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**PRIME MINISTER**

15 October 1996

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD MP  
NIGHTLINE - CHANNEL NINE**

**E & OE.....**

**LYNEHAM:**

Welcome to Nightline.

**PRIME MINISTER:**

It's a pleasure.

**LYNEHAM:**

On May 7 you told the Parliament your guidelines would be complied with in full. Now if you were fair dinkum why shouldn't Short, Gibson and Moore have resigned many months ago?

**PRIME MINISTER:**

To start with, the conflict of interest, the action which involved a conflict of interest in Brian Gibson's case only took place a few weeks ago. Moore hasn't breached the guidelines and I don't remember the exact date of Short, so the answer is no.

**LYNEHAM:**

But Ministers are required to divest themselves of all shares and similar interests in any company or business involved in the area of their portfolio responsibilities. That's it, no ifs, no buts.

**PRIME MINISTER:**

Yes, but you apply it within the three cases. In the case of Jim Short he should have got rid of the bank shares. In the case of Brian Gibson, he wasn't directly involved in

banking matters therefore it was arguable whether he should have got rid of them and in the case of John Moore, I don't believe he's in breach of that guideline.

**LYNEHAM:**

But Bligh Ventures in which John Moore has nearly \$100 000 worth of shares, has a stake in several technology companies. He's Minister for Industry, Science and Tourism.

**PRIME MINISTER:**

Yes but he doesn't own any shares in those companies. How can you divest yourself of shares you don't own?

**LYNEHAM:**

Oh so if you have them at arm's length...

**PRIME MINISTER:**

Of course, that's the whole point. I mean, arm's length means exactly that. That is exactly the situation. If you're at arm's length from something of course there can't be any conflict of interest.

**LYNEHAM:**

But didn't Brian Gibson go today because he gave a decision ...

**PRIME MINISTER:**

He wasn't at arm's length. I mean, he actually owned shares in the company that controlled the company that benefited from his decision. Mind you, he didn't benefit. That was a very, very technical breach but it was actually a subsidiary but we're not talking about that here.

**LYNEHAM:**

Well, the Labor Party says we certainly are talking about it here.

**PRIME MINISTER:**

Well of course. In the Labor Party they would say anything. Just look at the guidelines. The guidelines say that you've got to get rid of shares in companies that are operating in the areas of your responsibility. Now the companies that you named are not companies in which John Moore has shares. He has about two or three percent of the issued share capital of the venture company which invests in a whole range of activities and there would be many investments that that company has that he wouldn't even be aware of. I mean, it's like a policy holder with the AMP, a superannuation

policy holder with the AMP wouldn't have any idea from day to day what the AMP invests in or the Commonwealth Superannuation Fund.

**LYNEHAM:**

Why did he put them on the market then the day after your deadline?

**PRIME MINISTER:**

He put them on the market because he wanted to remove the possibility that the sort of allegations that are being made against him were being made, but if he didn't put them on the market because I told him to and he is not in breach of the guidelines. I mean, I don't have any shares. I've never had any shares as a Minister. That doesn't mean to say other people can't have shares. It's a question of having them in the terms of the guidelines.

**LYNEHAM:**

So even though the company that he helped to found has substantial interests in a range of other companies, that's not a problem?

**PRIME MINISTER:**

That is not a breach of the guideline but I think what this whole issue has thrown up is the desirability of looking at the introduction in Australia of the American-British approach of a blind trust where if you've got a substantial holding of shares you can give them into the care of a trustee when you become a Minister. You have no control, no say about what happens to them and you can be kept at arm's length from them and when you have finished your ministerial tour of duty you can have them back because we don't want to get into a situation in this country where anybody who owns shares is frightened out of going into politics. Mind you, with this sort of business happening we are fast approaching that situation.

**LYNEHAM:**

Your critics say that now that your Ministers won't comply with the guidelines you're changing the guidelines to comply with the Ministers.

**PRIME MINISTER:**

It's a little bit rich to say they won't comply when two of them have resigned for what are no more than technical breaches where neither of them have had any personal gain, neither of them have been guilty of any personal dishonesty. I can't think of a Prime Minister who's required that in the past, any Prime Minister.

**LYNEHAM:**

But you're the bloke who put yourself up as the man going to forge a new trust. You were going to set the bar higher than any....

**PRIME MINISTER:**

I would argue that the compliance has been higher than anybody else. I would argue that very strongly.

**LYNEHAM:**

Well your critics would argue - it took you a fair while to get to the edge with Short for example - for three or four days he sat there still a minister in charge of banking policy while still holding banking shares.

