



20 March 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
AM PROGRAMME WITH FRAN KELLY**

E & OE

KELLY:

Prime Minister, we've just heard Sir Julius Chan say that he expects the trouble in PNG, the stormy seas to subside now. Do you share his confidence?

PRIME MINISTER:

Well I certainly hope so. I understand what a difficult situation the government of that country has. We have very close links with Papua New Guinea. We want to preserve them. We want to help. We also have deep reservations about the use of mercenaries in Bougainville. It seems as though some of the mercenaries at least may be going home. If that is indicative of an overall change then I warmly welcome that because we have always seen the use of mercenaries as a bad idea - bad for Papua New Guinea, bad for peace prospects in Bougainville, and certainly bad for the whole region. So I hope that they are all going home. Philip Flood, the head of the Foreign Affairs Department in Australia, is now in Port Moresby as my emissary. He will talk to Sir Julius today. I spoke to my counterpart yesterday and arranged for the emissary to go there. Our offer of alternatives is still very much on the table and I hope that that offer is seriously addressed. And I would expect to be in contact with Mr Flood during the course of the day. Our High Commission is monitoring the security situation very closely. We naturally have an eye to the physical well-being of Australians in Papua New Guinea. There is no evidence, no evidence, I repeat today, to suggest that there's any danger to Australians but we'll keep that situation under very close attention.

KELLY:

I'd like to come to the offer in a moment. But just in terms of the fate of the mercenaries there does seem to be some confusion. We just heard some are out and believe their contracts are terminated. Yet Sir Julius last night said the contract still

stands but he'll discuss it at a special Cabinet meeting. Do you have any understanding or intelligence of the fate of the Sandline mercenaries and that contract?

PRIME MINISTER:

I don't know much more, indeed, I don't know anything more of substance than what's been on the news. And it is a matter for Papua New Guinea to decide what happens to the mercenaries. I mean, we expressed a view to the government. Our dealing is with the government of that country. It's an independent sovereign country. The indications are that there has been some change and I welcome that. But ultimately that's a matter for the government of Papua New Guinea and particularly for the Prime Minister.

KELLY:

So you got no word or indication on that from Sir Julius when you spoke to him yesterday?

PRIME MINISTER:

We talked about a number of things but it's one of these situations that's changing quite rapidly. There's obviously been some change, some shift of attitude - that's good. But it is a matter ultimately for the government of that country and it's not my role to interfere and I'm not. It is my role to state the strong view of my Government, which I have, and that has been consistent and clear right throughout. It was clear when I met him in Sydney last Sunday week. It was clear when I spoke to him yesterday and it remains quite clear. I'm sure it's the right position. But I do have three very trusted senior officials in Port Moresby now and I'm sure that they will very faithfully represent my view and put my position in discussions with Sir Julius.

KELLY:

In effect, isn't the special envoy and that delegation you sent to PNG last night, can't it be a face saving device for Sir Julius? I mean, his troops are essentially on strike and won't go into Bougainville alongside the Sandline personnel. He could now mask a decision to withdraw the mercenaries or terminate that contract as a trade-off for some kind of increased aid package from Australia - is that the plan?

PRIME MINISTER:

I don't have some kind of...I have no Machiavellian plan. I'm using open orthodox methods of dealing respectfully with another sovereign country. And that is, you talk to the Prime Minister of that country, you then send trusted people to further investigate and if subsequent discussions at another level are necessary then those discussions will take place. It's not a question of providing this or that device for such and such an outcome. It's a question of dealing in good faith. And I've dealt in good faith. I've said all along our friendship for Papua New Guinea is strong and enduring. Our desire to help is very strong. But we have an absolutely implacable opposition to

the use of mercenaries and that has been openly stated all along. Now, I've dealt in good faith and I'll continue to deal in good faith.

KELLY:

You've mentioned several times now the alternative options you've discussed with Sir Julius. Can you tell us whether more aid money and more military assistance from Australia are part of those alternative options?

PRIME MINISTER:

No I can't. I discussed them with Sir Julius and we've continued to talk about them in the...there was some correspondence between us after our meeting in Sydney last Sunday week and I spoke about them on the phone yesterday. But for reasons I ask you to understand, I'm not going to go into the detail of those alternative approaches. He understands very clearly what they are and no doubt they will be the subject of discussion between him and the Flood mission in Port Moresby today.

KELLY:

Does he like the options?

PRIME MINISTER:

Well that's a matter for him. I'm not going to prejudice the prospects of a very satisfactory outcome - I mean, I don't know whether we're going to have a satisfactory outcome. I'm trying, and what's at stake is more important than the immediacy of detail.

KELLY:

Well, in terms of some details first - can you rule in or out now the option of Australian peace keepers in Bougainville?

PRIME MINISTER:

Well I'm not going to get into ruling things in and out. But let me say this in very broad terms - the Australian Government is always very careful about making any commitments regarding the deployment of Australian forces.

KELLY:

Foreign Minister Alexander Downer said yesterday that there had been perhaps failure in terms of the military defence co-operation agreement between Australia and Papua New Guinea. Is there room or is there a need or responsibility on the part of Australia to offer some kind of increased assistance and backup to PNG?

