



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH NEIL MITCHELL, 3AW, 17/3/92.

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MITCHELL: The building I assume is open and with me the man who opened it, the Prime Minister, Mr Keating, good morning.

PM: Good morning Neil.

MITCHELL: The deed is done, is it?

PM: Yes, I was just saying, it's a change from the sort of patina of the old radio station. You know they always have a comfortable feel, those thirties radio stations. 3AW here and 2KY in Sydney was the same. You walked in and it was like stepping back into the old days of radio, the days of the great radio personalities, all that history came back over you.

MITCHELL: A bit like the old Parliament House.

PM: Yes, a bit like the old Parliament House.

MITCHELL: Ninety days today.

PM: Somebody told me that.

MITCHELL: Ninety days, now we've had the Sixty Minutes thing, the family barbeque, we've had the bash the Poms, savage John Hewson, the switch to vaudeville it strikes me has been thrown. Is it working?

PM: Well I think we are - the important thing is getting Australia working again and I think that confidence is returning, slowly but surely, and the statement the Government put together, One Nation, was about pulling that together, and I think also a sense of confidence about ourselves helps. That is not just the mechanical things in economy but Australians knowing about themselves and being certain and confident about themselves helps. So in the full bloom of the statement and rhetoric, I think, I hope, that Australia's going to be better.

MITCHELL: But obviously as a politician it's also about getting the personal rating up and about being seen as the competent leader and about regaining government. Is it working in that sense do you think?

PM: Well I can only...if the polls are responding somewhat, but I think the main thing is that whatever ambitions I have for myself, they're greater for Australia and if I can engender recovery, bring it on, we've got the national accounts out today, I'll be surprised if they don't reveal Australia on the turn, the economy on the turn, and I think and hope that the One Nation statement will drive that on, power that on and consolidate a recovery.

MITCHELL: You do think then that we're coming out of recession. I mean you took a long time to be convinced we were going into it but you're now, you're one of the first to say we're coming out.

PM: I'd say that the economy has been on the turn and we have given it an impetus, some added momentum by the package we introduced into Parliament a few weeks ago, so I think that should guarantee a recovery.

MITCHELL: When will we feel it? When will we get jobs? When will people stop having trouble eating?

PM: Jobs are tied up with production. If you follow any measures of production over the last thirty years, in our national accounts you find employment running right with them. So if we can lift production we lift employment, so the aim of the game is to lift production and I think that will happen.

MITCHELL: But short term are we going to have more jobs or have we got to wait for a year

PM: Oh no, well we've had quite a reasonable spurt of employment growth in the last three months but it's just been that the labour force has been growing by a greater amount than employment growth. We've not been losing employment over the last three or four months, we've actually been gaining employment, but unemployment has gone up a jot because the labour market is still growing. The point is trying to get that employment growth ahead of workforce growth so that unemployment comes down. So we've been seeing that growth coming through in employment, well we've got to see more of it.

MITCHELL: Your friend, or I think he is, Tony Sheehan, talks about eighty thousand jobs here in Victoria, and a lot of that is spinning out of the One Nation policy, but when will we see some of them?

PM: I think you'll see them over the course of this year, you'll see a fair bit of that. We think that we can produce about eight hundred thousand over four years on the sort of forecast which we've put together for the One Nation statement which are not remarkable. They've got the economy growing at about four percent a year and if we can't do four percent a year you'd have to give the game up.

MITCHELL: It's based on confidence still, about international recovery, isn't it, both the United States and Japan, and I noticed the Nikkei figures are very bad overnight.

PM: That's right Neil, the international economy does help us obviously, or hinder us, and it has been hindering us. We've had a recession really worldwide in the fallout of the stockmarket crash of 1987 and I just made the point downstairs at the opening of the station, thinking about Roosevelt's talk to the nation on radio in the United States in the thirties. Four years after the stockmarket crash of 1929 American production had fallen by forty percent, but four years after the stockmarket crash of '87 which was bigger than 1929, American production had fallen by three percent and ours had fallen by three. In other words we've avoided an international depression but we've ended up with a recession and that's a problem that we've got to try and pull our way out of, and it will help us if those other countries come out too.

