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## PRIME MINISTER

TRANSCRIPT OF INTERVIEW WITH DOUG AITON, RADIO 3LO,  
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E & OE - PROOF ONLY

AITON: Prime Minister Bob Hawke. Welcome to 3LO again.

PM: Pleasure Doug.

AITON: What did you mean? Could you elaborate on the school education we just heard.

PM: Yes. What I was talking about there was that when we came to office in 1983 we inherited this monstrous situation that only one in 3 of Australian kids stayed on the education system to years 11 and 12 which was a pattern of privilege. It meant the kids of the wealthy and well to do, they went on but the kids from low income and low to middle income families, more often than not, didn't. Now in seven years we've transformed that from one in 3 to now two in 3 of kids are staying on. What I was saying there today was that by the end of this century we'll create a situation as a society, if we can move on like this, that really, whatever kids want to, go on into the education system they'll be able to. I mean, that doesn't mean that everyone will of course. But we'll have created the situation where they'll be able to. That seems to me the most important thing that any society can do.

AITON: Yes well I've always thought that it was a bit of pity that that child poverty statement got out of hand because you were doing more than anyone else had as far as child poverty is concerned. Your statement was probably too extravagant in pure words.

PM: What I said - we set ourselves - in my spoken speech we set ourselves the goal that by 1990 no child need live in poverty. The words in the accompanying document were more explicit. We said we'd remove the financial need. All the people in the social welfare community have been generous in acknowledging that we kept that promise. That we met our targets. When you think, the fact is, that we are now spending just in those Family Allowance Supplements \$1.2 billion which is going to half a million low income families and about 1.2 million kids. I mean, it just is remarkable that where this Government has done what is now being recognised as more than any other government has done anywhere. That, you know, we have that mindless thing thrown at us. Now I've got to accept some responsibility

for imprecision of spelling out precisely what was in the document. But I'm proud of the fact that we have done more than any other government to make sure that the finance is there for those low income families in need.

AITON: I was working things out today. It seems to me - I don't know if I missed something around July - but it seems to me that about July the 1st this year you became the second longest serving Prime Minister in this country's history.

PM: Yes. I did. I passed Malcolm Fraser.

AITON: Now, John Curtin became Prime Minister on the 7th of October 1941. Menzies knocked off Ben Chifley at the election of 1949. I think it was the 10th of December.

PM: It was in December. The end of the year.

AITON: Now according to my calculations you've got about six months to go before you exceed the longest Labor period in Australia's history, that is Curtin and Chifley combined.

PM: Yes. I guess, yes I haven't really thought about that. Yes. That was when you put those two together it was - 41, 49, December. Yes that's right.

AITON: Yes you've got six months.

PM: Yes about that. I hadn't really thought about it.

AITON: Will you chuck it in soon after that, do you think?

PM: No.

AITON: How long will you go for? Everyone's asking I know.

PM: Yes. Doug, I'd like to take the Party into the next election. Then we'd see after that.

AITON: Sometimes I wonder why everyone does ask you that all the time because you're about to turn 61.

PM: Yes.

AITON: Now in some countries, and certainly some ages in the past, you wouldn't be old enough yet to be Prime Minister.

PM: Yes. I suppose in Japan they have usually been older than that. Although the current Prime Minister is younger.

AITON: Yes. Are you feeling as well as ever physically?

PM: Never felt better, Doug.

AITON: Yes. You'd be too young to be Pope by the way. You'd be the youngest Pope in history.

PM: I have certain other disqualifications too.

AITON: Certainly. The Accord, or the continuation of the Accord released by Paul Keating, yesterday or the day before, it appears to signify that you and Keating believe that the economic crisis that this country is facing, and a lot of responsible people have said that it actually is in recession. What you've announced appears to be a prelude to the fact that it's coming to an end.

