

2



PRIME MINISTER

19 December 1996

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

E & OE

SATTLER:

Good morning to you Prime Minister.

PRIME MINISTER:

Good Morning Howard, it's always nice to be on your programme.

SATTLER:

All right, first question: How many points out of ten would you rate yours and the Government's performance for the first nine months?

PRIME MINISTER:

Those sort of things are always hard to me and I just beg out of doing that. I think we've done very well. The most important thing is that all the major promises we made have been delivered on:- family tax, industrial relations reform, getting rid of unfair dismissal, small business benefits, health insurance rebates, Telstra, the Natural Heritage Trust. They were the promises that people remember from the campaign and every last one of them - every last one of them - have been delivered on. And I am very proud to go to Christmas being able to say to the Australian people that we have stayed true to the things that we promised them during the election campaign.

SATTLER:

Okay, so you'll say that you've broken no election promises?

PRIME MINISTER:

I will say that we have delivered on all of the major promises that we made.

SATTLER:

Is there any more you could have done, anything that you'd like to have got up but you didn't achieve?

PRIME MINISTER:

Well, if we hadn't have inherited a \$10 billion underlying deficit from Mr Beazley we could have done even more. Given the fiscal inheritance we found when we came into Government, contrary to what we've been told by the former government, given all of that we have done extraordinarily well to get the budget heading towards a balance and also to implement the promises that we made. And I'm very grateful for the strong finish we've had to the year; getting Telstra through; getting 95 per cent of the budget legislation through; that Natural Heritage Trust will be of enormous benefit for the environment of Australia. And in a couple of years time when the money is flowing into things like the Murray Darling clean-up, the salt problem - there'll be some resources going in to helping the Western Australian Government tackle the salt problem that Richard Court talked about during his campaign - the Australian people will see us as a Government that is concerned about the long term environmental challenges and I'm very proud of that because it's a very important element of our plans for the 21st Century.

SATTLER:

I've got to ask you about that too - what you inherited. Now, during the election campaign here in Western Australia the Court Government actually opened the books in the first week of the campaign and said:- this is the situation, these are the forward estimates, this is what is ahead. Now, that had not been done previously, and regularly new governments came in and said:- look, look what we've inherited. Would you be planning to open the books of this government before the next election, during the campaign?

PRIME MINISTER:

Yes, we're going to do exactly the same thing. We promised during the last campaign there'd be a charter of budget honesty so that when the next federal election is called the books will be thrown open. The Treasury will say exactly where we stand and the public will be able to judge the promises of both the Government and the Opposition according to the figures that have been made available by the Treasury. So we will never again have the nonsense of the last campaign when both Mr Keating and Mr Beazley said we were in surplus when they knew we were in deficit. I mean, that's the bottom line. I mean, I was given the figures the day after the election in a big folder, they were already prepared. They were known to the former government. Now, that mustn't happen again and it won't happen again. And we are putting on ourselves a discipline. We're the Government, we don't have to pass the charter of budget

honesty but we're going to. And it will mean the public will, if they are told by the Treasury that the situation is 'x' then they'll look at what I say and they'll look at what Mr Beazley says and they'll say:- well, you can't afford that but you can afford something else. Now, it will produce a much better result for the Australian public.

SATTLER:

Well, the two most divisive issues of the year, I think you would agree, have been the gun control legislation and the race debate and you've probably copped more criticism over those two matters than any others - do you think you could have handled them better?

PRIME MINISTER:

No, I would not have handled either issue differently if I had my time over again. We haven't had a race debate, we've had a debate about responses to a maiden speech by the Independent Member for Oxley. I'm not advocating, the Labor Party's not advocating we go back to a White Australia policy. We passed a resolution saying that we've got a non-discriminatory immigration policy. But we are having a legitimate debate in the community about the level of immigration and people are entitled to debate that and they're entitled to debate what represents the Australian identity and things of that kind. But I just want to make it very clear on your programme - as I have on other programmes as we come to the end of the year - mine is a Government which is totally opposed to any kind of racial discrimination. Students from different parts of the world are welcome in our country. Malaysian students are welcome. Students from other parts of Asia are welcome. People from all around the world are welcome in this country. But like any other community we will decide how many people come into Australia and settle here permanently and we will decide the criteria that apply to immigrants to Australia.

