



PRIME MINISTER

6 May 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE. HON. JOHN HOWARD MP
RADIO INTERVIEW - AM PROGRAMME WITH FRAN KELLY**

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KELLY:

John Howard, Mal Colston has turned on you. He says you've thrown him to the wolves and he will vote against your legislation in the Senate. Doesn't this threat bear out what critics of Colston have been saying since he defected that his vote is for sale and he votes not on principle but according to favours?

PRIME MINISTER:

What are you suggesting, that he's now been bought by the Labor Party?

KELLY:

Well I'm just suggesting that...

PRIME MINISTER:

This outburst by Senator Colston throws up a very interesting challenge to Mr Beazley. They are now going to take back the vote of the person who they have been attacking in public, calling a rorter, saying should be out of the Parliament. Are they going to repeat in 1997 what they did in 1983 and continued to do by re-preselecting the man, in other words, despite their sort of retrospective distaste for what he's done, be perfectly happy to take him while he supports the Government, supports the Labor Party.

KELLY:

They say it's their vote anyway, that he shouldn't be there.

PRIME MINISTER:

If he's as bad as they claim, and let me say, I think the man is entitled to his day in court, he's entitled like any other Australian to a presumption of innocence. We did the right thing. We sent the matter off to the police, something Senator Evans, then Senator Evans and Mr Beazley deliberately refused to do in 1983 and we've also said in the circumstances we won't accept his vote. Now if that means that the Government has a tougher time getting legislation through the Senate, so be it, because it was the right thing to do and the right thing for the Labor Party to do would be to duplicate what we've done but I am certain the Labor Party won't because the Labor Party will behave without any principle at all on this whole issue.

KELLY:

But if he's turned on you because, as he says, you've thrown him to the wolves because you've stopped looking after him, does it raise the prospect that you had offered him something in the past that had convinced him to support you?

PRIME MINISTER:

Fran, the allegations about his travel rorting, alleged travel rorting as far as I am concerned arose after he had been elected as Deputy President. The Labor Party knew about it beforehand, I didn't. The first...

KELLY:

But he had been voting with you on most...

PRIME MINISTER:

I am sorry, the first, the critical thing is the first I knew about any of these allegations was in January or February of this year. Kim Beazley and Gareth Evans, the leader and Deputy Leader, knew about them 14 years ago and did absolutely nothing and only turned feral when Senator Colston no longer supported the Labor Party. Look, we've been over all of this. I think the public is bored with the Colston affair. They want it investigated by the police. They want the man to have his day in court. They don't want him to continue as Deputy President and they want the Labor Party to behave with a bit of principle on the issue.

KELLY:

And you're saying that even if he makes good his threat and votes to block all your important legislation in the Senate, you still won't join those currently calling for him to quit the Senate.

PRIME MINISTER:

Well he can't be expelled from the Senate. He's entitled to a day in court in the same way as Carmen Lawrence is entitled to a day in court. Nobody is suggesting that

Carmen Lawrence should be thrown out of Parliament. She's been charged with something. This man has not even been charged with anything. You can't tear up the rule book no matter how bitter you may feel about the party political defection. We do have the rule of law in this country and it's important at a time like this when emotions run high and people are running around saying somebody has done this or that. It's very important that people remain a bit calm and follow the rules and the rule is that he is entitled to a presumption of innocence and the Labor Party should support that rule in relation to him as they support it quite promptly in relation to Carmen Lawrence.

KELLY:

All right, another problem for you right now is Pauline Hanson and her One Nation party. Two polls out today show her Party making a significant dent in your support. The AGB McNair poll showing One Nation second preferences flowing to Labor at a rate that would bundle you out of office if there was an election now. Do you concede still that she's not, I mean do you concede now finally that she's not a passing phenomenon, that she is a problem?

PRIME MINISTER:

