



PRIME MINISTER

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ljd/ab

**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD, MP
INTERVIEW WITH NEIL MITCHELL, RADIO 3AW**

E&OE.....

MITCHELL:

Good morning in the studio with me the Prime Minister, John Howard. Good morning, congratulations.

HOWARD:

Thanks Neil. It's very good to be here again.

MITCHELL:

Many issues I want to raise with you - we'll come to that in a moment - but I'm intrigued a bit by the personal side of John Howard. Now three weeks as Prime Minister and I reckon most people in Australia would want to know what happened when you toured the Lodge yesterday with Paul Keating.

HOWARD:

Well we just had a fairly simple discussion. We talked a bit about issues facing Australia, he talked a little bit about what his immediate plans were and we talked a bit about the residence - not a lot.

MITCHELL:

Did you enjoy it?

HOWARD:

Oh I didn't mind it - no, no.

MITCHELL:

People would interpret it as a moment of real triumph there - the two combatants.

HOWARD:

Well I didn't, I never believe in a situation like that if you've won the election. You always avoid any kind of triumphalism or gloating. I mean the battle was decided on the 2nd of March - we won and he lost. I derived obviously a feeling of satisfaction that we'd won the election campaign. But Australians can't bear any kind of gloating or triumphalism and there's always room in public life for a certain degree of civility and if I read the great mainstream of the Australian public correctly - and I hope I do - they want a degree of civility perhaps more civility than has been shown in the past between their political leaders.

MITCHELL:

I think you're right but it was in fact reported today Paul Keating had said he'd wanted your blood in the water. Did that go through your mind?

HOWARD:

Well that was all before the 2nd of March. But I mean it really didn't because you know the people resolved that issue ...

MITCHELL:

Fair enough.

HOWARD:

... and he is no longer my opponent, he's in the past, he's past tense politically. My opponent now is Kim Beazley.

MITCHELL:

Do you think Paul Keating will stay around or not?

HOWARD:

No I don't. I think he'll resign from Parliament fairly soon. He seems to have given those indications and ...

MITCHELL:

He probably should, shouldn't he?

HOWARD:

... well that's a matter for him.

MITCHELL:

OK.

HOWARD:

Gough Whitlam stayed on - others didn't.

MITCHELL:

Just starting - do you feel at times, do you sort of wake up and think "oooh I'm Prime Minister"?

HOWARD:

Well literally not like that but it does take a bit of adjusting and I still sort of have the neck jerk when somebody says Prime Minister. I look around to see who's behind me but that will pass. I think we've had a very calm, measured, orderly transition and we've got on with the job. We have inherited a very big economic problem - it's \$8 billion worse than the former Government told us.

MITCHELL:

Yes I'd like to get to that in a moment. But do you still, I mean do you feel a little bit nervous about it some sense? It's a huge job, a huge honour as you said on election night?

HOWARD:

Well it is an honour and I take the honour and the privilege of it very seriously. I don't regard the vote that we received on the 2nd of March as being an open cheque to do anything we want to. I'm absolutely determined that we implement the commitments that we made in the election campaign. I think one of the most important things any Government can do in Australia in the 90s is to restore that trust between the public and their Government. I'm very determined that all of our energies are devoted towards doing exactly what we said we were going to do.

MITCHELL:

Have you had any time off since the election?

HOWARD:

Oh only a couple of days at some of the weekends and my family - we're all planning to have Easter off. Fortunately I had a decent holiday at the beginning of January so I entered the campaign in moderate shape. But their very gruelling however ...

MITCHELL:

So you must be tired?

HOWARD:

... well they are very tiring things election campaigns but I'm not complaining it was an exhilarating outcome.

MITCHELL:

I'd heard you were off the grog. Is that right?

HOWARD:

No I have never, I'm not a heavy drinker ...

MITCHELL:

No.

HOWARD:

... but I enjoy a drink and I have to say I didn't go completely off drink during the election campaign although I was pretty abstemious.

MITCHELL:

Did you have a few on election night?

HOWARD:

Yes. After all the speeches were over I might hastily add.

MITCHELL:

Have you got a fitness plan?

HOWARD:

I am naturally a person who - I walk a lot and I don't eat between meals which I think is a great safeguard against putting on too much weight and fortunately, I had thin parents and that's a help. And I do try and exercise on a fairly regular basis.

MITCHELL:

You're not a jogger are you?

HOWARD:

No I'm a walker. I don't jog but I walk a lot and I walk very quickly as some of my minders will attest - even those much younger than I - but I think walking is, for somebody of my age which is 56, who is reasonably fit, which I hope, touch wood, I am, a lot of walking is I'm told and I understand to be an extremely good exercise. I enjoy playing golf and I certainly hope to do a bit of that during Easter.