PM: Yes. What both Paul and I have been saying, Doug, is this, that we expect the cycle of recovery to be clear by the middle of next year. We knew that we had to slow the economy down. What we've been undertaking is this very delicate task of slowing activity down but not in a way which is going to bust the economy. Now obviously some people have been hurt in the process and I've never tried to disguise that. But what we've got are the fundamentals moving in the right direction. That is interest rates are coming down, inflation going down, wages growth being contained. We are now, as far as inflation is concerned, Doug, in this situation where Australia's inflation rate is coming down the rest of the world basically is going up and we're narrowing very substantially that gap between ourselves and our major trading partners. That means, in our judgement, that we will, in 1991, be able to resume a sustainable growth path and resume stronger employment growth and that's what it's all been aimed at.

AITON: Well Paul Keating has claimed that we are now the only OECD country with inflation actually decelerating. We're down to six per cent, about.

PM: That's what we've got now. In fact, we pointed out, when this last CPI came out which gave us 0.7 per cent, that since 1971 the Treasury has been measuring what they call the basic underlying rate of inflation which takes out extraneous temporary factors. According to their measure we now have the lowest inflation figure we've had since that series started at the beginning of the 70s.

AITON: Now on the celebrated day on the 5th of March 1983 when you were voted Prime Minister I think you inherited 11 per cent inflation.

PM: Yes. Double digit inflation and double digit unemployment. In our period we've never got back into double digit, either inflation or unemployment and we're not going to.

AITON: On the other hand you inherited \$21 billion overseas debt which is now 150 billion.

PM: We also inherited a situation where the Commonwealth Government, where the people of Australia as the Government were part of that debt. What we've done is to do what's never been done before. We've had successive surpluses and we've wiped out, entirely, Commonwealth Government debt. There is no Commonwealth - we are in fact nett international

creditors. We've paid off debt. Now overwhelmingly that debt is in the private sector. It represents decisions that have been taken, Doug - just let me give you an example; part of that debt profile is money that was spent during that period on building up the North West Shelf. Now we had to carry that. But now that's earning us very significant export income. Now that's part of what's been happening. There's money been spent to restructure the Australian economy and the economy is going to get the benefits of that.

AITON: When you were last here I said that I thought that during the Hawke years the people who had suffered most were the young people who were not able to get into houses like you were able to, and I a little later was able to, and these days they can't so easily. That's interest rates we're talking about.

PM: Yes. Well, of course, that's true, I mean, what we've seen in this country was a situation where, when we came to office, in that last year before we came to office, the housing starts were 106,000 now we lifted that enormously. It got up to 180,000 which was unsustainable. Although the demand was there, I mean, really you couldn't have an economy ... along at that level of activity. We've brought it back now but even down at this deliberately lowered level of activity the starts have only got down to about 130,000 which never approached the 106,000 that was there when we came in. Now it is the case that in this period with higher interest rates in the latter period. The inability of the States and local government to open up as much land for housing as they should have so that the land prices were high. It is true that affordability of housing suffered. But now the index is coming down as the rate of interest is coming down and coming down further again today with the reduction by Westpac.

AITON: Westpac was good news today. Certainly it looks as though more people will be able to get into houses. The other thing I'd add to people suffering, to last time that we met in this studio, would be the rural sector. Now they may have been suffering then, certainly are now and it goes largely unnoticed. I don't think the media has really caught onto the suffering out in the rural sector because we've always thought they have nice big farms with big homesteads on them - they must be okay.

PM: Well it's unfair. You do touch on a real point. There's a lot of people in the rural sector who are suffering badly and the tragedy - what sticks in my craw so much about it is that basically the problem is that they're not getting a fair price for what they produce. I mean, Australian rural producers are the most efficient in the world. If we had a fair liberalised international trading system, Doug, these people would get significantly more for what they so efficiently produce. That's why I'm putting so much of my time now in trying to do what we can to rescue this Uruguay Round which is about, I mean without being technical for your listeners, what that Round has been going

since 86, it's a four year Round and it's aimed at freeing up international trade. Now it's in the area of agricultural trade that we have the least freedom. I mean, the Europeans - I mean this is a staggering statistic, Doug, but between them the Europeans and the Americans spend about \$200 billion, \$200 billion per annum in production and export subsidies. Now that's stopping our producers getting access to some markets and getting a fair price in all the markets they go to. Now the stupidity of course is, that if the Europeans and the Americans didn't do that then they'd be better off because their whole cost and price structure would be lower and you'd have a decent sort of access for our people. So that's what -

AITON: They don't seem to see it that way though, do they?

