



PRIME MINISTER

TRANSCRIPT OF INTERVIEW, PHILLIP ADAMS, 2UE, 3 April 1987
E & O E - PROOF ONLY

ADAMS: Good morning, Prime Minister.

PM: Good morning Phillip.

ADAMS: I must say I thought your April Fool's Day performance was wonderful - letting the Libs and the National Party off the election. It was a remarkably compassionate Bob Hawke.

PM: That's my nature, you know that.

ADAMS: Were you tempted really to run early or was it just teasing them?

PM: No, I was tempted, but as you know I have a long history of resisting temptation Phillip. It's our training in the manse.

ADAMS: That's right, it's our Congregational background. But you're different to me, I have always yeilded ...

PM: You succumbed, I didn't.

ADAMS: Yes, I've always rolled over and said "Let it happen". Prime Minister, we've got a Foster's VFL, Foster's Melbourne Cup and it now seems, just when John Howard thought it was safe to go back into the party room we're going to have a Fosters' Liberal Party with John Elliott. What's your attitude to this?

PM: I don't know - if ever one had any doubt about there being a God this would remove it. If he comes and throws his hat in the ring. The only thing one can say about it - it is the only thing in the world that would unite Howard and Peacock. The only thing they agree on - let's keep out John Elliott. They have both started to recognise the brilliant capacities of the existing Member for Higgins and they are going around, John Howard and Mr Peacock, saying what a brilliant man this Shipton is. We have never heard much before but he is suddenly something extra.

ADAMS: Yes. He hasn't been one of the great stars of front or back bench, has he?

PM: No, he has not but as I say, two contending current fellows there in the Party now think he is marvellous because because they don't want Mr Elliott there. But I think it would be good to have him there, don't you?

ADAMS. Well, it would be a bit of a laugh, wouldn't it? You and the world's best dressed Treasurer have bitten a lot of bullets in the last few years, you have made a lot of the hard economic decisions, things that no conservative government would have been game to do, and yet the business community aren't being all that nice to you. Does that make -

PM: I think the large business community is very supportive of this Government. That doesn't mean they agree with every decision we have made. Of course they don't. But all indications we are getting is that the large business sector is supportive of this Government. It is some of the smaller business people making some noises.

ADAMS: I remember you and I discussing the *Poujardes* phenomenon about a year ago and you weren't that worried about. ARE you still unconcerned about this small business aggro that is going on?

PM: We are unconcerned in the sense, Phillip, that when the election comes the majority of them will be supporting us. There won't be any altruism or change of ideals, but rather the old nag self-interest will be running -

ADAMS: Yes, he was in one of John Tapp's tips this morning, the old nag self-interest.

PM: Well, as the saying goes, it is always trying, Phillip. We had a report out of Washington this morning that the outgoing Secretary of the Navy is talking about the US moving its Antarctic base to Hobart. Has that hit your in tray yet?

PM No, it hasn't hit my in tray. There has been speculation about it. This is Lehmann, you are talking about, he has been making that noise for some time. But there is no proposal before us, Phillip.

ADAMS: Would it come to you or to Robin Gray?

PM: Robin Gray is already on the record. He has said he wants them. No, the decision is one for the Federal Government.

ADAMS:—I have got to ask you some tough questions now because otherwise Alan Jones gets cranky with me and I am terrified of him. Are you confident after yesterday's special union conference that the new two tier wages system will hold?

PM: Yes. Again it is a matter of the combination of good things and self-interest because certainly the leadership of the ACTU knows and they are very good communicators to their affiliates. They know that the alternative to making this system would be chaos. You would have the temporary phenomenon, perhaps, of some larger wage movements by unions using their strength but would just destroy the economy and jobs. Yes, it will hold.

ADAMS: You sound a bit croaky?

PM: No, I am not croaky. Some of my muesli is caught in my throat but I will negotiate it alright Phillip.

ADAMS: The miners union have decided not to support the system. Could that pose problems in our relations with the Japanese coal buyers?

PM: If they were allowed to get away with it. But the coal miners will, I think, realise that they can't live as an isolated little organism in the total trade union movement. The rest of the trade union movement won't support them. And as Bill Kelty said yesterday, and I couldn't agree with him more - "my heart doesn't bleed for people of \$800 a week" and wanting to get more at a time when restraint is what is required. ... will act against their own self-interest and against their own kids self-interest if they carry on like that.

ADAMS: Prime Minister, earlier in the week it was reported that the Finance Minister, Peter Walsh, was suggesting that the tax-free threshold be removed for second income earners, which of course means working married women. Do you think this is an equitable way of going about getting more taxes. Why should married women be penalised for working especially when they've already had to pay large sums of money, which isn't deductible, for child care?

