



# PRIME MINISTER

## TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP INTERVIEW WITH SUSAN MITCHELL, RADIO 5AN, 29 JUNE 1992

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PRESENTER - SUSAN MITCHELL...Well, I did manage yesterday.. I was lucky enough to get the Prime Minister of Australia, Paul Keating, to have a few words with me about himself and about his vision for Australia. Because it was at a public function there is.. there might be just a bit of background noise and my voice isn't necessarily studio quality but his is loud and clear as you'll hear now.

Welcome to Adelaide, Prime Minister.

PAUL KEATING...Thanks you, Susan.

MITCHELL...Most of the people that I've spoken when I've said, "Well, now what's the question you most want me to ask the Prime Minister?", they say, "Ask him if he's for real".

KEATING...What do they mean though?

MITCHELL...Well, I think they want to know whether sometimes when you flick the Vaudeville switch, or you flick other switches, they want to know the real person that's behind all those kind of roles that you play I suppose.

KEATING...Well, I mean my philosophy is that the place has for too many years been kidded along by the political system. In other words a lot of people in public life knew better but wouldn't say, and they played the silly and civil game, being silly and being civil at the same time, and because the place had so much natural wealth it sort of muddled through and those sort of sins of omission were sort of forgiven. But when the world stopped wanting to pay us the prices we thought they owed us for the things we did in the normal course of events, like wheat and wool and all these other things, all the sins became obvious, and so it's a matter of whether one wants to be

civil and silly and not say, or be a whistle blower and try and change the place, and I.. I believe that the thing to be is a changer, to change the place and to call the.. call the tune as it is.

So, there's not much more to me than that really. I mean I.. I've done what I.. I mean I work the system, the bureaucratic system, the political system to get the changes. It doesn't matter whether they're in, you know, airlines or recent things we've done, pay television. I'm now working on technical and further education, a national system there. Whatever it might be at the time trying to break another log jam. So it's.. I.. I have some.. over the years, like anyone who's been in it a while, I've developed certain political skills and I try and use them and I employ all the tricks of the trade in getting decisions up. Nothing more, nothing less.

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MITCHELL...There's a commonly held belief among the Liberals that if they give you long enough you'll go too far. You know how you get carried away, they believe, with your rhetoric, and that Richo's not there to hold you back now.

KEATING...No, but Richo never held me back. I mean I.. I mean we're at the stage in life all of us where you call your own tunes. I mean I call.. I've been calling my own shots for years, and I mean the Liberals just sat on their tails for sort of thirty years and let the place become an industrial museum. Anyone that does anything always runs past them. I mean anyone that wants to exert themselves at all runs past them, and it's always the case that anyone that does want to change the place and push it along, in our case make it more relevant in the world, will always run into all of these sort of crusty conservative characters who don't want to do anything. Well, that's fine but.. but the system.. the political system owes the public something better and so I push and shove and try and get.. get our way on policy and change, and it's not been easy but again it's not.. who was it said, "Life was not meant to be easy"?

MITCHELL...[laugh] Well, he certainly wasn't one of your mentors but one of your mentors did say at some stage, "Don't forget, Paul, that you're here to hate the Liberals".

KEATING...No, no. No, that was Rex Connor who said, "No, no. We're here to bash Libs". Bash was the word he.. "You're here to bash Libs". And.. and he meant that for sort of sociological reasons and political reasons. I mean, look I couldn't care less about them. I mean largely they are largely irrelevant to the process and have been for a long period of

time and anybody who wants to, you know, to drag the cart along to sort of get changes knows that they have to drag them along as well, that they won't help. You know, they won't help, they're always in there trying to do something to sort of slow the place back, and I suppose, you know, you've just got to regard that.. you've got to regard that as just part of the sort of general inertia of the place, that you've got to tug the show along and them as well.

MITCHELL....But when you look at Dr Hewson across the chamber I mean do you feel any genuine antagonism for him or is it..