MITCHELL: I'd argue though that we led the world, or one of the first countries in the world, into recession. Are you saying we'll be one of the first out?

PM: I think we all went in about the same time and we probably will emerge about the same time I think, but growth in America is slow. But fortunately for us we're tied up with the fastest growing part of the world, the Asia-Pacific, and growth rates in this part of the world are now around five to seven percent. That's Indonesia, Thailand, Japan, Hongkong, Phillipines, Taiwan, in this area most economies are growing at about five...the whole area's growing at about five to seven percent which is quite fast, about twice the speed of the rest of the world. So we're caught up in that fortunately and that helps tug us along as well.

MITCHELL: You mention confidence. What do you base your assessment on, that confidence is returning. I mean the latest poll, the Morgan Poll in the Time today says quite the opposite.

PM: I think that the economy has bottomed, is on the turn, that it's on the turn for the better and that the One Nation statement will consolidate that recovery. I think the banks are probably seeing the end of their - well at least they can see the bottom of their own problems and losses - and with interest rates down low now for quite a long time, deals can be made again, people can do things again and they're starting to do them. So I think there is just that feeling coming, that people think things are better, they're starting to see some light around and they're starting to pick up assets and use them....

MITCHELL: Is it a gut feeling...(inaudible)..?

PM: Well a bit ofwell...people say things to you, you know, there's an anecdotal view about the work that people have in their place and how they see the next three months and this sort of thing, and my impression is things are better than they were three months ago.

MITCHELL: You mentioned interest rates. Room for them to come down further?

PM: Not for the moment I don't think, but again, the Government does regard low inflation as a great Australian achievement. We've broken the back of inflation now to one and a half percent for the first time in twenty years and we want to make sure the recovery is a low inflation recovery. But again we've tried to get that balance right and that is at the same time engender a recovery while holding inflation. We've taken interest rates down about twelve percent, then our bill rates are now about seven and a half, they're quite low by our standards, but of course inflation's low. So there's scope there for lower interest rates with a longer run, good inflation performance.

MITCHELL: End of the year? I mean you're painting a pretty optimistic picture about the end of the year if we're turning and there's still room for interest rates.

PM: We have through '92-3 in that One Nation forecast growth at four and three quarter percent through the year, and I think as the stock cycle turns, as we're seeing better prices for commodities, for wheat, wool's picking up, some of the non-ferris metals, and we're seeing buildings starting to shift and retailing starting to modestly shift, I think you can see that growth starting to come together.

MITCHELL: Good time for an election?

PM: Well I'm sure the public want value out of the political system and out of the Parliament, so the best value they can get is a Parliament that runs longer rather than shorter and from our point of view the best thing to do is to get on governing.

MITCHELL: Would you be willing to say there will not be an election this year?

PM: There's no point, I don't think, any government cutting its options off about elections, but my intention at this stage is to see the Parliament run through into 1993.

MITCHELL: Have you talked to Joan Kirner about election strategies?

PM: Never had a conversation with her about it ever.

MITCHELL: Because you'd want her - presumably it'd be better for the Victorian Government to go first.

PM: I think that'll probably happen, didn't she say something about the end of the year?

MITCHELL: Certainly at this stage you wouldn't be looking at this year?

PM: No.

MITCHELL: Might be tempting, if popularity keeps going up and....

PM: No no no, I think the main thing is that the most tempting thing for all of us is to get that growth going and get people back feeling confident about the place and get commerce spinning again.

MITCHELL: Aborigines. Now you've taken a high profile on this over recent weeks. Would you revive the treaty?

PM: Well I think the process which we have in place is a good one, the reconciliation council and its processes. I think what last week's events reveal, that there's a long way to go in that reconciliation and it's important that non-aboriginal Australians feel good about their support for the aboriginal community and we see a material shift in the living standards of the aboriginal community, I think that's the most important thing. The shift in living standards and opportunities for the aboriginal community is more important than treaties or any other things which do not expressly or directly go to those issues.

MITCHELL: So the treaty is down the track, once you sort out the other problems?

