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PRIME MINISTER

17 August 1996

**QUESTIONS AND ANSWERS BY
THE PRIME MINISTER
THE HON. JOHN HOWARD MP
LIBERAL PARTY SOUTH AUSTRALIAN DIVISION STATE COUNCIL**

E & OE.....

QUESTION:

Mr Howard, welcome to South Australia and I am sure that we all hope that Mrs Howard is now recovering well from her operation. I wish to speak to you not as a citizen to the Prime Minister but because we both belong to the Liberal Party. Liberals uphold the right of people to control their own lives so long as they don't infringe on the rights of others to control theirs. So I feel dismayed and betrayed that another Liberal, Kevin Andrews, with your support should wish to go against the will of the Australian people. For 44 years the Morgan Poll has shown majority support for active voluntary euthanasia. For the past five years it has been an overwhelming 78%. My question is how can you justify a cruel law that makes criminals of humane doctors. Six surveys show approximately one quarter of doctors are courageously breaking the law to accede to requests from their dying, suffering patients. And secondly, is the continuation of this dangerous situation a good basis for public policy? Would not well supervised regulation be preferable?

PRIME MINISTER:

It is precisely because we believe in individual conscience and personal liberty so strongly that on matters such as this, we do not have a party view. There is no Liberal Party view on euthanasia. There is a John Howard personal view. There is a Robert Hill personal view, an Alexander Downer one and so forth. What Kevin Andrews is doing is exercising his right as an individual Member of Parliament to introduce a Private

Member's Bill to give expression to his personal view and, if it attracts majority support, the aggregate personal views of members of the House of Representatives and members of the Senate. In no way is he introducing that bill articulating a collective view of the Liberal Party. I do not know what will happen to ultimately the legislation. I do not know. I have indicated myself that personally, as John Howard, as a matter of conscience I do not support the Northern Territory legislation. That's my personal view.

QUESTION:

Excuse me Mr Howard but you're not answering my question.

PRIME MINISTER:

Yes I am, I am trying to treat it seriously and treat it in detail. Now as far as Morgan Polls are concerned, I have never understood it to be a determinant of what a Party does that it be instructed by the last poll that it reads or that an individual does. The legislation that this Private Member's Bill seeks to overturn is not legislation of the Australian Parliament, it is legislation of the Northern Territory Parliament. We do have the legitimate constitutional power to do it. We have the right to, the national Parliament has the right to override a law of the Northern Territory Parliament in this area. We do not have the right to override a law of a state parliament. So what we are doing is quite constitutional and quite proper. I don't know what the final outcome will be. I just ask you to accept that just as you have a strong view on this subject as is evident from your question, and I respect that view, I ask you to accept that there are other Liberals in good conscience who have equally strong views and I ask you to accept that and I ask you to allow the elected Members of Parliament to make their personal decisions on it. I don't know the outcome but I promise you, if the Australian Parliament, whatever direction the Australian Parliament votes in I will accept and I hope the majority of Australians will accept.

QUESTION:

Diana Hill, Adelaide FEC. Mr Prime Minister, you touched on an area that's close to my heart. I am involved in the education of overseas or international students in a secondary setting and you touched upon that within your comments about the education policy. I wondered whether you or the Minister might like to expand a little bit to reassure people about places for international students in our tertiary bodies.

PRIME MINISTER:

We don't have any intention of changing current arrangements, none whatsoever. I was trying to make the point that it's an odd argument that says it's all right to make places available for people from other countries in our universities but not for Australians, and I just think what should happen is that they should be made available on the same basis to Australians, not that they should be taken away from by people overseas. I think it would

be very myopic of Australia to in any way close its doors to overseas students. I think it's one of the things that has helped build relationships between this country and countries in the near north for example, that association.

QUESTION:

To the Honourable the Prime Minister. Firstly I would like to thank you for a tremendous address and also on this occasion I take the opportunity on behalf of the primary producers of South Australia to sincerely thank your Coalition Government for leaving in place the fuel excise on diesel. Without that rebate, Mr Prime Minister, John Howard, it would have been a catastrophe for South Australian farmers on top of everything else to have that taken away and I'd like you to carry those thoughts back to your Coalition Members. As a person who is very interested in the environment, I ask you the question, will the third of Telstra sale be stalled in the Senate and if it is, where will the environmental issues and the environmental concerns that face South Australia, where will they be placed?

PRIME MINISTER:

That really depends on the Senate, well more particularly it depends on the Labor Party and the minor parties in the Senate. There is no doubt that if you want to improve the environmental circumstances of South Australia, if you want to vote in favour of cleaning up the Murray Darling, you will vote in favour of a third sale of Telstra, and any South Australian Member of Parliament who votes against a third sale of Telstra is voting against the environmental future of this state. So I mean I think that is unquestionably... I hope we can get it through. I don't know yet. Robert may want to add something. He may know something that I don't. If he does, I'd love to hear it but on this subject it's a secret. They run their own show, these Senators, but I hope, we're working on it and will try very hard but it's certainly in the interests of South Australia that it go through.

