



20 February 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON. JOHN HOWARD, MP  
INTERVIEW WITH MIKE GIBSON - RADIO 2GB**

E&OE.....

**GIBSON:**

Prime Minister, good morning to you.

**PRIME MINISTER:**

How are you Mike?

**GIBSON:**

Pretty good, thank you. As I said I've been off for a day or two with a crook throat. Of all the politicians you've come up against, who do you wish had lost their voice?

**PRIME MINISTER:**

I think on occasions at the moment you think people should have lost their voices, but sometimes some of my colleagues who are talking themselves into trouble, but as you will understand because I'm talking about some of my colleagues that they better remain nameless.

**GIBSON:**

All right, before we get onto politics, let's talk front page news. What would you think if the President of the United States - what would he do if a team of long haired protesters crashed into his office, ordered pizza, refused to get out for six hours, used his telephones, drank his alcohol and generally... stuck a picture of him on a picture of Elizabeth Taylor (sic). What do you think he would do?

**PRIME MINISTER:**

Well, I'm glad you asked me about that. It obviously refers to the incident at my electorate

office earlier this week. The decision that my staff took to handle the matter in the way that it did, which has attracted criticism from the Sydney Daily Telegraph and from others, was based upon the certain knowledge was that what those people wanted more than anything else, in other words, what the long haired demonstrators wanted more than anything else was their pictures on the main stories of the television news that night, being dragged shouting and screaming from my office. That was their objective. In fact during the day some of my staff heard one of the ringleaders of the demonstration bitterly complaining that there weren't enough police there, there weren't enough cameras there and the impact of that was that the desired adverse news footage was not going to materialise. Now, that was their objective in handling it the way they did. I've discussed the matter at great length with them since. If that kind of incident occurs again, it will be handled quite differently and I have to say in defence of my staff...

**GIBSON:**

Did you give that instruction to you staff?

**PRIME MINISTER:**

No the decision in relation to that was taken by my staff, because I was at a Cabinet meeting but I defend the motives of my staff, I'm not going to turn around and dump on my staff.

**GIBSON:**

But don't you think it's backfired on them, because those protesters have got more publicity than they ever dreamt of?

**PRIME MINISTER:**

Well, look I understand... well, yes, but not very favourably. Look, I understand the puzzlement of people and the criticism - I accept that and I am concerned about it, but I want to assure the Australian...

**GIBSON:**

But we voted for you because we respect you and we respect your office. The people who voted for you hate those sort of protesters.

**PRIME MINISTER:**

I know that Mike.

**GIBSON:**

I mean, they are the people who wanted you to kick them out.

**PRIME MINISTER:**

Mike I understand that, and I want to say to those people that I am concerned about the perception that was inadvertently created that in some way I was relaxed about the occupation of my electorate office. I wasn't. I was concerned about the safety of my staff, I refused to sort of publicly disintegrate on radio about it because I don't think that's the intelligent thing to do. I have discussed it at great length with my staff. I want to repeat that their motive was to deny those long-haireds the public relations coup that they sought and that was to have angry footage on every commercial television bulletin in Sydney that night of them being dragged shouting and screaming obscenities about the alleged environmental rape of Port Hinchinbrook. Now that's what they wanted and they didn't get that, and the reason that my staff handled it they way they did was to deny them that opportunity, not to help them.

**GIBSON:**

But having said that you will now change you tack next time...should they be there again today.

**PRIME MINISTER:**

I can assure you that if this sort of thing happens again it will be handled very differently. But I do defend my staff, because their motive was not to be in any way relaxed about law and order, not to be in any way relaxed about the behaviour of these people but to deny them what they wanted and that was this angry footage on television bulletins that night. Now, often when demonstrations like this occur in politicians' offices some thought is given to denying the demonstrators the public relations goal they seek at the outset of the demonstration and that was the objective my staff had in mind. Now, the fact that in a publicity sense it hasn't turned out a 100%, I understand that, and I take the opportunity through your programme of saying to those people who were concerned that what happened indicated some ultra-relaxed attitude on my part towards demonstrations and law and order, can I tell them they couldn't be further from the reality on that. I'm not relaxed, I'm not happy about what occurred but I refused yesterday when the matter was raised with me until I was in possession of all of the facts and the circumstances to in any way dump on my staff. I don't do that. Their motives were in my view correct. They wanted to achieve a certain goal. The fact that as a consequence it was seen in an adverse light, well, those things happen, I regret that, I'm sorry about that, but let me assure the public that the purpose of handling it that way was not to indicate that in some indirect fashion I turn a blind eye to that sort of behaviour, I don't. No person in public life should ever do that but there was a reason for the decision taken by my staff and I defend their motives in taking that decision.

