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Interview with the Prime Minister, John Howard

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**NATIONAL SEVEN NETWORK,
FACE TO FACE 9.30AM
SUNDAY, MAY 18, 1997**

**DISCUSSION ON NATIVE TITLE LEGISLATION, THE
NATIONAL PARTY LEADERSHIP ISSUE, ECONOMIC REFORM
AND MEDIA OWNERSHIP. INTERVIEW WITH THE PRIME
MINISTER, JOHN HOWARD.**

STAN GRANT - PRESENTER:

Good morning again. John Howard could be forgiven right now for contemplating that old saying about not pushing too hard for what you want, because you just might get it. Certainly the Prime Minister, if he was ever in fact in any doubt, must now fully appreciate the difficulties of office. Mr Howard would've hoped to have been out selling his budget, one he trumpeted as a political circuit breaker.

Instead, he's back out on the stumps selling his Wik plan, and still ticking away is the time bomb of media ownership. Add to that, Pauline Hanson's popularity, high unemployment and even criticism of his own leadership and you have a picture of someone perhaps anything but relaxed and comfortable. The Prime Minister joins us this morning, along with our panel, Seven's Glenn Milne and Anne Davies from the Sydney Morning Herald.

Prime Minister, good morning to you.

JOHN HOWARD - PRIME MINISTER:

Good morning Stan, how are you?

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**SEVEN NETWORK LIMITED****GRANT:**

I'm ... I'm very well thank you. Yesterday you were out at Longreach. I suppose into the lion's den. You've weren't how... howled down though. What's your reaction to the response you received?

HOWARD:

I thought it was a very very good meeting. I didn't expect them to stand and cheer because they've been fed an enormous amount of misinformation by people who, I think, are being a little mischievous. It was a first class opportunity for me to get across the guarantees that the ten point plan gives to Australian pastoralists, and all in all, I was very pleased about the outcome. I didn't expect them to overwhelmingly endorse, but I think I made an impression and Tim Fischer and I felt well pleased after the meeting.

We ... we had an opportunity of talking to them directly and to give them a lot of assurances. I was amazed, absolutely amazed, at the level of fear and misinformation.

GRANT:

Well ... well let's deal ... deal with that. Because I saw someone last night, a woman with a couple of children on her hips, saying she didn't know how she was going to ... to feed the children in the future.

HOWARD:

Well ... I mean this is ... this is it. I mean there is ...

GRANT:

Where's that coming from?



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HOWARD:

Well I ... it could be coming from extreme groups who are pedalling this information and if they are, they ... they you know ... they deserve to be ... to be criticised and ... and ... and exposed because they are ... those people yesterday were decent hard working Australian men and women and if they did have those genuine fears, then that is ... is a terrible condemnation of people who've spread those sort of lies. Because in no way is anybody's title at risk. In no way can anybody, even if nothing is done about the Wik decision, can anybody be driven off their property. But we are going to do something about the Wik decision.

We're going to wind it right back. Not as far as they might want us to go, but we are certainly going to wind it back. But can I just say again, nobody can lose their farm, nobody can lose their pastoral lease. Nobody can be prevented from carrying out their pastoral activities and an expanded range of primary production activities. And they can do that without having to get the permission, or the approval of any Aboriginal native title claimant.

GRANT:

Personally, the ... the fact that you were ... you were out there on the weekend, just so soon after the budget, having to ... to sell the ... the Wik proposal. Some have described you as fog bound by the whole ... the whole Wik issue. I think there was one headline yesterday describing you as ... as "nowhere man" because of the various [indistinct] ...

HOWARD:

Well I was somewhere yesterday and ... and I think the whole of Australia know I was somewhere.



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GRANT:

Are you ... are you fog bound by ... ?

HOWARD:

I think ... I think yesterday actually was a ... was a good, old fashioned exercise in face to face politics. I ... I think political leaders ought to get out of the television studio, you know, pardon your presence, ought to get out of the television studio a little more often and actually go and talk to people who are affected by something.

I mean, there were fifteen hundred to two thousand people there yesterday. They'd come from all over north Queensland, some from the Northern Territory, some from New South Wales, some from Western Australia. They feel deeply about this issue. They are entitled to hear from their Prime Minister and Deputy Prime Minister about it and so far from yesterday's experience discouraging me from face to face contact with people, it's actually renewed my belief in the value of it.

