



PRIME MINISTER

TRANSCRIPT OF PM INTERVIEWED BY GREG CARY ON BRISBANE RADIO 4BC
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GC: Welcome Mr Hawke, it's good to see you - you're enjoying the campaign?

PM: As a matter of fact I am, yes.

GC: You talked yesterday in your policy launch of dreams, you talked of visions. I remember we talked not a long time after you attained the highest office in our land, you talked of a dream for our country a vision for our country, if you were to be beaten March 24 how much of that remains undone?

PM: Well, vision is something which is never accomplished. I mean because if you think a vision is ever accomplished that means there is never room for improvement. What I feel about the seven years is that we've got so much of the building blocks put in place but the structure's not finished and it will always be a building that can be extended. But, by building blocks I mean these things very simply, Greg, the most important building block is the education of our kids. There's no more important building block than that, and when I came to office only one in three of our kids stayed on in school; in the seven years that they'd been in office they'd only increased that retention rate went from 34% to 36%, and that was criminal. We've massively increased that, it's getting up towards two in three of our kids staying on in school. That means there's another 67,000 kids each year additional going on and having their education, that important part of their education so that building block's in place and the country and the kids themselves are going to benefit from that. But I want to go on building on that and it was part of the promises of yesterday to make it easier for parents to meet the costs of keeping their kids on in school. One of the very important building blocks that we're getting in place is the restructuring of our industry. We've got the most massive investment in industry in our history. That's going to start to pay off by making us even more competitive by enabling us to add to our exports of manufactured goods. We want to keep on doing that. We're reforming our awards so that the awards under which people work reflect more accurately the sort of technology with which they are working and that is a massive reform process. The reform of superannuation. That's a fundamental building block but now with \$15 a week going into each person's pay packet from the employer to give them a

PM (cont): superannuation basis in the future and it's adding to the country's savings. But we want see that go on so the answer to your question Greg is that a lot of the basis of the vision for this changed country is there, it's in place, but we must see that those building blocks are not smashed and scattered.

GC: To do that, as you said yesterday, we need to be clever, we need to get away from this concept - and I think Donald Horne first coined the phrase didn't he some 20 years ago - the lucky country. He was being a little sarcastic he said we'd really not done the right thing by our natural resources. You said we'd have to be more clever, in what ways have we been less clever than we should have been?

PM: Well, I think it's a function of the lucky country syndrome that there is a paradox about Australia - if you look at this postwar period Greg, we of course suffered in the war and so many of families lost loved ones and so on, but for Australia the war paradoxically was a plus. It meant that our, in the post war period when the rest of the world was devastated, the world paid us enormous prices for our agricultural products and we had mineral booms and they paid us enormous amounts for what we dug up out of the ground as well as what we grew. Life came pretty easy relatively for us. And, I guess we weren't clever enough in a sense to understand that those days couldn't go on for ever. What I've tried to be about in talking with not at my fellow Australians is to say, well look it's a very very competitive, a tough competitive world which doesn't owe us a living. So we've got to be clever enough to work out what are the things that we can do in addition to being the best agricultural producer in the world, to being the best miners in the world. The world can suddenly pay you much less for your wheat and your wool and your meat and your iron ore, your coal and your bauxite, and if they do you're in the proverbial ditch if they halve your income. So you've got to be careful enough to work out the sorts of niches in manufactured goods and exports of services that we can develop. So, for example, I've put in place taxation incentives for research and development which are paying off now. We're finding that we can develop technologies, in particular markets. One of the most remarkable things is, as I said in my speech yesterday, we are in fact exporting cars and automobile parts to Japan and the United States. And we can do those sorts of things. One of the most exciting experiences I had in the last year or so I went to this great enterprise in a suburb of Adelaide, and this is in the area of plastic lenses, glasses. One of the most competitive, tough markets is the United States and this firm in Adelaide has got more than 50% of the United States market and it's exporting all round the world. So these are the sorts of things we've got to be clever enough to do and that's why a central part of my speech yesterday and my proposal

PM (cont): was the establishment of these 50 co-operative research centres. The scientific community is absolutely excited about it and I owe them a debt of gratitude because Professor Slatyer, who I've appointed in the last 12 months as my personal science adviser, and I've established a Science Council, between them they've come up with this idea and that means with a spending of quite a lot of money that we will put into it, we will now have 50 centres of excellence around the country which are going to develop new ideas in medicine and technology and environment control and these sorts of things so that we can become a leader. Those are the sorts of things I mean by being clever.

