



## PRIME MINISTER

### TRANSCRIPT OF THE PRIME MINISTER, THE HON PJ KEATING MP INTERVIEW WITH JOHN LAWS, RADIO 2UE 22 JANUARY 1996

#### E&OE PROOF COPY

JL: Paul Keating, good morning and welcome.

PM: How are you John - nice to be back.

JL: It's good to be here, having been in Singapore for a couple of nights and hearing about your visit there. You impressed the people in Singapore.

PM: Well, I think they are very interested in Australia now, and it's interesting to see how much they had changed. Two weeks ago they were declared a developed country. Their average per capita there is now around \$US30,000 - I think it's a lesson to everyone that if a nation focuses on its option, and pursues them, how far they can go. But I think Singapore sees Australia importantly as part of its security picture, they have a lot of regard for the economic changes we have made here, and in fact, just on 2000 paid to come and here the so-called "Singapore Lecture", so I was pleased to be able to give them an Australian perspective.

JL: You got very good reviews in the Singapore newspapers because I checked it out while I was there. Listen, this has got to be the longest election campaign in the history of the world, and the election hasn't even been set yet. Do you think this election speculation is damaging?

PM: I don't think so. I mean, for a year I had John Hewson in this parliament saying Keating is going to call an election. Then I had Alexander Downer saying Keating is going to call an election, John Howard the same. We had the newspapers saying when we brought the Budget down in May it's an election Budget, and of course, it wasn't. Then when we introduced Accord Mark VIII and the Republic, they said clearing the decks for an election, and it wasn't. I have always said - consistently,

right through - I think the public don't like trickiness out of politicians and the political system, they expect the parliament to run its full time. And that's always been an old-fashioned view of mine, but I think that is as it should be, and I think the public are correct in it.

JL: So, a May election is not beyond the realms of possibility?

PM: Well, just that May is technically the end point of this parliament.

JL: Yeah, well, if you want to run the length, that's it then?

PM: Yes, but John Howard saying "come on, bring it on, bring it on, bring it on - I have got no policies, I have got no hands". He's a bit like the Black Knight out of the Monty Python show - "come on, I've got no arms, I've got no legs, but give me a punch, give me a punch". And I say hang on John - we'll get there. Don't worry - we will get there, all in good time.

JL: What was that film, when the fella got his arms cut off, and then his legs cut off?

PM: That was the Monty Python one - The Holy Grail.

JL: That was a funny film.

PM: "I got no policies - come and fight me, fight me, fight me." And I say, well all right, we'll get down to it - just don't get yourself flustered there.

JL: Does this mean then that we can wait till May?

PM: Well, look, there's a natural sort of...again, it's very hard to beat the natural order of things. The thing has its own sort of drum beat, and I think at the right point, it will become clear to us what the best thing is to do. Anyway, at the most, we are talking about a couple of months - a couple of months in three years.

JL: So, in other words, it's more likely May than anything else?

PM: No, not necessarily. It's not necessarily May than anything else.

JL: I thought I had you there for a minute.

PM: It's just that May is the end point.

JL: Come on, give us a break - I need all the help I can get.

- PM: Oh no, you have gone well without a lot of help, I have got to say.
- JL: While on the subject of John Howard, I'm not sure if it's one of your favourites or not, but he's going to make some changes to the unfair dismissal laws. And I think that the majority would welcome those changes.
- PM: Yeah, but I mean, he was out there the other day saying - after 15 years of espousal of policies to, as he calls it, reform the labour market, which is code for basically cutting wages for the bottom half of the work force. That is, removing award protections, removing overtime penalty rates and the rest - holiday leave loadings and all the other things. He is now saying "I didn't mean all that - didn't mean all that. I have really got a policy the same as the Government's - I'm out there for workers' rights". And what I said was well, if you believe that, you will believe anything. But I think an important thing to say about this, is if this was the United States, if a senior national politician held a strong view for 15 years, and then just before an election, changed it, the debate wouldn't be about the policy matter, but about their character. I mean, it would be just a discussion more about their character than policy. And I think what John Howard has got to recognise is this - both as Treasurer and as Prime Minister, I have run a system here which has produced an inflation rate between 2 - 3%, which has seen a strong real increase in real wages, which has seen a 20% increase in household disposable income per capita, which has seen the lowest level of industrial disputes since 1940. I'm the fellow who has been sitting on that - running that system,. He's the one that wants to run the system - he is the one who has got to propose something better.
- JL: Do you think that, although the things you are saying in your mind are true, and in the minds of many are true, that after 13 years some voters assume that Labor is tired, that you're tired, and do you think voters are ready for a change just for the sake of change?
- PM: Well, there could be a bit of that around, but I think the energy the Government has shown in the last three years, John - I mean, just look at the last six or eight weeks. I mean, we put together this Treaty between Australia and Indonesia, we have brought down the most important forest policy the country - I think - has ever seen, in terms of those Regional Forest Agreements, and Deferred Forest Areas - 6 million hectares of forest put away. Today, I'm meeting the Canberra Commission on the Elimination of Nuclear Weapons...
- JL: Yeah, I wanted to talk to you about this - this is something that is very important, and should be very important to all Australians whether you

