



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH JOHN STANLEY, MACQUARIE RADIO,
31 JANUARY 1987

E & O E - PROOF ONLY

STANLEY: Prime Minister you have said you that believe you are now as up to date on the Middle East as anyone else, apart from the parties themselves. what are you going to do with that knowledge now that you have got it?

PM: I have already done some things with it. I took from Jordan as I indicated to them that I would, the story of their commitment which I absolutely accept to the processes of securing peace between Israel and its Arab neighbours and I think that has been helpful. I have taking the views from the Israeli Government to President Mubarak about the commitment and great desire of Israel to be associated with Egypt in assisting with economic development in the area. I have undertaken to the Government of Israel to make further representations to the Soviet government about the question of Soviet Jewry. I have undertaken also to make certain representations to the Government of China about the position in the Middle East. And I have said from the beginning, John, and I repeat I don't set myself up, and Australia doesn't set itself up to be mediator. Simply, the position now is that I have been given this unique opportunity of sharing the confidences of the three states that I have visited, the opportunity of talking with representatives of the Palestinians. I simply say that if there are any other things that the parties feel that I can do then we stand ready to do it. But I repeat we are not saying that "look here I am, I am now so well informed, off we go to settle a dispute". That is not the way I look at it. but we stand ready to help in any way that they think we may be able to.

STANLEY: You urged Israel to consider recognition of the PLO, with qualifications - the PLO would have to recognise Israel. When did you decide that it was time for Israel to take that step.

PM: If you look back to things I wrote in the 1970s - I haven't got a copy with me, but I think it was fairly specifically in the Boyer Lectures in '79 - I was saying these things. That you had to get a contemporaneity, if you like, of the PLO recognising Israel, and truly recognising. And not just in some formal way. The conditions are the acceptance of resolutions 242 and 338 of the United Nations which secondly involves the recognition of Israel and thirdly, the repudiation of terror. And to get contemporaneous with that then Israel saying then, in those circumstances, we are prepared in the negotiating processes to treat with PLO. So I have said that a long, long time ago. I think really what has happened on this occasion is that getting more immersed in the detail, more immersed in the attitude of the people directly involved

PM cont: I have had my long-held view on this issue confirmed, that if we could get, as I have put, the translation of the actuality. In other words, I think the actuality now is on the part of the PLO that however reluctantly they may come to that conclusion, I think they now understand that Israel is here to stay. On the other hand, I think that Israel understands the reality of the representative capacity of the PLO provided those conditions are met. And I think that the processes of getting to peace - the very complicated processes - would be helped if those actualities were translated into formal statements.

STANLEY: The PLO says it represents the Palestinian people. You have spoken with passion about the Jewish people, the Israeli state being established from a dispersed and oppressed people. How does the Palestinian cause today stack up against the cause of the Jewish people in the late 1940s.

PM: What you have got to understand is this that when the United Nations in 1947 made the decision it wasn't a decision which simply envisaged the creation of the state of Israel. It envisaged the opportunity of a Palestinian state. And up until 1967 - Israel was created as a state in 1948 out of the 1947 United Nations decisions. For a period of 20 years it was open to states other than Israel to enable the creation of a Palestinian state. They didn't do that because they didn't envisage the state of Palestine which didn't involve the disappearance of the state of Israel. The position in 1987 - 20 years later - is that I think the Arab states and the PLO, however reluctantly in some cases, do accept the reality and the continued existence of Israel. So we have got to translate those new realities into part of the negotiating processes. And within that process, the rights of the Palestinian people have to be observed and our policy as a Government says that the rights of self-determination include the possibility of an independent Palestinian state. But what is quite clear from my discussions in Jordan and with the Palestinians is that what they see as the only viable, in both political and economic terms, to come out of that process is a confederation of the Palestinians with Jordan.

STANLEY: Just moving on to Davos where you talked to overseas investors. One of the things you talked about there was the ACTU providing some assurances to overseas investors about the industrial relations climate. Could you see a situation where a potential investor asks for a no-strike agreement and was actually given it by the ACTU?

PM: I suppose it is conceivable although I think that the sort of countries that we are dealing with are all democratic countries where it is recognised that finally labour should have the right to withdraw labour. I think rather what we all ought to try and see is a situation where you create the circumstances in which that right is not eliminated but that you create a framework of agreement which contains the processes of dispute settlement which would make the use of that right unnecessary.

