



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, SHELL AUSTRALIA
HEADQUARTERS, MELBOURNE - 23 FEBRUARY 1990

E & OE - PROOF ONLY

JOURNALIST: I'll just make a few comments and then be available for a few questions for a while. I want to suggest that the pattern of this campaign has become very clear now. You have Andrew Peacock running around this country prepared to make every sort of promise, commitments which are unfunded, a \$6 billion credibility gap which means a blowout of the budget deficit, which associated with their refusal to name any wages target and therefore acknowledging that under their policies you'd also have a wages explosion, means only one thing - rise in interest rates and collapse of the economy. What you see is Dr Hewson and Mr Stone being sent scurrying around after this profligate leader having to tidy up or attempt to tidy up that gross irresponsibility. Now this is a recipe for disaster. It is inevitable, as any economic analyst will tell you, that if you have a fiscal blowout, \$6 billion hole adding to your debt-wages explosion, there is only one outcome - a collapsed economy after a massive rise in interest rates. Against that - and this is what this campaign is about - choice between irresponsibility on the side of Mr Peacock and the conservatives or the responsibility that you've seen already in this campaign. That is a clear statement on behalf of the Government by the Treasurer of the savings that we will make to fund any promises that we make in this campaign. There are a range of choices that are going to emerge in the campaign. The choice of environmental responsibility on our part or environmental vandalism on the part of the Opposition. In the area of the economy gross irresponsibility. A \$6 billion credibility gap, fiscal blowout, wages blowout. On our side responsibility. Those things now are becoming clearer with every passing day.

JOURNALIST: After the wages-tax deal this week, Mr Keating ... lot of business people are acting by Liberal Party ... Do you approve of that?

PM: That's been true for a very long time. Ian Spicer, now don't, I mean I don't want to get into a personality clash with Ian. But Ian Spicer has never attempted, and this is to his credit, Ian Spicer has never attempted to hide his political identification with the Liberal Party. See, what happened in the last few weeks? Just look at

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it. They came out in an unprompted, spontaneous way when they heard what the Liberals were saying about the wages policy and blew it out of the water. As well they should if they had any interest at all for their members. Because the Liberal's wages policy meant that large and small business in this country were going to be faced with a rerun of the beginning of the '80s. I mean this election campaign is about the future. That's what it's about as far as I'm concerned. The only relevance to the past wherever I'll be referring to it is as a lesson for the future and if my opponents are promising a repetition of the past. And of course the immediate reaction of business to what Chaney and the others were saying in regard to their wages policy was to throw their hands up in horror. But what happened? Immediately you had private phone calls between Chaney's office and Spicer saying look, there's an election coming on, we can't have this sort of apparent difference, and they tried to sort it out. But the fact is that as far as the actual policies are concerned of the Liberals and National Party, business knows that it's a recipe for disaster. It must be a disaster if you're going to have \$6 billion unfunded commitments and a wages explosion.

JOURNALIST: Mr Hawke, what sort of week do you think you've had ...?

PM: I'm happy enough with the week. I believe that the only thing that's been talked about is that there was a sea of microphones incident on Monday in Sydney and a placard waver in Canberra on the same day. Now if people want to, as I've said before, make something out of that and think there's any significance, well that suits me fine, whether it's commentators or Mr Peacock. We've had a week in which I've talked about positive issues for the future. Look at what's been done. We've dealt with the issue of microeconomic reform. Now you'll recall, Heather, if you look back over previous months, what's been the cry, the scream of the conservatives? Microeconomic reform. You're not hearing much about it now are you, from them. It's not surprising. Because I have nailed them. Yesterday I said 77 days ago I issued you a challenge on microeconomic reform. Did it at the Press Club 77 days ago. I said you produce any evidence where in your 30 years out of the last 33 when you were establishing the practices, the institutions, that attitudes of this country, you produce me any evidence at all where in that period you came within a bull's roar of matching our record in microeconomic reform. They have failed that challenge. Yesterday I set out the pattern of microeconomic reform for the fourth term in detail and challenged them there to begin to match it. They won't. They can't. They have no record. They have no policy and they have no commitment. All they do is to talk about productivity but they do nothing about it. Today again, what have we been on about? We've had the classic illustration of the difference between us and the conservatives. Today I was able to launch these booklets