GC: Okay, a lot of people would like to talk with you. Just before they do though, one final question on interest rates. Liberal Party says they are going down significantly, substantially, whatever they're going down. You've suggested they're going down as well. What happens if they hit 19%? What happens if they hit 20% as some bankers are prepared to say they might. I know there are plenty saying that they might go down but can you tell me, can you tell the young home owners struggling today that they won't hit 19%?

PM: Yes I can on the basis not just because I want to win their vote by saying it, I don't operate like that, but I do believe that we have put in place the policies which will mean they'll come down and the evidence is there. The reason, put simply Greg, as to why we had to have interest rates high was a very simple statistic - in the last year we had an 8% growth in consumption and a 4% growth in production. Now that 4% gap was just filled by bringing in imports and we couldn't go on doing that so I had a tight fiscal policy, I had a tight wages policy and I had to tighten monetary policy. That was to slow down demand. And all the evidence is there, it's acknowledged that that demand is slowing down and it's on the basis of that slowing of demand that the banks last month started to lower rates in the non-mortgage area and it's on that basis that they are saying that mortgage rates will come down. The important thing for your listeners is, are those policies which have enabled us to have the environment for lowering interest rates, are they going to be kept? They will be under us because we've got a wages policy which will prevent a wages explosion. Mr Peacock has the opposite, he's going to allow free^{for all} in wages bargaining. He would have let the pilots have their 30% and it just would have been mayhem and under his policies that's what would happen as it did at the beginning of the 80s. This wages explosion, that's one thing that would mean interest rates going up. The other thing, of course, is that he's got now \$6 Billion of promises that he's made and he hasn't funded, so that means the surplus that we've built up is exploded and take those two things

PM (cont); together you must get a boost in interest rates under the conservatives.

GC: Let's talk a little with the people, Natalie good morning you are talking with the Prime Minister, Mr Hawke.

NATALIE: Hi Mr Hawke.

PM: Yes Natalie, how are you?

NATALIE: I'm fine thank you. I'm 19 and a lot of my friends and a lot of people in my age group talk about politics and there seems to be quite a lot of confusion. I think we hear more mud-slinging and denials than reasons why we should vote for any party and it seems whoever we vote for it's going to be a donkey vote anyway. So my question is how do I make up my mind between a group of men who are always fighting and bad-mouthing each other?

PM: Well Natalie, that's not what's always happening. I suggest Natalie, if you really want to have a look at this get the transcript if you would, get the full speech of Mr Peacock when he launched his policy at the beginning of this week, and get mine.

NATALIE: But you are always both saying things about each other like what you just said then.

PM: Well, let me say, get his policy speech and get mine and see who's talking about the real issues of the future. But let me make this point, Natalie, politics is not simply a business of Mr Nice Guy. I mean a politician, in my judgment Natalie, has two responsibilities in a democracy, because in a democracy it's either you or the other fellow are going to form a government and your responsibilities are twofold. Your first responsibility, of course, is positively to talk about your own policies which is precisely what I did yesterday, talked about the building blocks we've already created and the new proposals for a better future for Australia. If you don't discharge that positive obligation, Natalie, you shouldn't be in the business. But you've also got an obligation to tell the Natalies of the world, everyone all the voters out there, what does the alternative mean, and if I believe as I deeply do Natalie, that the proposals of the conservatives are a recipe for disaster for this country, then it's my obligation to expose that. I mean, for instance Natalie, you're 19 and that means when I came to office in 1983 you were only 12. Now you wouldn't know, with respect, the disaster that had been brought to this country just in that period before I came to office because the conservatives then were in Government and they were pursuing the same policies then that they are

PM (cont): promising to impose again. Now I've got an obligation - I wouldn't be doing my job if as well as telling you about my policies I didn't warn you of what the alternative would mean.

GC: Prime Minister, Natalie touches on disillusionment that is widespread in our community just now with both major parties. Do you want to acknowledge that and two, take any responsibility for that, or understand why it is the case?

