



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
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J: You acknowledge that drought is frequent - what programs can the Federal Government put in place to make the job easier for farmers?

PM: Well, I think my point was let's not regard drought as an entirely exceptional thing. Let's deal with the exceptional circumstances when they arise, but let's keep long-term programs in because drought is around most of the time now in one form or another. I think, that's what we're trying to do. That is, to try and design the RAS scheme - the Rural Adjustment Scheme - in a way where we can actually support people who are viable and carry them - help carry them - through difficult drought times.

J: Does that mean there won't be any more emergency aid during this drought?

PM: No, no. That's ..no, I think there will always be hard hit areas that do need emergency relief. And I think you've got to do two things - you've got to have an emergency facility, and you've got to have a longer term facility.

J: Will there be further funding coming? The Government has offered \$14 million two weeks ago, is there any more coming?

PM: Well, I think that we will see how that applies. I mean, we're now starting to review the application of the RAS scheme across the States to see that it applies that the generosity of the scheme is uniform, and to make sure in the review of RAS that the criteria for payments and assistance in drought affected areas, you know, is really a workable program.

- J: What about suspending the assets test - a lot of producers would like to see that happen?
- PM: But then, what do you say about the assets test for people in the rural towns? And everywhere else? You see, that's a...that means suspending the assets test in general. That's what that means.
- J: So that proposal that will go to Caucus next week is likely to fail?
- PM: Well, I think that's a very difficult one to manage. I mean, we've already got now substantial concessions in rural home excluded, fifty per cent of the value is, I think, is only taken into account.
- J: The athletes success at the Commonwealth games yesterday - a lot of people are saying that Australia..(inaudible)..
- PM: Oh well, I think that Australians feel justifiably proud of their athletes with the tally of gold medals we've won and as with these games, I think, most of the people the Australians thought would be stars have not disappointed them. And Australia is a great sporting country and it's further confirmation of this fact.
- J: Cathy Freeman won the, I think, 400 metres this morning and she ran her victory lap with the Australian flag and the Aboriginal flag. What are your comments on the flag over there at the Commonwealth games?
- PM: Oh well, she had the Australian flag. I mean she's an aboriginal person. Anyone of prominence, and aboriginal person of prominence, they associate with the aboriginal flag from time to time. I mean, I don't think we can be too critical of that.
- J: She's one of our most successful aboriginal athletes at the moment..(inaudible)?
- PM: I think of course it is. I mean aboriginal Australians have distinguished themselves down through time, and they're still at it.
- J: Prime Minister, business leaders are placing pressure on Alexander Downer to release more details in his directions statement. Do you think he will capitulate?
- PM: Well, you can't be in the game of politics and not have policies. Mr Downer wants to be a player in the game of politics without policies. And to have, you know, sort of feelings about policies or directions, but not actually have them. The reason he doesn't want to tell us is not that he doesn't have them, he thinks that we won't like them. I mean, obviously, he has a whole lot of hardline policies. It's not that he hasn't thought about these policies, it's just that he doesn't believe that

the public will like them. So he's being monkey-cunning and sitting on them.

J: Is he in danger of alienating the business community?

PM: I think the business community is taking a dim view of the coalition. Look at the..I said at the time he was elected - they've changed the jockey but not the horse. I mean the problem about the liberal party is it has institutionally had it. It doesn't know anymore what it wants to do with Australia, and doesn't know how. Even if it knew, it doesn't know how. It couldn't control inflation in the seventies, it had no policies for faster rates of growth, it certainly had no trade policies of substance. And when the business community now see the growing economy, four per cent employment growth, five per cent economic growth, low inflation, high profits, they say well before we shift from this, the coalition have got to give us a coherent strategy. And of course, no, Mr Downer doesn't have a coherent strategy. Dr Hewson didn't have one, Mr Peacock didn't have one, Mr Howard didn't have one, and that's why I think the business community is saying we better stick with the party we know, and the Government we know.

J: Barry Jones has got a..(inaudible)

PM: Well, I'm not here to answer any more..

J: Just one more local story. I believe this is your first time to the area Mr Keating. We were just wondering - the perception is that people in Canberra are neglecting the situation out here with the drought. Do you think it's important for you to be able to see it first hand and see, you know, what the situation is here?

PM: Yes. Well, I do, and I think it is important to get a feel, a local feel, of drought affected areas and drought conditions. I mean, I've seen it many times over my parliamentary life, and it's a matter of trying to tailor the programs and policies to deal with it. But we're also seeing a lot of leadership. And what we're seeing here today is a lot of leadership about preservation of the country-side - concern about salinity, concern about soil erosion, innovative farming policies to minimise erosion, to improve the yield from pasture, sensible stocking levels, you know, preservation of remnant forests. I mean, this is the lesson that we're seeing, I think, with the leadership of a lot of people in farm communities. That's our hope. That's going to be our hope. Now the Commonwealth can play a role - we can play a role in Landcare, we can play a role in trying to encourage the farm community into better practices. But we're now starting to see that come naturally, and I think that this is when we will see this blossom. When the farm community's leadership is such that this becomes the norm in rural Australia. And as well as that, we're seeing an improvement in prices, which is always a cheering thing, that is, something to cheer people up. I mean, wool prices have improved,

and as rural incomes start to shift up, that's going to cause a bit more joy.

J: Do you think the personal effects of drought - do you think they're starting to hit home with people now? Like, do you feel that more and more politicians are realising that this is the situation we can't pretend it's not as bad as it really is out here?

PM: I don't think anyone is pretending that at all. I think that people know it is, it's just the bewildering problem of an absence of rain, and how you keep viable people on the land until the drought conditions break. That's the point of getting these Rural Adjustment Schemes and that right, so they truly are helpful carrying people on. Okay, thank you.

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