PM: Well, this is ultimately the most frustrating thing, Doug, I sat down in my office with Chancellor Kohl from Germany and hammered him about this. He said, Bob, he said, I understand what you're saying, I understand what you're saying, you're right. But he said, I've got these farmers and they've got votes and I've got to watch them. And the French say the same thing. If they didn't understand your argument that'd be one thing but when they know that what you're putting is right and then they tell you, oh yes but we've got to worry about our farmers' votes. That's what sticks in your craw.

AITON: Isn't the problem this; the European community has become the most wealthy economic unit in the world. They therefore can afford to subsidise farmers who otherwise wouldn't be making a quid, or a Mark, or a Franc. So they're doing that and we're objecting to it saying, look we can't subsidise our rural community it's not fair. And they're saying we don't care what you can do.

PM: Well that's not an unfair summary of what you're putting. And again what's so damned annoying about it was that if in fact they wanted to help their poorer farmers no-one would object to that but don't do it in an inefficient way. Give them a direct income support but don't do it by way of production subsidies and export subsidies. But the way it is now it's not the poorest farmers who get the greatest help it's the richest.

AITON: Sure. But the point I'm making -

PM: And you're right that they are so rich, so powerful that, in a sense, they can say well, you know, get nicked.

AITON: And they are continuing to say that.

PM: Unfortunately. I've just written, earlier this week, to all the Heads of Government in Europe and it's a tough letter. I spoke to Bush, President Bush at the end of last week. To be fair to the Americans on this, while they are doing the same sort of thing they don't want to. I mean, in the Uruguay Round they've said, they've put up a proposal very similar to what Australia and the Cairns Group have put

up. That is that over 10 years you'd knock all these things out. But what they say, is while the Europeans are doing it then they are not going to have their people knocked around. And I say well that's beaut. The actual language I used to them I said, you say you're not intending to shoot us it's the Europeans but if you get hit in the head with a bullet it doesn't hurt any less if you're told that it was meant for someone else, it still hurts.

AITON: And they're still not going to take any notice even with colourful phraseology like that because, as you say, since 1986 the GATT talks have been going on. They're just about to continue to tell us, we don't care what your problems are. What I'm saying is we're not getting anywhere.

PM: Well I think that's basically true on the evidence. Except that there is now - and to be fair to Margaret Thatcher, and you know I have a lot of differences with her on things, but she has played a good role ... the Europeans. I mean, she's told them that this is crazy. There's a lot of pressure coming from the United States. When I had this long talk with George Bush last Friday he said that they were going to continue to press hard. They'd send Baker over there and he's pressing them. And he's pressing them himself personally over in Europe at this present time. The Germans have their election on the 2nd of December. It may be that once that's out of the way ... once that's out of the way Chancellor Kohl may be prepared to look at this a bit more reasonably. So I haven't given up hope. We're in there fighting.

AITON: On that matter, going back to the matter of the overseas debt which may well be, as you say, to do with the private sector, it may be that the Government's been involved in letting it blow out to \$150 billion. The point, I think, on this is, can the Government do anything to contain it or reduce it and is it something that makes you anxious?

PM: Yes.

AITON: Because people don't seem to -

PM: Oh no. We are concerned about it. We said in the Budget that we would reduce the current account deficit from the previous year and bring it down from the level it was to about \$18 billion from the much higher figures it was last year. So far this financial year we're on target there. So that the current account deficit as a proportion of the gross domestic product will come down by a percentage point or more. But we can't rest on our laurels on that. I think that we are seeing, importantly, which should encourage us as Australians, a significant increase in the exports of manufactured goods. So that we're not just going to be relying on our rural products, as important as they will continue to be. So we're becoming more diversified in our exports and we've got to make sure - our challenge as a community simply, though, is this Doug, that for a number of

years ahead of us we've got to make sure that our growth in production outstrips our growth in demand. That's what we've got to do. It's only in that way that we'll gradually bring down our current account deficit and our debt.