MITCHELL:

Whilst on the personal side is your family comfortable with it or are they sort of a little - I don't know what the word is - whether they're a little edgy about the time ahead?

HOWARD:

I don't think they're edgy. It's thrown a very heavy adjustment burden on my family and I am immensely grateful for the support they gave me during the campaign and the understanding they've shown since. I have children in age from 21 down to 15, three of them, and they have their own lives to live. And whilst they have really dug in behind and helped and shared everything I don't want their own separate lives to be compromised. And one of the reasons that we're going to spend the bulk of our time as a family in Sydney rather than Canberra is to keep the family together. My two older children are now at university and I have one still at school and it would be enormously disruptive for them if we shifted our major residence to Canberra and it's out of the concern for them rather than my own convenience or anybody else's that I'm staying in Sydney.

MITCHELL:

Any deals with the family to get out after a certain period of time?

HOWARD:

No we haven't reached that. So no they think I ought to stay around as long as I feel I can do a good job, and that's for quite a while.

MITCHELL:

Now some of the issues. Will you allow uranium mining to Kakadu, Jabiruka?

HOWARD:

Only if all of the environmental safeguards are met. It's inevitable, now that we have abandoned the three mine uranium policy of the former government, that applications of this character should be made. The area in question was always out of the national.

out of Kakadu, it's the area that was excised when the National Park was set up. The only bit of the proposed project that affects the National Park area is the access road of 22 kilometres and our position is that if the environmental safeguards which are well understood are met then that's one thing. If they're not then the project can't go ahead.

MITCHELL:

I don't think it'll please the greenies will it? Regardless of what's met they say "don't touch".

HOWARD:

Well I think some people take the attitude that you don't do anything when it comes to development. What the Government is going to do is to strike a balance. We're determined that where a project can go ahead and there's no significant damage to the environment and particularly when jobs are going to be created - and in this case you're looking at two or three thousand more jobs - then things ought to be given the green light. But on the other hand if they breach the environmental standards then no.

MITCHELL:

It just strikes me that you're picking up an issue like this early or an issue like this is coming up early at the very time when you're trying to perhaps curry some favour within the Senate - could it cause you troubles in the Senate with the Greens?

HOWARD:

I don't think it's going to make any real difference Neil. No time is a good time when you have groups in the community that will always oppose mining developments of this character. I would wager that no matter where a uranium development is proposed in Australia that there will be people saying that it's going to do environmental damage and you really just have to steel yourself to make a decision on the merits of each case. And I forecast now that in the future we're going to say yes to some and we're going to say no to others - and the ones we say yes to, sections of the environmental movement will oppose and the ones we say no to, sections of the mining industry will say that we've given in to the greenies. So I think if we get a balance between the two we've probably got it right.

MITCHELL:

Will there be any limit at all on the number of mines?

HOWARD:

Only what the market will deliver and that's a fairly severe limit ...

MITCHELL:

Don't you ...

HOWARD:

... because it's more a buyers' market now than a sellers'.

MITCHELL:

Wouldn't you agree the world would be a better place if uranium stayed in the ground?

HOWARD:

Well the world would be a better place if people didn't use nuclear weaponry and nuclear power in a profligate fashion but by keeping Australian uranium in the ground you don't make the world a better place, safer place. You only make the world a safer place if everybody agreed to do exactly the same thing. I mean people have to understand that if we don't export uranium other countries will, including countries like Canada, and therefore we're only cutting off our nose to spite our face and we're robbing Australians of jobs and we're robbing Australia of valuable export income by not going ahead with uranium mining that is environmentally safe.

MITCHELL:

The Senate, there's also talk of a Senate inquiry into Melbourne's casino into the issuing of the license. Is that a misuse of the Senate?

HOWARD:

Oh I think it's a political stunt designed by the Labor Party in the middle of the Victorian Election Campaign. Jeff Kennett I notice has said that he's got nothing to fear. If the Senate wants to, or the majority in the Senate want to, I suppose, parley with unnamed sources and spokesman then perhaps in the long run that might do the Senate some damage. But ...

MITCHELL:

So presumably ...

HOWARD:

... I only note what Jeff Kennett says and I have absolutely no reason to disbelieve him that he's got nothing to hide in this matter.

MITCHELL:

So you don't see a need for an inquiry?

HOWARD:

Well I don't but in the end if the majority in the Senate decide they're going to have one - well some kind of inquiry will inevitably, will probably take place although I think once the election is over here in Victoria a lot of the momentum and the drive for that to occur will disappear and I wouldn't be surprised if the whole thing doesn't ultimately surface. I don't think it will.

