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**PRIME MINISTER**

16 October 1996

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
RADIO 6PR - WITH HOWARD SATTLER**

E&OE.....

**SATTLER:**

Well, how are your nightmares going?

**PRIME MINISTER:**

.....fifteenth year on radio.

**SATTLER:**

To me? Yes.

**PRIME MINISTER:**

Congratulations.

**SATTLER:**

Thank you for that, you've been around for all of that time in one way or another.

**PRIME MINISTER:**

Yes, I have and I'll be around for quite a while to come. I hope we share many more interviews like this in the years ahead.

**SATTLER:**

Well, I hope you say that at the end of the interview for your sake at least. But the code says - tell me if I'm wrong - I quote one part of it "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". Is that what it says?

**PRIME MINISTER:**

Yes it does.

**SATTLER:**

Given that the industry Minister Moore extended a computer bounty payment scheme to a company in which the company he holds shares has an 18.2% interest, isn't that a direct breach of the rules?

**PRIME MINISTER:**

No it's not.

**SATTLER:**

Tell me how it isn't.

**PRIME MINISTER:**

Well, he holds shares in an investment company which in turn holds a minority interest in a large number of companies.

**SATTLER:**

But doesn't his investment company stand to gain if he makes a decision like that?

**PRIME MINISTER:**

The rules require divestiture of shareholdings held in companies which are involved themselves and the company in which he holds shares is not involved in the computer industry.

**SATTLER:**

It's just investing in it?

**PRIME MINISTER:**

Well it's not just investing in it, it is investing in a whole range of companies. It is an investment company. It is literally no different from somebody who's got a superannuation policy with the AMP and the AMP has heavy investments in mines and buildings and all sorts of economic activities. If you required every person who held a superannuation policy with the AMP to divest that policy because some decision they take might affect the mining company which the AMP in turn has an interest... I mean, there'd be no end to it and you would end up with a situation where people couldn't

own anything if they were going to be Ministers of the Crown. What is required by the guidelines is a divestiture where you have a direct interest by way of a shareholding or other interest in a company that is directly involved in the area of the Minister's activity. Now if you apply that guideline to John Moore, the answer is no.

**SATTLER:**

Okay, well let's apply the guideline to the Deputy Prime Minister and Minister for Trade, Tim Fischer. Now did you know that he still held shares in a number of resource companies while he was a Minister?

**PRIME MINISTER:**

Yes, they were declared. You knew too. Everybody knew because he put them on the public register. But are you saying that, I mean, the logic of that is that the Minister for Trade can't hold any shares at all because any company listed on the Australian Stock Exchange is potentially involved in trade. They might be selling something overseas or they might be selling something in competition to imports from abroad...

**SATTLER:**

Okay but you made the rules.

**PRIME MINISTER:**

I know I made the rules, and I'm telling you what they mean. I mean, what is happening with this issue, now I acknowledge that there were breaches of the rules by both Brian Gibson and Jim Short. They didn't set out to deceive. They weren't dishonest, they didn't gain anything.

**SATTLER:**

No, that's not the point, is it?

**PRIME MINISTER:**

Well, I think in terms of judging their behaviour it's important. But look, they went because they were in technical breach of the rules.

**SATTLER:**

Okay, now Tim Fischer apparently still held shares in BHP when he was in Venezuela pushing trade with that country on behalf of Australian companies like BHP. Does that breach the rules?

**PRIME MINISTER:**

I mean, what do you expect a trade minister to do, go overseas and dump on BHP...

**SATTLER:**

No, far from it, but I'm wondering whether or not he should still retain the shares under the rules, your rules.

**PRIME MINISTER:**

Hang on, I mean you either believe that people should own nothing...

**SATTLER:**

Like you.

**PRIME MINISTER:**

Well that's right, I mean I don't own anything except my house and a small, some money in the bank. But I'm not saying that's what should suit everybody. When I became a Minister twenty years ago I decided not to have any shares because I couldn't be bothered having the political argument that was going to arise.

**SATTLER:**

Well maybe your colleagues should have thought the same.

**PRIME MINISTER:**

Yes, but it's a little bit different. If you've owned assets for twenty years and you suddenly become a minister, it's a bit unreasonably to say you just throw those assets away. I mean, we've just got to apply a little bit of commonsense to this.

**SATTLER:**

Well maybe so, but Tim Fischer on a Sydney radio station this morning apparently has said that guidelines were drawn up in haste and must be reviewed. Do you agree with him?

**PRIME MINISTER:**

Well I didn't hear what he said and I've long since learned in this business...

**SATTLER:**

Well he did say that, I can assure you. All right, I'll ask you, do you believe the guidelines were drawn up in haste and ought to be reviewed?

**PRIME MINISTER:**

The guidelines, in fact, consolidate what has been the practice of governments in this country over the last twenty years. The fact that they were brought together under one

cover is something that's occurred under my Government. But these guidelines are not new, they are guidelines that were meant, so I'm told, to apply to the former government. I mean, the former Finance Minister, Mr Walsh, held shares in Wesfarmers for example, whilst he was Finance Minister. Can I say I didn't criticise that then and I don't criticise it now.

**SATTLER:**

But did he make any decisions at the time that would have benefited Wesfarmers?

**PRIME MINISTER:**

I don't know. Can I say, I'm not suggesting he did. I actually don't think he was in any way dishonest.

**SATTLER:**

You are, quite clearly, going to stand by John Moore until you and he are both dragged kicking and screaming from the Chamber, is that right?

**PRIME MINISTER:**

Well, I don't think anybody will be dragged kicking and screaming from the chamber. Look, my position is very simply this, that John Moore has not breached the guidelines...

