



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
INTERVIEW WITH CATHERINE JOB, ABC RADIO "AM" PROGRAM,
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CJ: Well Mr Keating, you have been calling for some policy detail from Mr Howard, he has just given us some, is it a step in the right direction?

PM: An endorsement of the Western Australian endorsement of the Western Australian legislation. Hear him slipping and sliding when you put the questions to him about the strikes, 'yes' he says in his measured tones 'yes, we do, you know our position, we have been supporting ballots on strikes for some time now'. Basically, look let me just make this clear to you, his claim that the Federal Government is supporting this strike or having anything to do with it is completely untrue. This was on before I went to Western Australia. The blockade had been announced before I ever went there and it is there because of the viciousness of the Western Australian legislation. This year Catherine, industrial disputes are at their lowest level since 1940. They are at 70 working days lost per thousand people. When Mr Howard was last in government it was 790 working days lost per thousand people. We have, as I say, the lowest level of disputes in the nation since 1940. What is happening in Western Australia now is what you would see all over Australia if John Howard were to become Prime Minister because John Howard endorsed Mr Kierath and Mr Court's industrial legislation at the Western Australian Liberal Party conference he spoke at about six weeks ago.

CJ: That was the first wave, of course, that he spoke about six weeks ago, but this current dispute certainly suits your purposes doesn't it, to paint a picture of the industrial mayhem you say would ensue under a Coalition government?

PM: No industrial dispute in this sense suits my purposes. My purposes are for industrial peace, they are for low inflation, high productivity and high employment growth which is what we have at the moment. We have the lowest level of industrial disputes since 1940, we have an

inflation rate of 2.5 to 3 per cent. We have 2.5 per cent productivity growth and 3 to 4 per cent employment growth. You don't get that other than with a co-operative work force. How could you possibly have low inflation like this and high productivity without a co-operative work force? And, the whole consensus model, which the Government has put together under the Accords since 1983, the reason we have had declining inflation and higher productivity and a whole productivity culture in the workplace is because of the consensus model. That is, we have sensible wage outcomes in return for higher rates of economic growth and employment.

Now, Mr Howard ran a conflict model all through the 1970s. What we saw then was a massive level of industrial disputes. I'd like to give you the numbers; 790 to 70 from my recollection, I think that is exactly the numbers and it is 10 times as much. There was over 10 or 12 times more industrial disputes.

- CJ: Mr Keating, you say that you don't want to encourage industrial disputes and you are lauding your record on getting those numbers down, did you do anything to dissuade the blockade of Western Australia today?
- PM: Understand this, I spoke at the Nurses Federation over there last week. Did you know that Richard Court has denied those nurses an \$8 wage safety net increase now for over 12 months. We have now had to join issue with them in the federal court, in the arbitration commission to support them in having it paid. They probably won't get it paid until about next March in which case they will be 18 months waiting for an \$8 safety net wage increase. Mr Court is absolutely vicious on these people and he has now brought in this draconian legislation and were it to be there, of course, without the protection of the federal award system people would have savage wage cuts and loss of conditions.
- CJ: But Mr Keating, as Mr Howard has pointed out this stunt isn't he says about work place conditions or about pay, it's about politics. It's about political donations from union dues and secret ballots for strikes.
- PM: Understand this, it is about the whole nature of the Court government's industrial relations. There is a whole community reaction to Mr Court over there and that is what's on. Mr Howard would like to think otherwise, but you see, it has basically blown up on him. The same way as Mr Kennett's legislation blew up on him three years ago. Mr Kennett was telling the Business Council a week ago 'don't worry, when the Federal Liberals get in we'll have the overarching federal legislation so my west Victorian legislation will be able to work.' He said 'the employees will have nowhere to go, they will be trapped'. In other words, there will be Western Australian legislation right across the country. I gave the example in the Parliament yesterday of a librarian who was in touch with us in Victoria, who is not under the

federal system, she has a wage now of \$35,000, applied for another job as a librarian in a part of Melbourne that suited her convenience to her living and the wage on offer was \$19,000. From \$35,000 down to \$19,000 because she couldn't get the protection of the federal awards, so she is staying where she is.

Now, you get that legislation across the country and you will find a massive reaction, no one is going to have 20 and 30 per cent pay cuts or in her case nearly a 50 per cent pay cut. Nobody is going to be accepting that and that is what this is about. All of John Howard's words are codes for wage cuts for the bottom end of the work force. He was out telling ACOSS last week, 'look, in some countries where we have flexibility there are higher levels of employment growth ie America'. You have heard the US Labour Secretary Robert Reich recently talking about an army of working poor in America where wages have been falling for 16 years. Sure they have had strong employment growth, but there is literally an army of working poor and it has done nothing for their economic growth, they are not growing faster ever than at about 2.5 per cent.

