

INTERVIEW WITH CHANNEL NINE AT LITTLE ATHLETICS ASSOCIATION

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Question:

Mr. Wran has chosen to ignore the threats of a cut in State funds in connection with the 37 1/2 hour week. How do you feel about that?

Prime Minister:

Mr. Wran has got a commitment, obviously, to the power workers and I suppose to the extreme left in his own Party. He was an advocate, on an earlier occasion. He lost before the Industrial Commission and now, as Premier, he is not prepared to allow that Industrial Commission to make a judgement again. The Commonwealth sought to intervene in the case because of the flow-through effects and Mr. Wran said 'no, we are not going to have the Commonwealth intervening - we are not even going to let our own Industrial Commission make a judgement. The State Government is going to legislate.' It's 37 1/2 hours reviewed in the year, and then he is talking about a 35 hour week. Now if there are productivity gains that are so great that enables this to happen without putting up the cost of power, and I would doubt that, clearly what Mr. Wran ought to do is to give all housewives in NSW cheaper power and industry in the State cheaper power and that would help in the fight against inflation and help in getting more people back into jobs.

Question:

Don't you think, though, that it is a little drastic to threaten to cut State funds?

Prime Minister:

There are arrangements which involve, automatically, to a degree, increased payments from the Commonwealth to the State if State wages go up and if wages generally go up. When Mr. Wran pursues policies that encourage wages and the costs in this way to go up quite unreasonably and totally irresponsibly, then he can't expect the Commonwealth to subsidise him for it. We are just not going to. I think that what Mr. Wran is doing is -- he tries to say that it won't flow through. Mr. Hawke says it has got to flow through. Quite clearly he has given in on a particular industrial dispute. It will create additional industrial disputes as other people argue for the same terms and conditions. The Commonwealth is committed to doing everything it can to achieve full economic recovery. We are seeing the first signs of that in an optimism throughout Australia which just hasn't been there for many many years. This sort of action by the State Government is virtually a deliberate act of sabotage and Mr. Wran needn't think that we are going to co-operate. There will be nothing to argue about in relation to this. If he pursues this course the Commonwealth will decide for itself what action it thinks it ought to take and it will take that action. It is not a question of negotiation really. It is not anything to fight about.

Prime Minister: (continued)

He's stated the position. We will have to respond to it.

Question:

But he says that any reaction from you in the way of cutting funds will indirectly affect a third of Australia's population.

Prime Minister:

That's nonsense. What he has done has affected New South Wales by taking this action instead of reducing power charges and reducing the weekly gas bill and power bills to the people of this State. If it leads to increased costs in this State, as it would, it will mean that it will be harder to get people back into employment. It is Mr. Wran's action that is putting the charges and the difficulties on the people of New South Wales. It is a very old game for the State Premiers to say they have not responsibility; the responsibility rests in Canberra. Mr. Wran is going to have to take responsibility for this.

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