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PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P.J. KEATING MP
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PM: This morning I met with the President of the Federal Republic and, of course, a meeting and lunch with the Chancellor. Perhaps I might deal with the Chancellor's meeting and lunch first and say I think rarely have I had a discussion as good as this one, we found substantial common cause in Germany and Australia doing more things together. This is the third largest economy in the world. Our investments here are reasonably small so too are they in Australia. There is no cause why this should be so. They are now interested in the Asia-Pacific as we are. They want to do more things there. I think they are inclined to be doing more with us. The Chancellor proposed some things and so did I. One was he thought that we should have a cultural agreement between our two countries. He couldn't understand why this hadn't happened in the past. I told him that I thought we should be underpinning investment more strongly between us, saying that there is going to be an Australian German Business Association Convention later in the year, which I will be attending and I asked him whether one of his senior Ministers might attend and he concurred in that

He was surprised how much of a common view of the world we had. We had a long discussion about Europe, about Germany's role in Europe, about the future of the European monetary system, about how Europe might develop in the future, Germany's historic opportunity and we had a long discussion about the Asia-Pacific, about the role of the various countries, how we saw the Asia-Pacific and then, of course, how we might do more together.

We also had a discussion about Germany and German history which is one of my interests and German architecture and a few other things which he was very interested in. He paid me the compliment at the end by saying sometimes I do these things as a chore, this has been a real pleasure and it was for me too.

I met the President this morning and again I had a very good discussion. One of the points I made to the Chancellor and the President was that on this question about the convergence criteria in Europe to join the European Union, the only three countries in the OECD who fit the convergence criteria are Germany, Luxemburg and Australia. So, it is a measure of how competitive Australia is and a measure of the standing of our economy that in this rigorous convergence criteria in Europe, outside of Germany and Luxemburg, the only other country in the developed world that would qualify this year is Australia. I hope my opponents in Australia might take some note of that.

This was a telling point, I think, with the Chancellor and the President, but I also asked the President about his role, the role of an appointed President, in the Federal Republic. He made a couple of telling points about it being a non-political position, that him not being a member of a political party, that speaking for the country was something he thought German's wished him to do, but doing it in a way which didn't bear upon the executive prerogatives of the Government. He said these things had all been thought about in 1949 and he was sure that Germans had designed their constitution well, looking at past history. I told him we were having a similar debate in Australia and was very interested in his view of his role here in this constitution and then in this Republic.

I think they were both, the President and the Chancellor, very agreeable in terms of me telling them the changes in Australia and of our economic circumstances of our outward external orientation, our commitment to growth with low inflation, the fact that at CeBIT we will have 200 companies - high technology companies - that we are no longer just a producer of coal and iron ore and wool and wheat and tourism, but also of high technology products and they see, I think, Australia being a really useful interlocker for them in the Asia-Pacific.

So, I rated both meetings highly successful.

J: Mr Keating, do you think the German model of a non-elected President is one worth examining more closely in the Australian context?

PM: I think his point was that were it to be an elected person, the political parties would operate the election and that a political person would be

selected. He thought German's felt more comfortable with somebody who could speak for the nation but was not partisan.

J: Prime Minister, interestingly enough in Singapore now they have gone the other way. They now have an elected President.

PM: This is the largest republic in Europe and it has got a long history and the 1949 constitution was very, very well thought over, comprehensively thought over and thought through. There are all sorts of models of presidencies around the world where there is a lot of executive power in the American Presidency and the French Presidency, but this is a parliamentary democracy, with parliamentary representative government, as we have it. It was just interesting, there are not too many of these, so when one meets the President one at least asks.

J: Do you think our Parliament could ever agree?

PM: I think, this Parliament in Germany agrees, and if the German Parliament can, the Australian Parliament could.

J: What about the Australian people, Mr Keating, there seems to be a preference at the moment for an elected president rather than an appointed president.

PM: We are having a debate on this as a nation and there will be stages in this debate and one of the stages will be where the Government says where it stands on this issue and the public will then debate these things. But, I have got no doubt that when one invests the nation in a person, in a representative sense as is the case here with the German Presidency, the fact that that person isn't elected and draws political authority in a partisan way, a party political way from the constituency of the country, means that our system of government doesn't change and the system of government didn't change here and it wouldn't change under those circumstances in Australia. In other words, the representative democracy we have where members of Parliament are actually relating to their constituency know the organisation, know the municipal authority, know the parents and friends association, know all the representative groups, it is a very comprehensive representation process. That is what they have here and, at least, President Herzog said that he thought that the German people wished him to speak for them, but not in a partisan way.

J: Prime Minister, what is your reaction to Graham Richardson's suggestion that he had spoken to you about dealings with Packer and claiming that he had tried to convince you there was no deal?