

INTERVIEW WITH MICHELLE GRATTAN,

THE AGE

QUESTION:

Let's start on the employment area. You've emphasised the need to continue to bear down on inflation as the only way to eventually get unemployment down. Given that policy, do you believe that unemployment will be less than it is now in firstly a years time, or secondly, two years time?

PRIME MINISTER:

I don't think you can put a time scale on these particular things. It's possible to say that unemployment is going to fall throughout this year and it has but we have had less success than we would have wanted in getting a balance between wages and profits. You've got the figures now for the last financial year where average weekly earnings went up a bit more than the Consumer Price Index which doesn't really indicate much restraint on the part of wage claims or on the part of decisions by the Arbitration Commission.

Against that background, there's not the slightest doubt people are being kept out of jobs by the continued high level of wages. Now, forces working in the other direction; our inflation rate is now well below the OECD average, ours is going down. A number of other important countries are going up. Most of our major trading partners, with Japan and Germany as exceptions, their inflation is getting worse. So our industries are becoming more competitive. They'll be getting a larger share of domestic markets. They'll be able to move into export markets. Quite often I'm now getting reports of people being able to sell overseas. Only the other day; a Western Australian firm is selling fishing boats overseas very successfully - has done so for up to half a dozen countries.

QUESTION:

But given all that you wouldn't put a time on it?

PRIME MINISTER:

No, I don't put a time on it because you can't tell how quickly these forces are going to work. Our policies will be successful. Wage decisions have a capacity to speed up the process or to slow it down. I don't think they've got the capacity to frustrate it completely because I don't think the wage decisions would not be as bad as that. I think what we have to do is to show a very real concern for those who are finding it difficult to get jobs with the various training schemes, the various employment schemes. I am disturbed that under the training schemes, information ...since Question Time, has indicated that a number of State Governments may not be keeping their people on in employment after the training period.

PRIME MINISTER: (continued)

I believe that Governments have got an obligation to set an example in that area. Now we're trying to get the more precise facts about it. Against the situation which we had to face, there was clearly no quick solution. The only other point that I would want to make is that the Secretariat of the General Agreement on Tariffs and Trade, in its Annual Report, has in the last week put out a resounding endorsement of the Government's policy and basically indicated that other policies are doomed to failure.

QUESTION:

Two specific questions on unemployment. Do you believe that unemployed young people should be partially supported by their families and is this what is behind the freezing of the unemployment benefits for single people?

PRIME MINISTER:

I think there are family obligations. I don't believe somebody should leave school and expect to get unemployment benefits the next day. I think there are forces in the society which are intended to weaken family obligations and I think that's important that that should not continue. While there are young people who want jobs, who try to get jobs and find it difficult, we also know that there are other young people who band together and abuse the system, don't really try all that hard to get jobs. I think any employer, at one stage or another, has run across some of these young people. The higher the level of unemployment benefits are obviously the greater inducement is to that latter category to go on abusing the system.

QUESTION:

Again on the young people. Many economists say that minimum wage rates, and especially for teenagers, are stopping job growth. Is there any way to free up the ability of teenagers to get work, at least at the normal wage rates?

PRIME MINISTER:

It's very hard when you've got workers' compensation by State law . You've got 17% holiday loading. You've got a very strict system of awards in Australia and very heavy penalties on employers who breach those laws.

QUESTION:

You've considered putting this to the Arbitration Commissioner at various times...?

PRIME MINISTER

We've considered making special cases in relation to young people. (Inaud...)..well I think one of the things which might have a greater impact than the suggestion you've made is if we could get a change in the penalty rate policy.

PRIME MINISTER: (continued)

I think this enormously hard. Again, because it is entrenched in awards. If for example, in the tourist industry, you could get to a situation in which people could be employed for every five out of seven days in a week there was an award for that, for the tourist industry, that the amount of trade and traffic that's been lost because of the penalty rates on weekends which cause restaurants to shut down...

QUESTION:

This applies to more than just young people.

PRIME MINISTER:

Yes I know, but it's one of the things that's inhibiting jobs. It's one of the things that's damaged employment prospects in general and...

QUESTION:

How could you go about getting such a change. Would you consider putting that in a submission?

