PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP, INTERVIEW WITH MAXINE MCKEW, "TALKS WITH THE PRIME MINISTERS" SERIES, ABC "AM", RECORDED 3 SEPTEMBER 1992

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MM: Prime Minister in 1967 when we were listening to reports about Vietnam, when we were singing songs like "Light My Fire" and "Friday on My Mind", you were 23 years old, you were two years away from a career in Canberra, what was on your mind in those days?

PM: I was then at that stage pretty well devoted to securing myself a seat in Parliament, but I was as much a product of the '60s as most other people were at the time. I was interested in the popular music you speak about, we had this debilitating war going on in Vietnam which was an upsetting background feature to most people's lives, they didn't quite understand all the issues involved. But for my part I was at that stage very heavily committed to coming to the House of Representatives.

MM: What was it in your background that propelled you towards a political career?

PM: Public life offered a smorgasbord of things that ... so many things could be achieved if one could A: know what should be done and B: how to operate the system to do it.

MM: What was it you wanted to do? Was it an ambition for yourself, did you have an ideal, a combination of both?

PM: It was a combination of both, I think most people who come into public life are well motivated, are altruistic, I certainly was. A lot of people have asked about the influences on my political life, what excited me, the only two people that ever excited me in history was primarily Churchill and followed a close second by Roosevelt, they were the two that I thought well if that's the business they're in, that's the business I should be in.

MM: What is it about those two historic figures that excites you?

PM: Just that they would take positions and do things and they had that sense of leadership about them where they would not always take the safe position, not do the conventional thing and they had breadth about them and while each made mistakes they were always exciting.

MM: It's interesting you nominate two foreign leaders and you have said, of course, that you feel Australia has never produced a great leader. Do you still stand by that?

PM: I'm not sure the occasions are there where one might have come through. I made the point a couple of years ago in the United States they seem to come through at the right time for them, with Washington at the time of the Revolution, with Lincoln during the Civil War, with Roosevelt during the collapse of robber Baron capitalism re-establishing the social and economic order and that leadership told on the United States, it became a very great country as a result of those important turning points. We've never had a Civil War and all those social stresses so I suppose the conditions produce the people.

MM: If you haven't any local heroes you certainly had some ...

PM: No, there were people I was interested in and had a great abiding interest in and affection for like Theodore and Curtin and Lang and people like that.

MM: Lang was an important early mentor was he not, or is that overstated somewhat?

PM: It is very much overstated. I knew him well, very well in fact, but he was at Henry Parkes' rallies and he would give you a pen sketch of their personalities, Parkes, Latham, Holman, Storey, Isaac Isaacs.

MM: Is that why you sought out his company? He was some sort of connection to the past and you wanted to know about that?

PM: Yes and he was interested in young people. He would always open himself up to young people and he gave me a tremendous amount of time, but he used to think I was unimpressed with his economic and social views and by and large I was, but he was always so good spirited and he could teach you a lot. And so you felt you knew all these characters, or you had some real feeling about them.

MM: Has that been important to you throughout your career, that sense of being connected to Labor's past?

PM: It gives you bearings, it gives you bearings throughout the nation so certainly in the history of the Federation it gives you bearings.

MM: You came to Canberra in 1969 which was an election that Labor nearly won and you came here I suppose as a pretty young impatient young man and you came to ...

PM: I wasn't that impatient, I like to think I was canny enough not to be impatient.

MM: But you came to a parliamentary party that had a lot of older men who were used to waiting for government. How did that strike you?

PM: Yes, that was a pity, the two forces which play against the Labor Party was the First World War and communism. The First World War, Gallipoli, Flanders snuffed out a lot of the social experimentation and nationalism which caused us to federate, where we formed the Labor Party and where we did so many novel, social things in the first fifteen or so years of the century and the conservatives wrapped the flag around it all and then made quite a radical thing, young men walking off the land and serving abroad, turned quite a radical thing and a conservative thing and of course a very divisive thing for the Labor Party. The belief that communism in some way centrally planned economics and the problems of the depression that communism held out some sort of option which was taken up by the intellectual Left in Britain, Australia and other places produced a lot of division in the Labor Party as the polarities of the party shifted towards central planning as distinct from open markets and market operated economies. And the Cold War, the expression of all that in the Cold War and the stretched loyalties there were instrumental in Menzies having such a free run with the DLP to keep us out of office for a quarter of a century. Without either Australia would have been a much more prosperous, more

united place, a more progressive place and Labor probably would have been the dominating party throughout the history of the Federation.

