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**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
INTERVIEW WITH MIKE GIBSON ON RADIO 2GB**

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GIBSON:

Now, I gather you've given blood this morning. I thought....

HOWARD:

...no, I'm giving it in about half an hour and no rude comments.

GIBSON:

No, no. To the contrary I thought as Prime Minister you gave it on a 24 hour basis.

PRIME MINISTER:

Yeah, I do, yeah, very regularly.

GIBSON:

The latest advice from Cambodia - when is our first aircraft due to land?

PRIME MINISTER:

Well, we've got two C-130s on the way, not to Cambodia but to Butterworth in Malaysia, where they will be ready if an evacuation of Australians in Cambodia is needed. There are about 517 Australians registered with the Embassy in Phnom Penh and in addition that Embassy has consular responsibility for about 130 Canadians under an arrangement we had with friendly countries. They sometimes look after our interests and we look after their's. And at the moment the advice is that no Australian has been injured and that there's not a, you know, heavy danger to Australians as distinct from anybody else but we're keeping that situation under review on a hourly basis. And if it is necessary, well, having the planes in Malaysia will put them in a position, if they're needed, to evacuate. Now, I hope that's not necessary but our first responsibility is to look after Australian citizens and that's why we've sent the planes and why other steps are being taken to maximise the protection that can be given in a very tense and difficult situation to Australians on the ground.

GIBSON:

If those planes are required to evacuate, what personnel do we have on board? What in the manner of troops...?

PRIME MINISTER:

Let me put it this way...

GIBSON:

Do we have troops on board?

PRIME MINISTER:

Well, I think the appropriate steps have been taken, yes.

GIBSON:

Because I gather helicopter gun ships will be required. It will not be, perhaps, an easy operation.

PRIME MINISTER:

Well it depends. Now, there's no particular hostility to Australians from the two warring factions in Cambodia.

GIBSON:

Where do we stand in relation to what's happening up there? I mean, what dealings have we had with these two Prime Ministers?

PRIME MINISTER:

Well, over a long period of time, of course, Australia played a very major and very positive role in trying to secure a peace settlement in Cambodia and, of course, the current Chief of the general staff, Chief of the Army, General Sanderson, was in command of a peacekeeping force of Australians who came back with a great deal of distinction in Cambodia. He was there several years ago. And, of course, the former government, with our support - and I say this to the credit of the former government - Labor government played a very big role in bringing about conditions we thought for peace in Cambodia. Now that has broken down. We know the two participants, the two combatants very well. It looks, at this stage, as though the Hun Sen forces have gained the upper hand but whether that will last, I don't really know. But the latest advice I've got is that there's no greater danger to Australians than indeed to any other foreigners. There's always the danger though...

GIBSON:

Well, there's...ten of them are dead and scores are injured...

PRIME MINISTER:

Well you can get in the crossfire and...look, the assurance I give to the Australian people is that we've taken all steps we can to enable to a speedy evacuation if that is needed. We don't want to overdramatise the situation but I don't want to underscore and underestimate that in a situation like this Australians can get caught in crossfire, any foreigner can.

GIBSON:

Your Foreign Minister, Mr Downer, certainly hasn't under dramatised it. He says it's terribly, terribly dangerous up there.

PRIME MINISTER:

It's a very, very...because what is happening is that the sort of, whatever structure of organised government was there is breaking down and there's a full scale conflict or a severe conflict between two warring forces. And obviously, in those situations, they don't worry most about foreigners who get caught in the crossfire and that's always a danger you have and it just underlines the fact that you have to take precautions. We've done that. We've sent transports, they have the capacity. And we've got other things in mind to enable evacuation and we'll certainly do everything we humanly can to ensure the maximum protection for Australian citizens in Phnom Penh.

GIBSON:

Talking of crossfire closer to home. At two o'clock this afternoon Rio Tinto is sending in the second train in the Hunter Valley for non-union labour to load coal. The miners will form a picket line across that railway track. What should the company do?

