



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
INTERVIEW WITH MAXINE MCKEW, ABC RADIO, THE WORLD TODAY
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MM: Prime Minister, Dr Hewson has this morning rejected your claim that he would change the GST and include food after the election. Don't you have to face the fact that the electorate could well be in a mood to believe Dr Hewson?

PM: Why would they? He has said now for a year that if he changes his policy he will resign, he'd resign first. All of that humbug has been made obvious by his vault-face on the matter. He said yesterday in the newspapers, "in my own analysis it was fair to do what I planned", that was tax food. So he has got the hide to say yesterday: I still think taxing food is right but I won't because of public opinion. In other words, he has changed his policy but he hasn't changed his mind.

MM: But, Prime Minister, you have made some quite dramatic policy U-turns throughout your career, why shouldn't Dr Hewson be able to plausibly do exactly the same thing?

PM: Yes, but anything that I have done has been within the framework that the Government was working in all the years.

MM: 1985?

PM: No, but we abandoned it. I didn't introduce it and then sneak in a food tax. Look, Dr Hewson believes ... let me say this, why doesn't he exempt things ... If he thinks the GST is unfair, where does he draw the line? Why doesn't he exempt other household necessities like water, gas, electricity and the telephone? Or, what about children's clothing, or clothing in general? Or takeaway food, what's he going to do with takeaway food? Are all the takeaway outfits going to be taxed with a 15 per cent GST?

- MM: Well, presumably we'll get all those details on Friday.
- PM: Can I just say this. The Cole Committee, which was doing all these details about the building industry, tourism, all of these questions about food, fast food, all the distinctions which will really matter, it's now going to cynically report after the election, after having been promised by Dr Hewson in the middle of the year, September, October, then before Christmas, now after the election. In other words, all the details will be buried, and yet we're asked to believe that when he runs into the complexities of exempting food and the administrative mess of things like fast food and restaurants, and all the other things, that he won't when he has a political opportunity introduce a tax on food. Well of course he'll do it. Of course he'll do it.
- MM: Well, Prime Minister, can you spend the entire campaign wandering around saying that John Hewson is not to be believed? If you do that people might think you have nothing else to offer.
- PM: Hang on, let's be clear about this, this is the man ...
- MM: You're making a big point about his believability factor.
- PM: He's now walking around talking about compassion. This is the fellow who said this ...
- MM: Why do you reject that as so implausible, though? Isn't it perfectly conceivable that John Hewson could have had a conversion on the road to Damascus?
- PM: Come on, look, he discovered his heart when he discovered fear in it. That's when he discovered his heart.
- MM: Others would say flexibility, that he's listening to people, the fact that he is now starting to do all the things that you'd been suggesting he should.
- PM: I'd say not flexibility. Fright. Look, he said this in a debate recently, "I remember you" (that's me) "I remember you saying not long ago that when they fall off the pace" (that's the poor and the underprivileged) "you'll reach back and pull them up. What you mean is you'll pull everyone else down to the lowest common denominator". Now how could you hold those sort of cold-hearted views and then be running around after your Federal Director has been on your back and saying that you're a born-again compassionate person? Then he said this, in a written speech recently to the Family Summit, he said "giving people choice is the compassion that liberates, just giving is the compassion that suffocates". This is a person who has, in terms of those not well-off, lacked any soul whatsoever. Now we're supposed to believe that because he is faced with a 47 per cent poll support for Labor and 40 for the Coalition last week, and the panic-stricken directives of

his Federal Director, Mr Robb, that we're supposed to say this is a new-found compassion and a new-found sense of decency in policy.

MM: Prime Minister ...

PM: The thing is, Maxine, if you believe that you'd believe anything.

MM: Prime Minister, one could say he has in fact listened to the force of your message, he is after all doing all the things that you've suggested he do - he's listening, he's talking about equity and fairness and he says he is going to stimulate recovery.

PM: No, this is the same fellow who said this on stimulation, he said on 24 November in the House 'surely stimulatory economic policies do not work'.

MM: Well, now he's seen the light.

PM: Come on, seen the light, come on. I mean is there any scepticism left amongst some of you people in the Gallery? Come on, please. This is a fellow who for a year has told Australians Fightback is the answer, if there's any variation in this I'll resign. Stimulatory policies don't work, if you reach down to help the poor they'll drag us all down and now we are supposed to believe with one beach walk and a couple of press statements that he's a compassionate, thinking, caring, listening person. You know what he's listening to? His Federal Director. You know what he's listening to? The polls, nothing else.

MM: Prime Minister, if as you say John Hewson will bring the GST back on food after the election, what will you then do after the following election, will you remove the GST if elected, the election after next?

PM: I made it clear where we stood, if he campaigns saying that food should be excluded and then he puts food in, subsequently we would vote against that in the Senate. But he would have certainly no ...

