



PRIME MINISTER

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TRANSCRIPT INTERVIEW WITH MAX WALSH FOR THE NATIONAL - 11 OCT 1985

WALSH: Prime Minister, the news of the day is President Reagan's hijacking of the hijackers. What comment does the Prime Minister of Australia have to offer about this amazing episode?

PM: Well, I'm not acquainted with the detail and all the background. I make the preliminary point that we condemn the international terrorism which occurred in the case of the hijacking of the ship and we regret all that flowed from it. Max, I would prefer to have a detailed briefing of what has been involved in the action of the United States before making any further comments.

WALSH: I can understand that. Now, if I can just turn to local events and what has dominated Parliament in the last few days and few weeks. It may seem trivial compared with international events, but the Bicentennial.

PM: Yes, Max.

WALSH: It was suggested last evening by Senator Richardson, one of your senior colleagues, that in your Department heads should roll because of what had happened there, because of the incompetence displayed by your advisers within the Department. Will heads roll?

PM: What has happened, Max, is that I, immediately after the evidence of this very considerable incompetence, told the Acting Head of the Department, Mr Visbord, that I wanted a re-arrangement within the Department to ensure that the handling of this very important matter of the Bicentennial celebrations should be put in an order and a competence which not only I as Prime Minister, but the community could have competence. That has been put to me this morning. I have approved it. And so, we will now have a division headed up by an officer in whom I have very considerable confidence. And I make the point, Max, as I did in the Parliament today, that one of the problems in this whole affair, in a sense is confirmed by the statement of Prime Minister Fraser on 2 October, is the nature of the relationship between the Government and an independent public company. Now, what I have tried to do in the circumstances, having seen the difficulties, is to create the apparatus within my Department which will meet the concerns which have become evident to everyone, and certainly including myself. I wonder Max, if you would excuse me if I did make this observation, that while of course there has been gross incompetence which the Department has readily

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acknowledged on this matter, it would be less than fair if I did not make this point, that since I have been Prime Minister from March of '83, the Department of the Prime Minister has, generally speaking, provided me with excellent and dedicated service. I think it would be unfair if the impression were left that as a result of what, certainly in this instance was considerable incompetence, that that is a general reflection of the state of the Prime Minister's Department. It is not.

WALSH: But you did use the expression "gross incompetence" and I wonder, does this restructuring also involve disciplining?

PM: Well, I want to look further, and at a somewhat more leisurely pace, Max, at whether any further implications need to be involved, but my concern in the immediate sense is to ensure that the appropriate apparatus is set in place within the Department to ensure that the Government, through my Department can properly co-operate with, have a degree of knowledge, and ensure accountability of the Australian Bicentennial Authority. Because I want all Australians to know that very much good work has been done. We are going to have a great year of celebrations and remembrance in 1988.

WALSH: Now had this occurred, this particular episode occurred with a junior minister in your Ministry where he was paraded in the public arena for having OK'ed and approved a payment of half a million dollars for an inconvenient public servant in the circumstance which applied to you. I am sure the press would be howling for ministerial responsibility. Now in your case nobody imposed ministerial responsibility. Do you think that you would have applied a particularly harsh standard to a junior minister who had been exposed to these circumstances?

PM: Well, let me make it quite clear that the basis of your question is incorrect Max, in the sense that you referred to my approval of this payment. What is quite clear is that I did not approve and, in fact, wrote specifically on the advice of my Department and of the Attorney-General's Department advice given to me following the receipt of a letter from Mr Reid on the 28th of August. I wrote on the 30th of August making it quite clear that under the law I could not approve, though I must insist Max that not only could I not approve, I therefore did not approve.

WALSH: Well, what are the aspects of this which has angered you the most and caused the most public concern was the tax minimisation arrangement entered into in this large payment. And the thing that struck me about this as flowing as it does at a time when you are engaged in eradicating these tax lark and perks is this particular lark which I notice is untouched in Mr Keating's package. Have you considered that it should be incorporated in it?

PM: Well, I don't know whether it is a question of incorporating it but I just simply want to say this. That because the Australian Bicentennial Authority is taking as it must take its own independent legal advice on this matter. I don't think it's fair to Dr Armstrong in these circumstances that I should, in a sense, publicly canvass the issue now as to what may or may not happen.