KEATING....Oh no. Look.. look, no, I mean he's here to do a pol.. he's there to do a political job and that's fine, I mean I understand that, but he doesn't understand about society. He's come to public life not prepared. This is a society that one seeks to operate for its betterment and improvement. He thinks society finishes at the Sydney Harbor Bridge and it starts at Watsons Bay in Sydney, it finishes at the Sydney Harbor Bridge, anything west of that, including, you know, Adelaide or anywhere else, in a sense doesn't matter..

MITCHELL....Well, he has close ties with Adelaide. I mean his wife's family live here.

KEATING....Mm. Well, I mean the thing is, you see, is this sort of view if you haven't got a million you're a bludger. If you haven't made a million by the time you're sort of thirty five well there's something wrong with you. Like his federal director was saying yesterday, "if you're on the unemployment benefits for nine months that's the end of you. After that it's not a fair deal for the taxpayer". In other words if the economic system has made you unemployed you can go down to St Vincent de Paul's Society or the Smith Family and get yourself looked after that way because it'd be unfair to ask the taxpayer to look after you. I mean this is the same spiteful view. They.. they're always trying to sort of penalise somebody. There's no generosity of spirit amongst them and that's what I find about the Liberal Party in generally, and also Dr Hewson, there is no generosity of spirit. And if.. I.. but beyond that, I mean I don't have any more contempt for him than I do his party.

MITCHELL....Is he a class traitor?

KEATING....Well, I think so. I think anyone that comes from.. I won't say a class traitor, let's not run that too far. He says to me, "Look, there you are standing in a Zegna suit", and

I say, "Yes, and so are you. The difference is last night I put my hand up to give the workforce of Australia occupational superannuation for the rest.. rest of their lives. Last night you voted them down. You put your hand up so they couldn't get it. That's the difference. It's not how we look, or what sort of suit we've got, or what sort of car we drive. What matters is where your vote is, where your heart is, and my vote and my heart has been always with the great body of the population who happen to be working people". But that's not to say that people who've got a quid haven't got a right to play their role in the system, and we've also supported them, you know, by such things as removing the double tax on dividends, which the Liberals never did. Cutting the top marginal rate from sixty to forty nine. You know these are things.

I mean our policies are policies for the whole of Australia, but sort of there they were last Wednesday night in the.. in the Senate voting against a retirement incomes policies to give Australians when they are at retirement age twice the current age pension, they voted no. We voted yes, and that's the difference between us.

MITCHELL....Now, there's a rumour that there's going to be an eleven billion budget blowout.

KEATING....Well, they're always.. I mean this time of year the estimates for the Commonwealth budget are notoriously unreliable but we've already published a starting point of ten point five and no doubt it'll be around that, it could be a little.. little greater than that.

MITCHELL....And how does that make you feel?

KEATING....Well, if it wasn't that there'd be a lot of very.. very.. you know, very poor people out there because you see only for the fact we had these huge surpluses.. you see I was the first person in Australia to produce as treasurer a budget surplus, the first ever. We ran these vast surpluses through the years, three or four years, and now because of a fall in receipts, a fall in activity, a fall in company tax collections, a pickup in unemployment benefits, the natural.. what's called the natural stabilisers in the budget are now producing a deficit but that will swing back into surplus when the economy picks up because the und.. the underlying structure of the budget is very good as a result of our work in the 1980s. So it's a cyc.. it's a structural surplus but a cyclical deficit.

Now let me just de.. decode that. It means when the good times come it goes back into surplus but during the bad times it's in deficit as it should be to help all those people with unemployment benefits who the Liberals would chop off after nine months. I mean they want to cure the deficit by cutting.. saying, "Look, you've got a wife and three kids have you?", "Yes", "Been employed after nine months have you [sic]?", "Yes", "Sorry. Soup kitchen for you. Soup kitchen for you". That's Dr Hewson's view.

MITCHELL....What ever happened to the J curve?

