



PRIME MINISTER

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E & O E - PROOF ONLY

P.M.: Well the campaign is into the very interesting phase. We now have Mr Peacock and Mr Howard and Mr Sinclair as the guardians of the family. They can't quite make up their mind who is the greatest moral custodian of all. I see that Mr Howard is attacking Mr Sinclair for his claims that Mr Sinclair is the greatest moral custodian in the country. Mr Howard says that he and Mr Peacock are equally great moral custodians. Well I think the people are going to make their judgements about that sort of nonsense. Again, I keep coming back to the point that our opponents insist on insulting the intelligence of the electorate. They say that they are the protectors of the family. Who do they think suffered under the 7 years of Liberal and National Party Government. Did the increase of hundreds of thousands in unemployed, particularly amongst the young people. Did they come from outer Mars or did they not come from Australian families? The Australian families suffered their greatest onslaught in the post war history under the degenerate Government and economic mismanagement of Messrs Howard, Peacock and Sinclair. Whether you look in the area of unemployment, of lost living standards opportunities, whether you look in the area of health - where when we came to office some two million people, not living on Mars in some isolated communities, two million people in Australian families not covered in respect of health and medical insurance. The Australian family suffered its greatest onslaught in post-war history under these people. And what we have done in Government is in each of these areas where the family's suffered we have turned Australia round. Australian families are now better off because unemployment has been reduced from 10.3% to 8.6%. Australian families are better off because of the change around from the growth of unemployment by a quarter of a million in the last twelve months of our predecessors to the increase of 260,000 jobs. Under us Australian families are better off because we now have comprehensive and equitable cover for health and medical insurance. Australian families are better off now because we have a housing industry which instead of operating at some 60% of capacity has now brought the opportunity of homes to tens of thousands of Australian families that never had the opportunity of housing under the previous Government. That's in the private housing sector. Australian families are better off because we increased public funding for housing by 50% in our first Budget. Australian families are better off because we have reduced inflation from 11.2% to less than half of that. You ask Australian families what hurts them. It's high and uncontrolled inflation. Australian families are better off because we've reduced interest rates including mortgage interest rates. Now it doesn't matter what area you want to look at which directly impinge upon Australian

P.M. cont...: families. By any measure all Australian families are better off under this Government since 5 March of 1983. So if Mr Peacock and Mr Sinclair and Mr Howard can take time off from fighting amongst themselves as to who is the greater moral guardian, and they want to talk about families and things that impact upon families we'll do that every day up until the election. And of course as if that's not enough Australian families could look forward to a return to the economic mismanagement and disasters of those previous years if, and of course I talk hypothetically, these people were to come back. Because you know that I've talked about flat-earth economics. I told you about the blow-out of the deficit which was already indicated by the sorts of things that they were talking about before. But we pick up today's papers and what do we find - the dam. The dam in Tasmania. We've fixed up the situation down there. We've healed the division, we've undertaken compensation to Tasmania. And Mr Peacock went down there and of course the great strategy that he had outlined seemed to come unstuck. Because he started off his conference and said well, the dam's been fixed. Compensation's been paid. Then he got a short arm jab in the ribs from Mr Gray and so he changed tactics. Oh no, of course, if we were to come back you could have your dam. Well it's a nice old pattern that's emerging. I negotiate with Mr Gray in good faith. He publicly announces that I have met all my obligations and promises that I've made in respect of Tasmania. But now he's saying, no, we would undo it and go ahead with the dam under a Liberal/National Party Government. And for good measure he's indicated that wouldn't give back the first payments of compensation that I've made. Well how does anyone take any notice of a gaggle of incompetents like that. But that's not enough because he's going to pay for the dam. But Mr Sinclair has to try and make his mark too. So what's his contribution? He's going to have four nuclear submarines. Well what's he going to pay for four nuclear submarines. He's got about \$7 billion additional blow-out in his deficit so far before they got going in their last couple of days of desperation. But now it's the dam. And now it's for nuclear submarines. At this rate by the time we've reached the end of the election campaign we'll have a deficit under these hypothetical people of about \$20 billion. They are unstoppable. But it's going to be interesting isn't it to see in the days ahead with all these new promises of outlays where they're going to cut existing programs. Are they going to cut other defence programs? Are they going to cut education? Are they going to cut community employment programs? Where are they going to cut by these billions of dollars to make way for the dam in Tasmania and the four nuclear submarines.