MITCHELL:

Mobile phones are at the core of Australian life. Is it correct that you are looking at keeping the analogue system which was due to close down in a couple of ... (inaudible) ...?

HOWARD:

Well we did indicate, well it was due to be phased out at the end of the century. Well what we've said is that because of the problems in some of the country areas with reception that we would sort of look at whether there were some different transitional mechanism because you do have an access problem potentially looming in some parts of Australia.

MITCHELL:

OK. On financial matters and you mention the \$8 billion there's a report in the *Financial Review* today you're looking at a very significant shake-up of the Federal-State deal. Is it correct you're going to hand a lot back to the States?

HOWARD:

Well what's occurring there is that as part of an ongoing process that in some areas the former Government started and there is some common ground between us. We want to see that the functions of the State and the Federal Government in areas where there's overlap and duplication that they are rationalised as much as possible. Now there are a whole range of options that are being looked at and one of them is obviously seeing whether certain functions which are now carried out by the Federal Government ought to go to the States ...

MITCHELL:

Such as?

HOWARD:

... and also vice versa.

MITCHELL:

Such as?

HOWARD:

Well I think there is some duplication in areas like health. But anything that we did in that area would of course absolutely respect the commitments we've made in relation to Medicare and the structure, the Federal structure, of delivering health insurance and the maintenance of the Medicare system. But within that I make no bones about the fact that if you can find areas of duplication that can be got rid of without compromising the delivery of services and without, in any way compromising our commitment to maintain Medicare, then we're going to do so.

MITCHELL:

But would it be, could it be necessary to change the States taxing powers?

HOWARD:

Well we have a commitment about no State income taxes or no State consumption taxes so any alterations in that area would have to be consistent with that.

MITCHELL:

In the short-term when we look at this \$8 billion over two years would you be, would you be forced to cut the money to the States?

HOWARD:

Well we gave certain commitments during the campaign about the general revenue payments. I don't want Neil, for reasons you will understand, to spend the next four or five months saying yes or no to particular things. We have a huge problem, it's much worse than the former Government let on, they knew it was this bad and they didn't tell us and didn't tell the public and it has made our task much more difficult. We've made a commitment and the sensible thing to do is for us to sit down and work towards achieving that aim and on Budget night to announce the outcome of it and it's not really going to help the process of good government if I spend four or five months saying yes or no to particular things.

MITCHELL:

Fair enough, fair enough. In a broad sense will it hurt people?

HOWARD:

We don't intend to hurt people who need help. We don't and I want to make it very clear that anything we do in this area will fully honour the commitments we made to individuals in relation to pensions and the level of unemployment and sole parent benefits, things of that character. We made commitments there very deliberately and very precisely and I want to make it clear that, and I've made it very clear to my colleagues in the Cabinet, that those things are not going to be taken - we're not going to hurt the disadvantaged.

MITCHELL:

A hell of a lot of money to get out though and arguably the disadvantaged, the middle class is not disadvantaged but they've certainly suffered a fair bit over recent years?

HOWARD:

Well one of the reasons they've suffered of course is that they've paid very high interest rates and the lower your Budget deficit is or the greater the surplus the less pressure there is on interest rates and just remember in future, if we could get interest rates down by one or more points that would deliver more enduring benefits to middle class families and to low income families than anything else the Government could ever do.

MITCHELL:

Can you do that?

HOWARD:

Well I'm not going to make myself a hostage to a figure but it follows automatically almost that if you can reduce that deficit, if you can take the demand of Government out of the financial market, you reduce pressure on interest rates.

MITCHELL:

So when would we hope for that?

HOWARD:

I'm not going to chance my arm on that. It really is impossible.

MITCHELL:

Fair enough. You mentioned the figures which the Government did not make available during the election will you legislate to require that?

HOWARD:

Yes absolutely.

MITCHELL:

OK. What about the letters because that was part of this issue ...

HOWARD:

Well that's a matter for ...

MITCHELL:

...the forged letters?

HOWARD:

... the police. It's a police inquiry that ought to be free from Executive interference. I've made it clear as the new Prime Minister that I want the investigation to go ahead but in the end it's a matter for the Australian Federal Police and I don't know at this stage how far the investigation has gone. I think it's proper to let the police do it independently knowing that they have the full support of the Government to try and establish the truth of the matter.

MITCHELL:

Would it be fair to say that the industrial relations legislation is likely to be the sort of biggest problem for you in the next few months?

