

29 May 1997

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**TRANSCRIPT OF THE PRIME MINISTER
THE HON. JOHN HOWARD MP
RADIO INTERVIEW WITH JOHN STANLEY - RADIO 2UE**

E & OE.....

STANLEY:

Mr Howard, good afternoon.

PRIME MINISTER:

Good afternoon John.

STANLEY:

Tell me first of all, this task force, what will it aim to achieve?

STANLEY:

It was a recommendation to me by Maurie Rudd and the delegation of steel workers, really to be made up of community representatives to advise me directly on some of the social as well as economic implications with a greater emphasis on the social of what is occurring in Newcastle. It was a very useful meeting. I didn't make any foolish promises that I wasn't able, I wouldn't be able to deliver. I will go to Newcastle, probably at the end of June or early in July. A number of my Ministers have already been there and we are of course matching the \$10 million that the NSW Government has made available. I guess one of the most interesting things that Mr Rudd said to me was that the steel workers of Newcastle and their families were not interested in this issue becoming a political slanging match. I think that's right. I am not going to spend the next few months berating the former Government for the situation and I think what the people of Newcastle are interested in is practical assistance not false expectations. I can't wave a magic wand but they did put a number of ideas to me and I have undertaken to examine all of those ideas to try and get some further information and to come back to them.

Newcastle is in a sense a metaphor for some of the problems we face in Australia as we go through this restructuring phase and the impact of the globalised world economy and the difficulties of areas of manufacturing industry and we have to work through what solutions we can find and I am very conscious of the social as well as the economic implications of what is happening in Newcastle and indeed what is happening around Australia in other industrial areas.

STANLEY:

So do you believe in globalising our economy and restructuring our economy we've actually gone too far, that we've actually gone ahead of some of our trading partners?

PRIME MINISTER:

John, I don't think you have any alternative. We are a people of 18 million and if we are to survive, we have to trade, we have to sell, we have to find buyers for our products, we have to expose ourselves to competitive forces. We have to do it in a clever, intelligent way and whoever is in power in New South Wales or in Canberra is dealing with certain forces that we have to take account of. Now there is always a balance to be struck and it's no good just sort of uttering phrases like industry policy and so forth without having a clear idea what you mean by that. Obviously, if you run the economy well and you have low inflation and falling interest rates you

encourage investment. We've had some very good investment figures over the past few days and many features of the Australian economy are very strong.

STANLEY:

Isn't there a perception abroad though that we've stripped away protection from our industries and it's no longer a level playing field, that many of our competitors still have their tariffs up much higher than ours and that we're allowing people with much lower wage rates to flood the country with cheap products that are competing with those that we're making?

PRIME MINISTER:

That's the sort of statement that is sort of half right and half wrong. It is true that there are some countries whose wage levels are so low that we can't in wage terms compete with them. That's right. On the other hand, there are a lot of benefits of opening up our economy. We have been able to sell things into Asian markets that we wouldn't have dreamt of selling before. I mean, you have had industries like the dairy industry that has lost all its protection yet has now booming exports in a situation that people wouldn't have dreamt of ten years ago. I mean, I can remember as a member of the Fraser Government the dairy industry seemed to be in intensive care the whole time that we were in Government for seven years, yet now, without protection and without the support of old subsidised policies it's now quite a strong industry and we've had some market access successes in relation to other products. Manufactured exports are the fastest growing side of export markets so it's a mixed picture, John.

STANLEY:

Yes I chose the word carefully, I said there was a perception abroad and I just wonder if...

PRIME MINISTER:

Easy, I mean, it's a very understandable perception because it's an attractively simple proposition to say, protect everything, you save jobs, you keep Australian industry. Now obviously we shouldn't be foolish about it. Obviously we shouldn't try and be world leaders in cutting protection. We should be world leaders in being competitive. We should be demanding that other countries match what we do and that is a perfectly legitimate thing to do. We will face in the next little while a decision on the motor vehicle industry. We will have to make a decision in the next little while what we're going to do with the Productivity Commission report. Now that will require a fine balance and...

STANLEY:

Now you met some of your own backbenchers today, didn't you?

PRIME MINISTER:

We had a party meeting and it was a very good meeting and I invited people to express their views on this issue and there's a wide spectrum of views as you might understand. People who represent rural electorates traditionally don't like protection for manufacturing industry because the cost of it is borne by their constituents and Australian farmers are the least subsidised, least protected, most efficient farmers in the world and therefore they say, well if we have to survive in global markets then we don't like paying the cost of somebody else's protection. Equally, members representing Adelaide electorates and industrial electorates and of course having such a big back bench now, we represent most of the country and we're not just a party of sort of traditional conservative areas in rural Australia so it is a very, very difficult debate. It's not one that will be solved by simple slogans from Pauline Hanson, Simon Crean or indeed anybody else.

STANLEY:

But I would have thought at the moment politically you've got her, you've got the Labor Party, the Democrats, everyone lined up against you in terms of what does seem to be politically a rise in protection of sentiment?

PRIME MINISTER:

Well what we have to do is sensibly work through each situation. I mean, it is no good giving away something unless you get something in return. Also you have to recognise that some industries, no matter how much you protect them, can't survive. Now, I'm not talking about the steel industry, quite the contrary, I can't imagine this country without a strong viable steel industry and equally I can't imagine Australia without a strong viable manufacturing industry.

STANLEY:

So on the proposal to further reduce protection for the car industry you've still got an open mind?

