



PRIME MINISTER

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TRANSCRIPT OF INTERVIEW WITH MICHAEL SCHILDBERGER, 3LO, 28/9/84

MSdetermine who gets your vote in a few weeks. That's what the Labor Party is now deciding although we can be pretty sure we know what issues it will be campaigning on and they'll be different from those already selected by the Liberals. The Labor Party, will no doubt, want to bring our thinking right back to the successes of the economy since it has been in office. Then of course, no political party can be sure, at the start of a campaign, just which way it is likely to go. There can always be an upset to the best laid plans right at the last moment. However confident, with good reason, the Labor Party might be at the moment, it can never be certain until the votes are counted. So, no election campaign is taken lightly and I presume, Bob Hawke would agree. On the line from Canberra, Good morning, Prime Minister.

P.M. Good morning Mike.

MS Never sure until the votes are counted, or are you super confident that you can't lose whatever happens?

P.M. No, it would be silly to go into an election like that.

MS Well now I am accepting your odds on bet that you'll be announcing an election ^{date} shortly, so in that context what are you hoping the issues will be?

P.M. Well I, in a sense don't mind what the issue is, because this government can handle any issue that arises. But, I believe, that the issue will be, as it normally is, the question of the governments competence in handling the basic economic affairs of the nation. I think that the people of Australia will remember and remember starkly the inheritance of March of '83. Of $\frac{1}{2}$ million rise in unemployment in the previous 12 months. High inflation, record high interest rates .. They'll see the reversal of that to a position where Australia under my government had the fastest growing economy in the world. With $\frac{1}{2}$ million new jobs, inflation halved, interest rates down. These are the things that affect more

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ordinary people. There is a great tendency Michael, for people in press galleries and radio commentators to get their issues and say this is the one which we are fascinated in writing about. You have got to remember that Australia is made up of ordinary people out there whose everyday lives are dominated by economic questions, what is happening in the job market. Is it more likely that they can get work, that their kids can get work? Is the rate of price increase being reduced? What's happening to interest rates? These are the things that affect ordinary people.

MS Um well if the economy does become the issue, which presumably it should, with what confidence will you be able to promise that the next three years will be as good as the last 18 months?

P.M. We can promise with confidence, that the economy will keep growing significantly. The budget is based upon, again, very high growth, in 1984- 85 and that will be achieved. What we will be able to point to of course is that these things, in part are happening because of certain fundamental changes that are being made in the way the economy is run. For instance, the prices and incomes accord means that we are not having the mad wages explosion which has always ruined previous recoveries. If you remove a basic element of economic instability then you have got reason for assuming that you are going to be able to continue with a significant growth into the future.

MS Well on the prices incomes accord business employers are warning that while it has reduced industrial disputation it hasn't been in the best longer term interest of the economy.

P.M. Well some are, but overwhelmingly the business community supports the accord. So if you want to say, someone said that, well okay, you are entitled to say it. But what I am saying is that the overwhelming portion of the business community supports it. They'd be out of their minds if they didn't, because, under the accord you had the restoration of business profitability to the highest levels for more than a decade. That's why they support it.

MS Do you fear though that there will be more wage demands next year? For example, the ACTU has already foreshadowed productivity claims at the beginning of next year.

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P.M. That's the concept of a productivity case .. within the accord and within the guidelines laid down by the commission. But, the ACTU has said and the government has said that we will be approaching that on the basis of looking at the economic capacity at the time and in the foreseeable future. The ACTU has committed that its not itself making a responsible claim and the government certainly won't be supporting them. The concept of a productivity case is part of the accord and it is within the guidelines the commission itself .. the arbitration commission itself said that it expected such a case. But, that is not a carte blanche for increases that are beyond economic capacity.

MS What do you say to the employers who will say that the employment situation is certainly improving but it is happening in the public sector, and you won't be able to keep that up.

P.M. Its wrong, its not just happening in the public sector as I presume you know. Its happening in the private sector as well, and increasingly will happen in the private sector; as the fruits of investment in the private sector are implemented, are brought to bear. Because what you are seeing now is a turn-around and this is fundamental. You'd had declines in private investment in the last few years. Now that's turned around you are going to have significant improvements in investment in the private sector. That means more employment.

MS Do you fear, Prime Minister, that some of the single issues might overtake the campaigns? Say, assets test, say uranium.