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on Equal Opportunity in Employment for Women. If you're going to talk about microeconomic reform I suggest it's very difficult to find anything more fundamental to economic reform than whether in your economy you create a situation where you're going to be able to tap into fifty percent of the population. That is, women. Can you think of anything more fundamental than making sure that you overcome the neglect of thirty years of conservatism which treated women as a sort of unfortunate appendage in the economic process. Y'know, if you're a woman and you've struggled through all of the restrictions, the prejudices, the barriers and make it, well OK, we'll accept that. But never in thirty years of conservatism will do anything to make sure for this country that you tap that resource - fifty percent of the population. Today, in this week of the campaign, I was able to show that it was this government, starting with its affirmative legislation, Affirmative Action legislation in 1984, which is acknowledged by everyone in the community, including the Business Council and the Confederation of Australian Industry, as the the government which has released that fifty percent of our population. So that we're removing the barriers so that Australian enterprise, large and small, in the private sector and the public sector, is going to be able to tap in to women as well as to men. And the whole range of changes that we've made to make sure that that is an idea which becomes action. And we only haven't put in legislation, not only have put in legislation, but we've made the associated changes - a trebling by '92 of child care places. And so what have you seen? You've seen, in this period of seven years, the increase from 44 percent to 52 percent in the participation rate of women and into 1.6 million new jobs we've created, 92 percent of them in the private sector, the majority of those jobs have gone to women. Now what more fundamental microeconomic reform could you make than that? And where can our conservative opponents start to talk about it? You'll have Mr Peacock wandering around the country with his six billion dollar credibility gap and talking about productivity, but have done nothing to tackle these fundamental issues. So my answer to your question is in this first week, there are the fundamentals. You couldn't have a greater difference emerged in the first week of the campaign. Mr Peacock with his unfunded promises, \$6 billion hole. We've had a week in which the Treasurer, on behalf of the Government, has put down a detailed statement which shows that every promise that we make in this campaign will be fully funded. We have a wages outcome fixed for the next financial year. Our opponents, tagged by you people, asked what's your wages outcome - a deafening silence. So at the end of the first week, Hawke and his colleagues dealt with the fundamental issues of macroeconomic policy, microeconomic reform, equal opportunity and what have you had in this week from Mr Peacock and our Liberal and National Party opposition on any of these fundamental issues? On macroeconomic policy, a \$6 billion hole, wages explosion, microeconomic reform nothing, and of

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course, in the area of equal opportunity they ought to collectively hang their heads in shame. If you were a woman in Australia, how would you like to have your future prospects depend upon a government which was made up of National Party people? You know how the National Party are committed to the interests of women. I won't use the phrase that's come from National Party leaders about where the place of women is. But you know what their record is and that fifty percent of the Australian population ought to be terribly apprehensive about any government in which the National Party has a significant part.

JOURNALIST: Mr Hawke, what's your assessment of the damage to Labor's campaign here in Victoria of the bad debt figures ... Tricontinental Bank?

PM: I haven't seen the statement that's been released. I saw some banner headline which talked about \$795 million I think. I'm not going to make any comment until I've seen the details and let me say what I've said before. I really have, to a very large extent, covered this issue before by saying that I believe it's an insult to the intelligence of Victorian voters if you believe that any concern they may have about the Victorian State Government will be translated by them into saying they will punish themselves by voting against Federal Labor. Because what this election is about for Mr and Ms Victoria as it is for Mr and Ms Australia generally is about the issues I've just been talking about in this press conference. It is about are you going to have, when you're talking about losses and debt, are you going to have at the Federal level economic policies which don't run up your debt. Because under our opponents policy an increase, a running up of debt of \$6 billion, where my Government's been paying off debt. The Australian Government now owes no international debt. We are an international creditor. No Australian family can perceive of itself of being in debt on account of my Government because we have transformed the debt of our predecessors into a substantial surplus. So that's the sort of issue, do they want to run, if debt is in their mind, do they want to vote for a coalition which is going to increase Australia's debt or for a government which diminishes Australia's debt. Do they want in this election to have the continuation of Medicare or the chaos and destruction of Medicare promised by our opponents. In this election, do they want to vote for a government which has a magnificent record in protecting the environment, or do they want to vote federally for our opponents who would have dammed the Franklin, logged the Daintree, mined Kakadu and destroyed the forests of Tasmania. Those are the issues for the electors of Victoria. In this election it is a question of choice which is going to determine the welfare of the people of Victoria and the people of Australia. Predictable macroeconomic policies, a continuation of microeconomic reform, a running down of debt as we've done or an

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increase in debt from their \$6 billion hole, protection of the environment or destruction of the environment. These are the choices and I don't believe Mr and Ms Victoria, when they go into the ballot box, are going to say all those things don't matter.

JOURNALIST: Mr Hawke, were you surprised that Mr Peacock's acceptance of your offer to look at the NCA material ...?

PM: No, no ...

JOURNALIST: ... and have there been any formal arrangements made for him to look at that material?

PM: I've asked that they be made. I wasn't surprised. but it just seemed to me that he must have. They've politicised the issue. They made the unfounded accusations against the Government in general and against Lionel Bowen in particular. So I nailed them. I said look, you're making these accusations, have a look at the material. If there's any material, have a look at it. And he should look at it.

JOURNALIST: How important is the ...

PM: And as I say, I understand that the arrangements have been made. I certainly asked that the Attorney-General's office facilitate this process.

JOURNALIST: How important is the debate on Sunday in the scheme of the campaign? And what are you going to ask Mr Peacock?

