



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP
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J: Prime Minister, how do you feel about the festival withdrawing your invitation for security reasons?

PM: Well, I mean I'm not sure whether this is a pressing national issue. I think this by-election is an important by-election for the country. It is important for the Government. We have got now a major economic recovery underway, we are seeing employment growth pick up. We have a first class candidate in Martyn Evans, who actually even lives in the electorate. I mean, how old fashioned that is, that we should actually be fielding a candidate who lives in the place he is representing.

J: But have you the Greek community to a larger extent?

PM: Just one second. And as a consequence we will be sending to Canberra, I expect, the people of Bonython to be sending to Canberra someone who will fill the shoes of someone of the calibre of Neal Blewett who presided over a transformation of Australia's health and social security policies, and in Martyn Evans we have someone of that calibre. And I think that is the real issue, that is, that the Government, the general policies of social democracy which the Government has fostered, and of economic recovery, will be recognised in the by-election by the people of Bonython sending such a candidate. Now these other issues such as Greek festivals and the rest, I am not able to go, and Senator Bolkus normally attends in my place, often in functions like this, and he may well attend on this occasion as well.

J: But given the reaction to your recognition of Macedonia do you think may be the Government has been a bit premature?

PM: Well the United States recognised the Former Yugoslav Republic of Macedonia, the Government of Greece sponsored the United Nations membership of the Former Yugoslav Republic of Macedonia. So, if the Government of Greece can sponsor its membership, it's, I think, drawing a long bow to say that Australia can't even recognise its existence.

J: How concerned are you about the response, the emotional and at times violence from the Greek community?

PM: Well, I think there is a cause for maturity in these things. I mean, there has been, as a consequence of actions Australia took, this State is no longer describing itself as the Republic of Macedonia, but rather as a former Yugoslav Republic of Macedonia a result of actions Australia and others took. It's ... this constitution to deny a territorial claims to parts of Greece. We have made clear that the symbols and representations of this State, such as the star of Vergina for which there is a strong feeling in Greece, should be respected. I mean, these are express and obvious consequences of Australia's policy. The policies produced, I think, a real change in these issues, if you like, for those who identify with the interests of Greece. But, when 59 countries - all of western Europe, the United States recognises this state, when Greece itself sponsors its entry into the United Nations - I think, it is a time for some maturity on the part of Australians of Greek decent to understand that this government has acted in a way which has advanced what they see to be their interests.

J: Mr Keating, how do you see the latest Liberal leadership wrangles affecting the by-election here?

PM: I think nothing I say or do will change the propensity of the Liberal party to keep hacking itself to pieces. The reason is, they have no idea about where they stand in Australian society. They don't know what they represent or who they represent. And now you have got John Hewson in the last day or so, using a word which I have used all through 1992 and we've used all through the 1980s - that is, the word 'inclusion' - saying that Australians are entitled to live in a society where everyone has a piece of it; where the growth and prosperity is shared by all including minorities. Well, Dr Hewson discovered this last week and now he is trying to paint himself as a sort of moderate, small "i" Liberal which would almost make a cat laugh.

Mr Howard on the other hand, is working flat out on turning the clock back. He is out there, he has got the clock and he has wound us back, at this stage probably about 14 years, and he is still winding to see if he can actually get us back to the 1950s and then he would be very, very happy indeed. So, this once great party has ended up in this state.

- J: One of the issues that the Liberals are split on is income splitting. Where do you stand on that?
- PM: Income splitting diminishes tax for husbands but doesn't give the money to wives. What the government has done over the years is to make sure that there are payments that actually are paid to women's bank accounts. The Home Child Care Allowance which I introduced in the last election and which we have now introduced into the Parliament, into law - it pays money into the bank account of the partner at home - generally the wife. Now, these are things, I think, Australian women appreciate - a degree of independence they wouldn't otherwise have.
- J: On the question of a Medicare levy - does that have your full support? And is it a bad time to be perhaps looking at something like this when you've got two crucial by-elections in a bit over a week?
- PM: There are no policy proposals around in the government that warrants an increase in the Medicare levy. Nothing I have seen.
- J: Are you ruling it out?
- PM: And there is no case on the part of any Minister coming before the Cabinet to rule it in.
- J: So, in other words it's off the books, it is not going to happen?
- PM: There will not be changes of the variety that have been discussed in the newspapers, speculatively I might say, which would lead to such an increase.
- J: What about a jobs levy. The Treasurer has said that it is still broadly on the edge of the table of the Finance Minister - do you think it is on the table at all?
- PM: The jobs levy remains an option, but again, the government would like to finance this change in the labour market. That is, to deal with the long-term unemployed without resort to a levy. I think, most of us think that is possible.
- J: So the growth forecasts will enable that? Are you going to rely on the recovery to pull you out of it?
- PM: The economy is growing much more rapidly than people expect it and through the year growth next year will be something in the order of four per cent - faster, I think, than anything in the OECD or the western world. This will produce an increase in revenues as every such recovery always does.

J: Getting back to the by-election, you mentioned that Martyn Evans is a high quality candidate. There's a bit of concern within the South Australian Labor party that it is losing some of its best talent, you are not concerned that the Federal party is bleeding the State party dry in that regard?

PM: One thing about it, they are a community based party. When someone leaves, someone generally fills their shoes and I think that it is a tribute to the Labor party in South Australia that it has sent so many high calibre people to the Commonwealth parliament and the consequences are obvious in the social economic policies of the government.

J: Do you see the Ros Kelly affair affecting this by-election?

PM: I don't think so. These things blow over in a few days and the real issues, as always, it is always the weight rather than the flim-flam and fairy floss that matters. And even if it often doesn't matter to the media, it does matter to the public and I think they weigh things accordingly.

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