P.M. No, I do not. Obviously there is a legitimate interest in the question of assets test. There ought to be because what is being done is what is being recommended by people across the political spectrum. We are making a change there, and obviously in making changes which have been indicated as necessary, some people are interested and concerned, worried. Now, the simple facts are, that only about 2% of those currently getting pensions will be in any way affected. It means that the capacity of all governments into the future, to look after the great majority who are in need will be enhanced. I am certain that, the majority of people will accept

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that it's silly for the community to be unnecessarily paying pensions to people who are millionaires in assets terms. That is an absurdity. Mr Peacock, in Opposition has said it was an absurdity, Mr Howard and don't let this be forgotten, the current deputy leader of the Liberal Party, shadow treasurer, supports the assets test concept. If he supports it then he would have to say, as he does support it, it is unquestionable that he supports it. He would have to say; well if you are going to have an assets test how do you implement it? In any implementation of an assets test with which Mr Howard agrees, then there has got to be a way of doing it. Now, let him tell us how to implement the assets test, with which he agrees, in some other way. So you have got Peacock, Howard, you've got Senator Chaney, when he was the shadow spokesperson in this area, supporting it. You've got Mr John Elliot of the Liberal Party in Victoria, supporting it. You've got Mr Downer an endorsed Liberal party candidate, speech writer for Mr Peacock when he was spokesman for the Australian Chamber of Commerce congratulating the government. I see, when I have pointed that out, Michael, he's come out and said, Oh yes, but you have got to realise that when I spoke for the Chamber of Commerce I didn't necessarily mean what I said. Well beauty..... we'll be asking Mr Peacock, we'll be asking Mr Downer whenever he opens his mouth does he really believe it or is he saying it because he thinks that is the right thing to say?

MS But nevertheless, Andrew Peacock has said that if the Liberals won, that they would reverse it.

P.M. Well I simply don't believe that, because ... but look it's hypothetical, they are not going to win. But just putting myself into a hypothetical situation, I simply don't believe that, because Mr Peacock believes, he has made a clear exposition when he was able to state the position as he really saw it, that was when he was on the back bench in government, he stated in the parliament and at the National Press Club, that he believed in means tested social security payments. There wasn't any equivocation about it. Mr Peacock stated his, Peacock's belief that he believed in means tested social welfare payments. So that's Mr Peacock. Mr Howard believes in it, the shadow treasurer, he believes in it. Senator Chaney, who was the shadow spokesperson, he believes in it. You've got senior figures

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in the liberal party and liberal organisation they believe in it. Now, I simply do not believe and I suggest that no-one in the country would believe that if this Labor Government did the hard work of introducing something in which all those other people on the other side had expressed their belief that they would refuse it. There is as much credibility in that assertion by Mr Peacock, Michael as there was in their 1977 pre-election and post election situation. In 1977 these Liberals who ask to be believed now went into the election with, you remember the first full of dollars, the tax cuts? As soon as they came back they ripped those tax cuts back. They took them away. Now that's how much you can believe in Mr Peacock and the Liberals. They give tax cuts before the election and take them back afterwards. They say now, before an election, they don't believe in assets tests. If through some mischance we're talking hypothesis of course, but if they were in government the same thing would happen they would say, oh well, yes, we said that before-hand but I'm sorry, we wouldn't do it now.

MS Prime Minister, the other thing that is going to be said against you though in that context is that you had a broken promise regarding uranium.

P.M. Who is going to say that? If anyone is going to say that about me, they really don't know me. I've made it quite clear, right through, what my position is on uranium. The decision of this government taken in regard to uranium was totally consistent with the existing uranium I don't know what you are talking about. The po.....

MS Well do you think those who are now opposing you on this, Labor party people are opposing you saying that it is a broken promise. Did they misunderstand you?

P.M. I know they are saying that... but they are wrong. I mean, you ask those same people, what did they say after the 1982 conference of the labor party. You look at the television reels of those people. When the uranium policy of 1982 was carried, they were saying, these same people, they were saying it was a sell out. Its a pro-uranium policy. Now it was under that policy that we acted. So how can it be said that we have broken a promise. You really must do a better exercise in logic than that. You can't have these people saying after '82 that that's a pro uranium policy

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and then saying that when we act under it we've broken it.

M.S. What you are saying now of course will upset many of your party members. Won't it? Now obviously what you are saying is going to hurt .. particularly the left wing.

P.M. Oh , the left wing had a position, they fought it and they lost. They accept the decision of the government.

M.S. But are they accepting it?

P.M. Well you will see that those people will be working for the party. Working for its support, working for its return. In all parties, not just in the Labor party, you have differences of views. If you'd like to analyse the Liberal party and the National Party about their views on particular views. Try them on South Africa, for instance, within the party, they have very, very different and violently held differences of opinion. I wish you know that you would understand that in a democracy, democracy operates in a way that you don't have programmed individuals believing in exactly the same thing. NOW that's true of the Labor Party, you have different elements within it. Just as you have the extreme right and the extreme left in the Conservative Party.

M.S. Look I understand that well, but in your party of course you are having the problems right now again with preselections and good old fashioned faction fighting.

P.M. I tell you what, we won't have two Labor party people standing against one another and offering themselves to the people of Australia in this election.

M.S. Are you sure?

P.M. The Conservative parties will: the most bitter fight in this election will be between the Liberal party and the National party in 3 cornered contest. That's where the bitterness and opposition will be.

M.S. You're about to go to a National Executive Meeting now and the question for re-affiliation of those four right wing unions is going to come up. Is that going to be of concern, to try and solve that one?

P.M. Oh I always take matters that come before the National Executive seriously. I always try and solve them.

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M.S. Do you think this one will be solved before the election or after?

