



PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP INTERVIEW WITH DOUG AITON, RADIO 3LO, 1 JUNE 1995

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DA: Mr Keating good afternoon.

PM: How are you Doug?

DA: Very well indeed, thank you. I can smell an election in the air.

PM: Well you have got too good a nose, Doug.

DA: Have I?

PM: You have indeed.

DA: Do you think that I am wrong in thinking that we are now into mild election mode?

PM: Oh, you are indeed. I mean the Government brought down a serious Budget, I would say a sober Budget, to deal with the economic circumstances we faced. To get the Budget back into surplus to make this adjustment and it was greeted as, you know, an election Budget and the rest. That was the media's way of saying look this has really been a pretty good Budget. So good that they thought the Government could go to a poll on it. That doesn't mean that the Government thinks about it as being anything other than simply a serious policy change from which we can now carry on and see the economy go on to the sustainable level, which we saw in yesterday's National Accounts, 3.7 per cent for the year.

DA: Well we do know, though, that the election at its latest, I think, will be in the early months of next year, won't it?

PM: The full Parliament runs to about March next year, it is something of that order.

DA: Are you yet prepared to give us any indication as to when you are thinking of for an election?

PM: Well, I must say, one of the happy elements of incumbency in this arrangement, Doug, is that in the Australian political system, there is a discretion in the Prime Minister as to when the elections can be held and none of them have been silly enough to give that away and I don't think I will be the first.

DA: No, I don't expect you to be. But you can't blame me for trying.

PM: Oh, no, no, go for your life.

DA: I think also that one of the things that is taking our attention at the moment, the voters of Australia, is what are we going to be voting about. People are thinking in election mode, whether or not you can tell us when. I would suggest that what I hear most of all is that the gap between the rich and the poor is increasing. Now I am not all that sure that that's the case. I'd prefer to say that the number of rich is increasing and the number of poor is increasing and unemployment doesn't change much and it seems to me that you being the Prime Minister, that is the mood that you're going to face in an election campaign.

PM: Well that may be right, but it is the wrong mood. You know we have now had 1.9 million jobs since the Government was elected in 1983 and we have had, since the election, 630,000 jobs. Now if you go back to that election, Doug, the principal commitment that the Government made in that election was to restore growth to the economy and employment and we have had now a 6 per cent and a 5 per cent growth economy and now it is slowing to a rate sustainable at about 4 per cent, roughly, and we have had 630,000 jobs since the election, or 400,000 in the last year. So it is a much more fully employed country. I think only the United States is up with us in terms of employment growth.

DA: Where does that put us in percentage terms as to the number of unemployed, the slice of the cake who are unemployed?

PM: Well that is down to about, I think, 8.4 per cent. But can I say to you that is off a massive participation rate. I mean we have now got many more people looking for work. You see the unemployment rate is a proportion of those looking for work, the participation in the labour market. If we had the participation rate that John Howard left me in 1983, we'd have unemployment I think around 5 to 6 per cent. If we're comparing apples with apples.

DA: Yes I do. But is this the sort of figure that you would have hoped to have for unemployment? At the time of the last election, is this the sort of figure you would have hoped to have in June 1995?

PM: I couldn't have hoped for anything like this because this is the largest fall in unemployment since we have been keeping the records. The last twelve months is the largest fall in unemployment since we were keeping the records. So we have gone from 10.7 per cent unemployment at the time of the election to now 8.4 per cent. That is a massive fall and picking up, of course, all those school leavers. See to get unemployment down, Doug, you have got to pick up all the people joining the labour market, as well as those in unemployment. And one of the happy things about this is we now have got a quarter of those jobs have gone to the long term unemployed, which shows that that policy statement Working Nation is out there working to get the most disadvantaged people back to work, whereas in the 80s we wouldn't have got anything like that number.

DA: Well what do you see as the battles that you are going to fight the election on?

