

Prime Minister Interviewed on ABC's "A.M."  
by Paul Davey

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Report: With 1978 almost at a close, and certainly for Federal Parliament it already is, how successful has the year been for the Government? Prime Minister Malcolm Fraser is keen to point to his Government's success in sticking to its economic policies which, he says, have reduced inflation. But on the other hand, Mr. Fraser was forced to sack one of his senior Ministers during the year, Senator Reg Withers, the Government Leader in the Senate and Minister for Administrative Services. While the Opposition has made much of the propriety of Mr. Fraser's frontbench during the year, the Prime Minister believes that Opposition Leader Bill Hayden has been too "peripheral" in his approach to politics.

Mr. Fraser is talking in Canberra to Paul Davey about what he sees as his Government's successes during 1978 and what he hopes for 1979.

Prime Minister

I think in terms of economic policy and the acceptance of that policy in areas where it counts, it has been a thoroughly successful year and inflation has come down more than many expected. Overseas investment funds are coming into Australia in a way which a year ago was being so. Interest rates have started to come down and the one percent reduction in home interest rates -- you can either look at it from an individual point of view -- on an average loan that's \$17 a month or for all people paying interest on home loans it's about \$150 million a year. That's the area where you start to see the very real results of policy. I think there has been a concentration on peripheral issues in politics and the particular incident to which you referred in a sense was one of them. It was once which...

Question

Is though, Prime Minister, with respect, the sacking of a Minister a peripheral issue, in terms of the electorate's thinking of a Government?

Prime Minister

I think that Mr. Hayden has concentrated very much on the peripheral issues. You've only got to look at the subjects on which he asks questions and the lack of questions about economic policy. The lack of questions about employment.

Question

Nonetheless, has he been successful in so doing, politically speaking, in terms of the way the electorate thinks, in your opinion?

Prime Minister

I think it can have some sort of influence on the electorate but at the same time I think an electorate can say 'look, we've had enough of this, we want to get down to the mainstream of policies and we wish people would argue about the main issues which are of concern to us'. In the latter phases of the Parliamentary year there was very definitely a reaction against Mr. Hayden's overwhelming concern with what are the peripheral issues.

Question

Do you think that the ALP will continue that tack in the new year and will it succeed in it given -- I know you can't comment specifically, but obviously -- Mr. Ian Sinclair, his situation.

Prime Minister

Well let's see what happens as a result of that particular N.S.W. inquiry.

Question

From the Government's point of view, are you looking forward to a good year in 1979. A year in which -- what are you going to forecast for Australia?

Prime Minister

I believe in 1979, people will be able to see increasingly that the policies we have pursued have been the right policies.

Question

You've already said that inflation will come down. You've predicted 5 percent by the middle of the year. Are interest rates down again too, just as a final point?

Prime Minister

Let me just make it straight because these things sometimes and in mythology later on are taken the wrong way around. That was a Treasury prediction on which I was relying and I wouldn't make a prediction of that kind because they've got the expertise and the models and that was their prediction.

Question

Are you confident on that though?

Prime Minister

I have no reason not to be. The Treasury tell me that nothing has happened since the Budget which would cause them to withdraw from the basis of that. By the middle of next year inflation should be running at around about 5 percent on an annualised basis. Getting inflation down more and keeping on with that task, obviously has further implications for interest rate changes but there have been significant changes over recent weeks in that area and what we've emphasised all along is that any policy of reducing interest rates must be steady in a way that is sustainable. You don't want something that is going to go diving down and diving up again as has happened in a number of overseas countries. In none of these areas have we ever promised dramatic results. We have promised to stick to the task and, sticking to the task, I am quite certain we will be successful.

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