



PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER, THE HON. P J KEATING, M.P., BOEING FACTORY, SEATTLE, U.S.A. SUNDAY 21 NOVEMBER, 1993

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J: Prime Minister, why did you decide to come to the Boeing factory?

PM: Well, we do a lot with them commercially. ASTA, which is the Australian Government's aerospace organisation, has just won the international supplier award for Boeing. We supply the rudder assemblies, for rudders for 737s and other elements for other aircraft. So, in a very internationally competitive environment like this, to end up as supplier of the year is one hell of a feather in Australia's cap. So, it was my pleasant duty to be associated with that award and to talk to Boeing about the future of ASTA in the event that we privatise it.

J: Is there much chance that we'd get more work for Australia from the Boeing factory?

PM: Well, the good thing is we're getting the work now, not as part of the old offsets program - that is, if we buy a Boeing aircraft it is mandatory that we make some of the bits - we get it now, purely commercially. We're winning commercial contracts to supply major components to Boeing against the rest of the world. So, it's a really good basis for doing things.

J: Prime Minister, Boeing has an interest in tendering for the refurbishment of the P3 Orions and also for the supply of the AWACs aircraft. Given that the defence budget took a big cut in August would you say that either of those two programs are threatenend and were you able to tell Boeing anything about that today?

PM: We discussed both of those. There's another development of the AWACs program which Australia is going to wait for, we're not going to be picking at a

traditional, conventional technology. In other words, a 707 with a dish on the top. We're not buying any of those. I think we'll wait for the later development. But, on the P3, well, this is our maritime surveillance capability and Boeing is going to be part of a group tendering for the refurbishment program, but that program will go ahead.

J: Can you guarantee the AWACs will go ahead, based on the 767 airframe?

PM: No. And I don't think it ever will go on a 767 airframe. We'll go for... that's only for a very conventional technology which we are not interested in. We want to go to the next generation AWACs technology which doesn't require a very big aeroplane to carry it around.

J: Did you discuss a VIP plane for yourself?

PM: No. Like all good salesmen they said, "We've got everything on offer, including those," and I said, "Thank you, no, no, we're happy with one of your earlier models."

J: In terms of Boeing's chances for the P3 Orion - you say they're just one of the firms tendering offers there? And in terms of AWACs there doesn't seem to be any commitment for either of those programs on Australia's part.

PM: Are you a Boeing rep' are you?

J: No, no I'm from the local media in Seattle.

PM: Well, I suppose that's one and the same around here, right?

J: ...inaudible.. Australia's going to spend some money here.

PM: Well, we're always spending money here. No, I think the P3 program will go ahead and Boeing will probably become part of the consortium for the redevelopment of our P3 capability. But on the AWACs, we're going for the next generation of technology which lets us out of these very big airframes.

J: Do you say the 767, then, is not suitable, in terms of...?

PM: We won't need it. It will just go in a much smaller, fuel efficient aircraft.

J: Prime Minister, Dr Mahathir says he is not sorry that he didn't come to Seattle. He says if you snub your nose at people they take more notice of you. Is he a lost cause for APEC?

PM: Look, I don't know and I don't care. I'm sick of asking questions about Dr Mahathir. Everyone had a chance to come here - if he didn't come, that's his business. The thing about it was, it was just a very historic meeting. Just remember this: we were sitting there with the leaders of half the world's production. China's sitting there even though it has great diplomatic problems with the United States where the U.S. has put an embargo on arms sales as a result of China's activity; where President Soeharto, who represents the non-aligned movement in Indonesia, was sitting there. I mean, it was a most historic gathering and everyone who was there felt the sense of history of it. But, I think the other great thing about it was, it was a meeting of leaders without officials. The leaders there were making their interventions and making their suggestions without notes from officials and without winks and nods. And, it had a tremendous freshness and vitality about it. And, to put together an organisation like this, for the Asia-Pacific area, will enhance economic developments in the Asia-Pacific very rapidly, I believe, compared to that which would otherwise happen. And, it will also just, naturally, produce a good strategic environment, a better strategic environment because these leaders know each other and are talking to one another.

J: Is there still time for Dr Mahathir to get on board?

PM: Look, I couldn't. please don't ask me any more questions about Dr Mahathir. I couldn't care less, frankly, whether he comes or not.

J: Will you still see him next year, Prime Minister?

PM: Yes. I'll see him in his own right. Malaysia is a country which Australia has interests with and which is a neighbour and I'll see him on those terms. But, APEC is bigger than all of us; Australia, the U.S. and Malaysia and Dr Mahathir and any other recalcitrants. I mean, APEC is a very big development in world terms and, I think, ushers in a period of important cooperation - very important cooperation - in what is already the most integrated trading area of the world. What you saw yesterday was a very historic meeting and I think the sense of history was not lost on any one of us there.

J: Do you want the same format for the next one?

PM: I think the format's fine and I think the fact that the leaders agreed to have another one was very important and we'll have the same sort of arrangement where the leaders will attend without officials and we'll have a genuine discussion. It was, one of the high points for me was, we were sitting there in this room, just fifteen people with these huge economies, discussing these contemporary problems. The problems in developed economies of high productivity and higher output but with fewer people involved and, therefore, higher unemployment. What we do about that, how we get these developing economies able to cope with their savings

requirements and infrastructure needs... and to have leaders actually sitting there focussing on these particular issues and thinking inventively about problems is a pretty novel experience.

J: Mr Keating, should the outlook for the economy change in any way because of the APEC conference?

PM: No. I don't think the short term outlook changes, we're in a growth phase now. I don't think the short term outlook changes but the long term outlook certainly changes. I think that, you know, we were just talking to Boeing about simple things like standardisation of receiving capacities in airports, some comprehension about the development of generations of aircraft and how they will be accepted. And whether wide-bodied aircraft carrying many people coming to few national airports and using them as feeder airports will be the way things develop, or whether we should go to one step down in smaller generation wide-bodied aircraft which go to other ancillary ports. I mean, all these things are very key questions in the development of transportation. And the APEC group can think about these things because the greatest growth in air travel is in the Asia-Pacific. The greatest growth in aircraft sales is in the Asia-Pacific. The growth in air travel is in the Asia-Pacific. So, what we do with our airports will decide how the aircraft are built to take these things. So, APEC's going to have a very big spin-off for Boeing, a very big spin-off for the aviation industry in general and the tourism industry.

Ends.