PRIME MINISTER:

Well, we are very, you know, much looking at that thing at the moment and I don't want to disclose my thinking but can I say this, that I'll be influenced by determination to preserve a strong Australian motor manufacturing industry and I'll be very conscious of the employment situation in South Australia and I am working towards getting a policy position on that which is sensible for the whole country but also takes those two things into account. Now, people will judge the quality of that decision when it comes out.

STANLEY:

When will we get that?

PRIME MINISTER:

Oh, it will be fairly soon - I don't want to tie myself down - in the next, sort of, couple of weeks...quite soon...

STANLEY:

I know you're juggling a few balls at the moment. Can I just ask you about cross-media ownership laws. There's a proposal reported for newspapers...or for television proprietors in the larger cities to be able to own one newspaper. Can you confirm that that's being looked at?

PRIME MINISTER:

A whole lot of things including that is being looked at, a whole lot of things. But some of the reports in the paper this morning were hairy but others were a little closer to the mark in terms of option. It is still something that is being talked through and talked through very carefully. There's a view that we have high levels of foreign ownership. There's also a view about diversity. One argument is that you should have a bit more diversity of ownership in the newspaper area. But we are still considering a series of options but it is something that is being debated inside the Government, not only in the Cabinet but also in the backbench committee. Media policy always involves a fair amount of debate and always generates a great deal of interest.

STANLEY:

Yeah, I'm just interested in the foreign ownership aspects. I think I've heard you say before you didn't think you'd entertain any increase in foreign ownership. Are you now a bit more flexible in allowing perhaps...

PRIME MINISTER:

Look, I don't want to pre-emptive as to what we might do. I mean, obviously there are quite high levels of foreign ownership and the aggregate level of foreign ownership in the media is something that everybody would want to keep an eye on. But we are looking at a range of options.

STANLEY:

But with the possibility of increasing 15% to 25% foreign ownership...?

PRIME MINISTER:

I don't want to either confirm or deny that.

STANLEY:

Okay. Can I just ask you just one other thing. There is a suggestion this morning, and certainly the events in the Senate, don't all go well for your 10 Point Plan on Wik - would you consider a double dissolution on that issue?

PRIME MINISTER:

Oh look, I'm hoping that the Senate will support the plan, I really do. Because it's the only way out of this awful dilemma. I mean, we can't leave the *Native Title Act* as it is. With the best will in the world towards the Aboriginal community, and I really do mean that, the Wik decision went far beyond what anybody expected, even the Aborigines. They didn't expect the High Court would say that pastoral leases and native title might co-exist.

STANLEY:

You wouldn't relish fighting an election on it though would you?

PRIME MINISTER:

I don't want to, sort of, pre-empt what we're going to do. I mean, I hope your question is hypothetical. I want to resolve this issue by getting our legislation accepted but equally I can't have it hacked around by the Senate so that it becomes unworkable. Now, I don't want to start talking about what might happen if it's knocked back. I still hope to persuade the Labor Party to see the sense of supporting our 10 points. I mean, the Labor Party must think very hard about this and put aside emotional arguments and just think very hard what is the sense in the Labor Party blocking something that will end some of the uncertainty. I mean, we have rejected blanket extinguishment. I mean, you saw me go to Longreach in Queensland and argue the merits and resist some of the pressure that was being put on me on blanket extinguishment and I've said no to that. And equally I have to say with the best will in the world to the Aboriginal community that the 10 Point Plan preserves all of the principles of native title. It does represent less than what they got from the High Court in Wik. I don't make any bones about that. But I think and I believe the community thinks that Wik went too far and you've got to pull the pendulum back and that really is what the 10 Point Plan does.

STANLEY:

Just on the Stolen Generation Report - I think you're going to have a formal response in about a month - is there still a possibility that you'll consider the recommendation there for a more formal apology?

PRIME MINISTER:

Look John, our situation is that we have said we're not supportive of compensation and may I make the point that the Labor Party, when it was in power, chose to fight the case in the High

Court claiming compensation in relation to children who'd been removed in the Northern Territory - the so-called Kruger case - and all of the facts of that would have been known to the government of the day. We're going to look at all of the recommendations and we're going to give a considered response.

STANLEY:

Just on the formal apology part though, is that still a possibility?

PRIME MINISTER:

Look, look, there are...we're looking at all of the recommendations. We've made it very, very clear that we're not supportive of compensation and in that sense we're exactly the same as what the Labor Party was when it was in government. I don't really want to go any further.

STANLEY:

Okay.

PRIME MINISTER:

I noted incidentally that Sir Ronald Wilson, the Chairman of the Human Rights Commission, said today that he understood that it was a very big report and that the Government had to give a considered response. It is a very difficult issue. I have read very large sections of that report and it is gripping. It's very depressing. It's very disturbing reading. On the other hand, as I've said, the notion that our generation should begin to accept legal liability and liability for the deeds of earlier generations, particularly if they were sanctioned by law, opens us up into a whole new...well, I mean, where does it end? Do you start getting people who are in adoption situations bringing claims for breaches of their human rights? I mean, there has to come a time when you've got to focus on the future and the best way that we can help people who were affected by those things is to help them now and into the future. And there are a lot of recommendations in the report which are directed towards and I would imagine that in those areas...

STANLEY:

I think we're out of time Mr Howard. I appreciate your time. Thank you very much.

PRIME MINISTER:

Okay.