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**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
DOORSTOP - TORRES STRAIT ISLANDS MEDIA ASSOCIATION, THURSDAY  
ISLAND**

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

**JRNLS:**

Prime Minister, knockers ignoring Australia's record for racial tolerance?

**PRIME MINISTER:**

Knockers? Yes, they are. I am fed up with the self-flagellation to which some in this country believe we should subject ourselves. I think we have blemishes, of course we have blemishes. But if you look at the overall record, especially in the last generation, we are a tolerant, open, harmonious society. We've welcomed people from the four corners of the earth. We took more Indo-Chinese refugees per capita than any other country in the world. We have a meticulously non-discriminatory immigration policy and so far as I am concerned, and I think I speak on behalf of millions of Australians, I am fed up with the sense of defensiveness and the self-flagellation that some want us to submit ourselves to.

We can look the rest of the world in the eye and be very proud of our record and we should bend the knee to no country overseas when it comes to the record of racial tolerance and the record of a harmonious society. I mean, we have done things in this society that no other society on earth has done. President Clinton acknowledged that when he came to Australia in October of last year and, I think it's about time more Australians said what I've said in very open and direct terms.

**JRNLS:**

What's made you so fed up now, Prime Minister about this?

**PRIME MINISTER:**

Well, I guess the reminder, having gone overseas, of just what a successful society this is. That's not meant to be a criticism of America or Britain, they're pretty harmonious, tolerant societies, civilised societies as well. There is no particular reason. I mean, do I have to have a reason. It's not a blinding flash. It's just a very strong conviction and what is important is not the timing, rather the substance of what I'm saying and what I'm saying is that this is a tolerant, open society. And we talk ourselves down if we run around saying that we should be ashamed of this or that.

Now, of course, we have blemishes. Of course we treated the indigenous people of this country very badly in the past and of course, we should make amends by giving them a better and a more fulsome future. But if you look at the broad sweep of the last 30 or 40 years, we have built an open, diverse, tolerant, remarkable society and it's about time more Australians said it and stopped apologising for the past and stopped apologising for what we have achieved.

**JRNLS:**

You've talked about a separate administrative structure for the Torres Strait Islands this morning. What will that mean for ATSIC and how will it work?

**PRIME MINISTER:**

Well, I think you'll in a sense have a Torres Strait Islander, ATSIC type arrangement. It's just that they want to be dealt with differently and separately from the Aboriginal community. It's not that they have any hostility to them, it's just that they are a distinctive group and they clearly are. I mean, anybody who understands the history of the indigenous people of Australia will recognise the

sharp differences and we recognise that and in the spirit of proper devolution and subsidiarity and whatever other principle you want to apply, it ought to occur.

**JRNLS:**

How soon would you expect that to be in place?

**PRIME MINISTER:**

Well we would want it in place by the year 2000. In fact, we may have some legislation fairly soon.

**JRNLS:**

Prime Minister, there are two Black Panthers on the US Olympics Organising Committee who will be coming to Australia in the next few months. The fact that the Government is going to ban Lorenzo Ervin, does that mean that those two Black Panthers will be banned as well?

**PRIME MINISTER:**

Well, the reason that I objected to Mr Ervin was because he had a criminal conviction. I don't think you'll find any reference in what I said to his membership of particular organisations. I found it bizarre, extraordinary, incredible that somebody who'd been given two life sentences for hijacking an aircraft and kidnapping the people on board should be allowed into this country and I don't think any Australian needs much more explanation than that.

**JRNLS:**

Why can't the Australian Government forgive him if he's received the US Presidential pardon?

**PRIME MINISTER:**

Well, what happens in America is for Americans. What happens in Australia is for Australians. We do not want people of proven bad character in this country. If it was good enough to exclude people like Gerry Adams who runs the Sinn Fein which is the political wing of a terrorist organisation. And if it's good enough to ban David Irving, I think it's good enough to keep this particular man out and may I say that I am echoing certainly the sentiments, if not the precise views of Aboriginal leaders. I saw Neville Bonner the other night properly warning the Aboriginal people to stay away from this character.

**JRNLS:**

Prime Minister, should Australians be prepared to take lower wages in the interests of creating more jobs?

