



PRIME MINISTER

TRANSCRIPT OF UNEDITED INTERVIEW WITH PAUL LYNEHAM, 7.30
REPORT, 13 DECEMBER 1989

E & O E - PROOF ONLY

LYNEHAM: Prime Minister, thanks for joining us.

PM: Pleasure.

LYNEHAM: Well you're heading for the holidays at the end of this week with the mortgage rates still at 17% and according to today's Morgan Gallup Poll you're 2-1/2% behind the Opposition. It's not much of a Christmas present really is it?

PM: Well, I'm not going off to the break in any sense of depression. I watch the polls with interests, as you know, and I don't get carried away when I'm down, I don't get exuberant when I'm up. I believe that we've shown as we come to the end of this year that we are still a tough, resilient, decision making Government and the contrast with the alternative is becoming starker and starker, I believe.

LYNEHAM: Of course if we rely on your forecast of last January, just before the Western Australian election that interest rates would fall this year, we're due for some sort of economic miracle between now and new year's eve, are we?

PM: Well, I've got nothing more to say about interest rates. I've made my position quite clear about them. The important thing there is that we're making the decisions -

LYNEHAM: You did say it, Prime Minister.

PM: Well I said it then and as I've said before every economic forecaster in the country - public and private - underestimated the strength in demand in the country. So I'm with everyone else in that respect. I simply say that we're making the right decisions, sticking to the hard policies which are necessary to create the conditions for a fall in interest rates.

LYNEHAM: Do you regret saying it?

PM: No, I think in the circumstances where I was asked to make a comment, I did it in good faith in the light of the assessment that every economist was making at that time, every economist.

LYNEHAM: Because your critics will say it's another version of Hawke shooting from the lip, like no child shall live in poverty. You've only got 18 days to pull that one off as well, so they'd say.

PM: Well, anyone who talks about this is talking a nonsense. I mean I do no more than rely on the statement of the Institute of Family Studies of Australia, the Brotherhood of St Laurence and ACOSS, that we have delivered ahead of schedule on the promise that we would deliver in financial terms, that amount of money which would create the situation where there was no financial need for any child to live in poverty. The assessment of those that are out there in a daily sense dealing with this are saying that that financial promise has been delivered.

LYNEHAM: And now you've written to the States calling welfare ministers together next month to talk about delivery of government services to kids.

PM: Yes. As I said when I was talking to ACOSS - Australian Council of Social Services - there about a month ago Paul, in the area of poverty the Government can deliver - as we have - in terms of now over \$2B per annum to meet the financial needs. But there are other factors which go to poverty, the delivery and the availability of a range of services. Now those services are shared between the States and the Commonwealth and what I've decided should be done is to have a meeting of the relevant Commonwealth and State Ministers and I believe there will be co-operation to see that we do everything we possibly can to co-ordinate our activities to maximise the accessibility, availability and delivery of those services.

LYNEHAM: What services are you thinking then?

PM: Oh well, there are counselling services, for instance, and there are other forms of assistance that are available through a range of agencies. The thing that I promised in '87 and which the welfare sector acknowledges - and I'm thankful to them for - is that we've delivered on the financial promise. I mean as I was saying today when I, at Queanbeyan, was recognising the second birthday of the family allowance supplement, and may I say amongst the women there with their kids, no cynicism, just gratitude. Recognising as I said, that in a case of a one income family on \$320 a week earnings with three kids, that \$109 a week tax free family allowance supplement is equal to a wage increase of \$167 a week. You don't get any cynicism there, Paul.

LYNEHAM: Now you're saying on interest rates that you believe that they'll be down before the middle of next year and they'll stay down.

PM: I'm not going to say anything more about that. I was asked the question and the important thing that I want to emphasise is what I've said before in answer to an earlier question from you. That is that we believe that we are adhering to the range of economic policy, tough fiscal policy, tight wages policy and a tight monetary policy that will produce the conditions we believe where interest rates can come down. I'm not going to say anything more than that.

LYNEHAM: But you're not backing away from that stand?

PM: No, I'm not backing away. I'm simply saying I've said what I've got to say about that.