STANLEY: The people you addressed at Davos were not politicians - they are the people that sign the cheques, they are the ones that make the decisions about investment in Australia - what feedback did you get from them?

PM: If I can reply with all due modesty, it was a magnificent feedback. I think you know that from others. We got a great reception. And it was not just a reception for me personally, Bob Hawke, but I think it also reflected an increased appreciation of the achievements of Australia. And of course, I and the Government, properly, claim a considerable amount of credit for what has happened in the last 4 years. But I think, importantly also, there is an increased appreciation of not merely the resources of Australia, its political stability, its significance in the region but I think there is an increased understanding that changes have been effected, that there is now a much more positive approach by all the constituents in Australia towards trying to get new investment, to try and create a more diversified economy, to develop a manufacturing base which can be import competitive and export-oriented. And I think perhaps the biggest virtue of my visit there was the understanding that we as a government are not just talking rhetoric but we have made a whole range of relevant decisions - the deregulation of the financial sector, the restructuring of sectors of our industry, the iron and steel industry, the heavy engineering, the shipbuilding, textile, clothing and footwear. They see that it is not just rhetoric on our part but we have made the relevant decisions that we are putting Australia in the position to be competitive. And they want to be part of that.

STANLEY: You have also received news over the weekend from Sydney - the by-elections. Were you surprised that you did so well?

PM: No. There were signs before I left - and you will recall a Bulletin poll which showed that Barrie Unsworth had improved

HIS STANDING VERY CONSIDERABLY AND I THINK IN THE END IT WORKED OUT MUCH IN THE WAY THAT I THOUGHT. THAT IS THAT SURE THERE WAS SOME CONCERN IN THE ELECTORATES ABOUT, IF YOU LOOK AT IT ...

THERE WAS SOME CONCERN ABOUT SOME OF THE THINGS, THE TOUGH DECISIONS THE FEDERAL GOVERNMENT HAD MADE. THAT HAD TO BE AN ELEMENT. THERE WAS ALSO SOME DISSATISFACTIONS. THERE WAS SOME ELEMENT OF WHAT HAD BEEN HAPPENING WITHIN NEW SOUTH WALES. IN THE END ESSENTIALLY, THE ELECTORATE WAS FACED WITH A CHOICE BETWEEN LABOR AND THE LIBERAL. AND IF THERE HAS BEEN ONE CHARACTERISTIC OF RECENT TIMES, INCLUDING RIGHT UP TO THE PRESENT OF AUSTRALIAN POLITICS, IN GENERAL AND IT IS TRUE IN NEW SOUTH WALES AS WELL, IS THAT THE LIBERAL PARTY OFFERS NO ALTERNATIVE. IT IS NOT AN ALTERNATIVE GOVERNMENT IN AUSTRALIA. AND MAY I SAY THAT IS THE VIEW NOT ONLY STRONGLY HELD BY MYSELF BUT APPARENTLY IT IS RECENTLY STRONGLY HELD BY JOH BJELKE PETERSEN. IN OTHER WORDS, THE PEOPLE, I SUPPOSE THEY WANTED TO GIVE A BIT OF A WRAP TO BARRIE AND THE GOVERNMENT, PERHAPS A LITTLE BIT OF A RAP TO US, I DON:T KNOW, I DON:T THINK VERY MUCH TO ASK. I MEAN, AFTER ALL, THEY SAID GIVE KEATING A BEATING. WELL, HE DIDN:T GET MUCH OF A BEATING. IT WAS THE LIBERAL PARTY THAT TOOK A THRASHING. AND MY VIEW IS THAT IN NEW SOUTH WALES POLITICS JOHN, NEW SOUTH WALES LABOR PROBABLY HAD ITS NADIR IN BASS HILL. THEY ARE ON THEIR WAY UP NOW AND THAT WHEN THE STATE ELECTION COMES IN 198: BARRIE UNSWORTH WILL DO WHAT WE WILL DO, THAT IS WE WILL BOTH WIN.

STANLEY+ JUST ON THE KEATING ASPECT. DO YOU THINK HE IS GOING FOR HIS OWN PERSONAL J CURVE NOW. DO YOU THINK HE IS ON THE UP.