**PRIME MINISTER:**

Now look, I'm not arguing that we should cut minimum wages, let me make that clear. What I'm saying is that one of the reasons that unemployment in the United States is lower than it is in Australia is because traditionally America's minimum wage structure has been different, but I'm not saying that the Australian ethos, which is that if you get a job you should have a decent minimum wage, I don't think that ethos should be altered. But I do think people should understand when they seek to compare the unemployment levels in our country and the United States that one of the reasons why the American jobless rate is lower, one of them, it is not the only reason, is because it has a different minimum wage structure.

**JRNLS:**

Prime Minister, does this mean that the rock solid guarantee on take-home pay that you had at the last election will be the Coalition policy for the next election?

**PRIME MINISTER:**

Oh, there is no backing away from the rock solid guarantee, no. Nor is there any backing away, I saw some suggestion this morning of a backing away in relation to the dole. I mean the level of the

dole is not in my view the issue. If people have no other means of support than the unemployment benefit it's certainly not a large sum on which to live. I have strong views about the conditions that should attach to people getting the unemployment benefit but if they meet those conditions then it's certainly not a princely sum and I don't think any fair minded Australian would argue that it is but I do think fair minded Australians are increasingly supporting the principle that I espouse of mutual obligation.

Tony Blair interestingly enough calls it reciprocal obligation and that principle of mutual obligation is that society should help people by providing a proper safety net but in return, society is entitled to say to those people from time to time you will be called upon to do something in return for that benefit, and that is why we promoted work for the dole and that is why I look forward to the pilots in work for the dole being up and running. There are, according to my advice, many organisations around Australia who are enthusiastic to participate in the work for the dole scheme. I think it has wide support. I think it drives home a very important Australian principle. It's another part, in my view, of what we should develop in the Australian ethos and that is the principle of mutual obligation and I think we have to see all of these things as an integrated approach. We look after people but in return they can be called upon to do something. If they are able bodied and healthy they can be called upon to do something in return and I think there's wide support for that in the Australian community and particularly wide support for it amongst many people who have been touched by unemployment.

**JRNLS:**

So on minimum wages, Mr Howard, could I just clarify, what you're saying is that Australia will not be able to achieve as low an unemployment rate as America if it chooses not to drop its minimum wage?

**PRIME MINISTER:**

No what I am saying is that one of the reasons at the moment why there is a differential is that the Americans have lower minimum wages. I am not going to say that you wouldn't still get to a much lower rate in this country with the current approach to minimum wages. I am just saying at the moment in existing conditions that's one of the explanations and I think it's important in the debate about unemployment that we understand that every society makes trade offs and we have always had an ethos in this country of a fairly high, decent minimum wage and I am not arguing that that should go. I haven't argued that. I think if you look at what I have said, I have been very careful not to argue that but I have been quite deliberate in pointing out to the Australian people that if you look at America, one of the reasons why the Americans have gone further down the track in reducing unemployment than we have is the minimum wage situation but there are other things about American society less desirable that I don't wish to import into Australia. I mean, there's no doubt that social breakdown and dislocation and levels of crime in the United States are much higher than they are in Australia. Now people will argue for decades about the linkages between those things and welfare benefits and so forth and everybody will have different views but you have to look once again at all of these things to get an overall picture but our approach as enunciated at the last election remains but it's important that people understand when you look at the United States that that is in present circumstances one of the reasons why there's a differential.

**JRNLS:**

Are you calling for a national debate on this subject?

**PRIME MINISTER:**

Well I don't know that, I mean, I have been described as calling for a national debate

**JRNLS:**

You said it a couple of times

**PRIME MINISTER:**

Yes well I like having national debates about lots of things, Tony. Look, I think of course you should debate unemployment. Of course we should have a better understanding of why the level of unemployment in Australia is where it is. I mean, we're having a Cabinet meeting in a few weeks time that's going to be devoted almost entirely to talking about the unemployment issue. Now, that doesn't mean to say that we're going to turn things on their head. But what it does mean to say that from time to time my Government will set aside a whole day for senior Minister to just focus on an issue, rather than working through an agenda and dealing with some submissions on narrow topics.

We did it on health and we're going to do it on unemployment and I expect that we're going to do it on defence and foreign policy and I daresay we might have the odd discussion on taxation over the next few months.

**JRNLSST:**

In calling for a national debate though and mentioning repeatedly the American experience on minimal wages and the link with unemployment benefits which are much lower also, ...

