



## PRIME MINISTER

TRANSCRIPT OF NEWS CONFERENCE, PARLIAMENT HOUSE, CANBERRA -  
3 JUNE 1991

E & OE - PROOF ONLY

PM: I have a Caucus meeting at 11.30. That will set the duration of this meeting. I'll make a brief statement, it is to this effect. Firstly, I am grateful to my Caucus colleagues for the significant vote of confidence that they have given me. The second thing is to thank Paul Keating for the tremendous service he's given to this country as Treasurer and providing me with what I've said has been, I think, one of the outstanding combinations in post-war politics. It goes without saying that I am sad to see the end of that combination but the course of events has made that necessary. Paul accepted the decision graciously, congratulated me and indicated there would be no further challenge from him. The task now, as I told the Caucus, is to set about the task of healing the wounds which undoubtedly have occurred in my Party during this process. I believe that that is the wish of the overwhelming majority, not merely of my Parliamentary colleagues, it is certainly the view of the Party at large and I expect it would be the wish of the community in general. They would want us to put this behind us so that we can get on concentrating on the task of running this country. The Labor Party will now be able to focus on its true opponents - those are the Liberal and the National Party Coalition - who I believe provide a disastrous prescription for the future of this country and I am determined to do everything within my capacity to lead my Party to victory in 1993. So that's where we are. I simply say finally that I had made up my mind before this ballot that I thought I should cancel my proposed overseas visit and I have so made that decision. It is a pity that I can't go ahead with it because there were important meetings with European leaders in regard to the question of the Uruguay Round. I will have to see how those things can be covered whether by correspondence or in some other ways. But I believe and I think the Australian people would accept that the appropriate course of action for me is to stay here now and, as I say, get on with this task of reuniting the Party and providing Australia with the Government that they require.

JOURNALIST: inaudible

PM: Should he?

JOURNALIST: inaudible

PM: No that's a question for Paul. He has made the decision which obviously he had to make in terms of the position of Deputy Prime Minister and the Ministry. That was the only decision he could make. What he does about staying in or leaving the Parliament's for him and I'm certainly not seeking his departure.

JOURNALIST: inaudible

PM: Well all I can say is that if I look back on the Press for the last few days you people set the parameters, you said I need 20, well I got 22. So I am confident that the Party knows what the right approach is and I accept what Paul says that he will not be making a challenge, nor do I think he'd be encouraging any acts along those lines.

JOURNALIST: Who will be the new Treasurer?

PM: I am the Treasurer. I've just done that. It's something I hadn't anticipated was necessary. That interests you doesn't it. I thought I could appoint an acting one but I can't because when there is no Treasurer there can't be someone acting for someone who doesn't exist. It came as a great surprise to me so I am Treasurer for the day. I trust I get some decent Balance of Payments figures.

JOURNALIST: Do you want Mr Howe to be your Deputy?

PM: I beg your pardon.

JOURNALIST: Do you want Mr Howe as your Deputy?

PM: I think that will be the outcome and I think he'll make a great Deputy.

JOURNALIST: Will there be a Cabinet reshuffle?

PM: Well by definition there has to be some. I don't think there needs to be much. I make it clear about the Treasury. I have no ambitions or intentions to hold a duality of portfolios. Prime Minister's enough.

JOURNALIST: When do you think ...

PM: It'll be fairly quickly, Michelle, fairly quickly.

JOURNALIST: ... going stay now until the next election. What are your plans after that?

PM: I beg your pardon.

JOURNALIST: ... stay now until the next election. What are your plans after that?

PM: I have to win it and fight on. Now we'll come to that. Now I'm going to be fighting this election in 1993. Now what I'll be saying about that that's down the -

JOURNALIST: ... why you reneged on your promise to leave at a time which would give Paul Keating reasonable time to take over?

PM: This is not something that gives me great pleasure but it's going have to be dealt with here and I guess in the Parliament. Let me say this very briefly and as unabrasively as I can. The situation arose in 1988, the meeting, because Paul believed we couldn't win the 1990 election and he thought he should have a turn as Prime Minister. It's understandable. But I believed that we could win the 1990 election and I said so and I intended to fight it and I thought I was the best to win it. Paul had some view that perhaps he might leave if he was not Prime Minister. I didn't want him to leave and so reluctantly, but nevertheless I did it reluctantly in those circumstances of keeping him on because I thought it was best that he stay on. I said that if we won, as I believed we would, then I would retire during the fourth term. Those were the circumstances. I must say in all this one of the unfortunate things has been the misrepresentations that have taken place about that meeting. There are some who know the truth and I'm talking about the media as well who up until last night refused to accept it and perpetrated an untruth. The fact is that that meeting was the initiative of Bill Kelty and the people at it were the initiative of Bill Kelty. That's by the way, it's an incidental. So I gave that undertaking for those reasons. It was because Paul thought he should have his turn back there in the last period of government in a situation where he thought we couldn't win the next one. Now I don't want to go over the unpleasant episodes of the end of 1990, the beginning of this year because despite all this, as I've said privately to Paul, I do have respect and I hope I'll still be able to have friendship with him. So I only go to these things to the extent that it's necessary to answer obvious questions that are in your minds and in the minds of the people. What did happen at the end of 1990 and the first part of '91 I couldn't accept and on that basis I said that that undertaking was off and I did this within the context that I believed then as I do now profoundly that I am the person best placed to lead the Labor Party to victory in 1993.

JOURNALIST: ... Mr Hawke when you told the Australian people that you would stay a full term ... in your mind at that stage had you decided you wouldn't honour the agreement with Mr Keating ...

PM: No I hadn't. No, I intended to honour it and -

JOURNALIST: So you were misleading the Australian people at that stage?

