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**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
INTERVIEW WITH STEVE LIEBMANN - TODAY SHOW, CHANNEL NINE**

E & OE .....

**LIEBMANN:**

Good morning and welcome home.

**PRIME MINISTER:**

Good to be here Steve.

**LIEBMANN:**

Now that you're back are you sure that the timing of your trip was right and you were in the right place at the right time?

**PRIME MINISTER:**

Yes, in fact the trip, on a couple of scores, was much more successful than I expected. I got a lot further on greenhouse gas emissions than I ever dreamt possible. To have a situation where the American President refused to endorse the discriminatory European approach that we were concerned about and where I got very strong support from the congress in the United States and where the thing I feared most, and that was a deal between the Americans and the Europeans at the group of seven meeting in Denver, thus locking Australia out later on in the year, that deal did not eventuate. That was my real fear. And I frankly didn't expect to do as well on that score and that alone, from the national interest point of view, more than justified the visit overseas. And the fact that I was able to do it at the time I did, partly in advance of the Denver summit and partly after the Denver summit, later on in the year would have been perhaps too late. So on the greenhouse score it was way beyond my expectations and that's Australian jobs. I mean, this greenhouse thing is not some kind of academic abstraction. This is all about whether Australia should cop an unfair share of the burden of fighting global warming. We're happy to do our bit but I'm not going to see Australian jobs sacrificed just to suit Europeans.

**LIEBMANN:**

Understood, but there were 70 heads of government and heads of state in New York, including the President, for that Earth Summit, why didn't you go and put Australia's case?

**PRIME MINISTER:**

Because I was better employed on a bilateral basis and if you look at results, it might have been at New York, Steve, I could not have got a better result than we got. And even my harshest critics over this trip acknowledge that we did very well on the greenhouse gas issue. I mean, you've got to pay on results. If I had have adopted a different tactic I wouldn't have got a better result. Look at the outcome and the outcome on that score alone was first class.

**LIEBMANN:**

Last week global attention was on Hong Kong and the hand back to China. Why weren't you there?

**PRIME MINISTER:**

Well, not every head of government was there.

**LIEBMANN:**

But our interests are in that part of the world.

**PRIME MINISTER:**

Yeah, but I had, well, I had the Foreign Minister there. But once again we were proved right on that. When we said that we would attend the whole of the handover, whereas the British and the Americans said they would go for a bit and then leave and come back, we were criticised by some but in the end the Americans and the British half did what we did. They sent their top man for half an hour and then their number three for another half an hour and then the top person came back. I don't think the Australian Prime Minister necessarily should have been there. I think the Foreign Minister was appropriate representation for Australia.

**LIEBMANN:**

So you're comfortable with the fact that while others were there at the Earth Summit and Hong Kong, you weren't?

**PRIME MINISTER:**

Well, I look at the outcome. I mean, I could not have got a better result. I mean, what's more important - getting the right result for Australia or making a speech at the UN? Getting the right result for Australia and that's what I got. I mean, I went overseas in some despair about this climate change thing because it seemed as though we had the Americans, the Europeans, the Japanese perhaps, although the Japanese potentially are closer to us on this, and I really was quite despondent about our prospects. The British were not very helpful because they are in a very comfortable position on this. They've sort of got lots of credit from things they've done in the past. And, quite frankly, the turn around on the issue in the United States, particularly the President's speech in which he stopped short of endorsing the mandatory targets, equal mandatory targets, which was my big worry, once I heard he'd done that I thought to myself, well, we're really making progress. And I got a very good response at the capital.

**LIEBMANN:**

So when some commentators look at your absence from those two events and suggests that it shows that you're a man, or would allow your critics to claim that you're a man of small horizons you would say, look, I've got the runs on the board?

**PRIME MINISTER:**

Well, the only thing that matters in this game, particularly a country the size of Australia, is results. I mean, my job when I go overseas is to promote and defend the interests of my country. Nothing else. Not to appeal to some kind of image makers model of international trips by Australian Prime Ministers but to do something for the country. And what I was able to achieve in terms of defending Australians jobs and Australian interests was absolutely beyond my wildest expectations.

**LIEBMANN:**

Let me re-aim the scatter gun. Last week news poll revealed a slump in your standing as a Prime Minister - why? I mean, Tim Fischer's saying it's because of Colston and Wik. Could I suggest it's a combination of Colston, Wik and also the Prosser controversy.

**PRIME MINISTER:**

Well, I guess it's a combination of a lot of things. And what matters with polls is that you look at trends over a period of time. You can have some gyrations but it's the pattern over a period of time. Look, all governments look at polls. The important thing is to get on with your responsibilities, to understand that you will, as Prime Minister, do some things that upset people. You'll go through bad periods. I've been in politics long enough to know that you don't have three or five year honeymoons as Prime Minister. I've copped some static over the past few months. But the basic story is a very strong one. I mean, our economy, according to the OECD, will grow faster this year and next year than the average of all the biggest industrialised countries. Our budget deficit performance will be better than just about any country. Our level of debt will be greatly reduced in our first three years. I mean, we will have turned a deficit of \$10.5 billion into a surplus of \$1.5 billion and that's a great performance.