PM: I would think that. I think the work of the reconciliation council plus the work of ATSIC and the fact that the Government will be responding to the Royal Commission into Deaths in Custody, on law and justice issues and the underlying things which produce the problem. The underlying problems in living standards and opportunities, I think they're the things to be addressed and if they can be addressed as the reconciliation council addresses the broader run attitudinal things, I think that's the way for us to go.

MITCHELL: Is it time to put politics aside from it? Is there a bipartisan approach here?

PM: I would always hope that was the case, that it is a bipartisan matter and that the aboriginal community can therefore enjoy that political support. We think this is the last opportunity this decade to again make another material improvement and advance in the conditions of aboriginal society and that's why we'll be using this opportunity with the Deaths in Custody response.

MITCHELL: I notice the reports today about vilification laws. Is this essentially a racist country do you think?

PM: I don't think it is Neil. I mean you'd have a fair idea of this as I would because you speak to many people here in the station, but I don't think it's a racist country. This is a tolerant place. We've made multiculturalism work here as well as any country in the world could work. I just made the point at a St Patrick's Day breakfast.

I mean no two countries have, well if you like, eyed each other off so sharply over such a long period as England and Ireland, but yet a lot of Australian nationalism has come from those two streams working together. I mean Australian multiculturalism has worked, I don't think this is a racist country though there'll always be I suppose some racist attitudes. The issue is to be rid of them.

MITCHELL: I was a little surprised by the passion with which you reacted to the videos or that issue. Do you think the ABC should've shown the videos?

PM: I think the ABC's entitled to reflect in its news issues in Australian life, and it did, and it's important I think those issues are on the table, that people know they have to be dealt with.

MITCHELL: Why the passion from you?

PM: Because I think it's time that that sort of racism one would expect to see in the American South of the 1930's and 40's was expunged from our society here in the 1990's. I mean it was a very, I think, nasty experience for that to happen, to have those families, the families of those two people mocked in this way and I think we have to be entirely resolute. Those of us who have charge of government and in a sense some influence over attitudes, it's entirely important I think that we set the standard, we make the stand.

MITCHELL: There are some who say that your statement in Parliament about the English was encouraging racism, or about England was encouraging racism and was bashing Poms.

PM: No no, it was not a complaint against the British or Britain. It was only a complaint against those people in Australia who don't have it in them to be wholeheartedly Australian in their attitudes.

MITCHELL: But you were suggesting that the British had perhaps deserted Australia at a certain time.

PM: Oh yes, absolutely, I said it again this morning, that our sacrifice in World War One for Britain was not responded or reciprocated in kind in World War Two.

MITCHELL: The historians perhaps debated a bit.

PM: Well London Guardian gave me a big tick and so did the London Times. I mean I didn't get it in the tabloids but I got it in the broadsheets.

MITCHELL: The Lizard of Oz.

PM: Yes well that was in the tabloids but the broadsheets, the serious papers were good and the fact is that's past, but my complaint is with people here, Australians, who can't not only grasp the future but can't grasp properly and sensibly the past. Don't understand enough about the past to let that influence the future.

MITCHELL: But can you see that it may have been, for whatever reasons, divisive. Certainly, I mean I've received all sorts of abuse and threats because essentially I supported a lot of what you said. But can you see it can be divisive in a community which is essentially British?

PM: Well I don't think it is essentially British.

MITCHELL: Well historic.

PM: I think it is now essentially Australian and I think Australians are tired of this sort of ambivalence and they want...it's going to be very important to our economic future in the region, to the way we portray ourselves to the world in commerce, if the rest of the world knows we are clear about our identity. Who we are, what we are and that we're proud of ourselves and that we're not a derivative culture, that we don't belong to somebody else.

MITCHELL: The Malaysian Prime Minister says that we tell lies and we're hard to get on with. Don't they understand this country?

PM: Well I think there's probably, certainly in media terms, a cultural difference in the way in which these countries relate to their media, and that's a case of them understanding us and us understanding them I think.

MITCHELL: How do we get the message across? It seems to have been going on for a long time and still...

PM: I think that's right but I mean time will work that out I'm sure.

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MITCHELL: Are you comfortable with this sort of pride that we're talking about in Australia, that we don't perhaps kowtow a little to people like Malaysians or the Indonesians?

