



PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PORT BOTANY, 15 MAY 1989

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JOURNALIST: Nick Greiner has offered to decrease State borrowings at the next Premiers Conference. What's wrong with that?

PM: Who said there was anything wrong with it? He can afford to and we'll be making the decisions on Thursday at Canberra at the Premiers Conference and Loan Council meeting, affecting not only New South Wales but the other States and the Commonwealth as a whole which are necessary to see that the welfare of the Australian economy is protected.

JOURNALIST: Will the country's borrowings be decreased?

PM: Well, I think it's not a bad idea to leave the announcement of the decisions till the Premiers Conference rather than to do it three days beforehand in however congenial the environment is here.

JOURNALIST: Your comments on the Tasmanian election results?

PM: Well the Tasmanian election result is one which causes me a degree of satisfaction. Obviously we would've liked to have won, but I think that was asking probably too much to win a majority in your own right in those circumstances. There was a significant swing to the Independents because that swing came from the Liberals. That took care of We held our vote up. To the extent that the Tasmanian election shows an increasing tendency for the electorate to concern itself with environmental issues, that's a good thing because our record in that area is impeccable. From day one when we saved the Franklin in Tasmania and the series of decisions we've taken in regard to the rainforests, Kakadu, Barrier Reef and so on, this Government has got the best environmental record in the history of this country at the same time as we've had significant economic development. So we welcome, in a sense, the increasing public awareness of the importance of environmental issues.

JOURNALIST: Greens Party in maybe forming a coalition?

PM: No.

JOURNALIST: What sort of representations Tasmanian Government at the Premiers Conference?

PM: The representative there will be the Premier, Mr Gray. Mr Gray is still the Premier. Now how he will be influenced in what he has to say by the considerations of Saturday is a matter for him, but the formal representative of Tasmania on Thursday - unless between now and then there's been some changes and I don't think there can be because I don't think the polls will be declared. It takes a fairly long time under the Hare Clark system - Tasmania will be represented by Mr Gray.

JOURNALIST: Prime Minister, are you suprised that a consumption tax is being moved by Mr Elliott?

PM: Well when you look at what's happening on the conservative side of politics I'm not suprised by anything. I mean you ask am I suprised by the moving of the consumption tax, well I said yesterday that what clearly emerged is that Mr Peacock's been established as Leader by default. It is now out in the open. Mr Elliott was considering running for the Parliament. He had a number of votes tied up. He made his decision that he wasn't going to run but said he would allow Mr Peacock to do the job of hatcheting Mr Howard. So Mr Peacock is there, as it were, Mr Elliott's hatchet-man. Not surprisngly Mr Howard has said that there's funny ideas about loyalty in the Liberal Party. It's surprising he said that the President of the Liberal Party, Mr Elliott, was party to this conniving and didn't tell him what was going on. But the whole plot is emerging quite clearly now. Mr Peacock has said was economically illiterate, but he's done a little bit of an apprenticeship. He's learnt to turn over the pages of the Treasury Bulletins and knows roughly what page to turn to to find out where some of the relevant statistics are. So he's done a little bit of an apprenticeship, but the President of the Party will be calling the shots. He's saying 'there will be a consumption tax but we'll do a little bit of deception Andrew. We won't have it in the first term, but I'm telling you, as the man who's calling the shots, that the consumption tax will be on in the second term' and it's all nicely hypothetical because the Australian people aren't going to buy that. The other interesting development is the increasing amount of dissention which is arising each day now following the coup of last week because we now have the remarkable situation of the dinner - it must have been a chummy little event down at, where was it, Bathurst or wherever in the country they met on Sunday night - with Senator Puplick getting up and saying 'of course Mr Howard was offered the Shadow Treasury'. Mr Howard getting up and saying 'that is a lie'. Now, that's followed by today's statement of one of the leadership team, Senator Austin

PM (cont): Lewis, saying that his new leader, Mr Peacock, has made a mistake and that John Howard should be on the front bench, should have had the choice of his portfolio. So what a happy little bunch of pilgrims they are.

JOURNALIST: Mr Hawke, does any of this change your Government's election strategy?