PRIME MINISTER:

Well, I think the company should use the rights it has under the law. What you have in the Hunter at the moment is a coal mine that's losing a million dollars a day. There's \$12 million of coal ready for export. There are jobs at stake. The company has offered major pay increases to all of the workers on condition that they agree to give the company the right to determine such things as seniority and not the union and I don't think that's unreasonable.

GIBSON:

On the condition that they sign individual contracts...

PRIME MINISTER:

Yes, on condition they sign individual contracts.

GIBSON:

Which they refuse to do.

PRIME MINISTER:

Well, some of them...at this stage the bulk of them have refused to do so. But look, it's a question not so much of anybody taking sides, it's a question of the company being entitled to do what it can do under the law. Now, under the...

GIBSON:

What can it do? When those miners and their families stand in front of that 4900 tonne train this afternoon, what should the company do?

PRIME MINISTER:

Well, there may be remedies available through the secondary boycott laws.

GIBSON:

Such as?

PRIME MINISTER:

Well, they may be able to go to court and get an order that the obstruction be removed. Now, that's a matter that they will have to take their own advice on. I'm not giving them and the Government's not giving them legal advice...

GIBSON:

No, no, but you are more acquainted with these laws than I am.

PRIME MINISTER:

Well, I do know this...

GIBSON:

Would they call police this afternoon?

PRIME MINISTER:

No, well, I would not think so. Look, I would expect the process of the law to be followed. The request I make to both sides is that they use and obey the law. And I'm quite certain that if both sides use and obey the law then you'll get a sensible outcome.

GIBSON:

There's a man called Lorenzo Urwin, I gather, a former Black Panther, convicted of hijacking a plane in the United States. Somehow he's arrived in this country.

PRIME MINISTER:

Well, I heard about that yesterday and I guess, like a lot of other Australians, was quite horrified. Apparently he misrepresented his past when he applied for a visa. He also used a different surname. I've taken some steps this morning to have something done about the matter and I think somebody with that sort of background oughtn't remain in Australia and I hope he doesn't. I can't really say any more for legal reason.

GIBSON:

You know his whereabouts and you're confident...

PRIME MINISTER:

Well, I can't say any more for legal reasons. But I think it's quite wrong that somebody like that should have got in to the country in the first place and it's a result of the misrepresentation and the matter is being investigated quite urgently by the immigration department.

GIBSON:

Today's report again that the housing industry is stepping up the campaign to allow Australians to use part of their super to buy a home. Have you changed your mind at all on that one?

PRIME MINISTER:

Well, we're still looking at it. There are arguments in favour of it, but there are also arguments against it. One of the arguments against is that we already give a very privileged treatment to housing in this country. We don't impose and never will a capital gains tax on housing. We've seen very significant falls in housing interest rates. In fact, we've got the lowest housing interest rates in Australia since 1969. So some people might argue that if more resources are going to go into some sector rather than go into housing, those resources ought to go into sectors like manufacturing which generate more jobs.

GIBSON:

So you're not ruling out the prospect...part of our super which is now...you know...this is a...I mean, we've got no choice. You take it, it goes in, a lot of people, particularly on low incomes would like to say, well, can we have a bit of it...

PRIME MINISTER:

Well, we have made a change. For people on very low incomes, they don't have to contribute any more. We made a change in the last budget in relation to that. But Mike, we are looking at it but there are some quite respectable arguments against it. Could I just say in passing that I also read in that some report that there had been a sharp increase in the amount of money going into superannuation.

GIBSON:

14%.

PRIME MINISTER:

Very big, which is very interesting given that when the Government introduced the surcharge on high income earners in relation to superannuation we were told by the industry that it was going to dry up the flow of money into superannuation, and so far from the flow of money drying up the torrent has increased.

GIBSON:

All right, but you have not ruled out the prospect that perhaps....?

PRIME MINISTER:

No, I have not ruled it out because what I said before the election was that we would examine it and the Treasurer released a discussion paper on it at the time of the last budget. We will examine it but there are arguments against as well as for.

GIBSON:

You say your trip was a success, the media nit-picked a little, what was the biggest thing you learnt?