PM: I don't think we should kowtow to anybody.

MITCHELL: Do you think we do or we have?

PM: I don't think so, no.

MITCHELL: We seem to apologise whenever our media does something.

PM: No, what we've said is we disassociated ourselves, the Government disassociated itself from things which were inaccurate, but I think it's also important for these countries to understand that a free press is important, important to this country and important to them and to understand the morays of a free press. So I don't think it's a matter of - we won't be tugging the forelock to anybody, Britain or anywhere else, Malaysia included.

MITCHELL: How Irish are you?

PM: Well my great grandfather was Irish.

MITCHELL: I noticed Conrad Black last night on Four Corners suggesting that Tony O'Reilly had been lobbying the Irish rump in the Labor Caucus.

PM: And he did it pretty well.

MITCHELL: And he did it with you?

PM: Oh he did, he's a very charming fellow, Tony. Very charming.

MITCHELL: Conrad Black also said that he believed that you would be receptive to expanding his holding beyond fifteen percent. Is that correct?

PM: That's a matter of I think the Labor Caucus and the Treasurer, before I became Prime Minister decided on these levels and made a declaration about them, made a public statement and let Mr Black's company buy fifteen percent of John Fairfax and Sons and said that would be as far as the Government was then prepared to go. I mean that's our position. I mean we're prepared to keep an open mind about it, to think about media policy, to think about print and to think about ownership, but not to be making any declarations about it.

MITCHELL: So it could be reviewed, the fifteen percent?

PM: Anything can be reviewed on the application of a company to the Foreign Investment Review Board or to the Government. I mean in a sense that's always open but whether it'll be sympathetically responded to is a matter for our decision, and at the moment I think that's premature.

MITCHELL: Across to South Africa, what happens if there is a no vote in South Africa, what happens from Australia's point of view then? The referendum's being conducted this very minute.

PM: Well let's wait and see I think, that's the best thing to do. I mean there's been great progress there. Let's hope that progress reflects itself in a Yes vote.

MITCHELL: Just quickly because I know you have to go, the performance in Parliament, your first week, you must've been pretty pleased with that.

PM: Well yes but I mean the Opposition, Dr Hewson's had an easy ride of it, for now two or three months he's become the easy rider in Australian politics and I'm sure he believed that because his Fightback package was not subject to attack, legitimate attack, that therefore the thing was beyond attack, and the fact is it's very vulnerable. Anything that wants to put a fifteen percent tax on the way in which Australians live has to be subject to examination and some of that examination started a couple of weeks ago.

MITCHELL: But it was the same colleagues who failed to attack it, your colleagues.

PM: Be that as it may, the fact is the Government's now making it very clear what's wrong with Fightback and the fact that it's basically limited, and when the Government brought down the One Nation statement which is now going to basically rebuild a lot of the basic infrastructure, which can only be done with government money, the railways, the ports, the national electricity grid, building up a TAFE system, all these things Australia needs but Dr Hewson says they're irresponsible. I don't think it's irresponsible to put kids that come out of year 12 and give them a technical and further education. I don't think it's irresponsible to build a standard gauge railway line from Melbourne to Adelaide, I don't think it's irresponsible to be able to carry freight from Brisbane to Perth, and this can not be done by taxing your Weetbix.

MITCHELL: Graham Richardson says that you've exceeded his wildest dreams.

PM: That's good, I'm pleased, very pleased.

MITCHELL: He says that all he can find in the Caucus are backbenchers who claimed to have voted for you and he doesn't know why the vote was as close as it was. But there's two things I wonder whether you might've regretted. One is the burble burble burble.

PM: No no, it was a sort of manifestation...I mean that day Dr Hewson was saying that the ABC was in conspiracy with the Teachers' Federation and the Labor Party and the Government to sort of undermine his party. As well as that he'd given the Central Bank Governor a bash on the way through, so I'm saying it was gibberish.

MITCHELL: Yes but it's hardly very prime ministerial.

PM: No but the fact that it was a physical manifestation of that gibberish, I was trying to demonstrate to people he may as well have been strumming his lips as saying what he said.

MITCHELL: The other thing is mocking John Hewson's speech impediment. Is that sensible?