SATTLER:

Yeah, but hasn't the race debate been a giant beat-up? I mean, yesterday there were stories about attacks and all that sort of thing. When you read into it you found that two people had been verbally accosted. Now, I'm not suggesting that that's good, and that's pretty awful, but compared with what we had here in the 80s with the Australian Nationalist Movement actually attacking restaurants in Perth, I mean, it's pretty mild stuff, isn't it?

PRIME MINISTER:

Well look, any kind of harassment of anybody is distressing and wrong and unAustralian and unacceptable whatever the cause. Whether it's related to somebody's race or somebody's size or somebody's gender, whatever it is, it's repulsive to decent Australians and it's not the Australian way and it never will be. But I do believe that sections of the Australian media and other sections of the community have sort of kept this issue going. They talk about the race debate - well, you don't have a race debate unless people are asserting in some way that one race is superior to another. Now, I don't hear any credible person asserting that, I don't, and

I certainly repudiate it absolutely. Mr Beazley does. Most Australians, overwhelming bulk of Australians, repudiate that kind of thing. I think we've had a massive overreaction from large sections of the press to this. We are a tolerant, harmonious society. We have a record of tolerance and harmony in this country which is really the envy of the rest of the world.

SATTLER:

We've had High Commissioners telling Asian students - 'don't go out at night'. We've had the Prime Minister of Malaysia saying that he might withdraw 11,000 students. It's quite extraordinary.

PRIME MINISTER:

Well, I don't believe that will happen. I'm certain it won't happen and in any event, I just repeat what I said earlier. Students from that country, not only that country but other countries, are very, very welcome in Australia and the experience I know of the overwhelming bulk of them has been a very positive one and it is time that we got as a community on the front foot on this whole issue. It is time we confidently asserted what is the truth and that is that this is an open, tolerant society which treats people decently, which has a long history of tolerance and of absorbing people from all around the world and I am simply not willing as Prime Minister to allow suggestions from wherever they might come that this country is bigoted and narrow minded and intolerant. I am not prepared to let those remarks go by unrebuked because they are wrong and they sell this country short and they do the generosity of the Australian people and the decency of the Australian people a great disservice.

SATTLER:

Well US President Bill Clinton's visit was a real coup for you and the new Government but when would you expect it to translate into a better deal, especially in the trade and manufacturing areas?

PRIME MINISTER:

Well it certainly was a very successful visit and it was a complement to the country and that's the most important thing. When would I expect it to translate? Well, we have made progress but progress on the trade front is always slow because every country has its own self interest to look to in trade and the Americans are no different. They're better on some trade issues than the Europeans, on agriculture the Americans have been better than the Europeans but both of them give agriculture a rawer deal than we would like and we will continue to exert pressure on the Americans not to subsidise agricultural exports to the detriment of our exports.

SATTLER:

Perhaps you'd better take up golf and have a few rounds with him.

PRIME MINISTER:

Well I do think the personal contact established will help and it is worth noting that over the last year or so the Americans have not used their export enhancement legislation as much as they did over the previous couple of years so there's a glimmer of hope or a chink of light on that front but it's a slow job. Everybody looks to their self interest on these trade matters and what you have to do is try and, try to get people collectively seeing the benefit of liberalisation all around rather than hanging on to what they've got.

SATTLER:

Well for a decade and a half, no Government of Australia has actually broken the back of unemployment in this country. What level are you aiming for in twelve months time, especially on the youth front?