PRIME MINISTER:

There is a good deal of work..there is a Parliamentary Committee of Inquiry into Tourism. I think a good deal has been going into trying to get - to educate people to some of the causes and what might be done to overcome it. You'd be well aware of the difficulties in getting an entrenched award radically altered. This is one of avenues that industries, unions and Government ought to pursue.

QUESTION:

Do you think that the Federal Government may set some example in arguing that cause. I haven't heard you argue it before...

PRIME MINISTER:

I don't think I've been asked the question that way before. Let me just say that's it's one of the matters that we are examining. It's sometimes easy to point to solutions because of the entrenched nature of awards and the wage fixing process in Australia and also because of the conservative attitude of a number of trade unions to these particular matters. Getting a significant change is very difficult.

QUESTION:

Turning to some of the criticisms that have been made of the Government. Do you think that the Victorian Government's attacks on the Federal Government, for example, over unemployment and over wage indexations, are simply pre-election politicking or do they represent a real philosophic difference?

PRIME MINISTER:

I don't think there is a real philosophic difference because Mr. Hamer has gone out of his way to tell me that he supports the thrust and purpose in generality of the Government's economic policies, on many occasions.

QUESTION:

And yet he and his Ministers have been quite critical of those matters.

PRIME MINISTER:

I wouldn't have thought so.

QUESTION:

They were answered fairly solidly for example, on wage indexation.

PRIME MINISTER:

On wage indexation? But the Premier had spoken to me about this and I think he conceded in that conversation that hearings every three months was too frequent. We needed to get hearings set further apart than that. I think he might have felt that 12 monthly hearings would be too far apart.

QUESTION:

What about on unemployment?

PRIME MINISTER:

But again if he supported the generality of our policies there can't be a great deal of difference even in that area and he has made it very plain that he does support the generality of our policies. One of the things that needs to be understood is that Commonwealth and States do have a responsibility to the same people, that they do have a different role. Whether we like it or not, responsibility for overall economic management is on our shoulders. We'll be blamed or we will be praised for the result. Overall economic management is not one of the responsibilities that gets sheeted home to the States, even though they can contribute to a better result or they can contribute to a worse result. Against that background, and because of the different responsibilities it's one of the reasons for example, why a Grand Conference is rather a difficult thing to achieve in a sensible and sane manner. If you could get everyone going to a conference quietly, without publicity, committed to overcoming problems, I think there would be a very useful exchange of views. But when I read about a conference in the newspapers, rather than in a more personal approach by telephone or discussion, or whatever, from Mr. Hamer-- Well, Mr. Wran is going to have an election, a Federal Conference Mr. Wran would certainly use it for political purposes as hard as he could go -- and conferences in that broader sense tend to become political forums rather than forums which will contribute to a meaningful result. Now that's why this Government is

PRIME MINISTER: (continued)

trying to structure consultation and meetings which take place on a regular basis which enable anyone's ideas to come forward to us, whether it is from trade unions, or whether it is from government. You've got the National Labour Consultative Council which our predecessors abandoned, sacked. They wouldn't have that sort of regular consultation. You've got the Labour Ministers meetings, you've got the Premier's Conferences which take place I think more frequently over the last three years than in previous times. In all of these arenas, it is open to people to put forward their ideas and to interchange ideas. We have pre-Budget consultations. It might be unfair because I think he was away, but this year, and Mr. Hawke wasn't here, but the ACTU was represented and whatever views they had were put to us. Now they are only some of the consultative mechanisms that we pursue. If any one of the groups in regular consultation with us were not in regular consultation has specific views that are going to be useful, they can put those very views and that's constructive. That's something we would welcome. It's quite different saying 'let's have a conference' when you don't know what views are going to be put.

QUESTION:

I think you've made that point fairly thoroughly.

A quite minor matter of curiosity, looking at the Budget. You've kept a clamp on spending overall, but ASIO's Budget went up by a quarter, why?

