



# PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
INTERVIEW WITH PAUL LYNEHAM, 7.30 REPORT, 25 MAY 1994**

**E&OE PROOF COPY**

**PL:** Prime Minister, welcome again to the program.

**PM:** Thank you, Paul.

**PL:** Now, Alexander Downer says you are a fast money man. Has he got a point?

**PM:** Well, that's come from his view of the world. If it is not old money, it has to be fast money. And, if it is fast money it is not proper money.

**PL:** There's not much difference in the end though, is there?

**PM:** I mean, God knows what he thinks of John Hewson. If he thinks that fast money is improper. I mean, this is all part of the born to rule squad. I noticed in yesterday's Australian, the front page, "I am born to the Liberal Party, and I am a creature of the Liberal Party." In other words, I am born to rule the rest of the you. Because, what we have seen here is basically a take over by the old Fraser - Staley gang, this is a return, as Gerard Henderson said, it looks like a return to the fifties.

**PL:** But it doesn't matter whether it is new money, old money, or what sort of money. The fact is, most of the people at the top in Australian politics, yourself included, are quite wealthy. Wouldn't we be better just getting off on that basis?

**PM:** No, it has got nothing to do with that. He came on saying I had made a personal attack upon him. Where in fact, I had repeated Dr Hewson's

remarks about the mode of his selection by the Melbourne political and business establishment at the Melbourne Club.

PL: Now, this was Dr Hewson's comment last Friday night. As a matter of fact we have got that, let's just have a look at that now.

JH: "It is a very important issue, this ballot. Because the issue is the future of the Liberal Party, and the Party now has a very clear choice between a Party that would be very broad based and inclusive of all Australians, and a Party that will be run by the Melbourne Club."

PL: Ok, run by the Melbourne Club. But that is just political rhetoric.

PM: No. The Melbourne Club is an attitude. It is about an attitude, it is about the political establishment of the Victorian Liberal Party, always hankering after control of the party again, resenting the fact that it had what they thought was a Johnny-come-lately from NSW. The point I made was that Mr Downer has actually gone to the Melbourne Club, Mr Wooldridge tells us that he had to learn his fate from the head waiter, that all these heavy weights had decided his fate, Dr Hewson's fate, in Melbourne. I made that reference, then he said this was an unprovoked personal attack to which then he refers to my house in Elizabeth Bay, which by the way doesn't have scintillating harbour views, it is just an inner city terrace, and investments I have made et cetera. I made one 22 years after I joined the Parliament.

PL: But look, in the past ...

PM: Let me just make this point, Paul. The fact of the matter is I made a political remark about Mr Downer, and the political remark was a repeat of the very remark you have just shown your viewers by John Hewson. Dr John Hewson and Dr Wooldridge's fate were decided by the heavy people. By Malcolm Fraser, by Mr Staley. First of all Mr Downer had to do an interview with Mr Kennett, then he was taken to the Melbourne Club and put through the paces by Mr Staley. Mr Peacock was interviewed saying, Yes he supports Dr Hewson, the next day, denying Dr Hewson, he climbs into a Rollsroyce with Ron Walker, the Treasurer of the Liberal Party, and mover and shaker in the Victorian Liberal apparatus and business establishment. They are the people who decided to make Alexander Downer Leader of the Liberal Party. I was simply making that point.

PL: You say the Melbourne Club is an attitude, they are his wealthy backers. But, I mean people would say the ACTU is an attitude and they are your wealthy backers. \$10 million dollars at the last election.

- PM: Well, he could have made that political point, but he didn't. He made a personal attack upon me.
- PL: But you have made personal attacks in the past. You never called him Shirley Temple?
- PM: I don't talk about their personal assets.
- PL: Who called him Shirley Temple?
- PM: Look, he has had fifty warnings from the Speaker to behave himself in Parliament. But let me just ... about the Melbourne Club, Paul. It is a club of entrenched privilege and prejudice. Half the population of this country, women, are excluded from being members there. Mr Downer belongs to the Adelaide Club, half the population of this country, women, are excluded from being members there. And, I think at least one thing should happen between now and when he stands up to lead a major party in the Parliament next week, he should resign his position from the Adelaide Club on the basis that in 1994, not 1984, or 1894, no leader of a party that wants to be Prime Minister of this country should be a member of a club that will not have women as members.
- PL: So, you have put the political heat back on him. But look, that suit you're wearing right now would feed an average, the money you spent on that would feed a family for a couple of months. I mean this is an absurd argument when we get down to your richer than me, and you know, you are new money, no, I am old money.
- PM: No, but that is him, that is not me. I am simply making this point, I said that the interests of the wealthy people of the Melbourne Liberal establishment who chose him and selected him, and shifted Andrew Peacock and his handful of votes to make the difference. Their interests and the interests of a boiler maker in Footscray, or a cabinet maker in Fairfield in Sydney, or in Brisbane, are completely in contrast to one another. They wouldn't even give them a thought over a warm gin this crowd. And that was the point I was making. This notion that we have gone back to a fresh start, Malcolm Fraser has never been so happy. I've never seen Malcolm so joyous since 1983.
- PL: Many of these Cabinet ...
- PM: He has finally got his way, he has got the Party ... Alexander Downer has said 'Malcolm Fraser is a great man'. This is the man who gave us seven years of political waste. Seven years of wasted political time in Australia's

post-war economic adjustment. What we're going back to is back to Malcolm Fraser type policies.

PL: Many of these tradesman you evoke, these so-called ordinary Australian battling families would like to point the finger at you and say you've given it to them damn tough.

PM: We gave them between 1983 and 1993 1.675 million extra jobs; we gave them an increase in household disposable income in every year that the Government was in office.