LYNEHAM: But why should that statement be, in the long run, seen as any more likely to occur than the forecast you made back in January?

PM: Well, I would think that the evidence is emerging of the slowing down of the economy which is what these policy stances have been about it.

LYNEHAM: Some say it's getting too slow now.

PM: Well, some are indicating we might be getting to that point and that's precisely what the fine art of economic judgement is now to make sure that you don't take them off too soon nor too late. I believe we'll get it right.

LYNEHAM: Just getting back to today's Morgan Poll, both Labor and the Opposition are down in their totals and there's about 13-1/2% of voters out there now going for either the Democrats or others. Do you think people are getting a bit sick and tired of big name politicians, big party machines?

PM: I don't know whether they're getting sick and tired. I mean I think the right analysis is this; that it's quite true - as I've said publicly on a number of occasions - people don't like high interest rates. That's hurting. And so they're probably taking a little bit of support away from us at the moment. But the corollary of that is that they will not buy Andrew Peacock - and who can blame them - and so they're saying, 'well alright, we're not going to indicate that we like what you're doing at the moment. We certainly don't look at the other mob as an alternative'. So residually, more votes going to the other people.

LYNEHAM: Andrew's disapproval rating is 54%, yours is 47%, they're both pretty high aren't they? Isn't it a plague on both your houses?

PM: If you want to compare you know between myself and Andrew, in the end I guess the thing is as between the two of us who do they prefer as Prime Minister, and overwhelmingly it's myself against Mr Peacock.

LYNEHAM: Now you've said if you win again you'll stay on for a full fourth term.

PM: Correct.

LYNEHAM: Is that an absolute iron-clad guarantee to the voters?

PM: Sure.

LYNEHAM: I mean you might be expected to say that anyway, of course, a cynic would suggest.

PM: Well I'm a very young, fit, active, healthy, vibrant 60 year old. Why should I be thinking of any other course?

LYNEHAM: Wouldn't it though be better to let your successor - because you wouldn't stay on through the fifth term would you, as you've said that?

PM: Well I can't go on for ever.

LYNEHAM: No, exactly. Wouldn't it be better then to let your successor lead Labor to the polls for that fifth time, presumably Paul Keating?

PM: I wouldn't think so. Why should it be better?

LYNEHAM: Well because you're leading a team that is not going to be led by you through that Government presumably.

PM: At some stage you have to make a decision that you've given enough of your time and that it's time for someone else to come on. I'm simply saying that I don't see that as being before the end of that next term. Then sometime during the term after that I would say alright, we hand over.

LYNEHAM: Five wins on the trot would be a hell of a job for anyone, wouldn't it?

PM: Well, it depends on two things. One, that you are continuing to deliver good and relevant government, both in terms of Australia's domestic needs and the place of Australia in the world. I'd be continuing to do that with my colleagues. The second thing is the alternative and one of the unfortunate features of Australian politics is that the conservatives haven't got their act together. It's going to take them a long time to do it, I think.

LYNEHAM: If you lose next year though you'll go.

PM: That's what I've indicated ... I mean I believe a totally hypothetical question. I honestly believe - without being cocky or complacent - that we will win. I've simply said in answer to that hypothetical question, I would think that that'd be the case. It would need a great deal of pressure from my Party to persuade me to stay on.

LYNEHAM: There's every likelihood too that if you did lose Paul Keating would go as well, which raises the prospect of a very different looking Labor opposition, doesn't it?

PM: Yes, but I mean we're wasting time I think talking about a totally hypothetical situation.

LYNEHAM: That hypothetical, it is?

PM: I think so.

LYNEHAM: Have you had any good suggestions from your Ministers yet for your fourth term?

PM: I must say there is a lot of nonsense talked at least in one paper about this begging for new ideas. I mean nothing different has changed there. Whenever I've been coming up to an election I, at some stage months beforehand, I've said, 'well now look, what are your thoughts now about how you would like me to be thinking in the presentation of the policy speech, new emphases, or some new directions', and yes, I've had good responses, as I've had before.

LYNEHAM: When are we going to hear about some of them?

PM: In the right and proper time of my choosing.