PRIME MINISTER:

Well, you know there had been a general review of security from Mr. Justice Hope. I suppose as much as anything that comes out of that - Mr. Justice Hope had recommended that the organisation needed improving, boosting, additional recruitment. It had the clamps put on it very severely in earlier times and wouldn't have grown as other expenditures have grown. The Government basically accepted that advice. But there is also advice -- you know under the new machinery there is advice of senior officials, a number of senior officials, who advise the Intelligence and Security Committee of Cabinet. The Budget has accepted this basic of the Budget as recommended by the Committee...

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QUESTION:

The Freedom of Information Bill has aroused widespread objections more or less across the political spectrum.

PRIME MINISTER:

Media objections

QUESTION:

Well, and some political.

PRIME MINISTER:

And some political but widespread implies a widespread comment from the public at large. I have got my doubts as to whether they would really be conscious of the legislation.

QUESTION:

Why not make the Bill rather more liberal, and is it the politicians or the public servants who would oppose such liberality?

PRIME MINISTER:

I think you've got to, when embarking on a relatively new form of legislation as it is for Australia, you've got to look at the additional demands that might be put on the Service. The capacity of the service to meet those demands. Once they are enshrined in statute the requirement is there. You've had the words in the Public Service Board report about additional demands on the Public Service from a whole range of legislation; Administrative Appeals Tribunal, the Ombudsman, a number of other things. I believe it's better to be cautious of the initial steps. The reports we get out of the United States where there is freedom of information legislation, are not all good; about the way it operates and how it performs and about its benefits. I think there is no harm basically in a cautious approach in the first instance but I think the legislation is likely to be very closely examined by the Parliament

QUESTION:

Some of the Members possibly, likely?

PRIME MINISTER:

I've got no doubt that amendements will be suggested. Now what additives the Government will adopt, will obviously depend on what they are. But I think there could be quite a lengthy Parliamentary scrutiny. I don't know that for a fact.

QUESTION:

You are open to suggestions, though?

PRIME MINISTER:

Oh yes.

QUESTION:

Do you think the Public Service is loyal to Government or do the spate of leaks from it indicate some disaffection?

PRIME MINISTER:

I think a very large part of the Public Service is pleased with the general progress that Australia is making.

QUESTION:

Why the leaks?

PRIME MINISTER:

I think there are always leaks -- there always have been. In think there were more before this Budget than there have been for a long while.

QUESTION:

Why do you think so?

PRIME MINISTER:

I find it difficult to answer that. It happened very much at the last minute. I find it difficult to answer that. I have called for a report on those matters, as you know.

QUESTION:

Has it come in yet?

PRIME MINISTER:

No, I haven't got the report yet.

QUESTION:

Now, the IRB. It was set up partly to protect individual rights, yet the events of the last week or so seem to have exposed some problems in the legislation, for example, Miss Biggs was eventually effectively pressurised into taking another job in the State Government. Three question: do you think, one that the IRB should move more quickly to and more strongly in such a case; secondly, should the legislation be changed to give the unions a right of appeal in exemption cases; and thirdly, is there a danger that the legislation could be exploited by, effectively, mischief makers?

PRIME MINISTER:

Well, I would hope that mischief makers would not get a certificate of conscientious objection and that's an area, where if mischief makers were able to get a certificate there you have procedures right at the beginning of the process which could need examination. But, one of the things that hasn't

PRIME MINISTER: (continued)

come out of the record of this particular legislation is that about 150 certificates have been granted and accepted, operating quietly with no fuss by the unions.

QUESTION:

But now it has been stirred up, we seem to be getting a spate of them.

PRIME MINISTER:

Well, no, there were two, two out of 150, and so the record I think is a good one. And overwhelmingly, the unions that have accepted those 150 certificates have shown they are prepared to abide by the spirit of the legislation. It is worth noting also that there was very extensive discussion with the trade union movement before this legislation went through. Now, all right, there's been the tramways case and case in Parliament House where the legislation hasn't worked smoothly for one reason or another. Now I don't believe on the total record that indicates or gives us any reason to condemn the legislation or the basis of the legislation or even to indicate the legislation needs substantial change.

QUESTION:

Should there be the right of appeal though, by the union on certificates.

PRIME MINISTER:

Well, its the right of appeal against an individual...

QUESTION:

Or against the decision...

