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PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PARLIAMENT HOUSE, 27 JULY 1989

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PM: Well the time has come when a very specific question has to be put to Mr Peacock, the Leader of the Opposition. The question is simple, quite uncomplicated. Did he or did he not say to a luncheon meeting of the executives of John Fairfax that the Opposition would not be releasing all the details of its proposed spending cuts before the election? Most specifically, did he tell the luncheon that there would be two lists of spending cuts, one which would be released before the election and one which would be kept secret?

JOURNALIST: Do you think he did?

PM: I'd be entirely unsurprised if he did and that's the question that's got to be put him. The allegation has been made now that he said there'd be two lists. One which he would bring out and say to the people of Australia, 'this is the proposal of the alternative government, here's the spending cuts'. He has said however, that that's the only list that the public will be told about. They will not be told about the list that's kept secret to be sprung after the election if the people are ever silly enough to elect him. Now of itself, I repeat this is enough to ensure that they would never do that, here he is with his multi millionaire President, John Elliott, who wouldn't know anything, anything at all about the needs of the Australian people, saying that you've got to slash expenditures. So the man that he's put in as Leader of the Opposition - because Peacock is Elliott's creation - is playing the Elliott game, here is Elliott puppeteering Peacock. He said, 'now I'll put you in because you're going to slash the welfare of Australians'. 'Yes, Mr President, Sir', says Peacock, 'but can I do it in a sly way?' 'Yes that's alright, we'll do it the sly way'. We'll tell the people, 'here's our little minimal list of what we'll hit you with'. But he's told Fairfax there's a secret hit list and when we get in the puppeteer of Elliott will smash the Australian people with that secret hit list. That's the challenge that faces Mr Peacock as he now goes on his phoney, in the true sense of the word, his phoney election campaign next week.

JOURNALIST: Why would he tell a group of newspaper executives? Surely he'd expect it to get out?

PM: Well I can't tell what happens when Mr Peacock, the puppet of Mr Elliott, I mean he may have thought that he got some guarantee via Mr Elliott that he could say these things. He's acting as Elliott's puppet, it's quite clear in these things and perhaps the puppeteer told the puppet that it was alright to tell him these things.

JOURNALIST: Prime Minister, logic dictates that if it is a genuine secret list you can't publicly acknowledge it, can he?

PM: Well, he would say in answer to that very interesting question that he didn't publicly acknowledge it. He thought he was having a secret meeting about a secret list but unfortunately for the puppet, whatever the puppeteer might have done and got some assurance that he could talk like this and tell them that it was a real secret list, it wasn't a secret meeting about a secret list. I mean, I hope everyone understands just the dimension of what's involved here. What's happened in Australian politics this year is that you had a leader of the Liberal Party who wasn't doing any good, he was no good for some obvious reasons. So the President of the Party arranged for Howard to be dumped. You know I'm not talking after the event, because I told you all and you weren't quick enough to pick it up but I told you what was going on, the President of the Party had to get a show-piece to run the Party. So he said alright, out you go Mr Howard and in I put my puppet. So it's all unfolding because he said, the President, the multi-millionaire President, the man with his retreat on the Mediterranean, the Cote d'Azur, there he is. He's right, he knows all about the needs of the Australian people. So he's put his puppet in. He's said 'now sure you can talk about some cuts to the Australian people, but not too big. So we'll draw up the secret smash hit list'. So the puppet is, he's gone along to the meeting which he thought was alright and he said 'now that's what I've been told to do, that's what I'm going to do, there it is'. Do you understand the enormity of what's happening in Australian politics? Quite remarkable.

JOURNALIST: Prime Minister, yesterday in light of the CPI increase, the Metal Workers Union called for workers to get their pay increases more speedily. Do you think they have a case?

PM: The way in which the processes of the wage increases should be applied is a matter to be dealt with through the Arbitration Commission.

JOURNALIST: Do you accept now, along with the Treasurer, that the wages outcome of 6.5 percent, that it will now be somewhat higher for coming -

PM: I think, as Paul said, that it may be minimally higher, but what we're entitled to say - when I say we, I'm talking about the Government and in this respect the trade union movement - they are entitled as a trade union movement and we as a Government in terms of running economic policy, are entitled to be judged in terms of what's been achieved in the six years. In that period very, very significant wage restraint has been shown. Remember what the outcome of that restraint has been. Very significant reductions in real wages, an enormous increase in the competitive position of Australian industry, a reduction in real unit labour costs of the order of 10 percent. So that's been achieved by the exercise of very considerable restraint and I don't believe that the trade unions of this country and certainly the Government of this country are not going to throw away the benefits of all that restraint. Now I'm sorry, I've got to get back to ERC -

JOURNALIST: collapse of Hookers?

PM: Well, one doesn't like to see a significant company collapse, but we live in a situation where, as far as this Government is concerned, we deregulated the market, we've got market forces operating and market forces have operated here. One hopes that in the circumstances this is not going to provide problems for people who are involved in purchases of properties and nor for employees, but these results of market forces, of decisions which are taken by companies and that's the name of the game. It's got nothing to do with the fundamental strength of the Australian economy.

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