



PRIME MINISTER

TRANSCRIPT OF UNEDITED INTERVIEW WITH ALAN HOGAN, 7.30
REPORT, GLADSTONE, 16 FEBRUARY 1990

E & O E - PROOF ONLY

HOGAN: Prime Minister, as we head into this election campaign, do you detect that many Australians are disillusioned with politics and politicians, including your own Party?

PM: There is an element of disillusion. I think Alan, what I was saying earlier today that we have got to recognise that not only in this country but around the world, the environment, and I'm not saying that is the only issue, but the environment has taken up a sector of politics which wasn't occupied before. It's become a predominant concern of many people, and understandably so in my judgement. That's not the total explanation.

HOGAN: Do you suggest that because people are worried about the environment they are disillusioned with politicians?

PM: No, I'm saying that they are putting a different test, if you like, upon politicians I think. ... of the electorate is putting a different test on politicians now than they did before, although it's not the total answer.

HOGAN: To get to this campaign, would it be a sufficient victory to you to win simply because you are the lesser of two evils?

PM: No. It wouldn't be satisfying. It would be enough I suppose. I mean there would be that - and let me say quite honestly - that one of the elements in what I think will be our victory, and I hope will be, will be a judgement by the electorate, that they simply will not have Mr Peacock and the Opposition. That will be a factor. But I also believe that by the time this campaign is over Alan, and I will have been all around Australia - I will have explained in detail and be subject to questioning by you and your colleagues - I will put the positive side, both of the Government's achievements and of our program for the future. So it will be a combination - I can speak to you quite honestly-

part of it will be an appreciation, a positive appreciation. I have no doubt that part of it will be a conviction that the other side is not ready to govern. I mean, I said this morning, and I mean it, it has affected my Party in the past. The Australian electorate tends to say to a party - it has historically - and I think it will currently say, that if you can't govern yourselves, you can't govern the country.

HOGAN: Do you detect seven years on, less popular enthusiasm for you than there were for you in those heady days in 1983?

PM: I don't think that I would ever be able to maintain the peaks that I achieved in '83 and '84. I hope I can say this to you honestly - I do have a great sense of pride in the fact that it's just not my analysis - but what the professionals say is that it is remarkable how high the approval rating has stayed up and I don't have any problems in saying that. I just am proud that what I regard as a love affair with the Australian people seems to have been going on pretty solidly.

HOGAN: There's no doubt that you're ahead in most of the polls. But one poll I saw recently was small business employers, 80% of whom said they would vote against the Labor Party in this election. Does that either surprise or disappoint you:

PM: I wouldn't believe that a whole of small business can - I don't know who took it and just how you -

HOGAN: Arthur Anderson.

PM: Arthur Anderson -

HOGAN: On a sample of a thousand.

PM: Yes, a thousand. Well there are 750,000 small businesses around Australia and I think that's the figure -

HOGAN: Let's not argue about the sample. Do you detect that small business people don't like you anymore.

HOGAN: No, I don't. It would be surprising if the intelligent group of small business didn't like us and were prepared to vote against us because they have an alternative. The alternative had 7 years before us and what do they do for small business? They produced the worst recession in 50 years. They produced a situation where small businesses had no chance. Unemployment was growing. What we've done is to give massive employment growth, massive economic growth and small businesses prospered in that. We've reduced their tax burden. We've increased the

amount that they are able to keep without punitive taxation. So an intelligent appraisal of self-interest, and that's always a pretty, you know, significant thing that people in the end do. A significant appraisal of one's self interest shouldn't leave them to vote against us.

HOGAN: The Opposition says a vote for Bob Hawke is a vote for Paul Keating. Would that be a bad thing?

PM: Well it would be an irrelevant thing. It would be like most of the things they say, untrue. Because I have said - and I know what the facts are - I will lead the Party in this election, and we've started on that, ... on that. I hope and believe I'll lead them to victory and I will be Prime Minister for the full term of the fourth Hawke Government.

HOGAN: For the record, will you stand as Labor leader in the election following this one?

PM: I was asked that this morning, Alan. I said I would lead the Party into the next election and as my thinking is now, I'd probably retire some time during that next period.

HOGAN: Let's turn to economics for a moment.

PM: I thought we'd been there a bit.

HOGAN: No, not yet.

PM: Can we establish some economic facts about Labor's 7 years in Government. It is true that while you've been Prime Minister real wages and productivity have declined and overseas debt has increased?

PM: Sure, we'll establish facts about the economy. It is a fact that there has been a decline in real wages but it's also the fact that there's been a significant increase in real disposable household income. That's because the disposable income of a fellow who depends not simply upon wages but it depends upon these other things. The amount of employment in the household, what's happened to social welfare payments and social justice payments, and what's happened to tax. So when you take a combination of what's happened to movements in money wages and what's happened to tax and what's happened to employment and what's happened to social justice payments, there have been significant real increases in household disposable income, fact one. Fact two in regard to debt, yes there has been an increase in debt but there has been a decline and a removal of my Government's debt because we have wiped out the inherited nine and a half billion dollar deficit which was the legacy from the incompetent conservatives and transformed that into a mirror image surplus of over \$9B, and that's transformed

the Commonwealth from a borrower - and a heavy borrower and maker of demand upon public savings - into a situation where we are in nett credit. Now the next thing to say about debt Alan, is that debt is something we have to ... and I'll say something about that in a moment. But remember that a lot of that debt is good. I mean if I show you the North West Shelf, magnificent project. A lot of debt is reflected in that, debt which was incurred to build that. Now that's earning us foreign income. So we've got to recognise it, there's a plus in that. But I'm not complacent about it and that's why we're pursuing these fiscal policies which are reducing our demand upon savings so that there will be a greater capacity for the Australian private sector to finance its investors from within Australia.