**GIBSON:**

You are coming up to your first anniversary in office. Your critics say you've done very little, that under John Howard Australia is stagnating. What do you say to them?

**PRIME MINISTER:**

Well, that's not right. I've done a lot. I've done all the main things I promised to do. I've changed the industrial relations law, I've got the sale of Telstra through the Senate. We are

going to have the biggest capital investment in the environmental future ever. I've made a lot of changes to help the small business sector. We have reduced the size of the budget deficit. We have, in prospect - and this is the advice of the Reserve Bank, which is an independent economic analyst - we have very strong business investment in prospect, the strongest we've had in 20 to 25 years. All of the official advice coming to the Government is that the economy will grow at a rate of about 3.5% over the coming year.

**GIBSON:**

But why aren't we spending more? Why are Australians so cautious? I mean, you're a Sydney bloke, Mr Howard. When a Sydney institution like David Jones is talking about closing down stores consumer confidence is lacking.

**PRIME MINISTER:**

You know what's happened I think - two things, and I think we have to understand this. The first is that Australians came out of the last recession with permanently changed attitudes towards spending. The last recession made Australian consumers hard-nosed and bargain hunting in a way that no previous recession had left the Australian community. And as a result the attitude towards consumption and the attitude towards spending the retail dollar has changed a lot. The other change is that peoples' taste, particularly amongst the young, are now very different. The young don't spend as much money on clothing. They spend more money on things like video games, CDs, everything to do with communications technology, they spend proportionately more money on overseas and domestic travel. And what I believe we have to adjust to in this community is a change in the buying preferences of the Australian public and also a change in the attitude of consumers towards achieving bargains. The other possible change - and it's too early to say it any more strongly - the other possible change is that people may be switching some of their buying intensity away from the pre-Christmas period towards other periods of the year. There is some indication from the comments of some of the major retailers that people are now spending proportionately more immediately after Christmas than they used to spend in the past.

**GIBSON:**

Now, you're seen as a decent, hard working bloke. What are you going to do for self-funded retirees. I mean, the bloke who's worked hard all his life. He's payed hundreds of thousands in taxes, he's put away enough so that he and his wife thought they'd never have to rely on the pension. Now interest rates are so low he can't afford to retire. What can you do for him?

**PRIME MINISTER:**

Well, I'm doing two things for him or her. The first thing I'm doing is I'm honouring a commitment I made in the last election and that is to give him the same tax break as pensioners on an equivalent income get. That was a commitment we made. The pensioners who get a bit of extra income have a special additional tax free area. And I am in two steps extending that to self-funded retirees and that was a promise we made in the last election. Another thing I'm doing for the self-funded retirees of course is, along with everybody else, giving them a tax break of their private health insurance, if they have it, as from the 1st of July this year. The other thing I'm doing in common with of course the rest of the community is

doing everything I can to keep this very low inflation environment which means that price rises are kept to a minimum and people have a level of price stability we've not had for 20 years. Now, I do understand the impact of falling interest rates on retired people. I am very sensitive to that. I know that when interest rates comes down, if you're a home buyer or a small business man you cheer your head off. But if you're a self-funded retiree you think - oh, that could be another cut in my income. And I have a lot of people who raise this with me quite frequently and the Treasurer has a lot people close to him who tells me he raised this with him quite frequently. So I want to say to any self-funded retirees who may be listening to this interview that I am particularly conscious, and just as we didn't forget them in the lead up to the election, we're not going to forget them now that we're in office because I know that falling interest rates is a double-edged sword.

**GIBSON:**

Now, you just mentioned the Treasurer. I know it's early days yet, but do you see this as a tough budget this year?

**PRIME MINISTER:**

It will be a budget that will make further savings...

**GIBSON:**

At whose expense?

**PRIME MINISTER:**

Well, I can't say at this stage. But we're not going to hit the vulnerable and the poor and the elderly. We're not going to do that. We didn't last time. I mean, we...

**GIBSON:**

When you say you're not going to hit the vulnerable, the poor and the elderly, that leaves the middle-class and the slightly better paid.

**PRIME MINISTER:**

Well, it also may leave some people who are getting things now that perhaps they shouldn't be getting.

**GIBSON:**

Like superannuation payments that you whacked last year, are you likely to whack them again this year?