PM: Look, that really is getting old hat, if I may say so. Who was the person who talked about an early election? It was a bloke called John Howard. Do you remember him? He was a leader of the Liberal Party who saw that he was under some sort of challenge, he didn't realise how imminent it was, and said that Bob Hawke, by bringing in the tax cuts in July, was going to have an early election. I've made it quite clear that that was the delivery of a promise I'd made twelve months ago. That if we got a proper wages outcome, which we have, then the tax cuts would be coming in on the first of July as part of a wage/tax deal. So I deliver on a promise that I made twelve months ago and the late Leader of the Liberal Party says 'we're going to have an early election'. Now I didn't say at any stage there was an early election, so I haven't had any change of plans. As tempting as the spilling of all the blood and guts and gore of the conservatives all over the Parliamentary floor and around Australia some people might regard that as tempting. I don't. We'll be going on with the business of managing the Australian economy. The Australian Parliament is now about two years, well, not yet two years, into its life. We were elected in July of '87 and we will go on governing. We've got to do some tough things. We've got to restrain the economy somewhat, we're still operating at somewhat too high a level, so we're going to have to try and get the level of activity down because we can't sustain the high level of imports we've got. But we'll go on governing, making the necessarily tough decisions that will be made, but also in a situation where the living standards of Australians are going to be able to rise because of the very substantial tax cuts that will be coming into their pockets from the first of July. So we go on with the business of sitting down, hard work of Government, making the decisions that are necessary while the conservative opponents, with each passing day show two things. One, they've got no policies and secondly, and one of the reasons why they've got no policies is because they hate one another with an intensity unrivalled in the history of Australian politics.

JOURNALIST: Prime Minister, how disruptive do you think Mr Howard is going to be in the ensuing months -

PM: Well it's a bit unfair to Mr Howard to accuse him of being disruptive. I mean what happened? I mean it's fair game - and I can speak with a reasonable amount of historical experience and authority in this matter - it's

PM (cont): fair game for someone to want to get the leadership if they think they can do it better. No-one, including Mr Howard, has objected to that and to his credit he said 'well that's fair enough if Mr Peacock wants to knock me off he can'. But he's not been the one that's been disruptive. He considered his position and said that he would wish to be in the Shadow Cabinet, nominated reasonably two positions, Foreign Affairs and Defence. Now in one of the most calculated and ungracious acts of a new Leader, I think in the history of Australian politics, Mr Peacock said 'really, truly?' It went like that. To John Howard, offered him Education, said 'I can't give you Defence because I want to put Defence in the hands of that genius, Jim Carlton'.

JOURNALIST: Do you see your Opposition -

PM: Now, just a minute. To talk about Mr Howard being disruptive in those circumstances requires a rather remarkable feat of intellect. I mean he said 'well I'm prepared to serve with you', but Mr Peacock said 'well you're not good enough for Defence, Jim Carlton's much better'. Now if there's any disruption, it's there and now it's paying off because the Liberal Party is now in unprecedented turmoil. I mean I can't remember any time that it's been in more turmoil than it is now because you've got the actual leadership, the new leadership, blew it saying 'this new Leader, Peacock, has blown it'.

JOURNALIST: Getting back to Tasmania for a moment -

PM: Yes, we are going around the world aren't we? Across to Tasmania, across the Tasman, yes.

JOURNALIST: Will the result down there mean any sharpening in your own environmental policies?

PM: No. What I have in preparation already, well in preparation not in reaction to any Tasmanian result, is a major statement on the environment. That is well under preparation now, which will bring together a number of developments that I have asked to be initiated which will deal with the global issues of the Greenhouse Effect, the depletion of the ozone layer, particularly Australian issues like soil degradation and we'll be making a major statement in June or July which will be, I think, the most comprehensive statement that any Government in the world is able to make. I don't think there's any Government which, on the whole range of environmental issues, has on the record and in the books, processes to deal with the whole range of environmental issues. We're extremely proud of what we've done and we are committed to having a comprehensive attack upon all these issues which are of properly increasing importance to the Australian electorate.

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