



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
RADIO 6PR, HOWARD SATTLER - 9 MARCH 1994

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SATTLER: Prime Minister, welcome to the studio.

PM: Good Howard, good to be here.

SATTLER: First time since the election.

PM: I have been busy over there engineering a recovery in the economy and trying to keep the general agenda that we set in the election campaign that you just referred to on the tracks and things are running as we hoped and expected and the recovery is coming through strongly and as you know we are now seeing 145,000 job growth in the last three months. We think we are going to grow something like 4% in the coming year, which puts us up as fast as any western country and I am hoping, the key thing is I think, to make sure the recovery is enjoyed by everybody.

SATTLER: How much credit do you personally take for that?

PM: For the recovery?

SATTLER: Yep.

PM: Well the recovery is I think, been engineered by national economic policy. That is, it's come by virtue of the Budget policies of the last three years by the lower inflation rate, by the lower interest rates and a more competitive exchange rate mechanism in place. All of that I think is -

SATTLER: But don't be so modest you were the architect of the economic policy for most of the time weren't you?

PM: I was with the then treasurer John Dawkins, but I think we are seeing as a consequence of Commonwealth Government policy and also the fact that business is now rebalanced their balance sheets. As you know in the 80s we had debt displacing equity. Now companies have had to build up profitability to rebalance things to take the debt out and put equity back. that's happened and they

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PM: Carmen is the kind of person you don't need to make promises to, she takes her chances in the rough and tumble and opportunities of public life. But I think I would be very surprised if the Caucus of the Government didn't at some opportunity, take some opportunity and give her a seat in the ministry.

SATTLER: Does she need to get nominated?

PM: In our Caucus there is none of those pretensions. You nominate yourself. When they call your name you stick your hand up.

SATTLER: Do you need a seconder?

PM: No you don't even need a seconder.

SATTLER: You just need the vote.

PM: Because years ago we used to have this sort of thing where people say is there someone to nominate so and so. There would be a sort of momentary pause and a hand would go up and so now we call a roll of Caucus members and if you are interested in a job you put your hand up.

SATTLER: Okay she will put her hand up, will she get your vote for a ministerial position?

PM: She would, she would.

SATTLER: Now if as expected she is elected to a ministerial position what have you got in store for her? It seems obvious to a lot of us after Ros Kelly's resignation and you just adding all those portfolios to poor old Graham Richardson who is crook with bronchitis by the way, you have really saddled him with a bit. You have loaded him up, now are you just going to transfer those portfolios to Carmen if she as expected gets the nomination or is voted in?

PM: These things are a matter for the Caucus to make judgements about and none of us -

SATTLER: You are the bloke who allocates that.

PM: No I get the job, the right indeed as you say, to allocate the portfolios but the stock of members who are part of the Government is decided by the broad parliamentary Labor Party. Now that has got to happen first, now in the event of that happening, well, I have some choices there as you say. But again were that to be the case I would obviously have a conversation with Carmen before I ever presumed to know what she would be interested in.

SATTLER: Are you sure you haven't already had that conversation?

PM: No I have had a general chat to her but not to that detail.

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PM: (cont'd) are now ready to sort of shuffle off and invest and I think all these things coming together means that we have got a pretty robust, we have got on our hands what we haven't had for 30 years, a robust low inflationary recovery.

SATTLER: Interest rates, are you concerned about what has been happening in the USA and predictions that interest rates will rise in Australia before the end of the year?

PM: Not really, I think that the United States federal reserve bank has put a very modest increase in rates, decimal point or two -

SATTLER: It still sent a shiver through our stock markets.

PM: What the feds so called is doing is keeping an eye on inflation in America. So are we here, but as you know our inflation rate keeps coming out below the pundit's expectations and our inflation rate for the year in the last quarter was 1.9%. So we have always got to be vigilant about inflation, all of us but it's that low inflation rate that gives you the low interest rates.

SATTLER: Are you confident interest rates will remain at their current levels in Australia until at least the end of the year?

PM: I think that I am confident that Australia's inflation performance will be such that this will be a very strong and bull point for the maintenance of low interest rates.

SATTLER: You are here to campaign for Dr Carmen Lawrence who I think is a lay down misere for the seat of Fremantle, god if you lost Fremantle that would be a nice old slap in the face wouldn't it?