**PRIME MINISTER:**

Well no, that's not right because when it was brought to attention he sold the banking shares the following day. In the end Short went because of the apparent conflict of interest, as did Brian Gibson. Neither of them gained anything, neither of them profited, neither of them is regarded as lacking in personal integrity. They paid insufficient attention to the detail of the guidelines and they've paid a very high price. Now, that is a high high-jump bar, I'm not boasting about that, I'm sorry it's occurred but nobody can say that we haven't replied compliance with the guidelines.

**LYNEHAM:**

Are you going to dig in over John Moore?

**PRIME MINISTER:**

There's nothing to dig in over. He's not been in breach of the guidelines.

**LYNEHAM:**

How do you think the battlers are going to feel about all this, you know, hundred thousand dollars here, I've just forgot my fifty thousand dollars worth of shares over there - it doesn't sound very...

**PRIME MINISTER:**

It is always easy, when you're talking about shares, to paint the picture of cigars and millionaires. It's always easy to do that.

**LYNEHAM:**

But when you're talking fifty, a hundred thousand dollars...

**PRIME MINISTER:**

But you know, equally you could talk that about hundred thousand dollar investments in piggeries and large shareholdings of ministers in former governments. I just say that the idea that we should create a climate in this country where people who own shares

are frightened of going into politics would rob the country of a full range of the people who want to serve in its institution.

**LYNEHAM:**

And it's hard...I think it raises a question of the old dilemma of John Howard and tough decisions. Last time you were leader people said you would often shy at the fence, you would often not take that tough decision.

**PRIME MINISTER:**

And you don't think it was tough to get a letter last night from somebody who's as honest as you'd find anybody in this building, Brian Gibson, who's been a conscientious Parliamentary Secretary who'd accumulated a share portfolio to help with his own retirement, and, you know, in great distress to say to me, "John, I'm sorry I've let you down, I haven't gained anything". He gives me that resignation this morning, I call him around and I say, Brian I've got no alternative but to accept it, I know you've done nothing wrong, I know you haven't made a cent out of this. It caused him great personal distress because he really is an honest, decent, hardworking man. But despite that I said I can't not accept your resignation. Now, are you saying that is weak? I think it's good leadership to think about the personal side of the impact of decisions on people, but at the end of the day to do your duty. Now, I've done my duty in relation to both Short and Gibson and I'm doing my duty in relation to Moore. I'm not going to have people knocked off just because Kim Beazley and Simon Crean say they're in breach. I'll satisfy myself and if I'm satisfied with somebody who's not in breach I will defend that person. Loyalty is a two way process in politics. I've got loyalty for my colleagues, they're entitled, when the merits require it, to have loyalty back from me.

**LYNEHAM:**

Let me finally and quickly shift to another area though with this same question mark. It took you nearly a month to make a substantive reply in Parliament to the comments made by Pauline Hanson. Now I know you say you don't want your agenda driven by somebody else, you are the Prime Minister, but doesn't tough, clear leadership demand a response on issues like immigration and race, quicker and firmer?

**PRIME MINISTER:**

No. I deliberately did what I did in relation to Pauline Hanson. I don't regret for a moment what I did. It did not take a month for me to respond - Parliament was in recess for part of the period. I actually responded on the largest current affairs programme in Australia, the Ray Martin programme. I made my views very clear when asked about immigration, when asked about Asian immigration, when asked about Aboriginal affairs, but I repeat Paul, I don't care what anybody says, the policy positions of my government will be announced not by way of response to the maiden speech of a backbencher, not by way of response to a motion put down by the Leader of the Opposition, I will choose my fora, my circumstances, my language and my time to make policy pronouncements and I will be very determined to maintain that

approach and I'm not going to be growl beating by some of the politically correct commentators in to making announcements at a time of their choosing and not mine.

**LYNEHAM:**

Finally, how do you respond when Asian leaders tell you, as I assume they must have, of the ugly climate they've been starting to feel in recent weeks?

**PRIME MINISTER:**

Well they haven't. I mean it's interesting, isn't it? I visited, in the wake of Pauline Hanson's speech, I visited two of our major Asian partners, Japan and Indonesia, and the issue wasn't raised once.

**LYNEHAM:**

Well Tim Fischer picked it up, he didn't think...

**PRIME MINISTER:**

I mean I know the answer from my experience Paul. I think too many people have paid too much attention to what the lady said. I find it fascinating that those who are now ringing their hands about how much publicity she has received are the very people who gave her that publicity.

**LYNEHAM:**

Prime Minister thank you for your time.

ends.