



PRIME MINISTER

**TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER, THE HON P J
KEATING, MP
HYATT HOTEL, MELBOURNE
FRIDAY 13 MAY, 1994**

J:(inaudible)... Mr Kennett's bid for the Soccer World Cup?

PM: No, I think States take these things on themselves and generally manage them well.

J: How will the Aboriginal land fund be administered?

PM: Oh, I don't think this doorstep is the place to assess the Aboriginal land fund. But, I tell you what I would like to say - I would like to pass a comment about John Smith, the late John Smith, the Leader of the British Labour Party. And just record the fact that this was somebody of great substance, a great loss to Britain, to the Labour Party, to British society. He was a man who believed in a modern economy and the modernisation of the British economy, but being able to do so in the context of a social policy which provided a lot of cohesion and compassion. And he's going to be very greatly missed. I extend my sympathies to his wife and family and to the British Labour Party and say that, in the Australian Labour Party he was thought of very highly. For the future, we wish the Labour Party well in the choice of its new leader but many people in Australia remember John Smith and his contribution fondly, and well.

J: Prime Minister, are you still confident the Budget will pass without trouble given that Kernot has spoken...(inaudible)... Dr Hewson?

PM: Well, the Budget has four and a half percent growth forecast in it, it consolidates the tax cuts of last year, it has no new taxes or increases in tax rates and it has a whole lot of social spending - the Aboriginal land fund, \$500 million on Aboriginal programs, \$209 million for breast cancer, money for a child immunisation program, money for foreign aid... These are all the things that I would have thought that the

Democrats and the Greens, particularly, would be supporting. And, I'd find it very difficult for them to take exception to it.

J: On world cup soccer, it can't be just one city that vies for it, it has to be a national effort. Will you support Mr Kennett in that?

PM: Well, he's not approached me about it.

J: Don't you think it is wrong that he hasn't?

PM: Well, the answer is no. I don't go around, at every street corner, building stadiums. I mean, governments have a process by which they deal with one another about matters like this.

J: Cambodia Prime Minister...(inaudible)...?

PM: Well, we want to see the peace in Cambodia consolidated. We've always hoped that the Khmer Rouge would join in a political compact with other parties in Cambodia. And we will be underwriting assistance to Cambodia I think, probably, well into the future. We haven't decided how best that should be done. Whether that's with any military material which may be used by the government there, in whatever way, or whether it ought to be just by civil programs. But, this is a matter the government can think about.

J: (inaudible)

PM: Well, I don't think I'm here to go through a history of Cambodia, either.

J: On the structural... (inaudible)... of the Budget, is there any pressure on monetary policy...(inaudible)?

PM: Well, as I said here today, I hope eloquently, that is, Australia's return to a balanced Budget and surplus will be faster than all Western economies bar one, Germany. And the reason Germany's coming down is because it's had a bigger problem than we have had. So, to take the Australian Budget down faster would be appropriate only if the growth is faster than we predict. And, if it is, it will be good for the country and good for the Budget. But, we've got endemically low inflation and, therefore, the portents for interest rates into the future are pretty good.

Ends.