



PRIME MINISTER

TRANSCRIPT OF THE PM ON SUNDAY - 4 MAY 1986

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OAKES: What are you going to do about Lionel Murphy?

PM: Well the first thing is that I'm going to make no comment about Lionel Murphy, Laurie.

OAKES: But how can you get away with making no comment on an issue that is so important - the integrity of the High Court.

PM: My responsibility is not to make a comment on this program and I mean no disrespect to you in saying that and I know you appreciate that. My responsibility and the responsibility of the Government is to study whatever may, or in a sense may not be relevant to this question, well do that.

RAMSAY: Despite what you've said, he plans to return to the High Court, to sit on the High Court bench next Tuesday. Now you're quite satisfied that the integrity and status of the High Court is not going to be damaged by him going back in the midst of a continuing controversy, both in the public and the political arena about Mr Justice Murphy.

PM: Let me just say two things. Firstly, to repeat I'm not going to make any comment about Mr Justice Lionel Murphy and in regard to the High Court, I and my government will have clearly in our considerations the position and integrity of the High Court of Australia.

OAKES: Well your refusal to comment will be seen as refusing to endorse his return. Isn't that in effect the comment?

PM: It's for others to interpret. It's for me to act properly. I will do that.

RAMSAY: Can we ask you why your Deputy Prime Minister, the Attorney General, Mr Bowen, saw the Chief Justice of the High Court yesterday?

PM: Yes you can ask me but you won't get an answer.

RAMSAY: Did he do so on your behalf?

PM: Not on my behalf, but with my knowledge.

OAKES: Prime Minister has you read the secret volume of the Stewart Royal Commission Report?

PM: I haven't read it fully yet.

OAKES: Are there references to Mr Justice Murphy in it.

PM: Laurie you don't expect me to answer that and I'm not going to.

OAKES: But isn't that crucial to the whole question of whether he should return?

PM: It may or may not be Laurie, but let me repeat the answer I've given before and I don't want to be disrespectful to you but let me say it firmly so you'll have it clearly in your mind. My responsibility is to study this matter, as I will to discuss it with my colleagues and in the confidence of Cabinet and not on the publicity of this program and I'm not going to do it.

RAMSAY: Mr Hawke I'm just going to ask you another question about this. Can you be satisfied that the integrity of the High Court can be preserved while Justice Murphy continues to sit on the High Court while this controversy goes on?

PM: It is clear from the previous answers given Alan that I'm not going to answer that question.

OAKES: Well moving on to a related matter but not specifically on Justice Murphy. The New South Wales Premier, Mr Wran, has attacked Mr Clarrie Briese who was the main witness against the judge in the recent court case. Does Mr Briese, who deals with federal issues as well as state law, have your confidence?

PM: I've heard that question before and my answer is that that's a matter within New South Wales. I'm not going to make any comment on that.

OAKES: But when you heard it before.....

PM: I'm not going to make any comment on it Laurie. You can rephrase the question 17 different ways. My answer will remain the same, I have no comment.

RAMSAY: Your Attorney General answer a question of that sort in the Parliament.

PM: Yes I was sitting in the Parliament when he answered, yes.

RAMSAY: Well why shouldn't you be asked that sort of question and why shouldn't you answer it?

PM: You're perfectly entitled to ask it. I have no objection to you asking the question. I'm not going to add to the answer I've already given to you.

OAKES: Well Mr Justice Stewart made some recommendations about widening state police powers to tap telephones. What's your

attitude to those?

PM: Well I'm going to study the recommendations in full over this weekend and see to what extent it may be necessary, if we agree to those recommendations, to go beyond the legislation which the Attorney General has already prepared. And we'll be considering this matter in the near future.

RAMSAY: Are you confident, Mr Hawke, that you could overcome hostility within the Caucus to this question of the wider extension of phone taps given the whole area of civil liberties?

PM: Well I'm confident that if the Cabinet makes a decision which we believe is the appropriate one, having considered the recommendations of Mr Justice Stewart, that the Caucus would accept, with proper exposition, what the Cabinet puts to them. We have a good record of cooperation and understanding with the Caucus. I see no reason to see that's going to come to an end.

OAKES: Prime Minister, do you think it would have been better when this Murphy affair first blew up, the Age tapes, to have had a Royal Commission then, into the whole matter?

PM: No. I believe that the course of action that was taken, the decision of the Government was correct. Now we will be, as I say, considering this issue now. I'm not concerned with the past. I'm concerned with the present and the future.

