



## PRIME MINISTER

INTERVIEW WITH KERRI-ANNE KENNERLEY, GOOD MORNING  
AUSTRALIA, 19 OCTOBER 1990

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KENNERLEY: I'm joined this morning by the Prime Minister, Bob Hawke. A very good morning to you Mr Prime Minister. Thank you for your time.

PM: Pleasure.

KENNERLEY: Why did it take six weeks?

PM: Well I understand that in fact payment has been made over the last five weeks in regard to the special benefit and accumulated family allowances. That money has been paid over the last five weeks but the particular problem that Mrs Silva had wasn't brought to the attention of the Department until Wednesday. That problem arose from the fact that she has a joint account with Westpac, with her husband and of course because Mr Silva is detained and is uncontactable in Kuwait, she had not been able to operate on that account. As soon as our people became aware of this, Kerri-Anne, on Wednesday, immediately contacted Westpac at a senior management level and explained the possibility of the normal operation of that account and why Mrs Silva had therefore no access to those funds, which funds operated as a bar to other Social Security payments. And as soon as the bank was made aware of this problem - and I pay them full tribute - they immediately indicated that they would make special arrangements whereby she would have access to those funds. So the normal payments had been made and all the entitlements had been fixed up. But this particular problem was remedied through a combination of the work of our Department and the appropriate and very welcome cooperation of Westpac and I thank them for it.

KENNERLEY: Mr Hawke, may I suggest that perhaps the bank knew about this problem weeks before it was solved and that the paper-work actually went from one department to another department and finally ended up in the Prime Minister's Department and then and only then when, after she appeared on this program just 24 hours ago, did money miraculously appear.

PM: Well I can't say what happened within the bank. All I can say is that as soon as we became aware of it we

acted and it was remedied, thanks to the cooperation of the bank. As far as other payments were concerned they had been made over a period of the previous 5 weeks.

KENNERLEY: Also, if I may just hold you for one minute more because I do know you are ... In reaction to a story we've just ran in the news, the Reserve Bank is criticising the Government's very slow economic process. What's your response?

PM: I've answered that in the Parliament, Kerri. We've had to make the decisions which are difficult ones on balance. If we'd eased monetary policy too quickly we ran the risk of a much greater catastrophe of surge-back into a level of imports that were not sustainable and then the world would've marked us down in a way which would've been totally catastrophic. These things are not easy and I believe that we've got the balance right. We've had to slow down the level of activity, we've done that and I know there's been some hurt in that process and I think Australians know me well enough to know that that gives me no pleasure. It was something that was necessary to be done.

KENNERLEY: Will that hurt get worse?

PM: I think not. We're coming, I believe, to the bottom of the lowering of activity and I think as we go into '91 the economy will recover. But it was necessary because if we hadn't done that and we tried to keep borrowing from the rest of the world to pay for a level of consumption that we couldn't sustain by our own production the world would've marked us down drastically and I wasn't prepared to run that risk which would've been far greater for Australia.

KENNERLEY: But will things get worse?

PM: Well I think we're reaching the bottom of that lowering of activity and the signs, there are signs there now but I think we will start to recover. I've said that as we go into '91 I think that that will happen.

KENNERLEY: Mr Hawke, we know your time is needed there but thank you very much for joining us.

PM: It's been my pleasure. Thank you.

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