GLENN MILNE - SEVEN NETWORK:

I don't think there's any doubt though Prime Minister that some people out there probably feel that you've been preoccupied with the wrong issues, even though Wik is obviously a very weighty and important one. Now that you've got the legislation through the party room, it's going into the Parliament. Will you now back off selling Wik, or are you still going to continue?

HOWARD:

No, I think ... no, look I'm not going to back off doing anything that's important. But I think now that it's through the party room, the political interest in it will be less because everybody now knows it's government policy and I'm not going to change it. And the legislation is being drafted at the present time. I'm going to get



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HOWARD CONT/D:

the legislation ... involve legal representatives of the interest groups in having a look at the legislation when it's drafted and naturally I'll involve the party in that process as well.

But we have determined a course, it's a fair course, it's the right course and I'm going to keep going on it. Obviously, it's not going to be as preoccupying over the next few weeks as it has over the past few weeks. But this idea that being prime minister is only about the budget, is only about industrial relations, is only about cutting things, or about the taxation system, has always been wrong. Getting Wik right, getting native title right is very important to the long term economic future of Australia, but it's also important for the social cohesion of the nation.

We have to get the balance right. The pendulum has swung too far in the direction of Aborigines in the argument. What I'm trying to do is bring it back in the middle, but I'm not going to push it back over the other side because it needs to be in the middle, and that's what I think Australians want.

MILNE:

Prime Minister you say that you're very determined on this issue. You won't brook any changes in the Senate.

HOWARD:

Mmm.

MILNE:

If the Senate does try to substantially amend ...



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HOWARD:

Yeah.

MILNE:

... the Wik legislation. What will you do?

HOWARD:

Well we won't agree with any substantial amendments. I'm not going to have the plan watered down. I mean, if there are things at the margin that don't make any difference, of course we'll have a look. But I'm not going to have it watered down. But what we do is something we'll decide if and when that ... that ... that arises.

GRANT:

One of the things that has been raised, a possibility of a ... a double dissolution on this iss... issue . Are you prepared to go that far?

HOWARD:

Oh look I'm not going to say what we'll do if the Senate were to knock it back. Tim Fischer and I have had a discussion about that and we've got a very clear view of what our response might be. But for reasons ...

GRANT:

Is it some ... something you can discuss?

HOWARD:

No, Tim and I have discussed it. Of course we have. Tim and I are working together very closely on this and it was a great ... great privilege to be on that platform with him out in Longreach yesterday. He's a terrific deputy leader and he's done a superb job as Leader of the National Party.



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MILNE:

A referendum Prime Minister?

HOWARD:

Oh I just ... Glenn I'm not going to speculate.

GRANT:

But yet you ...

HOWARD:

Try as you may, we ... we've given ...given it a lot of thought and we have a view. I hope the Senate will agree with what we're putting up. Mr Beazley should agree with what we're putting up because it cleans up the mess that his former government left us with.

GRANT:

You ... you mentioned Tim Fischer. Of course, the ... the whole native title issue has caused great divisions within the National Party. We'll come back after the break and just deal with that.

COMMERCIAL BREAK

GRANT:

Prime Minister John Howard is our guest on Face to Face. Prime Minister, just before the break you ... you mentioned Tim Fischer, you were in Longreach with him yesterday. Rumblings within the National Party about his leadership, what would your message to National Party MPs be to the ones who were trying to destabilise Tim Fischer's leadership?



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HOWARD:

Well I think they're crazy. I mean, I ... I just can't believe ... we waited for thirteen years to get into government. We've been in government fourteen months and these characters are running around talking about leadership. I mean, you've got to be joking.

GRANT:

How seriously do you take them?

HOWARD:

Well I ... I ... I noted at the end of last week the ... the absolute anger of the great majority of the members of the National Party towards a few and I ... I think his leadership is very solid. He really has done a great job for the bush and he's done a terrific job for Australia as a trade minister and he's very highly respected in the business community.