PM: Well let me just say a couple of things about this question about, you know, how people are going because I know that Peter Costello is running around in the last day or so talking about battlers. I mean someone in the Liberal Party's advertising agency has given them a line about battlers. They said, "yes just keeping this line". So they are cynical. He said, "Australians are as poor as they have ever been", he said today on radio. Now let me just give the lie to that little claim and just tell you this. That the best measure of average living standards in Australia is real household disposable income because it includes wages and salaries, and supplements such as overtime, pensions, social security benefits and it is per person and it is after tax. So, I mean, it is the best measure. We have had a 40 per cent increase in household disposable income since 1983. In other words, a huge increase in disposable income since 1983 and if we take that per person, it was 19.8 per cent per person since 1983 and if we take the per person rate during the seven years of Coalition Government it was 2.1 per cent. So we have had nearly as much growth in household disposable income per year as the Coalition had in seven years. So can I just make that point, therefore, that if you take that measure of wages, salaries, supplements, pensions, benefits, after tax and per person, household disposable income has risen by 40 per cent.

DA: And you are making the point that Peter Costello and John Howard are saying that the battlers are turning to the Liberal Party.

PM: Well I mean this is the stuff they get from the advertising. This is the Dollar Sweets man. This is from Peter Costello who went into the industrial arbitration system and argued in 1986 at the National Wage Case for a reduction in all award wages to \$25 below the lowest award

rate then applying. This is the same crowd who say they wanted \$3 an hour for teenage battlers. No award protection for adult battlers. For unemployed battlers they were going to kick them off the dole after nine months and for retiring battlers they want to knock off the Government's superannuation scheme. I mean they are unbelievably hypocritical.

DA: How are you finding facing up to John Howard? It seems to me that they have put up against you, at last, someone who can match you in debating style.

PM: Well they put him up against me and Hawke in 1985 to 1989 and it didn't do him much good then.

DA: But you weren't both leaders then.

PM: No, I know. But, I mean, in the end I had the job of blowing the Box Hill tax package apart in 1987 for John Howard. Look the thing about John Howard is he has only ever had three views in twenty years of public life. One is what he calls proper deregulation of the labour market, that is taking away the award underpinnings. Letting the whole lot fall out, particularly against the lowest paid. Kicking family benefits to the highest income earners and putting in a GST. They're the three general lines he has pushed in twenty years. So what I say about John is this. I have just come back from Japan. We have probably got now the best set of bilateral relationships with Asia we have ever had. We have got the most advantageous multilateral arrangements in things like APEC. We are making the linkage to Asia as never before. We have got an open deregulated economy. We have got very low inflation in yesterday's National Accounts. When you compare where the Government is and where Australia is going, compared to somebody who has 1970s views coming from what he thinks are the rosy years in the 1950s, for Australia to step back down in that time tunnel and accept those views when we now have a much more dynamic buoyant economy, is I just don't think a proposition for people.

DA: There was a time about ten years or so ago when you were Treasurer and he had been Treasurer where you and he seemed to have a certain personal regard for each other. That seems to have completely and totally evaporated.

PM: No. I'd just make this point. There can be no honesty or credibility in politics without policies. And when John Howard runs around saying "I won't show that Prime Minister my policies". What he is really saying is "I won't show Doug Aiton, his listeners, or the Australian public my policies". I mean what he is really saying is "I am so monkey cunning and so tricky, they won't see the colour of my policies until it is too late for them". Now I think this is the sort of Liberal Party 50s, you know, "they are coming down to get us in their sampans, there are reds

under beds, the Indonesians are about to overtake us". That sort of cynicism is no longer a stock in trade of Australia in the 1990s.

DA: Talking about your accusation of John Howard coming from the 1970s and inspired by the 1950s. Do you think that the Republic is going to be an issue in this election campaign, whenever it might be?

PM: Yes, because there can be no complete expression of Australian independence and sovereignty while ever we are borrowing the monarchy of another country. So I go to Japan and say "here I am representing a country which is completely independent, proud of its culture, proud of its traditions, proud of its new role in the world. But, by the way, our head of state is the Queen of Great Britain."