KEATING....Well, it.. it worked its head off. We've been exporting our head off all through the 1980s. We've now manufacturing.. manufactured exports are three hundred percent greater than 1983 and the current account deficit is now down to two and a half percent of GDP three from six, six and a half. So you know, there's been.. in fact if the export sectors now were not working for us manufacturing would be in much poorer shape than it is. That is as domestic demand's gone down what's taken the productive place is exports.

I mean if you look at the city of Adelaide a lot of firms which are now associated with.. with the car industry and manufacturing and those things are now finding export opportunities which they wouldn't have found in the early 1980s.

MITCHELL....They're saying that your emphasis on the flag and now the oath of allegiance to Australia rather than the Queen, Liberals are saying this is a stunt.

KEATING....Oh yeah, well, they always say that don't they. I mean if there's any..

MITCHELL....In fact it's something close to your heart, isn't it?

KEATING....It is, because I think that if we are not.. I mean if we want to be clear about ourselves, that is be strong enough to say that we want to represent ourselves unambiguously we'll be strong enough to do things economically and politically but while ever we go around in a sort of twilight zone not knowing whether we're sort of someone else's creation or whether we're sort of just an out.. outreach sort of camp from another show we'll never have that sort of inner strength and confidence that other countries have got.

I noticed on the Sunday program on Channel Nine yesterday, Auberon Waugh, there was a program on Britain and the monarchy and it had Auberon Waugh, who's supposed to be a commentator of note in Britain, and someone asked him about Australia and the remarks I'd made, he said, "Oh yes, I think it's a terrible shame", he said, "that Australia's going to cut this.. these links with Britain". And he said, "Look, the Americans did and look what happened to them. They're an overfed fat, garrulous lot", he said. The fact that they became the greatest nation on earth just totally mi.. totally went over his shoulder, totally missed the point. Here he was sitting up saying, "It's a pity the Americans turned us down because look what happened to them".

What happened to them is they became the greatest country on earth. [laugh] So, I mean but.. I mean how do you cope with these characters. Now the Liberal Party's sprinkled with them, they're all over the place.

MITCHELL...Now, you also say that it's really important that we break away from lingering stere.. stereotypes of gormless men with barbies and shrimps.

KEATING...Mm. Well, I think that the.. the great subtlety of Australia.. I mean this is.. this is the oldest continent on earth, and we are all caught by the resonances of Australia, all of our personalities are different than they would otherwise be were we not exposed to this country, and to.. and also, you know, the long.. its history and the history of the Aboriginal people and the impact of that on our society and all the things that it is to be Australian, and to have us.. to have all the serious and subtle things about Australia represented as putting a shrimp on the barbecue, as important as that may be to those who want, you know, fun in the sun and all the rest of it, is I think to undersell us. That is the serious things about Australia, its.. its sort of.. it's true cultural base, the fact that, you know, we pick up Nobel prizes for literature and ~~Prize~~ Prize and all sorts of things, and that, you know, we have a highly qualified scientific basis to the country, that in terms of dance and theatre, in composition, this country has really got big statements to make, and I think it's a pity we sell ourselves too short by saying to, you know, the Japanese, the Americans, or anybody else, "Well, if you come here you can put a shrimp on a barbecue", as good as that is, you know, the sort of Hogan image, what have you.

I mean Australia is.. is.. this is.. this is a nation of people changing all the time in an environment of a very old continent, but a continent. We don't share the continent with

anybody and it's a terribly interesting place for other people to see and I think that the image that Australia projects abroad should be an image which, which truly reflects the subtleties and qualities of Australia and not just sort of, you know, basically sort of yobs with cans in their hand and say, "Come and see one of our local yobs". Well, who wants to do that?

MITCHELL....I was talking to your minister of tourism, Alan Griffiths, last week and saying that so far most of the images that the, certainly the Australian Tourism Commission have presented have been images of men and that it's about time that, you know, instead of Paul Hogan and Greg Norman we had a woman up there, because let's face it if we're talking about tourism there are a lot of women with money in their pocket who are interested in coming to Australia and seeing it and those images aren't necessarily going to attract them here.

KEATING....Well, and a lot of women of accomplishment who, who we would do well to have as part of Australia's image and representational image abroad, and you know, I could do nothing but agree with you entirely.