**LIEBMANN:**

All right. I'll come back to Geoff Prosser in a moment. But if that glowing picture you paint is correct, why is it that Australian businessmen, that corporate chiefs, are gloomy about the prospects for the future? I flew back on a plane from Hong Kong last Tuesday with some people from the big end of town. If you ask me to describe their mood it's one of impatience, frustration, despair, even anger. They're saying nothing's happening.

**PRIME MINISTER:**

Well, I think some of those criticisms are utterly unrealistic and unfair, inaccurate and quite unreasonable. I mean, they're saying nothing is happening. Well, all of the major business commitments we made at the time of the last election we've implemented. I mean, we have made huge changes to the workplace relations system. You are seeing the opportunities provided by those changes opening up every day. Those laws have only been in operation, in some cases, three months - at most, six months. We have reopened the debate on taxation reform. We have done what business overwhelmingly called on us to do before the election...

**LIEBMANN:**

But business is now saying - we want leadership.

**PRIME MINISTER:**

Yes, but sometimes business a) makes unreasonable demands; b) talks through its own pocket. I mean, sometimes governments have to say no to business because what business wants is not always in the national interest. I mean, it's a question of achieving a balance. And one of the reasons that business is unhappy with the Government is that in our first budget we called upon business to make a small contribution towards reducing the budget deficit and some of them have never forgiven us for that. I mean, they are very good at telling the welfare sector to make a contribution towards reducing the deficit and what we say is everybody should make a contribution. I mean, we made changes to superannuation which upset people and if we hadn't have done that the rest of the community would have been entitled to say well, these people are governing for the wealthy and they're indifferent to the not so well off.

**LIEBMANN:**

But one corporate leader said to me on that nine hour plane flight that we've got a Prime Minister who gets up in the morning, looks at the polls and says to himself: who am I going to be today, what am I going to say?

**PRIME MINISTER:**

Well he's obviously a businessman that reads the newspapers and doesn't understand reality. I mean, this business of me looking at polls everyday is one of the great myths of Australian politics. I mean, if I had looked at the polls, for example, I wouldn't have personally cast a vote against the Northern Territory Euthanasia laws because 75% of the Australian community were in favour of those laws. If I looked at the opinion polls I probably wouldn't have reopened the debate on taxation. I mean, can I just say to that anonymous businessman, and I doubt your word...

**LIEBMANN:**

Take my word for it.

**PRIME MINISTER:**

I do and if you say so, I'm sure it's true. I accept that completely...I don't know him. Can I just say that one of the great myths of Australian politics is that I am poll driven. I mean, all politicians look at polls but I've got an agenda and all of it's been implemented.

**LIEBMANN:** So have I - let me move to Geoff Prosser. Why won't you sack him? He's breached your code of conduct.

**PRIME MINISTER:**

Well, I'm not satisfied on what I've seen that he has.

**LIEBMANN:**

119 meetings and phone calls about his business interests since he became a Minister and you're not satisfied?

**PRIME MINISTER:**

But the great bulk of those, according to the information I was given when I was overseas, and bear in mind that when you're away it's very difficult to get the same picture...

**LIEBMANN:**

You were on the phone.

**PRIME MINISTER:**

Well of course I was on the phone, yes, not to him, I was on the phone to my colleagues but...

**LIEBMANN:**

Have you not spoken to him?

**PRIME MINISTER:**

I haven't spoken to him no, my colleagues...well, I had an acting Prime Minister, Tim Fischer, in whom I have absolute confidence and I spoke to Tim. But as I heard it, as it was relayed to me, the great bulk of those 119 encounters were meetings between himself and his brother. I mean, do you mean to say that if you go into politics, you become a Minister, you retain an interest in your business and you see your brother at the weekend, you never talk business?

**LIEBMANN:**

And you ring the likes of Nick Greiner and you lobby councils in Bunbury.

**PRIME MINISTER:**

He gave a very detailed explanation of that.

**LIEBMANN:**

Rio Tinto today, is going to try again to load coal using non-union labour. They failed last Friday to break the strike in the Hunter Valley. What support can the company expect from your Government?

**PRIME MINISTER:**

Well, the biggest support of all is that they now have a new law that enables them to do things and to do things that will help the coal industry, will enable them to reclaim the management of their own mine and also to negotiate very generous agreements with their workforce. The point to make about this dispute as I understand it is that there have been massive pay increases offered by Rio Tinto in return for the workers surrendering control over the things that should never been in the hand of...

