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**PRIME MINISTER**

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
PRESS CONFERENCE, WALDORF ASTORIA HOTEL  
NEW YORK, U.S.A.**

**29 June 1997**

**E&OE**.....

**PRIME MINISTER:**

Ladies and gentlemen, I just wanted to give a very quick briefing on what lies ahead over the next couple of days.

This is the end of the visit to America but a very important part of it. I'm here in New York to do one overridingly important thing and that is to drive home, to what is not only the financial capital of the United States but also the financial capital of the world and therefore the repository of a large number of very well cashed up investors, just how strong and attractive the Australian economy is at present, to tell the investors of New York, over the next couple of days, of the attractions of the Australian economy, of our very strong growth prospects, of our low inflation, of our lower interest rates, of our strong productivity and the very strengths that were volunteered in my discussion with the Chairman of the Fed, Alan Greenspan.

This is, of course, a community that contains investors who are largely responsible for the fact that the United States invests more in Australia than any other country in the world. There are a lot of similarities between the United States and Australia economically at the present time. There are some dissimilarities but the similarities far outweigh the dissimilarities. And I do want to spend the next couple of days directly selling the real success story of the Australian economy; the attraction of the Australian economy and its enormous strengths; the stability of the foreign investment climate and the fact that we are committed to a continuing program of microeconomic reform; that we have opened a very important debate on taxation reform - which if it is brought to a successful conclusion and I certainly am determined that it will be - if it is brought to a successful conclusion it will make the Australian economy even more attractive and even more open.

So, whilst this is the end point of my current visit over seas no part of the visit is more important than the time I'm spending in New York because it relates very directly to perceptions within the United States of the strength of the Australian economy.

I'll also take the opportunity of attending a major foreign policy forum tomorrow night and delivering a speech on Australian foreign policy, not only its American aspects but also its other aspects. Significantly, I'll actually be on the floor of the New York Stock Exchange when the hand over of

Hong Kong to China takes place and I'll have the opportunity of viewing the hand over on the floor of the Exchange. I might point out that the Australian Government stance in relation to attendance at the hand over ceremonies appears to have gathered some support although perhaps at a slightly lower level from both the United States and the British Governments. They will now be represented at those hand over ceremonies by their respective Consul Generals. The difference between Australia and others has been that from the very beginning we were direct and up front about it and recognise the common sense of making our contribution to ensuring that the hand over was attended by as little controversy as possible.

Could I also just mention another matter unrelated to my visit to New York that I think it will be of some interest. You will remember that when I was in London I was approached by Ken Colbung concerning the return of Yagan's Head and I'm happy to report that in the week that has gone by we have made some progress on that issue. We've had advice from the Liverpool Council authorities in the United Kingdom that it would be possible to exhume the remains from the site, so to speak, without disturbing the graves of the children that we were concerned about before. There are still some permissions to be sought in that connection but we have made some progress. It would be upon two understandings. The first is that the cost of exhumation and return of the remains would not be born by the British authorities and I'm, of course, more than willing to offer, on behalf of the Australian government, that the cost would be borne by the Australian Government and also the authorities for understandable legal reasons being completely satisfied that the claim of Mr Colbung, which has been the subject of some dispute and some doubt from other Aboriginal people and if that is unambiguous, now that is something that we will have to attend to. But whilst it is not yet wrapped up we have made some real progress and I do want to thank the British Government and the Liverpool Council authorities for their co-operation. We naturally are willing to bear the cost and I hope that the other formalities can be completed and this can be arranged.

**JOURNALIST:**

Apart from the tax reform debate, what other aspects of microeconomic reform will you be discussing while you're here?

**PRIME MINISTER:**

Well, I'll be talking about the advances that have been made in the work place relations area, the privatisation program. I'll also be driving home the value of the pro competition policies. I think the biggest piece of unfinished economic reform business, if you can ever finish economic reform, and you probably can't, but if you believe you can I think the biggest piece of unfinished business in Australia is undoubtedly taxation reform and it's a very very important element of what lies ahead.

**JOURNALIST:**

...trying to sell the Telstra privatisation to the executives of Wall Street?

**PRIME MINISTER:**

Well, I won't be sort of trying to run my own rival road show. I'll leave that to the other experts but I will certainly be pointing out that an aggressive and sensible privatisation program is a very, very, important part of our economic armoury and if Mr Carr and

Mr Eagan want any help in relation to the New South Wales electricity privatisation, as well as being willing to address the comrades of the Left Wing back home, I might put in a few words for it as well. It is a very big privatisation. I hope it goes well.

**JOURNALIST:**

...what are you going to do about Geoff Prosser?