PM: She is such a good candidate and she is going to, I think she is going to, add to the stock of Western Australian people, members of Parliament who give a particular and peculiar focus on Western Australian interest in the Commonwealth Parliament. I think having been a premier and joining the Commonwealth Government, Western Australians will have absolutely tip top representation particularly in the seat of Fremantle but as you know you already now have Kim Beazley as Minister for Finance, you have got Peter Cook as Minister for Industry, George Gear as the Assistant Treasurer. Until recently John Dawkins was the Treasurer, so Western Australian interests if you like are well and truly represented there in the key policy portfolios.

SATTLER: Can we take it that she is not going to Canberra to be a back bencher?

PM: She would be the first to say she is not going to hide her light under a bushel.

SATTLER: What have you promised her?

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SATTLER: But we can take it that Graham Richardson is not going to continue to have all those portfolios surely?

PM: You think the flu might knock him over do you?

SATTLER: I think it already has and the other thing he has had it appears, a difference of opinion with you over a proposal to increase the Medicare levy. Now you knocked that on the head yesterday in Adelaide but you have said you haven't seen anything to that effect, does that mean that there isn't anything or something might just surface later on?

PM: Medicare is a great national health system. We have got now other governments around the world looking at it, but things change. We have seen change in the relations between public and private systems, you see changes in the technology and things like diagnostic imaging and pathology and all systems need to change with it. What Graham has had is the whole system under focus but at this stage has been as we are, undecided about what we should do. Our primary focus at the moment is the Green Paper on unemployment because one of the things I did say on that election night which you referred to earlier was that we were not going to leave the unemployed behind and these first couple of months of 1994 are building on the Green Paper group who reported to us late last year on how we are going to deal with the long term unemployed, so that's the principle focus of our work.

SATTLER: Yeah, but there is a story running around this morning they are going to take people off the Jobsearch allowance and the ACOSS people who supposedly represent the unemployed are not too pleased about that prospect?

PM: There is no point in me trying to run through the threads of this. This is a very large change it will be a White Paper which the Government will introduce in late April which I hope will let us as a Government do something novel in world terms, not just in Australian terms, but in world terms about the long term unemployed. See we have got three hundred odd thousand people who have been unemployed 18 months or more. Now apart from the social inequity of that, that is they having carried the brunt of the recession, we are going to find ourselves even with sort of 10% unemployment, skills bottlenecks in certain areas of the labour market and that is largely because we have got a pool of people who are not being retrained.

SATTLER: Too many skilled people.

PM: So what we have to do is get those long term unemployed people trained and back into the labour market so that the recovery is a recovery for everybody, not just the top end of town but those already who carried the largest burden of the recession, that is those who are unemployed.

SATTLER: Are you prepared to knock a jobs levy on the head at this point because that is another one that has reared its head?

PM: The jobs levy as it was an option proposed for consideration by the Green Paper report, by the Green Paper group as a way of funding the programs

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PM: (cont'd) which give these long term unemployed people a job subsidy and training for a set period. Now I don't think that we necessarily need a jobs levy. I think the general budgetary scene may be such that we can do this without resorting to such a levy. It remains an option for us but it's not one essentially preferred by me or the treasurer.

SATTLER: So as far as you are concerned no jobs levy, no Medicare levy increase?

PM: You only do things where in this respect where you have to and we are in a recovery and we are starting to see a better performance by the Budget. What generally happens in recoveries is that we invariably see a pick up in revenue as we have seen a decline in revenue in the recession. The pick ups are always greater than we forecast and the declines are always greater, there is always forecasting conservatism in the numbers. Now I think on this occasion, I mean if you say to Australians do you think that the national budget should accommodate a program that gets to the lows who have been unemployed 18 months or more back into the labour market, I think most Australians will answer that in the affirmative, as I think they should.

SATTLER: Unless they have to pay for it.

PM: Even so I think that there is the notion of social equity of the fair go in Australia. When we talk about productivity in this country the flip side of that coin is a higher level of unemployment, that is productivity means getting more output from fewer people. Those fewer people have been unemployed and if they are unemployed over 18 months or a couple of years they lose their self esteem, they lose their job readiness, they then can't actually get the jobs that then actually turn up in the labour market, so I think we are under all of us, all of us, a social obligation to get them back into work so that we do our best as a country, as a society, as a community to say that we are not going to have a tail of three or four hundred thousand people who are basically in labour market terms crippled by it.

SATTLER: But what I think you are saying underneath all of that is if we have a job we should figure ourselves lucky and we should fork out a bit more for those who are unfortunate and don't have a job.

