



**PRIME MINISTER**

**TRANSCRIPT OF PRIME MINISTER, THE HON. P.J. KEATING, MP**

**DOORSTOP PRESS CONFERENCE  
GATT ROUND - SUNDAY, NOVEMBER 22, 1992**

**PM:** A few of you have asked me for comments about the announcements over night or yesterday about the agreements between the United States and the European community on agriculture and I'm quite happy to amplify what I said yesterday and that is this is the best news for Australia in a decade, easily in terms of international trade. It allows for a completion, a successful conclusion of the Uruguay Round in the other aspects and it means in the first time in a decade we are able to see a reduction in price supports for domestic agricultural production, particularly in Europe and the United States. We'll see a very large reduction in export subsidies and a large reduction in export volumes, in practical terms about a 36 per cent reduction in export volumes, about the same in the value of money spent on export subsidies. You've often heard our opponents say of the Government that we've been too interested in multilateralism, well this is multilateralism roaring, this is multilateralism making a world statement that bi-lateral, that is, arrangements between two countries, can't possibly make and it's the first great break for Australian farmers in a decade. Our farmers are, of course, efficient, they don't require the subsidies others have had, they've had to sell into polluted markets and I'm pleased to be able to say that after six years of work on the part of everybody, but particularly the Australian Government will bring, I think, sanity to agriculture markets through the 1990s.

**J:** Isn't there still a risk though Prime Minister that the French are going to pull the plug on this because of the pressure that they're coming under with their farmers?

**PM:** They are under pressure but it's a matter of whether President Mitterand exercises a veto, we're told at this stage his inclination is not to but I'm also happy to say that the White House today complimented Australia in its support for these arrangements, first of all in the establishment of the Cairns Group, its leadership in the Cairns Group and the fact that Australia has been right at the front of every cheek by jowl negotiation over six years. So if we see, as I think we have now every prospect of seeing, a successful conclusion of this in Geneva as we bring the other things into the round like services, trade in intellectual property rights etc., it

will set up for Australia and Australian farmers and Australian agriculturalists and the agriculturalists of the Third World who have been so often left out a much better international trading system in agriculture.

**J:** How quickly would you expect the United States to wind back its use of EEP given that EEP is intended as retaliation against Europe?

**PM:** Well it means that none of these things can grow, they'll actually be declining and therefore all these programs like EEP will go the way of all the other subsidies.

**J:** Do you have any idea what this will mean in dollar terms for Australian farmers?

**PM:** No, you can't quantify it in dollar terms but it just means that a 36 per cent reduction in export subsidies and volumes over six years, it means everything is heading the right way and in some of these reductions they just continue after the six-year period is over. So it means that the whole backdrop in trade in agricultural products world-wide will have changed for Australian farmers.

**J:** On a related issue, talking about the White House, do you have any comment on the Clinton Administration's partiality to our system of I.R.?

**PM:** Apparently the Administration has shown some interest and some data has been collected on the Australian industrial relations system and by a number of Democrats on our health system, on Medicare. You know Governor Dukakis was in Australia last year looking at this very thing. He spent two and a half months looking at the Australian health insurance system. So I think there are elements of the Democratic Party and maybe the administration who think Australia can provide some structure or some framework on health and on enterprise agreements and it is, I think, the nature of the enterprise agreements is what they are interested in. That is, how in a consultative structure we can get productivity change and workplace change on a national basis.

**J:** Do you think that Australia should follow US lead on the issue of homosexuality in the Defence Forces?

**PM:** Well that's a matter we've got to discuss ourselves. But in terms of issues of weight, the issue of weight here is overwhelmingly these sets of announcements in Europe which I think are going to be phenomenally good news for Australian farmers.

**J:** Mr Keating, do you think they'll have any impact on Australia's attempt to get 3 per cent economic growth this year?

**PM:** I think they'll be a great confidence booster to world confidence. There hasn't been that much leadership by the G7 countries in pulling the world out of the recession but I think this, which is the essence of leadership, will matter a great deal in

confidence levels and let me say I think President Bush deserves a high note of congratulations here because I can't imagine any more important or sweeter note that he could end his presidency on than setting up an historic set of international arrangements in trade. When his presidency is completed this will go on for now forever as one of the very clear achievements of his administration.

J: Do you think this breakthrough could have an impact this financial year on the world economy?

PM: No. But it will certainly have an impact on confidence and it will give all the right signals to all the people that produce agriculture and not only that but all these other things that will come with it - trade in services, intellectual property rights, it's giving us a proper background, a proper world order to trading arrangements and hopefully it will do in agriculture and services what the so-called Kennedy Round did in goods in the 1960s. I mean this, brought to fruition will be an historic change.

J: Mr Keating, on another matter, will you be announcing revised Budget forecasts?

PM: Michelle, that's something you should ask the Treasurer. I'm just not aware of exactly where he is on the forecasts at all, or where the Treasury is.

J: Do you have any response to Dr Hewson's call for a series of debates on ....

PM: I notice Dr Hewson is being advised by everybody about selling the GST. I notice today we've got a group of Sydney luminaries telling him how he should better market his product. The problem is the product is no good. It's not that the marketing is no good. He has been to every city and every provincial city in the country talking about it now for a year, one could hardly say the sales effort hadn't been reasonably ambitious, but the product is basically a dud, that's the problem. This always happens with political parties when they have, I think a remark you made, a very profound one Michelle over the weekend, that is, when political parties have trouble with policies they say they have a communication problem. The problem here is not the communication problem, the problem for the Liberal Party is the product is wrong for Australia. I notice that commentators like Ross Gittins and Max Walsh and others have said that Fightback, the GST, is no solution to Australia's problems in restoring growth whatever one might think about it in the medium term. But even in the medium term, does anybody believe that a tax on the whole nation's food, clothing, goods, services to abolish payroll tax and reduce the price of petrol is going to produce the new Australia. I mean does anybody think that reducing the price of petrol and removing payroll tax is going to, presto, produce a new country. This is what the Liberal Party has advertised this policy as and the fact is this is a very crude tax switch which takes money off one group of people and gives it to another and it's very disruptive. The problem the Liberals have is that the product is no good, not that the sales program

is no good. It wouldn't matter how good the sales program is, they're selling a dud, but they still believe in it.

**J:** But Treasury secretary Tony Cole said it was good for exporters?

**PM:** No he didn't. If you want to see what the Treasury had to say about this, read the Treasury analysis - three-quarters of all families worse off, a 4 to 6 per cent affect on inflation, that is, putting our inflation rate back near double digits. This thing is a macro-economic disaster and tie it in with their industrial relations and you've got a full-blown disaster.

ends