**PRIME MINISTER:**

Mr Prosser has made a full statement to Parliament and Mr Fischer and Mr Costello have indicated the Government's position in relation to that and I support everything that they have said and done. I don't believe that Mr Prosser has breached the guidelines. Mr Prosser has made a detailed statement. I'm not aware of any allegations, of new allegations of substance as distinct from new allegations which have been made since his statement.

**JOURNALIST:**

...(inaudible)...the guidelines state...(inaudible)

**PRIME MINISTER:**

That was beautiful - the tenor and the base. Take your pick, Glenn.

**JOURNALIST:**

Can I refer to the guidelines Prime Minister? The guidelines state that you should not have an apparent conflict of interests, that you should not have a conflict of interests and that includes keeping an arms length distance from your business - any business you conduct. How can you conceivably say under those circumstances that Geoff Prosser has not breached the Ministerial code?

**PRIME MINISTER:**

Well I don't believe that the guideline dealing with daily contact, in daily involvement in his business, has been breached.

**JOURNALIST:**

...(inaudible)...

**PRIME MINISTER:**

Well, it's a question of looking at the totality of it and if you look at the totality of it I think it is fair to say that the ongoing business decisions were made by others, including his brother, including the manager. To assert otherwise in relation to Mr Prosser is to essentially assert that somebody has to utterly and completely put out of their mind any kind of private business involvement that they may have when they become a Minister. I think that is an unrealistic thing.

**JOURNALIST:**

What about a Minister lobbying about parking lots... to stop a rival setting up....?

**PRIME MINISTER:**

Well, I think the explanation that Prosser has given is adequate and I accept it.

**JOURNALIST:**

Isn't there a double standard that Senator Herron couldn't keep his hand in with operating?

**PRIME MINISTER:**

Well, the guidelines are really quite specific about that. I mean it has always been the case that over the years guidelines have imposed a tougher, stricter on people in professions, than they have in private business and that goes a long way back. I mean, when I became a Minister it was accepted, this is years ago, that I couldn't remain a partner in a legal firm. One of the reasons for that is that you're opportunities, the potential for conflict of interest is far more recurrent and far more likely. The purpose of that guideline is to ensure that people devote their proper energy and time to the conduct of their ministerial affairs and I don't believe that on the basis of the information that has been given to Parliament that Mr Prosser has failed that.

**JOURNALIST:**

But why is it appropriate for Mr Moore to have to sell off his shares so that he is not involved in those decisions, but Mr Prosser can make 119 interventions on behalf of his company..

**PRIME MINISTER:**

Now, when you say 119 interventions, I mean 119 discussions. I mean if you have a discussion with somebody over morning tea at the weekend you're calling that an intervention? I don't think it is.

**JOURNALIST:**

How important is the perception of conflict of interest?

**PRIME MINISTER:**

Well, perceptions in politics are important. So is the substance and the reality of it and if I were of the view that Mr Prosser were not devoting his proper attention to his ministerial duties then I would have taken a different view.

**JOURNALIST:**

Is he on his last chance Mr Howard?

**PRIME MINISTER:**

Oh look, that is not an expression that I've used.

**JOURNALIST:**

Can he keep behaving in the same way as he has been....?

**PRIME MINISTER:**

Look, I will expect him to behave properly. I am not going to say.. I mean I choose to answer that question in that way because if I answer it in another way a certain erroneous assumption will be made about the basis of the response.

**JOURNALIST:**

Mr Prosser was forced to opt out of a conference last week because it was seen as being in conflict with his business dealings - doesn't that mean that his really continuing that portfolio is untenable.

**PRIME MINISTER:**

Well, I'm not sure that's an accurate description of what happened but I have had conflicting reports about that and until I am satisfied as to precisely what happened I'm not going to comment any further. I think it is a bit inappropriate to get into the detail of that when I am in New York and others are in Australia. I am happy... I've addressed the principle of the thing but to get into the detail of it, I mean, I just don't quite know the basis of that and I'm not certain that all the reports were completely accurate. There may have been a mistake in one of the reports that you've heard.

**JOURNALIST:**

Is there a conflict though and doesn't that mean that you would have to...?

**PRIME MINISTER:**

No, the whole purpose of one of those guidelines is to, is not to pretend that conflicts of interest can't arise, but to make sure that proper arrangements are made if they do arise to ensure that not only that decisions are taken properly but they appear to be taken properly. The mean the whole idea of making a declaration of potential conflict of interest is based on the proposition not that from time to time a conflict may not arise. I mean a conflict of interest could arise in relation to anybody who's in a Ministry because a decision the government is going to take could affect them in a particular way or a small class to which they belong in a particular way unlike any other section of the community and it's not that once a conflict of interest arises you've got to resign. It's a question of whether you make proper arrangements to ensure that the public interest takes precedence over the private interest in the making the decision. That's the whole purpose of having declarations.