LYNEHAM: What about a mortgage relief scheme? I mean it's good enough for John Bannon, it's good enough for Wayne Goss. Why not Bob Hawke?

PM: We looked at that and on a national scale we didn't think it was appropriate. At least there's one point on which the Opposition and we agree and that is neither the Opposition nor the Government think it's appropriate. In a State to State level they've got the responsibility within their assessment of their financial capacities and their assessment of the needs of their community. If they want to make that judgement, that's a judgement for them to make.

LYNEHAM: It does mean though doesn't it that if you are holding a mortgage and you're lucky enough to be in a State that's had an election recently then you get a bit of a help? If you're not so lucky, well stiff cheese.

PM: Yes, well that is true to an extent. But the important thing nationally is that you have a Government which is going to take the range of policies which is going to create the condition for a fall - and a sustainable fall - in rates. Now we believe we've got those policies in place.

LYNEHAM: The pilots' dispute. You said last week that it would be your very strong recommendation to both airlines that they not attempt to collect damages against the Pilots' Federation. Have you talked to them yet because there's no sign of them being at all as merciful as you seem to be?

PM: I've given that indication to them and of course there may be some difficulty as far as they are concerned in that they are actually still in the courts. The matter has got to be discussed. There may be some inhibitions upon what they are able to do at this stage. That's their business. I've made my position clear.

LYNEHAM: It's been put to me that they weren't very happy that you made your position clear at that time.

PM: I've seen lots of things put about lots of different propositions about states of happiness and unhappiness. If I believed everything I read in the newspapers I'd probably be inhabiting another form of asylum to this place.

LYNEHAM: Do you think it will come to pass though that they will show this quality of mercy that you've alluded to?

PM: I hope so. I hope so.

LYNEHAM: You hope so. But you're not all that confident?

PM: Well it's not my decision. I mean I haven't been running the airlines. Certainly we've had discussions with them throughout the period of this problem in the industry. But I don't run them and even in the airline that the people own, that the Government owns, we haven't been directing them as to how they should behave during the period of these difficulties. Now -

LYNEHAM: They were at your party on Saturday night Prime Minister, Sir Peter Abeles and Ted Harris. You must have got some vibes from them.

PM: We, all of us at the party were relaxing. We weren't discussing business.

LYNEHAM: Foreign Minister Gareth Evans' peace plan for Cambodia.

PM: Yes.

LYNEHAM: You've had Mike Costello, a senior Foreign Affairs official in Ho Chi Minh City recently having talks with Cambodians and Vietnamese. How have things been going?

PM: Paul not only there, but even before he went there, Gareth Evans was getting good responses from Dick Solomon from the United States, the Under Secretary of State for this region in the Administration. There were quite positive responses there as there were from Mr Alatas, the Indonesian Foreign Minister. Now there were positive responses in his discussions in Hanoi and Ho Chi Minh City. So much so that Mr Costello has gone on to Phnom Penh. And I can say to you here on this program now that as a result of the sorts of reactions that we're getting, but acknowledging that there are great difficulties involved in the proposition as there are in all the others that are on the table, Gareth and I have had a discussion - not, I haven't spoken to him directly but I've arranged that there be discussions through my people and we've agreed that Mr Costello should now go on to Beijing because China is obviously a player in the resolution in the Cambodian tragedy. We think it appropriate to send Mr Costello there to expound to the Chinese leadership the thinking that is behind our proposal and to see, hopefully, if we could get a positive response from them.

LYNEHAM: The Chinese have been very strong backers of the Khmer Rouge haven't they?

PM: Yes indeed, yes.

LYNEHAM: So if the Khmer Rouge is to be isolated as a player in this game presumably Chinese support is critical.

PM: Well obviously if you were - our chances of getting acceptance of the proposal that we're talking about would be very much enhanced if the Chinese were to see merit in it. Because you see the critically difficult issue that is confronting everyone that's concerned with getting a resolution of the Cambodian problem is getting some form of interim administration between now and when the free elections can be held. And there's a lot of concern in a lot of quarters that because of the horrendous history of the Khmer Rouge when they were in control in Cambodia that they could not -

LYNEHAM: The killing fields?