**PRIME MINISTER:**

Look, I can't rule a whole lot of things in and out but the savings we've got to achieve this year are much less than the savings that we achieved in the last budget. And there is a

dividend for everybody in having a good budget. IF you have another budget that reduces the deficit then the prospect for the economy are made better. And there's no doubt that one of the reasons why we have had lower interest rates in the last year - and I recognise as I did a moment ago that that is a bit of a double-edged sword, but on balance it's a plus for the economy, a big plus - one of the reasons for that is that the Reserve Bank new it had a government that was willing to cut the budget deficit and felt it could safely and comfortably go ahead and cut interest rates. So don't anybody imagine that when a government brings down a budget that cuts spending in certain areas that that's all bad news because if the overall impact of the budget is good, and for the economy, and it helps it grow and it gives overseas investors confidence, there are a lot of flow through benefits for ordinary Australians in that.

**GIBSON:**

I always think with special guests like yourself Prime Minister that your choice of music quite often reveals quite a bit about yourself. Now, I understand that you are a Bob Dylan fan.

**PRIME MINISTER:**

Yes, yes, I was. Oh well, I sort of still am, but I mean I particularly was some years ago, yes.

**GIBSON:**

I would have thought a lot of your visitors to your office on Tuesday were probably Bob Dylan fans.

**PRIME MINISTER:**

You're dead right. People have often regarded that as rather contrary and ironic that somebody, such a conservative bloke as myself - conservative on a lot of issues - should have found the music of people like Bob Dylan, Joan Baez and others of that era and of that stripe, as far as the style of music is concerned, found that attractive that I did.

**GIBSON:**

Was it the music or the message?

**PRIME MINISTER:**

The music. The music mate, the music.

**GIBSON:**

All right, well I'll just give my voice a rest and we might listen to one of your favourites. The Prime Minister's asked for this one from Bob Dylan.

(TAPE BREAK)

**GIBSON:**

And there he is, Bob Dylan and '*The Times, They Are A Changing.*' And as the Prime Minister himself said, some people would be surprised at that being one of his favourite songs. Our guest is the Prime Minister of Australia, Mr John Howard.

**PRIME MINISTER:**

Could I just say Mike, while that was being played I've just been handed a copy of the Skilled Vacancy Survey released by the Department of Employment for the month of February and it shows that the Skilled Vacancy Index was increased by 0.7% in February. It's the fourth consecutive monthly increase. Now, I don't say we should jump over the moon about that. But what is encouraging is that this is yet another indication that the employment market may be getting stronger. We had better employment figures last week than many expected. We had that Morgan & Banks survey suggesting that people were more optimistic about putting on staff. We had the ANZ Bank employment index which also went up and now for the fourth month in a row the Skilled Vacancy Survey of the Department of Employment shows an increase. Now it's only a sign it could go into reverse next month, I hope it doesn't, but it is encouraging that you are now starting to see a number of indicators all pointing in the right direction. Now I don't want to put it any more strongly than that. But it's encouraging and I think one should always mention the good news because you always hear about the bad news.

**GIBSON:**

When you were in the gun the other week about your loss of memory, or alleged loss of memory, many listeners rang this programme to comment on the fact that last year you and your wife, Janette, were fighting your own personal battle and you were under a lot of stress and you gained a lot of admirers and she, particularly, gained a lot of admirers. How tough was it running the country, you'd just become Prime Minister and your wife at that stage was seriously ill?

**PRIME MINISTER:**

Well like anybody else it was something that knocked me around but I don't seek in any way to excuse any mistake I may have made in my job on a personal diversion - I don't seek to do that.

**GIBSON:**

No, I know. But she is a much admired lady your wife.

**PRIME MINISTER:**

Well she deserves it, I'm glad to hear that because the wives and husbands of people in public life have a lot of strain and pressure. Look, that was a very unhappy moment, unhappy time, as it is for hundreds of thousands of my fellow Australians who are placed in the same situation. And, of course, like anybody else with that kind of challenge I could think of nothing else for a few days which is only understandable.

**GIBSON:**

As I said Prime Minister she's a much admired lady. What is the thing about her that you love most?



**PRIME MINISTER:**

Well she's a tremendous companion and a very able person and I'm very fortunate to have somebody who's been willing to put up with the pressures and the vagaries of the kind of existence I live. But she's very dedicated, she's very committed and loyal to her family and she's also got a wonderful personality and is a highly intelligent woman and she's a great companion of mine as well as being my wife.

**GIBSON:**

When will we have a GST?

**PRIME MINISTER:**

Well we certainly won't have a GST in this term as I said we wouldn't.

**GIBSON:**

Are you in favour of a GST?

