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PRIME MINISTER

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**TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER, THE HON PJ KEATING, M.P.
SEATTLE, USA - THURSDAY 18 NOVEMBER, 1993**

J: Prime Minister, what's the minimum that we could expect out of this meeting if you are able to regard it as a success?

PM: The first success of it is that it's actually happening. That the APEC structure has brought to it the President of the United States and all the leaders of the Asia Pacific area, who are now members of APEC. So the fact that it's on; the fact that it's been given this kind of status; that people have come for it, means that APEC will have so much more authority in each of the member countries, and of course in the United States.

So I think that's the first thing; because that, then, gives the bureaucracy of each country -- the trade and foreign ministers of each country -- a signal that the group at a leadership level wants to continue this process.

I think that the dynamics of the leaders' meeting, itself, will be important. Leaders invariable, I have found, will always do more than ministerial groups largely serviced by bureaucracies. And this meeting is, of course, a free meeting in the sense that there is only one other person here with each leader, and who will largely be an interpreter, so it really is the leaders, themselves.

J: President Clinton has arrived here today talking about how this meeting is about looking after America's own interests, but also about the fact that he doesn't want NAFTA just to be about Mexico, but opening up trade with the whole of Latin America. Are those bad signals for Australia?

PM: Oh no, I don't think so. I think if APEC means growth and jobs for Americans, it means growth and jobs for Australians, as well. And I think that's why we're all in it. We think there is some common good that can come from this. Now, no doubt President Clinton is speaking to his own constituency, as each of us do. But things which facilitate trade, which liberalize trade in an area where we've already seen quite substantial growth, and has a potential for greater growth, are going to be good for all of us. You can just see what's happening already with Australia's exports. Australia's exports have been booming, and they are largely because the area of the world we live in is now the fastest-growing area of the world.

J: Prime Minister, do you sense that President Clinton's NAFTA victory has given him a lift and more enthusiasm for APEC?

PM: Well, I think it was a very big test of American official opinion about whether the United States wanted to be introspective and reclusive, or whether it wanted to get out there and trade with the best and expand its horizons through trade. America has been a great free-trading country, and a lot of America's growth has come through free-trade. And it was doubting itself, doubting its competitiveness; doubting its capacities, and I think this vote will send a very big signal. And the fact that a Democratic president has actually pushed NAFTA through, with the support of Republicans in the Congress sends a very big message to American business, and, I think, the world.

J: The Malaysian Prime Minister says he's glad he didn't come. Is that a problem, or are you glad that he didn't, too?

PM: No, no, no, it doesn't matter whether he comes or not, in a sense. It's better if he does, but if he doesn't it's his own business. I mean, there are 15 countries here; there's half the world's production here; and if you don't want to be at it, it's your problem.

J: Mr. Keating, you've been pushing very hard for a formalized name change to the APEC Economic Community. You were pressing that theme as recently as last night. Other nations seem less convinced. Isn't that going to be a bit of a setback?

PM: Well, it just depends on how the leaders' meeting goes. I mean, the President made a speech in Tokyo and one in Korea, this year, talking about an Asia Pacific Community, or Pacific Community, rather. We've been speaking about APEC becoming a Community -- not just simply an information secretariat, but more of a Community. It does present difficulties to some countries which have powered the non-aligned movement, for instance, and you might see becoming a Community

with the United States, as cutting across, if you like, their position. But the important thing will be whether APEC adopts the work programs which it has -- that is, whether the substance is going to be accelerated -- the substance of its work. That's going to be the test, rather than what the acronym means. But I still think that whatever anyone thinks, we are moving here towards... If we do things as a collective, we are moving towards a Community.

J: Chile is now being admitted to APEC; that was against your stated wishes earlier in the year. We see President Clinton extending his view for NAFTA into South America. Isn't there a real chance that APEC could take a secondary role?

PM: Oh, no, not with NAFTA. NAFTA may well extend into South America, but NAFTA will end up being a sub-group of APEC, I think, in terms of the trade of these particular countries into the region.... (interruption)

J: The question was, with the President today expanding NAFTA's horizons into South America, and Chile now being admitted into APEC, isn't there a chance that APEC itself may be given a secondary role by the Americans?

PM: Well, I've always seen NAFTA as a trades... as APEC grows, as a subgroup of APEC, and that's true whether NAFTA is simply Canada or Mexico, or whether it goes further into South America. The main thing about APEC is, we need to deepen it before we broaden it, and I think that's one of the key points. That is, to make sure that we know what APEC intends to do, what work it should undertake, how we will facilitate trade and liberalize trade, and those should be the focus. So in other words, APEC proves its worth before we invite everybody on board, because we don't want the thing just to sort of dissipate and become a very broad body which anyone can belong to, but doesn't mean very much.

J: Should Chile be a member?