WALSH: No, I am not suggesting that.

PM: No, I haven't finished my answer. It limits the extent to which I want to go to the issue but I would think Max, that our mutually good friend Paul Keating and his Department may be looking at this issue in the light of what has happened.

WALSH: Good. That brings me onto tax, of course, and the current public debate about Mr Keating's proposed package. Well interest groups are having their say and saying it quite vociferously in some cases, I wonder has anything your attention at this stage where you say maybe they have got a good case, maybe we should look a second time at that?

PM: Not to this point Max, I am talking about the broad areas. I mean I would think within each particular category as we go to legislation there might be some refinement of a particular point within the categories of action. But I suppose it is true Max, that the most vociferous reaction, certainly the one that seems to be the most covered in the media, is the impact upon the restaurant industry. Now I must say that speaking for Paul and myself that we are not persuaded there. It is quite clear, and neither Paul nor I have sought to avoid the point, that there may be some sections of the restaurant industry which could be adversely affected. And people are saying well this is going to have an adverse employment effect. But what you have got to do as you know is to look at this in overall terms and there is no way that the overall employment impact of the total tax package can be disadvantageous. And the simple fact is that you are looking at the restaurant, that the time had to come to an end when the great mass of your viewers, the great mass of ordinary Australians were subsidising the tax lunches or tax dinners of a privileged few. That had to come to an end. Now we are now in a week where the evidence is clear that as a result of our general policies we are very close to achieving that half a million increase in jobs since we have come to office. Well ahead of target. Now I and Paul Keating and this Government are not going to be bringing in policies which are going to have adverse employment impacts in the aggregate.

WALSH: No, they mightn't have adverse employment impact in the aggregate but I just wonder how do you read the political response to the package?

PM: Well, that is a slightly different question and I am glad you asked it. I think by any objective analysis you would have to say that the response has been very favourable and I guess one way of testing this Max, is to look at the pathetic performance of the Opposition. I mean we went for a day on the first day back in Parliament when they didn't ask a question about it. Then they were obviously in very deep and troubled waters and going much further because Mr Howard has been repudiated by significant sections of his Party. The Messner mess, if I can put it that way, has involved ...

WALSH: Well what do you refer to there?

PM: Well, his statement of what may have to be done. I mean, the proposals which are talking about a services tax. His harsh and punitive move into capital gains far beyond what is in our package. These things clearly show both repudiation of the Howard position but it is now not a repudiation because Mr Howard, of course, is back tracking all over the place from his previously stated position. And we had the remarkable situation in the

Parliament today Max, where objection was taken to the question addressed to Mr Keating from our side of the House about the implications of his package. Mr Sinclair got up and said you can't really have a question about this. So they are putting a bar upon themselves asking questions in the House. And it is not surprising because I think really the situation is this. They understand that we have brought down a good package. They have got no real idea of how they can, with any reasonableness, come up with an alternative.

WALSH: Right, now if I could turn to what you will be doing in the next few days. You are going to the Commonwealth Heads of Government Meeting and you are taking with you a proposal which involves an Australian initiative in somehow putting together an international program to bring to the fore our opposition to South Africa's apartheid policies. What would you hope to come away from CHOGM with precisely?

PM: Well, Max, I think you will appreciate, I don't want to go into all the details, but I am more than happy to give you the outline of our thinking. Essentially what we want to see happen is this, the South African Government itself coming to an understanding that the abhorrent apartheid apparatus and policy must be brought to an end. And that they must move to being a country of universal suffrage, a free and liberal society. Now the best way for that to happen Max, is that they should themselves come to that conclusion and start to make the decisions necessary to reach that goal. So while, yes we will be talking about the concept of some effective economic action that maybe able to be adopted within the international community. In a sense, more importantly to me is that part of my approach which will be looking to see if we can get a group of respected international personalities, respected as far as possible across the international spectrum, who would address themselves to the issue of the processes. I recognise as I think all reasonable people do

WALSH: Just the processes, you mean the processes of

PM: In South Africa of change. I mean it would be quite improper and quite stupid to suggest that just like that overnight that South Africa could change. It must address itself to the processes of change, have a clear stated objective of moving to universal suffrage and a free and liberal society and then what are the steps, what are the processes that should be initiated to achieve that within a reasonable time. Now I want to see the avoidance of bloodshed in South Africa. I want to see the various groups including the white South African Government trying to co-operate to bring about this desired objective. And so my total approach will be concentrating, in a sense, much more on that than on the concept of sanctions.