MM: You'd vote against the food being included on it?

PM: Yes.

MM: But you would pass the rest of the GST.

PM: Well, if he won an election on the basis of the GST.

MM: Right, let's fast forward to the following election, what would you do then? Would you campaign on the basis?

PM: If you are still here Maxine I'll tell you then.

- MM: Prime Minister, you didn't answer that question in Perth last week. If you are leaping ahead and assuming what John Hewson will do ...
- PM: You are talking about two elections away.
- MM: I know, but that's what you're doing.
- PM: Six years away.
- MM: You're making judgements about what John Hewson will do after the election. Shouldn't you answer the same question about the election after next?
- PM: No, Maxine after the election can be within six to twelve months from now, that is, in the immediate future. The fact of the matter is that even with food out of the GST, it still collects \$22 billion – it's nearly half the Commonwealth's total income tax. This is a massive disruption to macro-economy and to the way all Australians will live. What he said is nothing that I've said in the past about being the politician that Australia needs, about having the policies which we require about not shifting, not bending – what the Liberal Party have ended up with now is another Andrew Peacock, but without the good nature or the good humour. They've got someone who is a flim-flam man, someone who really basically doesn't stand for any policy other than that which will get him a vote at the polls. So all this hyperbole we've heard from him – I'm the man, I'm the person, I'd rather resign than change is basically just pap. What we've got is what the Liberals always give us – a collection of Andrew Peacocks only this time without a soul, without the good humour and without the good nature.
- MM: Prime Minister, regardless of what you see as the motives, isn't the fact that the policy shift by Dr Hewson back to the centre ground, if you like, doesn't that put pressure on you to move further to the left in your own policy?
- PM: His model is Fightback, which is a tax switch, which he says now he will make less objectionable, and he is talking vaguely about some stimulatory add on.
- MM: What if he comes out with a big ... on Friday?
- PM: Hang on. Just listen. It would do some of you people in the gallery good to listen, because none of you picked the pick up in Labor's fortunes, none of you. Basically you are writing the columns ...
- MM: Yes, but you don't believe it either otherwise you would be having an election before Christmas.

PM: Yes we do believe it, yes, there are too many polls not to believe it. None of you picked it, just listen to what I say. John Hewson's framework is the Fightback framework. It is a tax switch which he says he will make less objectionable with maybe some things added on to it. The Government's framework is entirely different, it is a decade long development of a safety net, access and equity in education, in health, in aged care, in child care, it is a systemic approach of a Government with real compassion, a party with real compassion, well placed and as well as that a commitment by the Government to go back to doing what it has always done well and that is growing the economy. His framework is nothing like that, his framework is basically to have a tax switch which will increase prices, he wants to cut wages through his industrial relations policy and then we are supposed to say, well in all that cold hearted, hard hearted framework he might make the tax change less objectionable and he might add something on to it which I am supposed to say, oh well in that case, this is really something. I mean this is the same old tired framework, ideological framework which is reminiscent of Thatcher in '78-'79, Reagan in 1980, which is now out of sync with the times all around the world, which Dr Hewson now realises he has got difficulty with, he is not changing it because he thinks it is right to change it, in fact he thinks it is wrong to change it, he is changing it just for votes.

MM: Don't you have to develop your own positive message and not just reiterate a negative message against Dr Hewson?

PM: Maxine, I have just come from the Science Council where we were just talking about today, extending Australian science and technology into Asia. Where people at the meeting are saying that this Government's shift into Asia, in foreign policy terms, has made all the difference. Later today I am seeing people associated with the Qantas sale, we have got a brand new airline system just about to come off the stocks. We were talking this morning about the development of a national vocational education system which has happened this year with the national training authority. The Government is the Government of Australia, it is doing the big bold things like vocational education, like the shift into Asia, like telecommunications. That's where we stand, we don't have to run around and say...

MM: But you did.

PM: And say well now this rinky dink proposal of the leader of the Opposition is too objectionable and has to be varied, where are going to say, oh well in that case our framework somehow has to be adjusted. Our framework is the framework of a sure-footed, confident Government that has remodelled the Australian economy from an industrial museum to a modern industrial state.

MM: But just finally you did articulate in Perth last week that you wanted to work on a second term agenda, as you put it .

PM: Oh yes, but it will be again consistent with the big things we have done in the macro-economy, the micro-economy and in social policy. But Maxine let us not hear for a Government that has strung together one of the best social safety nets in the world, where you have had somebody as heartless as Hewson saying to us if you lean out to help people you will pull people down. If you give them things it is compassion which suffocates them. Let's not hear the hypocrisy and humbug of him saying, within weeks of saying those things, that he now believes that he is listening to people with compassion. You know what he is listening to, the polls? And do you know what he has found in his heart, he has found his heart? Because for the first time he has found fear in his heart, that is where he discovered it.

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