



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH GREG HUNTING, RADIO 2LM,
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HUNTING: Mr Hawke, welcome to Lismore and to 2LM.

PM: Thank you very much Greg. Thank you very much indeed.

HUNTING: As I said, the most successful Labor leader and the second longest serving Prime Minister. Also great election success at times when the economy's been tough, high interest rates. It's surprised a lot of people that you were able to be so successful. What's the secret to Bob Hawke's success?

PM: Well I don't think any person and perhaps particularly the person himself can give the right weighting to all the factors that go into outcomes. I hope that some of my own abilities are part of the answer Greg. I certainly hope and think that my capacity to relate to the Australian people is part of it. But even more importantly than that I think that the Australian electorate is a different electorate now than it was say at the beginning of the 80s. I think it's more sophisticated. I think if you tell them, as I have on so many occasions, that things are pretty tough, that some hard decisions have to be taken, that if you're honest with them and direct I think they'll respond. Therefore there's a greater necessity for oppositions to government to come up with not just criticisms of the government that's in, but a credible alternative. So I think my success and the success of the Labor Party under my leadership has been a combination of our abilities, which I think we have plenty, the weakness of the Opposition in not giving credible alternatives and all of that in the context of an electorate which I think is getting more sophisticated.

HUNTING: What future goals are there for Bob Hawke? You've achieved an awful lot in your lifetime? Another term perhaps?

PM: I certainly want to make this fourth term a very constructive term Greg. There are things to be done which I think are important for the future of the country and I want to make it a successful fourth term. I'd like to lead the Party into the next election to another victory. I think then, at some stage during that next period, I'd probably then say it was time to move on. But my real objective Greg is to try and lay the foundations for a more competitive Australia to go into the 21st Century, one where people

understand that all of us, and that means individuals, trade unions, employers, governments, have to be prepared to forego some of the assumptions of the past which may have been relevant to an easier period but which are impediments to becoming more competitive now.

HUNTING: Right. We might move on. One thing we did do today, we invited listeners to phone in any questions they may have for you. We have a few. But one that did come up over and over again, and I guess it's a question that's very much in your mind too at the moment, is the Middle East situation.

PM: Sure.

HUNTING: It's obviously causing a lot of concern. Could you just explain the rationale behind that commitment.

PM: Yes Greg. Obviously it will take a little bit of time to answer, it's a very important question. Let me say this, that I've said recently. Paradoxically while this is the most serious decision I've had to take as Prime Minister, in the end it was not a difficult decision because the issues are clear. We are entering a new period of international affairs with the ending of the conflict between the super powers. That's important because it opens up the possibilities of an era of peace. But that means that we're on trial as an international community in terms of our capacity to make sure that in that new period if there is a threat to basic principles of civilised international relationships then we have to be prepared as an international community ... that we won't tolerate that. Now what we witnessed recently was a blatant attempt by a relatively large power in regard to a small neighbour to say we're going to invade you, we're going to obliterate you as a separate identity, we're going to absorb you. Now if the world was prepared to stand aside and accept that then no principles of civilised and viable relationships between nations would be possible. So in those circumstances it was appropriate that firstly the United Nations made the decisions in regard to sanctions that it did and then it was appropriate that there should be a response as well to the request for assistance that came from Kuwait. I believe very much Greg that with the tradition that Australia has had where we have been prepared, if necessary, to fight for the protection of these principles of civilised international relationships, that's the tradition of Australia. That it was not conceivable to me that in this sort of situation that we shouldn't be placing our forces at the disposal of this state that had in fact been invaded and in regard to which there'd been this attempted annexation.

HUNTING: The Iraqis of course have a very poor record on human rights, the use of chemical weapons, that sort of thing.

PM: Against their own people too.

HUNTING: Exactly. I just wondered whether you might care to comment on a report out of Canberra this afternoon that up until two weeks ago Australia had actually approved the sale of military hardware to Iraq. It's been cancelled since the United Nations move but it was in fact I think \$850,000.

PM: It was just under a million dollars worth of aircraft spares. We immediately cancelled that. In terms of the supply of arms that's taken in place in the past to Iraq, and that was in the context of the Iraq-Iran conflict, this less than a million dollars is nothing. But nevertheless -

HUNTING: It's the principle isn't it?

PM: It's the principle, and it had to be stopped.

HUNTING: Yes, and I just wondered, the justification though of actually supplying a country that would use ... chemical weapons against its own people. That was a fact then and yet we still approve of the sale of arms -

PM: I think that's a legitimate observation.

HUNTING: The same with Pakistan of course. We're selling 50 jets there.

PM: That situation where they were, it was open for world wide tender. It wasn't specifically saying we will sell them to Pakistan. That was the best offer that was made. But we've made it clear, let me say, that if it became clear that there was going to be an outbreak of hostilities between Pakistan and India then we would be reviewing that.

HUNTING: Let's move onto some local issues now. As I mentioned before we invited people to phone up and you've got your headphones on there. You might like to have a listen to a few questions that came our way today.