I noticed when I had that fourteen person business delegation with me in China, how warmly they spoke of the job that Tim Fischer is doing for Australian exporters. He's always out there, getting a market, pushing an Australian product. Now that's his job and anybody who criticises his leadership is ... is politically stupid and has no understanding of the absolutely invaluable job that he's doing for Australia. I think it's just a touch of, what shall we call, autumn madness.

ANNE DAVIES - SYDNEY MORNING HERALD:

But hasn't there been a breakdown of trust between yourself and the National Party organisation over Wik? I mean, how are you going to repair those relations?



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HOWARD:

Well at the end of the day on our side of politics, we talked to the organisation, we consulted, but we're not instructed by it and it's as simple as that. Now I've ... I spent Friday evening with the Federal President of the National Party who's a pastoralist in Queensland and I've a very good personal relationship with him. He's a very pleasant individual, Mr MacDonald. We've had a slight difference of policy on this, but that's part and parcel of the ... of the process and he indicated to me on Friday night that he thought the whole idea of the visit to Cloncurry and Longreach had been very good and that the smaller group we met on Friday night ... there was a lot of shifting of opinion during that discussion. Because for the first time I think they really understood the protections that are in the plan.

But you have these sorts of things along the way. You've got to involve the organisation. You've got to talk to it. But at the end of the day, the people who have been voted into office, that's Tim Fischer and myself, have got the authority and the responsibility to take decisions.

MILNE:

Prime Minister, if we can turn now to the budget.

HOWARD:

Mmm.

MILNE:

One of the most negative reactions seemed to come from, what I would term, one of your natural constituency groups, the Business Council of Australia. I think Stan Wallis, the President, said that he didn't think the Government had a great deal of strategic vision. How did you respond to that?

**SEVEN NETWORK LIMITED****HOWARD:**

Well I was a little puzzled at that, for two reasons. Firstly, all of the things that we said we were going to do before the election, industrial relations reform, capital gains tax relief for small business, family tax reform, health insurance rebates, all of those things have been ticked off. And one of the things the Business Council has been very strong about is reducing the budget deficit.

I mean, we did inherit a deficit of ten and a half billion, and by the end of our first term we'll have a surplus of one point six billion. Now that is a spectacularly successful implementation of what the Business Council has been on our back about for a long time. And it's made all the more puzzling to me by the fact that at the same time as I'm being criticised by the President of the Business Council, that very same body is asking the Government for spending measures and tax concessions that would total four to five billion dollars a year.

MILNE:

What ... was this in their pre-budget submission?

HOWARD:

No, no in a submission they've put to another government inquiry. They want the restoration of DIFF, they want the restoration of the R&D tax concessions that were paired back in the last budget, they want the restoration of the tariff concession change - incidentally DIFF and the tariff concession we promised to do in our election campaign - and they want a four to five per cent tax rebate on exports.

Now, all of those things in their own right, I suppose have merit, but where's the money coming from? Now where do you find another four to five billion dollars and



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HOWARD CONT/D:

isn't it a bit contradictory on the one hand to be saying to the Government, cut the deficit, but give us a four to five billion dollars extra? Now you ... you can't, I mean ... a government has got to strike a balance, and ... and where does that money come from? I mean, we have already cut what people would call middle class welfare, the HECS charges, the nursing home charges, all of those things that were implemented in the last budget represented a ... a heavy targeting of the government dollar. Now there's a limit beyond which you can't go otherwise you do start cutting into the genuine social safety net and I've got to strike the balance. I have obligations to all of the Australian people.

MILNE:

You talk about striking a balance, could we just turn to industrial relations?

HOWARD:

Mmm.

MILNE:

Ian McFarlane, the Governor of the Reserve Bank said this week that he felt there's more to be done on labour market deregulation. You're now looking at further changes to the unfair dismissal laws, do you think there's another raft of changes to IR legislation coming through? Is that your plan?

HOWARD:

Well I think it's a ... a ... I mean, we don't sort of have a ... a ... have a bag, a second wave in the drawer, but it's ... it's an evolutionary process, you always have to be looking at further changes. But this debate about IR, we really have to sort of stop perhaps talking in code. If you're talking about cutting minimum wages, which I



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HOWARD CONT/D:

I'm not, then people who involve themselves in the debate should say so. They shouldn't say, well we want further industrial relations reform. If ... if what you mean is, we should cut the minimum wage in the hope that if the wages bill of employers is lower, then they'd be able to employ more people. If you're not meaning that, we'll ... you should specify what you ... what you ... what you really do mean.

