



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP INTERVIEW WITH NEIL MERCER, "11 AM", CHANNEL 7, 11 MAY 1994

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NM: Dr Hewson says interest rates will go up as a result of this Budget, what is your response to that?

PM: That is nonsense. Look, Neil, the Liberals sat there last night like they'd all sucked on a lemon. They are the sourest looking bunch you could imagine and one of our wags yelled out 'give them the smelling salts'. This is the Budget they'd thought would be their own. The growth they would claim as their own.

NM: You are looking pretty cocky about all this.

PM: Well, this is a tip top Budget for growth and for employment: 4.5 per cent growth; nearly a quarter of a million new extra jobs and the deficit going down.

NM: So, interest rates won't rise?

PM: No, because you've got ...

NM: You are quite sure about that?

PM: Well, you can never say interest rates won't rise, but they won't be rising on the back of this Budget. That is, you've got low inflation forecast again - that is one of the principal determinants of interest rates - and the Budget coming in as the Government said in the election campaign under 1 per cent of GDP, now under 1 per cent of GDP by 1996-97.

NM: Again, the Opposition says you've cooked the books, your growth forecasts are wildly optimistic - 4.5 per cent - are wildly optimistic.

- PM: Well, we are already doing 4 per cent. For the year to March it is 4 per cent. So, their big debating point is whether it is 4 or 4.5 per cent. This is the same Dr Hewson that told us we'd be now in a double dip recession. Remember in the election campaign, he was forecasting a double dip recession. We are growing now as fast as any other OECD economy, in fact faster than most. The average of the western countries, they are growing at 1 per cent. We are already growing at 4 per cent and we're forecast to grow at 4.5 per cent.
- NM: You've talked in the past about getting up on stage and doing the Placido Domingo. How do you think the markets will judge this performance tonight?
- PM: Well, I think, more importantly, the markets in a sense, are not my principal concern here. It is the business community. They are the people who employ people. They are the people that do the business and we've got business investment in here very strong in the coming year. So, it is that which matters most and people shuffling financial assets, they catch up with the game always at the end. But the people who I wanted to influence are those who are making investment decisions and making decisions to employ Australians.
- NM: It has been said it is a very benign Budget, no tax increases. Are you setting the scene for an early election?
- PM: No, no. They are too hard to win without giving away time free of charge.
- NM: On a specific issue, your Government has spent or will spend a lot of money on breast cancer research, breast cancer screening. Is this an issue that you feel particularly strong about? I remember when you won the election, on the night you won, you particularly thanked the women of Australia.
- PM: Yes, I think the women of Australian did support the Government in full measure. My wife was almost, in public terms, alone on this issue over the last eighteen months or so. She is very pleased by the \$209 million program we have over the next four years: to understand how this disease affects people and how it can be treated, that is in primary research as well as prevention and extending the screening program as well.
- NM: Well, just talk about that a little bit if you can. How much of an influence on you was your wife?
- PM: In this?
- NM: Yes.

PM: Well, I think she pointed out to me the intractable nature of this problem - the frequency of it and the trauma, let alone the loss that comes from it. So, she has made me more aware of it and as a consequence of that and, I think, dare I say good policy, I think, we can allocate money here to a reasonably ambitious program.

NM: And it's something you discussed at home, is that an issue you discussed at home?

PM: Yes, she has been on my back about this for quite a while?

NM: And what sort of things did she say to you when she was getting on your back?

PM: The death rate, I mean, once a women contracts this disease it is very hard to throw it off and so it is either a tragic terminal position or it is one where people have their life style substantially changed.

NM: And you are confident that the input of money will change what is happening at the moment?

PM: I think, that it deserves a larger research funding program as well as extending the screening program, so we actually get to early detection.

NM: On the question of unemployment, you've got a young son who is around the age, at the youth end of the work force. Is that also an influence on you when you drew up the jobs package last week. Do you think about him and say, well, what are his prospects?

PM: I do and I think about my girls too. I think, that there is a view amongst young Australians that no one is interested in them.

NM: No one cares.

PM: And it is not true because we've now got a much higher level of retention in schools, many more places in universities, we are now reforming TAFE and the Government is very interested in them, but there is often with many people a sense of either loneliness or that they are not being included and they get dejected. I think, that particularly for unemployed people, so case managing personally each unemployed person under 18 is going to be an important moral and morale building thing as well as it is going to be a practical thing - seeing them get training and work. So, I think, the notion of saying "look, the country is interested in you, we are interested in you and we want to try and manage you into a better situation in life," is, I think, going to be very important to young Australians.

NM: Prime Minister, given what happened last year with the Senate and the Budget, it was a bit of a shemozzle, what do you expect to happen this year, will the Greens and the Democrats support you?

PM: I think so because most of the things we are doing, the big Aboriginal Land Fund, the Aboriginal health issues, breast cancer, the immunisation program, the \$135 million program for the preparation of our Olympians coming up to Olympic athletes, all of these things, I think, would sit rather comfortably with the Democrats and the Greens.

NM: Just on that point, you are spending \$135 million on our Olympic athletes, but only \$62 million on the homeless. For a Labor Government, shouldn't it be the other way around?

PM: That is \$135 million over six years. The homeless program is essentially managed by the states. We complement them and improve them in some places and we are doing that on this occasion.

NM: Prime Minister, thanks very much for your time.

PM: Thank you.

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