PM: Well, this is a matter for debate, I mean the Americans have interests in South America. It borders the Pacific Ocean, and we've never made any firm criteria about what constitutes qualification for APEC membership. I think the APEC group is going to be quite wise about borders. They'll take on a few natural ones, but repel borders for a while.

J: But they haven't repelled Chile for more than a year, if it gets in next year, isn't that defeat for you?

PM: Oh, no, no, these things are not wins and defeats, Laurie, these are only matters of whether we can, in the longer run, define what APEC membership should be.

- J: Are you happy with (inaudible)?
- PM: I think we should define APEC membership. We should be able to say what defines an APEC member, rather than simply just spreading, you know, for instance, would it be Colombia, Peru, the states of Central America, India, or the old Soviet Far East, Russia, the Russian Pacific. These are all questions which I think the constituency has got to think about.
- J: In terms of sending a message to GATT, are you still pushing for a cut in tariffs, and is ASEAN going along with it?
- PM: Well, I don't think you've caught up on the debate on APEC, with all due respects. I mean, we're not a round of tariff cutting in this stage, I mean. But the trade liberalizing is going to be very much part of the agenda of APEC, but it will probably follow trade facilitation. That is the thing where there is a... I mean, a lot of member states of APEC are liberalizing now -- Indonesia announced a package a week or so ago; we've been doing it, now, for years. This is true also in the United States. I think the thing that's going to focus APEC's work, mostly, will be trade facilitation. That is, things like standard customs laws, standard business laws, general recognition of standards -- these sorts of things.
- J: You were looking for more than a declaration, weren't you, to GATT?
- PM: I'm not sure what you're saying.
- J: Well, I understood from what Trade Minister Cook said, and others, that you were looking for something more than just a declaration of principles. You were looking for some sort of gesture by APEC to GATT.
- PM: Oh, well, GATT's a different question. Before you asked me about APEC, whether it had a trade-liberalizing role. That's got nought to do with GATT. GATT's a different matter. Well, it may well be the leaders will say something about GATT. About the desirability of the successful conclusion of the GATT. I mean, I would certainly be happy to say that.
- J: The Eminent Persons Group has suggested that the Seattle meeting, given a blockage in the Uruguay Round, should offer some specific measures as a way of getting the Round unblocked.
- PM: Well, I don't know whether this meeting would be seeking to garner commitments from countries in the Uruguay Round. I think this meeting would be inclined to say

that the Uruguay Round should be successfully concluded. Some member states have to give ground, to conclude it. But again, the commitments which are on the table from member countries of the GATT are there now. I don't see this meeting actually being able to take specific trade concessions from constituent members and offering them the GATT context. I just don't think that's going to happen. What will happen, if anything about GATT happens, is that we would say that we should reach a conclusion of the Round by the 15th of December, so that the fast-track authority which President Clinton has, can be exercised by the Congress. Now, this is an important grouping, and were we to say that, it would have some weight.

J: Prime Minister, are you prepared to allow Conrad Black to lift his holding in John Fairfax up 25 percent?

PM: Well, he hasn't asked me. He hasn't put any specific proposal. I saw Conrad Black the other day, he pays me the courtesy of a visit whenever he visits his assets in Australia -- his business. Not always, of course, mostly. And it's mostly... as all proprietors do, asked for something. Now, in Conrad's case, he wants a bigger share of John Fairfax & Sons, and I've told him that there are real national interest questions here, and that something easily given isn't generally something worth having.

J: He seems to believe that it also has something to do with the quality of reporting in the Fairfax newspapers. That if it becomes quote 'more balanced' unquote, in your words, that in those circumstances you would entertain lifting his holding above 25 percent.

PM: Oh no, I had a conversation with him late last year when John Hewson had offered him 50 percent equity in John Fairfax & Sons, and I said to him, "Oh, I wouldn't consider that." I would consider going to 25 percent, because his claim was that he couldn't run the business at 14.9 percent; that he had just concluded that day, a meeting at the Opera House where he had been pilloried in running the business with 14.9 percent, and I said, "Well, we'll think about it, but we want a commitment from you that the paper will be balanced. And if there is any notion that, you know, of bias, that is that you barrack for the Coalition, on the basis of your conservative proclivities in other places, then there's no way you would qualify as the kind of owner we would like." Now, as it turned out, I think the Herald's coverage was... I won't say it was balanced, because I think the whole media wrote the government off in the election campaign. But that said, that was in part, of course, the fault of some of their so-called, often-quoted Lbor strategists. But we'll leave them for another time. So therefore, after the election, I, on behalf of the Government made good a commitment to reconsider them, and took them to 25. But there have been no further specific requests, and certainly no commitment.

J: But Mr. Keating, should a commercial dealing of that sort rest on your judgment about whether a media organization is fair to Labor?

PM: No, not whether it's fair to Labor, but whether reporting is fair.

J: But you're the judge, are you?

PM: Well, I'm the Prime Minister. That's how I become the judge.

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