

PRIME MINISTER INTERVIEWED BY PETER HARVEY, CHANNEL NINE

SYDNEY

Harvey

Prime Minister, could your leadership style, your lack of concern about popularity, cost you Government on Saturday?

Prime Minister

I do not believe so, no. I made up my mind, and the whole Government did, five years ago, that we would make the decisions that we believed were right for Australia and for Australia's families, for Australia's working men and women. We know that there have been some tough and difficult decisions. But it is not a popularity contest. It is a question of doing what is right for Australia.

Harvey

But it is a popularity contest.

Prime Minister

Not in that sort of sense. It is a question of being able to do what is right for this country. It is possible to promise all the things in the world, and they can be superficially attractive in the first instance, but they could be disastrous in terms of their longer term consequences. We made up our minds that we just would not go down that path. If we promise something, I have not - no politician - has got a secret treasure chest; if we promise something it has got to be paid for by all the taxpayers of this country, by all the working men and women of this country. This is the wrong time to go about policies which are going to add to inflation, destroy the competitive base of Australian industry. We have established a very firm base on which to build for the 1980s, with employment growing strongly, with people being able to sell Australian-made goods in nearly every country of the world. But high inflation again, can destroy all of that.

Harvey

How do you combat, with that sort of philosophy, Bill Hayden's promises of cheaper petrol and lower income tax. Leaving aside the economic argument for a minute, how do you tackle those problems?

Prime Minister

I do not think you can entirely ignore the economic argument, because the only way you can make lower taxes respectable, is by promising to spend less. That is the one thing that Labor do not propose. They propose to spend a great deal more, even on their own figures - and they have not told us what their whole programme would cost, they promised us a list but they have not even tried to put the sums together - so they are going to try and spend more and tax less and that leaves a great gap in resources which is totally inflationary.

Harvey

Cheaper petrol?

Prime Minister

Well, they have not really promised cheaper petrol. They have given the impression of cheaper petrol. They have said they would freeze the price for a while, but they are only going to freeze that part which is produced in Australia, and if the world price goes up that would still flow through. But here again it gets back to the test of responsibility: are Australians prepared to pursue the policies which all authorities in Australia and overseas indeed, regard as being right so that there will be supplies of petrol in the 1990s and beyond - that we will not use up and pump Bass Strait dry and then leave Australians beggars for fuel on the international market at whatever price is then demanded, if you can get it. As a result of our policies, even though we do pay a world price, it is the lowest world price, and the price of our petrol is about half that of most of Europe and less than half for many of the countries of Europe - about the same as American, much less than New Zealand. Against that background, I think people are perhaps more concerned about where the money has gone rather than the policy itself. Over this last year, over \$600 million went in tax cuts on the first of July; very large additional sums for defence which just have to be funded in the kind of world we live in; and some more to reduce the deficit - in other words, get the Government's books better into balance.

Harvey

Speaking of money going, Bill Hayden has made a great deal of running with his promises to end tax avoidance. Can you do more? Should more be done?

Prime Minister

Well, as schemes emerge, we will do more. John Howard has done more in this area than any other Treasurer in the history of the Commonwealth. When the Labor Party were in office some vicious tax avoidance schemes emerged - they even spoke about it, but they never legislated. Mr. Hayden had a long while when he could have done something and he did nothing. The Taxpayers' Association, Mr. Risstrom, who has a great concern with these things, has indicated that nobody could do better than John Howard. He has been down that track. Now, that is not to say that other things will not emerge, that you will not have to legislate again, but there is no \$1,000 million there for the plucking, as Mr. Hayden is trying to suggest. That is dried up.

Harvey

Okay, let's take a look at some of the other issues that have emerged: defence. What sort of impact do you believe you have made with defence as an issue in this election. Do you think it has got home to people or they are just not caring.

Prime Minister

It has to some people, but I believe not adequately. We are going to expand our defence forces very significantly. Mr. Hayden has given the impression that he supports that. But in fact, he said that the future programmes will be under review. That is ominous. That leaves open for cutting, ending, the programmes. But more important than that, the Americans approached us in relation to Cockburn Sound as a home or base port. Now, I do not know whether they are going to do it. They are looking at Cockburn Sound alongside other places to help have a permanent and better force into the Indian Ocean which would enormously be to Australia's advantage. They are after all our ally. Now, Mr. Hayden has said he will not allow them there as home port or base port. I do not believe he would allow those B-52s to operate through Darwin under the only terms and conditions that would be acceptable. Of course Australian sovereignty must be maintained, but I do not believe when the crunch came that he would allow it. The philosophical base of the Labor Party has been one which has criticised the United States and the United States' Presidency, criticised their resistance to Soviet aggression in Afghanistan. That does not provide a very happy relationship on which to move forward into the kind of partnership that we need in a very difficult and a very dangerous world.