HOWARD:

Well it's certainly the biggest single political issue over the next few months. I mean we have a very, very clear vote of confidence and support from the people to change Australia's industrial relations system. We couldn't have been more open about a proposed change than we were about industrial relations. I've talked about it for 10 years and the people voted for us. The people said they wanted to make those changes and we're going to ask the Parliament as soon as possible in the new session. We're going to ask the Parliament to vote in favour of the changes that the people endorsed at the last election. And I'd be very interested to see what the Senate does.

MITCHELL:

I imagine through the various procedures though this could be delayed effectively 'til February or March or next year?

HOWARD:

Oh no.

MITCHELL:

They refer it to Committees, of course.

HOWARD:

Well, they might yes - but they can't as I understand it from statements that have been made they don't intend, the Democrats don't intend, to use the Committee process as a device to defer casting a vote on the legislation indefinitely.

MITCHELL:

But what if you're wrong?

HOWARD:

I will respond to that if and when it occurs.

MITCHELL:

But people are already talking about double dissolutions.

HOWARD:

Well that is entirely premature. I mean we've only ...

MITCHELL:

It's three weeks ...

HOWARD:

Only three weeks. So I think it's a little bit early to start talking about those things but nobody should doubt that we really are quite determined to do what we said we were going to do and what the people voted for. The people voted for this legislation. They voted for the sale of Telstra. They gave us a majority of 45 seats - they gave us a huge majority in the full knowledge that if we won the election we would legislate in this direction. So if we are to be kept honest - to borrow in a slightly truncated form of phrase - then being honest in politics in 1996 means that John Howard has to roll up his industrial relations legislation and roll up his Telstra legislation. He invites the elected representatives of the Australian people to support it.

MITCHELL:

What if they don't?

HOWARD:

Well as I say I will deal with that then - but ...

MITCHELL:

It goes to the core of what you're about doesn't it?

HOWARD:

Oh well what goes to the core of what our system is about is the accountability of political leaders for the promises they make and I made a promise to the Australian people that I would do these things and just as I'm going to keep my word on Medicare and I'm going to keep my word on protecting the disadvantaged. I'm going

to keep my word on selling a third of Telstra and keep my word on reforming Australia's industrial relations system.

MITCHELL:

It strikes me that you're one of the few Liberal leaders of recent times to have actually sought a decent relationship with Cheryl Kernot, the Leader of the Democrats. You've had a meeting already is it fair to say that you have a working relationship with her?

HOWARD:

We've got a very courteous relationship. I find her a very civil, pleasant person to deal with. I don't agree with her on a lot of issues and she doesn't agree with me on a lot of issues. But the Democrats are part of the system - they have seven Senators - which is the same number as they had last time and we must deal with them because they are part of the system - but equally I expect that they have to respect the views of the Australian people and the people voted us in resoundingly as a Government and with it they voted in the policies that we took to the public.

MITCHELL:

I suppose more to the point of that is that are you confident you'll be able to negotiate your way through the problems with the Senate ... (inaudible) ...?

HOWARD:

I'm very confident that I can establish a good working relationship and that if at the end of the day there is any obstruction by the Senate - of the will of the people - then it won't be as a result of arrogance or imperial behaviour by the Government it will be because people didn't take note of what the Australian public said in the 2nd of March.

MITCHELL:

Media laws - will they be changed to the position where Kerry Packer may be able to buy Fairfax?

HOWARD:

We've said that we're going to have a fairly quick public inquiry into that. I've been on record for a long time in saying that I thought the cross media prohibitions were flawed. And that's not a new view. I expressed it as far long ago as 1987. But I didn't make any promises to Mr Packer or Mr Murdoch or Mr Black.

MITCHELL:

Do you have a view on whether they are appropriate proprietors?

HOWARD:

What in relation to their current holding?

MITCHELL:

Well in relation to spreading the current holding?

HOWARD:

Well I think that would be to pre-empt the outcome of the inquiry. I don't have a closed mind on what the Australian public has a mixture of views in. In an ideal world like what the maximum number of media proprietors and the maximum amount of Australian ownership. But what you want to try and do is get a mix between what is practical and achievable in the real world given the size and also given the globalisation of media and bearing in mind that if you impose limits on growth and expansion you may end up damaging the local operators as much as if not more so, than the international ones.

MITCHELL:

No IOUs? No deals?

HOWARD:

No IOUs. I don't owe - one of the great things about what happened on the 2nd of March is that the only obligation I owe is to the collective welfare of the Australian people. I'm not owned by the business community. I don't have any IOUs to any powerful individuals in the community. I can look all of them in the eye and say "I'll govern well for the benefit of the people of Australia". Equally I'm not going to take the view that because people have a strong economic position then they should become a punching bag for decisions of Government.