PRIME MINISTER:

I'm not too sure how the processes would have worked, but I think that if the matter had been pursued and if the union had in fact come under prosecution or examination from the IRB as a result of the tramways case, then in those circumstances the record for granting a certificate in that circumstance would have also come up for examination. My understanding is that's so.

QUESTION:

Should the IRB move more strongly in these cases?

PRIME MINISTER:

No. Again, it's a question of taking the intitial steps with a degree of caution. The Industrial Relations Bureau was established because we believe there is a role in protecting individual rights and the maintenance of industrial law. I think a great deal of fuss has been made over two cases, but the fact that no fuss was made over 150 cases, they have been accepted by the unions, the employees concerned, quietly, and

PRIME MINISTER: (continued)

we didn't even know about it. I would have thought that this was good ground to indicate that the law by and large has been working well.

QUESTION:

Except they weren't challenged. This woman's rights really in the upshot, weren't protected, were they?

PRIME MINISTER:

I think that--as I'm advised the making of decisions is a great stress and strain on a person, and what it did demonstrate, and I don't think this came out through the media, is that here you have one union that was not prepared to recognise individual rights of conscientious objection.

QUESTION:

And the IRB could not protect that woman in that union.

PRIME MINISTER:

Well, you have to be prepared to go through court cases and all the rest. And we know quite well that in difficult circumstances the maintenance of individual rights can entail a cost in terms of public exposure, can entail a cost in terms of pressure, publicity...

QUESTION:

Should the process be quicker though?

PRIME MINISTER:

Well, in industrial relations, if the processes are too quick, it can get to a very inflammatory situation, you need time for people to be able to stand back a step and think and hopefully to do so in a rational and calm manner.

QUESTION:

So you weren't disappointed at the IRB's handling of that situation?

PRIME MINISTER:

No, I don't think so. Obviously disappointed when you get to a situation where a union will not accept the right of conscientious objection because that is a very serious matter.

QUESTION:

There has been press criticism lately related to your credibility and your approval ratings at the polls has been fairly low. How do you account for those two things?

PRIME MINISTER:

Well, I think, I basically put it down to the overall Withers affair rather than to the Budget, because I don't agree with the media headlines in relation to the Budget. I have spoken to a great many people in many parts of Australia and I've never had a budget where so many people have made it perfectly plain they are very glad the Government had brought in a responsible budget even though there might be some bits of it they don't like.

QUESTION:

But you think the Withers affair was damaging?

PRIME MINISTER:

When you get a Royal Commission report and the result... you really have only two real courses open to you. Rejection of that Royal Commission report with the cogency and power of the findings and of the evidence as many people believed -- one course could have been rejection of the report. And the other course was the one basically which was taken. Quite obviously either course had very real problems involved in it. I believe fervently, that the Government took the only course that was possible, the only course which was right in the circumstances and, as you know it was the view of ministers who examined this that the report should not be rejected.

QUESTION:

Do you think you get a fair go generally from the media?

PRIME MINISTER:

I believe sometimes facts could be better checked.

QUESTION:

Is that your only complaint?

PRIME MINISTER:

Well, if people write opinions, and make it perfectly plain that they are opinions, I don't think its reasonable to complain about opinions, but if opinions are drawn from alleged facts that aren't facts or if opinions are written in terms that suggest they are facts then I think that that's taking a path that could be improved. But there have been a number of cases over a period where facts have not been checked and things have been written as facts which have been either without foundation or wrong.

QUESTION:

You don't feel that there is a deliberate media campaign against you? Let me put it more neutrally - do you think there is?

PRIME MINISTER:

Well, maybe I should ask you that question. I've just stated what I think to be so and I know so -- that a number of things that are written have been written without checking and I think it damages the reputation of the people that do so and it damages the reputation of the newspapers.

QUESTION:

But do you think this is part of some deliberate campaign against you?

PRIME MINISTER:

I wouldn't put that sort of motive to it.

QUESTION:

A wider question. What qualities do you think a Liberal leader needs to possess?

PRIME MINISTER:

A Liberal what?

QUESTION:

Leader. The Leader of the Liberal Party.