PRIME MINISTER:

Well the biggest thing I achieved was much more on the greenhouse gas front than I ever dreamt possible. When I went overseas my fear was that the Americans and the Europeans would do a deal on binding mandatory targets that would damage Australia, and that did not happen and the American president in fact

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in his speech in New York went right ... well, not right against the European position, but he didn't adopt it. And I also got a lot of support from congress on this issue. I regard that achievement alone as more than justifying the trip. I think the other thing I learnt that was that in relation to unemployment in both the UK and the US you need a combination of incentives ensuring that people aren't encouraged to remain on welfare.

GIBSON:

Did you learn how to create new jobs. In the US they've created 11 million of them?

PRIME MINISTER:

Well, I think I learnt that the best way to create jobs is to have a booming economy and the other interesting insight to the American economic performance is that they are now getting a huge dividend in terms of economic growth from the big investment we've made in technology.

GIBSON:

But Americans will accept very menial jobs... the Americans never cease to amaze me. You openly ask someone how much they earn and they tell you a figure that absolutely flattens you. I mean, Australia and our unions would reject these sorts of jobs, I mean, should they?

PRIME MINISTER:

Well, that's a big debate and I think it is a debate that all Australians ought to have. There is a trade off. We have as a nation over the years adopted as part of our ethos a higher minimum wage than many other countries. Now, one of the consequences of that is that you do have a higher level of unemployment. Now, it is very much part of the Australian ethos, and I think Australians have by and large said that if you get a job in this country you ought to be paid a decent wage. Now there will be argument about what that level is, but there is no doubt in the world that the Americans do have much lower minimum wages. Many of the people who have jobs in America do not get very high wages but of course the unemployment benefits in America are not as generous as they are in Australia.

GIBSON:

We saw on 60 minutes last night that classic confrontation yet again with young people saying I won't accept a job, but why should I, I mean you're kidding, should we start to take a look at ourselves...?

PRIME MINISTER:

My government has already begun to do that. I mean the whole philosophy behind the work for the dole approach and the whole philosophy behind the common youth allowance is to say to people who refuse to take a job they are offered, well, we don't know that we are going to allow you to go on doing that indefinitely. I mean, I think society is entitled to say to people we will offer you a safety net but in return for that safety net you must be willing to do something in return. It's what I call the principle of mutual obligation and I think we have an obligation to help people who can't get job, but they have an obligation to do something in return and if they are offered a job they have got to take it.

GIBSON:

What was the most menial job you ever had?

PRIME MINISTER:

Well, the most menial job I ever had which I enjoyed immensely was serving petrol and cleaning up at my father's garage and I enjoyed it immensely. I didn't regard that as menial. Some people now might, I don't.

GIBSON:

Did he pay you?

PRIME MINISTER:

No he didn't. He did not. I was once sneeringly referred to by a former political opponent of mine who better remain nameless but is well known, as the "bowser boy from Canterbury". Now, I was very proud to be a bowser boy and I didn't regard that as the least bit menial and what I thought was interesting in that 60 Minutes programme last night was the attitude of one of those young blokes who said that he'd been offered a job and he's prepared to take it and do anything that he was offered and then later on he got something better. I think it was a very interesting insight into the different attitudes of young people.

GIBSON:

He reminded me of you actually. I said to my wife at the time, I said, that is probably John Howard about 35 years ago. He certainly was an impressive young fellow.

I pick up the paper Saturday. Page one I see a headline, most Australians feel life is getting worse. This is a CSIRO survey by a sociologist. I mean, how bad is that? I mean, it is middle Australia, your heartland where the complaints are coming from. These are the people who say that they are carrying the country, that the rich are getting richer, the 30% are on welfare, and then there is us.

PRIME MINISTER:

Well that is an understandable reaction. I mean, there are a lot of people in the middle who are working very hard and they are often the sort of people with family responsibilities, they are still paying off a home. Many of them are, you know, both mum and dad have got to work to cover all the bills and they resent any waste at either end. They resent rich people ripping off the system. They also resent people who won't take a job that is offered to them, and you need to understand the aggravation, the legitimate aggravation...

