



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, CHURCHILL PARK, ROCKINGHAM,
25 NOVEMBER 1989

E & O E - PROOF ONLY

JOURNALIST: Prime Minister, how important is a Labor victory in South Australia for you?

PM: Well, I have said and so has Mr Bannon that the election in South Australia is about who's going to govern the state of South Australia in the next three years. It can't determine anything else, it can only determine that. So they've got to, when they go into the ballot box, they've got to say do they want John Bannon or John Olsen governing them and I know what the majority decision ought to be. Now, having said that, I'd much prefer that John Bannon will win and I think he will.

JOURNALIST: Are you concerned about the latest polls that puts the Liberals eight points ahead?

PM: Wait a minute polls, there are a number of polls and I would say that on the average of the polls Labor would be showing to win. But in politics as you know you've got a range of polls, some out there, some there. On our best reading of, taking all the polls into account including our own, we should win.

JOURNALIST: But psychologically a defeat there would be very bad for you -

PM: We wouldn't like it, we wouldn't like it, that's right.

JOURNALIST: Are you concerned that Mr Bannon has perhaps felt the need to distance himself from the Federal issues?

PM: No I understand that completely because he understands what the realities are, that it's not about Federal decisions. They can't make any decision there which affects what happens Federally. All they can decide is who is going to be the Premier of the State and which party is going to govern the State for the next three years. That's the only thing that can be decided.

On his record, John Bannon, in my judgement and I'm trying to be as objective as I can about that, I think that he's been an excellent Premier. He deserves to win.

JOURNALIST: Mr Hawke, just on another matter that you touched on yesterday, Cambodia.

PM: Yes.

JOURNALIST: Is there some prospect then that perhaps if Senator Evans' initiative goes ahead that Australian troops will end up being sent over there?

PM: don't see that as any immediate outcome and that's certainly not part of the We've said on that issue all the way along, through the various proposals that have been floated through parties immediately concerned and other nations interested, that if there was a consensus emerged that in the international control mechanism that there was a view that you needed some troops - we don't say necessarily that that is the case - but if that were to emerge then we would be prepared to look at participating in that. We've said that all along, but the proposal that we've put forward of the concept of United Nations interim administration in Cambodia, it doesn't have that as a, you know, an inevitable component, that is Australian troops. But if the proposal were to recommend itself and it's probably got as much practicability as a number of other proposals that have been looked at and tossed around for some time, then we would face up to that implication.

JOURNALIST: A lot of the people here are expressing concern among themselves about interest rates. What chance have you got of winning an election with interest rates at this sort of level?

PM: I think the Australian electorate has got very, very much more sophisticated in the period since we've been in office and they know what is a simple and obvious truth, that I think they think I'm an intelligent bloke. I think they probably think I'm a pretty sort of reasonable bloke, and there's no way - I mean, you just ask yourself why would Bob Hawke have interest rates higher for one day longer than necessary? I'd be mad, I'd be out of my mind. As I say, I'm not a masochist, I don't like hurting myself and I don't like hurting other people. But we've got a situation where we've just got to lower the level of activity and to do that we've just got to have interest rates a bit higher, because if we didn't the economy would just collapse if we kept on bringing in the level of imports that we couldn't pay for. So we've just got to slow things down and as soon as they're slowed down sufficiently, while still keeping growth, still keeping the employment of our community going - once that's happened then they will come off.

(PM cont): But I can't do it a day earlier than is necessary. I'd love to do it tomorrow. I could buy the cheap vote easily. I could just ring up Canberra and say - ease the screws, rates down, I could get instant popularity like that, but it would be irresponsible and I won't do it.

JOURNALIST: Isn't it a fact though that those home loan interest rates aren't helping Mr Bannon in South Australia?

PM: No they haven't been a plus, but I just repeat what I've been saying. Wouldn't I be a great Prime Minister if I said I've got a Labor colleague, the Premier of South Australia, he's going up for election so I'll be totally irresponsible, I'll reduce interest rates because that might help Bannon get through. Well you're looking at the wrong bloke if you think I'm going to play with the future of this country like that.

JOURNALIST: Prime Minister, just lastly, what's your perception of how Peter Dowding and his Government have been handling themselves over here?

PM: I think difficult, some difficult circumstances that this Government acquired. I think he's been going well and he's been given a mandate quite recently, just at the beginning of this year, relatively early in his term, and I believe that he will show that he and his colleagues will provide the sort of Government that's required.

JOURNALIST: You would be aware that there's some possibility anyway that the conservatives over here will block the Budget going through the House?

PM: Yes, well isn't it, it's a great paradox of Australian politics and I'd just like to make it quite clear. Who is it in politics who always talk about law and order, respecting the law, respecting the conventions. It's always the conservatives. You must respect the law, you must have law and order, you must have convention. But who are the ones who will talk about breaking the most fundamental law and order and conventions in our society? They did it in '75 and now they're talking about it here. This Government was given a mandate by the people in the beginning of this year, they're entitled to serve and I understand the National Party will have the appropriate sense of responsibility to ensure that they are allowed to continue that mandate.

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