PRIME MINISTER:

Oh, I think that is very difficult. It would be easier to go and ask members in the Party Room that.

QUESTION:

I'm not talking about this Liberal Leader, particularly -- a liberal leader.

PRIME MINISTER:

I think any leader...let me put it on that basis, any Prime Minister, needs to have a degree of strength; needs to be able to deal with a wide range of subjects, needs to be able to work with his colleagues, needs to be able to work very long hours. He needs to be able to stick to a point during a difficult situation, often over a period of weeks or months, has got to be prepared to pursue policies which have been devised in the process of government and through cabinet consensus which are right in the long term but which can entail costs in the short term. And hopefully he ought to be able to talk with people and understand the basic needs and aspiration of Australians and get out of Canberra and know what the real world in this country is thinking, what the real people are concerned about, what their fears are, what their hopes are, what their aspirations are, what they are worried about today, what they may be worried about next year.

QUESTION:

Now, your youngest daughter is now 12. What sort of Australia do you think she will be living in when she is 21?

PRIME MINISTER:

A vigorous, vital Australia looking toward the next century with a great deal of confidence. A fair, compassionate society and an example to the world.

QUESTION:

Anything more specific?

PRIME MINISTER:

Well, you asked me to predict, what, nine years ahead, I think to give the thrust of the general direction, you can't be specific. Hopefully an Australia where there might be a more tolerant society than there might be at the moment.

QUESTION:

Tolerant how?

PRIME MINISTER:

People should have a greater tolerance for the views of other people. Outside in the country, I think that there is a great deal of tolerance, where there are less people that are whipped up, or persuaded by advocacy to be intolerant. But when you go into a public bar and have a beer with people, they just take you as another bloke who wants a beer. And that's as it should be. But in this city, I think that there is often a great deal of intolerance, and I don't believe that in the process, a good example is set to the rest of Australia.

QUESTION:

Are you talking about all sections of the city -- the politicians, the media, the bureaucracy?

PRIME MINISTER:

Well, the bureaucrats aren't in the public eye to the extent that a lot of other people are. I think I'm probably talking about politicians and the media, yes.

QUESTION:

The less we spend our time with each other I suppose you could say?

PRIME MINISTER:

Well, that might be a better idea -- if we spent more time out in the sticks, but I've suggested that to some members of the media on more than one occasion without much success. I believe that I would spend much more time speaking to people outside in many places in this country, much more than the media, and I think I am therefore better placed than the media to understand what Australians are thinking about and what their concerns are. And I think that past events have demonstrated that I'm sometimes a better judge of that than the media.

QUESTION:

Like elections?

PRIME MINISTER:

Yes.

QUESTION:

To go to a specific economic question: your policies involved large tax concessions initially and then a cutting back from time to time. Now I know that you make out that taxpayers are much better off overall than they would have been, but would a more gradualist approach have been better so that you would have then avoided this, albeit limited, cutback in the last budget.

PRIME MINISTER:

Well, it's fair enough to say that with the wisdom of hindsight, but I don't think I would have played that part of it differently. Let me go on to make the point that income tax payers this year are paying \$3 billion less tax than they would have been under the Hayden scales. Now, the fact that there had to be a temporary increase in taxes is an example of tax indexation working. We said we wanted a situation where governments didn't get a greater and greater rip-off as a result of inflation and that if they wanted more money they would have to tax for it. All right, we've had to do that, but I'd sooner have to justify what we've done than to be getting more money from Australians by the process of inflations -- which we've stopped. So I take that as a mark of success. But if two or three estimates of revenue at the time of the budget before this one we are debating now had not proved to be out, in fact we wouldn't have had to have this present temporary increase because we would have been operating on a higher tax base, and there were two or three estimates alone which accounted for \$700 or \$800 million. Now the estimates alone were made in good faith at the time on the best advice available. All right, they proved to be wrong. Well, that was one of the factors perhaps the principal one, which has led to the circumstance in which the temporary increase is necessary.

QUESTION: Briefly, when talking about the first 1,000 days, what are the three achievements of the first 1,000 days of which you are most proud, and what is your one major disappointment?