MM: Did you find though that there were some people here in '69 who still had paralysing views about the past?

PM: A lot of people here were here twenty years at that stage, came in '49, had no office and were very jaded, not all of course, some were terrific, but many were jaded and disappointed, but they used their opportunity and did their best, just that they lacked that experience which would have come with a more natural party of government, one that had been around more often.

MM: You came here with an immediate interest in economics which is very unusual for the time.

PM: It wasn't, I wouldn't be too haughty about it Maxine, I wouldn't say it was an interest where I had all the economic theories at my fingertips, but I was interested in economic issues and in the creation of national wealth and I always saw the creation of national wealth as the passport to most Australians getting their share of income and all the other things. So my focus when I arrived, just about everyone in the parliamentary party was interested in foreign policy, the Foreign Affairs Committee was everyone in the Caucus bar about two or three and in social policy. I remember Gough Whitlam saying in the late '60s our job is basically to distribute the abundance, that is to carve up the wealth and that was a pretty reasonable view given the history of the '50s and the '60s.

MM: But would you say the problem was no one talked about creating the wealth?

PM: The basis of the wealth was falling apart, but it was not apparent to people, that is the terms of trade post War had turned sharply against us, but it was not apparent. It was only apparent in the '70s and that's when of course, the remedy should have been undertaken. As it turns out they were left until the '80s, so it is very easy to say at this point with this hindsight, but back there in 1969–70 '71–72 you had to be very perceptive to see the terms of trade shifting so markedly, that is the former dependence upon commodities being in a position to let us down.

MM: How did Gough Whitlam treat you in those days, did he dismiss you because you didn't have a tertiary education?

PM: Yes, Gough and I have been on and off over the years. I liked him because he was interesting, he understood that Australia had become a backwater and that we were too much a derivative society and we needed to break out of it and that's what really "Its Time" thing was about, but he said to me one day I judge a man by the number of questions he puts on the Notice Paper and I thought God, I'm going to fail here for sure because politically I thought it was never a political thing to do to ask your opponent questions, because they mostly give you the wrong answers.

MM: You were pretty socially conservative when you came to this place, your maiden speech talked about the view of the family, women staying at home.

PM: That's the sort of society, the part of Australian life I grew up in and in the quarter century that's passed, I've changed my views about that and not only that, in the last decade played, I think, I hope anyway a reasonable role in facilitating some of that change.

MM: You think there's now a much broader role for women?

PM: One of the great changes in the last twenty five years since "AM" first began is the role of women in Australian society. Today relations between women and men are different than they were in 1967.

MM: Better?

PM: Absolutely, the sheer mode of address one would undertake at a political meeting or a gathering then and now is totally different.

MM: It sometimes seems to many people though that men and women are at war with each other.

PM: It's taken some years for women to adjust to their new role, their greater opportunities in society, in education, in the work place and it's taken men some years later to adjust to that. But it's a happy adjustment, I'm not saying it is without friction, but the end result is a pleasing one.

MM: Have you consciously reinvented yourself over the years?

PM: In what sense do you mean?

MM: Are we seeing something of a metamorphosis now from someone who believed in classical economics to someone who perhaps could be characterised as a born again Whitlamite?

PM: No, I've always believed that the '80s was the decade that finished off communism and monetarism, it put them both asunder, that is the belief that private initiative, private reward, chasing money supply targets and these things were the salvation of everybody, no one believes that now anymore than they ...

MM: Didn't you embrace that to a certain extent?

PM: No, never and if you look at communism that the state and central planning was the answer is no longer an answer either. It has been the triumph of the thoughts of the social democracies, the social democratic parties which I think have emerged from the '80s best, that is what we've done; construct an open market economy, but where a social policy has been stitched into it in such things as access for health, which we began in 1983 or more equal access to education which we began about the same time or better aged care or child care to give women some freedom in life to pursue the things they want to pursue. All those sorts of things occupational superannuation with the work force, these are all early to mid '80s things. In talking about them now, we're talking about them in the context that the great change of the '80s that Labor presided over and that I was involved with was employment, the huge rate of employment with a work force today 26 per cent larger than it was in '83. It's in the context of unemployment that we are focussing on the social policy and in the context of the John Hewson view of the world that you socially impoverish the place and then as I said a day or so ago a whole lot of little Hewsons will rise from the ashes; God help you if you don't rise. And we're saying there's got to be something better than that, that is you don't tear up cherished institutions and cherished institutional arrangements, you don't sacrifice those things – part of a country's soul and progress is these social changes and we should keep them.

MM: Has there not been some evolutionary changes though in yourself? Gough Whitlam earlier this week suggested that after you stopped being Treasurer you took a long period to do some reflecting and you emerged with quite a different perspective. Isn't that correct?

PM: Only moderately, I haven't changed my tune much in my basic view of things since I first came to the House of Representatives. I'm smarter and wiser for the experience I hope, I've been just simply living through a lot of

these changes has been important, but I think if you've got time you do reflect on things. You and I were just speaking about the role of women, but two of the other great influences of the last twenty five years, certainly the last ten years has been the education of the trade unions. Their role in Australian society in the last decade has been an exemplary one, that is in making the place more competitive and being at the leading edge of training and productivity of social change, of getting up social programs; things like the Family Allowance Supplement or occupational superannuation and the leaders of the trade union movement can take great pride in that. Another thing which upon reflection makes apparent is that we are now investing in our most valuable resource, if you look at the resources boom mentality of the '70s, the most valuable resources of course our children and we're now being certain that seven in ten complete secondary school, 40 per cent go on to universities, we're hoping that will soon be nine in ten; a decade ago it was three in ten.

MM: Having raised the trade union question and having talked to all the Prime Ministers this week one can't help but look at this question and that is that if Bill Kelty had behaved during the '80s with the Hawke Government in the way that perhaps Bob Hawke behaved towards the Whitlam Government when Mr Hawke was ACTU chief, things would have been very different.

PM: I think the unions were greatly debilitated by the late '70s experience. The profit share had been smashed to pieces, and with it investment and employment, and they came to the conclusion that chasing nominal wages growth was really leading to unemployment. And like a lot of very honest people, when one honestly understands a fact one responds to it. And they did en masse, and their leadership took the responsibility of telling them and teaching them that. So, we can be grateful that someone as conscientious and as Australian, if I can say that, as Bill Kelty came along because I think he had the intellectual grasp and the leadership and the courage to pull the thing the right way. But again, even he couldn't have done that I don't think in the 1970s. It needed that cathartic experience of the late '70s, that wage explosion and the rest, to bring them along. But they have been, as an institution, one of the leading institutional forces for change.

MM: Gough Whitlam made the point this week that the only thing that Bob Hawke had going for him was the Accord, and beyond that he only had one ambition, to be Prime Minister.

PM: Well I think that's unfair to Bob. He has understood more about the basis of the importance of wealth and letting the economy be efficient, and to get out

there and take our share in the post-war trade in goods and services which passed Australia by. That was the terrible thing of the '60s, that we believed in the commodities absolutely. It was wheat and wool and minerals and that was it. But the trade which made Japan strong and Germany strong had passed us by, not just in goods but in services. And as a result our kids and our people didn't have the interesting jobs they could have had. And changing Australia to undertake that huge odyssey out into the world economy was what the '80s was about. And I think Bob understood that, he had a lot of helpers but by and large he had enough wisdom about him to understand that.

MM: Now that you're in the job, what is it do you think that defines good leadership?

PM: Leadership has always been about being out in front, striking out, and trying to bring up support behind you if you're the leader, making judgements and taking risks, and encouraging people, exciting people to do things.

MM: Do you think the question of changing the flag is an illustration, though, that you can't be too risky, you can't afford to get too far ahead of public opinion?

PM: All the more reason to ... just to make the point, truths are absolute. We can never be so tricky that we move away from truths. When you get around as a country with the flag of another country in the corner of your flag, you are not representing yourself as best you can. Now what that means in terms of the attachment people have to existing emblems and the methodology and the mode of changing them, that's a different matter. But I think it's important for leaders to speak about these things.

MM: Are you still committed to changing the flag?

PM: I've said it should only change with a plebiscite. I don't think any government has got the right to just impress its view on the whole nation about emblematic or constitutional things. But it's important to know, we had this very day a Minister in the Thai Government saying if Australians are more clear about themselves, if they want to do business with Asia, if they wish to be part of the regional community, we will welcome them with open arms. I mean, we've really been waiting for it. I think the important thing is being certain about who you are and what you are.

MM: Do you think that's one of our problems, we are too ambivalent, too many of us love the country but it also drives us crazy? Are you a bit like that, you get frustrated with the place?

PM: I think you get frustrated with all ... every country has got its problems, but ...

MM: We do seem to have a particular identity problem, don't we?

PM: This was a derivative place, and still to some extent is, and shaking that off has been what the last quarter of a century has been about. But migration, multiculturalism, doing something new here in world terms with this community, taking more pride in our own intrinsic worth and value and what our own culture means and stands for, reflecting the fact that we are living on the oldest land mass on the face of the earth in a continent, a continent which was inherited by black people, coming to terms with that and them, is all part of making up Australia and Australians. And we're now much more clear about that, aren't we? I mean, everybody is.

MM: If we are to know who we are and be confident about that, we need a new flag, we need a republic?

PM: We need in the first instance to know that it is important to be yourself. Now that is not universally known or accepted in Australia. It's important to be yourself, to be proud of what you are and to be better than what you are.

MM: Any timetable?

PM: Let me just say this. The neighbourhood of this area, where we've got very large societies, and old societies, Malaysia and younger ones, Singapore, and the rest, there's a great opportunity for Australia. But taking the view that they're the places we fly over to somewhere else and you look at Jakarta from 35,000 feet is not, I don't think, an option for Australia.

MM: Prime Minister, as we're reflecting historically, do you think we're still bedevilled by the fact that we tend to celebrate losers in this country, we celebrate losers and losses?

PM: Yes, there's a great underdog syndrome in the place, which is a nice thing in some respects, as long as it doesn't overtake us so that the best people are dragged down by it. And there's too much of that in Australia, there's too much of the tall poppy problem, tall poppy syndrome. People think it's

elitist and elitism is frowned upon. Well the elite people encourage others and give them heart and inspiration. Look at this young group of Olympians, some of who I met last night returning again to some of the celebrations, and they will all be inspiration to Australian young people in sport, and in many other respects, for years to come. And whether it be in the arts, or business, or where ever it might be, we've got to get over this notion that we drag people down, we hop into them because they've got talent so let's nail them, this sort of view.

MM: You referred, last weekend at the 20th Anniversary of the Whitlam Government at the dinner, you said that what Gough Whitlam understood was the need to lift the national spirit and to excite people. We could do with a bit of that now, couldn't we?

PM: Yes, you can always do with it I think. But there I was reflecting upon that which I said to you a few moments ago, that the thing is in the '60s the place was still very much a derivative place and we were not making declarations about ourselves and what it was like to be an Australian or Australia playing a more independent role for itself in the world, and I think Gough was very much associated with that 'coming out' after the 25 years of Menzies, the Menzian age. And it was exciting. The '80s were exciting too, for different reasons. It was, I think, one of the most exciting decades. No doubt a lot of silly things were done, but it was very exciting as well.

MM: What silly things were done?

PM: Spreading money around, 20 per cent credit growth a year, and all that sort of thing which was rather debilitating in the final analysis. But, still you look at Australia comparing the end of the '80s to the beginning of the '80s and it is really to be compared as a more exciting place, a more exciting country. Tourism, for instance, didn't exist at the beginning of the '80s, financial services, educational services, all of these various things we were doing, films. There's always a place for excitement, but the problem we've had recently is unemployment produces a pall over the economy and over society and it's a bit hard to ... even if it was one's want to suggest to people to throw that off and look beyond it, as I think there's a very exciting future in the 1990s for Australia. For the moment people are dealing with our condition with the gravity it deserves.

MM: So one can't be inspirational, particularly in 1992, it's a lot harder?

PM: One can be inspirational, but one can't be I don't think frivolous, and frivolity had its place in the scheme of things in the '80s.

MM: When you became Prime Minister you said it was a humbling experience, and other Prime Ministers this week have referred to the constraints of office. How have you found it?

PM: Constraints of office are obvious to any practitioners of this place. We all know the limitations of it. In terms of it being humbling, I think it is humbling because in the Prime Ministership is invested, in some respects, the ideal of the nation and its aspirations, and that's quite a lot to invest in any one office or person. And if you happen to be the person in the office, I think it's humbling.

