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PRIME MINISTER

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JOURNALIST: Well, your initial reaction Mr Hawke?

P.M.: Well I'm basically pleased with the result. That so called jewel in the crown of liberalism is still looking rather tarnished. It's in our hands federally and still very solidly in Mr Cain's hands at the State level. He's lost some seats, and that wasn't entirely unexpected, but he has a very comfortable working majority. He has therefore created a record in winning two elections in a row for Labor. He's created another record in having control of the Upper House as well. So I congratulate Mr Cain. I congratulate the people of Victoria in returning a Labor Government. It's one which will enable us to work together for the good of the people of Victoria and the people of Australia as a whole.

JOURNALIST: How do you explain the swing away from Mr Cain, Mr Hawke?

P.M.: Well if you look at elections throughout history the normal pattern is a bit of a swing against governments. If you want to realise the opposite of that, if governments in power were always getting swings to them you'd never get a change of government. Mr Cain had to take some fairly tough decisions in the area of taxes and charges and I think that probably told against him a little. But you've got to remember he has a comfortable working majority.

JOURNALIST: Some commentators this morning are saying that the swing should be a concern both to you federally and also to South Australia and Western Australia with elections coming up.

P.M.: Well, I repeat the point I've just made. If you think that governments in power always get swings to them, the logic of that is quite clear - you never get a change of government. It's governments in power, and particularly in difficult times like the present - the last few years have been tough economic times - and committed responsible governments like those of myself and Mr Cain have had to take some tough decisions. And when you take some tough decisions you get some resentment in some quarters. In our case we believe that the assets test was something that was responsible and needed to be done for the welfare of people now

P.M. cont....: and into the future of this country. Well we got a bit of a kick for that. So it's governments who do things that get a bit of a kick. But the important thing is the majority stayed with us both federally and in Victoria. Now you ask about Mr Bannon in South Australia and Mr Burke in Western Australia. I have no doubt at all that in each of those States they will be returned. When they come up for election, in Mr Bannon's case this year, Mr Burke doesn't have to go until the beginning of next year, and that will keep us in a position where we have Labor in power federally and in four out of the six States. It's a very good situation.

JOURNALIST: Mr Hawke do you think these federal and State swings against Labor will discourage tough decisions in the second terms of both these Governments.

P.M.: We'll take the decisions that have to be taken in the interests of the people of Australia at our level and I believe Mr Cain will in Victoria. You see it would have been easy if, if you take our case federally, it would have been easy to take the course of saying, oh well, if you do something about the assets test that won't upset people. Well we knew it would upset people and undoubtedly that cost us some support, not only in the older age group but in some other age groups.

JOURNALIST: Are you still willing to upset people if necessary?

P.M.: If it's necessary in the interests of the people as a whole I've consistently shown my preparedness to do that.

JOURNALIST: Mr Hawke do you think the federal events of the last few weeks effected the result of Victoria - the MX and so on.

P.M.: No, quite clearly if you look at the polls the problem that we had there for a brief period federally - which wasn't so much the MX as such but the public airing of differences within the Party - that was soon turned around. No, I don't believe that had any impact at all.

JOURNALIST: He's made history by doing it twice. Do you think he can go on and do it three times.

P.M.: Well, yes. You realise Peter that it's a four year term - this is the first time that there's a four year term - so Mr Cain won't have to face the electors till '89 and that's a long, long way away. But on the basis of looking at the performance of his first term which I think was solid and responsible I have no reason to believe that with another four years with the opportunity to implement a sensible program, which he can do now with control of both Houses, I would think at the end of that period he could be confidently looking forward to a third term.

JOURNALIST: You were talking about tough decisions. Which tough decisions do you think contributed to the swing away from Mr Cain.

P.M.: I referred to the fact that he's had to put up taxes and charges during this period to enable him to have an appropriate budgetary setting within which to undertake expansionary policies. And I think that stuck a bit against him.

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