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PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH HOWARD SATTLER, RADIO 6PR
28 NOVEMBER 1990

E AND OE PROOF ONLY

SATTLER: Can you tell us what you told Mr Hand and Senator Bolkus?

PM: Essentially I am in for the long haul.

SATTLER: So you have put to rest the rumours, did you?

PM: When you talk about the rumours this was a media beatup over there which had as much legs as the media were able to give it, it had no substance as far as the party was concerned.

SATTLER: What started it?

PM: Well with a quiet period you are always at risk in politics when there is a couple of weeks break in the parliament, you know Graham Richardson said the dogs start barking a bit for no reason at all.

SATTLER: They get a bit panicky a few of them, do they?

PM: Yes and they had active imaginations. I mean I am not often in the past been compared with Margaret, but somehow or rather the Margaret Thatcher episode started to try and create analogies in their mind which were not really there.

SATTLER: Do they talk to you about the opinion polls and how you are going to get them back up again.

PM: What the two fellows who came to see to me?

SATTLER: Yes.

PM: No no no they were simply there to say you know a thousand percent support.

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SATTLER: Yet they are left wingers.

PM: But let me say this that as far as my government is concerned the level of the cabinet, the ministry, the factional distinctions are not real. I mean you, the balance from the Left are making excellent contributions, I mean those two you mentioned Brian Howe without being exhaustive I mean as a ministry and a cabinet this government doesn't work in factional lines.

SATTLER: It's also being said that some party members want you to make a definitive decision about how long you are in for exactly by roundabout the middle of next year. Will you be doing that?

PM: I have already made that decision and that announcement, I will be taking the party into the next election.

SATTLER: And others are saying well if you are going to take it into the next elections you should stay for a while after that. You shouldn't just ask to be elected then go.

PM: Well you wouldn't go the next day would you but I mean what I have made quite clear now for quite a long period of time is that after we win the next election I would think in that next period it would be time to think about making way for the successor then.

SATTLER: But you wouldn't go two more elections would you?

PM: No.

SATTLER: You would want to play more golf.

PM: Well one of my great regrets about the quickness of this trip Howard is that we are not able to fit a game in. I would love to have had a game with you.

SATTLER: I bet you would, you have heard about my form of late.

PM: Mate only from you, you said you are going out a bit but I know you are immaculate with the truth but you might have just been trying to set up a bet.

SATTLER: Well Margaret Thatcher is gone and I think a lot of people would have thought that was unbelievable, what about you?

PM: Well this is not being wise after the event because I have had some discussions with people after last April. I met her of course as you know Howard when I went over to Gallipoli and I was struck then as I told my colleagues afterwards in the conversation how almost, distraught is not

PM: (cont'd) the right word but how despairing she was about developments in Europe and her relationship to those developments. She gave me the impression that things had got away from her in regard to what was happening in Europe and she despaired that there was anything that she could do about it and when she adhered to her line on that against what was clearly the emerging view within her own party, it's not surprising to me that there came a showdown on that issue because it's an absolutely fundamental question in British politics. Is Britain going to be inside the movement and working to shape the future of Europe, or is it going to be as it were outside saying no no no, you can't have a more fundamental question than that and quite clearly the great majority of the Conservative Party had come to the conclusion that the former was the way to go and so it couldn't have had a more basic issue which I think in the end had to go to the question of leadership.

SATTLER: What do you know of her successor the British Chancellor of the Exchequer John Major, apart from the fact that you like you he is a cricket fan and he could have played for Surrey if he had not had a bad car accident.

PM: I met John Major at the Commonwealth Heads of Government meeting year in Malaysia. I didn't have a great opportunity of dealing with him because of course at the prime minister level I was basically dealing with Margaret but I you know had a couple of conversations with him. I mean it's too early in a personal sense for me to make judgement about him but obviously he has developed a pretty wide range of experience in the period that he has been in office and I believe that he will continue with what from Australia's point of view is very important that is the very strong line that Margaret Thatcher took on the common agricultural policy which is so devastating for Australian farmers. I mean I admired enormously the way she fought for our basic position on that with her european colleagues and I certainly hope and trust that John Major will continue to do that.

SATTLER: Does it worry you that as a 16 year old he couldn't get a job as a bus conductor because he couldn't add up.

PM: Well I guess all of us develop through life, there are lots of us that couldn't do certain things when we were 16 but become a bit adept to them later on.

SATTLER: Well he has become the Chancellor of the Exchequer so he must have learnt something and also I guess it shows that treasurers can become leaders which for Mr Keating's point of view in the longer term is good news.

PM: I don't think Paul pins his chances of succession on John Major and I have made it quite clear and I think the party accepts that when I do decide to stand down that it will be Paul.

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SATTLER: Now on the local front the ACTU secretary Bill Kelty is predicting a national unemployment level that will go through the 8% barrier, I think it's about what 7.4% now. Do you agree with his prediction?

PM: Remember Howard he wasn't saying that it was going to be there through, for long if it did -

SATTLER: No no he said short term but would you agree with that?

PM: Well it's possible it could I am not making any predictions about it. The important thing from a point of view of your listeners is that I remain convinced that the economy is going to recover in 1991. I have been saying that consistently and I think the evidence is there and I just noticed in today's papers the business investment figures are up in a cheering sort of way so as your listeners know and I think they know me pretty well we have said we had to slow the economy down in the previous 12 months because we were just operating at too high a level with pulling in too many imports.

SATTLER: But you would agree there is still some short term pain to come, we have got Ford Australia and International Trucks Australia talking today about sacking another 1,000 workers before Christmas. Do you think there will be some short term pain in the employment area?

