



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH MICHAEL HEATH, 7.30 REPORT, 7
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HEATH: Prime Minister, thanks for your time.

PM: Pleasure Michael.

HEATH: You've come to Perth at more than an interesting political time. From your point of view and from sitting in Canberra, how urgent it is that the current crisis in the State be resolved?

PM: Well once the crisis has moved, once it's clear that the question of leadership is on the table then it's in everyone's interests, the State Party, the federal Party and I believe the community of Western Australia that it be solved quickly - and I respect the rapidity with which it is going to be solved - I understand that Peter Dowding has called a meeting for next Monday, the decision will be made then. That's good.

HEATH: Speculation's been going on for a couple of days now though. If you had one message for your colleagues, what would it be here?

PM: The only message is the one I've given, to resolve it on Monday.

HEATH: Do you know Carmen Lawrence at all?

PM: Yes, I know her reasonably well. I've had the opportunity of speaking for her in her campaigns and she impresses me as a capable, no-nonsense sort of person. I don't want to go into any more details because I'm not here intervening in this issue. It is a matter, as I've said, for the State Parliamentary Labor Party.

HEATH: But in the past though you've given ringing endorsements to both Brian Burke and Peter Dowding. Would Carmen Lawrence make a good leader?

PM: I believe she would.

HEATH: Better than Peter Dowding?

PM: I can't - it's not appropriate while there's still an issue between them to go to that.

HEATH: What about in terms of your election timing? Given what's happened, are you inclined to - if there were a change at the top - to let things settle down in the State to perhaps help you along federally?

PM: No, I don't think that would make any difference. That wouldn't cause me to prolong or shorten the decision - and the decision hasn't been taken yet. I'm still thinking about it.

HEATH: But still the disillusion in the State is still quite strong. It wouldn't be a factor at all?

PM: Well let me make this point of it. You talk about disillusion. I have a much greater faith in the intelligence of the West Australian electorate. I don't think West Australians are masochists. It would be an act of masochism to impose upon themselves the abolition of Medicare, a frightful health mess, a worse education system, a wages explosion. All those things necessarily would follow from a Peacock Government. Now what you are really implying in your question is that the West Australians are so silly, so unintelligent, so masochistic, that they're going to inflict a hurt upon themselves to kick a West Australian State Government in the tail. Now I'm a West Australian, my background, this is where I grew up. I just don't think West Australians are that silly.

HEATH: You've got nine seats here. Are you going to keep them all?

PM: Yes, I've said this morning I think so but I have to make point that there's been a redistribution and that redistribution of course makes the seat of Allen Blanchard's the more - a very difficult one. So that's in a different category. I hope - because he's a very good member - that we can hold it. But nominally you have to put that into a category. But in regard to rest, I believe we will hold them and I hope we can Moore too.

HEATH: You've got senior Ministers in trouble.

PM: Well that's your judgement because you are saying that in respect of some polling that has been done some time before where there wasn't the question really in the minds of the electorate about who do you want now to govern

Australia. You are saying that on that polling some time ago they are in trouble. Well I'm not being complacent or cocky about it. I simply say that I have faith in the good sense of the West Australian electorate.

HEATH: Isn't it also true that your own research is telling you at the moment that you're still on a knife edge - even if you go now your victory is a few seats only.

PM: Well, if you thought I was going to reveal what our research shows, you're an optimist. Let me say this, that our people are in the field now. I'll be getting the research in the near future. It is some time since we've done our own polling - some time. The only recent, very, very recent research that has been given to me is in regard to a Queensland seat and may I say it looks pretty good.

HEATH: So you can't say how confident you're going to be, by how much you're going to win?

PM: No, I would say that I would hope to at least hold the majority that we've got.

HEATH: Do you think it might be decided in the West?

PM: Well, if you say that it means the results elsewhere are irrelevant. I mean the results in every State will be important. I think that we will win seats in Queensland. I think we'll win seats in Tasmania and I feel reasonably confident about Victoria, and certainly about New South Wales and by the time the election's held I feel confident about Western Australia. I mean every State will be significant.

HEATH: What are you going to tell the voters about interest rates during the campaign?

PM: I will simply say these things, Michael. We haven't had them high because I'm a sadist or a masochist. They've been tight in the context of tight fiscal policy and tight wages policy. And they've been tight because as a country we have been consuming more than we're producing and therefore we've been importing more than we can pay for and that has been running up an unsustainable external current account. And therefore interest rates have been high, that policy has worked, they are coming off. That's what I'm saying.

HEATH: And your Treasurer at that same time has been saying while they'll come off, they'll remain high, comparatively high, for some time. What are you going to tell me about that?

PM: Well, he is not wrong when he says that. They will remain comparatively high to some countries because we still, as a country, have to get capital from overseas, there is some differential there, but the rates are coming down. Now, in the end you've got to ask yourself the question. Are you dealing with a mug electorate or a sophisticated electorate?

HEATH: Whatever Senator Button's comments about the leadership, do you acknowledge that you're going to have a problem persuading people that Mr Keating is prepared to wait a full term before he gets in.

PM: No, because Senator Button doesn't know what he's talking about - simple as that. I said in a press conference earlier today that Senator Button's comments were just gratuitous and incorrect.

HEATH: But won't you still have to persuade electors that's the case?

PM: No, no because -

HEATH: You don't consider you're vulnerable on it?

PM: No, of course I don't. I simply believe that the electorate will believe me rather than some assumption that a talkative Senator has expressed.

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