GIBSON:

I think I understand it, because I think I'm there.

PRIME MINISTER:

Well, I mean there's a hell of people in that situation on quite low... I mean, if you want to ... if you earning \$40 000 - \$45 000 total household income and there are millions of Australians in that situation and you are trying to raise children and pay off a home, you haven't got anything to spare, nothing at all.

GIBSON:

So you've got your budget surplus and you've got it pretty quick and you did a great job, but when are you going to do something for them?

PRIME MINISTER:

Well, I've already done a lot for them. I've given them the lowest housing interest rates since 1969 and that has meant for many people something like a \$150 - \$200 a month after tax. I mean, that is real money in the kitty. I've also given them a family tax initiative worth a billion dollars. As a result of government policies, those people and also many people in small business, as from the beginning of this month are going to have much cheaper telephone bills.

GIBSON:

Are you going to give them a tax break?

PRIME MINISTER:

Well, many of them have already got it. They've got it from the first of January. The family tax initiative was targeting that very, very group. I mean, that group I nominated, people \$40 000 - \$50 000 household income with children paying off a housing loan. They got real benefits out of my tax break and on top of that if they've got private health insurance, they'd get \$450 a year towards the health insurance premium. So that particular group... I understand why...

GIBSON:

But why are they whingeing... I mean, if you've given... are they stupid...

PRIME MINISTER:

No, no, no, they are not stupid.

GIBSON:

Why do they say that life is getting worse.

PRIME MINISTER:

Well, they are not stupid and I understand, I mean, I guess it is in the nature of people that whatever comes along you always for understandable reasons would like a bit more and think a bit more might be available. I think there are some non-economic reasons why people in that group feel differently. Life has changed a lot, people worry more about ...

GIBSON:

Is there a climate of resent in this country?

PRIME MINISTER:

Well I think the climate of resentment... people are doing it tough of course and there is still a worry about job security for a lot of people and understand that.

GIBSON:

You met them all on your trip. You met the new British Prime Minister, the Queen, Bill Clinton, the head of the Federal Reserve, Shirley MacLaine... Who was the most interesting person you met?

PRIME MINISTER:

Well I thought the new British Prime Minister was interesting?

GIBSON:

Why did he ... to power?

PRIME MINISTER:

Well I think it's time.

GIBSON:

Can I get that on tape?

PRIME MINISTER:

Well, it's a paraphrase. I mean, the former government had been in power for 18 years and it had also displayed a great deal of disunity. But from the point of view of trying to understand what was important to Australia, my discussion with the Chairman of the American Federal Reserve, Alan Greenspan, was probably the most productive because...

GIBSON:

I thought you were going to say that because it was not something that was widely reported, certainly not as widely reported as your stumble with Bill Clinton or Shirley MacLaine going zzzzzz.....I mean, I couldn't understand that because I would have thought that that was the most vital....

PRIME MINISTER:

Well most people regard him as the most powerful economic figure in the United States and therefore in the entire Western world, and he's looking at an American economy which in his own words he can't understand all the reasons for its strength. I always think the mark of a wise person is somebody who admits they don't have all the answers and he said that the numbers in the American economy are stronger than he's ever seen and he sees no reason to believe that they won't go on indefinitely and I said, well, what's the explanation, and he said, I don't know but he said one of the possible explanations is that we made an enormous investment in technological change in America a few years ago and he said I think the

full benefit of that technological change is now starting to feed through into a much better economy and there's a resonance about that in Australia and I go back to something I said a moment ago about lower telephone bills, now that doesn't sound very sexy but if you were running a small business and you can get in this new deregulated telecommunications environment and I keep seeing on television and the newspapers these fantastic deals that these new telephone companies are offering. Now, if that can be available to small business in Australia and I would expect that it could be - I can't imagine they'd only be offering it to residential customers, the cost savings for small business in something like that is enormous. Now, here is an example of how new technology can actually dramatically boost economic growth because after salaries, a lot of small businessmen tell me that their next biggest expense are their telephone bills and the use of computers and interstate and overseas telephone calls, and if as a result of technology and telecommunications we can dramatically cut the cost of such a basic thing as a telephone call for a small business, let alone for the residents, that will feed dramatically into the bottom line of many small businesses in Australia, not many, but all of them.