PM: There may still be some more short term pain in the employment area but the important thing is that when we go into the recovery phase next year it's going to be on an infinitely stronger basis than before.

SATTLER: But not a boom.

PM: No as Australians we have got to avoid the boom and bust mentality because the problem is that we have got to build a situation where we can produce more in Australia to satisfy the demand that developed in this country because when we spill over from our domestic production into imports, satisfying our demand with imports then that exposes the unacceptable strains on our external account so we have got to all of us, business, workers and government for its part make sure that what we are doing is building up in this country a production capacity which is going to be able to satisfy our own demands and build up our own external you know export capacity. That's the great challenge that faces this country Howard.

SATTLER: You are pretty happy about the wages tax trade off last week aren't you?

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PM: Yes I was committed to that right from the beginning. When Paul came around to see me to talk about what we were doing I said Paul you don't have to persuade me on this you would have to persuade me against it, against doing it and we were totally at one on that because it offers Australia Howard the real possibility of cementing into place a continued reduction in the inflation, in the basic inflation rate. What Australians are now enjoying and what with good management we can enjoy in the next year a situation where our inflation rate is coming down and the rest of the world basically is going up. That big gap that we have had Howard between our inflation rate and the rest of the world is narrowing enormously and that's to our advantage.

SATTLER: But what would you say then to our Trades and Labor Council who have opposed the trade off and they are saying this morning the money should have come from the employers not the surplus. How do you react to that?

PM: Well the important thing is that their standards that their disposable income, real disposable income be kept up. Now you can have your real disposable income kept up by a combination of what happens to money wages, what happens to taxes and what happens to prices. So if in fact by operating through the tax side you can at least keep your disposable income up and at a lower inflation level than in the immediate and longer term that's much more to the advantage of their members.

SATTLER: And you don't send any more employers to the wall?

PM: Well that's right. The community in a sense through the tax system is picking up that cost and that means you don't feed it into the inflation structure. That means that your competitive position, your capacity to employ people is increased.

SATTLER: Yes I think what they are upset about is that they were not let in on the discussions before the agreement was made.

PM: And I can understand that concern but where you have democratically elected leaders as the trade union movement does and they were elected right through up to leadership of the ACTU level, they have got to represent the trade union movement and I think your people here would know that in Bill Kelty and Martin Ferguson and the people there they have very capable and committed people of integrity. They didn't make this decision lightly.

SATTLER: Now this morning you are to go into what could be termed a greenies den, the World Conservation Union conference. Are you comfortable with your government's recent moves to encourage sustainable development in this country or do you think that for a while there your government gave the greenies too much latitude?

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PM: It was never a question of giving the greenies too much latitude I have never approached this thing on the basis do I do this for the greens or do I no do this for the greens. I mean inevitably Howard you will appreciate, I am sure your listeners will that when you are confronted with a particular decision about a development project or about putting a particular area on the world heritage list it's going to be interpreted and read is this for the greens or against the greens. Now inevitably that's the way it will be interpreted but what I always try and do with my colleagues is to say well what is right for Australians today and what is right for our kids and our grand kids. Now where we have come down and made a decision which has been as it were pro environmental I have made that decision with my colleagues because I think that is best for Australia. There are other decisions I have made where for the same reason what I think is best for Australia the greenies have come out and said what's Hawkie done now. You know they didn't like it so I am not the greenies man or the non greenies man I am Australia's man and that's what you have got to do.

SATTLER: Well I am sure you're aware the West Australian government has decided to allow mineral exploration in three of our national parks and three big ones at that, do you think the greenies have got a case in criticising that?

PM: They will always criticise. I mean when you talk about the greenies you have got to recognise there is no monolithic green movement there are shades of opinion within it, shades of green if you want to put it that way and they are not all going to say about every decision the same thing.

SATTLER: No I looked at the list of them going to this conference and there are about 20 or 30 different groups.

PM: Yes well that's right I mean it's a very large group some 3,000 people or something as I understand from all around the world at it. But in regard to the decision over here I think what Carmen and the government has done is say well I think it's three out of sixty parks isn't it in which they'll allow mining.

SATTLER: That's right.

PM: And it will only in the end after exploration be allowed after the most careful scrutiny of it and if it is then allowed that particular part will be excised from the park so that in the end the part this will remain inviolate.

SATTLER: Now West Australia to a degree embarrassed the Labor movement in Australia, Labor governments with a so called WA Incorporated and now at last a royal commission. Was that greeted with some relief over in Canberra?

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PM: Well let me say two things about it Howard. The first is this that the conduct of the affairs of government of a State are the responsibility of that state government and we as a federal government recognising the lines of jurisdiction that exist has sort either in regard to Western Australia or any other State to intervene and say how they should conduct them.

SATTLER: But politically it did impact on you didn't it?

PM: Yes that's the first thing it does but secondly yes obviously Howard the dissatisfaction that existed over here in regard to what's christened WA Inc spilled over for us. I mean these sorts of issues know no boundaries between federal and state I mean if a state government is going badly and it's of our political persuasion, yes we will be hurt by it, in the same sense and let me fair about this if it's perceived that we are not going too well at a particular stage our state colleagues will suffer. Now the second point that leads into is this that having said all those things I would say that the decision is a sensible one. While all the concern was there and people were going on and there was innuendo then it was a bit of a stinking dead cat which was hanging around their necks and wasn't going to go away so I would think that they have made the right decision but it was their decision for them to make.

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