



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON PJ KEATING, MP
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GW: Mr Keating, the opening of the friendship bridge is the centrepiece of this visit. What tangible benefits should it bring for Australia?

PM: Well, I think that it underlines the fact that Australia is very closely involved now with the region. And it indicates, obviously, we have comprehended the changes, which have taken place since the Cold War: that's the settlement in Cambodia; the economic reforms in Laos; the growth in Thailand - the dramatic growth in Thailand; and the economic reform on the way in Vietnam. In a sense the bridge tends to symbolise the changes which are taking place within Indo-China. And Australia is now involved with each of these economies, it is involved with the Governments and it is tangibly involved by the development of this important piece of infrastructure.

GW: Well, there is concern that the bridge could hasten the spread of Aids into Laos, that there will be new commercial pressures, environmental degradation. Having built the bridge what responsibilities do we have on those fronts?

PM: Well, I think the Governments of these two countries, Thailand and Laos, wanted this bridge to be built. I think the per capita income of Laos is \$200 a year, \$4.00 a week. I don't think that people in this country saying look, we are quite happy to leave them on \$4.00 a week as long as they don't get tangled up with the rest of us, that's fine. Well, I don't think that is much of a policy, frankly. It is up to the Laotian people to make their own minds up about their development, and infrastructure of this kind, simply a bridge to ford the river, the important Mekong River, is something of course that might have existed a long time ago, but for the fact that these countries can't fund these infrastructure needs. So, I think that, yes, the Governments will

need to be mindful of some of the development responsibilities here, but again it should give us a chance to lift the wealth of this area, and including particularly, Laos.

GW: They can't even agree at this stage on precisely where the border should be.

PM: Well I don't think we should worry about those sorts of things. One of the important things here is that Thailand is the second fastest growing ASEAN economy after Indonesia. It has got 58 million people. We have always had very warm relations with Thailand, so because it is not a problem many Australians think, therefore, it shouldn't be in a sense, attended. That is, we shouldn't develop the relationship further. Now, I think we should develop the relationship further, that is part of the point of my visit. And the growth and wealth which has been generated in Thailand can flow into other parts of Indo-China including Laos. So, this will be a tangible help to lifting the income and living standards of these people.

GW: Turning to the region in general, you have been building an extensive network of contacts, APEC has been your primary vehicle, but how far can this network go?

PM: This is the way to set Australia up in this decade and for the 21st century: to be part of the growth of the Asia-Pacific. And you can see just how quickly it has changed already. It wasn't too many years ago we lived in fear of Asia, or, if not fear, contempt of it. And then when the tigers took off we developed a bit of an inferiority complex about them, well, we are now shedding that. We are now engaged with the area, we are now relevant to these economies and societies, and the the way to do it is bilaterally. That is, between Australia and each other country relationship developing, and multilaterally through organisations such as APEC where we can increase the velocity of trade and investment, make the Asia-Pacific a greater area of wealth generation for all of us. But we will always need to attend to these bilateral relationships and that is why I have gone out of my way to develop them in the area, be they with Indonesia, or Singapore, or Thailand, or Laos or Cambodia, et cetera.

GW: In Thailand in recent days moves to reform the Constitution have been blocked that sparked some fears of civil unrest. How much is that a cause for concern?

PM: Well, I mean, often the politics of some countries in the area, the mechanisms are not there to be exercised the way they are in this country, I think this is one of our great strengths. That is, our basic sense of democracy in this country is one of the things that actually stamps us out, marks us out in the area. But I don't think that this is a matter of, in a sense, concern to me in this visit. I mean these constitutional issues, no doubt, are of great significance in Thailand

and matters will come and go. But it is the relationship, nation to nation which matters. Even though we have seen over a period of time some quite regular changes of Government.

GW: All right. With Vietnam how quickly do we want an economic and political relationship such as we now have with Indonesia?

PM: Well, you have got to, I think, firstly understand that Vietnam's economy is about, well, only a fraction of that of Indonesia's, it is growing. We have got a very warm relationship with Vietnam which we developed over time. I had a chance to host a visit by Prime Minister Kiet when he came to Australia, and I am looking forward to his invitation to return.

GW: You said that Australia can never be an Asian nation, and that we go to Asia as we are, as Australians. So, given that to what extent do we have to play by their rules?

PM: Well, I think the main thing, one of our strengths is that we play by our rules. We are a democracy, we have gone to Asia with our values intact, we are playing a leading role in shaping the region, as you can see in Cambodia and in APEC. We play our role in helpful infrastructure development of the kind of thing like, for instance, the Bridge which I will be opening during this visit. And I think that our open society, our sense of democracy, means that we are well regarded in the region and we don't need to be there apologetically, you know, playing by, if you like, the cultures or cultural standards of those countries. We don't need to accept the idea that we have to become a low wage society, that the only way that we can compete in Asia is to be a low wage country. I mean, it is one of the points of the Government's industrial relations changes introduced a week or so ago. It is one of the differentiating points with our opponents. We want to be an educated society selling high value added products, taking premium prices, being price setters and not price takers and the way to do this is to develop one's education system, research and development, product innovation, exports, keeping the competitiveness, the low inflation rate, and the general cultural shift to a more productive society, and taking that engagingly to Asia, and being relevant in the area. I mean, I think that is the thing which can set Australia up into the future.

GW: Well, just finally, you mentioned domestic politics. You are flying out leaving a factional brawl going on in NSW. Does that need to be settled now by the National Executive?

PM: I joined the Labor Party 35 odd years ago, this will be factional brawl number probably 210,341. Like all the other it will be settled at some point. It is over State pre-selections and fortunately I don't have to worry too much about those.

GW: Even though it damages the Party?

PM: These are all passing things. I mean if you want to see a brawl look at the one in the Liberal Party. It is a real one. It is about the national leadership of their Party.

GW: Mr Keating thanks for joining us.

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