MITCHELL....So we can look forward to a bit of a change in this direction?

KEATING....Well, I think we should. Wherever, where, I mean wherever we have the chance to do, I mean I made the point during the week that Ambassador Teliwee (ph sp) from the United Nations came and received our second report on discrimination, anti-discrimination in reality against women, and she was making the point that Australia's done much more than most countries, and in many respects is second to none. But this is not known, not appreciated here. And not only is it not appreciated abroad generally, but not appreciated here that in terms of sort of opportunities for women, policy in respect of women, Australia has really been at the vanguard of change. And one hears that from anyone of international stature who knows about policies in respect of women around the world, and opportunities for women, and, whether they be, whether they be in things like participation rates in school or opportunities in terms of employment, or you know, government policies like child care, or the family allowance supplement, or preservation of occupational superannuation, all of these things which this government has done in the last ten years have been important to women and it's not known, not known abroad, and it's not that well known here.

MITCHELL....Prime Minister, perhaps just finally, a lot of people are suffering in this country, which I'm sure you're aware of, a lot of people find it hard to get up in the morning and have any hope about the future, not only for themselves but for their children.

KEATING....Mm.

MITCHELL....Could you perhaps say something from the heart to give them some hope?

KEATING....Well, what I can say from the heart and from the head is that the new Australia will be an externally oriented relatively efficient trading country which has an economy made up of the primary sector, manufactures, and services. It'll be a relatively sophisticated country than the one we had in the 70s or early 80s, that the 80s transition will be entirely important to it, it'll have a low inflationary future, it can stand therefore much greater levels of growth and with an employment growth. But it'll... the difference will be it'll be sustainable, and instead of running a large current account deficit, which means the Government's got to pull the place back to low growth levels, it'll be able to grow on and maintain its trade while at the same time maintaining employment. But the interesting thing will be that the jobs will be interesting, they won't be the dead end jobs that were around when I was a kid but more interesting jobs for people in the higher orders of... you know, of manufacturing services and the like.

So the future, I mean, is very good but you see we're taking Australia now from the old Australia of the post war years to the new Australia, and in... in the transition there is both cyclical and structural unemployment and business is languishing but as we leg them up with growth, as there is... as a recovery comes through, as is now doing, and employment will be lagged in that, there's no doubt about that, employment will be lagged but it won't be lagged for that long. As the economy grows and these people are pulled up into employment then the vista through the 90s is the vista of a country looking up and out and not looking down and in as we would have been had we let John Hewson, John Howard, or Malcolm Fraser run the game in the 80s.

Now the recession we could have done without avoidably. It would have been good to have avoided it but..

MITCHELL....But you said we had to have it.



KEATING....Well, we had to have a slow down. We didn't have to have a recession, we had to have a slow down because you couldn't keep spending twice as much as you produce and putting it on.. on credit, which is what we were doing. But what we're going to have now is a longer run period of growth with low inflation, more activity, and better jobs, more interesting jobs, and most particularly many jobs for women, and that will be the nature of the 90s. So in fact Australia's going to join the fastest growing part of the world, the Asia Pacific and be able to join it in full with full membership rather than join it as we would have in the early 80s as mendicants with no real future in the sort of higher growth, higher technology of the area. We'll now be able to join up with full membership which we wouldn't have been had we listened to the sort of narcs of the Liberal Party like Mr. Howard, Hewson and others.

MITCHELL....So you're really saying, "Hang on in there"?

KEATING....It's the most.. this is the fundamental post war transition. Now there are problems in the transition but out the other side it's going to be nothing like the country.. it'll be a much better country than anything.. any you and I have lived through.

MITCHELL....Prime Minister, thank you very much for your time.

KEATING....Thank you.

MITCHELL....That was an interview that I did with the Prime Minister of Australia, Paul Keating and I think you probably get some idea of what kind of vision he has as we are in, he says, this transition from the old Australia to the new Australia. I'm sure you found it very interesting.

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