Those polls don't surprise me. We are going through a period at the moment where the Government is quite understandably preoccupied with two or three issues which are not of immediate relevance to all of the voters. I mean one of them is very important to Aboriginal people and to farmers, that's the Wik issue, but we've been tied down preparing the budget and I think it's inevitable that at this time of the electoral cycle that people will sort of say to themselves, you know, what on earth are they getting involved with all those sorts of things. The fog around those issues will clear very quickly. Next week's budget will I think cut through and next week's budget will be very good for jobs, it will be very good for small business and it will be very good for the regions of Australia. But we have to work our way through these other issues and I think the other point that's got to be made is that there were enormous expectations as there are when you have a government replacing a government that's been in power for a long period of time, and I know there are some people out there who voted for us in March of last year who would have liked to have seen more change but the changes that we have brought about are working their way through the economy, particularly in areas like small business, and I think the real benefits of them will begin to be felt towards the end of this year so I would say to some of those people who see in the simplistic nostrums of somebody like Pauline Hanson some kind of alternative deliverance from some of the current day difficulties to understand that she doesn't have any solutions at all. I haven't heard her articulate one intelligent alternative policy and as my colleagues have indicated, now that she's holding herself out as a party leader, any comments that she makes that are damaging to Australia, that are wrong, will be attacked by me and my colleagues in the same way as statements of that kind made by members of the Labor Party.

KELLY:

Just in terms of how you will make that attack, last week you stopped short of labelling Pauline Hanson's views as offensive yet your Foreign Minister described them

as divisive and offensive and your Treasurer said her plan was both divisive and vicious. Do you agree with those descriptions?

PRIME MINISTER:

Look, I use my language, they use their's but...

KELLY:

But what is the language, how would you describe her?

PRIME MINISTER:

Anybody... anybody...well, it depends what particular view. I thought some of the things that she said in her maiden speech were wrong and I said so at the time. Her claim that Aborigines were not as a group disadvantaged is palpably wrong and I, although I disagree with the claims made by the Aboriginal people in relation to many of their claims in relation to the Wik debate, nobody can deny they do suffer social disadvantage. Look, it is a question of attacking the merits of an issue. I understand why some people are attracted to her simplistic nostrums and my job as Prime Minister is to point out the error of her arguments, the damage some of her ideas would do to Australia if they were implemented but also to understand why at a time of very great social and economic change, why some people in the community with good will would be attracted to some of the things that she's saying. I think the other thing that you've got to remember is that one of the features of 13 years of the Labor Government was the imposition without the opportunity of debate by what did amount to a political elite in this country on the Australian population of views that many people in the community simply didn't accept and felt that they had been denied the opportunity of debating. I think some of the people who have been superficially attracted to Pauline Hanson are people who resented that process very strongly and I must say that I identify with that and I understand that. But her answer is an answer that would cause damage to this country. I mean, you can't appear inward looking, you can't run policies that, however you might superficially explain them away, do appeal to prejudice within the community. That kind of conduct for any political figure in Australia is quite irresponsible.

KELLY:

I guess the simple question for you then is would you categorise those simplistic nostrums, to use your word, as divisive?

PRIME MINISTER:

Well some of them are, yes. Others are just simplistic nonsense. I mean, I heard her yesterday say that we'd organised the riots against her, or the demonstrations. And can I say in relation to that to people: don't demonstrate in an ugly fashion against her any more than you should demonstrate in an ugly fashion against anybody. All it does is to boost the stock of the person against whom you're demonstrating. If you want to hinder Pauline Hanson, don't demonstrate against her.

KELLY:

She is causing some problems for you on your backbench though, doesn't she? I mean, some of your backbench want you to stop attacking her because many of their constituents like what she's saying, others want you to step up the attack and finish it off. How will you reassure your backbench on Pauline Hanson?

PRIME MINISTER:

Well I think you just have to behave in a sensible fashion. You have to take the approach that I've taken on this interview this morning. Condemn the silly statements, condemn the statements that don't help Australia but recognise that the people who are superficially attracted to her are not themselves bigoted or racist. And those terms are flung around far too easily in this country, it's been a constant complaint of mine for a long time now that those terms are used quite unfairly. This is a tolerant, open minded, liberal country which has received people of all races into its ranks and absorbed them very very harmoniously and I do not support this overuse of such perjorative terms. And it was the overuse of those perjorative terms over a long period of time under the former government which has produced some of the attitudes within the Australian community which people are now talking about.

KELLY:

One of your backbenchers, Liberal MP, Bill Taylor, who's been a strong supporter of you in the past, accused you yesterday of not having...accused the Government under your leadership of not having enough backbone, said if the Government was doing more - then voter dissatisfaction wouldn't be leading people off to Pauline Hanson. How concerned are you that members of your own backbench are openly criticising your leadership like this?

PRIME MINISTER:

Well, I don't know if that was openly criticising my...

KELLY:

You don't think it was - not enough backbone...?

PRIME MINISTER:

...anyway, you can say it. Look, I don't think it, you can say that if you want, that's fine. Look, I'm not overly concerned about that. I understand why people say that because...