PM: I am sorry, Phillip, but I am not getting into any discussions about proposals or any considerations that might be before the Expenditure Review Committee. What you have got to understand is that in this process bits of paper come across the desks of Ministers for consideration. It doesn't mean that every one of those bits of paper is going to be acted upon.

ADAMS: Just like those Liberal Party documents that fall of the back of trucks?

PM: It is something like that with the difference being that we do go about the processes of sorting out what has to be done and doing. If you are going to face the situation that this country has got where you have this massive loss of national income - which averages about \$1500 per family - we have had wiped off our national economic capacity, then you have just got to look at the whole range expenditure outlays on the revenue side to make the adjustments that that loss of income and get the economy set to move into the future. Nothing should be regarded as sacrosanct but if you take the view that everything as it is now must be retained then you are just shutting your eyes to the fact that \$6bn has been wiped off. You can't wave a magic wand and say "of course it didn't happen, it is just a statistician's trick". That is nonsense. We will leave that sort of voodoo economics to the other side of politics. We are going to face up to the job that has got to be done.

ADAMS: I would make the observation that such a proposal might be at odds with your commitment to affirmative action. Have you considered looking at some kind of general wealth tax, Prime Minister?

PM: One of the significant things we have done in that area is to impose a capital gains tax. That is the most significant thing that has been done in this country in the area of ensuring that wealth accumulation which had previously been untaxed is now going to pay a contribution to the general revenue.

ADAMS: The Australia Card's fate in the Senate. We heard a rumour the other day that, in fact, John Howard and the boys had been considering something very like the Australia Card?

PM: Yes, it is a sort of cock crowed thrice thing. There were three separate occasions during the Fraser/Howard years. And interestingly, the first one after Howard became Treasurer. The first investigation, I think, was in '78 and then there were two other occasions when they investigated it. Of course, this is consistent with John Howard and Valder, the President of the Party. You ought to play it sometime, to your listeners, the Valder tape. Do you remember it?

ADAMS: Are they as good as the Age Tapes, the Valder Tapes?

PM: The language is somewhat more elegant.

ADAMS: Isn't it funny the way the Liberals speak in asterisks Prime Minister?

PM: It is sort of asterisk and it is exclamation marks, isn't it?

ADAMS: You have never done that, have you?

PM: No, no.

ADAMS: You call a spade a spade?

PM: I call a spade a spade.

ADAMS: You don't mince asterisks?

PM: I don't - not at all, exclamation marks and all that sort of thing. You really ought to play that Valder tape sometime. This is relevant to what you saying about the Australia Card because Mr Valder made that famous tape which he didn't think was going to be distributed.

ADAMS: That was the one for Westpac?

PM: Yes, you ought to get it because, essentially, what the President of the Liberal Party said was this "you have got to have these cuts in the welfare area, you have got to have this expenditure savings" and he praised the Government and Mr Keating for what they were doing in the fringe benefits area. He said that is a disease. And the Assets Test. All these things. And then he said "isn't it good, the Labor Party are doing it and we are protesting our opposition to it, they will bring them in and get whacked behind the ear electorally and then we, the Liberals, will come in and leave them there". That is the Federal President of the Liberal Party saying that is our philosophy. We believe

PM cont: in these things and we will protest our opposition. Let the Labor Party do them, keep them there. That is really John Howard. John Howard believes in the capital gains tax, he believes in an Assets Test, he believes in the Australia Card, but he has just become the supreme opportunist of Australian politics. And that is why I said on the Sunday program the other day it is not just that the Liberal Party doesn't like him or that the Australian electorate doesn't like him, in the end the most destructive thing for a person is that you don't like yourself. And that is John Howard's problem because he knows that what we are doing is right and he is going through all this nonsense of arguing against it publicly.

ADAMS: He is still a very beleaguered man and it looks like Andrew might have shot his bolt for a while. I was talking to Laurie Oakes the other day about the possibility of a third man. It often happens in a time like this. Is there a possible third man on the front -

PM: I must be careful about talking about a third man because I referred to some suggestions that were going around Canberra and I received a letter from Mr Brown. And it was interesting, which will tickle your fancy, the letter - the first draft of the letter - that came from his solicitors, demanded from me, this is on behalf of Mr Brown, demanded from me a "public apology". Do you like that?

ADAMS: It is wonderful. I was going to ask you for a joke later but I have got one already.

PM: That is the joke for the day. We are neither giving a public or any other sort of apology.