RAMSAY: You don't find any embarrassment for your government given that two senior members of your government, early in the piece, branded these tapes, or these transcripts of the tapes as phoneys and fakes?

PM: If you wanted me to I could quote here at length from the first volume of Mr Justice Stewart to give precisely the very careful interpretation he's given as to the tapes and the transcripts. Now let me say it is not a black and white case, as you know from having read what Mr Justice Stewart had to say in volume one.

OAKES: Has any member of the Government spoken to Mr Justice Murphy about his future?

PM: Not that I'm aware of.

OAKES: You haven't asked anyone to do that?

PM: No.

OAKES: Will you do that?

PM: I will adhere to the answer I gave to this question at the beginning. I'm not saying anything more. I have no comment about this issue.

OAKES: In the light of that Prime Minister, we will ask you about Indonesia?

PM: Good.

OAKES: How serious is the rift with Jakarta?

PM: I don't think we can honestly understate it, Laurie. I think it has been serious. And I think perhaps there has been a tendency in the past in some quarters to overstate the importance of the relationship, to believe that there is more than can be obtained from the relationship than intrinsically can in fact occur. As you know, I think both Bill Hayden and I have worked assiduously from day one to try and create a viable, constructive relationship with Indonesia. I don't regret that and we will continue to try and have a constructive relationship. But no Government led by me is going to have a grovelling relationship, one in which, if there is capricious action on the part of Indonesia, that we accept that without comment. And as I had cause to say while I was overseas, and repeated on the floor of the Parliament, and have pleasure of saying again on your program, what Indonesia must understand is that this is a full democracy. And a distinguishing characteristic of this and of other full democracies is the freedom of the press. That is not something that is on the bargaining table as far as I am concerned - and never will be as far as I am concerned.

OAKES: You mentioned the work you have done to improve relations - you went to Indonesia very early in your Prime Ministership, you fought the left wing of the Labor Party to change policy - in the light of that, to what extent do you regard what has happened as a personal slap in the face.

PM: I don't think it is a personal slap in the face. I would have hoped that those in authority would have been aware of the hard and continuous work that I, and more particularly Bill because it is his portfolio area, have been doing to try and create that relationship. And I guess they must be aware that this has been some sort of a setback. But what I am concerned about is the interests of Australia and this nation, not about personal setbacks. And we are just going to have to conduct this relationship in a way which seeks as best we can to protect and advance the interests of Australia. That is what we will do.

RAMSAY: Mr Hawke, what do you think the cost to Australia would be if this rift proved to be long term?

PM: Alan, I think you would appreciate, it is hard to quantify that. Indonesia is a nation of 160 million people, next to Papua New Guinea, in a sense our nearest neighbour, we are not going to say or look, if we say something which someone may not like that may hurt us. I believe that Australians want the dignity of Australia to be maintained, it is going to be under this Government.

OAKES: Prime Minister, what are the defence implications of this row with Indonesia?

PM: Well, first of all, in simple money terms, we have \$10 million-odd defence cooperation program. I notice that General Moerdani has given some indications that he doesn't think it is worth much. If they make the decision that they don't want that cooperation, then that will be their decision. I think it would be an unfortunate decision because I think it has mutual advantages. But don't let us get to the point, Laurie, of believing that because we are going through this unfortunate experience at the moment that there is any threat situation emerging. I don't believe that is the case.

OAKES: The Indonesian Armed Forces newspaper has attacked Australia several times in the last few weeks.

PM: I have noticed that and I guess the paradox doesn't escape you, Laurie, that the originating factor recently in this situation has been an article in the Sydney Morning Herald, over which we as a Government, not only have no control but no knowledge. They take that as a slight upon them. Yet in their official army newspaper, which is directly under the control of the army and senior members of the administration, they attack us. There is a paradox there.

OAKES: But it is sabre rattling isn't it?

PM: I don't want to call it sabre rattling. I think it is very unfortunate. And of course, the important thing is that the basis of the articles in the army newspapers is totally specious.

OAKES: Prime Minister, what's the Hawke Government's main priority - maintaining the levels of social benefits, or maintaining the Trilogy?