HOGAN: Can I ask you a multiple choice question, Sir? A, B and C. Is the economy (a) in good Shape, (b) as good as it could be or (c) not very good?

PM: It's in good shape. Any intelligent and committed community can always do better. It is in infinitely better shape than it was when we came to office. I mean just a few facts. Employment growth in our 7 years, five times faster than it was in the previous 7 years, employment growth under us, twice as fast as the rest of the world. Economic growth, twice as fast as it was in the previous period. Now

HOGAN: Interest rates are pretty high too.

PM: But it hasn't reached the peak that it did under the conservatives and they are coming down. -

HOGAN: Look -

PM: And as I said Alan, I'm not a masochist or a sadist. I don't want to hurt myself and I most certainly don't want to hurt your viewers. But I had tight fiscal policy, I had tight wages policy and we were still importing more than we could pay for. The responsible but the hard thing to do - and it's cost me in political points in the latter part of last year - but what I had to do if I was going to be a responsible leader was to keep interest rates high with tough monetary policy. It's working, it working, the policies are working, demand is coming down and fortunately the judgement, not just of Bob Hawke but of the banking industry, is that rates are coming down. We had to do it a bit tough and I'm sorry. I say to your viewers if there was an easier way of doing it, it would've been done. The policies are working and you've got a stable basis for growth into the future.

HOGAN: Two specific policy questions before we go. One on media ownership, overseas ownership of media. Will you

allow 40% overseas ownership or 20% overseas ownership?

PM: Well I wouldn't think 40% had a lot of legs. The -

HOGAN: But is that a policy statement?

PM: Well it is not avoiding you ... it's simply saying this; that I'm very confident of what I think the concern of Australian's about the ownership of media in general and I think television in particular and what Ralph Willis, the Minister, is doing is he's coming up with some proposals but obviously that's got to go on hold during the campaign and -

HOGAN: So you will not have a policy on that during the campaign?

PM: I mean the processes of policy formulation on specific issues and decision making, I mean that process goes in to recess. I mean once Monday comes we do not, in the conventional terms, have the authority to be making decisions. Ralph Willis will be on the campaign trail like the rest of my Ministers. -

HOGAN: I'm not quite following this, Prime Minister. You say you're not going to have a policy on overseas ownership of media?

PM: I'm not saying that at all. I'm saying in terms of the formulation. I mean the Minister has said that he is considering the issue and he's going to be bringing submissions to the Cabinet. All I'm saying is that those processes of Ministers bringing submissions to Cabinet during a campaign to go to an election, you don't have, by convention, the Cabinet processes going on. I'm saying that as soon as the election is over the Minister will come to us with a proposal as to whether there's got to be a change in the legislation. I mean there is legislation there. The position that's been put now is that there are holes in the legislation which can produce an unintended consequence.

HOGAN: ... public won't know you're policy on this before the election?

PM: Not at all. I mean the fact is that we have indicated that ... the election that there is a concern here and the Minister is working on it. But just as all my Ministers on a range of particular issues would've been preparing submissions to bring to Cabinet to finalise a new position. So here, Mr Willis will have to wait until after the election and we will then make a decision. But I'm going to be busy and Mr Willis is going to be busy in the period between now and the 24th campaigning then we'll pick up the process of decision making.

HOGAN: I'm reluctant to leave this altogether at this point. But are you clearly saying the public will not know your policy on overseas ownership of media before the election?

PM: There will not be a finalised position because the process of decision making involves a Minister saying to me

HOGAN: But you can tell him now to make the decision. You could make the decision for him.

PM: It's not the way I operate. We have Ministers, a very, very good Ministry. I mean if I attempted to make a decision in every area of every portfolio, what a mess it would be. Now be realistic, Alan. A Minister has to accept his responsibilities of bringing a submission to the Cabinet. That will be brought. There won't be any dodging of the issue, I can assure you and if there is a need for a change in the legislation because now while the legislation, it was said, produced a limit of 20, what has been put now is that there are loopholes there which could give you almost unlimited overseas ownership. Well that's not on. We'll give you that statement now. That is not on and I will be looking with interest what the Minister brings to ensure that there are acceptable limits to overseas ownership.

HOGAN: A Queensland question before we go. Why is the Queensland Environment Minister complaining that the Federal Government isn't doing enough to protect North Queensland's rainforests?

PM: He's not saying that, that we're not doing enough to protect the forests. There has been some suggestion I see, of some difference, but I've had just some advice this morning, I can say to you and your viewers that the issues that have arisen between the Queensland Government and ourselves will be resolved to the satisfaction of both sides.

HOGAN: That's fortunate going into an election I would imagine.

PM: It's necessary at any time. I mean I have no doubt of my capacity to work very closely with my good friend, Wayne Goss.

HOGAN: Finally Sir, is it too early to predict the outcome of this election? Is Labor going to lose seats or win them?

PM: I'm not complacent and cocky about it but I think we have reason to be confident. I've got to work hard in this election, I will and so will my Ministers. I see no reason

for losing seats. I see some areas where we can pick them up but I'll be taking this campaign very seriously.

HOGAN: Prime Minister, thanks very much for your time.

PM: It's been a pleasure, Alan.

ends

HOGAN: