



MEET THE PRESS

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GUEST: The Prime Minister, Mr Paul Keating

PRESENTER: David Johnston

PANEL: Paul Bongiorno
Amanda Buckley
Max Suich

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Across the nation, welcome to MEET THE PRESS. Good evening,
I'm David Johnston.

Tonight our first guest on MEET THE PRESS is Australia's premier citizen, the Prime Minister, Paul Keating.

Mr Keating thank you for joining us tonight.

PK: Good day, nice to be here on this premier occasion.

DJ: Paul Keating has spent the last few days in Far North Queensland. Some say considering his options for the timing of the forthcoming Federal Election.

The government must go to the polls in the next few months. Experts vary in their second guesses of the Prime Minister's agenda, anywhere from the last week of November to March.

Paul Keating has been a pivotal element in the Labor party's historic four terms in office. And we'll speak to him tonight about his bid for a fifth Labor government.

But first a ~~special~~ look at Prime Minister Keating's first year in the Lodge.

TAKE VTR

DJ: Also joining us tonight three of the most respected journalists in the country. First, Paul Bongiorno, Network Ten's Bureau Chief in Canberra. Amanda Buckley, ~~The~~ Chief of the Daily Telegraph/Mirror Bureau in Federal Parliament, and Max Suich, former ~~the~~ Chief Editorial Executive at John Fairfax and Sons, now the editor of the Independent Monthly Newspaper.

Good Evening, and welcome to you all.

ALL: Thanks.

DJ: Now first of all Mr Keating, Im going to ask you about the state of the nation to start this discussion, but you've just come

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among other things, the election date. Have you made up your mind?

PK: Well, I wasn't considering it at all.

DJ: Not once? You didn't think about it? Not once?

PK: I think the uh, I think the public expect to get value from
Parliaments, and this parliament has got a way to run yet.

DJ: When do you think you'll go, sooner or later?

PK: Well, as I say, they expect value and value in their terms is
to go later.

DJ: So that means next year?

PK: That's when I'm sure most Australians would want and believe.

PB: These ^Ebitter polls aren't tempting you?

PK: No, I mean in this system the Prime Minister does have a
perogative of deciding when the election is, but, again, I think
from our point of view, the progress which is being made now
on the economic front is important and keeping it going is
important not just to the government but to the nation at large.

DJ: Well now it's six years and six months since you made Banana
Republic comment and you've been saying all this year the
recovery is under way. ^ACouple of weeks ago you said the recession
was well over. And yet we still see a struggle to reach that
three per cent growth in the economy. So what do you think
the state of the nation is today in October, 1992, and,
economically, and specifically in terms of those intangibles
you once spoke about; spirit, hope and purpose?

PK: Oh well I think in terms of uh, hope and purpose. I'll come to
spirit in a moment, in terms of hope and purpose Australia is
now an open trading economy. It was not that a decade ago.
Australia can now be confident that it can trade its way com-
petitively in the world, that over the longer haul employ its
people, lift its living standards, and take its place in the

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community of trading nations. This was not its position a decade ago. You know I said recently, Australia's got its future back and it has got its future back. By the early 1980's, Australia was basically a minor quarry and the things we produced the rest of the world was paying us much less for. That's all changed. This year we're exporting nearly 25 per cent of all we produce. A decade ago it was 14 per cent. The difference is a world of difference. We are now exporting more elaborately transformed manufactures, or manufactured goods, than this year mining or mineral ores. I mean, this is a major transformation. And we're now investing in our greatest resource, our people. By keeping kids on school, taking them through tertiary and vocational education, building product innovation, that is doing all the clever things we should have been doing 20 years ago.

MS: Prime Minister, can I take you up on getting our future back, that's an important point. Professor Bob Gregory whom you know, in the A.N.U., who is on the Reserve Bank board, said last week that Australia probably wouldn't have an unemployment rate below seven percent by the end of this decade, that is by 1999. He's not alone in that thought. If we have that level of long term unemployment in fact lasting over 8 to 10 years, we're going to have a breakdown in our social fabric. We haven't got our future back in that sense. And whatever government comes to power next year is going to have to look at more than training it's going to have to do something about the social fabric. What are you going to do?

PK: Well Max, when I say about our future, it means that there is a ⁵⁴ scenario for Australia which gives it a place in the world. In other words, when people are reeling off the names of other countries with resources and potential, but who never made it

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were it not for the 80's changes, Australia would have been among them.

MS: Society is in danger isn't it?

PK: No. Yes, but now it will never be among them. I mean its made the great leap. The great change, and that's what I mean about its future. But is that a commentary on the fact that we don't have problems, well of course we have problems, and our biggest single problem is unemployment. And its the one which I've devoted myself greatest to in the period I've been Prime Minister. The ~~Labour~~ market was the thing I devoted myself to in all the years I was Treasurer. We had phenomenal rates of employment growth. The Australian labour market today is 26 per cent larger than it was in 1983.

MS: Gregory says we haven't constructed a new job since '81 if you take out the jobs which were provided to make up for the immigrants that were arriving and he also says and I think pretty well everyone in the government and the RBA, the Reserve Bank, would agree that we are not going to get anywhere close to anything less than 700,000 unemployed by the end of the decade.

PK: Well we started off with a labour market of six million in 1983, that's today 7.6 million. Um, when we have that phenomenal rate of employment through the '80's, but a much, much greater level of participation in the workforce, particularly amongst women, the lowest we ever got unemployment to by the late '80's was just under six percent. Now I think what this means is an economy in transition. One that is changing its structure, where people are being structurally unemployed. As the industries change beneath their feet. As they now have to retrain themselves we are going to have a transient structural pool of

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MS: Good news.

PK: Now Bernie Fraser made the point, the Governor of the ^{Russell} ~~Central~~ Bank, last week he thought that was probably about six per cent. He may be right, it's certainly not zero. If we look at the '80's experience, its about six percent so it means that the cyclical, the cycle of unemployment, the one we're living through now, is probably four to five per cent as points, and I believe we can get that down.

DJ: Mr Keating, we'll just take a break. Our guest tonight, the Aust Prime Minister, Paul Keating.

SEGMENT 2

DJ: Welcome back to MEET THE PRESS, tonight our guest is the Prime Minister.

AB: Mr Keating, when the election is finally called will you follow the American model and debate your opponent, John Hewson, on television.

PK: Well I debate him every other day Amanda, why not then?

AB: But will you hold a big public debate?

PK: Oh, I don't think I have any problem rising to that challenge.

DJ: Do you see debates, television debates particularly, becoming a part of campaigns, a generic part of campaigns?

PK: Oh, yes, but I mean we have debates every day of the week when the house sits so this is not ^(NEW) for me, would not be for me an unusual thing to do.

DJ: Mr Hewson's challenged you to that debate, will you?

PK" Good Old John. Good on him. Good on him.

DJ: Yes or no?

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PK: I'll be there.

AB: So that's a yes. you'll be there, will it be only one?

PK: Of course I'll be there, with bells on.

AB: Good. Only be the one?

PB: He's actually calling for a series. He'd like one on the economy, the future and unemployment.

PK: Yeh, Yeh, and he may get one. He may get a series, but I won't be giving him a leg up so I'll be deciding about the formats later.

MS: Did you see the American debates?

PJK: Only one.

MS: They were very important I think cause they touched on one of the things I think the electorate ~~cares~~ about, which is that they really don't want to vote for either Paul Keating or John Hewson. In the U.S. that was the same and those debates gave you a sense of character.

PK: Well I think, I think, exposition, public exposition of the issues is terribly important. and all of us who are practitioners know its very hard to get the thread of the argument across. You can get the knots across, but not the thread. Any forum that gives you that opportunity, which is well watched to put some continuity to an argument, um will matter, because a lot of the transmission of news is by way of television news grabs which are themselves just a condensation of what is said. Denying the public a real chance to understand the issues. So I mean from my point of view the greater the exposition of the issues the better. Particularly in this election.

AB: So

PK: Particularly in this election which where I agree with the leader of the opposition, he said it will be the most important election

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since the war. I think it will^{be}. This has been said in the past. But I think this time its true, because there'll be stark difference between the parties, between a policy of inclusion, which we have, where everybody's part of Australia and its change, and a policy of looking after yourself.

AB: And it'll be taxation and industrial relations you said before will be the most important issues, do you stick by that?

PK: They will be among them, but I think Australia's Identity, its culture, its capacity to work as one nation will be amongst the other issues as well. As well as those proposals being put by the ^{op}osition.

PB: Prime Minister,

DJ: People also make judgements on character on those debates too, do you think, and its often said you're a far nicer bloke off television and out of the house, than you are when you're seen on television.

PK: Well we're all victims of the 30 second grab I think.

DJ: So a long debate then is going to reveal more of your real character, do you think?

PK: Well I think more of about what you stand for and why you do things. Um, you know our first question was about, you know Australia's long run future, and you know I'm sure we are yet to adequately communicate the fact that Australia's prospects now are vastly different than a decade ago. Now many people know about that, some people assume that, some people feel that. But not everybody knows that, I mean that's important.

MS: Do you think the electorate like the choice between you and Hewson, do you think they'd prefer another two?

PK: Well I don't think they've ever liked the choices that much, I mean;

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AB: But you're not very popular out there, are you?

PK: Oh, I'm doing alright Amanda, don't ^{write} ~~right~~ me off, don't ^{write} ~~right~~ me down.

AB: Yeh, but they do think that, they think you're tough, that you biff people, that you're savage, you have a poor profile, particularly with women voters. Why is this do you think?

PK: I don't, I don't even know that that's correct, I mean the Labor Party has not only ~~on~~ one occasion in the last twenty years have we had as many women voting for us as men. So whether it's about me or its a party situation, I don't know.

DJ: Do you think you appeal to women?

PK: Well I mean again, one can only go on the data. I have certainly ^{by} pursued issues of great advantage to women, in the years I was Treasurer. Nearly three quarters of the jobs we created over a million and a half of them went to women.

DJ: That's not really what I meant. When Bob Hawke was Prime Minister, it was said that he had a great deal of sex appeal for women. Do you have sex appeal?

PK: I'll leave that to make other make judgement. You can't ask me about those things.

DJ: Why not?

PK: Oh well, because I don't think I can say.

DJ: It's obvious

PK, I don't know how I can help you.

DJ: Well are you sexier than John Hewson?

PK: Ha, Ha

DJ: And what do you think of ~~his~~ his image for ladies?

PK: Oh well that's for others to judge, not me. I think, look its very hard to change a country from the inside out, some-ones got to hop in there and make the changes. In the 1980's

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I was the Treasurer, I hopped in there. Uh, unapologetically I went there and did what a generation of politicians shirked. All the hard decisions of opening the place up. And that's earned me a few brick bats, but it's gotten me a lot of friends as well

PH: You obviously think it's important to call John Hewson a fer^{al} abacus or as affable as a filing cabinet, or you wouldn't say it. Do you feel that you're a counterpoint with the electorate there. Bob Carr for example last week felt that people want to hear politicians debating the issues and being less personal.

PK: Oh, but you've got to understand what personal means. Talking about your family ^{is} personal. Talking about your family affairs is personal. I've never done that. Talking about the fer^{al} abacus is a political throwaway, they are not in the same league. It's only just simply making a point. As Dr Hewson makes similar points to me. He says I'm a loser, and I'm this and I'm that

DJ: We'll be back with the Prime Minister right after this break. And you're watching MEET THE PRESS ON NETWORK TEN

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SEGMENT 3

DJ: You're watching MEET THE PRESS all around the nation. Paul,

PB: Prime Minister, you've unveiled a this year the ONE NATION package and your budget, it's all aimed at stimulating the economy, the loosening of fiscal policy so that jobs can be created. The states have got to play their part here it seems that uh, there is a hold up in the road funding allocations, but more importantly, it seems to me, the Premier of our second biggest state, next week his government, or this week rather, his government will unveil a mini budget that will be contractionary. It will cut spending and it will up taxes. How does that gel with your plan for getting the economy moving and are you concerned about it?

PK: Well any contraction won't help, and we were not alone or at the time perhaps we were, in one nation and expanding fiscal policy. Dr Hewson, my opponent, says it was a mistake. He says we should cut the budget by 7 BILLION. I say that would push Australia right back into a recession. The Japanese government, not anything other than a conservative government in its recognition around the world, has brought a fiscal package out as twice as large as ours as a proportion of their economy. It think its the thing to do. We've got the American's Reserve Bank Governor, Mr Greenspan, lauding the Japanese for their package. We did the right thing getting the stimulus going in the economy trying to promote activity and employment get people back to work, get the place moving, get confidence levels going, start to get the wheels of industry turning.

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PB: But will slashing spending in Victoria help you get the economy going.

PK: It won't help the Victorian economy. It will not help the Victorian economy. Uh, I don't, can I say though, I don't presume to be putting Mr Kennets budget together or taking responsibility for budgetary changes. We've all got to face those issues. But the general, I'd say the general view is, the general line should be, that there is a role for government, in not only promoting activity, but seeing the great public things done. Whether it be the road system or the rail system, or a new airline system or a new electricity grid, these are all important things for the long run infrastructure of Australia while at the same time giving people a job.

AB: What about Jeff Kennet's industrial relations reforms? Do you see that as a bit of a test run for the Howard/Hewson package?

PK: Well I think the uh, Dr Hewson/Mr Howard have made their point quite clear. They want to push 8 million people on to common law contracts. I mean people have got to understand what this means. It means that 8 million Australians under a Hewson government sign a contract which is put in front of them by their employer, with any real negotiating strength, because they are not allowed to associate in terms of the signing of those agreements. There won't be minimums provided for other than minimums which are now will mean the contraction in rates of pay for most people and, I think, its a step back down the time tunnel, I think Australian society and fairness and equity will be very poorly served by such a change.

AB: What about the governments wages policy. Is there any chance

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PK: Uh, well the governments policy has been one of an evolutionary change. From a relatively inflexible labour market where the wage share was too high and the profit share too low, where investment was smashed and unemployment was rising. To one where we got the balances right and then started to open it up. Through things such as award restructuring where we saw for instance in the metals industry three hundred and sixty job classifications converted into fourteen. It's only by moving through the craft structure in an evolutionary way the old craft structure of the century, can you make the Australian labour market as it is now becoming, much more flexible and much more dynamic.

PB: Would you now support a general wage rise across the board in a national wage case?

PK: We've made our policy clear, we don't have to, we've just arrived at a set of arrangement with the A.C.T.U. where this year most people will have their wages adjusted under enterprise agreements. All the flexibility....

PB: What about the rest of them though?

PK: Let's understand this, all the flexibility Australia needs in wages it now has. It doesn't have flexibility downwards, and that's what Mr Howard and Dr Hewson are, they're about flexibility down, they actually want...

AB: So no more national wage cases?

PK: They want to cut their wages

PB: Do you want to go to the people as Amanda is saying there with the promise to be able to say if you vote for us we'll support a wage rise in a national wage case?

PK: No, no, no what you're saying with us, if you vote for us you keep all the ~~protection~~, the legal protections of industrial awards.

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MS: Would you support John Halfpenny's national strike in Victoria next time?

PK: Max, let me say this. If you vote for John Hewson, you lose all the legal protections of the century. All the legal protections of awards, maternity leave, sick pay, holiday pay penalty rates.

AB: Maternity rates are to be left in...

PK: No, no all these things are to be negotiated, nothing is left

MS: That hasn't destroyed New Zealand, has it. The trade unions there don't like it. But it hasn't destroyed New Zealand.

PK: Well its only a small part of the workforce are covered by it at this stage. We're talking about New Zealand Max, let me just make this point. There are fewer people in work in New Zealand than there was in 1983. In Australia there is 26 per cent more in work than there was in 1983. I mean New Zealand has been a disaster, ^{Area} and remains one to this day.

DJ: We'll have more with the Prime Minister after this break.

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PK: Dear old John.

DJ: Still no date?

PK: No date.

DJ: OK.

PK: See you next year.

DJ: Also thanks to our panel. Paul Bongiorno, Network Ten's Chief Political Correspondent, Amanda Buckley, Canberra Bureau Chief for the Daily Telegraph/Mirror and Max Suich, Editor of the Independent Monthly Newspaper. You've been watching MEET THE PRESS, on NETWORK TEN. Join us again next week for more of the people ^{and} in the issues/of the moment, and our guest will be John Howard, Shadow Minister for Industrial Relations considered by some the best Prime Minister Australia never had.
I'm David Johnston, goodnight.

DJ: The Prime Minister is our special Guest on MEET THE PRESS. T
The subject now PAY TV in Australia. Max.

MS: Prime Minister, is the press reports correct that says the governments going to give the inside run to Kerry Packer on controlling the billing and the general subscription infrastructure for Pay Television.

PK: No, look the governing principles in this, Max, are that we picked the right technology which I think is digital not analog that we don't become an outpost of the American film studios, that we're not milked by Hollywood.

MS: But is there an inside run for Kerry Packer?

PK: No, Well of course, listen to the answer, they're the principles. That there is a new player, that there was not now not a network owner, \ ^{news} paper owner, or a telecommunication company that there

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is a role for the ABC, for cultural reasons, but not to enhance the commerciality of the ABC. Um, and there'll be another network which will be able to be bid for which the networks will be able to bid for.

MS: But its a simple question, um, the press reporting that uh Packer will control the billing and the infrastructure as such.

PK: Nothing of that matter is agreed anywhere.

AB: How soon?

PK: Well I think one of the key points, the key point is the economics of free to air television depend upon the price of Hollywood feature films. If we get that wrong, we get the whole of the economics of Australian television wrong. And that's why its very important to choose the right technology, you get the right structures so we get a good balance in the cost of running Pay TV free to air. We get that right, I think, and have anew player, which is again another new addition to the cross rule, another new player in Pay TV, and the ABC are role by virtue of its own independence and identity as the national broadcaster then I think we'd have a pretty good system.

DJ: Now Rupert Murdoch wants to come back to TV in Australia, he says that all the rules should be abolished, it should be a free for all. Um, what do you think about that?

PK: I don't think very much about that really. I mean Rupert was around, I negotiated amongst others with him the cross media rule which separated television and radio and print. And I think its a pretty good rule.

AB: Will there be a monopoly on the billing and administration by one licenced?

PK: Well that's all to be decided.

PB: So even that Packer option is still alive?

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pk: Well I don't think it's actually on the table at this stage.

AB: But have you been speaking to Mr Packer on this subject?

PK: I speak to all the players.

DJ: Mr Keating, there is a story in the press recently which concerns us because it concerns probably our new owners, CANWEST. What do you feel about an overseas company coming in and maybe threatening to get rid of news programs and making decisions like this in the network? What do you think about that?

We have,

PK: I think foreign ownership limitations in relation to television as a prescribed area. And that is a key consideration in our point of view. The economics of the networks decided by those who own it.

DJ: And the quality of what happens on that network with a foreign owner doesn't...

PK: Well we've got such things as uh, as local content rules, which you know are designed to overcome those sorts of problems.

MS: It wouldn't stop Channel Ten getting rid of its News and Current Affairs though.

PK: Ah, well I don't know that anyone should make that presumption, I don't ^{know} anything about the bid by the way. Nothing. I've had no contact with that group whatsoever.

AB: We are expecting a decision on Pay TV, then, are we in the next couple of weeks?

PK: If it's possible to get it together, but again, mandating a new technology trying to set up structures which we've never had. Um, is not easy and will take some doing

DJ: Mr Keating, thank you very much