PRIME MINISTER:

Well, I am not going to put a figure on it. I have set my face firmly against particular figures. I do believe that if we can get small business really going next year and we've done a lot to bring that about. We've just changed the capital gains tax regime for small business and as from the first of July next year a small businessman will be able to move from one business to another, no matter what type the businesses are and providing the value of the business doesn't go above \$5 million, and that's a pretty high ceiling, there will be no capital gains tax liability at all. Now when the small business community of Australia realises the significance of that change to the tax system, you're going to see a lot more activity, you're going to see a lot more money coming into small business. On top of that, the unfair dismissal laws will be gone on the first of January next year, gone completely. There will be a new and more flexible industrial relations system for small business and in February I will be responding in detail to the anti-red tape report of Charlie Bell's committee which the Government commissioned a few months ago and I will be making announcements in the middle of February which will be of long term benefit to small business.

When you add all of those together, you will have a far more benign climate for small business and I hope that will help to reduce unemployment particularly amongst the young.

SATTLER:

When are we going to get to invest in Telstra?

PRIME MINISTER:

Well sometime I hope in the next twelve months. The legislation comes into force in April. The Government is now hard at work getting ready for the sale, getting ready for market day and I hope it will be some time in 1997 and it will be great for the ordinary investors of Australia.

SATTLER:

They say it's going to be the fifth biggest float in the world.

PRIME MINISTER:

It will be the fifth biggest float in the world. It will be the biggest float Australians have ever participated in and I can promise that the employees of Telstra will get a preferential deal. They get one free share for every four shares they buy up to a limit of 500 free shares.

SATTLER:

I haven't heard the unions lauding that one.

PRIME MINISTER:

Well they should. I mean, here is the Howard Government discriminating in favour of the employees of Telstra and so we should. They are, the employees of that company are deserving of a special deal but it will be a great investment, a great investment for the mums and dads of Australia. It really will be, and I think there will be enormous excitement when this comes on because people will be buying a share, they will be buying a stake in the ownership of one of the great Australian utilities. We are not selling something out of public ownership. We're selling it into public ownership because the Australian public will be able to invest in and have a direct personal stake in the welfare of this great public utility. I think it will be a very exciting thing and it will change the culture and the attitude of many people to investment in this country and I think it's a very exciting development.

SATTLER:

What's been the toughest part of 1996 for you? Has it been your wife's serious illness?

PRIME MINISTER:

On a personal level, yes, undoubtedly. That was far, from a personal point of view, was far more difficult than anything else.

SATTLER:

The fact that you had to go to work every day in the top job in the country must have been a bit rough.

PRIME MINISTER:

Well Howard, a lot of Australians have a similar experience and...

SATTLER:

They're not all in the public eye.

PRIME MINISTER:

No but many of them have difficult jobs and difficult personal circumstances and I don't, illness is something that, it's an indiscriminate thing and I just had a, with my experience, a reminder of what many of my fellow Australians experience in their daily lives as well. I am very grateful for the medical treatment that was available, very grateful, and I can't speak too highly of the medical treatment and the nursing care that my wife received in the public hospital system in Sydney.

SATTLER:

What do you want to achieve for yourself in the next twelve months?

PRIME MINISTER:

I want to see lower unemployment. It's an aim. I want to see the benefits of what we've done this year consolidated. I want to see a strong response to the small business report. I also want to see a very successful float of Telstra and I also want to build further on some of the contacts I have made with leaders in our region particularly the Chinese President. China is a very important country to Australia. We will always have differences in the way we run our two societies. Ours is a democracy.

SATTLER:

Are you going to invite him to Australia next year?

PRIME MINISTER:

Well I will go there first and he's very welcome to come here. I think it's in the nature of things if you go to a country one year, it's not usual that the leader of that country comes in the same year, but he would be very welcome to visit Australia and I will certainly be encouraging him to do so.

SATTLER:

All right. Well thanks very much for your availability in 1996. You said you would and you've fulfilled that promise.

PRIME MINISTER:

And I will keep that pattern going in 1997 and I hope you have a very merry Christmas and an enjoyable, relaxed and comfortable new year.

SATTLER:

Have a good break too. I know you're going on holidays just like I am, for a bit at least.

PRIME MINISTER:

I am indeed.

SATTLER:

All the best to you and your family, Prime Minister.

PRIME MINISTER:

Thank you Howard.

SATTLER:

Thanks for joining us. John Howard, Prime Minister of Australia.