PM: Yes, I've had this question put quite a bit. There's one feature of it Greg which I think is not just unique to this country but if we look all round the world we can see it. One of the indisputable facts of life is that in the last few years there's been an acceleration of interest in matters environmental, in every country and I'm glad that that's happened. Now that's reflected in this country and I think it's one of the reasons why you see the non-major party vote being up, some of it in the Democrats and some of it in the Green candidates. Now that doesn't upset me, I think it's very important that people should be concerned about the environment. I've simply made the point, and I make it again to your listeners, if a person out there listening on your program regards the environment as the overwhelmingly important issue to the point where they want to cast their vote for an environmental candidate, okay okay. But, they've then got to ask themselves the question if the environment is so important to them, how do they then cast their preference to ensure that environmental issues are going to be best looked after? There's only one answer then and that is they must vote for Labor because we have the record against the conservatives. You know it all, we saved the Franklin, we stopped Daintree being logged, we've stopped Kakadu being mined and on each one of those decisions, on each one of those, the conservatives opposed us. So that's one of the major reasons for this increase in the vote of the non-major parties.

GC: Wendy, you're talking to the Prime Minister.

WENDY: Good morning Mr Hawke.

PM: Good morning Wendy.

WENDY: Look, in your policy speech I've not heard any mention for small businesses - that's where there's a husband and wife and 15 people and less. What relief can we expect considering in the first seven months of this financial year my interest rates have doubled that of the last 12 months? Also, superannuation for everyone is very important, I agree with that but in a business where our prices are controlled, where are we going to

WENDY (cont): find the money to pay for our employees' superannuation?

PM: Well, Wendy, let me take the interest rates question first. I said yesterday that it had given me no pleasure to have to have a tight monetary policy and it wasn't done for fun. The simply fact is Wendy that you and other small businesses in Australia would have been absolutely ruined if in fact we hadn't had those policies because if I'd just allowed the explosion of demand to go on then the economy would have collapsed. We had to soften the level of demand in this country, we had tight fiscal policy, tight wages policy, so we had to tighten monetary policy. There was no alternative other than if we wanted the economy to collapse. Now, the question Wendy is simply, you've got to ask yourself, what's more likely to happen to interest rates if Labor comes in or the conservatives get in? I don't want to go over all the stuff I've gone over with Greg, but the indisputable fact is that the banking sector is saying that the policies that we've brought in has now created a situation in which interest rates can come down. Prime rates have already started to come down and under that situation there will be continuation downwards of interest rates and it will go into mortgage rates. The banking industry is saying that but it's equally inevitable that if the conservatives came in with their wages explosion, boy would you have to worry then because wages would go through the roof....

WENDY: Yes, but we've got to worry now because in this morning's news it said 10,000 small businesses have gone bankrupt, and I just don't think anymore can go bankrupt because you know, you go home at night you don't have to face your bank manager and there's thousands, hundreds of thousands of us out there employing people, young people, I've got two apprentices, and you know we are willing to give them a chance but how can we give them a chance when we have continuing high interest rates?

PM: Wendy, let me tell you that you talk about apprentices, the fact that you've got apprentices reflects into the fact that in the seven years of my Government there has been a doubling of the number of apprentices. There's been, if you want to talk about employment Wendy the fact is that under my Government there's been five times, five, not one, two, three, but five times the rate of employment growth as there was under the Liberals and 93% Wendy, 93% of that employment growth has been in the private sector and the overwhelming proportion of the private sector is small business. In other words you've been able to grow. Look at the other things that we have done.....

GC: Prime Minister, with respect, for one second, Wendy's doing it tough and yet you are coming back to her telling her that

GC (cont): she shouldn't be doing it tough.

PM: No, I'm not saying anything of the sort. As I said yesterday, I know that Wendy and others have been doing it tough. I'm saying two things I'm saying that - and this is not a statistic - that Wendy, you and Bob Hawke or anyone can avoid in that last year because of this enormous growth that was taking place the economy was growing that fast that we had an increase in consumption of 8%. We only produced another 4% more and as a country we made up that gap by sucking in more imports and we couldn't afford to keep on doing that. The world wasn't going to keep paying for Australia's standard of living and so we had to lower that demand and the only way of doing that was by tightening interest rates. But, the important point is, now they are coming down. The banking industry which sets the rates says that, but it's also clear that we won't get the benefit of those reduced rates if there were a change of Government because, Wendy, and all the business community out there would be faced with a wages explosion because Mr Peacock and the others say let her rip, let the strong use their muscle - which they would do....