PM: Well we've covered that. Let me say I harboured some hope that Paul may come to see that that would be the best outcome, that I should go on. I did harbour that hope and I regretted, I regretted having to say what I did. The facts are you know the truth and the reality of this that as did the people at the meeting that if I'd gone to the electorate in 1990 saying that I was only going to serve part of the term and they were voting for Paul Keating we would not have won the election. That was accepted. As I say I am reluctant to have to handle it the way I did, it was not of my making, it occurred for the reasons that I've put, I didn't like having to do what I did. As I say, I harboured the hope that Paul may come to see if things didn't change that it would be best that I go on. Let me say this, if I had believed at any stage during the term of this Government that Paul, or anyone else for that matter, had a better chance of leading the Labor Party to victory I wouldn't have needed anyone coming to knock on my door. I've been Prime Minister for a long period of time. It would be very much personally easier for me to retire. I certainly could honourably make more money outside of Parliament than I do in it. I have a wife and three children and six grandchildren whom I adore, and I would comfortably spend very much more time with them. The only reason that I stay is because I believe that I have the best chance of leading this Party to victory. And interestingly, as you would observe, although some of your editors didn't seem to want to give it the prominence that it deserved, ... the facts weren't there, overwhelmingly all the evidence of recent days is that that's a view which is shared both by my Party and by the people of Australia.

JOURNALIST: ... said isn't that that you told a lie in order to win the -

PM: ... Paul, the number of times ... I mean and you'll keep on writing that. I've explained -

JOURNALIST: But do you concede that point?

PM: Paul, you've heard my explanation. I told you -

JOURNALIST: Would you concede that point?

PM: I have given you my explanation. Look you will do the interpretation Paul. You will do the interpretation. Let me repeat, I have said that I made a commitment to Paul at that meeting for the reasons that I said. I regret that I have to, in those circumstances in the election, to have said what was not the case. That is that I would serve a full term. I had the hope that if the situation didn't change in terms of the perceptions of Paul's capacity to win, that he may come to understand that it wasn't in the best interests of the Party but I had given him that commitment. You will have noticed that at no point since that discussion has been revealed - have I avoided that point. So it is the case that what I was saying to the electorate did not represent the understanding I had with

him. But as I say, I harboured the hope that if things went on and it remained abundantly clear that I was the best chance for the Party's success in the next election then he would come to understand that. He didn't come to that view. But as I say, in the event the circumstances at the end of 1990, beginning of '91 made me believe that I no longer was in a position where I should adhere to that undertaking.

JOURNALIST: Mr Hawke, do you think you owe the Australian people some apology for -

PM: All I can say, Michelle, about your perception of what you think I owe the Australian people or do not owe, I'd simply suggest that this issue has been overwhelmingly before the Australian people in the last few days. It could hardly be said that it's been kept a secret from them.

JOURNALIST: It was for a few years.

PM: Just a minute. I wonder whether I could finish -

JOURNALIST: Inaudible.

PM: I wonder whether I could finish the answer I'm giving. Do you mind? Thank you very much. So kind of you. I suggest that there was no way that in the last few days the Australian people could be having the view that they didn't know the issues. You've elaborately put them all before them and in their knowledge and, may I say, not only in their knowledge but in my Party members' knowledge of all the events, they are making their view clear as to what their preferences are. So as I have been throughout my public career, which is now over 30 years on, I will be content to go before the Australian people, you won't find me dodging the Australian people. I will, as I've done in the past, more than any other Prime Minister in the history of this country go in to meet the Australian people in their workplaces, in their shopping places, where they assemble, I will meet them directly and with the confidence that I have in the past and I believe that they will continue to show in the future the respect for me and the confidence that they have in the past.

JOURNALIST: ... in the Left faction.

PM: I beg your pardon.

JOURNALIST: This must certainly mean that they'll have more influence in economic policy along the lines of the submissions put to you ...

PM: It doesn't mean anything of the sort. What's very interesting that you should note if you really understood what's been happening in this Parliament and in this Government over a period of time is that the Left have become a more significant contributor not just to economic policy but to policy generally than they were in the early days. There was almost a sense in the early days of some

confrontationism but I think very largely due to the way I conduct affairs the Left has come to understand that this is a reformist Government with which they are proud to identify and they have made a very significant contribution. I brought Brian Howe into the ERC some time back, many years back, they say Paul didn't agree with it at the time - he came to - and the Left have come to make a positive and constructive contribution. It's not as though they're coming out of the cold. They have been constructive. The way this Government has operated for some period of time now is that the factions, they have their differences on things, but basically we come to consensus positions. I think that will continue. One more question, one more, one more question. Yes.

JOURNALIST: Mr Hawke, doesn't it concern you at all that you're at least going to be perceived as having deceived the Australian public up to a few days ago?

PM: Well thanks for the original question. I've really answered it.

JOURNALIST: But isn't the heart of the issue?

PM: I don't know whether you know the rules. We don't have a debate here. You ask a question, I give an answer. Right, you've asked your question, now I'll give you the answer. Good. You understand the rules.

JOURNALIST: inaudible.

PM: Wait a minute. You would know the rules. I'm giving him his answer. Let me give it to him. Now the fact is, as I've said, the Australian people have been inundated, if I may say, not all too objectively by some, but the public have been given a full exposition, in many cases a totally misleading exposition about the 1988 meeting, untruths have been told about that but by now they are well and truly exposed. Now the people have been fed all the information including my commitment in 1988 and they are making their judgements clear and their reactions now and most importantly my Party is. And as I said I have no fear whatsoever about going out and meeting the Australian people. I love meeting them. I will continue to do it. I have no apprehension whatsoever. Ok. I've got a meeting.

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