PM. I BELIEVE SO. HE CERTAINLY DESERVES TO BE BECAUSE PAUL KEATING HAS BEEN A MAGNIFICENT TREASURER. LET ME MAKE THIS POINT INTO NEW SOUTH WALES POLITICS AND TO THE ORDINARY PEOPLE OF NEW SOUTH WALES. THERE IS NO ONE NOW IN POLITICS WHO HAS GOT TO KNOW PAUL KEATING BETTER THAN I DO. HE HAS AT TIMES AN APPEARANCE OF ALOOFNESS. PEOPLE MIGHT TEND TO THINK THAT HE IS INVOLVED JUST SOLELY AND PREOCCUPIED SOLELY WITH THE IMPORTANT ISSUES OF MANAGEMENT OF THE ECONOMY AS A WHOLE. I WANT TO SAY TO YOUR LISTENERS, THAT I SIT WITH PAUL KEATING IN MEETINGS OF THE EXPENDITURE REVIEW COMMITTEE THAT WORKS UP TO THE PREPARATION OF BUDGET. I SIT WITH HIM IN CABINET MEETINGS. AND PAUL KEATING IS A MAN WHO HAS A DEEP COMMITMENT TO TRADITIONAL LABOR PRINCIPLES AND INTERESTS. THAT IS, HIS CONCERN WITH ECONOMIC GROWTH GETTING THE ECONOMY RIGHT IS FUNDAMENTALLY DIRECTED TOWARDS TRYING TO CREATE THE CONDITIONS IN WHICH ORDINARY PEOPLE ARE GOING TO HAVE THE BEST CHANCE OF IMPROVING THEIR CONDITIONS AND WITHIN WHICH THE CHILDREN OF WORKING PEOPLE ARE GOING TO HAVE THE BEST OPPORTUNITY OF DEVELOPING THEIR TALENT. THAT IS NOT RHETORIC ON MY PART. I HAVE SEEN IT, I KNOW HE IS CONCERNED. I HAVE SEEN IN EXPENDITURE REVIEW COMMITTEE MEETINGS WHEN THE MINISTER, BRIAN HOWE, HAS BROUGHT UP PROPOSALS FOR WANTING TO IMPROVE OUTLAYS IN THE SOCIAL WELFARE AREA. THERE IS ALSO A RESPONSIVE NOTE WITH PAUL KEATING TO THOSE SORTS OF CONSIDERATIONS.

STANLEY- YOU ARE OBVIOUSLY HAPPY WITH PAUL KEATING. YOU ARE BACK IN CANBERRA TOMORROW NIGHT, THERE HAS BEEN NO TALK OF A RESHUFFLE OVER THE CHRISTMAS PERIOD. CAN WE ASSUME THEN THAT THIS WILL BE THE LINEUP, IN BROAD TERMS, THAT YOU ARE GOING TO GO INTO THE ELECTION WITH.

PM+ THERE ARE SOME CHANGES OBVIOUSLY THAT WILL ARISE FROM SENATOR GRIMES. BUT I HAVE MADE IT CLEAR, I AM NOT TALKING ABOUT ANY MAJOR RESHUFFLE. AND THE POINT TO BE REMEMBERED IS THIS AND MAY I SAY THAT I HAVE HAD THIS CONFIRMED BY THE OBSERVATIONS OF THE BUSINESSMEN IN DAVOS AND THEY SAID IT, NOT JUST IN FRONT OF ME BUT IN FRONT A WHOLE LOT OF EUROPEAN PEOPLE THAT WERE THERE, THIS IS THE BEST GOVERNMENT SINCE THE WAR. THEY TALK ABOUT THE QUALITY OF THIS MINISTRY. AND THEY TALK ABOUT IT IN UNQUALIFIED TERMS THAT THIS IS A MINISTRY OF GREAT TALENT. THAT TALENT HAS BEEN HONED AND SHARPENED

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PM CONT: IN THE DISCHARGE OF THEIR EXISTING PORTFOLIO DUTIES.
AND IT JUST WOULD NOT MAKE SENSE THERE TO HAVE AN EXTENSIVE
RESHUFFLE.

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