DA: I think that the pro-Republic argument seems to have stalled a little - and I emphasise the word stalled - for one reason: the pro-republic people, even many of them, are saying "but what sort of a republic do we want", and no-one has yet come up with the complete definite answer to that, and the Monarchists are making merry with that.

PM: Let me tell you Doug, I'll make an announcement on your program, at 7.30pm on next Wednesday night, I am responding in detail to the Republican Advisory Committee report, and giving the Government's policy on the republic, and it will probably be telecast on the ABC.

DA: And in that you will be saying exactly what style of republic you will be pushing for?

PM: What style of republic, the shape and nature of it, and why we believe it should be that shape. But let me just say, the republic debate was a mints and coffee debate after dinner until the Government took this up in the 1993 election. You know, people talked about the republican movement, and I am glad to have them there, but they weren't cutting any weight before a major political party picked this issue up. But again, because it is an issue that is going to matter to Australia now, in the future forever, it's incumbent upon us to think it through and get it right. So, I would rather respond after due consideration, than rush into it to keep enthusiastic supporters - no matter how enthusiastic or helpful they may otherwise be - to get this right.

DA: Is it a driving motivation of yours that you would like to be remembered as the Prime minister who took us into being a republic?

PM: I would like to be remembered Doug, as a person who had complete faith in the nation we have become. Australians who have made their own way in the world, who have changed in this generation probably as no other generation has changed before it, who have accepted the economic changes as never before, who have made

the connection and the leap into Asia as never before, who have found themselves at home in this part of the world, and who are now living in an interesting, dynamic, multicultural society. That's what I am interested in, and I don't think that can be reflected while ever we have the Sovereign of Great Britain as our Head of State.

DA: Would you consider yourself to be a failure if you don't get us to be a republic before your Prime Ministership ends?

PM: No. If you take a measure of my political life, it has been trying to internationalise the Australian economy, and to not only to change structures here at home, but build structures abroad for Australia, and I was doing that just last week in Japan.

DA: One other matter that is going to be brought up by the Opposition, and they also find the Australian people often seem to talk about against you, is what we might call Paul Keating's forceful, personal insults towards the Opposition, made - usually - in the Parliament. Are you going to continue that style, or do you think it might be losing you votes?

PM: You see, it's all - in a sense - over-estimated. I don't believe in personal attacks - I don't ever talk about people's personal lives, their family lives, their finances. When I say the Coalition may be hillbillies, or something like this - as I have said at some stage in the past - I'm talking about them in the sense of a corporate political put-down of them. But what I regard as personal attacks are people who go to personal lives, and the Liberal Party do that against me perpetually - they're doing it again today, yesterday - it goes on here all the time. So, when I refer to them in a corporate sense, I'm not dealing - and never have: nobody can say over the 25 years I have been in public life, that anywhere have I referred to them in those sort of, if you like, hurtful, personal terms. But I have had a lot of it directed at me, and it has highlighted of course now - that is, the Parliamentary debate is highlighted - by television. But you notice...you wouldn't have seen, perhaps, Mike Secombe from the Sydney Morning Herald said in a column a week ago that Mr Howard's tactic is to disrupt the House of Representatives by interjections under his breath, by interjections which are out of the earshot of the microphone. He said that Mr Howard is a parliamentary sneak, and he better own up to having either some interest in the nature of his rhetoric about the Parliament, or simply, to be described as somebody who is prepared to disrupt the Parliamentary proceedings. So, this is the environment we live in here, and I think it has changed since the Parliament was televised.

DA: A few years down the track, can you say that you still enjoy being Prime Minister as when you took over from Bob Hawke?