PM: What we are saying is that the Budget should fork out a bit more, in other words that the spending priorities of the Commonwealth change in favour of those who have carried too much of the burden -

SATTLER: What, go further into debt?

PM: No, every Budget there is new policy proposals, every Budget there is always a stack of worthy new things which the Government may consider. It's a matter of what's at the top of the pile and what I think should be at the top of the pile is the long term unemployed.

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SATTLER: We look as though we are going to be roped in or the United States are going to try and rope us in to their trade war with Japan and your colleague, trade minister Bob McMullan apparently has been called in at the last minute to join trade talks today with visiting US Secretary of State, Warren Christopher. I have to say the United States for an ally, for a good friend has treated us as far as trade is concerned with a bit of disdain in recent years. Why should we go into bat with them against Japan?

PM: The world has shrunk in terms of trade, the inter relationships of trade are now so important and obvious to us all that we have to in a sense move on fronts as they say in the trade, multi-laterally, that is a number of countries together not just two together but a number of countries together. The United States, we played a major role with the United States in the GATT round, that is the trade talks which took 7 years to open up trade opportunities around the world. So the US has played a good role and the US is making a point with Japan that Japan should open its markets. I think where we have some misgivings about this is the technique that the US is considering imposing in the doing of it. That is in arguing that Japan should open its markets we say that is fine, that is good, it's going to be good for world trade, good for the US, good for us. But imposing managed trade solutions which is what Washington is now talking about that is where they use the thing called the US federal law called the super 301 where they can actually double tariffs if you like on particular commodities, it's the heavy handed sledge hammer number to crack the nut.

Now we think that's going to lead to a lot of bilateral trade tensions and that is why I think we see the body which I was involved in last year in establishing at head of government level, this is the APEC, Asia Pacific Economic Cooperation, this trade argument between the US and Japan is a sifter for resolution within the APEC framework. So it means that the 15 countries of APEC, Australia, Indonesia, Malaysia, Singapore, China, Korea, Japan, the US etc can come to a set of multi country solutions rather than a nasty little trade war between the US and Japan which can then affect us because we sell so much product to Japan if those markets of theirs have access problems in the US that affects us.

SATTLER: But what's in it for us to go into bat with America against Japan? I think we have got a trade surplus with Japan but America has got a trade surplus with us, shouldn't we be getting some concessions there?

PM: We have got a very heavy trade surplus with Japan but US has a very heavy trade surplus with us.

SATTLER: And is pinching more of our market.

PM: We are saying to the US, yes we agree that Japan having garnered so much from the world's trading system should open itself up so that everybody has a chance to participate in the second strongest economy in the world. But there is no doubt about the justice in the US case there, but we don't believe that managed trade solutions are the best and the other thing that wrong foots the US and makes it look as though they are not really committed to free trade when they

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PM: (cont'd) are. so this is a potential to be a major stoush and like all of these major things when people are lining each other up in a thing like this caution and common sense ought to be the watchwords here and I think what Gareth Evans and Bob McMullan have said to Secretary of State Christopher is look, yes, we agree with you as trade objectives here but we don't agree with the solutions and why don't you look at it more in a multi lateral context, keep us involved, we are friends of Japan and we are friends of the United States and we don't want an argument running between two close friends.

SATTLER: So he is not going to get the answer he wants today?

PM: May be not, no.

SATTLER: I understand you are heading for South East Asia next week or the week after to open a bridge that we have put \$42 million of taxpayers money in and we have had a few calls about that, you can expect that and it comes at a time when the Government is being heavily lobbied over issues like breast cancer research where we give only \$1.4 million annually to research there and it kills 2,500 Australian women a year. Can you understand that some Australians see some rather misguided priorities in the allocation of all that money there and so little to a disease which is killing so many of Australia's women?

PM: Our budget is about \$105 billion, it's about \$105,000 million so it has social security spending, it's got payments to the states, it's has a foreign aid program, it has national health and medical research budget. So we don't have to deny our aid program the sort of funding which is involved in this bridge to actually do something on something like breast cancer for instance. Because I think, let me just say about the bridge in the first place. This is the first time, this is a bridge across the Mekong River which Australia has built and which the Australian company, John Holland has actually done the civil engineering on, and this is the first road connection between Thailand and Laos, the first ever and this will now be the main highway between Thailand and Beijing so it's called the Friendship Bridge and Australia sits there and in terms of Australia's reputation in the area and our interest in these countries like Thailand, a developing country, an important market for us, Laos, Vietnam, Australia's name is very good in this area.