**SATTLER:**

Has Tim Fischer breached the guidelines?

**PRIME MINISTER:**

I don't believe Tim Fischer has breached the guidelines. Nobody has pointed to any conflict of interest in which Tim Fischer has been involved. If it is being argued that the Minister for Trade can't hold shares in BHP because BHP sells things overseas, then what you're really saying is that the Minister for Trade can't own shares in anything...

**SATTLER:**

Prime Minister, I'm not saying it, the rules seems to be saying it.

**PRIME MINISTER:**

No, no, the rules don't say that because the rules say you are allowed, that ministers are not precluded from having investments on the stock market.

**SATTLER:**

All right. What about John Fahey, the Finance Minister, who's allegedly failed to declare some shareholdings, will you be asking him about that?

**PRIME MINISTER:**

I have already obtained a letter which has been released to the media which fully explains that the two shareholdings in which he had no beneficial interest related to a company in which he was involved in 16 years ago in his legal practice and another service company associated with his legal practice. And in both cases he signed transfers of the shares years ago and in both cases the person who took the transfer of the shares failed to attend to the registration.

**SATTLER:**

So he's an innocent victim, is that what you're saying?

**PRIME MINISTER:**

Well, he's just done nothing wrong and he's not breached the guidelines. I mean, how can you declare something that you don't believe you own? Answer me that. And that is Fahey's case. Fahey signed share transfers years ago and naturally when filling out his form...if you've signed a transfer of something and you're asked do you still own it, you're naturally not going to say 'yes I do' when you've signed a transfer and it's the responsibility of somebody who receives a transfer of shares to register it.

**SATTLER:**

Okay, do you expect any more resignations? Is that it on this issue as far as you're concerned?

**PRIME MINISTER:**

Sorry, I'm going to go back to Fahey because that bloke's name has just been gratuitously dragged into all of this. He's done nothing wrong. And this just shows how easy it is to smear people. I mean, John Fahey signed away the ownership of two shares in which he didn't have a beneficial interest and he'd held them years ago, and because the people who took the transfer of those shares were negligent in not having them registered, his name is now being unfairly dragged into this. He told the journalist of the Financial Review about this last night and the journalist conveniently didn't bother to print his explanation...

**SATTLER:**

Well, I can't account for them...

**PRIME MINISTER:**

No, well I'm not going to have the reputation of my Ministers slandered on any programme, anywhere in Australia. Look, two men have gone because they were in technical breach of the guidelines, not because they have done anything dishonest and now an attempt is being made to sort of smear the whole of my government.

**SATTLER:**

Well, the Opposition, for the first time since you came into office, is on a roll this week, you know that.

**PRIME MINISTER:**

Look, the Opposition is having a go. I accept Oppositions do that. I was in opposition, I used to have a go. I'm not complaining about the fact that the Opposition is having a go at me. I expect Beazley to have a go at me when he gets on after me. I accept all of that. I don't criticise him for it, that is his job. But my job is to defend my colleagues, which I will, against unfair criticism.

**SATTLER:**

All right, but Prime Minister these rules, as they were, showed that your government was going to be totally open and accountable, and you required very strict guidelines of your ministers that they...and I repeat again, they had to divest themselves of all shares and similar interest in any company or business involved in their area of portfolio responsibilities. People looked at that and said, gee, that is open and accountable government. Now, you're proposing, I think, to dilute those guidelines, are you?

**PRIME MINISTER:**

No, I haven't made any decision about dilution yet. What I'm saying is those guidelines continue to apply. I am looking at whether there is any practical advantage in developing a system of blind trusts.

**SATTLER:**

Like the President of the United States is obliged to do.

**PRIME MINISTER:**

If the rules that now operate in Australia had been applied strictly, President Kennedy could never have been in the Whitehouse and Nelson Rockefeller could never have been Vice President of the United...

**SATTLER:**

But they're your rules.

**PRIME MINISTER:**

Look, I understand that. But is there any law of politics that says that if the practical experience of something suggests it might be improved by change, you don't look at that change?

**SATTLER:**

No, but do you think now, in retrospect looking at what's happened this week, the rules are silly and ridiculous?

**PRIME MINISTER:**

No, I don't regard them as silly and ridiculous at all. I think they have worked in relation to Brian Gibson and Jim Short. They've resulted in two people who haven't been guilty of any wrong doing, they've been guilty of careless...if Jim Short had read the rules he would have got rid of those ANZ Bank shares. I mean, let's not kid ourselves. If Jim Short had read what was in the guidelines he would never have held those shares...

**SATTLER:**

So he was naive?

**PRIME MINISTER:**

Well, he was careless in not reading it and he's paid a very high price. Now, that's accountability isn't it? You're talking to me about accountability...

**SATTLER:**

Indeed, about all your Ministers being accountable.

**PRIME MINISTER:**

Exactly. Well Ros Kelly had to be pushed out after months and months of evidence of her deliberately providing political largesse to her friends. Carmen Lawrence stayed there to the bitter end despite the finding of a Royal Commission.

**SATTLER:**

And look how you savaged them.

**PRIME MINISTER:**

Exactly, and I did and I make no apology for having done that and I'm not complaining about the Opposition attacking me over this issue, they're perfectly entitled...



**SATTLER:**

Prime Minister, no more ministers will go, is that right on this issue?

**PRIME MINISTER:**

What I'm say to you is, on the information that has been provided to me none of the other ministers under attack are in breach of the guidelines.

**SATTLER:**

All right, we will have to leave it there. I do appreciate your time today.

**PRIME MINISTER:**

Same to you and happy fifteenth birthday. But I will come back and on many occasions.

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