HILL:

It is so legitimate to sell a part of one asset to rebuild the capital into another which is what we're seeking to do - sell one third of a telecommunications company which is owned by the Government, in order to reinvest part of that capital in another asset which is our natural environment, and an environment that badly needs a major influx of capital. That's why we've headed down this path and I give credit to John Howard because many of you won't know but basically, it was John that came to the realisation that we would not be able to fund the environment in the way that was necessary to restore that natural capital, that we had to find a new capital source and therefore there were two things we were wanting to do if we ever sold assets. One was to repay debt so we could keep pressure off interest rates and so forth for the benefit of small business, but he believed that there was one other legitimate purpose for which we could use that capital and that was the reinvestment of our natural heritage. So the purpose is sound, the methodology is sound and it is just so crazy that minority parties who claim to have

been elected on an environment constituency are going to block that capacity to reinvest \$1 billion in our environment. So if you've got any influence on those Greens or those Democrats, now is the time because it's an opportunity that simply must not be lost.

QUESTION:

My question is addressed to the Prime Minister, and firstly if I could say how joyous it is to be able to address a Liberal Prime Minister. The last time we had one I think I was eleven so it's certainly a good thing to...

PRIME MINISTER:

How old are you now?

QUESTION:

24. It's certainly a good thing to be able to do but my question, I have been away for several weeks so if the Prime Minister could bring me up to date as to the Government's position, will you be meeting with the Dalai Lama when he visits in the near future?

PRIME MINISTER:

My position on that is that if I did receive a request I would consider such a meeting subject to my being in the country. It is quite possible that I will be in Japan and Indonesia for the particular week that he is here. So if I did have such meeting it would be on the basis that I'm meeting him as the spiritual leader of his people, of which he is a very significant one. And he is a man who's been to this country on a number of occasions in the past. There is no argument about the character of our policy toward China. It is a one China policy. I don't see anything at all inconsistent in having a one China policy and everybody knows what that means and certainly the Chinese Government knows what is meant by a one China policy. There is nothing inconsistent in having a one China policy and meeting the Dalai Lama as the spiritual leader of his people. I think it is an utterly sensible and consistent thing to do and it would be a little strange if the circumstances allowed it for the Prime Minister of this country if it were mutually convenient for such a meeting to take place for him to participate in it. But it should be understood by everybody as to the basis on which such a meeting would take place.

QUESTION:

Thank you Mr Chairman. Prime Minister I am a young farmer and the trouble is with the banks at the moment they charge us one hell of a margin when we want to borrow money. You can borrow the same amount of money to borrow a house and get a considerably less margin. I just wonder what the Federal Government is going to do,

well it's the same for small business as well and I just wonder what the Federal Government are going to do to the banks to try and address this imbalance between business and home loans. It is anything up to a 5 per cent margin and it is really is an impost on jobs because on a \$1/2 million borrowing on a 5 per cent margin is \$25,000 and that's a fair wage.

PRIME MINISTER

I don't have a magic wand solution to that but I can say this much, but the reason interest rates for housing are lower now than what they might otherwise have been is that we have a lot more competition in the provision of bank lending for housing. Indeed to those who believe, and there may even be a few of them in the Liberal Party, I don't know, who believe that competition is not always the right way to go. We've had a classic demonstration in the past few months of just how valuable competition can be and that is in the area of housing loans. You would never have had the falls in housing interest rates that occurred before the last downward movement in the Reserve Bank interest rate if it hadn't been for the competition injected into the system by outfits like Aussie Home Loans and RAMS and all those other organisations that are lending in competition with the banks. Commonwealth Bank moved its interest rate down a few months ago because it was losing market share to the small new entrants who are gobbling up loans at a very very rapid rate.

Now I suppose the answer to your question is that if the same circumstances of competition in making money available to business existed in relation to making money available for housing then you might start to see some contraction of that margin. It's interesting you asked me the question, that was one of the questions I did get at Winton in Queensland yesterday. I was asked that self-same question and I think that it is a very legitimate question to be asked and I think it ought to be discussed and debated and I think the banks ought to be asked it. And I hope the Wallace Inquiry has a look at why it is and I think it is about competition and I can't stress too strongly that, I know people get a bit suspicious of competition on occasions but at the end of the day the consumer normally benefits from more competition. We're seeing it with telephone charges, we're going to have Optus providing 20 cent telephone calls and who would have thought that was likely. I mean, I can remember a few years ago where we had a pretty spectacular by-election result here in Adelaide but everybody thought it would go in the other direction.

Now what you have got in the telecommunications industry is you've got technology which should compress price and then you add a bit of competition to that and presto, you get a better deal for the consumer. Now in housing interest rates you have got a better deal for the consumer because there is more competition. Now in my sort of feeble way I would think that if you got more competition in relation to business loans you might get a repeat of that, I don't know. And some of the economists might tell me there is complicated reason why it can't occur but I'm not absolutely certain. But I don't know the full answer to it but I think people in the rural sector should talk about it as

loudly and as long as they can and I think that will start to have an influence because I can sympathise with you and I can understand why you get so cranky but there is such a margin between loans, housing loans. It's not just all related to risk and security because that is part of the explanation but it's not the sole explanation for it.

STATE PRESIDENT

Prime Minister on behalf of the South Australian Division I want to thank you very much for the time you've spent with us this afternoon and the manner in which you've addressed us and answered questions and I ask delegates to show their appreciation.

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