SATTLER: So the business people up there know we built it do they?

PM: Absolutely and I will be actually opening it, so you have got, if you like, two nations focussing on the fact we are doing it and it's been done by a company owned in Western Australia, John Holland. Could I just say though on the other point, on breast cancer, the first thing to say about this, this is a dreadful disease which is costing us the lives of too many Australian women, that is point one. Point two what we need is a comprehensive national strategy to deal with it. What often happens in these diseases, certain institutes have particular branches of research and they approach the Federal Government seeking support for this one but not for that one saying this institute is more worthy than that institute and to try and overcome these problems we have a thing called The National Health and Medical Research Council which makes decisions about which particular areas of research

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PM: (cont'd) are funded. There is already breast cancer research but I don't think there is a comprehensive strategy and next week in Perth or the week after next I am sorry, Graham Richardson is meeting with the state health ministers to amongst other things decide on a comprehensive national strategy to fight breast cancer and they will be releasing a major statement for a comprehensive campaign against breast cancer. This is I think the way to tackle it. Now at the moment, as you know, the Commonwealth Government runs a breast cancer screening program which is available to all women over 40 -

SATTLER: Yes but there are women under 40 dying from breast cancer?

PM: But it's also available upon the reference of a GP for anyone who has any symptoms of it, or has it in the family, to go and have a screening. But it's also available just simply under Medicare. That is if your local GP refers a woman for a breast cancer screening, Medicare picks it up and pays a rebate.

SATTLER: Can I throw in one for the blokes, what about prostate cancer? It's killing about 2,000 men in Australia every year.

PM: There is generic research into cancers and the cancer's effect, breast cancer, prostate cancer, bowel cancer, throat, all the other ones, lung cancer. That is generic research into cancers and there is a specialised research into the various things. There is specialised research into prostate cancer too but the numbers in breast cancer are really quite profound and I think therefore in this area we do need a comprehensive national strategy. In fact I am happy to say my wife is the first patron of the Breast Cancer Day and she has been actively involved in this issue.

SATTLER: So has she put a bit of pressure on you to do something about it?

PM: She has done a bit home lobbying on this subject.

SATTLER: Not a bad thing either surely?

PM: No, not a bad thing and I have taken the issues up. But Graham Richardson said, quite appropriately, that what we need here is a comprehensive campaign and a comprehensive national strategy and I think that's what we are going to do and the meeting will actually be here in Perth the week after next.

SATTLER: I want to play a short excerpt from an opponent of yours, the Premier of Western Australia was sitting in this studio just the other day and this is a request he made. "Paul Keating will be sitting in the seat which you occupy at this moment, he will be here tomorrow morning, are you going to be meeting him while he is in Western Australia.

COURT: I would certainly want the opportunity to meet with him and to discuss Mabo. I mean the Prime Minister can't come to Western Australia and not address this particular issue so I hope that he is prepared to put aside an hour or so, so that we can try and have some proper discussions to resolve the -

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SATTLER: Have you made a request to see him?

COURT: Yes I have made a request on a number of occasions."

SATTLER: Alright we in Western Australia and I think people around Australia don't want this thing to get to court, it's going to cost a fortune and we are not here to make lawyers rich, be they Queens Counsel or whatever. Are you going to meet with the Premier and try and resolve this out of court?

PM: I have seen Richard three times in the last week. I saw him in Hobart at the Premiers' Conference, I saw him at the EPAC meeting last Friday in Canberra and I saw him last night at the Notre Dame University.

SATTLER: You spoke with him last night?

PM: We had a chance to talk there, just to say hello, but a chance to chat if he wanted a chat. If I have to see him any more I will have to put an annex on at The Lodge for him, may be a room out the side, promise him bed and breakfast, a cup of tea in the morning, a bickie, *muesli*.

SATTLER: Are you sick and tired of ~~Aborigines~~? Are you sick and tired of trying to resolve this?

PM: The truth is let's not mix words here. Western Australia had no interest in talking to us when we were designing the legislation. I made the offer to the Western Australian Government to send their bureaucrats to the multi state Commonwealth bureaucrats meetings on the Mabo legislation and they were not interested. We have now passed the Bill and he is challenging it in the High Court. It's his challenge not ours.

SATTLER: And you have to defend it in the High Court don't you?