I think there's a lot of sort of double talk in this whole industrial relations debate because most of the major changes, other than getting rid of the minimum wage, we have made. Now I made it clear before the last election that we were going to guarantee a safety net, as far as the minimum wage was concerned, and that was the take-home value of the ... take-home pay value of the award. Now, I'm not going to walk away from that. I'll make other changes. I'll entertain any other changes, but that rock solid guarantee that I gave in relation to the take-home pay under the award stays, and I'm not going to compromise that or walk away from it.

GRANT:

Prime Minister if I could just ... just take ... take a short break there. We'll come back after this and deal with the other area of reform that's been called throughout the community, taxation reform. Just after this.

COMMERCIAL BREAK

GRANT:

Welcome back. Our guest this morning, Prime Minister John Howard. Prime Minister, before the break we were talking about industrial relations reform. The other arm of reform, taxation reform, something you've ruled out during this term



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GRANT CONT/D:

of ... of government, but is it something you'll be looking at further down ... down the track, particularly, the issue of a GST?

HOWARD:

Well I wouldn't yet start getting time specific about that, but there's no doubt that at some stage, sooner or later, we will have to reform the Australian taxation system.

GRANT:

Does ... does that include revisiting a GST [indistinct]?

HOWARD:

Well you can't ... you can't have a reform unless you look at all of the options. Now, I can't deny that in the twenty or so years that I've been in politics, I ... I have been over the years a consistent supporter of tax reform. I think of all of the people that are, you know, have had a bit of an influence and a bit of a say in Australian politics over the years, I've been a more consistent supporter of tax reform than most. And ... but we made a commitment about this term of government, quite precise commitment, and I'm ... I'm obviously very conscious of that and I ... I intend to honour that commitment.

But if you ... if you're saying to me, do I envisage the Australian taxation system remaining as it is for the next five or ten years, I'd have to say no.

GRANT:

The ... the other area of course of ... of change, a bit more imminent perhaps than tax change, is in media ownership. Will James Packer get his Christmas wish and own Fairfax by Christmas?



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HOWARD:

Well we're having a look at the changes. I mean, this is a very interesting debate. Everybody's got a view. I think perhaps we ought to have a new ground rule on this debate that ... that journalists who have a very strong personal view in this ought to declare their positions before they write columns, or ask questions, or give interviews because there's a lot of ... I mean, James Packer and ... and Kerry Stokes and others are out there openly stating what their view is.

I think it's also fair to say that many working journalists, quite rightly, and I ... I don't for a moment contest their right to have a view and to lobby for that point of view, which many of them are now doing. But I think the public ought to know where they stand when they make comments on these things and offer opinions and views. Because it's not just the Packer's and the Stokes' and the Murdoch's who have a view on this, journalists have a view on it as well. They're entitled to have those views, but we are entitled to know their views as well as know [indistinct]...

GRANT:

We ... we actually have someone here who perhaps could be ... could be affected ...

DAVIES:

I'm a Fairfax journalist and I have a strong view about it. What is the urgency to move in this area?

HOWARD:

Your view is what?



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DAVIES:

Well, I ... I don't think that we should have further concentration of media ownership.

HOWARD:

You're against any change to the laws?

DAVIES:

Ah, I think the law's worked pretty well at the moment.

HOWARD:

You ... you'd like to leave them as they are?

DAVIES:

Yeah, well I think it's interesting in the US and the UK, they have cross media laws. I just wonder what's different about Australia that we feel the need to get rid of our cross media laws?

HOWARD:

Now, well we haven't taken any decision on it. We are going to examine all of the options and we're listening to your views as ... as well as reading your views on it which ... and we're listening to the views of other people, including Mr Packer and Mr Stokes and Mr Murdoch and Mr Price of the ... of IEL, who's got an interest in Fairfax. I mean, it's a ... it's a very very interesting debate and it'll perhaps go on for a little while longer before we take a decision.

