



PRIME MINISTER

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TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
DOORSTOP, HOBART, 23 JANUARY 1992

(inaudible)

PM: I think they have to stick with a Government which has given Tasmania an industrial future and given Tasmania a reasonable decent set of financial accounts. I think it needs to be remembered just how far the discretionary gap, the gap between discrete spending and revenue was under Mr Gray's Government. It was 30% and this community pays, I think, a real trauma in that which Premier Field and the Field Government have very largely now overcome and so in terms of really the hardest sort of work which is keeping a State within its capacity to spend and afford it, that sort of hard grinding work, while at the same time keeping all the industrial facilities going. That hard grinding work, Premier Field has done and the message I give to Tasmanians is hang on to him.

Why didn't you stay longer? Why are you flying in and flying out not meeting the people?

PM Well, I've come down at the first opportunity and I'm seeing quite a lot of people tonight, 170 I think, and the Chamber of Manufacturers in Launceston, they're people as far as I know.

.....the capital Prime Minister?

PM: And I know about this Hobart/Launceston thing and I'm quite happy to visit the Premier here in Hobart and speak in Launceston tonight and I think people
(inaudible) Michael Field and he should stay
(inaudible)

Mr Keating do you suggest that the GST played a part in the Liberal loss in the NSW by-election? I assume you think that Federal issues have been postponed?

PM: Well, Dr Hewson's goods and services tax package, apart from putting his hands into every pocket of every person in the country for everything they buy, is also about a 5 per cent reduction in the Commonwealth payments to the States. That's a \$40 million reduction in the income of Tasmania and that's a very large impost on the State, that would have to be made up by taxes and charges. This is a State with a relatively small population and it will mean a very heavy impost on most Tasmanians. I'm really at a loss as to why the Leader of the Opposition here, Mr Groom, is supporting the Fightback, the Hewson Fightback package when it is going to rip \$40 million off Tasmania.

Yes, you would think that Tasmanians would understand that they would be voting on those Federal issues and...

PM: Well, they certainly will to the extent that the Coalition has been asking people to endorse the policy which the Leader of the Opposition, Mr Groom, supports of taking \$40 million off the State.

So we had to have a recession, don't we have to have a fightback?

PM: I don't deny that Dr Hewson has a plan but it is the wrong plan. A plan that says if we can't really get honest suggestions that all the things that matter to Australia, like jobs, recovery, growth, investment, exports, national efficiency, all of that would be fixed by tax on your Wheat Bix and your clothes. Does anyone really think that can happen? While at the same time blow out the inflation rate/interest rate out with it. I mean that's what people have got to understand what this really means. I mean this is a very nasty package, wrapped up, a very nasty tax wrapped up with some tax give-aways which are not as large as the tax burden which will fall on most Australians.

... of Immigration, Graeme Campbell came to say that you have made a blunder in comments and suggested that anyone who now knows his ...

PM: I don't think that's right. I think that it's important that people understand what population growth is all about and what it means in national growth and national demand and on my part I welcome Dr Hewson's assurance that he will debate this issue, rationally, sensibly and not return to the sort of themes which were running in 1988.

... any comments you have made?

PM: No, because no, I think this is an important subject to Australians. People can't pretend that this has economic implications and then address them in a throw away line in a doorstep in a by-election.

How embarrassing has it been, the Solicitor-General's...

PM: Well I don't think embarrassing, but the Attorney's office has made a decision about that and he did not speak to me nor did he need to.

Did you ever ...?

PM: None whatsoever, I've not spoken to the Attorney about it either directly or indirectly.

Given that the Opposition has been pushing the GST so hard in Tasmania, would this election have been a good chance for you to come down?

PM: Well, I'll be saying some things tonight at quite a large meeting and talking about what I think are the real issues of Australia that is, to be on the recovery, to return to higher rates of employment, to maintain a low inflation rate and low interest rates, to build our capital stocks and build more production, to produce more... and therefore reduce the current account deficit, to make all the factories of Australia work efficiently, to make sure the transport system works efficiently, these are the real issues, and the consumption taxes they put ... in relation to those issues is a tenth order issue. And so what Dr Hewson has done is taken a tenth order issue and tried to manufacture it into a first order issue and then sold it. Well the fact is it is a very nasty number. It is very nasty for most Australians but worse of all that it is not about the real thing, it is not about the issues that matter. It is not about the things which will remedy Australia's economic difficulty.