are Prime Minister or not Prime Minister as far as this is concerned, it is immaterial - it's something that is important for the world. Do you believe that a country like Australia can lead the world to rid itself of nuclear armaments?

PM: Well, I think we have got to start somewhere. I mean, we have got a fortuitous lapse in the nuclear arms race - the Soviet Union collapsed, the Warsaw Pact countries in Europe - the Warsaw Pact - evaporated. Nato's traditional enemy has folded its tent. So, there is a window of opportunity to get in and say well, look, this bi-polarity between the US and the Soviet Union is gone - this bi-polar game is gone. But what we have to be careful of is that we don't get into a multi-polar game - that is, with many other countries, the likes of Iraq, perhaps Iran, Pakistan, North Korea, Israel - that are developing nuclear weapons....

JL: But do you believe that a group of people led by Australia, and not in any way wanting to be demeaning of my own country, but Australia is not the biggest or most powerful country in the world. But do you believe that a group of people led by Australia could actually cause this to happen?

PM: Well, I think we can make a very good start. It may take decades to happen, but we have to make a beginning. And if you look at the countries in, if you like, the first rung of economies, we associate ourselves with and have done strategically - the United States, Britain and for instance in the Second World War, France - these are all nuclear weapon states. If you go to countries like Australia, which are not nuclear weapon states, we are at least as important and as significant among those, and as capable among those, as any of doing it, given the fact that this initiative is unlikely to come from the nuclear weapons states themselves. And I think the other thing to bear in mind, John - we were a leading part of the move to the Chemical Weapon Convention. We have put in place a convention for the elimination of a whole category of weapons with chemical weapons - biological weapons - and so we have already proven our abilities there. And you can also look at our effort at the peace accords in Cambodia, the development of APEC, our role in the GATT round - I mean, Australia has always punched above its weight, particularly in the years of this Government. And this is something - there is an opportunity here, and I think we have to take it, and that's why the Government has seized it, and we have these distinguished people from around the world to help us.

JL: Well, when you look at the list of people - former US Defence Secretary, a Nobel Peace Prize winner, a former French Prime Minister, and others. When you look at this group of people, there are many people who are obviously serious about it, but did they come here at your invitation,

were they prepared to come because they have the same belief as you, or because they wanted to discuss it with you?

PM: Because I think they realise this is an issue. You see, both the major weapon states - Russia and the United States - have declaratory statements about the removal of nuclear weapons, and the Non-proliferation Treaty has at its end point the removal of nuclear weapons, but these are simply long-term declarations - they don't have any policy force. But you see, we have got people here like Leigh Butler - the Commander-In-Chief of the US Strategic Air Command in 1981-82, and then after that, the US Strategic Command in 1992-94, where he had responsibility for all US Air Force and Navy nuclear deterrent forces, and was closely involved in the development of US nuclear doctrine. And then there is Field Marshall Lord Carver, who was Commander-In-Chief of the British Forces in the Far East, and then Chief of the Defence Force from 1973-76.

JL: And all these people have come because they believe this is worth discussing?

PM: These people have actually run the system. I mean, they are not just people from outside - you know, well-intentioned academics who want to make a contribution - they run the system. And they have come because I think they see the value of taking the opportunity now of looking at the possibility of going beyond all the start treaties, down to the removal of nuclear weapons.

JL: And all this begins at lunchtime today?

PM: Yes - it's actually beginning now. Gareth Evans opened the Commission meeting this morning, and I am meeting the members of the Commission for lunch, and then they are going to Canberra for the week, and I will be seeing them again on Thursday.

JL: Just back to this Asia trip that you did - the Singapore Lecture, as it is called. Probably, it was the most important foreign speech of your career - why did you tie in so much domestic issues; labour skills and environment. The cynics are saying that you threw in the environment because you recalled in 1990 the green vote took care of you, and put you back into power?