MITCHELL:

Just before we leave media do you have any philosophical objection to foreign investment for example, Conrad Black increasing his stake in Fairfax?

HOWARD:

I don't have a philosophical objection to myself to foreign investment, but I do understand the concern of the Australian people about the - I guess the level of foreign ownership in this country. But it has to be understood that when you run a current account deficit - when you owe the rest of the world as much money as we owe them - if you don't take foreign investment in the short-term anyway - I'm not talking here about the media - I'm talking about foreign investment generally - in the short-term anyway you're going to have to settle for a lower standard of living.

MITCHELL:

Will you accept Rupert Murdoch as foreign?

HOWARD:

Well the family obviously has very close links with this country but I can only answer that in terms of what the current law is and the current law, because of his American citizenship which was his decision, the current law expresses a view on that.

MITCHELL:

Just still on the media - the ABC - is there any consideration being given to selling off bits and pieces?

HOWARD:

No.

MITCHELL:

No.

HOWARD:

No.

MITCHELL:

Any consideration to splitting radio and television?

HOWARD:

No. Well I wouldn't have thought that was something that in the first instance anyway should be a matter of Government ... (inaudible) ... it should rather be a matter for the management of the ABC. Look I have a lot of respect for the institution of the ABC. I believe in an independent public broadcaster adequately funded that doesn't mean to say that I think the ABC should sort of be the repository of everything that is politically correct.

MITCHELL:

Jeff Kennett wants to close it down.

HOWARD:

Jeff's expressed that view publicly and privately. It's one of those things where good friends might agree to disagree. I don't, I think there is a real place for the ABC but it's got to be a place that reflects more than it has sometimes in the past the mainstream of the Australian community and sometimes the ABC gets itself into trouble by chasing, sometimes obsessively, what can be seen as politically correct views or views that involve a degree of social censorship. But it's a great institution and properly run with

a balanced presentation of mainstream Australian views as well as the zealous pursuit of corruption and things like that it can do a damn good job.

MITCHELL:

A couple of quick questions Mr Howard. I assume you believe Jeff Kennett's going to win?

HOWARD:

I do. But of equal importance he deserves to win. If ever a bloke inherited a mess and there are still sort of, you know, standouts from that mess on the Labor Party frontbench here in Victoria. If ever anybody inherited a mess anywhere in Australia, Jeff Kennett did four years ago.

MITCHELL:

Well if he doesn't and John Brumby is Premier does that make your job more difficult?

HOWARD:

I don't think it will happen. But I will always accept the will of the people whether it's at a federal level or at a state level. But I would think that if there is any justice in politics Kennett ought to get back because he's done a very good job.

MITCHELL:

Paul Keating said in the Caucus that you were out of touch with the Australian people and a signal of this the fact that you put the Australian flag back on the front of the car. What was your reaction to that?

HOWARD:

Well I think it's a - I don't think he's learnt a lot. I don't know what your own views are about whether we should have a new flag and I don't think we should have a new flag. I'm very happy with the present flag but what belongs - it's a symbol that belongs to the Australian people and if you are the Prime Minister of Australia you must respect the symbols of the people and I think it is always appropriate for an Australian Prime Minister to fly the Australian flag on the bonnet of his car.

MITCHELL:

When do we get down to talking about the republic again? It really did take second place through the election?

HOWARD:

Well we're going to keep our word. We're going to have a convention next year as we promised we would to examine the issue. I made a commitment during the campaign

that we'd look at it in the context of a convention and whatever my own views are and most people know I'm not a republican but I recognise that a lot of people are, on both sides of politics, and I want a process to see if we can get a consensus on the head of state.

MITCHELL:

Mr Howard just finally and we're almost out of time. Three weeks in as Prime Minister what's the message to the Australian people?

HOWARD:

Well I want to deliver good Government. I intend to keep my promises and the decisions that we will take over the coming months, some of them will be difficult, but we'll do them in the spirit of fairness and out of respect and concern for the more vulnerable in the community.

MITCHELL:

Excited?

HOWARD:

I am excited in my own, I guess, relaxed and comfortable or even understated way but it's a huge privilege and I'm looking forward to the next three years to make Australia a better country and that's the greatest commitment any Prime Minister can make.

MITCHELL:

Thank you very much for your time. I hope when you're in Melbourne you'll pop in occasionally and even take calls from the people.

HOWARD:

I would be delighted to do so.

MITCHELL:

Thank you.

HOWARD:

Thank you.

MITCHELL:

The Prime Minister John Howard.

ends.