MM: Bob Hawke also said this week when you come to the job you lose your private life, but you of course insist on a private life.

PM: Well one can never insist upon it, of course we have journos who upset it.

MM: Do you resent that?

PM: In a sort of good natured kind of way I suppose I do. I think you can have it if you wish, or remain a sort of normal person. I still get about the place, no matter where I am I always walk around by myself, or I go into shops or buildings or into cinemas or into theatres, or whatever it might be.

MM: You don't feel self conscious about that?

PM: No, I think if you move about freely it tends to be accepted, but if you believe that one should not move without an entourage and what have you then you're a victim of your own circumstances. I think it's very encouraging for Australians to think that the people who are managing their affairs are normal, live normal lives.

MM: Do you ever feel that in projecting yourself, as you have to do in this job, that there's a fine line you tread? There's a public persona and there's the private man, are you worried about the tendency towards, I suppose, phoniness that might be involved in that?

PM: Yes, I can't stand phoniness or humbug, I can't stand it. And that, in some respects, tells against me. I won't do the tricks and stunts that perhaps those

who've been more cynically advised might do. I can't naturally do them and feel comfortable with them. If it's not real I'm not in it.

MM: Are you're minders telling you to do certain things that go against the grain?

PM: All minders will encourage you to do things which go against the grain, and not that they are encouraging me or have they ever to do things which are unnatural or which are phoney. I think you tend to attract the staff that share your values. But every now and again you find yourself doing things that you might not otherwise do.

MM: Such as?

PM: Whether it be ...

MM: Tripping over the odd camera cable at the shopping mall?

PM: No, well I don't do that you see. If I go to a shopping mall I go there to shop, I don't go there to accost shoppers.

MM: You must regret you came to the job as late as you did, that you didn't have long to establish yourself before the election.

PM: Yes, I think that people should not try to stay on the stage too long. I think there's a certain amount of perceptions, energy, horsepower, perspicacity, all these things that stay at the burn rate of this kind of change. Let's make this clear, Australia has been through a decade of just phenomenal change, the pace of change has been phenomenal. Anyone who had lived in the '70s or '60s knows that. In public life the burn rate is very high. And I think the public also get disenchanted with the same personalities doing the same things, and they are right. They are right in saying look, we want you on the stage for a while and give us your best and please quietly leave, but a lot of them want to hang on too long, and I think that's a shame.

MM: Would you leave if you lost the next election?

PM: Well I don't think I will (lose), I don't think Australia is about to turn the country over to somebody that doesn't really have any sort of institutional respect for Australia for its institutions, its social fabric or its values. This sort of hard hearted view that John Hewson is proposing, that as I said before, you socially impoverish the place and in more spartan conditions where economic athletes rise from the ashes, is not I don't think acceptable

to Australians. That sort of view, or if you're in large business you're a bloated illegitimate bureaucracy, if you're not self made you're no good. This sort of thing. It's immature and I think Australians will spot the phoniness of that, the immaturity of it.

MM: Finally Prime Minister, as it's our birthday I wonder if I could ask you if you wouldn't mind telling us a bit of a story against yourself about a particular morning when I happened to know you didn't listen to AM.

PM: Well I'm not an AM listener. I used to be, but I think waking up to the Weetbix with a bus being hit in Jerusalem or something else, tends to shake you too quickly out of your slumber. I like to start on the newspapers and gradually if I see a story I don't like I turn the next page and gradually move into it, rather than the shock therapy you get with AM. When I was young I could stand it, I can't these days. But the day you're talking about was the stock market crash of 1987.

MM: That's right.

PM: And I came into Parliament House, and the day before, that's right, on the Friday there had been a bit of a shake in the markets, and I walked in Monday morning and the journalists said to me, well what do you think about the stock market, which had collapsed over night and I didn't hear it, I didn't know. And I said 'it's a correction, it's not to be ... I don't think one should be fazed by this', or words to that effect. And of course AM had carried the story because it was an over night story. So I missed it. Therefore there may be an omen in all that, or a moral in all that, that is listen to AM.

MM: I do hope so. Prime Minister, thank you for your time.

PM: Thank you Maxine.

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