GC: But if you had enterprise bargaining couldn't Wendy say to her employees now listen I'm doing it a little bit tough I'd prefer you to take a pay decrease for the next 12 months?

PM: Well what I can say about that is you look at our history, if you look at our history what's happened, and this is important I mean you and I Greg don't have to sit here with Wendy and have a hypothetical about this....

WENDY: Excuse me, let me get in, my interest rates when you came in, because I've been in business for 11 years, was probably only what 12-13%? It's 24% now and what do you say to the employees who come to me and say look please, please, can I borrow a hundred dollars from you if not I can't make my house payment? What do you tell these poor people?

PM: Wendy I say what I said yesterday that I know it's been hard. I'm simply saying that the alternative was disastrous and the alternative under the conservatives would even be more disastrous. They had a situation where they controlled this country. Under them the 90 day bill rate reached in April of 1982 22%, it's never reached that under us the 90 day bill rate, they reached the higher rate and they brought about the worst recession in this country's history because, Wendy, they didn't have a wages policy. In the last 12 months before I became Prime Minister you talk about small business collapsing, in the last 12 months before I became Prime Minister, a quarter of a million of your fellow Australians were thrown onto the unemployment scrap

PM (cont): heap, a quarter of a million, not under this Government. Employment is growing and growing and growing but the unemployment scrap heap grew under them because they didn't have a wages policy and Wendy, that's what they'd inflict upon you again.

GC: Wendy, I know you want to say some more but in respect to the other people who have been lining up and waiting for sometime, we need to move on. Patty, good morning and welcome.

PATTY: Good morning, good morning Prime Minister.

PM: Good morning Patty.

PATTY: It's indeed heartening to see the family being recognised in this election. However, it seems ironic to me anyway, that the policies of both your party and the Coalition have ignored the plight of the single income family and in fact discriminate in favour of users of external child care. Now I say ironic because it seems that family policies now have to be framed to help solve the very problem created because women have been forced into the workplace. Now my question therefore is, Mr Prime Minister, why have you not increased family allowances as even after the increases and indexation last year, for which we thank you, their real value in dollar terms has fallen by 100% since 1982. Now you did give two bucks a week to keep kids at school in years 11 and 12, that wouldn't even pay transport costs for one day. Now by choosing rather to increase funding for external childcare you are abandoning those families which forego a second income to care for their kids at home - which families, incidentally, are already paying up to 50% more tax than dual income families.

PM: Well Patty, let me say that in that exposition, you have overlooked the facts of what we have been doing to assist the families, including single income families and including the most needy. Let me give you the facts, these are not opinions. In this current year, Patty, we are paying to the lower income families in this country over \$2 Billion so that those families with kids are going to get the assistance they need to meet their responsibilities, and that's in addition, that over \$2 Billion which is paid by way of family allowance supplement to the low income is in addition to the \$1.2 Billion that is being paid in family allowance. Now just so that we can get those figures Greg down to our families, so you can get some idea of a single income family, what that means let's take a single income - and this is a family that this lady Patty is talking about- a single income family Greg with an income of \$320 a week. Now under the family allowance supplement that I am paying there, that family that's got three kids is getting \$110 a week tax free, \$110 a week tax

PM (cont): free which is equivalent to a wage increase of \$170 a week. Now that's for the single income family. So, Patty, it might sound nice to say the things you do, but unfortunately you refuse to take account of those realities - over \$2 Billion being paid and being paid out to those in the greatest need and that is in the area of the single income family with \$320 a week, an additional \$110 tax free.

GC: Patty, I need to let the question and the answer stand because David is also hanging in there, David welcome.

DAVID: Yes, good morning Mr Hawke.

PM: Good morning David.

DAVID: I've been following the campaign, probably not as closely as what I should, but right throughout this campaign you've given me the distinct impression that you're frightened of the minority parties. Why?