CALLER: (inaudible)

PM: We don't want to take over the question of the education of children. This convention is one that's been, that we haven't rushed into. We've studied all the implications of it. We've consulted widely within the community. Other likeminded nations have made the decision that it is a sensible thing to do in terms of the protection of children. In this country of course, being a very advanced sort of country, it's not an issue where we need so much the protection of a United Nations convention any more than, if you take the International Labor Organisation, that we need the protection of the resolutions and conventions of the International Labor Organisation. But it is important that the international community sets standards like this and that advanced countries like Australia play their part because there are many countries in the world where what we take for granted as the basic rights of children are abused in other countries. So it's a case of Australia by its

example trying to exert an influence elsewhere. We don't need so much that protection in this country because we've, over time, come to accept these standards. But it will have no impact in terms of the basic relationship that exists in this civilised community between the twin responsibilities of families for their own children and of governments to provide educational facilities.

CALLER: (inaudible)

PM: Well in regard to unemployment, let me say, as Greg said I am now about seven and a half years into this job. When I came to office unemployment in this country was horrendous. We'd had the worst recession we'd had in 50 years. We have changed that by the simple fact, just a simple stastic which no-one can or does challenge, that in the period I've been in office we've had a rate of employment growth which has been twice as fast as the rest of the industrialised world, twice as fast. And that has created a situation in which there are many many more employment opportunities for Australians than there've been before. I accept the fact, having said that and having stated that record of which I'm proud, it is the case that in the last twelve months we've had to slow down the level of activity in this country to some extent because of a simple fact. Let me give it to you. That in that previous year our consumption in this country had increased by eight per cent and our production by four per cent. And that gap we were just making up by bringing in imports. We weren't producing enough to sustain that level of imports. We had to lower the level of activity and to some extent that will marginally increase unemployment. If we hadn't done that we would have, down the track, had a much more unsustainable economic and employment situation. The second part of your question went to small business. Let me say this in regard to that part of your question, that I am very conscious of the fact that around Australia and particularly in this area, small businesses are very important in the whole economic fabric of the community. We in fact, in the period of the last Parliament, established under Mr Beddall who was then a backbencher, a committee to report on the question of small business and what should be done. That brought in a very detailed report to us and it is interesting that now Mr Beddall who chaired that committee is the Minister for Small Business. We've already acted on some of the recommendations of the report and we'll be considering now each of those recommendations in the near future. Now, we are particularly aware of the problem that you referred to about the tight monetary conditions and the availability of capital and we are in fact sending a reference to the Industry Commission to inquire into this question of the availability of capital which will include, in particular, an investigation of the requirements of small business. Having said that in regard to small business in particular let me make this general observation in regard to interest rates. I'm not a person who wants to either punish myself - I'm not a masochist - and I don't want to punish others - I'm not a sadist. No politician who has the beginnings of

any sense is going to have interest rates for one day higher than they need be. But we had to reduce this level of activity so that we could have a sustainable level of imports and monetary policy had to play its part in that. This year we've twice reduced the level of interest rates. We'll reduce them further when we believe it's safe to do so.

HUNTING: Right. We want to move on to some other local issues too. Of course one big one up here, and I'm sure you're well aware of it, is roads, the condition of the Pacific Highway, funding for roads. We have a situation here where just last year the Lismore City Council was actually ploughing up bitumen roads, turning them back into gravel because they say they don't have the funds to maintain roads. Can we expect any relief in that area?

PM: Well in regard to roads generally we've, in our period of government, significantly increased in real terms the amount of funding available for roads. I'm very very conscious Greg of the concern in this region generally about the Pacific Highway generally. I hope you'll recall that on the 14th of May my Minister for Land Transport, Bob Brown, together with the NSW Minister for Transport announced a package, a joint package of Commonwealth and NSW funding for the Pacific Highway which will see about \$3 million expended over the next three years. In terms of comparisons that would represent about a trebling of the amount spent over the previous three years. We will use that money to address the most pressing needs to have extra overtaking lanes and to straighten out dangerous bends and curves. In the wider sense we've got the \$100 million blackspot program. Part of that will be relevant here. And even more broadly than that we've recently established Greg the Australian, the National Road Trauma Advisory Council. In setting that up I'm going to try and draw upon a whole range of expertise available in this country to make recommendations to us as to the sorts of things that we should be doing to deal with what are very real problems.

HUNTING: Part of the complaint also from Local government, and this is from the Local Government Association, is that for the third year running, funding, federal grants have actually dropped in real terms. They're saying this year it may be a case of people having to pay to use libraries and again further reduction in road and footpath maintenance.

PM: Let me make these points about funding to Local government. It has been recognised, and publicly recognised, by the Australian Local Government Association that this Government has done more, not just in terms of funding but also in recognition of the importance of local government, than has ever been done before. Because I've always believed that local government is an area which is too much under-recognised. We get the highlights and the exposure federally and so do State governments to some extent. But as far as individuals are concerned, local government is with them in an everyday sense. We've done

all that we can to try and lift the availability of funds and their exposure. However, having said that, we have had as part of the exercise of restraint that's required of government so that we can free funds up and the savings of the community for the private sector, we've had to call upon the State government sector and the Local Government sector to share the restraint that we've shown. In the last four years there have been successively four years of real reductions in Commonwealth outlays on our own expenditures as we've tried to free up funds for investment by the private sector. We've had to ask the State government area and Local government to play some part in that.

