



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH PAUL LYNEHAM, 7.30 REPORT
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E & OE - PROOF ONLY

LYNEHAM: Prime Minister, thanks for joining us.

PM: It's a pleasure Paul.

LYNEHAM: Eighteen and a half million dollars for international promotion of our tourist industry and eleven and a half for domestic promotion. What are we going to be saying overseas, "come back, we're sorry"?

PM: We've got nothing to be sorry about. All the attractions of Australia are permanent features. We still are the most attractive tourist destination in the world I would suggest.

LYNEHAM: But we must be on the nose a bit in Japan.

PM: We're not on the nose. I've had the opportunity as you would've appreciated in recent weeks of meeting with a lot of people from Asia. Our Japanese friends were here for APEC. We're not on the nose.

LYNEHAM: But yet we're not even in some of the travel pamphlets being distributed now in the East Coast of America and in Japan for the Christmas-New Year period.

PM: Just let me make this point to you. The increase in international tourism to Australia as you know has been enormous. The industry and the Government is confident that that growth can be maintained. The important thing, looking at it long term - which is I know what you're interested in as I am - is that of course we are going into next year with an infinitely more efficient and productive airline industry than we've ever had in this country before. That's the important thing.

LYNEHAM: So if I ask you how long before we get right back to taws in the international market what would you say?

PM: We'll be back to taws in the international market next year.

LYNEHAM: And the domestic promotion you're targetting, Tassie, the Northern Territory and North Queensland.

PM: It is not confined to them. There will be, as we put it, a \$5 million generic Australian advertising campaign and then there'll be the \$6.5 million which will be targetted most particularly at those areas that have suffered the most and that is the Northern Territory, Northern Queensland and Tasmania.

LYNEHAM: What did you mean when you said recently that you thought Paul Keating might have handled his attack on John Elliott differently if he had his time again?

PM: I meant one thing and one thing only. I'm not dodging the question, I'll come directly to it but it's fair that I should make this point because there has been some attempt to misinterpret, if I can put it that way, what I said. I have total faith in Paul Keating. He was absolutely right in making the point that John Elliott epitomised the total inequity and the economic insanity of the Liberals' capital gains tax policy. Let me say that I'll be shoulder to shoulder with Paul Keating in continuing that attack upon a policy which I believe is arguably the most grotesque socially inequitable policy that this country has seen and in economic terms the most disastrous. Now I simply was making the point, and you as a journalist would understand this. Politicians like journalists have sources. You as a journalist will not reveal your source. That's your ethic. And in Paul Keating's case I know from my conversation with Paul that he believed totally in the source that he had as to the accuracy of what he was putting. The difficulty of course, his difficulty was in not being able to reveal that source. Now I meant no more than this, that having made the statement he did and having the inability to reveal his source that that was a problem which if he'd had his time again he might have rearranged his presentation. But I mean no more and no less than that.

LYNEHAM: So you weren't implying he should have softened his presentation?

PM: Not softened his presentation because what has been done by Andrew Peacock - and let me say this on the question of the involvement of Mr Elliott. Mr Elliott on many occasions has boasted publicly and openly about his involvement in policy development in the Liberal Party. Just let me give you one reference, very quickly. This was on the 14th of May on a television program - I won't mention it, it wasn't yours. But on the 14th of May he was asked the question 'do you think Peacock's a wiser politician than he was a couple of years ago?' John Elliott ... 'I have spent some time with him as Treasurer and Deputy Leader on the economic policy. And when it comes out I think the community is going to be very pleased with it.' Now here is Elliott saying he's deeply involved.

LYNEHAM: There is a very real difference between having a hand in policy as Party President and having a hand in policy, a particular plank of policy for your own personal gain.

PM: There is no possibility in my judgement of any rational analysis which would suggest that if John Elliott was involved, as he boasted, in the development of economic policy for the Liberal Party that there wouldn't have been, in those discussions, reference to the capital gains tax element. Now the question of whether specifically he raised the question at some point about the Harlin bid and the capital gains tax, I don't know whether he did or not. I'm simply saying that in regard to the basic issue, the central element of their policy of the abolition of the capital gains tax, it beggars belief that if Elliott is saying he was involved in discussions about economic policy that they put a barrier around him being involved in discussions about capital gains tax.

LYNEHAM: Whatever Mr Elliott did or did not do you say your remarks were misinterpreted but it does seem that Mr Keating misinterpreted them too because he said, didn't he in Tokyo, that if he had his time again he would've gone in harder.

PM: I've got no doubt, and you'll see when he comes back, you won't have to be theoretical about this -

LYNEHAM: Was it a slap in the face to Bob Hawke?

PM: Certainly not, certainly not. When Paul is away -

LYNEHAM: You've often had troubles in the past -

PM: When Paul's away we stay in contact with one another. I've spoken with him, as I will - not continuously but regularly while he's away. There's no problem in that regard. You wait and see when Paul Keating comes back, not only in regard to Paul Keating but in regard to Paul Keating and the Prime Minister. We will be attacking the Liberal-National Party policy. The economic policy generally but most specifically their policy to abolish the capital gains tax. Because, as I say, it is grotesquely inequitable that you can have the promise of a Government which is going to return billions of dollars to a tiny percentage, one percent of the population, including John Elliott, and deny to that Government the capacity and the revenue to look after the kids of this community. Paul Keating and Bob Hawke will be in there attacking that as vigorously as we are each capable of doing.

LYNEHAM: Prime Minister, this misunderstanding about the Treasurer is extremely widespread. I put it to you that you'd probably be the only person in Australia who doesn't believe that the Treasurer has openly defied you on this.

PM: You can do what you like. I mean Paul was asked a question. He gave, as he is very very capable of doing, a jesting line in which he said I might as well have gone in harder. I'm simply making the point that neither Paul Keating nor Bob Hawke regarded that as any slap in the face to me. If neither he nor I do that I guess that's the most important thing. Let me say this, that the test will be, when he comes back, you watch us both in action on this issue.

LYNEHAM: Is there any justification at all for Opposition claims that your wife is campaigning for Labor through her involvement with Greening Australia and Austcare?

PM: No, I must say that I regard their performance as pathetic. We've seen yet again this current leader of the Opposition flip-flopping on an issue again. First of all grabbed hold of a tasteless comment by a Senator from Queensland. When you want to find not the most elevated form of political life you look at Opposition Senators from Queensland.

LYNEHAM: Mr Peacock says she does seem to feature in a fair number of taxpayer-funded commercials.

PM: But then what did flip-flop Andrew do? After having taken the cheap swipe he got a bath last night, and particularly from Laurie Oakes, got a bath and then said of course not, I'm not attacking Hazel, I admire her. A pretty overall gutless performance.

LYNEHAM: Of course the truth is she's probably more popular than the both of you at the moment isn't she?

PM: Yes, I'd be very surprised if Hazel - well I'm significantly more popular than Andrew - but I would be very surprised if she didn't pip us both.

LYNEHAM: Thank you and good night.

PM: Thanks mate.

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