AITON: Is John Hewson going to give you the biggest run for your money of the four, you've won four in a row which is an unprecedented record for Labor of course -

PM: Let me say this, if we'd had to go to an election straight after we'd won the last election, the answer to your question would be yes. Because there is no doubt the Australian electorate breathed the collective sigh of relief when, as I put it this mad hurdy gurdy, merry-go-round of Howard, Peacock, Howard, Peacock, Howard, Peacock when it came to an end and there was a new face in there. And if you had to go to an election then it would have been difficult. But it's fascinating to see how this man is operating under pressure. Could I recommend to you as compulsory reading for someone who is interested in politics and political analysis, get the full transcript of his last press conference. You know I geed him up a bit in the Parliament and said come on ... and we'll have a press conference, John, and then I looked up at the Gallery and said they're not bad people. Don't be so frightened of them. He'd been dodging them. And when you read this transcript of his press conference you will see why. The fascinating thing, a man who's supposed to be intellectually equipped to deal with ideas and answer questions of policy. He dodged every question from the press about policy issues. I think you are going to find, in the period ahead, that with the combined pressure of the Government and of a media which responsibly wants to know what he's standing for, that Dr Hewson is going to be under considerable pressure. Now I don't say that with any sense of gloating satisfaction, I mean, I like to see a good Opposition. But I believe that he has been found wanting domestically and of course, whoever is advising him in the area of international affairs, I mean, he ought to sack them now. I mean, the questions that are prepared for him and the statements that are prepared for him, really they are just embarrassing and embarrassing his own colleagues. So he is not performing well under the pressure of the Parliament. Now I accept Doug that we should never, we people operating in Canberra, should never think that politics is just about Canberra and just about the Parliament and I am not making that mistake. But I am saying, that as the pressures upon the Leader of the Opposition to develop his policies and the details of them, as those pressures develop, I think you'll find that he is going to have a somewhat different status than he has enjoyed in this period since the election.

AITON: Well, you and Paul Keating have tried, I think I'm right in saying that you have tried to get through to the public that you believe that Dr Hewson is an admirer of the Thatcher approach to things and that the UK at the moment has a higher wages growth, must be up to about 15 per cent -

PM: Very high, very high.

AITON: I think inflation is 11 per cent, unemployment much, much higher than ours of course, and that therefore unlike what Paul Keating announced the other day to do with wages tax trade-off, if we went the Hewson way, if he were in Government, we would end up with a situation like that Britain is grappling with at the moment, much worse than ours. Is that what you are saying?

PM: Well, I am not necessarily just relating it to Mrs Thatcher. What I am making - the point I am making and Paul's also making, is that in the conduct of economic policy, in particularly in a country like this which is so exposed to the great variation of movement in the prices for our international commodities that we sell. You can't basically run a successful economic policy if you haven't got a wages policy. Without sort of trying to get theroetical about it, let's go back to the period when they were last in office. They were there 82-83 - we won in '83 - and you remember that John Hewson was an economic adviser to John Howard at that time.

AITON: Who was Treasurer at that time.

PM: That's right. Now they had high interest rates - interest rates reached a higher peak ... so they had to rely very, very heavily on monetary policy - even more heavily than we did - and one of the reasons why the whole thing exploded on them was that they didn't have a wages policy, they had a 17 per cent growth in wages. Now, the secret of the conduct of macro-economic policy is that you have got to be able to have your organised trade union movement being prepared to accept lower increases in nominal wages. Otherwise you are going to have unsustainably high inflation which will then reflect itself through into your levels of activities, your exchange rate adjustments, interest and monetary policy. The real secret of the success that we have had in creating 1.6 million new jobs - 90 per cent of them in the private sector - and a rate of job creation five times faster than when Howard was there with Hewson advising him is that we have had the co-operation of the trade union movement. No 17 per cent wages blow-outs. Now that's what I am saying - I am not worried about going to Thatcherism, although the figures that you quote are right, but that's where the big advantage for this country is of having a government, the Labor Government, that can get responsible wages outcomes from the trade union movement. Dr Hewson has got no wages policy and he could never have one.