JOURNALIST: Your colleagues in New South Wales seem concerned about the capital gains tax issue. Do you share their concern that this could be a liability for the Labor Party?

P.M.: No, on the contrary. I repeat what I told you in the last couple of days. I am happy about having tax and all its ramifications in the forefront of this election campaign.

P.M. cont... And if they try to walk away from it in the days and the weeks ahead, I will take them back to taxation. No, I'm not concerned about this at all.

JOURNALIST: ... figure Prime Minister is that \$20 billion deficit.

P.M.: Well that may be conservative because, I mean, just in one day we've had the dam and we've had four nuclear submarines. Well at that rate, I mean \$20 billion extra blow-out looks a bit conservative. I mean that's not bad for one day's effort is it?

JOURNALIST: Prime Minister on the submarine question would a Labor Government ever equip its defence forces with nuclear submarines?

P.M.: No we've made it quite clear we see no reason for going nuclear. And it's interesting to see today, in today's press, that the relevant spokesman for the armed forces has said that it is quite inappropriate and that the diesel powered submarines that we will be moving to under our existing plan are appropriate and adequate for Australian purposes.

JOURNALIST: Mr Hawke your campaign so far seems rather reactive. When is it going to become positive.

P.M.: Well you say it's reactive. But look at the things that we've been talking about. You see when you've provided good government, when you've turned the economy around, when you've got Australia together in a way it hasn't been before in recent memory, you simply remind the people of what's going now as compared to what they had under the Liberals. And for reasons which I won't ever quite be able to understand my Liberal and National Party opponents seem committed and dedicated with each day in this early stages of the campaign of reminding the people of Australia that they want to take them back to the divisiveness and the incompetence of the past. I've told you about the fiscal irresponsibility now, but we see, we are reminded that they are going to get rid of TAA, they are going to get rid of Qantas, they are going to get rid of the Commonwealth Bank - that's going to be of interest to the millions of Australians who are involved in the Commonwealth Bank. They want to keep saying that they are going to take us back to the days of the past. Of course I'm going to react to that. Of course I'm going to tell the people of Australia, look what you're being promised, more of the same. Do you want that again?

JOURNALIST: Mr Hawke are you confident that you reassured some of your nervous N.S.W. colleagues about the capital gains tax.

P.M.: Oh, I believe so, yes.

JOURNALIST: Prime Minister to what degree are going to try to exploit division between the coalition parties. Is that going to be a theme?

P.M.: Oh well, I'm going to try and stifle my grin and amusement as I watch from the sidelines as they sharpen their knives at one another. It's going to be interesting I think. I'd recommend to you who are following the campaign to look closely into Mr Shipton's seat and Mr Macphee's seat because I would think that you'd find some beautiful lines down there. I think it's Babette Francis isn't it who thinks that Mr Shipton is a trendy I guess. He's too way out radical. I guess you'll find some marvellous lines in that electorate. You'll find some marvellous lines in the seat of Goldstein and Mr Macphee. They've started off well, and I won't be in there stirring. And I think they have enough animus against one another to make it very interesting already. It's early days yet and look how they're going.

JOURNALIST: Prime Minister did you mean to say, did you mean to describe the previous Government as degenerate.