PL: And crash landing in 1989.

PM: Well, just hang on. We gave them a health insurance system which means that they or their families can get sick and not be afraid of it; we've given them an aged care system and a social security system which is the envy of any in the world; when we became the Government only 3 kids in 10 completed secondary school, now it is 8 in 10 - we've given their children an education.

PL: And over 900,000 unemployed right now, Prime Minister?

PM: Yes, and we've got a White Paper there, we've got 4.5 per cent growth, 2 per cent inflation. Could you imagine ...

PL: And business investment just gone back 5 per cent in the March quarter.

PM: I'll come to quarterly figures in a moment Paul. As you know, they dance around all the time. Could you imagine this crowd, this new group producing the White Paper? Could you imagine them worrying about whether the kids under 18 are personally case managed back into education and into work? Could you imagine them worrying about a job compact for the long term unemployed? And yet they'll put themselves up. This was never a contest about ideas or policies, it was only about who could sell the Liberal party's philosophy.

PL: But isn't he selling well, he's got under you skin. You've come here, you are on the rise?

PM: No, no, I will just bat the ball back where ever I see it. When I became Prime Minister, I said what I would do. I sat down at the press conference and said where I would take the country. Before I became Prime Minister, I said that fiscal policy needed to be expanded, we had to make the linkages into Asia, I mentioned the countries. Not one specific policy the other night.

- PL: He says he's got a document coming out in a month or two. Now, you've got to give him a bit of time don't you?
- PM: For the business community this is just going to be a horror show. This is just going to be a blancmange. Could you image this group removing exchange controls, floating the Australian dollar, knocking the tariff wall over, recasting the tax system, introducing the kind of labour market programs; the micro economic economy, water, electricity, gas, could you imagine this coming from this group who want, what did they say their policies are? '... A broad church and social stability'.
- PL: '... Commonsense policy not bound by ideology or sectional interest'. In other words, that's going to appeal to a lot of people.
- PM: What that says is, we haven't had commonsense policy from Dr Hewson, we are having commonsense policy from now.
- PL: You said the other day that you never underestimate anybody. How do you really estimate Downer as an opponent?
- PM: I think, it is the Liberal party, I mean, for the business community and for the broader Australian community who knows Australia must continue to keep changing, must continue to make the break to Asia, this is a leader who would deny the full expression of Australian sovereignty, this is a leader who has a great question mark hanging over multiculturalism and immigration, this is a leader who would take his party back to the policies of Malcolm Fraser and that is basically, back to the kind of society and the kind of attitudes which just about broke us.
- PL: Well, he is doing pretty good if you look at the Saulwick poll this morning. 59 per cent of voters believe Downer will improve the Liberals chances and they have given him a nine point lead over you as preferred Prime Minister.
- PM: And they gave him a 20 point lead over the Government. In other words the Saulwick poll this morning gave the Coalition a 20 point lead over the Government. This is the Government with 4 per cent economic growth, 2 per cent inflation, 250,000 jobs, a White Paper.
- PL: But, it is not all first night euphoria.
- PM: No, just a second, a strong Budget performance, a decade of reform and on one nights election the Liberal party jumps 20 points in front of the Government... Well, Paul, if you believe that poll - and let me tell you

there are plenty of people in the gallery who believed Saulwick polls in the election campaign, much to their chagrin - if you believe in that you'll believe in anything.

PL: I believe, for what it's worth, that he's going to do a lot better for the Liberal Party, in the months ahead, than John Hewson was doing in the months before and that that puts them ahead of you.

PM: Any change from Dr Hewson's position where he was rejected at the last election, and his views and that negative approach he took to the job, would be in the honeymoon - though I'm not here to spoil the happy honeymoon, Paul, I'm just here simply to make the point...

PL: Oh, is that right?

PM: I'm not here really, to spoil it. I want them to have their full enjoyment, as long as they understand that this country is not going to go backwards to the fifties - as Mr Henderson said, to the seventies under Malcolm Fraser and Staley, of having it run by people who don't understand the broader society, as these Melbourne establishment people do not - this country is not going to want the country run in that way from that place and the Government's policies of reform and change, of the White Paper, of the Budget, of the shift into Asia, of the Republic, of all of these things, of Mabo, this is the direction of Australia. It is not to go backwards. This is not a fresh change, this is basically back to the past.

PL: Is it politically smart though, for you to be overseas early next month, for about 11 days celebrating D-Day?

PM: Well, I was invited by President Mitterand of France and the British Prime Minister and one can hardly refuse the invitation in the terms in which it was put when we were participants in the second World War.

PL: And, finally, those investment figures, backwards five per cent in the March quarter. That's not good.

PM: In the year to now they are on track with the Budget forecast, Paul.

PL: But, you've got to get one per cent growth this financial year. At the moment you are running minus at 1.7 per cent so you've got to do about 2.7 per cent in the June quarter to get to that target and then you've got to get to fourteen and a half next financial year... and, you're on target for all of this, are you?

PM: Yes, and we've got realisation factors in there, on this data, well below the actual outcomes in the last ten years. So, as the Treasurer said eloquently, today, in a press statement, these numbers fall squarely into the Budget forecast.

PL: Because, I don't need to tell you, upon that investment depends the growth and the jobs and your whole White Paper strategy.

PK: Well, you look at the eighties changes and these are very conservative forecasts, I think everyone has accepted that. And, as I say, they are on track. The key point to remember, Paul, is this - the average growth of the Western world economies is one per cent this year. We're already doing four per cent and heading to four and a half.

PL: Thanks for your time

PM: Thank you, Paul.

ends