



PRIME MINISTER

**TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP,
INTERVIEW WITH KEITH CONLON, RADIO 5AN, ADELAIDE
THURSDAY 23 JUNE, 1994**

KC: Prime Minister, good morning.

PM: How are you, good, Keith?

KC: Pretty good. Why are you available to the media at such short notice today, Prime Minister, is it as some critics are already saying, that you're a bit rattled by Downer's popularity?

PM: No, it's just that you characters put in requests and occasionally we take them up. And, we take them up when it suits us. And, I did a major television interview last night on *Lateline* and there's a bit of press around, today, about that, so I thought this wouldn't be a bad opportunity. But, of course, if you don't want me on, just let us know.

KC: No, we're delighted that you are. We're hoping that as we're talking to Alexander Downer fairly regularly we were hoping we might talk to you more regularly.

PM: Well, now is your chance.

KC: Yes, indeed. One of the big issues that came up last night was Telecom and we've actually been sent a letter from the Opposition - they naturally keep track of what you do during election campaigns - and in it you told Telecom workers, "Telecom won't be sold under my government," and later you said, "We are committed to continued public ownership of Telecom and Australia Post." How does that sit with your comments last night that public or private ownership, it doesn't matter, it's not of its essence, public ownership is not especially important?

PM: Before that I said that we are keeping Telecom in public ownership. That is, because of the pivotal role telecommunications plays in the economy and society and the need to ensure that services are available to all of the community on a fair basis. Because, as you know there are enormous cross subsidies in Telecom. A lot of rural and provincial country users, and certain other services within cities, are effectively a set of cross subsidies. I think, keeping those services there and the sheer size of Telecom and the local loop, as it's called - that is the telephone connections to the homes of this country - it's very important, I think, to make sure that those services are not impeded. So, that's why the Government has always said that Telecom will remain in public ownership. But, the question then was put to me, "Well, in terms of tariff rates and competition and efficiencies, is, therefore, the public ownership thing critical?" I said no, providing there's a competitive model there and we have a competitive model now, with Optus, with Vodaphone and, of course, a lot of private resellers of Telecom services.

KC: You did say last night, or you actually wanted Kerry O'Brien to qualify the question last night, Prime Minister, you were saying, "Are we talking every little bit of it?" Has that left room for the Left...?

PM: You were viewing, were you Keith, you were viewing?

KC: I was certainly watching. Does that leave room for the Left of your party to be continually concerned about what they would call privatisation by stealth?

PM: No, because what we're saying is that the government's got no plans for the sale of any part of Telecom. None of that is on the government agenda. But, its precise structure will always be evolutionary, it's continuing to adapt and change. So, not every last morsel of it will always be critical to Telecom, the entity.

KC: So are there some non core assets that could be sold sometime soon?

PM: There are none that we are planning to sell but Telecom is making commercial arrangements every day of the week and in a year from now or two or three years from now you wouldn't know what there will be there.

KC: In a wide ranging interview last night, Prime Minister, this alleged comment that is coming up in Bob Hawke's book came out - this idea that you had referred in a private conversation with him, to Australia, as the 'arse end of the earth'. Did you say that?

PM: I can't ever remember saying that to Mr Hawke but if it's a reference to a short hand way of saying that Australia is way out of the Northern Hemisphere markets and is a long way from everywhere, that we have

to be better than most, that we have to be competitive, that we have to actually go out and get business, that we have to actually be better at trade and promotion - these are all points that I have made to the Labor cabinet over a decade.

KC: Is it likely, though, to become one of those statements like the 'silly old bugger' phrase that Mr Hawke had to carry with him, an aside perhaps?

PM: Mr Hawke said that in public, to an aging person in a shopping centre. I don't remember making this comment to Mr Hawke, at all.

KC: Did it did it in any way, if you said something similar to this, did it in any way reflect upon your attitude towards Australia as it is today?

PM: I notice Alexander Downer running on about this today saying that, you know, he wouldn't talk about his country in this way. He wants his country to have the Head of State an English Monarch, not an Australian. I mean, here's the Leader of the National Party the other night singing the national anthem of another country, "God Save The Queen". I mean, you know, let.. I mean, I think this debate about our commitment to Australia is a pretty silly debate frankly. I mean, I've been a member of Parliament for 25 years, I've been a Minister for 11, I've been Prime Minister for 2 and a half years, to be having a debate about whether one's committed to Australia or not is pretty, pretty puerile, I think. I mean, I accept the fact that Mr Downer's committed to Australia, as I am, but he's not committed to the sort of policies I believe are in Australia's best interest.