PRIME MINISTER:

Fran, right at the moment a delegation personally representing me is in Port Moresby. They may in fact be making arrangements as we talk to meet the Prime Minister. I am not going to sort of give answers to those sort of hypothetical questions.

KELLY:

The question on the ground Prime Minister, this morning in PNG, would appear to be who's in charge of the military? Some seem to be only taking orders from Brigadier General Singirok. While the situation remains like that, it must be extremely volatile. Is that the intelligence you're getting, that the situation there is dangerously volatile?

PRIME MINISTER:

Well it is self-evidently a bit volatile although I...

KELLY:

A bit?

PRIME MINISTER:

Well it's, once again there's a responsibility on all of us, particularly somebody in my position to deal honestly with questions like that, but equally not use the language which is too colourful for the occasion. The sight of looting and the sight of any rioting in streets is always disturbing. On the other hand, this country has struggled very gamely in difficult circumstances to maintain democracy since it gained its independence from Australia in 1975, and I think we should admire the attempts of that country to preserve the democratic process. It does seem to me that the military leadership in Papua New Guinea is taking a very responsible attitude towards disorder, civilian disorder. There appears to be no attempt by the dismissed Brigadier General Singirok to encourage any kind of open rebellion and that's to be applauded, and other senior officers seem to be taking the same attitude. That's very important but it is a difficult situation. We welcome the signs that it is returning to greater stability and greater normalcy and we will do everything we can, consistent with respecting the sovereignty of the Government in that country to bring that about because it's in our interests to have a stable, peaceful, prosperous and united and harmonious Papua New Guinea.

KELLY:

But can you tell me whether the advice you are receiving through our diplomatic channels is indicating that the stability that Sir Julius was referring to is in fact returning or how concerned are they?

PRIME MINISTER:

There are mixed signs. I think the indications in the last little while is that there is a determination by the authorities to maintain order and that things are quieter.

KELLY:

Okay. Prime Minister, if I can come back home now. Tonight you meet the Premiers and Chief Ministers ahead of tomorrow's Premiers' Conference. The last time the Premiers came to Canberra they left in extremely acrimonious circumstances or in a bad mood anyway, and Federal/State relations haven't quite recovered since then. Will you go easier on the States this time? Will you guarantee them no further cuts to their financial assistance grants or their special purpose grants?

PRIME MINISTER:

Well I've made a, well, the Treasurer on behalf of the Government has put an offer, a financial offer to the States in accordance with the normal practice. It's not really appropriate for me to detail that publicly but let me put it this way, the offer that we are putting is reasonable. I am not a man who welches on deals. I don't welsh on deals made with the Australian public and I don't welsh on deals made with Premiers.

KELLY:

I think the deal the Premiers are a bit worried about is, or the future rather, in terms of their special purpose grants. Can you indicate whether they will get their way?

PRIME MINISTER:

I repeat what I said. I mean, there's no such thing as welching on a future deal.

KELLY:

Okay. You will discuss Wik with the Premiers tonight. There are increasing demands from a number of fronts for extinguishment of native title, many of them coming from your own back bench. The National Party has warned that anything less than extinguishment of Native Title on pastoral leases will cause more trouble than the gun debate did for the Coalition in the bush. How can you satisfy these demands from within your own ranks?

PRIME MINISTER:

I am working very hard with everybody who is involved in this to see if we can achieve an agreed outcome that delivers justice to all of the parties who have a stake in it and also security to titleholders and that includes farmers as well as others. Now I don't know whether it will be possible to achieve that. I have to say that the level of goodwill between the parties has been greater than I expected. There has been a lot of contact between different parties that hasn't seen the light of day and that contact continues. I am going to keep trying hard and if at the end of the day I can't achieve

an agreed outcome, and I underline the word "agreed" and it's got to be an outcome that does deliver certainty and security to the pastoralists who were understandably shocked by the High Court decision in the Wik case. It went against the assurances of the former Government. It went against the understanding of most people and they are understandably very upset and disconcerted by it.

Now I am working hard to see if I can get that. I am not going to respond to every tiny little story in the newspapers and of course people representing rural Australia in particular feel strongly about this. There are Liberals who feel strongly about it. There are National Party members who feel strongly about it. There ought to be Labor Party members feeling strongly about it as well because it's a very difficult problem. My responsibility as Prime Minister is to try and get an outcome that unites the people involved, that delivers on those two criteria. We've made some progress but we've still got a distance to go. I am not going to say now precisely what I will do if we can't get the agreed outcome because that will prejudice the prospects of getting it. Let me say to the farmers of Australia, I won't let you down. I make that very clear. I am not going to sell out the pastoralists of this country. But most of them, I am sure, will accept that I have a responsibility to govern fairly for the Aboriginal community of Australia as well. I have got responsibilities to all sections of the Australian community and I think we have made some progress. There is a desire on the part of people involved to achieve an outcome that they can all live with. Now if they can't I will put certain advice to the Government about what should be done. I have a very clear view about that. I have said that I would like to be in a position to go one way or the other by about Easter. Now if that's achievable, that's fine. If we're within striking distance of something by Easter, I'm not going to quibble about another two or three weeks but it can't go on indefinitely and it won't.

KELLY:

Prime Minister, thank you very much.

PRIME MINISTER:

Thank you.

ends