Harvey

Do you think it has been a campaign in which dirty tricks have played any sort of part on either side of the fence? I am thinking specifically of that incident the other day when a group of Liberal supporters caused Mr. Hayden - there was a great deal of trouble in one of his street walks, in fact he immediately cancelled them. Have you been able to find out, by the way, if that was deliberately organised by the Liberal Party?

Prime Minister

I do not believe so. I have spoken to people in the area. Again, I have been told that there was just an operation handing out Liberal tickets - not meetings, but just handing out Liberal tickets and Liberal literature - and that those Labor Party people who were mostly from outside the electorate - came along. The two bodies somehow met and clashed. I do not know how that occurred.

Harvey

No attempt to bring back the politics of fear and division that we saw in 1977?

Prime Minister

I have been subject to more violence, more attempted intimidation, I think than any other present politician - Sir Robert Menzies was before me on many occasions. A bit less on this campaign. Any election violence I condemn and condemn absolutely. But, a Prime Minister has got to be able to go around the streets of this country.

Harvey

As does an Opposition Leader.

Prime Minister

Of course. And it is just not good enough I think to have a situation in which violence or the threat of violence can prevent that. I looked at the television - as it went over the news at that time - and certainly those television cameras have not picked up very much.

Harvey

Too much emphasis on television has been a recurring theme I think by critics of election campaigns over the years. What do you think of the politics of personality this time around?

Prime Minister

I think elections always ought to be operated on the basis of policies, because it is policies that are going to determine the future of Australia. When I have criticised the Australian Labor Party I have sought to do it, as I believe, on the basis of policies. I think Mr. Hayden trying to bring my income tax return into the matter and making implications or innuendos in the way in which he originally did it - I mean, he later said he wants to do it because it is done in the United States, but that was a latter day justification I think. He had said "there are reports, there are rumours" about Fraser and the Taxation Office and whatever, and challenging me to try and clear it up. Well, that was just plain, low, scurrullous politics.

Harvey

Well, that gets back to that dirty tricks thing.

Prime Minister

Well, that is dirty tricks if you like. But there have been other elements. I was on a talk-back programme this morning and I had some of the tapes of for example, Mr. Wran played back to me - things that he has said. Let me just give a couple of examples. He said that Caucus had not control over a Labor leader, that a Labor leader made the decisions. Now, Mr. Wran as Premier knows that he must do what his Caucus tells him. He also knows that if and when that Caucus tells Mr. Hayden to implement wealth taxes and capital gains taxes on the assets and savings of Australian families, it does not matter what Mr. Hayden says, he would have to do it, or ship out. How Mr. Wran, as a Labor Premier, can get up and say that Caucus' do not have a say in these things, is just a bare-faced untruth. Many things like that have been said in this particular campaign. Again, Mr. Wran said he was going to sell his house, and no way would there be a capital gains tax on that. But Mr. Hayden had given the example of a purchase price for a house, and the sale price for the house, in explaining how a capital gains tax would work. So how Mr. Wran, who is not going to be there to influence policy - he I suppose one day will go back to being Premier of this State and do the job he is paid for - can get up and

Prime Minister (continued)

say "no, not on houses", when Mr. Hayden has said quite plainly yes, it will be on houses, again seems to me to be a barefaced untruth. There has been a lot of this.

Harvey

You are calling them liars. Why not say it.

Prime Minister

I am not using that word. They use ...

Harvey

That is the implication ...

Prime Minister

That is the implication, certainly.

Harvey

Well why not say it?

Prime Minister

Because I do not like using that term. I think it debases the political debate. There has been a tactic of the Australian Labor Party over years, when they do not like a policy, when they do not like a fact, when they do not like something I say, they just say "that is a lie, that is a deliberate lie". But that is not the rebuttal of the argument. People who use those terms generally do it because they do not have an answer to the argument itself. I would sooner respond to these things instead of calling Mr. Wran a liar over that Caucus remark, just remind people of the facts, which everyone knows when it is brought to their attention: that Caucus' do control Premiers or Labor Prime Ministers. Then the people can read the implications for themselves. I will rebutt argument with argument. But on so many occasions the Labor Party have not. They have resorted to the use of those terms - lie, lie - because they do not have an answer.