PM: Well of course. And there's a lot of concern that they should have no role in that interim process. Now our idea of a UN interim administration is calculated to meet in part that problem. Now obviously if China, who as you rightly say have been backers of the Khmer Rouge

in the past, were to see merit in our proposal that would be very helpful.

LYNEHAM: When would you assume Mr Costello would arrive in Beijing?

PM: I would think he'd be going reasonably soon. It would have to be confirmed with the Chinese authorities.

LYNEHAM: That would be the most senior - he would be the most senior Australian official to visit there since the June massacre wouldn't he?

PM: Yes. And may I say what he's going there for is in regard to our proposal in regard to trying to get a settlement in Cambodia. It's not, he's not going there for other purposes.

LYNEHAM: He doesn't have any other agenda?

PM: No I - obviously when he's there there may be some discussion but he's not going there briefed to argue positions. I mean other than making it quite clear in any matter that may arise, any discussion that may arise, the clear position of my Government in regard to what happened in China earlier this year.

LYNEHAM: Now, there are three Chinese dissidents due to visit here next week from Paris. The Chinese say that we shouldn't let them in, it would be meddling in Chinese internal affairs.

PM: Yes, one of the head figures of this organisation, Wan Runnan has applied for a visa and that's been granted. I understand that the Chinese authorities are not too happy about this. But what they have to understand is that this is a pluralistic society within which the freedom of expression is a fundamental right, it's one of the fundamental values of our society. Now in those circumstances this person can come here provided of course that he observes and abides by the law of this country.

LYNEHAM: Jervis Bay. If you're not going to move the Navy there, does it make much sense to move the ammunition dump there?

PM: Well prima facie there'd be obviously a serious question mark about the appropriateness in those circumstances. But as I pointed out the other day, we will allow the EIS studies to go ahead because things could come out of that which would be relevant to your consideration of the circumstances as to where it would go if you were shifting it from Sydney.

LYNEHAM: What do you think of the idea of turning it into a national park? It's a very beautiful place.

PM: Yes it is very beautiful. I remember Paul at the beginning of the 1984 election I went down there and the naval commander said Prime Minister, he said, you see that beautiful point over there, that wooded point coming down? And I said yes it looks beautiful. He said well when they were thinking about where they'd establish the national capital, and this was one of the sites, that was going to be the Prime Minister's residence. I must say -

LYNEHAM: Bad luck.

PM: I must say it was very attractive.

LYNEHAM: Also on the green front it looks as though we're seeing another dust-up now between Senator Richardson and John Kerin.

PM: Untrue.

LYNEHAM: Untrue?

PM: Untrue.

LYNEHAM: So there's no disagreement about the definition of sustainable development?

PM: No. I would think if Mr Kerin were asked about Senator Richardson's speech of yesterday I don't think you would find Mr Kerin expressing any disagreement.

LYNEHAM: What do you think sustainable development means? Does it mean we have careful development or less development or a bit of both?

PM: It's precisely Paul because sustainable development has come to mean different things to different people. I had this meeting the other day and I was very grateful to the representatives of the mining industry, the farmers and the forestry industry to come and join with the Australian Conservation Foundation and the Wilderness Society together with my four Ministers and we agreed that there were different interpretations of what it meant and they responded to my suggestion that we would prepare a discussion paper on the meanings and implications of sustainable development. We will do that. We will have that developed and distributed.

LYNEHAM: It does mean different things to everybody doesn't it?

PM: Precisely. And that's because different people want it to mean different things. And that's why they agreed that it would be a good thing for us to prepare a discussion paper and then we'll distribute that and these various groups will come together, respond to it and we believe that on that basis we can get some acceptable sort of definition even if people don't agree with every element of it. From there we will move to having working

groups in all the areas of fisheries, forestry, mining, manufacturing, energy so that we can apply the broad concepts to what are then sensible working rules for development in these various sectors of the economy.

LYNEHAM: You wept publicly again recently when you were talking about your dad.

PM: Well I think to say I wept is a -

LYNEHAM: You didn't?