KELLY:

Why?

PRIME MINISTER:

Well, because there were huge expectations of overnight change and when you don't control the Senate and when you, I think, make the mistake of allowing, as we have done over the last year, unreasonable criticisms of the pace of change from within our own ranks to go unanswered, then I think perhaps that view builds up. I do want to make it clear this morning that the process in the past year of turning the other cheek when people on our own side take gratuitous swipes at what we have done, those days are over.

KELLY:

What will you be doing now if that...(inaudible)?

PRIME MINISTER:

Well I will be pointing out the enormous changes that this Government has achieved. I mean, look at the taxation area...

KELLY:

Are you talking about people within your backbench or John Elliott or business leaders?

PRIME MINISTER:

I'm talking generally and you can draw your own conclusions about the people to whom I am referring. I just want to make it clear - in the area of taxation, two things. We made a solemn promise to the Australian people that we wouldn't have a goods and services tax in our first term and people who constantly call for that in our first term either want us to break that solemn promise or are being deliberately unhelpful. The other point I make is that in areas like capital gains tax reform for small business - this has been a reforming government - from the 1st of July this year you will have the biggest tax break in the capital gains area for small business that this country has ever seen. You've seen provisional tax relief. You have seen a \$1 billion family tax package. From the 1st of July this year there will be a \$630 million incentive for Australian families to take out private health insurance. Now, that's in the taxation area alone. So I want to make it clear that one of the things I will be doing now is pointing out a lot more vigorously, and my colleagues will, what this Government has done.

KELLY:

Will you be taking action against members of your backbench if they continue to talk out?

PRIME MINISTER:

No, I'm not taking...I'm not taking action. I don't engage in that sort of...people are free occasionally, particularly when there's so many of them, they're free occasionally to express a point of view providing it is broadly consistent with the good fortunes of the Government. I think the backbench, given the size and given the difficulties of the decisions we've had to take, have been incredibly supportive, incredibly well disciplined and incredibly well committed and strongly committed to our goals.

KELLY:

All right, well another issue likely to flare on your backbench, I understand this morning, is cross-media ownership. You've indicated you favour relaxing the rules that would...

PRIME MINISTER:

Well I have indicated that there's quite a strong case for it but we haven't taken any decision.

KELLY:

Your backbench committee on communications has come out publicly arguing for more diversity. How can you reassure them that your rules won't result in further concentration, in other words wouldn't result in Kerry Packer for instance owning both Channel 9 and Fairfax?

PRIME MINISTER:

Well, these are matters that we will in the proper way discuss with the backbench. I haven't had any discussions with them yet but we will deal with media policy in the way that we always deal with these things. We discuss them in Cabinet and if there is a position for change then that proposed change will be discussed with the backbench committee and media laws, if there are to be any changes, media laws will be treated no differently from any other proposals.

KELLY:

And would the Australian independent newspapers consortium that you met yesterday, would that group be a suitable owner of Fairfax in your view?

PRIME MINISTER:

Well that would be a matter I guess for the shareholders and current owners of Fairfax.

KELLY:

Were you impressed by their consortium?

PRIME MINISTER:

Well, I have been the recipient of many callers in the last few weeks about this issue. I did see them. I saw Mr Cameron O'Reilly from the O'Reilly group; I saw Tom Burton of the Parliamentary Press Gallery representing the journalists; I've seen Mr Stokes; I've spoken to Mr Murdoch; I've seen them all. Now, they all put their own point of view. This is an area where people are not shy in promoting the self interest which I understand and I respect and what we have to do is to take a decision on whether the current law, which on one argument is quite restrictive should be changed. But I understand the arguments about diversity, I hear them. I also understand the fact that you have a special law in relation to the media and there are many people in the community who argue that it should be dealt with in accordance with the ordinary competition law of this country and it is a bit peculiar that the two wholly Australian media companies of any size in this country, namely Mr Packer and Mr Stokes' companies are prevented from bidding for any of the assets of John Fairfax under the present law. Now, that's the argument for change. The argument against change is that if you bring about fewer players then that has a greater concentration and therefore that is against the public interest. Now, they are things that we have to weigh up and we have to try and set one off against the other. I don't think it is something that should be approached in a sense of paranoia and we will take a decision which we believe is in the public interest. I know that whatever decision we take will not be popular with some people.

KELLY:

Mr Howard, we'll have to leave it there. Thank you.

PRIME MINISTER:

Pleasure.