PM: No. I mentioned the environment...well, first of all, the basic philosophy I put there was that with the Cold War over, and as I say, there is tension between the two super-powers gone, it's now possible for regions to

actually organise themselves and actually do some good and clever things together.

JL: Do you think that tension between the two super-powers has gone temporarily, or permanently? I mean, Russia doesn't look too stable at the moment, does it?

PM: No, well, you know, one can never know which way the Russian political system is going. But what has happened is that, you know, we have seen this amazing change since 1989. I mean what was then East Germany, Poland, they have gone and become separate states and we are seeing this change across a number of the former Russian republics. So we are not talking about the Soviet Union and the Warsaw Pact as we were. Whatever happens with the vagaries of Russian politics, it will be Russia and they have still got, of course, a nuclear arsenal and there will still be those tensions there.

But what the economic development in South East Asia and North Asia means - in Singapore, in Malaysia, in Thailand, in the Philippines and, for instance, even in countries like Vietnam, along with Japan and the great emerging economic power, China - is that we are able to look at things regionally. And Australia has put essentially APEC together as an economic body to deal with regional economic problems, opening up trade opportunities and fuelling and resourcing the East Asian growth phase.

So what I was doing in this lecture was to say there is a possibility now for regional organisation where if we threw everything into the great melting pot of the UN, all these issues - these ones I am speaking of - would be largely lost. But here we can actually meet in a cooperative way in APEC, for instance, or in ASEAN - the Association of South East Asian Nations - and get things done.

Now I mentioned the environment for this reason and I gave some statistics. The Chinese shortfall of food in about ten years time is going to be about six times Australian wheat production just in grain. The green revolution which has produced so much food has relied on fertilisers, has relied on things which have essentially attacked the environment and we can't believe or rely upon the fact that we can continue to yield this sort of productivity from the earth.

The demand for energy is doubling in East Asia every 12 years. It doubles in the world every 28 years. So finding the coal, the petroleum, the energy, the food and then, of course, the pollution in the air, the urbanisation, the sanitation, the water quality, the impact on the fisheries,

these are real issues for the developing world of East Asia and the East Asian hemisphere which Australia is a part of - the East Asian economies which Australia is a part of. So that is why I mentioned the environment. The real challenge to keep the growth going in East Asia is really food security, energy and water.

JL: This, that I am about to read to you, is a description of your pluses and minuses as a leader. I am not sure if you want to hear them.

PM: Who has written this?

JL: Michael Gordon in The Australian.

PM: A Canberra correspondent.

JL: Okay, now tell me if you agree? "A focus on big picture ideas", you would have to agree with that because you are telling me constantly about the big picture?

PM: Well, I mean, the thing that I just spoke to you about is about that very thing because if you get those things right, the other things tend to look after themselves.

JL: Okay, so these are the pluses. "A focus on big picture ideas, charm."

PM: Well I am like you I can be charming when I wish to be. Just like you were with that Mortein ad a bit earlier.

JL: It wasn't Mortein, Prime Minister.

PM: What was it?

JL: Raid.

PM: Raid. Sorry, sorry. I have gone and done it now.

JL: You see, but you have got a very good memory because it is 14 years since I did one for Mortein.

PM: Well that is right, I mean, it is a bit like Valvoline you can't, sort of, forget them.

JL: Okay, you are back on equal terms now. Let's listen to more of your pluses. "The ability to form close and constructive bonds with regional leaders."

PM: Yes, I think you can form bonds with the people who lead the region by trying to see the region through their eyes and understanding their problems and then put the argument about Australia's relevance and how, together, we can do more and end up with a stronger, better regional society.

JL: And also, "the capacity for sustained bouts of self discipline".

PM: Oh yes, well we are all I hope into that - sustained bouts.

JL: Is it difficult?

PM: Do we have lapses? Well, of course, we do. We all have lapses in self discipline.

JL: Do you regret the lapses?

PM: Well you can't be an automaton. You know, one of these people who are wound up in the morning - you know programmed and wound up - and they go out there like a parrot and say things. I mean any political leader that works like that you will never get anything from. I mean there will be no creativity, no spontaneity, no ideas, no real leadership. In the end, the one thing that people want you to provide in this business is leadership and any leader providing it must have the capacity to think themselves, generate their own ideas - not from a department, not in a brief, not from personal staffs, out of your own head - and that means having the sort of creativity to do it. I don't believe anybody who is doing those things can run like a wind up person. You know, wound up and sort of disciplined and stays on the lines.

JL: Well I tell you what, you went a hell of a long way around there to not answer the question.