There's a lot of opposition in Australia to a further concentration of foreign ownership. I understand the argument about diversity. I think diversity of opinion is very important and there are some newspapers in Australia that have great diversity



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HOWARD CONT/D:

of opinion within them. If I could be forgiven for quoting your opposition number in Sydney and that's the Sydney Daily Telegraph, that paper has an enormous range of views within its borders. Whereas some other media outlets, like the ABC on political and social issues, tend to have too narrow a spectrum of views and it's one of my criticisms of the ABC that it doesn't have a ... a right wing Phillip Adams, if I could put it like that. If the ABC had a greater spectrum of views, then I think a lot of people would feel that it was a ... a better disbursement of the taxpayer dollar. But their views tend to be so predictable, you ... you can almost close your eyes and say, well I know what the ABC's going to say.

GRANT:

Prime ... Prime Minister, we'll have to pause there. We'll come back after the break and perhaps we can ask you questions again [laughs].

HOWARD:

Sure, okay.

COMMERCIAL BREAK**GRANT:**

Prime Minister, welcome back. A lot of talk about ... cent... centring around the media ownership issue, is talked-about deals and that certain people are going to ... to make a big killing out of any change to media ownership rules, including Michael Kroger, reported to be receiving something in the range of a seven million dollar bonus if the media ownership rules are changed in favour of Kerry Packer. What do you know about that deal?



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HOWARD:

Nothing. I do know that Michael Kroger has a consultancy with the Packer organisation, but if you want to know how much they're paying him, or how much he's getting, go and ask Kerry Packer or ...

GRANT:

That ... that sort of ... that sort of speculation ...

HOWARD:

Well hang on, hang on, hang on, hang on. He's an individual.

GRANT:

Also a former heavyweight of the Liberal Party.

HOWARD:

I ... I ... I ... yeah well I know him. He is entitled to make a living like anybody else. But look, I don't know. Go and ask him. Don't ask me, I ... I don't run Michael Kroger's private affairs. I haven't spoken to Michael Kroger for some weeks and he's got a consultancy, everybody knows that, he's not disguised ... what it's worth and so forth, I haven't the faintest idea. I don't know.

GRANT:

There's no ... no conflict there that he ... he ...

HOWARD:

No conflict?

GRANT:

... a ... a big winner and a former heavyweight of the Liberal Party?

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HOWARD:

Well how's that a conflict? I mean, there ... therefore you're saying Graham Richardson shouldn't work for Packer, you're saying that somebody's who's had a past political association shouldn't ever come onto this program. I mean, in twenty years time if I retire from politics and want to become a TV interviewer, you mean to say I can't do that?

GRANT:

Well you almost just did a moment ago. [laughs]

HOWARD:

Well I'm practising.

MILNE:

Prime Minister, interesting to hear that you're not going to be Prime Minister for twenty five years, but just [laughs] ... just to revisit the tax issue for a second.

HOWARD:

[laughs] Yeah.

MILNE:

Obviously you can't go into the next election foreshadowing a GST or ... or ... or exactly spelling out the kind of tax reform that you might get into in the next term. How will you deal with that as a political problem? Is there a structure you've got in mind for ...



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HOWARD:

Oh it's a long way off, Glenn ... [indistinct] ... we're not having an election for quite a while, I really haven't given it any thought for that [sic]. I was just making the obvious comment that I don't see the Australian taxation system remaining static indefinitely, but I'm conscious of what we said before the last election and I'm not going to walk away from that commitment, and it remains rock solid. But looking forward, you have to acknowledge that the Australian taxation system is less than perfect and I don't know how anybody can argue otherwise and I've certainly always been, in the long term, in favour of quite fundamental change and reform. But it's a question of ... of timing, it's a question of explanations, it's a question of balance.

GRANT:

Prime Minister in parliament you can afford to run over time. Unfortunately in television, we don't have that ... we don't have that privilege. Again, thank you very much for coming in here this morning. Our thanks to the Prime Minister, John Howard and also to our panel, Seven's Glenn Milne and Anne Davies of the Sydney Morning Herald.

Our thanks also to you for joining us. Don't forget all today's big stories, Seven Nightly News at six. I'm Stan Grant, enjoy the rest of your day.

END OF SEGMENT