**JOURNALIST:**

Have you phoned Mr Prosser ...?

**PRIME MINISTER:**

I've not spoken to Mr Prosser personally. No, I've spoken to Mr Fischer and I've spoken to Mr Costello. I've spoken to them on a number of occasions. Of course I have, but I've not personally spoken to Mr Prosser no.

**JOURNALIST:**

Would you accept though that this issue is causing a problem for your government? There is still a perception that Mr Prosser....

**PRIME MINISTER:**

There are issues all the time for a government. He has made a very detailed statement to Parliament and I regard that statement as having covered the matter very comprehensively.

**JOURNALIST:**

Are you disappointed in the way he has behaved Mr Howard?

**PRIME MINISTER:**

I support him. I have confidence in him.

**JOURNALIST:**

Mr Howard, I think you said before that you're hoping that the debate on tax reform will be successful ,..... What do you mean by that? That there is tax reform?

**PRIME MINISTER:**

Well, what I mean is I want tax reform. I want significant tax reform but I want tax reform that will match those three criteria: more jobs, more exports and more investment and savings incentives. Now, I believe that you can deliver tax reform that will match those goals and I am very committed to doing it, very strongly committed to doing that. I hope that over the weeks and months ahead we can have an intelligent debate. If the Labor Party wants to go back into the 19th century on the subject of taxation reform or seek comfort in what happened in 1993 well so be it. But we are very committed to having an intelligent debate, but it's got to be a sensible debate and not one that's sort of hung up about a particular form of taxation reform, but taxation reform that delivers on those three fronts. I mean they're the constant criteria. They're the ones that really matter.

**JOURNALIST:**

What's the next step in the process?

**PRIME MINISTER:**

Well we have had a Party Room discussion and when I get back I and my senior colleagues will be discussing various ways in which the debate can be handled from now on. I don't want to go into those various ways because somebody will then try and decide that I have a particular preference. What we are endeavouring to do is to promote in the community a mature and sensible and rational debate which essentially says to the Australian community, we have come a long way, we have enormous potential, we have the fastest growth rate amongst comparable countries in the OECD area, faster than the G7, we've got low inflation, low interest rates, we still have considerable distance to go in reducing unemployment and that remains a very big challenge. And let's see if we can get a descent debate going on taxation reform because by common consent we have an inadequate taxation system. It does rely too heavily on personal income tax. It does rely disproportionately on a narrow inequitable form of indirect taxation - that's the wholesale sales tax. It does operate in a penal way against exports. It therefore works, in my view, against job creation. Let's see if we can in a mature fashion have a debate about a better system. Now, I know people will criticise us and say well it's dangerous, its politically dangerous. Everything is politically dangerous that involves a bit of reform. I think the Australian public has got a more mature view about tax reform. They deep down feel that the present system is not right. Although they may have had concerns a few years ago, I think they also feel that if it is handled differently and the benefits are understood then I think they may take a different view. But we're certainly going to devote a lot of energy to this because - it's not the only thing that we are going to devote energy to. But it's certainly a very important development of economic reform.

**JOURNALIST:**

Mr Howard, do you think investors here might think it's strange that you're not really going to do anything on this issue until after the next election?

**PRIME MINISTER:**

No, I don't think they will think that's strange at all. I mean, I think what investors look for very hard headedly is the best place in which to invest. They don't get their sort of political science slide rule out and say well you know this is smart or this is dumb. They say is the inflation rate low, is it a stable

investment climate, is growth good, is productivity improving, are they tackling the major issues? I think that is what the investors do.

**JOURNALIST:**

When will the Australian people have an idea of what proposals you have in mind?

**PRIME MINISTER:**

Well, in proper time. I'm not going to put a week or a month on that, Michael. It's, look the problem with answering those sorts of questions - I can say that it might be by such and such, you then write it down. And then you say Howard's failed to meet deadlines. Shock, horror. New crisis looming.

**JOURNALIST:**

What role do you see the States playing in this debate? They have their own concerns about the tax system.

**PRIME MINISTER:**

I think they will offer views. I think they will offer a lot of views on it. Part of the debate is obviously the balance between the Federal Government and the State.

**JOURNALIST:**

Why do you think the US unemployment rate has been so low compared to Australia's rate?