PRIME MINISTER:

The progress in the economy, obviously getting inflation down, getting into a much better position than most OECD countries in relation to our inflation moving down and their's moving up -- as something central to our economic policy. I think that's a major issue and in the area of social welfare and social reform, the change in the system of income tax rebates, which helped the wealthy, and gave no benefit to the poor, to assist in the family allowances in a way, if you like, that penalise the wealthy and gave the greatest advantage of those new allowances to the poor, and the less well off. And coupled with that in the social welfare area is a much better deal for the handicapped people in Australia.

I was really making that as two areas, and I think in one other area also while it's a continuing process I believe that there is much greater consultation and communication with community, and I think industrial relations, in spite of the recent strikes, is much, much better than it was in the time of our predecessors and official records and statistics demonstrate that.

QUESTION:

And the disappointment?

PRIME MINISTER:

The disappointment that improvement in the employment area is as slow as in fact it is. Getting back to a number of things, it takes a long while to get imbalances in the economy right, a long while to get wage relativities right.

QUESTION:

You continue to have difficulties with the Aurukun and Mornington Island Aboriginal settlements. Do you rule out the acquisition of those two settlements at any time?

PRIME MINISTER:

Not absolutely, I made that plain on Monday Conference. But I also pointed out that that's not a simple answer to a very complex problem, because if governments are going to fulfil their obligations to Aboriginal communities, they are going to have to do it in cooperation. Every state government has obligations to every person in that state -- you can't cut arms out of the state and say there is going to be different health services, different, different education services, different other services -- they're all part of the state. And in these circumstances, the only way in which Australia can fulfil its obligations to the Aboriginal people is through the cooperation of governments. If governments are warring, the Aboriginal people will be torn apart and acquisition will lead to a long process of litigation and certainly lead to warring administrations and therefore it is a path to be pursued very, very much as a last resort. If the agreement with Queensland can be made to work properly over the coming months it can also be a

PRIME MINISTER: (continued)

boost to Aboriginal advancement and development in self-management and I don't think it should be condemned as a result of some disappointments which have occurred in the initial months.

QUESTION:

You brought in a whole armoury of industrial legislation yet some is not retained and other parts haven't been used and often Mr. Hawke still seems to get dragged into conciliation disputes, for example, the Utah dispute and the Telecom dispute. Has that legislation in fact done much to stop industrial dispute?

PRIME MINISTER:

I think the totality of our approach has stopped a good deal of industrial disruption. I'm quite certain the fact that the Government is prepared to stand and be firm in certain critical situations has been of enormous importance in settling certain disputes. For example, the air traffic controllers, the postal workers. There was one occasion which I don't think any one hears of in relation to the air pilots where the strike ended before it began -- certain things were said in private, and again on this case, it was as I believe, the Government making it perfectly plain that they were not going to let this go on much longer without significant government intervention and by that we created a situation in which there was a much greater incentive than ever before of trade union settlement. On the Saturday, Mr. Hawke offered six points to provide a basis for the settlement, those points were developed on the Sunday, expanded, but basically preserved, and the settlement was achieved. If we hadn't made the stand the previous week, I don't believe there would have been any sign of a settlement.

QUESTION:

You've got now another two years of running of this Government. What are your main priorities and what do you want to achieve?

PRIME MINISTER:

Obviously, continuing the economic progress but at the same time continuing social reform as we can see new areas of need; showing concern for disadvantaged people in the community.

QUESTION:

Anything specific there?

PRIME MINISTER:

No. In broad terms, I think you have to look at the general thrust and the direction that we want to move in. I think the record of the last year or two demonstrates that. I would want to see continued progress made in Commonwealth/State relations -- there are some things that have gone on in the last two years that have been of historic importance; because

they have achieved agreement and no discord -- they are hardly noticed. We have resolved the problems posed by the High Court decision on the Seas and Submerged Lands Act by historic agreements whereby although the power was ours, we were prepared to share it with the states in all the matters offshore, a number of (inaud) settled, and all the guidelines are set for the resolution of the other practical areas. Now this is an example of governments sitting down in a practical way to work out solutions to practical problems. It's been possible, because this Government, and it's the first government in the history of Australia, has been prepared to share power and not say 'look, the power's all ours, we're going to exercise it all', and if governments overall can have that approach, I'm quite sure that we can get to a situation where Australia is better governed with a better division of responsibilities.

