

EMBARGO: 6:00 pm

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PRIME MINISTER INTERVIEWED FOR
"SUNDAY REPORT", RICHARD COLVILLE, CHANNEL 10.

(Please acknowledge Channel 10 Sunday Report)

Colville

Prime Minister, I suppose the initial reaction of a lot of people to the Ministerial reshuffle will be that you must be rather disappointed with the performance of an awful lot of your Ministers.

Prime Minister

I don't think so at all. There are a couple of pretty obvious things. Peter Nixon couldn't go on doing Transport and Primary Industry. He is giving up Transport. It was natural that Ralph Hunt take that as a Minister coming into Cabinet. I think it is also very natural that a senior Minister, a very senior Minister, should have charge of National Development and Energy. This is of increasing importance in a whole range of areas of Commonwealth and State activities. It impinges upon the activities of a number of other Departments' portfolios; Transport, Primary Industry. You name it, there are energy related elements in all those things. Therefore, I wanted a senior Minister, in Cabinet to be handling these matters. In addition to that many people think that there are only negative aspects flowing to Australia from what is happening in the OPEC countries, Iran and all the rest - there are, in terms of price. But we also need to understand that because Australia is rich in energy resources, particularly in coal and in coal-based electricity, there is potential for great advantage, in greater generation of electricity and bringing the processing of our raw materials and of our minerals together. This is happening in the aluminium industry, and a significant part of Senator Carrick's charter will be to work with the States in helping to promote a greater use of these sorts of things.

The development of overall energy policy, which has been carried on well to this point by Kevin Newman. It requires an increasing interaction with other Departments, and with the States, and especially for the development of electricity based on coal and the processing of raw materials. This is a very important job, and indeed, a lot of people have been writing and saying that a senior Minister should be in charge of these particular things.

Once you make a couple of changes of the kind that I have just mentioned, there are necessarily I think, a number of consequential changes. Senator Webster has retired. That involved one element of change. Quite plainly, not all Ministers are to the same extent suited for all jobs. It is a question of, therefore, matching Ministers with the jobs which you believe that they will do best.

Prime Minister (continued)

That is what has involved a number of changes, perhaps slightly more than I would have liked, but I think the Ministers are particularly well suited to the tasks that they will be undertaking.

Colville

You are saying that none of these changes represent any dissatisfaction on your part with the job that any of these people have been doing?

Prime Minister

No. It is a function of the two things that I have mentioned. Those two changes in the senior area then flow through to another to make sure that people are in the best places.

Colville

On energy for instance, though, there was a situation where you had responsibility split and in fact Ministers were making conflicting statements at various times about the same subjects.

Prime Minister

Not really conflicting. So often people can be looking at different sides of the same coin. When they talk about different sides and it gets reported that way, it makes one appear as though there is a conflict. I think in the statements on energy which I think you are referring to, they were very much in that context. Plainly, if Iran goes on and if Iran stopped exporting oil- we don't buy much oil direct from Iran - but if all that was taken away from the normal world supply of oil over a period it is bound to affect Australia. I think the way it was reported appeared to lead to some sort of difference. I think it was looking at it through different windows.

Colville

Speaking of Iran, and getting away from domestic matters for a moment, the current unrest in Iran and other parts of the Muslim world -- does this seriously concern you. Do you see this as a widespread revolt against the Western way of life in a great part of the world?

Prime Minister

Not against Western way of life so much, but I think what is happening in Iran has got to be of enormous concern to all of us. Now what has happened to the United States Embassy and to those hostages is a matter of very, very serious international concern. I believe that President Carter has behaved with commendable restraint against enormous provocation, because what is happening is going against all of the accepted modes of international behaviour with countries dealing with countries, in diplomatic terms. It is going against all of that. If this sort of thing were to become commonplace, for example, normal communication between nations would become quite impossible. Against that sort of

Prime Minister (continued)

background I believe that President Carter deserves our sympathy for a very grave and serious situation, and also our support for acting with, I would think, commendable restraint under enormous provocation, and I suspect under a growing impatience by the United States' people.

Colville

It seems to be an impossible situation, doesn't it? Can you see anything that could be done if you were in that position - that President Carter is in.

Prime Minister

Individually, I think it would be very, very difficult indeed. The United States is the most powerful country in the world, but you are in a position in which any exercise of that power could well place in jeopardy the lives of the hostages. Again, I think it is to the President's credit that he has clearly placed the lives and the well being of those hostages as a paramount concern. There is a point here that I think is very worrying indeed: there have been reports that there is going to be some sort of revolutionary tribunal that will try those hostages. The whole of history is studded, especially in this century, with the actions of revolutionary tribunals and revolutionary trials. It is not necessarily the best way. It has not been a way in which justice has been carried through. What has happened has often been arbitrary, and pretty summary and pretty brutal. I think that element is something that again adds greatly to our concern.

Colville

Getting back to Australia, and I suppose Australia's place in the world -- another year coming up, I think the fifth for you in Government -- how do you see Australia in the next year. Briefly, what do you think will happen?

Prime Minister

I see more confidence in Australia, more confidence from Australians in Australia and more confidence from people outside this country than I have known for a very, very long while. We went through some difficult periods: some downs and some ups and damage to be repaired in the 1970's. But I have said on a number of occasions, that I think there is a difficult trading situation in the world. Inflation is too high in North America. Too high in Britain and in other countries of Europe. Against that background, world trade is not going to grow all that rapidly. How then, do we look after ourselves? We don't just sit back and bemoan our fate and say the world trading situation is lousy, we are going to be hurt. It will make it tougher for us. It will make it harder for us. But what do we do about it, to try and look after ourselves. I believe that economic policies that have our inflation rate below that of our major trading partners - that is one point in our favour. That encourages investment and confidence activity, makes it easier for Australians to sell Australian goods,

Prime Minister (continued)

here and overseas. But then, couple that with our supplies of energy, electricity based on coal, couple that with our minerals and resources, and the prospects of bringing energy together and the development and processing of our minerals and resources together in this country, then I think we are going to see much greater investment and much greater development. This is already happening. It is part of the rationale of the Department of National Development and Energy in Senator Carrick's task. Against that background, even if the world trading situation is somewhat difficult through the next decade, I believe Australia is much better placed than virtually any other advanced industrial country. If we have the courage to have confidence in ourselves, I believe that we can have an exciting decade in the 1980's, and maybe even the decade of this century.

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