**PRIME MINISTER:**

Well, I think the American economy historically has been more flexible. The American economy has always had, for decades, a more flexible approach to wage levels. I mean one of the differences between the United States and Australia is that the United States does not have the same commitment to a guaranteed safety net in relation to minimum wage levels. Now, I think the Australian ethos is different than that of the United States in this area and this applies whether you are a Labor government or a Liberal government. We do have a tradition, it's part of our fair go tradition of saying that there should be proper minimum levels. Now, you can argue about where the level is. And you could argue about the relative contribution and I don't think there is any magic in a particular level but the concept of having guaranteed minimum wage levels, it is deeply part of the ethos and in a sense Australian's have decided that it is very important that if you get work that you get decent wage levels. Now, I'm not saying that the wage levels here are indecent. I'm not saying that at all. It's just that there is more downward flexibility in that area, but it's been there for a long time. Now, we are in a sense, half way between the American and the European approach. Absent perhaps the recent British experience. But the rest of Europe has very, very high levels. I mean they have chronically inflexible labour markets which have made a huge contribution towards their very high levels. Now, what I want in Australia is something that is increasingly more flexible but something that preserves the value of the Australian tradition of a fair go and a decent safety net. I don't want people on the streets of my country, of our country, who are victims of a system that's perhaps not as benign as we in the Australian tradition would like. Now, I say that recognising that there are so many enormous attributes of United States society, of the United States economy, that we could learn from, but in the end you've got to apply the values of your own country and you're not slavish followers of the doctrines of any one country overseas.

**JOURNALIST:**

...any developments in the debate over media ownership while you've been abroad?

**PRIME MINISTER:**

You mean any developments? Well, I don't think... I haven't spoken to Senator Alston is that's what you're saying.

**JOURNALIST:**

I was talking more about discussions with media bosses?

**PRIME MINISTER:**

Well, what's on your mind?

**JOURNALIST:**

I just wondered if you'd discussed the matter with Mr Jamie Packer?

**PRIME MINISTER:**

Well, I saw Mr Packer, yes I did. I saw Mr Packer and I saw his father.

**JOURNALIST:**

How many times did you see them?

**PRIME MINISTER:**

Well, I saw them twice. I saw them at the cricket and then they asked to have a word with me and we had a cup of coffee together at the Savoy Hotel.

**JOURNALIST:**

No, I just wondered if there had been any developments as a result of that?

**PRIME MINISTER:**

No. No there have been no developments. Nothing's different, but of course I met, I meet media proprietors from time to time. I think it's only probably the third or fourth time I've seen Mr Packer in more than a year.

**JOURNALIST:**

Will you be meeting Mr Murdoch while you're in New York and encouraging ...?

**PRIME MINISTER:**

Well, I don't have any arrangements to do so, but I didn't have any arrangements to meet Mr Packer either. I mean, it just sort of happened that we were in adjoining boxes at the cricket and he lent over and said hello.

**JOURNALIST:**



Given the spectacle of yesterday's ceremony - the patriotism and so on at Arlington. Do you think there is a case that Australia should have a full time honour guard?

**PRIME MINISTER:**

Well, you don't just measure patriotism by uniforms and by the nature of a ceremony.

**JOURNALIST:**

.... but you were impressed...

**PRIME MINISTER:**

Well, I was impressed but I was also very deeply moved when for the first time as Prime Minister I went to the Dawn Service at the Sydney Cenotaph on ANZAC Day this year and to see the enormous number of young people at that ceremony. We all have our own ways of expressing patriotism. We are, perhaps, a little more reserved but don't think for a moment that the patriotism doesn't run as deeply and I think you've got to bear in mind that the Australian psyche, the Australian culture, the Australian way of doing things is distinctive. But the question of an honour guard, it's an interesting question. I mean it was very nicely done. But, I've been to some great ceremonies in Australia. I think the ceremony that was associated with the entombment of the remains of the Unknown Australian Soldier was a very moving ceremony it was, I think, very, very moving and I've been to many of those. I think it's a very important part of the life of the country to have those sorts of things.

**JOURNALIST:**

On the subject of strategy for your New York visit, where does baseball fit in?

**PRIME MINISTER:**

Where does baseball. I am unashamedly proud of the fact that Graeme Lloyd is a pitcher with one of the great sporting teams of this country and I'm looking forward to meeting him and I'm looking forward to seeing the game. Not that I'm a normal - I don't follow a lot of baseball in Australia, but I certainly have an understanding of the elements of the game. It's a great national sport in the United States and I'm tremendously proud and I think all Australians are proud as a great sports loving nation that an Australian could have made it to the top in one of the most competitive sporting environments in the world. And so far as an Australian Prime Minister not attending such an event, I think it would be a derelict in his duty if I didn't.

**JOURNALIST:**

Did you play rounders at school?

**PRIME MINISTER:**

Well, yes I did, actually.

**JOURNALIST:**

Were you any good?

**PRIME MINISTER:**

No, I was better at golf.