**LIEBMANN:**

Talking of those workers, there are live pictures of them on the screen on the strike site now.

**PRIME MINISTER:**

Well, I mean I would say to them, the pay deal you are being offered by the company is greatly in excess of what you now have and I think it is only fair and reasonable that a company be able to run a mine. Now, could I say to the company and could I say to the business critics of my Government, that had it not been for the *Workplace Relations Act* that my Government got through the Senate with effect from the

beginning of this year, companies like Rio Tinto would not have the flexibility to do what they are now doing.

**LIEBMANN:**

This is going to be the first real test of that.

**PRIME MINISTER:**

Well, people are calling it the first real test. It is a test. It is an illustration of the extra flexibility. We are about good outcomes, good outcomes for workers and in this case higher pay. Good outcome for companies, more flexible management and higher productivity and more returns. The mine is losing one million dollars a day.

The Hunter Valley, this incorporates Newcastle. I can't understand the wisdom and I can't understand the sense, the reasoning of a union that would bring a mine to a stop, costing it a million dollars a day, inflict damage on a local community, in one of the regions of Australia already hard hit by things like the BHP closure.

**LIEBMANN:**

Cambodia. Planes on the way? We've got 500 Australians up there.

**PRIME MINISTER:**

Yes, there is one C130 already on the way to Butterworth and there will another one leaving today. There are about 517 Australians registered with the Embassy in Phnom Penh. Our Embassy has been in touch with them and none of them have been injured according to a report I got a few minutes ago and we obviously are making a lot of contingency arrangements. The information overnight is that the situation is....

**LIEBMANN:**

Not good!

**PRIME MINISTER:**

Not good, and whether it will be necessary to evacuate or not, I don't know, but we are taking all the necessary precautions and that is why we are sending two of these transport planes to Butterworth in Malaysia.

**LIEBMANN:**

Before you went overseas there was the compromise with the car industry over tariffs. What are you going to do with the textile and footwear industry? They want the same thing.

**PRIME MINISTER:**

Well, we haven't got the final report yet and I am great believer in going through the process. There has been a draft report recommending certain things that will get industry reaction and we will take a decision. We took the right decision on the car industry and we have had the results. We have got a guarantee of \$4-6 billion of investment and the generation of 5000 - 10,000 jobs according to the companies. That decision was not a compromise, it was just the right decision.

In these things you have got to take a decision that guarantees investment and secures jobs and there is no one univalent rule. In some industries taking what's called the more free trade position is the right decision. On other occasions it is not. Car industry tariffs have come down an enormous amount and so indeed have textile tariffs in Australia. But, people shouldn't assume that because we did that with the car industry we do exactly the same with textiles. You have got to look at each individual industry on its own merits.

**LIEBMANN:**

Your about to hit the hustings (inaudible), take the Cabinet on the road...

**PRIME MINISTER:**

Going to Townsville tomorrow.

**LIEBMANN:**

Does that reflect a concern that maybe over the last couple of months you have been preoccupied with matters that really haven't been of particular interest to the electorate at large and out there they're saying he is losing touch with us.

**PRIME MINISTER:**

Well we always intended to have regional Cabinet meetings. I said that when I was elected. Look, I am happy to be doing it. I like moving around Australia..

**LIEBMANN:**

More than moving around overseas?

**PRIME MINISTER:**

Well, frankly yes. I am not a fanatical international traveller. I think it is part of the job and all of the trips I have paid overseas since I have been Prime Minister have been well targeted and produced good results and not the least the last one. But, moving around Australia to me, is always more important, particularly into the regional areas of the country which often feel remote and neglected and feel as though it is run by the sort of, triangle, of Sydney, Melbourne and Canberra, but I always said I was going to do this. But, it is good to be out on the road and I am looking forward to it.

**LIEBMANN:**

Did you have a late night last night watching the tennis and the cricket?

**PRIME MINISTER:**

I didn't sleep a lot over the weekend, particularly on the Saturday night. It is really great, I think we are going to, although the only warning I issue to Australian cricket lovers is that Old Trafford has the worst rain record of any of the major English cricket grounds. So beware that secret English weapon.

**LIEBMANN:**

You must have been jubilant at Steve Waugh's back to back.

**PRIME MINISTER:**

A great performance..

**LIEBMANN:**

Wasn't it?

**PRIME MINISTER:**

And, Shane Warne has really come back and I think that unless it rains we can't lose this one.

**LIEBMANN:**

And the Woody's did well.

**PRIME MINISTER:**

They did very well. The only down at the weekend was the Bledisloe Cup but...

**LIEBMANN:**

You shouldn't be suprised.

**PRIME MINISTER:**

Well, no, but I never like to see Australia lose.

**LIEBMANN:**

Nor do I. Thank you for joining us today. Thanks Prime Minister.

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