AITON: Are you saying that the Liberal Party by its very nature could never have a good relationship with the trade union movement?

PM: Well it's not so much that I am saying that they couldn't have a good relationship because of, you know, the way they look or who they are but what I'm saying is it's the philosophy. I don't want to get into a - I mean you know from the things I've said about Dr Hewson, I have been trying to go to what he has been talking about, not about



the man as such. I don't want to attack him as a man. What I'm trying to say, Doug, is that the ideology and the philosophy of the Liberal Party, and he has reflected no difference in this at all, is that you don't have co-operation. You don't say, well we as a Government will assume part of the responsibility of satisfying your aspirations by what we will do in the area of education, what we will do in the area of health. You see, why the trade union movement with Labor has been prepared to modify its wage claims has been because we have accepted our responsibility to satisfy their aspirations by bringing in universal health care, by doing what we have done in education and by massive improvements in the area of social security. And the trade union movement has said to the Labor Government, alright, you do those things, then we don't need to have such big increases in money wages. Now that's our philosophy but it's not that of the Liberal Party and that's why they can't have an effective relationship.

AITON: After seven years, you might be getting a bit contemplative and philosophical about what, how you are going to be remembered - looking back to the 1940s, the Chifley Government is still remembered for the Holden, for the Snowy Mountains Scheme. Is there going to be a monument like that that the Hawke Government can achieve? We have talked about economic matters -

PM: Physical monuments?

AITON: Well not so much physical -

PM: The monument that I will be proudest of leaving within this country is what I was talking about before. The conservatives were in Government for seven years before I came in. In that seven years, they increased the participation rate in education by two percentage points - from 34 per cent to 36 per cent. So they walked out of office after seven years leaving just about the worst participation rate of any developed country in the OECD. After, now seven and a half years with the Hawke Government, I have virtually doubled that - not up by two percentage points but virtually doubled it. If I want to leave one thing that I am going to be proudest of, internally, it will be that we have revolutionised the landscape of educational opportunity. No longer after this Government has finished will you have to say of Australian education that its only basically the kids of the rich and the well to do who will stay on in school. Because you will be able to say after my Government that kids from the western suburbs, kids from low income families, kids from low to middle income families are going to have the same sort of opportunity. You can't do anything more important than that because in a longterm sense, the quality of this country depends upon the equality of educational opportunity.

AITON: How much credit would you give to Bob Menzies for doing exactly what you are talking about? Not exactly, I'm sorry, not exactly but for what he did for education in this country from the point that he had to start at?

PM: I have always tried to be fair in the assessment of my opponents. I had profound differences of opinion and philosophy with Bob Menzies on so many things, but he deserves credit in the area of education for seeing that there is a responsibility for a Commonwealth government to look at the needs of the whole community irrespective of whether kids are in a State education system or within the Catholic education system. He deserves credit for that. It was looked at by some as political opportunism. Now I don't know what moved him but nevertheless the fact that he moved the country towards understanding that the nation as a whole must accept responsibility for the education of all children. I give him credit for that. One other area which is not the same you mentioned, I have always given Bob Menzies credit for the fact that he had a vision of a national capital for Australia. If it hadn't been for Bob Menzies - and some people might cynically say this is a minus against him - but he did have a vision of Australia having a great national capital of which it should be proud. And when he became Prime Minister in 49, there was still those who would have liked to say let's cancel the experiment, let's wipe it out. Now, I think in, as we go into the 21st century, Australians are going to be proud of the fact that we have got one of the great national capital cities of the world and Bob Menzies deserves a lot of credit for that.

AITON: Did you know him well?

PM: No.

AITON: Did you meet him -

PM: Yes I met him. I met him at the cricket occasionally, so we knew one another but I didn't really have the opportunity to have discussions with him of any significance.

AITON: Were you reasonably prominent at that time? You would have been in the ACTU, wouldn't you?

PM: Well you see, he went out - I was the research officer and advocate - by the time I became President of the ACTU, he, of course, had finished -

AITON: He'd gone.

