



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP, DOORSTOP, 9 DECEMBER 1992

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PM: I want to make some remarks to you about Dr Hewson. What we've seen in the last 24 hours is, I think, the death of a political leader. Dr Hewson said Australia needs these policies, I'll give you these policies that Australia needs. He is now saying we don't need these policies. I say, therefore it follows we don't need Dr Hewson. Australia has no use for Dr Hewson.

He told us that he would resign, "I'll resign", he said, "if any of these policies change. I'm said to be inflexible, well I am. I'm not going to change. Fightback will not be amended. It stands firm".

What you're seeing here is basically a politically-induced shift, a poll-induced shift, yet Dr Hewson had the hide to say this morning on AM, "I came to politics to do a job, I don't play the political game". Well, he's playing the political game and the political game is very much at the public's expense.

Dr Hewson said, "Fightback and I are inseparable". He implied if you fillet Fightback, you fillet him. Well he's filleted Fightback and he's probably filleted his backbone away with it.

But the truth of the matter is, like all cynicism the Liberal Party has always displayed, you can take no notice of them. Whatever he says on the 18th would not be what they do in government. If there's any lesson out of any of this, it is whatever he says it will not be as they would govern. Because in office he would do exactly the sort of things he wanted to do just as Mr Kennett demonstrated he would do the kind of things which he wanted to do - indicate to the public that he was listening, that he'd taken heed of their concerns, in Mr Kennett's case, and then proceeded in the dead of night. Dr Hewson would do just the same.

This is only a political exercise on his part to move away from the policy that he's had.

After December 18 we'll still be left with the GST, a draconian industrial relations policy, zero tariffs and savage cuts to social security spending. Dr Hewson will be just as nasty and dangerous after the 18th of December as he is today.

The difference, perhaps, between him and Mr Howard is Mr Howard said very pointedly this morning, there'll be no changes to the IR policy. Meaning I'm standing my ground even if my leader isn't standing his. He is demonstrating what he thinks leadership is all about.

Dr Hewson, in the most extravagant of phrases, has committed himself to not moving his policies. Those policies are going to shift. His commitments were worth nothing. And his commitments in office would be worth nothing. He would do to us just what he wanted to do, and cynically disregard commitments which he gave the public on the way through.

What you are seeing is the Liberal Party and its Leader again in a state of accelerated decline.

J: In the interests of Australia, why don't you just wait and see what he is proposing?

PM: Because he hasn't had the courage to give you the changes that he is proposing. He has very weakly told you that he'll change his stance without telling you what it is. And so he calculates that the change in his position is then, in public terms, muted while you, members of the press, and the public wait to see what the detail of the changes are. Dr Hewson's change is today, it's not on the 18th of December, it's now.

J: If he exempts food though, Mr Keating, from the GST, doesn't that make him harder to beat?

PM: If he exempts food the GST revenue falls by \$5 billion, if he zero rates clothing, fabric and footwear he removes a further \$1.9 billion, if he zero rates the five essential household services of gas, electricity, water, postage and telephone bills, that would reduce the GST by a further \$1.3 billion. If he zero rates residential construction, that's housing, he would reduce the GST revenue by a further \$1.8 (billion). If he does those things, basically his policy has fallen to pieces. The whole rationale for the policy is in tatters. So that being the case, I go back to the point I made earlier, if he's not going to give us the policies he says Australia needs, why do we need Dr Hewson?

J: Mr Keating, on the basis of changes in circumstances, you changed economic policy direction in the One Nation Statement. Why can't John Hewson do the same?

PM: No, but he said recently that he thought Australia was going to slip into a depression. He didn't indicate any need, in fact in the Parliament he was reasserting that his policies were utterly correct. What the Government said was that policy wasn't correct, what I said was that policy wasn't correct, that the economy was slowing, this was last year, and that we needed a change to fiscal policy. The Government was open about that. He was saying, in the context of this year, that we're actually slipping into a depression but was still standing by his policy. He shifted because of the polls. He made his arrangements with the Press Club yesterday, his Deputy Leader didn't even know that he'd made the arrangements. His front bench don't know of the details. I'm quite sure that people like Mr Howard are seething over this.

J: Are you sorry you didn't go on December 19, Prime Minister?

PM: No, I think ... I'm not treating the public with the cynicism the Liberal Party has always treated the public with, and which they continue in their finest traditions to do today.

J: It was a bit of misjudgment, wasn't it?

PM: Well, I think you better leave the judgements about political timing ... I've got two right - middle of 1987 and February 1990 - not bad going.

J: Doesn't this at least show that Dr Hewson is now flexible, that he is listening to people's concerns?

PM: Dr Hewson is looking at his political skin. I think he feared the Parliament coming back for two days and wanted to pre-empt his colleagues by not walking into the Caucus room without any policy shift, or without any shift in his stance, knowing that his position in the polls is deteriorating. He's made the pre-emptive move, the Liberal Party have got to decide now whether they stick with him. He's promised to resign. He said if the policies change, I go. Well he ought to make good his commitment.

J: Will your Government now start looking at some possible policy changes? Ron Boswell was saying this morning that the Liberals should now look at tariffs. Will the Government be looking at tariffs?

PM: The point is you see, that's what I'm saying - the Liberal Party is now ... The tight policy stance, all the policies we've been told we needed are all up for grabs - the National Party is now trying to change the tariff policy, the Liberal Party is shifting on its basic Fightback package, you've got obviously a leadership tension there with Mr Howard saying 'I'm standing firm on industrial relations'. All it means is, I go back to my opening words, Dr Hewson is a leader who I think is now useless to Australia.

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