PM: Well, David, you're wrong I'm not frightened of the minority parties, not frightened at all. What I have said is tried to, as Greg I think would acknowledge in discussion, I've acknowledged that I think the votes in minority parties will be up and the major reason why the votes in minority parties will be up is that now, as compared with three years ago, there's a greater interest in the environment and some people are going to cast their vote, their primary vote, on the basis of their concern with the environment. That doesn't worry me, it doesn't worry me at all. In fact basically I welcome the increase in interest in the community on the environment. I'm simply saying, particularly to those people David, that if they have a real concern about the environment they've got to make their decision about their second preference because their first preference won't decide who governs the country, the second will and they can decide for Hawke who's made all the major environmental decisions, or for the conservatives who've opposed them.

GC: Kate, we only have one minute, can you make it kind of brief.

KATE: Yes, good morning Mr Hawke.

PM: Good morning Kate.

KATE: I'm not aware of any attention either parties have given to people with a disability in your talks and that leading up to your elections; and also the specialised equipment which disabled people need. They should be really tax exempted because there's 25% on these things, a lot of them are really essential to us.

GC: Okay, to be fair to the Prime Minister, and we have to break for the news, what I will do is if it's okay with the Prime Minister is take two minutes of your time and record your answer to that question, we will play that after the ten o'clock news and hopefully that will keep everybody happy.

PM: Sure, sure.

... BREAK FOR NEWS

GC: While the news was on the Prime Minister stayed with us for a few extra minutes to answer the question just posed by Kate.

KATE: I'm just wondering why there is no attention is given to people with a disability; and also the equipment that is necessary to disabled people, you know the tax exemption on that. Surely to goodness that could be waylaid and, sheltered workshops, your Government has phased out all of these sheltered workshops and it was throwing a lot of people out of employment you know. If they are to go out and mix with the world, surely the world can come in and mix with them.

PM: Firstly, in regard to the history and then in regard to the present. What you are saying, of course, in regard to what we've done in the area of sheltered workshops and so on is just not accurate. We have in consultation with the States and the various organisations concerned with the disabled changed our approach in a way which has been welcomed by the organisations themselves because our view is that we ought to together do everything we possibly can to see that every opportunity is given to disabled people to become integrated into the mainstream of employment. This is a development which has been welcomed by everyone concerned in this area. But now to the present, I didn't ignore the disabled yesterday in my policy speech. Let me just point out that to help overcome the problems involved in the education of the disabled children I announced that the Federal Government will increase from the beginning of next year its per capita grant for students with disabilities in Government schools by 20% and it will fund students with disabilities in non-Government schools at the highest rate for non-Government schools. And, these changes as I have said, recognise the benefits of increased integration, something that I just referred to, and accordingly the new per capita grant level will be portable so that all children with disabilities can take their grant with them upon integration into regular schools. This will cost us \$4.2 million in a full year. So, we've neither forgotten them in the past nor in my immediate policies.

GC: Kate, we thank you for your call, we thank everybody else. We apologise to the many others who wanted to get on, election

GC (cont): campaigns of course, can be a bit of a bother not only to the electorate but also to politicians who fancy a punt. Tomorrow we've got the Newmarket have you had a look at the form?

PM: No, no I haven't had a look at the form. I don't know whether I might be able to have a look at it sometime tonight in Mount Isa and I hate giving tips without having studied the form, but having a quick look at it what I'm just saying - in Melbourne these days what you ought to do is go for Colin Hayes outsider, he got up with Scarlet Bisque the other day at 33-1 and then Masahan in the Blue Slipper at, what was it about 25-1... Well, what's his outsider, his outsider is Franklin Drive at 20-1. Apart from that he's got Michael Clarke on Leica Western. So if you really were going for a roughie I suppose you'd go for Franklin Drive at 20-1. If I wasn't doing that I guess, probably I might be looking at Strawberry Ranch perhaps....what about the Queensland horse Planet Ruler, what do you think of it

GC: It's a good horse.

PM: Hasn't really struck it down there this time.

GC: It will run well though, stick with your outsider.

PM: Okay.

GC: What price a Hawke win on March 24?

PM: I think the odds are much shorter on that, but we're not being cocky about it, we're working hard right up to the day.

GC: Thanks for coming by.

PM: It's been my pleasure. Thank you very much to you Greg and to your listeners.

Ends