But 62% of Australia say that Dr Hewson is doing it well?

PM: Well that's OK, but I mean again we will make our point, this Government has been about reducing the tax burden of Australians. This is now the second lowest taxed country in the OECD. And it is a very strange debate when you have got people believing you can be popular in saying that Australia has long term fundamental difficulties, what it needs to remedy all this is a new tax. And you say really? What we really need is a new tax? Well it is a novel twist of the debate and as the issues are opened up, I'm quite sure Australians will come to weigh much more carefully than

...what is your position here?

PM: Well we put a Bill in the Parliament and I think... there is only one issue here, will the Liberal Party agree to the package of resource security legislation in the Senate of the Commonwealth. If they do there will be an Act. A Bill for an Act, and it will be an Act of Parliament. If they don't the Resource Security will go down and its Mr Groom, who I think, and the Liberal Party, who the questions should be directed to. We have got our Bill in the Chamber.

Has the Premier asked you to do anything to pave the way for his gas proposals and the steel proposals for the North West Coast?

PM: He has and I (inaudible)...which I think would be good for Tasmanians and I'm sure he will be pleased to say a few words in

Can't we get from you Prime Minister part of this ...?

PM: He is the Premier, let ^{him} tell you. It's his proposal.

What did he ask you to do?

PM: Well he's asked the Commonwealth to share in the costs of a feasibility study for the Steel mill and I have given certain undertakings which he'll reveal to you.

Is this the way Tasmania should be going with these 2 proposals?

PM: Well at least I think the fundamentals seem to be there and the way of testing the fundamentals is in the way I think government ... to. Tasmanians are always going to have play to its natural strengths and these projects are about drawing those strengths together and enhancing them and the Government I think has been very sensible about doing it, about supporting it.

And so you support the

PM: Well I have done my best to ...

So totally insignificant in the national picture, are we, Tasmania? You consider it an insignificant part of your Commonwealth picture?

PM: How do come to that point?

I'm asking the question, are we important in your plan of Australia?

PM: Absolutely, I mean it is an Australian State, the population is small but that just means that all we are

seeing is basically the same. I think all of the public policy and development issues are difficult regardless of size. In the other States, the numbers might be larger, but problems are much the same. And all of Australia is going to have to play to its natural strengths. In other words, comparative advantage. And Australia will, as we are doing now, lifting the growth in trade, playing to our natural advantage. And I think Tasmania will continue to do more of that in the future. Because in the end it's natural advantage and comparative advantage which gives any trading entity a chance and that is what the Premier is trying to do in seeking possibilities here for projects which are comparative or natural advantage.

What are Labor's changes in the next election?

PM: Well I think that the Premier has taken on just about the toughest job of any of the States. The fiscal task in Tasmania was greater than any of the States. And when I was Treasurer, I can tell you this, the fiscal difficulties of Tasmania was greater than any of the States and Michael Field has done more than anybody could ever have imagined to repair that yawning gap which Premier Gray left him and the people of Tasmania. And not only that, been able to balance the issues and balance the forces in politics so that the place keeps on developing. I think he has got a very natural touch in balancing competing issues and demand and at the same time, a good economic manager. And what the Opposition are proposing is for the Opposition leader, somebody who Mr Fraser thought wasn't competent enough to be a Federal Minister and who is supporting a policy which claws a heap of money out of the States.

.... prospect of another hung Parliament?

PM: Obviously I'm not here to give you a cheek by jowl seat by seat opinion about which seats would be won, but the Government has performed strongly, this is the right answer for Tasmanians, the Field Government, and I think if ever there was a Premier who on the basis of sheer hard work and courage has took on the tough issues and got on top of them, has asked for another mandate, it is Michael Field.

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