PM: I enjoy the policy changes. I was thrilled to be able to see the Treasurer say on Budget night that we will now have 15% of everyone's income going away in superannuation - that no other generation of Australians will need to worry about their retirement income from now on. You know, that someone on average weekly earnings will end up with a nest egg of \$500,000. They are the big changes that matter. Up in Japan last week, I walked away with a declaration from the Japanese - a joint declaration of partnership between us, which said amongst other things that "Japan reaffirms that Australia is an indispensable partner in regional affairs". Now, when have you ever seen that sort of text, ever, in any relationship we have ever had with the largest power in Asia - the largest economy in Asia - or, let me read a couple of other points from it: "Japan and Australia have a relationship of unprecedented quality, they pledged to build on that foundation an enduring and steadfast partnership." You see, this is the country that matters most to us - it is the largest in terms of trade, it's our largest trading partner, and to walk away with that sort of declaration and relationship, is the stuff of this job. And that's what gives you the kicks, as they say.

DA: If you lose the election, are you going to stick around as Leader?

PM: I'm not in the business of losing, and we have won 5 elections in a row, and I think we can make it 6.

DA: But nevertheless, just if the unexpected happens, will you stay on?

PM: Well, I would see at the time - you see, I don't think the public are going to take somebody recycled from the 70s and 80s. They are too smart Doug, they have had too much quality in policy changes put to them to say "oh well, we will stop all that - we will go back to sort of sitting back".. You know John Howard said a couple of weeks ago that he thought Australians had policy fatigue. You know, the only person who has got policy fatigue is him.

DA: What about if you win - are you going to stay on for a long time?

PM: Long enough to do all the things that I think are consistent with this internationalisation of Australia, and also giving us that cultural and social identity which I think we now have. You know, 10 years ago, only 3 kids in 10 completed secondary school. Now, we have got 8 in 10 completing secondary school, we have added 65% of places to tertiary education - higher education, universities. In *One Nation*, we built up the TAFE system. In Melbourne this weekend, I am launching the *One Nation* train - we will have the standard gauge for the first time from Brisbane through Sydney, via Melbourne to Perth, which will make Melbourne the transport hub of Australia. I mean, these sorts of changes of the nation coming together - as we said at the time: *One Nation* - is the thing which I have most dedicated

myself to. Because when I came here Doug, in the late 60s, the time I became a person of some significance in the front bench of the Labor Party in the late 70s, people had thrown - in this Parliament - had thrown the economic and social fight for just on then 40 years - 30-odd years. And all the policies to open the country up, to produce a naturally low inflation rate, to produce productivity, dynamism, import competitiveness, real product innovation, powered along by our education system - all of those issues, people had thrown the fight on. And, for my part, I was not going to ever let anyone say of me that I did it too. So, that's what I am about - I'm about, basically, kicking goals in policy. The other thing, let me say I want to see this terrific front bench we now have here, bring these people along. I mean, the number of people that can succeed me as leader are now manifest in the front bench of the Government.

DA: Who are they?

PM: There is, I suppose, all the obvious ones.

DA: Gareth Evans?

PM: Kim Beazley, Gareth Evans, Simon Crean, some of the younger members coming through as well, Carmen Lawrence from Western Australia, Ralph Willis the Treasurer. I mean, the front bench is so strong, the equivalent front bench is, of course, Tim Fischer, Costello and Downer. From our group there is a number of people who could be leader and Prime Minister and, I think, one of the great changes of the last 12 years is to have modernised the Australian Labor Party. The Labor Party will never regress to what it was in the 1950s and 1960s. It is now a modern party, a modern social democratic party, a modern party of government producing the sort of people I just mentioned.

DA: How do you feel about Bob Hawke now?

PM: I don't see Bob much these days. He is out leading his own life and good on him.

DA: What do you think his place in Australian political history is?

PM: I think, it will be one of somebody who was around presiding over a government which was dedicated to making these changes and the continuity of the policy changes I was just talking about a few minutes ago.

DA: Mr Keating, thank you very much for your time today.

PM: Good Doug, it is a great pleasure to speak to you.

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