HUNTING: Right, also still on Local Government, it's an issue again that's a bit, if I can say tricky, up here and it's a question of this \$200 peak hour landing fee at Sydney airport. The Mayor of Grafton has suggested that his city may lose its air services altogether because only small aircraft operate out of Grafton and when you add \$200 to the fare it becomes quite a deal more expensive. Are you going to stick by that decision for that increase to landing fees.

PM: Yes, but this has got to be seen in the context of the chaotic congestion of Kingsford-Smith airport. What the background of this, Greg, is that changes to licensing of intra-state, within-state commuter services, changes to those licensing requirements by the NSW government have simply resulted in a very significant increase, a very significant increase in the number of peak period commuter services that are using Kingsford-Smith airport. Those decisions of the NSW government have just added very very significantly to the congestion of that airport. You have the situation where the small commuter planes take up as much time, demand as much resources as a jumbo full of 400 or 500 people. We are not saying to the commuter services that Kingsford-Smith airport is not available to them. We've simply got to make a range of decisions which relieve that congestion which is particularly pressing in the peak periods. The peak periods are essentially in the morning between 7 and 9 and the evening between 4.30 and 7.30. Now if they make arrangements so that they don't congest, go into that period, then they don't meet this extra charge.

HUNTING: Local business people though do feel that if they want to go to Sydney or have to go to Sydney for the day they should be able to go in the morning and come home in the evening rather than go, as you say, off-peak. It is a very sore issue in the area for that reason.

PM: I can understand that but I also think that, I mean, people here look at the issue and say well look, we've got a great congestion at Kingsford-Smith airport, very very great congestion, it's important for Australia, and they are part of the country, it's terribly important for this country that we free up, as far as we can, operations of that airport for business reasons and certainly including for tourist reasons. We simply won't be able to do that if we say that in those peak periods very small aircraft, or just

relatively a handful of people are going to be able to increasingly clog up the airport. So we've got to adopt measures like this and of course what we're doing, as you know, is looking at the question of the extension of Kingsford-Smith airport and we're also, when that environmental study and consideration of that is completed, that extension may take place. We're also planning for, into the future, for the growth of a second airport at Badgerys Creek. But it would be simply irresponsible if we said well we don't give a damn about this congestion, we'll muck up the whole of our economy, our economic operations, by allowing that congestion to get worse and worse. I understand that creates some inconvenience. It's not done to create inconvenience but we've got to tackle the larger problems.

HUNTING: Right. Any timetable on when a decision may be made on the third runway?

PM: I understand that the processes of the Environmental Impact Statement are very very well advanced now. We'll be in a position - I can't give you an exact date but it won't be too long into the future before we're considering that report.

HUNTING: Fine, ok. Well finally, Mr Hawke, the election result of the recent federal election here on the North Coast must have delighted you.

PM: Of course it did Greg. Let me say this, that on the Thursday night before the election I had some people at Kirribilli House. After they'd left, Steve Loosley, then the NSW Secretary of the Party, stayed behind. We were just having a cup of tea together and he said well we will deliver Page to you. I said thank you very much. And he said - and let me tell you this - he said watch Richmond very closely. I said you're kidding. He said I'm not. So I wasn't altogether unforeshadowed about it but I'm terribly pleased with the result. Let me, without being overtly or overly partisan in my comments, I think really these considerations were relevant. I think really there were three considerations involved. Firstly - I'm not putting these in order of importance, but I think these three factors are involved Greg. Firstly there's obviously been a considerable change in the demography of the two electorates. They're not just essentially rural-based operations although those rural operations remain important. There's been an influx of people with different backgrounds and subject to different influences and so on, but that's obviously been one factor. Secondly, and as I say, I don't want to make ... because I don't go around the country bagging my political opponents. If I think they're wrong on an issue I'll attack them on that. But quite clearly, the status of the National Party has suffered over recent years in the northern part of NSW and in Queensland -

HUNTING: ICAC in Queensland, yes.

PM: - and the National Party candidates suffered from that. And thirdly, and very importantly, the quality of the candidates we offered. Here in Richmond Neville Newell was a fresh face and obviously a man of concern and compassion and integrity. As in Page we had in Harry there, Harry Woods, a bloke who was obviously a good candidate. So those three factors, I can't give you the exact weighting of them. But I think those three things, plus fourthly the fact that people while they may not have liked some of the things we've done thought we could tackle hard issues. How you weight those four things I don't know, but they were the things that counted.

BUNTING: Yes, there was a very big, obviously a very big independent vote too I think. In fact the Labor vote actually went down as did all the major parties votes in the area. But it was a very interesting result. Mr Hawke, for your time this afternoon we thank you very much.

PM: Greg, I've enjoyed it very much. Thank you to you and to your listeners.

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