PM: Well I think the main purpose of this government is to maintain the thrust of economic policy, which has given us high levels of growth, high levels of employment growth, with containable levels of inflation. In 1986, and I will not give a long economic exposition, but I simply make the point that we have the constraints during this year of the current account and so we've had to conduct policy in a way which is bringing back somewhat the levels of growth. We can't afford to be sucking in the level of imports that we've had. So growth will be constrained somewhat, but not in a way that is going to stop employment growth.

RAMSAY: But can you maintain present level, or increase the present level of welfare benefits and still keep your trilogy promises?

PM: I believe that the basic Trilogy promise, which refers to the life of the Parliament, will be maintained. I think we have to exercise a constraint upon ourselves, Alan, if we're going to make sure that the growth that we want is there without dissipating inflation. And it is going to be hard in 1986. I've said that, but I believe that we're going to get there.

OAKES: To what extent will maintaining the Trilogy involve cutting back on welfare programs?

PM: I don't think it's a question of cutting back on welfare. Within the Trilogy you're still able to have real growth, as you appreciate. It's going to be question of trying to rearrange priorities. We're going through a very tough period in the Expenditure Review Committee, in leading up to the Budget. It's not easy, tough task. But we'll get there, we've delivered the goods in a way that I think no other government in the post war period is done with such responsibility. We've got the runs on the board and I think we'll get them there again.

RAMSAY: You mention the Expenditure Review Committee. Have you yet been able to cut the \$1.4 billion that Paul Keating.....?

PM: No we're still got a way to go Alan.

RAMSAY: How far have you got?

PM: Come on, I can't give you those figures.

OAKES: Prime Minister, how ironclad is your promise to cut taxes?

PM: The tax cuts will be delivered.

OAKES: Well Senator Walsh said in the Senate yesterday that could depend on whether your fringe tax legislation got through the Senate. Is it conditional only?

PM: Well obviously the capacity to deliver relates to the revenue you get. Now no government has been more explicit in its exposition of its fiscal policy than we have. And we set out what the measured revenue would be from the tax changes. Now obviously that constitutes our capacity. Now I believe that the Opposition, if such you can call it, and the Democrats have got a very heavy responsibility if they're going to deny to government, substantially deny to government, the revenue capacity, then they must recognise that that has implications for the Government in terms of capacity to deliver tax cuts.

RAMSAY: So you're saying if they do muck about with the legislation in the Senate some part or portion of these very specific tax cuts, in the next two years, may be reduced.

PM: I'm, if I may say so, much more sophisticated than saying if they muck about, Alan. I said, if you had a substantial interference with your revenue capacity measures, then by definition, that must affect. Now I hope, and I believe certainly in regard to the Democrats because you can't as an intelligent person expect anything reasonable from this Opposition, but as far as the Democrats are concerned I think we have an undertaking and an understanding with them that they will substantially pass, or facilitate the passing of our measures.

OAKES: So in that event the tax cuts will go through as promised and come into effect in September.

PM: Well I've given you the answers about the tax cuts, which is the appropriate one. I can't add anything more to it.

OAKES: Prime Minister, there are now many more people on the dole than are looking a for full time employment. And last week on this program Senator Chipp said that something had to be done about dole bludgers. Is that a problem that concerns you seriously? And if so, what can you do about it, what will you do about it?

PM: We are looking at the question, Laurie, of the exercise by the Department of the work test. There is work being done on that. And we expect to get further reports on it. I don't want to leave the impression, however, that Australia is bedevilled with dole bludgers. I think that that syndrome has substantially disappeared. I accept the fact that there are obviously some who are getting the benefit who shouldn't be. That is why we are looking at the question of the way in the work test is applied. I think there can be improvements. And if we can see ways in which that can be done it will be.

RAMSAY: Prime Minister, your biographer, Blanche d'Alpuget, suggested in a recent article that you had become rather bored and rather tired and in fact the whole thrust of her article suggested that you were a more boring man than you used to be. How do you react to that?

PM: It is for others to judge whether I am boring or not, Alan. I am not bored. I can honestly say I have never felt more vibrant in the job, happier, than I am now. I had a period before the last election when I was down and dispirited. And I don't go into that. The reasons for that are gone. And I feel well. Hazel has got me well and truly into a Pritikin diet which is doing marvels for me both physically and I think mentally as well. The challenges are there, I am enjoying them. And the team I have got working with me I like. No man, I believe Alan, could be given a greater responsibility, opportunity than I am. And I am enjoying the challenge.

OAKES: Prime Minister, thank you very much.

PM: Thank you Laurie and Alan.

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