QUESTION:

Can you be more specific on the welfare area and what you want to do?

PRIME MINISTER:

We have done a great deal in terms of disadvantaged people in the Australian community and I wouldn't think we had come to the end of that road yet. And in addition, of course, the various training programmes under Tony Street's department are playing a very significant role in helping a number of people who are disadvantaged in other ways -- the experimental programme for unemployed youth which is no longer experimental which has been expanded, has been remarkably successful for people who have probably never had a fair go in their lives. Maybe they never had parents that showed the sort of concern that one would hope parents would show. And it has been this Government that has developed programmes and has done something about it. These are aspects of the Government's record over the last year or two which don't get much publicity but which are important in terms of social consciousness and in terms of opportunity and concern for people within this community and again, as a general approach, I would hope that that could be continued. The other thing of course will be working for continued economic progress - making our industries more competitive, getting a larger share of domestic markets, getting into overseas markets. It's quite critical to getting the Australian people better employed.

QUESTION:

Will Sir John Kerr's book cause a fresh controversy and have you spoken to him since he threw in the UNESCO job?

PRIME MINISTER:

I saw him in London. I have not read the book.

QUESTION:

Do you think it will cause fresh controversy?

PRIME MINISTER:

I would hope not because I think that in many senses, I am sure Sir John Kerr would not want to cause fresh controversy.

PRIME MINISTER: (continued)

He was forced into a very difficult position and the constitutional responsibilities that were on his shoulders at the time he took the only course, the only path, that was possibly open to him. Again, let me state the very simple reason for it. He did it because a Prime Minister and a Government sought to stay in power without the authority of the Parliament to pay its bills and they even went to the banks to try and coerce the banks into financing the affairs of Government in a manner that would have been utterly illegal and unconstitutional.

QUESTION:

But you don't think on the whole it will stir these things up again?

PRIME MINISTER:

I haven't seen the book. I would hope not. But I do believe that he has a right to have his own position - if that is what the book is talking about, explained and understood because he was put in a difficult position where he was much maligned and in many ways very falsely maligned.

QUESTION:

How well do you think John Howard's (inaud) the Budget? Do you think he would make a good Prime Minister?

PRIME MINISTER:

I think there are a number of people in the Liberal Party who would make good Prime Ministers. He's explained the Budget very well and he's put the points calmly, quietly and cogently. He explains his own portfolio well. Other minister explain their own portfolios well.

QUESTION:

Is there anything you would like to -- any points we haven't covered you would particularly like to make?

PRIME MINISTER:

There is one thing I would like to say. I have said it on other occasions. I believe, quite consciously in Australia, we need to make a greater effort to have pride in being Australian and pride in the achievements of this nation. So often people seek to point out what's wrong, we all know it's not a perfect society. Why else do people work to try to make it better - but there are great achievements in Australia and it's certainly one of the best places to live. This may well be the best country in the world to bring up a family, which will give them more opportunity than anywhere else. We do need to build a consciousness in national pride, and Australian capacity for Australian concern, Australian industries, Australian inventiveness, pride in Australian workmanship. We need to build on those things to unite us all as one people, even though we come from many different lands. I think that politicians, media and people in public life generally, have an obligation to build, rather than always to try and pull down and destroy. We are very much a mocking

PRIME MINISTER: (continued)

I know quite well as a journalist it is much easier to criticise than it is to praise. Praise is dull. But having said that I also think - I have made the same criticism of politicians - and I think we ought to try and concentrate debate on that as a matter of importance and concern. I believe that when the general public, especially the schoolchildren come into this Parliament and listen they must wonder what the Parliament is about when they hear some of the debates and see some of the things that go on and the quite uncouth behaviour that oftens occurs in the Parliament, to make it plain, rude behaviour that occurs in the Parliament and the use of language that if it occurred in any modern classroom would have the kids sent out of class but it is accepted in that Parliament, very often. I think we have got not only an obligation to try and build on an Australia which we all ought to love, but at the same time an obligation to find improved standards and set an example.

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