**PRIME MINISTER:**

Well I supported it when it was part of *Fightback* and I supported it many years ago when I was a member of the former Coalition Government. We went to the election in '93 under John Hewson with *Fightback* and that contained a GST. The public said no. Now whether I thought then or John Hewson thought then that was right or wrong that's what the public said. And in a democracy we said okay we accept the verdict of the public, we ruled it out for the last election and that is really all, I think you'll understand, I can say.

**GIBSON:**

Well you seem to be saying we won't have one this term but, you know, I'm not ruling out one for the next term which suggests we may have one next term.

**PRIME MINISTER:**

Ask me about next term when we approach it. We haven't got to one third of the way through my first term yet. Look, I understand the Australian taxation system is not perfect. I also think there is a danger in some people imagining that because we haven't introduced a GST and it's not on our agenda for this term - there's a view developing in the community of if it were introduced that would solve every problem we've got. You shouldn't imagine that any one change, if it were to come about, would solve all of the deficiencies or all of the short comings and weaknesses in the Australian economy. But I'm conscious of what I said in the lead up to the last election. Clearly as we get closer to the next election and I mean closer, as in the 12 months in the run down to the next election, people are entitled to know what our plans will be for the next term and they will ask me about that - not only in the taxation area but in a whole lot of other areas. But it's altogether premature to even think about what we might be saying that the time of the next election.

**GIBSON:**

The death of Deng Xiaoping this morning - you certainly won't get pushed off the plane to that one because foreign dignitaries haven't been invited. You're going up to China, I gather in Easter. Do you feel that his death is likely to herald any great change?

**PRIME MINISTER:**

No. The most interesting thing will be to watch any real line that are power influences by the people who are now completely in charge. He had no formal position but because of his immense power in the past and influence and because he's one of the great revolutionary figures of Communist China he continued to have great influence. He is the person who, more than anybody else, modernised China's economy so his economic legacy is a very powerful one. I don't expect it will make any fundamental change to either relations between Australia and China or relations between China and the rest of the world. China wants to have good relations despite the vast differences between her political system and that of the rest of the western world. That will go on. I'll be going there to convey on behalf of Australia a desire to continue a practical association between Australia and China. We are different societies - ours is a open democratic one, theirs is quite different. But we do have a lot in common economically - China invests more in Australia than any country outside the PRC at present other than Hong Kong which is quite a significant thing that a lot of Australians don't appreciate. And there are literally hundreds if not thousands of businessmen from Australia who have invested in China and, indeed, quite a lot of business men and women which to come on a delegation when I go to China at Easter as part of furthering their business links with that very big country which, of course, is growing at a rate which no other country is achieving at the present time. It's growing at a rate of around eight to ten per cent at least a year which is quite extraordinary. Now it's off a very low base and their living standard is still very, very low by Australian standards but it's a big player China and everybody has to factor China in. I believe you can have an association with a country like China which recognises that we must agree to be different. I mean, we are a free open society and I don't retreat for a moment from that in discussions with the Chinese - that's why I saw the Dalai Lama. On the other hand there's an economic interest in Australia having good relations with China and I think we have to be pragmatic about that as well.

**GIBSON:**

All right well you talked about the big players and just before you go, Prime Minister, talking of players - those you'll be watching, I know, are the Australians who are outsiders to beat South Africa in the upcoming test series. Last two questions - firstly can we beat the South Africans and secondly, can you possibly legislate to stop Mark Taylor from chewing gum?

**PRIME MINISTER:**

(Laughter) ...I'd get dragged before the international court of justice if I tried to legislate...

**GIBSON:**

By Wrigley's.

**PRIME MINISTER:**

Yeah, by Wrigley's indeed. Look, can we beat - yes we can. I was very pleased that Mark got some runs against Western Province a few days ago. I understand why the South Africans start favourites and it will be a tough call. But we still have some, we have a half a dozen star players in that team who on their day are still amongst the best in the world and if Taylor strikes form, the two Waughs and Bevan and Hayden is playing extremely well at the present time and, of course, that's not to leave out our great leg break bowler, Shane Warne. You know, it's still a classy team and if it does hit its straps it can surprise the South Africans. They're a class act too. They've done wonderfully well in cricket since their isolation ended, they really have and it's been very admirable, they're very focussed - to use the modern jargon - and very committed. But our blokes are quite capable of really turning on a great performance and I'm optimistic and I wish them luck and I'm particularly delighted to see Mark Taylor, notwithstanding the chewing gum, back in form and amongst the runs.

**GIBSON:**

All right you talk about returning from isolation I guess that's what you and the Libs have done and many Australians will say you haven't done to badly either at this stage with your first anniversary coming up. Thanks for your time this morning.

**PRIME MINISTER:**

And I hope the throat gets better.

**GIBSON:**

Thank you very much.

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