PM: Well, I know your last question isn't serious because you wouldn't expect me to tell you what I'm going to ask him. There's got to be a bit of an element of surprise. I know you've got to write a Sunday column Peter, but leave me something mate, leave me something. Let me say this - obviously the debate has a significance. It would be silly for me to say it doesn't have any significance - of course it does. But, as I've said, I also make the point that there's a sort of symmetry almost about the public life period of Mr Peacock and myself. We've both been in public life for about thirty years and I think that the Australian people are going to make a judgement on the 24th of March between Mr Peacock and myself on the basis of their perceptions of us in public life for thirty years. I trust and believe that the perception they have of myself, vis-a-vis Mr Peacock now, will be enhanced as a result of Sunday but I think that general perception is going to be there and it's going to be important. Let me also say that while this election is about leadership to some extent, obviously it is also about your team. And let it not be forgotten that this is another area of choice. On the one hand, a Labor Government lead by the man who is the undisputed leader, who has the undisputed

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confidence and support of his party and all of it, and with a united team - and on the other, a man who is not liked, if I could put it in moderate terms, by a great number of his own party. A disunited, hatred-ridden policy-less coalition of the Liberal and National Party. It's not just about the Liberals. They are asking the people of Australia to form a government of which the National Party. Those are the issues.

JOURNALIST: Mr Hawke, when you say that the general perception of Mr Peacock will be enhanced, what do you think that general perception is?

PM: I said I think the perceptions will be enhanced of both of us. Look, I think you will find if you look at all the transcripts Dennis that I haven't got into personal, personality attacks on the Leader of the Opposition. Others do that in the media and in his own party, I mean the worst things that are said about Mr Peacock are basically said by his own people. I remind you of what Mr Howard said last year, and reported widely. He said there is and can be no trust between Mr Peacock and myself. Now they were Mr Howard's words - no trust between us. And that's indicative if you like of the problem. They can never provide stable government while that party has got Mr Peacock and Mr Howard in it. There are two senior people with Mr Howard saying - I've got to be honest, he said, there is and can be no trust between us. Now, so I say, the things that are to be said about Mr Peacock are said and are felt more deeply by his own people in his own party in his own coalition. I don't want to go into it now. I simply say I think I have a record of strong leadership, united party and Mr Peacock hasn't got that record of strength. You can look at it issue after issue and I guess the most obvious one is this Andrew's Army that I have to walk through in every public gathering I'm going to now. It's not surprising that the pilots, who wanted to wreck this economy, are turning up as Andrew's Army asking for a vote for Mr Peacock. Very simple, because Mr Peacock didn't have the strength to take a tough decision. When questioned at your infamous press conference about his industrial relations policy, and will any of you ever forget that? I'm told it's etched indelibly in the memory of all of you. At that press conference, and an associated one, he said it's not for government to get involved - government shouldn't have a role in settling these disputes, it's for the parties. In other words, let the pilots use their strength, get their thirty percent. In these issues there comes a time when leadership requires a capacity to make tough decisions. It wasn't pleasant for me but I knew that I would be derelict to my duty to the Australian economy and the Australian people if I didn't - after pleading with them to stay in the system - then say right, if you're not going to do that, then we have to resist you. Now, the result as I say - day after day, Andrew's Army out there.

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It's not surprising, they would be silly not to because he supported them.

JOURNALIST: Mr Keating calls him a souffle. ...?

PM: No I don't really want to get into descriptions about him. I'll go to the issues and I'll talk about that one I just have. That's not an opinion, that's a fact. And there is not one commentator in Australia who doesn't recognise that it we'd given into the pilots, as Mr Peacock would have, that the Australian economy was ruined - everyone knows that. There come issues when you've got to have strength and make the tough decisions. We've done it. OK last one and that's ...

JOURNALIST: Given your strong ... on equal opportunity at work, why has it we haven't had a woman in Cabinet for two years, and if you win a fourth term will you look at some more women in the Ministry?

PM: ... The question portrays, with respect, either a lack of understanding or refusal to acknowledge the processes. You say will I put someone in. You ought to know, you've been around long enough to know, that I don't make the appointments.

JOURNALIST: You had some influence on Margaret Reynolds?

PM: To the extent that I had any marginal influence, I mean I ... to the extent ... I had any marginal influence, it was along the line you're asking. But in the end the composition of the Ministry is determined by the Caucus. Let me say I don't have to apologise for my Party in terms of their commitment to the numbers of women in the Parliament. We are increasingly having more women in the Parliament and that's a good thing. I hope that in the election for the fourth Hawke Ministry that there will be more women. That will be a matter for the Caucus. There's one more up here and then I must go.

JOURNALIST: On the Harlin matter, Mr Bowen did an interview last night on television which seemed to cast some doubt on whether he approved of the idea of showing confidential documents to Mr Peacock. Have you talked about that with him? Secondly, Senator Richard Alston claims that you must have known about this matter back in December when Bowen went through the processes of ...

PM: Let me go to the second part first then obviously it is covered by it. I said we don't discuss these matters, I made it before, we neither confirm nor deny these matters and you don't expect me to do that. On the third part of your question, there was of course discussion with Mr Bowan before I made the offer yesterday.

JOURNALIST: What documents have you asked to be made available? Are they actual NCA ...

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PM: You're not really serious about that question. I have said that I neither confirm nor deny. So I've said if he wants to look and see if there are documents then do it. OK.

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