P.M.: Yes, degenerate. I mean it really lost any - they had started to decompose in terms of their capacity to understand basic economics or to display any competence whatsoever in economic management. I mean they are flat-earthers. But you would have thought wouldn't you after the debacle of reducing the Australian economy to its knees and having seen how we've turned it round into the fastest growing economy in the world that they would have had enough nous to say well, we were wrong and we should reform our thinking and regenerate our thinking. But they haven't. I mean really what they are about is worse than anything they did before. They are going to increase expenditures. The other one I forgot to mention - I told you about the dam and I told you about the nuclear submarines - but in their detailed defence exposition they were also talking about the Alice Springs to Darwin railway. So throw another \$1 billion, they've just confirmed another \$1 billion. This is the craziest set of propositions you've heard in your life. Just think about it - nuclear submarines, the dam, the Alice Springs to Darwin railway. As I say, the weeks ahead are going to be fascinating. They are going to blow out expenditures like that. They are going to reduce taxes. So that's mean the deficit's going up and up like that. Unless one thing happens - that for all these additional billions and billions and billions of dollars of new expenditure, they are going to cut at least that amount out of existing programs. So I hope that you'll be asking them day after day - alright, you've told us all these billions of dollars of additional expenditure, you've told us you're also going to cut taxes - please, please Mr Howard, please Mr Peacock, please Mr Sinclair, tell us where you're going to cut the billions of dollars on existing programs. Otherwise, if they can't do that, if they can't, well where's the money coming from. What are the new taxes.

JOURNALIST: Prime Minister ... business deregulation. Could you be a bit more specific and outline what sort of deregulation you're talking about and particularly what came up at the discussions at the Business Council.

P.M.: Yes we had a very useful discussion. We had the representatives there of the Business Council of Australia, the Confederation of Australian Industry, the Associated Chambers of Commerce of Australia, the National Farmers' Federation and the ACTU. And what I said to them is that I had the impression since being in Government that we did have a situation where after 84 years there'd just been allowed to remain on the statute books an amount of legislation and regulation which may have been appropriate at the time, but wasn't now. And I said to them I know that you have this view, but it's obvious that you, each of you will be better acquainted with the problems in your area. So I said to them well you go away, address yourself to this issue as you see the problems in your area, and come back to us - I nominated a senior public servant who would be co-ordinating our own work in this area and they agreed that this would be the best way of doing it. That they should address themselves to it and we will then meet again after the election on the basis of the detailed work they'd done. To the extent that they want to remain in consultation with our own people while they're doing that, then I've nominated the liaison point. And we'll meet after the election. We would then understand that in respect of the areas that may be of concern to business, they'd have detailed listings of regulations and laws which either demonstrably serve no useful purpose now or needed some form of modification. Now they agreed that that is the best way of going about it. We agree with that and I'm certain that on that basis, as we go through 1985, we'll be able to strip away a lot of this unnecessary regulation that exists.

JOURNALIST: ... particularly that you would like to see.

P.M.: No, because it's just that one gets the impression, without going to details, that you hear a regulation mentioned or a law that's operative and you just wonder - I can't help wondering - whether that is in fact relevant and now serving a useful purpose. And you get the impression in talking with business people that that's what they feel. But obviously they have a better idea from their day to day experiences as to what comes into that category.

JOURNALIST: How specifically have you allayed the concern of Mr Keating and other members of the N.S.W. ALP that capital gains could become a damaging political issue?

P.M.: Well, how specific? I mean I've just spoken with them and I think they share my view that the way in which the Liberals and the National Parties are going that they are just with each passing day making themselves even more incredible in the area of tax than they were before the election campaign started. And we all take the view that with the release of the "policies" of the Liberal and National Parties on Monday we'll be stepping up the attack in the taxation area and not the Libs.

JOURNALIST: Mr Hawke will you hold a tax summit next year?

P.M.: It's conceivable, yes. I've indicated that. It is conceivable.

JOURNALIST: With the casino decision yesterday in the Northern Territory. Will that affect South Australia. One of the applicants..

P.M.: No, it won't affect South Australia, no.

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