- CJ: Mr Keating, you have announced yesterday, if we can just move on to another subject very briefly, the return of Don Russell our Washington Ambassador ...
- PM: Can I just finish on this point, I was asked directly in the Parliament yesterday - did I support this strike? I said I neither endorse nor disendorse it and I didn't endorse it in Western Australia. These are all words put into my mouth. Mr Howard is conveniently in the Canberra studio this morning to put words into my mouth, to say that I support the strike and that I am basically in some way behind it. I didn't even know about it before I went to Western Australia, to be frank with you. I haven't endorsed it, but you see, he knows that it is a foretaste of things to come for the community. He knows that the low levels of industrial disputes now and the whole consensus model is up for grabs were he to become Prime Minister and he knows I'll make this point over and over again. That is why he got himself out of bed and got shaved and sat in the studio at eight o'clock, showered and dressed with nowhere to go at eight o'clock, to put the spurs into me over policies that he supports.
- CJ: He is very keen to reply to what you have just said Mr Keating if that is ok with you.
- PM: The thing is, of course he would. He would hang there if it was 1:00am in the morning, he would be hanging around trying to put his view. But understand what his view is about, it is the rancid view of people that despise working people, who want to push their wages and conditions down. Look at Richard Court, not happy simply to defeat Carmen Lawrence he had to try to destroy her personally with this vicious royal commission. He is vicious. He is vicious on the work force and don't

under estimate the degree of community reaction. I'm not talking about union reaction, but community reaction in Western Australia. And what the Australian community have got to know, were John Howard to become Prime Minister, he would see this every week of the year - every week of every year that he was in office - and why would people turn their back on the lowest level of disputes that we are seeing now - 2.5 to 3 per cent inflation and high productivity growth - to take back the model that Mr Howard left as a smouldering ruin in 1980, 1981, 1982 and 1983.

CJ: Mr Howard is still here in the studio.

JH: Well, the Prime Minister has had an opportunity over the last few minutes to behave like a national leader, to behave like a Prime Minister, not to behave like a partisan politician. He could over the last few minutes have condemned the strike, he could have called upon the unions not to precede with it, he could have repudiated it, but what does he do? Cowardly like and betraying his responsibilities as Prime Minister Pontius Pilate like, he sits on the fence and he says 'I neither endorse it nor disendorse it'. In other words, he is not prepared to express a view on the inflicting of pain and suffering and discomfort on 1.3 million of his fellow Australians. If ever there was a demonstration that this whole thing is a political cook-up between the Labor Party and the ACTU, designed to create the impression that if there is a change of government there will be industrial chaos. He knows damn well that there is nothing in our policy that is going to cut the wages of workers. He is the world expert at cutting the wages of Australian workers, he has cut their wages over the last 13 years, he has increased their mortgage payments on average by 50 per cent, he has produced a higher sustained level of unemployment of Australian workers than any other Prime Minister since the end of World War II and what he is about now is trying to generate a phoney political strike which is doing real damage to the people of Western Australia. Instead of condemning it, instead of being the leader of the country, he is being the provoker of severe industrial pain and disputation on the Western Australian people. If people suffer today in Western Australia Paul Keating is to blame and the last 10 minutes, particularly the last two minutes of his interview have proved conclusively his political motivation and attitude regarding this strike.

CJ: A brief response from you Prime Minister, are you going to condemn the strike?

PM: That is a sort of condescending and supercilious line: "I have behaved like a partisan politician." What were Mr Howard's first remarks - to come on the program to lay the responsibility at my door - in precisely the partisan way he always behaves. Secondly, it is not my matter. This dispute is a dispute brought on by the Western Australian Liberal Party's legislation. It is a dispute that exists in the state of Western Australia as a consequence of their behaviour. It is not my matter. I

am neither endorsing it nor disendorsing it. It is not my matter, but it is very much the matter of the Liberal Party. It is very much the matter of the legislation of the Liberal Party. Let me just correct another thing Mr Howard said, there haven't been wage cuts through the period of the government's office. There has been a 7.2 per cent real wage increase, real wage increase, during the 12 years of the government's office. A 20 per cent increase per capita in household disposable income and a 40 per cent increase in household disposable income over 12 years. That is real, 40 per cent real, 20 per cent per capita real and 7 per cent to real wages. So, Mr Howard is wrong on three counts.

He comes onto your program simply to make political points in a very partisan way as an apologia for the viciousness of legislation, the thrust of which, of course, he entirely supports.

CJ: Mr Keating, Mr Howard, thank you both for your time.

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