WALSH: It has been suggested that the United Kingdom Prime Minister, Mrs Thatcher, is less than enthusiastic about your proposal.

PM: Well, on the evidence, the British Government does take a more accommodating view. That is true. The evidence suggests that. But I am not going to the CHOGM Meeting to have a fight with Margaret Thatcher. I found at my first meeting in 1983, that I was able to sanely and rationally discuss and debate issues with her. There were many issues at which we were at one. There were others where we had differences of opinion, but that didn't mean clashes and fights. I will put, on behalf of the government and people of Australia, the sort of approach which I have just suggested, and I hope that through the processes of rational discussion and debate and argument, we may be able to get a common solution.

WALSH: You talk about a common position. That is the way it has to end up, isn't it? You can't end up with a vote and win just purely on numbers at CHOGM.

PM: Well, that is not the way it is operated, no.

WALSH: And you wouldn't expect it to on this occasion?

PM: No, I would hope that you would get a situation that it would be clear that the overwhelming majority of people had the sort of views that I think we are expressing in a way that do give the opportunity of support from the overwhelming majority. And that in those circumstances the British Government would see that we are not about trying to approach this with economic force and saying, here let's get a big economic stick with which we can beat the bejesus out of the South African Regime. I mean, it is going to be necessary, I believe, given the growing reaction within the United States and Europe of the recognition of the need to think about economic sanctions, to address our minds to that. But once Mrs Thatcher and others understand that the much preferred position is to persuade the South African Government about appropriate processes, within which let me say this - that I would be emphasising the need to ensure that in such an emergent new South Africa there should be a strong and real and protected place for the accumulated experience and capital of white South Africans. I mean, I think people understand that we are totally constructive in our approach, because I believe very deeply, Max, that the worst thing that could happen, as developments go on, for the people of South Africa, for the black South Africans, would be a situation where there was a total withdrawal of white capital, of white expertise and experience, because that would mean a serious decline in economic standards and capacities and potential for all the people of South Africa. So part of the sorts of things that have got to be talked about is how, as you get the political democracy and enfranchisement, you can at the same time ensure that you don't have a slide into economic chaos.

WALSH: This CHOGM initiative, would it be self-contained within CHOGM or would it be a first step before taking it to the United Nations?

PM: Well, we have thought about it in terms of a stage, that the Commonwealth, if it can get a common position, then to be able to go on within the United Nations framework. The Commonwealth is a remarkable organisation. It represents an enormous number of people. It represents a range of countries from the most developed to the least developed, from the largest to the tiniest Pacific islands. So it can take to the United Nations a degree of experience and authority which is unique.

WALSH: Just before saying good night, Prime Minister, if I could just come back to the local scene, to the very local scene, Nunawading, and the sort of dirty tricks exposed at Nunawading, especially on the part of your party. Does this leave a bad taste in your mouth?

PM: I have said unequivocally, when I saw the statement of the State Secretary that I believe it was a very unwise decision that was taken by those who were involved. I don't think I can be more straightforward than that. I think it is a fair enough postscript to add that people should not be taken by the hypocrisy of the Liberals in this. I just ask them to cast their mind back to December 1982 when Senator Don Chipp had cause to launch the most stringent attack upon the Liberal Party in Victoria for what he described - his words - "the filthy trick" of the Liberal Party in Victoria in attempting to delude the voters of Flinders in the by-election in December 1982 that the Democrats were supporting the Liberals. He came out and attacked them for their filthy trick in putting out material seeking to mislead. Now that does not excuse or justify the unwise decision that I believe was taken within the Labor Party in Victoria in the Nunawading by-election, but I think it is fair enough to say the Liberals cannot be heard in this debate, this discussion. They don't come to it with clean hands.

WALSH: Prime Minister, thanks very much. Good evening.

PM: Thanks very much, Max.