GIBSON:

There were no quotable quotes from the trip. You had two department heads with you, you had four senior advisers, another eight support staff. Everybody except me John, seemed to get a guernsey. Should you have taken a speechwriter?

PRIME MINISTER:

I'm not big on speechwriters cause I hate reading speeches.

GIBSON:

Your predecessor wasn't very good at reading them either...

PRIME MINISTER:

No, no, I didn't say I wasn't good at reading them. I didn't make that admission. I did not make that admission. What I'm saying is I do not like reading speeches and most of the speeches I deliver are speeches that I deliver from headings or off the cuff completely. I hate reading speeches. Occasionally I feel an obligation to read speeches because you are talking about sensitive, diplomatic issues and if you leave out a reference to a person or to a country you may get into hot water. But I don't like reading speeches and nothing that's happened to me over the last 18 months has encouraged me to alter the practise I'd normally had of not reading speeches. I feel much happier not reading them. All of the speeches I delivered in the election campaign were unread. They were delivered from headings or they were delivered off the cuff and I always feel much more comfortable doing that.

GIBSON:

The problem, as we all know, that dogs you is unemployment. In the US they got 4.8% and going down, we got 8.8%, at the last count it went up. This time next year what figure will you find acceptable?

PRIME MINISTER:

Well, a much lower, a lower figure would be acceptable...

GIBSON:

Much lower.

PRIME MINISTER:

I'm not going to put a figure on it. I mean, I will not...

GIBSON:

Why is that?

PRIME MINISTER:

Well, because it implies that once you get to that figure the game's over.

GIBSON:

Well, where would you like it to be?

PRIME MINISTER:

Well, I would like a situation where every person who genuinely wanted a job in this country could have one.

GIBSON:

Where would you realistically expect it to be?

PRIME MINISTER:

Well, I would like it to be lower than it is now Mike, but I'm not going to put a figure on that. I am just not going to do that because I think those sort of targets are unrealistic.

GIBSON:

I would have thought that would be your waking, sleeping and eating dream, you'd be saying to yourself...

PRIME MINISTER:

No, no, my waking, sleeping and eating is to have it much lower. But to sort of say well, look, we'll get to 'x' per cent implies that once you get there you're happy. Now, all I can say is that I will use all my effort to get it lower. But we have made a lot of changes but they will take time to work their way through. I mean, we passed a *Workplace Relations Act* that over time will help reduce unemployment but it will take time. I mean, you talk about what's happened Britain with unemployment. It's only in the last year or two that unemployment in Britain has fallen significantly. And Tony Blair admitted to me that one of the reasons why it's come down in Britain are the industrial relations changes made by the former conservative government. And those changes, many of them, were made in the 1980s and it's now 1997. And he admitted to me that that was one of the major reasons why unemployment has come down in Britain. So these things do take time to work their way through the system and I have to honestly say that. I can't promise that you can dramatically change it in a short period of time. I mean, I never did. The former government had 13 years. I've had 16 months. I mean, to expect us to have done in 16 months...I mean, we inherited an average unemployment rate of 8.7% from the former government, that average 8.7% over 13 years, that's where it is at the moment. I've had 16 months, they had 13 years. Now, I can understand people wanting it to be lower. I would like it to be lower. But I do argue very strenuously that to expect me to have done in 16 months what they had 13 years to attempt is a bit unreasonable.

GIBSON:

I would wish well the Australian out there, the anonymous Australia, who will soon be receiving the prime ministerial blood.

PRIME MINISTER:

So do I.

GIBSON:

Somebody out there's going to be better off for what you're doing in a few minutes time and I thank you for coming into the studio.

PRIME MINISTER:

It's always good to see you Mike.