PM: It's all part of the rough and tumble of politics, it's all part of the theatre of it all. I've been mocked uphill and down dale, uphill and down dale.

MITCHELL: How have they mocked you?

PM: Over the years, mocked, I've been mocked forwards and backwards.

MITCHELL: What for?

PM: Well there's a great littany of things there, a great littany.

MITCHELL: What sort of things do they mock you for? The suits and the rest of it?

PM: Oh anything, your lifestyle things and all sorts of things. You know, I collect French clocks and this sort of stuff, you know.

MITCHELL: Does that irritate you?

PM: It doesn't really, no.

MITCHELL: You see I don't think John Hewson's objecting but I think the public's said well that's a bit rough. Do you think you'd do it again or it might be time to back off?

PM: Oh no, look the fact is he has the most sterile campaign of taking Australia back down the time tunnel to late seventies politics a la Margaret Thatcher. Don't worry about the elderly, don't worry about the sick, don't worry about the weak, don't worry about the young, don't give them a place in TAFE, don't change the infrastructure, what we'll do is tax our Weetbix and our Kellogs and our clothing and our drycleaning and that's going to change the world, shifting income from the low paid to the high paid. It's not a solution for Australia, he's not entitled to portray it as a solution for Australia and if he wants to push hard policies like if you're unemployed and you're on the dole after nine months you're on your own, you go down the soup kitchens, you go to the voluntary agencies. If he wants to push those sorts of vicious policies then I think the whole complexion of the policy and....

MITCHELL: But we've got the soup kitchens now. I had in the studio yesterday a kid who sleeps in the boot of the car. Now this is from the Government that said no child in poverty by 1990.

PM: Yes, but you've still got an unemployment benefits system that you don't have in the United States. In the United States after three months you'd huddle over a railway grate under a newspaper to keep warm. This is not true of Australia but it would be true under Dr Hewson. Under Dr Hewson after nine months they're out so anyone who's unemployed, nine months the Government leaves you. Then its St Vincent de Paul, the Smith family or your relatives. Now we say that's not the sort of country Australia should be.

MITCHELL: Mr Keating I know you have to go. Are you enjoying yourself?

PM: Generally I am Neil, yes.

MITCHELL: What don't you enjoy?

PM: Not much about the job really. I like most of the things. Like this morning I had the St Patricks Day breakfast and the opening at 3AW, now talking to you.

MITCHELL: You have to get up early though.

PM: That's okay.

MITCHELL: Are you used to that yet?

PM: I must confess I'm a late starter generally. I'm a nocturnal character, I perform better later but one bends as the breeze as the case may be. But look the prime ministership is a great opportunity for anybody. It's in a sense the greatest compliment anyone can be paid to be given the job and therefore I am going to do my best with it, and my interest has always been trying to push Australia along, to change it from the sort of post-war torpor we're in to become an international place, to keep that change going and in this case get out of the recession and keep that big structural change coming through.

MITCHELL: Going to win the next election?

PM: Well we're going to give it a good shot. We're behind but we're going to be trying.

MITCHELL: I keep saying one last thing. Bob Hawke, is he a bit of an embarrassment now?

PM: No, no.

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MITCHELL: Doesn't worry you when he goes to the Logies and goes overseas and does interviews?

PM: No, good on him.

MITCHELL: Would you let him interview you?

PM: Well I don't think he'd probably bother, given then fact that....

MITCHELL: I've suggested it to him on this program.

PM: Have you? Well he's got this international retinue of people to interview.

MITCHELL: But you're on the international stage.

PM: Oh well here. I mean he's been the former Prime Minister and given the fact that I've replaced him he wouldn't be rushing to interview me I wouldn't think. But the fact is, I look forward to his interviews with other people because he's known them over the years and he'll have a good opportunity to get their views on important matters.

MITCHELL: Have you seen this tombstone in Queensland? Is it one of your ancestors, 1884.

PM: Someone sent me a picture of it about a year ago.

MITCHELL: Mr Keating, thanks for your time.

PM: Good Neil, thanks for having us in.

MITCHELL: The Prime Minister, Mr Keating.

ends.