



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON PAUL KEATING MP, DOORSTOP, BERNIE, 5 AUGUST 1992

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J: For a town that has been so knocked about, how did you find the mood in there today?

PM: I thought it was profoundly good and optimistic, and amongst each other kindly, and willing to be part of the changes which will have to take place here to keep this town in the pulp and paper industry.

J: What's your response to their suggestion to set up a task force?

PM: Well, we'll examine that. I think the main thing is to guarantee that these plants here are viable, and that means the company and the employees being involved. One thing is clear that towns which have had adversity do stick together, and this is true as I said, whether it be Bernie in Tasmania, or Newcastle in New South Wales, or Geelong in Victoria, one does find that spirit of cooperation which is encouraging.

J: You've been fairly scathing of APPM since you've hit Bernie. They've suggested they are willing to negotiate with unions ...

PM: No, not scathing, it's good if they are, but on their announcement they should be talking to people rather than announcing it. That's the way to get things done.

J: Is there a chance of slow down or a drop in tariffs, which the unions have requested?

PM: The problems of this mill is not to do with tariffs, it's to do with lack of investment over a quarter of a century, and not keeping up with the thing in competitiveness terms. It's a slow phase down in tariffs, there's hardly any damage to date from tariffs, it's a slow phase down over the next 6 or 7 years. But already, in the last 3 months, the exchange rate has fallen by more than the tariff change. So, it's not

tariffs - it's management and it's having a willingness on the part of the company to make the plant tick, and on the part of the employees in making the town and the business tick.

J: Prime Minister, in there you spoke about mateship. In that regard, can I just ask you about the GST. If in Victoria it's not proven that the ads bite, where does that leave your Government when you go to the polls?

PM: Look, State election campaigns come and go. They have even done so in the past through major federal issues. I think people separate the issues out.

J: Today a survey of Chief Executive Officers has shown that about 54 per cent could support a form of consumption tax.

PM: Well, so what, so what. It will blow the inflation rate to pieces, it will add 6-7 percentage points to the price system, it will take bill rates from now under 6 per cent to around 14 per cent, it will break two decades of effort of lowered inflation rate. Look, Dr Hewson has got one policy - he wants to lift prices through a consumption tax and cut wages. It's a pretty heartless policy, and worse than that it's a dumb policy. It will do nothing for Australia and nothing for Australia's industrial development.

J: ... says that the Federal Government has asked the State Government not to campaign against the GST.

PM: It's no good trying to ask me questions about the State election, forget about it.

J: Mr Keating, what was that last meeting about in there?

PM: They were just discussing the industry and the town, and factors in competitiveness.

J: They are fairly keen on regional security.

PM: Well I think anyone in the industry here is, and it's a pity the Liberal Party voted against the legislation in the Senate. We had the Bill there and they voted it down.

J: What did they seek specifically at the meeting?

PM: Nothing in particular, not one thing in particular.

J: The survey of Chief Executive Officers also showed that they were willing to invest money, but that investment is not going into jobs but capital equipment. Is that really one of the major problems?

PM: No, no, look, it was the same in the 1980s. Wherever you see growth in the economy, you see employment. They go together like Bib and Bub. If growth goes up, employment goes up. So anything they do to get growth up will get employment up. Now at the moment we're going to have a bit of a lag there because we'll have more output from fewer people in the first instance, but as activity picks up so too will employment. But it always takes a while to catch up. But it will be there, as the economy starts growing as it's now doing, as I believe it will in the course of this year, employment will come up with it.

J: Would you like to say anything about the death of Sir Robert Muldoon?

PM: I put a statement out already saying that he was obviously a leader of significance of the people of New Zealand and for the conservative party in New Zealand, and he has made a substantial contribution to New Zealand over a period of time, and I expressed sympathy to his family, and to his party.

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