Harvey

If you could start the campaign again, what would you do differently? Now, the reasons for the questions are these: that that first campaign is the worst campaign I have ever seen you do. You seemed bored stiff.

Prime Minister

No. I made that statement during that week that there was a lot of complacency around - and there was a lot of complacency around. There was a universal acceptance that the Government would get back with a large majority. Then the polls started to come out shaking that complacency out of the hair. But I had detected that

Prime Minister(continued)

before the polls came out, as you know. I was worried about it because I know quite well you do not fight polls or elections in that sort of frame of mind. That affects - if people are complacent like that - if affects your whole organisation. There is an interaction then between politicians. ... The campaign since then I think has gone in a lively way. It has been well organised. It ~~is getting out amongst~~ the people, and quite a different scene.

Harvey

But the polls are ~~still very bad for~~ you. This time in '77 they were starting to indicate a Liberal win. Why is it still going wrong?

Prime Minister

I think you would have to ask the polls that and ask the people who are putting their mark on a bit of paper, but I believe very strongly that on Saturday the result will come out right. I believe it for this reason ...

Harvey

Tight?

Prime Minister

Oh, it might be tight, but I believe it will come out right, because people are not going to take a risk with their future. They know what happened from 1972 to 1975. They can see now - let's just use Labor's own figures - they can see ...

Harvey

You keep digging up Whitlam.

Prime Minister

But the policies are the same, that is why. The only difference is the leader. The policies are the same, the personnel are largely the same. Not all, but largely. That is the important thing. Big spending, hands off the unions, and we have seen just in the last couple of days - today - how the unions are starting to dictate already the terms of what a Labor Government could or would do.

Harvey

But why isn't this getting through to people? Why aren't they believing you?

Prime Minister

What has happened over the course of this last week - I think these things are starting to crystallise in people's minds now. They just do not seem to have emerged. They have been spoken about often enough. I have spoken about the trade unions. But there has been more discussion in the media about polls than the substance of the issues. It has taken this long for the issues to start to come through. Even on their own figures, massive increases in spending. They have promised a total costing but they have not given us a total costing. Then, tax cuts which cannot be funded, which would be lost very quickly through higher inflation; and an approach to trade unions that would certainly lead to runaway wage pressures again and lack of competitiveness in Australian industries. That is not just a question of being concerned for business, it is being concerned for the people who will be employed because unless we sell Australian-made goods all around the world, we will not be employing Australians.

Now, people know that high inflation will destroy that base. These issues, together with the threat of higher taxation - even in the last 24 hours Mr. Hawke has added one further confusion to the capital gains tax, wealth argument by saying that the purpose of the Royal Commission is only to determine at what level these taxes start. That is just another confusion, because they went into this campaign with a firm policy to levy these taxes. Mr. Hayden we have to have them, they are overdue, and we need them to avoid jacking up old taxes. And they are his words, not mine. Then, because they start to be unpopular they start to withdraw from these kinds of taxes. So, you are left with their economic policy in a total shambles; additional expenditure not funded and therefore inflationary; a hands-off approach to the unions, and that again, scares people because they know what union demands will do to this economy and to the prospects of employing more people; and an approach to taxation which I believe many Australian families are now starting to regard as totally terrifying. To tax a house, as Mr. Hayden gave the example; you buy a house for something, you sell it for a higher price and to tax the difference. To tax the homes and the assets of Australians. It is all very well to suggest now that they might not do it for a little while. They have said so persistently and so often that they are going to do it. And whatever Mr. Hayden has said, I do not believe he has the authority of Caucus for his backtracking, and that Labor Caucus - which would have a different composition anyway from the present Caucus - can say it is in the platform, it was in the policy, it is a firm commitment, you do it now.

Harvey

Any worries, at all, about Saturday?

Prime Minister

The one abiding thing I have always had in politics is my faith and belief in the commonsense and decency of Australian men and women, and of their pride in Australia. If it was not for that, I would not be in politics. I would get out and do something else.

Harvey, 15/10/80

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Prime Minister (continued)

But it is because of that belief, it is because of that conviction, that I believe they will put this country first. I would only ask them one thing: when they go into that polling booth to vote, think of their families, and think of Australia.

Harvey

Let me ask you what may seem a slightly frivolous question Prime Minister - but it is important for those of us at Channel Nine - if you could watch an election coverage on Saturday night, as we will hope you will, which one would you watch?

Prime Minister

Well, speaking with you, I have got to say I would want to watch yours.

Harvey

Okay. I was asked to ask that. As a matter of fact, we are putting up a big screen in the Southern Cross for you, so you can see it.

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