PM: Finished his Prime Ministership.

AITON: What has made you most angry during 1990? We all know you can get angry.

PM: Yes, I can get angry and I guess, you know, people in positions of responsibility, if there are no things that can make them angry, I don't think they are very real sort of people. Well, you touched upon it before to some extent - it's a mixture of anger and sorrow that when I look at the Opposition that they scream out this business, no child live

in poverty by 1990, and the refusal of them to, you know they quote Archbishop Hollingworth at me - but they won't listen to what Archbishop Hollingworth said, who said, Hawke delivered on his promise, that the financial targets would be met. He said further that the Opposition should cease being opportunistic about this and they should give credit to the Government for what has been done. It's a mixture of anger and sadness that what I see as one of the great achievements of this Government has been belittled in this unfair way.

AITON: The Aborigines seem to have disappeared as an issue to me. Am I wrong there do you think?

PM: Yes you're wrong - in saying they disappeared as an issue. They haven't and they should never disappear as an issue. I just had my Minister for Aboriginal Affairs, Robert Tickner, in the other day and had a very, very long conversation with him. We were mapping out just where we were going and the whole range of our programs for the Aboriginal people including how we are going to handle this question of looking at the reconciliation, if I can put it that way, of the Australian nation with its Aboriginal population. You know, I have talked about this for some time - if there is an instrument to be an instrument of reconciliation, well that is something that we can discuss. But the important thing is the process of trying to bring about a state in this nation where the Aboriginal people accept that the non-Aboriginal population acknowledges the short-comings, the wrongs that have been done in the past, that they on their part - the Aboriginal people - accept that and are going to say alright well we accept the commitment of the Australian community as a whole to move to rectify these wrongs of the past. And I give credit to other political leaders that - I have written to them, including the Leader of the Opposition - and I have said, look, let's try and get a bipartisan approach in this way and I give them credit that their responses have been fairly positive. I think that there is a considerable amount of hope now to move ahead as a nation to do the things we ought to do in this area.

AITON: I sometimes wonder if anything has happened at all since the war, as far as the well being of the Aboriginal people is concerned.

PM: Oh yes, a great deal has been done and again while I would have thought that the previous Government could have done more. They did things we have very, very substantially increased in real terms the funding that's been provided, much more has been done. I mean, if you look at education, I mean I can look at the period that we have been in Government and the participation of Aboriginal children in the levels of education has increased enormously, our expenditure on Aboriginal health programs has increased very much and on Aboriginal housing. They are very important areas and also employment opportunities. So you can look at employment, education, and housing, and health - very, very big increases have been made in funding terms. There are

improvements in their condition but we have got no basis, Doug, for being complacent. Very importantly, what we have done, and we've just now had the election, we have established the Aboriginal and Torres Strait Islanders Commission which is going to now establish for the first time a democratically elected commission of Aboriginal people themselves. The concept there is that rather than us sitting in Canberra and saying well, here we are going to spend this much on education, this much on health, this much on housing. We are going to be saying well we are making as much money as we can available in bulk and the various communities around Australia who will have different needs in some areas, housing will be a more important issue than health for instance. They are going to have the apparatus now for determining the priorities of expenditure in their various regions. I think this is a very important move. But as I say, none of us are entitled to be complacent.

AITON: I reckon the thing that troubles me most from my area and a lot of my colleagues, and I think a lot of the public too, to summarise and put it into a nutshell is that of the ten city newspapers that we now have throughout this country, seven of them are controlled by Rupert Murdoch and that's indicative of all sorts of things to do with media ownership.

PM: Well let me say this about media ownership generally. No Government, and I think you wouldn't argue with this, no Government has done more by legislation to deconcentrate ownership across the media than we have because by legislation we stopped what the situation was before. That is that one man or one company could in particular areas own the newspapers, the television, the radio stations. We brought that to an end. Now if you're talking about concentration that was the real objectionable feature in this country, that one man, one company in a particular region could have all the outlets. I mean the newspapers, radio and television. Now we've brought that to an end.

AITON: Yes, that's gone and I accept that.