PM: Well, could I finish? I said to say that I wept is I think putting it rather - I certainly had a couple of tears in my eyes. I make no apologies for that as I haven't about any other occasion when I've had tears in my eyes. I have just been thinking a lot about my dad recently Paul and he is getting very old and very frail. And as I said I love him very much. I don't think I have to apologise or explain to you or anyone else that if I think about someone I love that dearly, if I get a tear in my eye, so be it.

LYNEHAM: Well we've rather got used to that haven't we?

PM: I don't know whether you have or not. It's a matter of supreme indifference to me whether you have.

LYNEHAM: What sort of reaction are you getting though? What do people say when they write to you or speak to you?

PM: Well for what it's worth, the people who get in touch with me, it's very positive. But let me say this. I mean it's a matter of indifference to me. It's like whether I'm fat or thin or have a wart on the end of my nose. In my physiological makeup, not something I choose, that happens to me. I make no apology for it. It is a fact of life. It is not contrived. I think if I could press a button if I knew that I was starting to get emotional, if I could press a button I'd stop it. But for better or worse there's no button to press Paul.

LYNEHAM: Are you going on holidays on Friday?

PM: Yes.

LYNEHAM: Back on January 8?

PM: I think we're back here next week for a day.

LYNEHAM: That's right. \$200,000 to bring the House of Reps back for a couple of days. Why -

PM: (inaudible)

LYNEHAM: Why wouldn't people say hang on, can't they manage the affairs of government better?

PM: They may if you tried improperly to prod them into such a view. But it would be improper. The fact is that there are 16 important pieces of legislation which we put to the Senate on the basis they must be passed this year. There are some taxation legislation which go to operative dates from the beginning of next year which require to be passed. There is also a piece of legislation which require to be passed to fulfil a commitment which I gave to the Chief Minister of the Northern Territory, Marshall Peron, that very important agreement that we reached which will make available land to Aborigines on stations in the Northern Territory. It was a solemn undertaking between the Chief Minister and myself that their legislation and ours would be passed this year. So there are very many, significant, practical reasons which good government requires having the House of Representatives coming back.

LYNEHAM: And after that where are you going to go? What's your holiday like?

PM: I'll basically be in Kirribilli. But I will be moving from there to play some golf, be lying in the sun, reading and thinking and playing with my grandchildren.

LYNEHAM: Thinking about the election date?

PM: Not much.

LYNEHAM: You're not going to decide over the holidays?

PM: Might.

LYNEHAM: Are you having second thoughts about going to Gallipoli in April?

PM: No, I'm not having second thoughts. I believe that the Australian people would want their Prime Minister, as indeed Mrs Thatcher is going to attempt to go. I would hope Mr Palmer would be thinking about going. I would think they'd want their Prime Minister and may I say the Leader of the Opposition too. I've extended an invitation to the Leader of the Opposition. Because what you've got to remember, this is not simply that it's the 75th anniversary but realistically, obviously this will be the last significant anniversary occasion in which you will still have the Gallipoli veterans able to participate. They clearly won't be available for the 100th anniversary. As I say, I don't want to make politics of it. It's something where as I say I hope the Leader of the Opposition would be able to come too. He's invited.

LYNEHAM: You'd still go if hypothetically it were in a campaign time?

PM: I would hope I'd be able to do so. Yes.

LYNEHAM: And you'd still go if Andrew wouldn't go as well?

PM: I expect Andrew would regard it as appropriate to go.

LYNEHAM: And how about May 5 or May 12? Either of them sound like a good bet at this stage?

PM: What for, a bet or?

LYNEHAM: Yes, a bet on the election.

PM: A bet on the election is always a good thing. No, not on the date. I mean wouldn't be betting on any date if I were you. I discourage betting on these sorts of things, really.

LYNEHAM: And finally, any Christmas message for Andrew?

PM: Yes, have a good break.

LYNEHAM: It's going to be on next year isn't it?

PM: Whatever happens it's going to be a fairly tough, busy year. And I sincerely hope he has a good rest.

LYNEHAM: Thanks for your time and merry Christmas.

PM: Thanks very much Paul. And may I take this opportunity of wishing all of your viewers a merry Christmas too.

ends