PM: No, I am just saying that ...

JL: That that was self discipline?

PM: ... we have self discipline, I hope. We have lapses off it.

JL: Yes.

PM: We do because we are not wound up.

JL: Do you regret the lapses?

PM: Oh, some I do. Yes, some I do. But in the big swim of things what I am most interested in is making the policy changes. You see, in the end, the value of people in the political system, in political leadership, is to make changes. The system basically runs itself. What doesn't run itself are the new directions.

JL: Let's look at what he said on the negative side because it is interesting. There is "a short fuse", he says. You would agree with that?

PM: Oh, no, that is not quite right. I am very understanding of why people say and do things. I make big allowances, I have big discounts in their behaviour. If you didn't, you couldn't stay in public life a long time.

JL: So you don't think you have a short fuse?

PM: No, well, look, I have been a Minister for 13 years. I think if you ask any person, or anyone who knows any person on my staff, I have never been sharp with them or abused them in that time. Not ever.

JL: Street fighter instincts?

PM: I don't believe in rudeness. I don't believe in personal effrontery and rudeness. I would rather go through life without that sort of behaviour

JL: I know that you believe that personally. But there would be people out there who would be saying, wow, well what about the stuff he says in Parliament?

PM: But Parliament is the clearing house of national pressures. This is where people fight about whether we have Medicare, or we don't have Medicare, you know whether you have protection of awards, or you don't. I mean they are things that matter to people and we are not just going to trade them away politely and say, yes, you want to be rid of them? You can have them. You know?

JL: But you do get a bit abusive there in Parliament?

PM: Yes, but what I don't get is personal. You see I have got the Liberal Party up there now saying - what's her name, the Senator from South Australia - I am like Goebbels. Then I have got Senator Bishop reading extracts from a psychiatric manual on radio saying I have got psychiatric tendencies. And John Howard has got Michael Baume every day in the Senate trying to say I am corrupt. I mean these are the things I have never done against Howard, Hewson, or any of my political opponents. I

might, occasionally, give them a corporate slur. But one that doesn't matter, like knuckleheads, or something like that. But that is different to saying you are corrupt, psychotic, or you are a fascist, which is the sort of stuff they do to me. I mean the personal attacks I have taken from the Liberal Party. If there is anyone who stands up who can actually defeat them, like Whittam did, is in for it. Like Wran did, is in for it. Like I have, is in for it.

But the Labor Party has always taken the wider, I think more decent view, that you don't go after people, personally, under the privilege of Parliament and I don't. I don't and that is the point I made earlier. But we are talking about two points here. We are talking about political points and personal behaviour - short fuses. I don't believe in rudeness. There is no place for it and it is not needed and people say, oh well I am working under pressure. Well look we all work under pressure. But it doesn't help for people to go off the handle and I don't like it. I don't like it when it is done to me and I don't do it to others.

JL: Michael Gordon also says that you have "a capacity for vindictiveness".

PM: No, I am not vindictive. Look, I would say this. I have been in politics now since 1969 - I have been in the Parliament. I have been attacked by all sorts of people. I don't wish ill of any of them. You know that? I could say both in the Labor Party and in the Parliament - and we have had factional battles in the Labor Party over 20 or 30 years, I have had, you know, Party battles in the Parliament over the same period - I must say I have no real enmity, no enmity, towards anyone.

JL: What are the polls showing at the minute because I have been away and that? Are you looking good in the polls?

PM: Well we are - on the published polls, on two-party preferred terms - behind the Liberal Party. But I think that the community has not yet got down to focus on the issues of an election.

JL: Why do you think you are behind?

PM: I think all incumbent governments are behind these days. I mean we are something like, on the published polls, 5 to 6 percentage points behind. But look at the British government, it is 30 percentage points behind, or 25 percentage points behind. The government is in a winning position. But I have always said, John, the only place to be in an election is one out and one back.

JL: Explain that to me?

PM: Well, like in a horse race - one off the rails and one back.

JL: I didn't know you were into horse racing.

PM: Well I am not. But I know the place to be in a poll and rather than being ... I mean going to an election out in front is a difficult position to hold all the way through. The key point, I think, for me and the government is that the government has had a huge energy over these three years, it has got a real vision for Australia it puts it into place, and the burden on John Howard is going to be to put an alternative philosophy. So far he hasn't. The headland speeches have been empty and voids. He hasn't articulated policies and he is really saying, look, if I wait long enough, will you give me the Prime Ministership. He is really saying this, look, I will tell you what I will do with you. I won't say anything you don't like, I won't propose policies you think might hurt you, I will keep my head down, I will cuddle up and look as much like the government, if only you will vote for me.

