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PRIME MINISTER

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E & O E - PROOF ONLY

JOURNALIST: We wanted your reaction to the Opposition industrial policy?

PM: It is a mish-mash of two conflicting ideologies. They have tried to patch together those conflicting views, which of course, has resulted in something which is quite inappropriate and irrelevant to Australia's interests. It provides no instrument of wages policy. And of course they learn nothing from the past. They were in government for seven years and one of the central reasons which brought this economy to its worst recession in 50 years was the absence of any wages policy. All they had was the blunt, tough, indiscriminating elements of monetary and fiscal policy. And when they couldn't control inflation and regulate growth by doing something in the area of wages, they just put on the screws and of course we had double digit inflation and double digit unemployment. Now, this policy doesn't refer to the question of macroeconomic policy, doesn't go to the question of employment and unemployment in it at all. What the people of Australia will understand is that they have witnessed a party in turmoil, bitterly divided, one strand wanting one thing, the other strand wanting another. They haven't come up with a policy, they have come up with a compromise between conflicting ideologies. That is all right for them. The tragedy is that Australia is the one that would suffer as a result of the abrogation of their responsibilities.

JOURNALIST: Is there any element of the policy which you do find acceptable?

PM: I am not negative in my approach to politics and where they have done good things in the past - for instance Malcolm Fraser in the area of race relations - I have been unqualified in my recognition of virtue where it exists on that side. But you just can't find anything which is relevant. I repeat, the essential explanation of what has emerged is an attempt to find a resolution between conflicting ideologies and factions. That is not the way you get policies which are relevant to the current and future programs for Australia.

JOURNALIST: If it were implemented, what would happen to the system?

PM: Well, you haven't been up in the Canberra Gallery and I have a habit of not answering hypothetical questions. But let me say this, it won't be given the opportunity to do that. One of the reasons - and there are many why the Australian people will reject this divided, bitterly divided Opposition - is because they will recognise, very simply, they have been there, they have had them for seven years, they have seen what happened in those seven years with exactly the same sort of approaches and concepts. It didn't work. We have produced an alternative which has turned the economy around. It has provided employment growth with its sustainable levels of inflation and record levels of economic growth. We have done that and we have done it because we have had an industrial relations and wages policy which has given government another lever of policy. We just don't rely simply on monetary and fiscal policy. We have provided the government with that instrument of wages policy. And that is lacking in the policy of the Libs.

JOURNALIST: The left wing unions on the weekend gave you a pretty clear statement that the Accord would be washed up if you didn't deliver the tax cuts in September. Can you give us an unequivocal statement that those tax cuts will still be there?

PM: Let me say this that since February of 1983 I have been hearing from various sources that the Accord is finished, it will never work. Now we are hearing it again from a particular quarter. The Accord will last, it will work and it will work because the various elements of the Accord will be given effect to.

JOURNALIST: So those tax cuts will remain?

PM: I have answered the question of the tax cuts.

JOURNALIST: ... inaudible question ...

PM: But you ought to know that as far as I am concerned, that I have said in the Parliament and outside that we put our comprehensive policy including the question of tax cuts where it should be put. But let me say this, the tax cuts will come in.

JOURNALIST: The Commonwealth Bank today predicted a two per cent fall in bank home loan interest rates. What is your observation?

PM: Now Mr Christie, the manager of the Commonwealth Bank, had some very encouraging things to say about interest rates. I don't want, in a relatively volatile situation, to be commenting beyond what Mr Christie has said. But let me say these two things. Firstly, it is the case that over the last couple of months there has been a substantial decline in interest rates and Mr Christie is saying that he believes on his understanding of the factors which are relevant in the level of interest rates, that those factors will continue to produce a further decline in rates. Well, I am glad to hear that statement from a person centrally involved. But I am not going to add my comment or prediction as to the rate of movement and the timing of it. But I am glad to hear those sorts of statements.

JOURNALIST: But nevertheless you would be optimistic in the long term?

PM: Yes.

JOURNALIST: Mr Hawke, the union meeting on Saturday also said that the Government was preoccupied with the trilogy and being so preoccupied was alienating ALP supporters and that you could lose the next election. Are you worried?

PM: No.

JOURNALIST: Do you think that that is an overreaction from the unions?

PM: Yes.

JOURNALIST: In your speech you alluded to a pause often being required for improvement to get sustained growth. Is that a message aimed directly at those 23 left wing unions?

PM: No. You seem to have an obsession with a meeting of some unions.

JOURNALIST: Pretty powerful group, 40 per cent of ACTU affiliates.

PM: You talk about that meeting, I talk with the leadership of the ACTU which represents the whole of the unions. And it seems to me, as the leader of the Government, that that is a pretty sensible thing to do.

JOURNALIST: How long before the Government decides on the selection of judges or ex-judges on the judicial enquiry into Mr Justice Murphy?

PM: Under the legislation that we brought in, that is to be decided by the resolution of the Houses. I am not going to go into public comment upon that before we get to the Parliament.

JOURNALIST: Mr Hawke, the key part of the Opposition industrial relations policy is the ability to pursue industrial matters through the common law courts. Does your Government feel that is appropriate?

PM: We have made it clear that we don't that is appropriate. And of course you have got the test. It is not just a question of concept, just look at it. Under our policies you have got the lowest level of industrial disputation that you have had in this country for 17 years. You have got return to the levels of profitability of the late sixties and early seventies. You have got a return to the highest, the best levels of international competitiveness for 15 years. So I don't have to be theoretical. Our policy works, theirs doesn't.

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