steve.

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