ADAMS: I sincerely hope not. That would need some asterisks. We couldn't have that. Robert Sparkes, the Machiavellian Sir Robert, has said that the threat of the early election has been removed and now the Queensland National will withdraw from what is left of the Coalition. If things get much, much worse for the Coalition, might you be tempted as an old Congregationalist to go for an early election again?

PM: No, Phillip.

ADAMS: That is a very short answer?

PM: Yes. It is short, to the point, accurate.

ADAMS: What did the Party polls have to say about our chances - listen to me being partisan - against the Opposition?

PM: We would have won. And there are a number of factors in that that are somewhat complicated. There was the analysis of the Joh Factor and what would happen to that. And the trend where we are on a steadily rising trend. There is no doubt, taking a combination of our polls and the others, that we would have won. But we will win better next year. ... this year and next year, probably next year, I guess.

ADAMS: Before the South Australian election, I think it was, you were very critical of the Liberal Party for its privatisation policies. In fact, you had a lot of fun with them. Now it looks as if you and Paul Keating have stolen some of the Liberals thunder in that area?

PM: No, there are still some fundamental differences between us, Phillip. You take things like Telecom, Australia Post - there are fundamental reasons, public interest reasons, why these enterprises should remain in public hands.

ADAMS: Bob, what is so different about selling off things like airports, the Pipeline Authority?

PM: Airport terminals - it is absolutely absurd to suggest there is any social democratic, ideological reason why we should run airports, concessions at airports. That is crazy. There is no public interest involvement in that but there is a great public interest involvement in the question of owning Telecom because people in non-metropolitan Australia, whose needs are very obvious, are able to get services which a purely profit -oriented Telecom would not provide.

ADAMS: So you are not doing a Menzies and stealing the Opposition's policies?

PM: I don't mind being pragmatic. I think I have shown that in four years. If I believe some existing sort shibboleth

ADAMS: Say that again - shibboleth.

PM: I like that word, it is our mutual manse background. It is there, my son, it is there, we can't help it. So if the shibboleth is a thing of by-gone days, not something before which should prostrate ourselves in terms of current requirements then you don't. I am severely practical when it comes to protecting the interests of the people of this country. I am not going to bow before some idol of the past. That is silly. What I say is something that is now an issue - do we have to do that to protect the interests of the people. I take Telecom. Quite clearly, the interests of the people of Australia demand, in my judgement, that that should remain in the public ownership. But I cannot, for the life of me, see how the interests of the people of Australia demand that they, the people of Australia, should, through their government, own and run airport terminals.

ADAMS: Some time ago we decided that the J-curve stood for Joke and we wanted to have a joke-led recovery. The last joke I heard from the Prime Minister's own personal lips was marvellous. What is the difference between a squashed possum and a dead politician on the Hume Highway? And I didn't know. And he said the difference was there skid marks before the possum. Now I am sure we are get an even better joke out of him now so here goes with a big fanfare.

PM: I have no notice about this. I haven't got a current joke that is tellable. But I will tell you a thing which will appeal to your literary background, Phillip. You would remember Richard Brindsley Sheridan.

ADAMS: Knew him well, he was in my branch.

PM: In your branch. You know ^{him} as a playwright, of course, don't you?

ADAMS: Yes.

PM: Of course, he was really, in his time, better known as a politician. He was Whig politician. He was one of these politicians of those times who didn't seem to be absolutely bound by the party Whip and he used to criticise his own party. And they brought in this piece of legislation. And by the way, he was recognised as one of the greatest orators not only of his day but, arguably, some have put him as the greatest orator ever in the House of Commons. And so his party brought in this legislation and he didn't like it. And his comments on it were very, very critical and included this memorable phrase. It is not a joke, I just think it is a great phrase. He said "I have often heard of people banging their head against a brick wall, this must surely be the first time in the whole of history when they have expressly erected a wall for that purpose".

ADAMS: It got a big response Bob.

PM: I just wanted to add to it and say well the twist of it is with the Liberals and the National Party and the Democrats voting against the Australia Card bill, this must be the first time a party and a group of politicians have, by their action in rejecting a piece of legislation, created a wall for banging their heads against because I can assure between now and the day the election is held I will be banging their heads against that wall because the Australia Card legislation is the most certain way of beating the tax cheats and the welfare frauds. And, by their action, they have made themselves the protectors of the tax cheats and the welfare frauds.

ADAMS: They have been warned.

PM: They have been warned.

ADAMS: Thank you Prime Minister, it was great to talk to you.

PM: It was great to talk with you, my friend. All the best.

ADAMS: Thanks Bob.

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