PM: Now in regard to newspapers, well if you were looking at the sort of ideal situation I guess you would say you'd like to see some greater diversification. But we have taken the view that essentially we've wanted in regard to the economy as a whole, to have a more deregulated sort of environment where market forces operate and this has been useful to the economy generally speaking. Now if you take the State of Victoria, now you had an afternoon newspaper and a morning newspaper, the Sun and the Herald. Now that's gone, you've only got one so that in a sense can be said you've got more concentration. But is there any difference in as far as Melbourne's concerned, in the capacity of the ownership to influence the population because there's one newspaper rather than two? I mean how far should a Government intervene, Doug, in determining what the number of newspapers is going to be?

AITON: I don't know but I'd like to know if you're happy with the particular man, Murdoch, having seven out of ten across the country, metropolitan newspapers, dailies?

PM: Well I've got to look at the newspapers. If what I saw, Doug, and you'll appreciate that I look at the newspapers pretty closely, if what I saw was one monolithic Murdoch view then I'd be terribly disturbed. But I don't see that.

AITON: No, but it's potentially there.

PM: Well I suppose it's potentially there and if one had a position when you saw that sort of thing emerging where one man or one organisation was going to say I am going to imprint one view upon the Australian population then you might cause for ... But I look at the Murdoch newspapers and what I find, I mean you take Sydney. I wake up there and I pick up what was the Telegraph and the Australian. I get my bum kicked to death in the Australian -

AITON: Well you usually do.

PM: But getting ticks and pluses in the Telegraph. Now you see the point I'm making -

AITON: I do. You're making the point that this particular proprietor is not misbehaving. That's what you're saying. But I'm saying the potential is there theoretically.

PM: Theoretically the position is there but I'm not sure given what it costs now to own and operate a newspaper whether there are large numbers of potential Australian purchasers. You know we stopped Maxwell trying to get control of The Age here because we thought that wasn't a very good idea. So if you're saying it's not a bad idea to look at Australian proprietorship - and of course Murdoch started off as an Australian and I think in a sense - I still in a sense regard him as Australian although he took out American citizenship. I don't think there are a great number of potential purchasers in this country at any rate now.

AITON: No, there are not. But off hand anyway we've argued that one. It seems to me that you're still the vote winner and Paul Keating has a trouble attracting votes.

PM: Well let me be fair in regard to Paul Keating. I think firstly, one should make this point that historically, as you would know, Treasurers, they find it fairly difficult to be popular. Secondly, Paul is a pretty single minded bloke in terms of pursuing his economic objectives. He's a hard worker and he's been about pursuing what he sees as the basic needs of economic management and economic restructuring and it's neither been his job nor in a sense his inclination to be out explaining himself and explaining the Government, that's more the Prime Minister's job. Thirdly, I mean it is, I think, the case that by nature I'm more gregarious, easily gregarious than Paul. I think

people really do him less than justice in many ways, in that when you do - I mean he projects this image of arrogance I suppose as people say, some sort of contempt for others. That's projected in some way or people project it of him. But when you know the bloke he's a - I mean he can be a delightful and congenial companion and I think that as people get to know him better they'll find these other aspects of his character. But they don't come out easily in his present position.

AITON: Have you had some rocky times, the two of you?

PM: I suppose really there have been two occasions of any significance when it got a bit rocky but that was at the time of the tax summit, there was a little bit of a problem there, it didn't last long. And then last year, early in the year there was a little bit of a confrotente -

AITON: Over what?

PM: That was a feeling that Paul had that I was thinking he was dispensable, which I hadn't expressed. But I concede that in the language that was used he could've had that feeling and he was a bit hurt about that.

AITON: And you didn't mean it that way?

PM: No, I didn't. But that upset things a bit. But having said that, just two occasions on - and it's getting on for eight years - I would think the history books will show that there hasn't been a more effective Prime Minister/Treasurer combination than Hawke and Keating.

AITON: We've gone for nearly an hour and I think you've given me enough of your time. Thank you very much indeed.

PM: As always, Doug, I've appreciated it very much. Thank you.

ends