



PRIME MINISTER

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E & O E - PROOF ONLY

JOURNALIST: Prime Minister on that theme, a year or so ago you expressed a wish sometime to go to Antarctica. It didn't turn out to be practical at that time. Would you hope that you might be able to do that sometime in the near future?

PM: Very much so. I deeply desire to go down there. I must say that it was further fired last night. My satellite hook-up with my very dear friend, Jacques Cousteau, who I invited to come to Australia, and may I say to Tasmanians as part of the bait, if I can put it that way, I invited him to come and sample the beautiful food of Tasmania, and he responded fervently. So Jacques will be coming here next year and in responding to my invitation he said can we go to the Antarctic. I said it would be marvellous if we could do that. So it would be marvellous to go there and I couldn't think of anything more exciting than going there with Jacques Cousteau.

JOURNALIST: There will be flights next year for the first time ...

PM: I'm not unaware of certain developments that are being looked at and if we -

JOURNALIST: inaudible

PM: No, no. But all things are being considered.

JOURNALIST: Prime Minister, on a national matter -

PM: These are national matters. You have a nation, a very important part of the nation.

JOURNALIST: The Opposition Treasury spokesman speaking in Melbourne yesterday, ... said the Opposition is expecting a dirty election campaign ...

PM: Well, I mean they'd know about this, they are the experts, they are the one's who do these sorts of things. So that's what they feel that they are going to be about, OK, I think that that is of course, a defensive mechanism that's being developed. You see Opposition's in a very difficult condition about what will be a major thrust for this campaign. That is the stark and deep gulf between the two Parties, the Liberals and ourselves. On the fundamental issue of the financing of Government expenditures I refer to the fact that Dr Hewson is proposing the proposition that it is a fair Australia in which you abolish your capital gains tax and give back billions of dollars to the wealthy. He knows that his Federal President, Mr John Elliott, typifies in the Australian mind what this is all about. He knows that we will be attacking with all the vigour at our command, the fact that it is morally repugnant and economically insane to take billions of dollars out of the public revenue and give it back to the likes of Elliott. Now we will be remorseless and relentless in attacking that issue. This would represent in the history of this country the most massive redistribution of income from the poor and the middle income Australia to the wealthy few. One of the most massive that's happened in any western society. Now in an attempt to try and divert attention from that fact, which is increasingly becoming recognised by the Australian people, is going to be this attempt to say we're attacking John Elliott. Now as far as I'm concerned, as I've said, John Elliott represents, typifies if you like, what is, as I say, socially obnoxious and economically insane in this proposal. If Dr Hewson thinks that he's got any chance of diverting attention from the full onslaught - not merely of the Labor Party - but of many, many people in this country, many organisations on this perversion of a policy of his, then he's mistaken. He may also, I suggest, examine his own statements on this issue. What has happened to Dr Hewson to divert him from the purity of his approach as an academic economist before he became influenced by the forces behind the Liberal Party. Because before he became so influenced by the forces within and behind the Liberal Party he expressed the view that there should be attacks upon a capital gain. That was his position. But now he gets into the operations of the Liberal Party and suddenly the clear understanding of the objective economist is warped by all the forces which form the bias, the prejudice and the privilege which is the Liberal Party in this country.

JOURNALIST: Do you think this is the first time that ... policy ...

PM: No, simply not. I have always been amused by the inadequacy of the analysis - not only in the media, the professional media - but by a number of commentators. It was my task on Friday night in delivering the Evatt Memorial lecture to spell out some of the things which should've been more obvious to people in this country before but which haven't been too obvious. I recommend you read the speech, it's an excellent speech, well written, it was also well delivered, and it will show to you that any suggestion that there is not a vast gulf between the two Parties is just a nonsense. There couldn't be a wider gulf. One of the points that I made then and it's worth I think relating it back here, one of the points I made about education, kids in the school. They had, before we came to office, 7 years in office. In that whole period of seven years what was their magnificent achievement in terms of education and increasing the retention rate in schools in Australia? Magnificent achievement of lifting it by 2%, it's gone from 34% to 36% of the kids staying on in school. They walked out of office after 7 years and in lifting it 2 points to 36% which was about the worst retention rate in the western world. Why didn't they have the money to spend on education? For instance, it was because they allowed the Elliotts of this world to have a situation where through the absence of a capital gains tax, money which should've been coming into the public coffers to be spent on the education of our kids was lining the pockets of the wealthy. Now we said that's not the sort of society that Australia ought to be or under Labor is going to be. So what's been our achievement? We have reformed the tax system so that we get now the billions of dollars coming into the public coffers which should've been coming. Now kids are now staying. Of course it's not 36% of our kids, it's now 60%. Up 2 percentage points in 7 years under them, from 34% to 36. Under us from 36 to 60 and we've been able to do that by more than doubling the amounts of education allowances at secondary school level, going into the homes of the kids of the low and the low to middle income families. Now that's what this election is about and never forget it. What sort of Australia is it going to be? Is it going to be one where you have the worst retention rates in the world, where you don't get from those with a capacity to pay the money to keep and build your kids in schools? That's what it's about. Or are you going to go back to taking the billions of dollars away which have enabled you to massively build your education system and give those billions of dollars to the Elliotts of this world? Now if Dr Hewson thinks that the exposition of those issues is dirty politics then he can think it. That's the exposition of what the facts are about the alternatives facing the Australian community as we go up to the next election.