KC: But this business about who's Australian and who's not and what the attitude is seems to be a matter of continuing comment. I understand in the Senate this morning, Gareth Evans told the Senate at least your Government has a leader with an Australian family, so he's making it an issue.

PM: Well, I didn't know he'd said that. That matter is simply a matter for Mrs Downer herself.

KC: Is it though that kind of continuing personal sniping that you claim that you don't want to be part of now?

PM: But I'm not part of it. I mean I've just given you my reply. I mean, that's a matter for Mrs Downer.

KC: And Senator Evans, perhaps?

PM: Well, Senator Evans can speak for himself.

- KC: Prime Minister, the market is obviously an area of enormous importance. It was the substance of the talk last night with Kerry O'Brien. What about the allegation today that it is not a question of whether the settings are right within Australia, but perceptions in the overseas markets that there is loose fiscal policy here?
- PM: Well that, that Keith, that's a bit of nonsense. Here we are look I was, as you know, recently at the D-Day commemoration with most of the leaders of Western Europe. Not a person there, not a Prime Minister, not a President, had 5 per cent economic growth and 1 per cent inflation. Not one. Not one had anything like 3 and a 1/4 per cent employment growth. Now they're the settings that Australia has got and in our national accounts, that came out just 2 or 3 weeks ago, for the year to March we found that average weekly earnings growth was half a percentage point. I mean, the thing that normally drives inflation along in this country, I mean you've got to go back, I don't know, you've got to go back well before I was in public life to find wages so subdued and as you know, the Government has just made another arrangement to pay \$8 a week this year coming, and the following year, which will hold - that's for the bottom 25 - 30 per cent of the workforce - which will hold inflation, again consistent with that low inflation outcome. So...
- KC: And those, those things are within the country Prime Minister, but this is the perception of a world market, a market which you wanted us to enter - Alexander Downer's made the point this morning.
- PM: It's not the world markets doing this, it's the Australian bond market doing this. This is not, the international bond markets have not shifted to the degree to which the Australian Bond Market has shifted.
- KC: This morning one of the Australian dealers has fought back, Prime Minister, and said "Look, it is not the Australian dealers, it is not their fault, we are part of a global market".
- PM: Oh, they're part of a global market but in the end who holds the great stock of Australian Bonds? It's held in the domestic portfolios, of, you know, the AMP Society's number one fund, National Mutuals' funds. I mean, they're held by the big Super funds and private institutions and companies, that's who holds the bonds principally and the bond markets may here.
- KC: Prime Minister, we started out with the Leader of the Opposition this morning here on 5AN asking him to do a bit of self-assessment on his first month in, would you mind doing a quick SWAT analysis? What do you think Alexander Downer's strengths have been in the first month?
- PM: Well, I think he's made the mistake of thinking he can go back to Malcolm Fraser's policies, and Malcolm Fraser's approach to life. That

is, back to that blancmange policies of the Fraser years, where we missed a decade of opportunity to restructure ourself and then had to do it with a great urgency from the early 1980's onwards. We should have actually been changing this country, making the linkages into Asia, opening up the tariff barriers, getting our business competitive, lifting product innovation, lifting exports of things other than primary products. We should have been doing that from the early 1970's and we lost that time and it's one of the reasons why the Liberal Party is as ideological as it has been in the last, say, half dozen, ten years, is because what they perceive is the perceived failures of Malcolm Fraser's administration, yet Alexander Downer wants to emulate it with soft fluffy talk anywhere and certainly, no, no hardness for policy What he's saying is..

KC: Is he a tougher political opponent, though Prime Minister?

PM: Well, I don't, I haven't had time to work that out, I mean John, John Hewson never made anything very easy for me, but if you look at what I've seen so far from Alexander Downer was, is basically spoiling negativity. On the Land Fund, where he had an opportunity with Aboriginal Reconciliation in this country, to put the MABO mess of the Liberal Party behind him, he corrected Chris Gallus the first time she opened her mouth in respect of saying maybe we should consider our support for the land fund, when the Church..

KC: Prime Minister,

PK: ..when the Church..

KC: Prime Minister, unfortunately the news is coming up and we , and the news waits for no one. I much appreciate your time being with us today.

PK: OK, Thank you then.

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