Whereas what I am saying is I believe Australia has an unparalleled opportunity, we are the only nation in the world with a continent to ourselves, we live in the fastest growing part of the world, we have now opened the Australian economy up, we are integrated with East Asia as never before, we have got a period of excitement and opportunity ahead of us, and the government is articulating the policies.

Anyone that wants to knock the government off its perch, has got to have an alternatively lucid strategy. And I think when the voters, when the community, when Australian men and women, focus on those issues - when an election is actually on - I think then the polls will change.

JL: When do you think that John Howard might start to articulate some policies?

PM: Well I think it is too late for him. I mean I think it is the height of ..... it is rude, I think. Rude to say to people I have been hiding my policies from Mr Keating, where really he has been hiding them from them. It is they who vote. I get one vote. It is they who vote. He has been hiding them from them and then say, I am going to play you all off a break and I will drop some little tid-bits in the last couple of weeks of an election and that is good enough for you. If you don't pick it up then, bad luck.

Whereas what the government has said is, look this is our strategy and these are the fine print of our policies and they are all in place. They are there all the time. It doesn't matter whether you are talking about, you

know, trade with Asia, or the environment, or forests, or our strategic situation, or wages, or the Accord, or the Budgets, they are all there. They are not just in the mind where you get a quick look at them from the sleeve - you know, the sleeve policy that is pulled out of the sleeve, waved for a couple of weeks and then say have a vote. John Howard thinks that because the government has been in office for 13 years, all he has to do is sit there and say nothing and slide into office.

Well I think people have got to remember that he has been there longer than most of the Ministers in this government. He was a Treasurer before I was ever a Minister and Australia was an industrial backwater and industrial archaeological museum. It had, in the end, no future, high inflation and high unemployment. So I was just saying, market himself as a new person. I mean, new person - John Howard, Tim Fischer, have a look at Tim's antics in the last week or two, Alexander Downer. I mean Tim will be the Deputy Prime Minister, Alexander Downer would be the Foreign Minister, Mr Costello would be the Treasurer. This is the new team.

JL: Well if all this is as bad as you are intimating to me it is, why is he in front in the polls?

PM: Well it is the old point about incumbency. I think the public are also quite clever about polls. It is a bit like by-elections, they see them as an opportunity to needle the government and push it along and good on them. In other words, they are not going to say, oh yes, no, no, the government is fine, that is alright we are going to vote for the government. But others say, well I am thinking about it, I am undecided, or I am against them at this point. And they see that, I am sure, as actually encouraging governments to do better and good on them for that.

JL: Good luck with the meeting that you have at lunch time today. I know it is very important not just to you, but to the entire world.

PM: Well, I think, we have a strategic lull. I mean this is very rare in the world. I mean we didn't have nuclear weapons before 1945.

JL: So if it is going to be done, it must be done now?

PM: There have been 130,000 nuclear weapons produced. At the moment, there are 50,000 warheads ...

JL: Lying around.

PM: 50,000 warheads lying around and I think what we have got to tell people, including the nuclear powers. It is not just the five of them - the United States, Russia, Britain, France and China. It won't be just five of them. As countries get more wealthy and they think their strategic position is deteriorating, they will all consider having a nuclear weapon too. And, then, the discipline that the Soviet Union and the United States had through the Cold War years won't be the sort of discipline and threat assessments that all these other smaller states will have in the future. So it is not just five and nothing - it is heaps of countries having nuclear weapons.

JL: Yes.

PM: So if a country like Australia doesn't stand up and say, well listen we are going to have a go and try and get the best people and pull the best thoughts together and drive some of these lessons home, well you know we have got nothing to lose other than our confidence in ourselves and our regard for what we think is an important international contribution.

JL: Okay, well as I say, good luck not just for your sake, but for the sake of everybody and I mean the world because it is a pretty important issue.

PM: Well chemical weapons, now, we have got a convention to eliminate them. Australia was principally involved in eliminating a whole category of weapons. If we had done it with something which is much harder to verify - chemical weapons and biological weapons - it can be done with nuclear weapons.

JL: And should be. I trust we will have time to talk to each other before the election in May?

PM: I hope so. I hope so. If you'll have me on.

JL: You didn't deny May.

PM: Well, I mean, I opened up with a Raid ad, I suppose I can absorb any culture.

JL: Good to see you. I am glad I am back and I hope that we talk to each other soon.

PM: Good on you, John.

ends