



PRIME MINISTER

"THIS DAY TONIGHT"

Interview given by the Prime Minister, the Rt.
Hon. William McMahon on ABC National Television Network

Interviewer : Tony Joyce

25 AUGUST, 1972

Introduction (Bill Peach) :

To revalue or not to revalue, that is the question. Whether it is noble or not seems to be anybody's guess. Mr. Whitlam and the Reserve Bank seem to think we should revalue right away, they think the Australian dollar is undervalued. But no sooner had Mr. Whitlam said this on TDT last night, then he was being publicly contradicted by the Labor spokesman on rural affairs, Dr. Rex Patterson. The Deputy Prime Minister, Mr. Anthony, weighed in to accuse Mr. Whitlam of "a political crime", and the Prime Minister, Mr. McMahon, said he thought the Australian dollar should stay right where it was. The value of the Australian currency has obviously become a political issue - at least the politicians themselves obviously see it as a political issue. The voters might be finding it a bit hard to work out which way the political benefits would flow from this controversy since it appears there is disagreement within both the Liberal and the Labor Party on what we should do about the Aussie dollar. The Prime Minister, Mr. McMahon, talks with Tony Joyce.

Q. Prime Minister, your Government's own advisers, the Treasury, the Reserve Bank and most financial experts seem to agree that a revaluation would ease inflation. Why then has the Government decided against a revaluation?

PM. We must look at every single effect of the Budget itself - I'm sorry, of the valuation itself. In pure monetary theory, you can probably justify an increase in the value of the Australian dollar but when you look at other angles as, for example, you look at what would happen to our rural industries and the increased competition they would get and the lower price they would receive, then you have to think a second time.

Q. Well - the Treasurer, Mr. Snedden, has not yet said that he is against a revaluation - are you going further and arguing against the revaluation?

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PM. My opinions are exactly the same as the Treasurer who is the Minister most involved in this and it is exactly the same as the Deputy Prime Minister, Mr. Anthony. None of us wants revaluation.

Q. Mr. Snedden has said though that he hasn't said that there shouldn't be a revaluation.

PM. Has he? I didn't know he'd said that, but I do know in a conversation with me he has indicated clearly that our ideas are the same.

Q. Mr. Snedden last night on this programme said that statements on the currency could cause speculations. Do you agree with this?

PM. I agree that statements of the kind made by Mr. Whitlam could cause problems for us, and that is why I believe that we have to be clear and definite that we have no intention of revaluing.

Q. Yet Mr. Anthony has come out quite clearly for the status quo. Is he not equally culpable with Mr. Whitlam for making a positive statement?

PM. I think we have to make the positive statement that revaluation will not take place, neither will devaluation take place, and that is to make it certain that people will be able to carry out their transactions without fear of change in the value of the currency.

Q. You don't think that Mr. Anthony's clear statement that he doesn't want any revaluation could itself cause some sort of speculation?

PM. I don't. I think it became critically important after Mr. Whitlam had made his statement that positive statements be made on behalf of the Government that no change would take place.

Q. To what extent did Mr. Anthony's public statements both against revaluation and for an early election embarrass you and the Government?

PM. Certainly there could be no embarrassment so far as changes in the value of the currency were concerned, because only on Sunday night I went on and said exactly the same as he had said so that couldn't have caused any embarrassment to me. The other question hasn't caused much embarrassment either.

Q. You say it hasn't caused much embarrassment?

PM. Yes.

Q. Mr. Anthony didn't, I believe, consult you before he made these public statements?

- PM. He talked to me about it, yes, and I knew his views, but he did not think to tell me that he was going on television, that is correct.
- Q. Would you have preferred that Mr. Anthony had consulted with you?
- PM. I don't think there would have been any difference, anyhow.
- Q. Might this not be seen though in a sense as the Country Party tail wagging the Coalition dog?
- PM. It obviously didn't happen, because I will make up my own mind, I will listen to advice that is given, but the decision will be made by me, so your impression of the tail wagging the dog just couldn't be right.
- Q. Might this not be an impression that the electorate could get?
- PM. No I don't think so, I think on the contrary it comes out as a decisive action on my part.
- Q. Mr. Anthony seems to see revaluation as an election issue which could be of some advantage to the Government. Do you agree?
- PM. Yes I do. It will be a marked election advantage to the Government not only in the country areas but amongst business and those who want the highest level of employment. Because if we did revalue I think it would have a bad impact on employment.
- Q. Do you now see an early election as a more attractive prospect?
- PM. I just won't give you an answer to this no matter how much you might try and encourage me to give the exact date. I think I have the date in my mind and when the proper occasion, or the proper moment comes when I'll announce it, I'll announce it in the House and nowhere else.
- Q. If the Budget is a good Budget and revaluation is a good issue what then would be the advantage of waiting to a later date?
- PM. Well, I'm asked, and I believe this is critically important for me. We've made certain promises in the Budget. They are some of the most humanitarian and profound or widespread of any that I know since I've been in the Cabinet. I believe that those that give benefits to the people should be put into law before we go to the polls.

Why then does Mr. Anthony want to go now?

PM. You must ask him those questions, but the country is perhaps a little different, substantially different, from the rest of Australia. That is a question you'd better ask him not me.

Q. Mr. Snedden, too, has said that he's quite happy to have an election.

PM. Yes, but the decision is mine and I will make it and announce it at the appropriate time.

Q. Do you think the electorate is going to be affected by this apparent split in the coalition?

PM. No I don't because it's a question as to date not of substance, and I believe the electorate itself will want to know the promises made are fulfilled before we in fact go to the people.

Q. Mr. Prime Minister, thank you very much.