PM: We will have to defend it. What he is saying is the Commonwealth Parliament doesn't have the right to pass laws in respect of title of land for Aboriginal people.

SATTLER: What is this going to cost us?

PM: The truth is ask him because he shouldn't be doing it. See the Commonwealth Parliament's legislated in an area where it has I believe sovereignty, what we are doing is providing all the certainty, the mechanisms of certainty that let all this be resolved. What Richard Court is doing to Western Australians is saying, I will tell you what I will do, I will leave this a jumble for you for the next four, five or six years, I will throw it all into the uncertain basket. See remember this Howard, it is the High Court which has said that Aboriginal people have a proprietary right to land and had it from the time of European settlement in 1788. Now let's say the Commonwealth Government. Labor Government didn't legislate to set up the tribunals for Mabo, the awarding of title. All that would happen is Aboriginal groups

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PM: (cont'd) would simply make a series of claims and lodge them in the High Court. We would have Western Australian commercial interests in a hole, in chaos for the next 20 years.

SATTLER: They are making claims now. Here is one today at Point Walter reserve.

PM: Can I just make this point. We have now set up a federal court stream and a state Supreme Court stream if Richard Court wants to be in it. It's his state Supreme Court can be in it if he wishes to hear native title claims and resolve them, orderly and to resolve them in a way which actually then doesn't impact on the commercial interests or developments of Western Australia. What he is saying is look I don't want to be in that, I think I have got a political issue on the line here. I think I can screw all the political joy out of this I can, I will challenge this legislation, when the Prime Minister made offers to meet me and bring our bureaucrats over I rejected them and now what I will say is look, I will go over and this fellow ought to be talking to me to stop me making my crazy challenge. I mean it's his challenge.

SATTLER: But what do you as the Prime Minister say to the Benell family who have just made a claim for part of Fremantle, the Point Walter reserve, there's the map there?

PM: Simply this, that if there is any, what the High Court made very clear in all this and legislation made it clear, is that native title is subordinate to the Crown and wherever there has been a Crown grant that is an interest in land given by a State Government which is either freehold or leasehold, it will extinguish the native title. So people can make claims but they are not worth the paper they are written on -

SATTLER: The Benell family should give up on this they don't even live in Fremantle, they live at Armadale?

PM: Yeah well I haven't seen the matter but this is a process from here Howard. The federal court of Australia is a place where a native title claim can be lodged, it can then be heard and decided yea or nay. But generally what we are talking about here, we are talking about title to land being given to Aboriginal people who currently still live on land which is owned by the state.

SATTLER: That accounts for the Benell family.

PM: In other words land which is not awarded to anybody, that is not part of a freehold title, it's not part of a lease, you are talking about land in the back country in the main which belongs to the state, Crown land, unallocated, unalienated Crown land on which Aboriginal people still live and really what the High Court is saying is look, let's right a wrong admittedly 200 years late but better late than never, let's say this land was always their land, they always had a title to it, but if they are still living there let's say then can then apply for it.

SATTLER: So most Aboriginal people in Australia won't benefit at all will they because they live in the suburbs?

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PM: A lot of Aboriginal people, this is right, a lot of Aboriginal people won't benefit from native title and that is why we are now looking at the social justice component, the land fund component of Mabo this year so that those who can't apply for native title because they are long pushed off the land can actually get some access to land.

SATTLER: Okay you are off to Fremantle shortly but it seems that your wife has taken the front running in the campaign. She has been accompanying Carmen Lawrence around this morning, is that part of the strategy, is she more popular than you over here?

PM: No, I am seeing Carmen, we are going to talk about employment and employment strategies and programs at 11am this morning and I saw Carmen yesterday for a good chat. But last night I did one function and she did another I had the honour of speaking at the graduation of graduates from the Notre Dame University in Fremantle while Carmen did another function and we spread the shot so to speak.

SATTLER: Some people think you don't care too much about Western Australia you rarely come here, what do you say to them?

PM: The whole of national economic policy in the last 10 years has favoured Western Australia. That is Western Australia's great claim was being a primary exporting state in minerals and agriculture that it carried the tariff monkey on its back. The changes of the 80s expressly benefited Western Australia and the Western Australian recovery which is as strong as any in the country is there because of the federal Labor Government.

SATTLER: Will you be back again soon?

PM: I will be back, sure.

SATTLER: Look forward to seeing you then.

PM: I will see you then, thank you Howard.

ENDS