JOURNALIST: Is there a danger though that constantly referring to John Elliott ..

PM: Well have you heard my exposition? I'm not ... you've got the facts. I'm saying that they have this man as their President. This man openly boasts, openly, I didn't put the words in his mouth. He openly boasts that he's been involved in the development of their policies and he will be a massive beneficiary, he would be a massive beneficiary of their policies. Now I'm simply saying that we didn't chose to elect John Elliott as the President of the Liberal Party. We didn't chose to make the decision that he would be involved in the formation of that. That's their decision and it is inevitable that Elliott's name will be associated. But if they had Joe Blow as their President, Joe Blow, which they don't, but if they had Joe Blow the policy would still be as objectionable. I can assure you my concentration as Prime Minister will be as it has been here. I mean I mention Elliott but my concentration is upon the socially obnoxious----- and economically insane nature of their policies. Whether they keep Elliott as their President or not, that's what the attack will continue to be.

JOURNALIST: Prime Minister, can I change the subject just for the moment to tourism. Some can say that when airline deregulation takes effect in 12 months time, that Tasmania actually will get ... air services, dearer fares and general service won't be as good. Do you share that view? And if that does occur, would you help Tasmania if that appears to be the case?

PM: I thank you for the question. I don't accept that to be the case. Let me say that in these current circumstances, as I've said in meeting with the representatives of the Tasmanian tourist industry last night, that ... I've personally pressed the two airlines to do as much as they possibly could to help Tasmania. So I'm very conscious of the aviation needs of this State. I don't believe that the deregulation of the system will have that effect and I'm prepared to say to you that we'll monitor that very closely. This is entirely hypothetical; if it were to be seen that there was that impact then that's something we'd have to do something about.

JOURNALIST: Prime Minister, you confirmed the \$2.2M for the Tasmanian marketing campaign and the taxation relief. Apart from your ... yesterday, can Tasmania still hope for further Federal Government assistance?

PM: Well let me, I mean you haven't been exhaustive in the way in Tasmania will benefit, I mean out of that \$30M package, which I might remind you it's been said by the tourist industry to meet what they regarded as reasonable. Out of that Tasmania will benefit from all components. Of the \$18.5M on the international advertising Tasmania of course, will be included, as it properly ought to be in the attractions of Australia, for overseas to Australia will get the benefit of the impact of that \$18.5M. You will also get the benefit of the impact of the \$5M what we call Australian generic advertising which will be directed towards getting Australians to travel within Australia, to take their holidays in Australia. Obviously a lot of mainland Australians in responding to that \$5M campaign will come to Tasmania. You have a Prime Minister who sets the lead. At the end of the year I come down here for my break, that's the first thing I do. So that's another \$5M worth you just got. Now you then get the \$2.2M. So you get the benefit of those three components and as to how that \$2.2M ... of course will consult ... You get the benefit of the taxation understanding that we have. Now I think Tasmania is going to do very well out of it. I mean what we've got to remember out of these things, of course I acknowledge and have at all times the difficulties that have been involved as a result of the pilots initial strike action and then their resignation. I mean it's been disastrous for some and extremely unhelpful to the economy generally. But the worst of it, without any question, is over and the airlines are returning towards full services. What we will have then as we go into 1990 is we will have an airline industry which is going to be significantly more efficient than it was before, very much more efficient. Which will mean that airline fare structure will be at lower level as a result of the restructuring than they would otherwise have been and this is going to be of continuing benefit to the tourism industry and the basic attractions of Tasmania remain unaltered. So I think that when you put that against what would've happened if you'd had a weak government like the Opposition who said give into the pilots, you would've had a destruction of the Australian economy, you would've had a destruction of the tourism industry. So there have been problems and very, very real problems. But out of it is going to come a better airline industry and an economy which is going to continue to thrive.

JOURNALIST: Mr Hawke, you made reference yesterday in relation to a fisheries agreement with the Soviet Union, a parallel commodities agreement. I'm just wondering ... some more detail about that commodities -

PM: Now I can just quickly give you the background and then some idea of where were going. Now for the benefit of others, the Soviet's were keen on having a fisheries agreement with Australia. We were keen enough to have that but we also are keen to have a commodities agreement. So the time that's been taken to conclude the fisheries agreement has been a function not so much of the intrinsic problems in that area but of ensuring that we get out of the commodities agreement the benefits that we think are appropriate. Now the fisheries agreement in that regard has been virtually completed. We don't think that we're far away now from getting agreement on the other. So I would think that within a very, very short time we should have ... agreement which cover fisheries. In that respect, I made it quite clear of course, that Hobart would be a preferred port and I think that you can be expecting, Premier, some announcement in that area before too long. I understand that the Tasmanian authorities have been having some discussions which is appropriate that they should do and of course when the agreements at the Commonwealth/Soviet level are finalised then the ... will come. But it's one of those things where we're not very far away.

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