



## PRIME MINISTER

TRANSCRIPT OF PRESS CONFERENCE - SCULLIN BY-ELECTION

19 January, 1986

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JOURNALIST: ... Bill Hartley to the Scullin electorate.

PM: I have got nothing to say about that issue. As you know that will be considered by the National Executive on Thursday. It is not appropriate to talk about that.

JOURNALIST: Mr Hawke, considering your calling the Liberals faction-ridden, don't you think that is slight the situation with ALP at the moment, over Scullin in particular?

PM: No. The question of various groupings within parties has always been there as far as Labor is concerned and as far as the others are concerned. What I am talking about is the way in which factions are operating. As far as the Labor Party is concerned, the existence of different groups with different emphases has not affected the development of policy and the implementation of policy. As I said here, this is the most stable and competent government in recent Australian memory. Against that, the factionalism in the Liberal Party is just completely breaking them up because they can't formulate policy. You look at any issue that they have talked about. Privatisation - a total mess. The factions there are just absolutely opposed to one another. Some of them saying this is what has to be done. The others saying this is an absolute nonsense. You look at the question of wages regulation. Some are saying you have got to abolish the Arbitration Commission. That is what Sinclair is saying and sections of the Liberal Party. Others are saying you must keep it. Now it is that sort of factionalism which I am talking about which is stopping the emergence of effective policy.

JOURNALIST: Mr Hartley would say that Socialist Left isn't getting any say in policy though?

PM: I haven't got anything to say about Mr Hartley.

JOURNALIST: I was going to say that the Liberals have said that it is the public's view of the factional fighting within the ALP, particularly in this electorate, which is going to do it damage. What do you say about that?

PM: I have already answered that. The existing groups in the Labor Party have not prevented the emergence of strong, effective government.

JOURNALIST: But does the public see it that way?

PM: Of course they do. Look at the polls and look what they are saying. They are repudiating the Liberals. Why do you think that Mr Gray has said of the Federal Leader of the Liberal Party he doesn't want him over there because he doesn't agree with what he is saying. He says his talk about privatisation, his talk about wages deregulation, Mr Gray has said in a letter on 3rd January to the Hobart Mercury, he said "that is nonsense. I wish he would stop talking about those things and talk about issues which are relevant to the people of Australia". Now it is that sort of factionalism and division which is ruining the Liberal Party in mainland Australia.

JOURNALIST: Mr Hawke, you mentioned employment and inflation, the Government's record there. There was no mention today of the rally today of interest rates?

PM: Well, I didn't mention interest rates. It is not an issue which I am being inundated with. What I am being told by the people of Australia is that they welcome the achievements of this Government in the areas that I am talking about - employment and inflation. They know that to protect the exchange rate to some extent there has been a necessity to have fairly tight monetary policy for a while. And that taking the overall economic policy into account, which is producing a continuation of strong economic growth, that that particular phase that we are going through is one that is necessary within the total framework of policy. And the Australian people are much more intelligent than some commentators give them credit for.

JOURNALIST: Is monetary policy likely to ease a bit now, Prime Minister?

PM: I am not talking about monetary policy at this stage. I merely make the observation that you will have seen that there has been a strengthening of the dollar and slight easing of interest rates. And I welcome that. And simply repeat that the Government will continue the policies which are necessary to maintain what I have referred to earlier today. That is the fact that we have the strongest economic growth rate amongst the OECD countries and the highest rate of employment growth. We are going to have policies which enable us to sustain that growth with sustainable levels of inflation.

JOURNALIST: The Liberals say they are going to make big inroads into your majority in this seat?

PM: Is that right.

JOURNALIST: Have you got any comment on the sanctions against Libya?

PM: The Government will be considering this matter. There is a Cabinet meeting tomorrow. I merely say that I endorse what Mr Hayden, the Foreign Minister, has said. That this country rejects the tactic of international terrorism which has been increasingly emerging in the world. And we believe the international community needs to act together against this. We will be considering the issue in detail tomorrow.

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