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## PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP  
INTERVIEW WITH PAUL LYNEHAM, 7:30 REPORT, ABC TV, 10 MAY 1995**

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**PL:** Prime Minister, welcome to the show.

**PM:** Thanks Paul.

**PL:** Before we get into the details, let's hear first from a well known critic of yours.

Howard: "... he has been there for 12 years. We have had so many false dawns, we were promised the bacon would come home. We were promised all of these things and we are promised it all again. I think out there in main stream Australia, they are not listening anymore."

Well, when we go now to the tax cuts that were offered in One Nation, the forecasts in One Nation, why should we believe last night's Budget?

**PM:** Because basically they have all been, bar the first year of One Nation, they have all come home to roost. Do you want the One Nation numbers, I'll give them to you.

**PL:** What about the One Nation tax cuts?

**PM:** No, hang on, just a second. In 1992-93 we forecast four and three quarter per cent in One Nation. We got 3.2 per cent. In 1993-94 we forecast four and a half per cent in One Nation. We got four and a quarter per cent.

**PL:** You also told us that the current account deficit wouldn't increase didn't you?

**PM:** Just a second, no, woo, I'm not letting you off that easy. Four and a quarter per cent in 1994-95, we got four and three quarters and this

year in One Nation we forecast three and three quarters and guess what the Budget estimate is, three and three quarters per cent.

PL: Let's go to our number one national problem, our current account deficit.

PM: No, just a second, we are not into theatricals. Just let me tell you this, One Nation - bar the first year - has all come true. John Howard said we had promised and we did and it has arrived.

PL: But it hasn't all come true at all.

PM: It has absolutely.

PL: You said in your statement to the Parliament that under your four year plan the current account deficit would not increase. It was then 11.4 billion, it is now 27 billion.

PM: Ok, just listen. You asked me about One Nation, you asked me about the tax cuts. In the One Nation policy we had two sets of tax cuts. The first lot have been paid along with all the 1980s tax cuts, all four of them, all five of them.

PL: Less than half of the total.

PM: And now the balance, more than the balance, will be paid into superannuation accounts - \$4000 million will be paid to match employee contributions - giving the Australian working person for the first time ever a massive retirement income. Here is John Howard's tax cuts - lies, lies, lies. In 1977 when he was Treasurer he stood up at election, remember the fist full of dollars election campaign, ring up and find out how much your tax cuts were. And five months later as Treasurer he took them right out of the Budget.

PL: You went right through the last election campaign promising that your tax cuts, the One Nation tax cuts, would stay come hell or high water.

PM: Paul, in the election campaign, from the likes of you and others, I couldn't get a word for the tax cuts. Let's not re-write any history. When I used to say "what about the tax?" you'd say 'oh, don't tell us about those Prime Minister, they were in One Nation a year earlier.'

PL: Because very few people ever believed you would deliver.

PM: Well, in that case, drop the debate. If you don't think they mattered, why refer to them? I mean, I think they mattered and that is why they have been paid here. When we suspended them, through the House of Representatives and the Senate, we said they would return probably in 1998. They have returned in 1998 and what this will mean is because we will pay them now into superannuation accounts of

people and they will keep them forever it will mean that a person on average weekly earnings, \$33,000, will in retirement have a \$30,000 a year income. Do you think that the Coalition would have any of the imagination or the courage or the foresight to develop a massive savings plan like this.

PL: Prime Minister, we were going to get \$5.2 billion worth of tax cuts from 1995-96. Under the plan we are now told ...

PM: No, that figure is wrong. It is \$3.5 billion - \$3.5 billion and you are now getting \$4.2 billion.

PL: There were two lots of tax cuts. We were going to get \$3.4 and we were going to get \$5.2 later. The \$5.2 later are now into superannuation.

PM: The second lot were \$3.5 and they have now become \$4.2 and they are being paid as superannuation. Now, who do you think is getting them out there - martins? Who do you think is getting the \$4 billion? Martins or Australians?

PL: And when are you going to start distributing them, 1996-97, 1997-98?

PM: Paul, have a look at this. Here is the Government, we have brought down a surplus Budget. A surplus Budget now right through the 1990s with the biggest savings change, the most comprehensive savings plan ever in the nations history. What have we heard from John Howard? Not one policy point. He is just a little whinger, whingeing around on radio stations attacking me personally, hour in, hour out and when pressed about his policy he has none. Imagine him turning up a savings plan putting 15 per cent of every bodies income away for their retirement. Imagine him building a savings pool of \$2 trillion - \$2000 billion.

PL: All this is assuming you get re-elected and assuming you actually do it.

PM: No, it's not. It's not assuming at all. We will legislate that in ...

PL: This will be L.A.W law will it?

PM: This will be legislated the same as the superannuation guarantee is legislated which is now five per cent, will be six per cent.

PL: And the same as those tax cuts will legislate?

PM: It will be six per cent on July 1 and the only way it can be changed is by the Government standing up in the House of Representatives and the Senate and changing them.

PL: But, you did it with the tax cuts Prime Minister?

- PM: Yes, but it had to pass both Houses of Parliament, Paul.
- PL: But, it was never going to happen was it, L.A.W law?
- PM: May be a mere bagatelle, but it had to pass both Houses of Parliament.
- PL: And you went to the election promising that you would stick to that pledge.
- PM: And you never reported it. Neither did any of your colleagues.
- PL: Never reported your tax cuts?
- PM: Look, in the election they didn't matter a tinkers cuss.
- PL: Well, let's look at your surplus. Your headline Budget surplus, \$718 million ...
- PM: Can I just say, here is John Howard running around. Can I just say this, he has run around all day talking about tax and asset sales. This is the person who was in favour of at the last election a 15 per cent GST on everything, on everything and wanted to sell, remember he had the kitty of the \$20 billion of Telecom and they were going to have somebody dole it out. I mean, they have got to be joking.
- PL: You are getting rid of the Commonwealth Bank assuming that share holders will let you now.
- PM: Yes, but we are not saying that the Commonwealth Bank sale isn't something that can't be done or shouldn't be done. But what he has was a completely unsaleable, un-doable thing of selling \$20 billion worth of Telecom. Now, this is two years ago.
- PL: But, how do we know that this is doable because you have got to get 75 per cent of share holders to agree. Your whole fiscal policy is now swinging in the breeze of a vote of share holders in the Commonwealth Bank.
- PM: Look ...
- PL: It has got a \$4 billion hole in it if they say no.
- PM: Look, where do you get these lines? Up and down the corridor. I mean, did you talk yourselves into this in the afternoon.
- PL: It's not right?

PM: I mean, did you get into a huddle down at the drink stall or something and then come up with this nonsense?

PL: Well, what is the situation?

PM: I mean, where do you pick this up? At Aussie's cafe bar? I mean where do you get this tripe? The Government is going to sell the Commonwealth Bank like it sold the first tranche, the second tranche and not only that, the Commonwealth Bank is going to buy back into Treasury the shares, just as Coles-Myer did recently. You know what that is going to do? Have less shares. You know what happens when normally you have less shares? The price goes up.

PL: Prime Minister, thanks for your time.

PM: Good.

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