P.M. Before

M.S. today?

P.M.Of course we'll solve it today.

M.S. Well there has been the suggestion that it might be deferred.

P.M. Well, a lot of people have suggested a lot of thing. Do you want me to operate on the basis of accepting every suggestion that is made in the media?

M.S. Its not the suggestion of the media. It might be the suggestn of certain members of your party.

P.M.Of course it has been a suggestion. I don't think that that will happen.

M.S. 3 in 1 out?

P.M. Well I'm not going any further, this is a matter for discussion in the executive I've just expressed my view that I think that it will be resolved. Now I'm not going to say anything more about that before the meeting.

M.S. Right. Now I know that you don't regard popularity polls as being important except for the occasional one, are you taking any interest in those that show Andrew Peacock as polling quite badly at the moment?

P.M. Well I dont really want to talk about the leader of the Opposition, but I must say that I think that what is happening there reflects the good sense of the Australian electorate.

M.S. Do you think he has gained some in the last week though, since the last was taken, since he has managed to make crime an issue.

P.M. I'm not speculating on what's happening, I'm content with the polls, and I have been for some time and if there is only one there which deals directly with ex ... between the leader of the opposition and myself and that shows over, well over 70% as compared to about 15% for him as to who people who would prefer as leader of this country and I think that that says it all.

M.S. Do you expect a dirty campaign? Will you be trying to get your revenge on Andrew Peacock?

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P.M. No, you can expect a dirty campaign from them because that after all is the way they have been doing it. In NSW and Federally, because they cannot and will not talk about the economy. We sit there week after week, in the House waiting for questions about the economy. They are not forthcoming because they know the truth, that they can't do anything there which will advantage them. So they have descended not merely into the gutter but into the sewer.

M.S. ... They might find that you are more vulnerable on other issues.

P.M. Pardon?

M.S. They might believe that you are more vulnerable on other issues.

P.M. On the contrary they know that there is absolutely no mileage in talking about the economy so they manufacture issues of the sewer type. If they want to do that let them do it. We won't be getting down into the sewer with them.

M.S. Will crime be an issue?

P.M. Well, If it is, it is going to be very dangerous for the Liberals because I will remind you Michael that for 30 out of the last 35 years at the Federal level the Conservatives have been in power in this country, I would remind you that it was in December 1981 that commissioner Costigan said that the tax avoidance industry which was mixed up with organised crime, that flourished in Australia he said in December '81 particularly in the last 5 years. That is between 76 and 81 so if they want to talk about crime they are the ones who've had the management of this country, the organisation of this country for the overwhelming proportion of this time, if they want to talk about it and what they have done or what has'nt been done so be it. We will take them head on if they want to talk about that.

M.S. Just one final question... oh.. two quick ones. Will the emotions of a prime minister be an election issue?

P.M. I don't know. But again if anyone wants to make an issue of that, that's up to them. I'll deal with it.

M.S. Would you be disappointed if that was an election issue?

P.M. Look, I don't express disappointment or not about what people want to make issues. This government and myself are completely happy to deal with all issues that are raised. I am not one who

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walks away from any issue. Whatever issue is raised, I will deal with it.

M.S. But you are trying to make the economy the issue.

P.M. I'm trying to make it. I tried to explain to you before that I believed that the overwhelming majority of people as distinct from radio commentators like, Michael Schildberger, and people in the press galleries who want to run particular issues and I don't criticise you for it. If you think running with an issue that's good. That's what democracy is about. I'm simply saying that its a good idea for people in the gallery and people in the area of commentary to just remember at times that we are talking about the lives of ordinary, everyday Australian. They are concerned about their children's education, they are concerned about their employment opportunities, they are concerned about what is happening to inflation, they are concerned about what is happening to interest rates, concerned as to whether this economy is growing or declining, these are the things which concern ordinary people. Commentators will ignore that basic fact at their peril.

M.S. Last question then. You hadn't actually chosen the election date last time we spoke. Have you now in your own mind chosen the date?

P.M. Its not absolutely finalised in my mind. I adhere to what I said, I will be making a statement about it in the relatively near future and that statement will, as distinct from all those of my predecessors in the past be much earlier than the actual time of the election and we will not be playing around with people's feelings on this matter; as our predecessors have, and most importantly, when we have that election there will be a referendum with it a simultaneous election so that no government in the future can do what the Conservative predecessors have done of imposing unnecessary elections on the people of Australia.

M.S. Will that be an election issue though, the choosing of a date?

P.M. Well I wouldn't have thought so. I would think that people understand that they want less elections and under what we'll be doing there'll be one less election. Instead of having the constitutionally necessary half senate election in the early part of next year and then the house of representatives election not long more.....

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after. We'll have them together and save the people of Australia an election and that's what they want.

M.S. And you think you have solved that well enough by announcing ...it. in advance?

P.M. Well I just know that people don't want any more elections than are necessary. And this way they'll be saving themselves an election.

M.S. Prime Minister thank you for talking with me this morning. I'm sure we'll talk again before the election.

P.M. Thank you Michael.

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