**PRIME MINISTER:**

I don't know that I mentioned the link with unemployment benefits.

**JRNLSST:**

Well you did.

**PRIME MINISTER:**

Well, I mentioned it but I don't think quite as frequently.

**JRNLSST:**

You said that they could have a lower minimum wage because unemployment benefits were much lower than Australia.

**PRIME MINISTER:**

I did mention that once, yes.

**JRNLSST:**

Aren't you actually inviting Australians to look at this very seriously as a possible way to go in the future?

**PRIME MINISTER:**

No, I think I'm doing no more or less than what I said. And, I think you're, I think that's an interpretation that you may choose. As a free citizen you have a right to choose to put that interpretation on it, but I had no more or less purpose in raising the issue than what I've explained to you over the last few minutes, that if we are debating these issues and, people often say to me well, why is America's unemployment rate than Australia's? They do, they say that to me, I get asked that and it's a fair question and what I'm saying in reply is one of the reasons is that America has a different minimum wage structure and a different welfare structure. I mean it is much harder to get unemployment benefits support in the United States than it is in Australia. We have made it appropriately a little tighter and in fairness to the rest of the community, but it is somewhat different in the United States and there's a long history to that.

I mean, Australia has a different ethos than the Americans and it is important that we understand these things. There is a great danger in all these debates that people will make sort of, they will extrapolate from the experience of one country to another, without understanding the cultural and historical differences that have shaped the institution of the two societies.

**JRNLS:**

Prime Minister, I wonder if I could ask you a question about small business. Are you concerned at all at the Reserve Bank's decision to sell off two thirds of its gold holdings will have, will force some marginal gold producers out of business.

**PRIME MINISTER:**

Well, I can't predict what's going to happen in a market as free-wheeling as gold.

**JRNLS:**

The pressure is going to be downwards not upwards.

**PRIME MINISTER:**

Well, I just don't know, I mean Jim, I'm not going to make myself a hostage to what's going to happen in the market in the next six, twelve, eighteen months or two years. Can I say that the Reserve Bank began, according to my advice, selling some months ago. If you look at the activities of gold mining companies, gold producers both in Australia and elsewhere, many of them have been themselves behaving in a way over recent months which has exerted a downward pressure on the price of gold. The Reserve Bank of Australia took a sensible, prudent, completely unexceptionable and utterly defensible position in the interests of Australia and in the interests of all of us in deciding to sell gold and put the proceeds into some interest-bearing securities. I mean, at a time of low inflation, and where the expectations are that the inflation will remain low for a long time, it plainly makes a lot of sense to get out of gold and get into Yen and to US dollars and to all sorts of other currencies and investments of that kind.

The other point I reinforce is that you will find if you examine what's occurred over the past few months that a lot of the companies have been pretty busy in relation to gold futures and the combined effect of all of that is not to have been to exert an upward pressure on the gold price, but indeed rather to have exerted a downward pressure and I mean, I can understand the feelings of gold companies, but the Reserve Bank is an owner of gold resources and a player in the market like anybody else. It has a responsibility to the welfare of the Australian people and it took a shrewd, correct, defensible investment decision. It has copied, in doing so it has duplicated the behaviour of other central banks around the world and I find the criticism of the Reserve by some of the companies as a little rich and particularly against the background of some of the things that I have mentioned.

**JRNLS:**

But if the net effect is fewer rather than more jobs and few exports rather than more, isn't that bad?

**PRIME MINISTER:**

Well, I just think Jim, you can't make long term predictions at the present moment. I mean, these things bounce around, they really do and the idea that you should go on holding an asset that doesn't give you any return, that is worth at the moment \$2.5 billion but might be worth somewhat less and you're getting no return out of it, I tell you what, if your investment adviser behaved like that, you'd fire him and I mean, that really is the bottom line and the bank has the responsibility to the Australian people. It's written into its charter and it would be almost, you might say it's a breach of trust for the bank not to take proper care of the investment of the resources and what we have seen is the bank sell, put the money into other securities, it's strengthened the balance sheet. We haven't tried to grab it the way that I think one other western government tried to get hold of the proceeds of a conversion and I think the whole thing has been done in a very prudent, economically conservative, economically correct and economically orthodox way and I think the Reserve Bank has met its obligations very fully.

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