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FM CANBERRA 030045Z OCT 80
TO ROUTINE FCO
TELEGRAM NUMBER 559 OF 08 OCTOBER
INFO SAVING WASHINGTON WELLINGTON

AUSTRALIAN FEDERAL ELECTION : 18 OCTOBER

1. WHEN MR FRASER OPENED THE ELECTION CAMPAIGN ON 30 SEPTEMBER IT SEEMED A FOREGONE CONCLUSION THAT HIS LIBERAL/NATIONAL COUNTRY PARTY COALITION WOULD COAST COMFORTABLY TO VICTORY AT THE POLLS ON 18 OCTOBER (BUT WITH ITS 1977 MAJORITY OF 48 OVER THE AUSTRALIAN LABOR PARTY (ALP) IN THE 124 SEAT HOUSE OF REPRESENTATIVES REDUCED TO PERHAPS LESS THAN 20).
2. THE OUTCOME HAS NOW BEEN THROWN INTO DOUBT BY A SUBSTANTIAL SWING TO LABOR IN SEVERAL PUBLIC OPINION POLLS PUBLISHED BY THREE SEPARATE ORGANISATIONS SINCE THE CAMPAIGN OPENED (BUT BASED ON SURVEYS TAKEN BEFORE THE POLICY SPEECHES OF THE MAJOR PARTIES). LABOR NEEDS A SWING OF 6.1% OVER 1977 TO GAIN A BARE MAJORITY. THE AVERAGE OF THE RECENT OPINION POLLS SUGGESTS A SWING OF SOME 8% GIVING LABOR A MAJORITY OF 15.
3. THIS QUITE UNEXPECTED SHIFT, DEMONSTRATING THE UNUSUAL VOLATILITY OF THE FLOATING VOTER AT THIS ELECTION, HAS INTRODUCED INTO A LACKLUSTRE CAMPAIGN A DEGREE OF PUBLIC INTEREST WHICH THE POLICY SPEECHES HAD FAILED TO GENERATE.
4. THE GOVERNMENT COALITION IS STANDING ON ITS RECORD AND ITS ACHIEVEMENT COMPARED WITH THAT OF MOST OECD COUNTRIES. IT REPEATS ITS FAMILIAR EMPHASIS ON RESPONSIBLE ECONOMIC MANAGEMENT (CONTRASTED WITH LABOR'S DISMAL RECORD UNDER WHITLAM) AND STRESSES THE OVER-RIDING IMPORTANCE OF NATIONAL SECURITY. MR FRASER, PROJECTED BY HIS PARTY AS THE STRONG DEPENDABLE LEADER AND BY HIS OPPONENTS AS ARROGANT AND OUT OF TOUCH WITH PEOPLE, HAS PRODUCED A LONGISH LIST OF INDIVIDUALLY RATHER SMALL PROMISES BUT HAS MADE NO ACROSS THE BOARD COMMITMENT TO REDUCE TAXES OR ASSIST FAMILIES.
5. LABOR'S POLICY SPEECH REHEARSED POLICIES ANNOUNCED OVER RECENT MONTHS AND IDENTIFIED UNEMPLOYMENT, INFLATION AND PETROL PRICING AS THE MAJOR ISSUES. (THE LATEST POLLS SUGGEST THAT THE FIRST OF THESE FIGURES LARGEST IN THE PUBLIC MIND.) MR HAYDEN, PAINTED BY THE COALITION AS WISHY WASHY BUT COMING ACROSS WELL AS QUIETLY SELF-ASSURED AND COMPASSIONATE, HAS PLEDGED PROGRAMMES (INCLUDING A GENERAL CUT IN INCOME TAX) WHICH WOULD BENEFIT THE AVERAGE FAMILY THE THE TUNE OF 10 TO 20 AUSTRALIAN DOLLARS A WEEK.
6. BOTH SIDES SEEK TO DEMONSTRATE THEIR MODERATION AND ECONOMIC STEADINESS. EACH IS LOUD WITH CLAIM AND COUNTER-CLAIM OF WHAT THE OTHER'S POLICIES WOULD REALLY COST. BUT NEITHER IS YET FIGHTING DIRTY.

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7. THE AUSTRALIAN DEMOCRATS, GENERALLY INCLINED TOWARDS THE ECONOMIC POLICIES OF THE COALITION AND THE SOCIAL POLICIES OF THE ALP, LOOK LIKE HOLDING A BALANCE OF POWER IN THE SENATE (WHERE THEY NOW HAVE ONLY TWO SEATS): THEY ARE UNLIKELY TO WIN A SEAT IN THE HOUSE.

8. DESPITE THE FIGURES IN THE OPINION POLLS, FEW PEOPLE REALLY EXPECT LABOR TO WIN: ALTHOUGH THE STOCK MARKET HAS FALLEN SUBSTANTIALLY (AS HAVE AUSTRALIAN STOCKS IN LONDON) QUOTE JUST IN CASE UNQUOTE. (THERE WAS A SIMILAR QUOTE SCARE UNQUOTE IN THE OPINION POLLS BEFORE THE 1977 ELECTION WHEN THE GOVERNMENT AFTER ALL ROMPED HOME). THE GAME, HOWEVER, IS STILL TO PLAY FOR AND THE SWING VOTER, IN THE RELATIVELY FEW CONSTITUENCIES AT ISSUE, (A POLL PUBLISHED TODAY SHOWS 8% OF ELECTORS QUOTE UNDECIDED UNQUOTE) MAY BE INFLUENCED LESS BY BROAD ISSUES (WHERE THERE IS LESS OBVIOUS DIVERGENCE BETWEEN THE PARTIES THAN IN 1975 AND 1977), THAN BY HIS HIP-POCKET, WHERE MR HAYDEN'S PROMISES MAY SEEM MORE IMMEDIATELY ATTRACTIVE. MY MONEY IS STILL ON MR FRASER, ALTHOUGH I BELIEVE HIM NOW TO BE RUNNING MORE SCARED THAN HE EVER FORESAW.
FCO PASS SAVING TO WASHINGTON.

MASON

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