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**PRIME MINISTER**

12 September 1997

**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
PRESS CONFERENCE  
PHILLIP STREET, SYDNEY**

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**PRIME MINISTER:**

Good afternoon. I'd like to announce the timetable and the arrangements for the Constitutional Convention. The Constitutional Convention will be held in the Old Parliament House in Canberra on the weeks of the 2-6 February 1998 and the 9-13 February 1998.

It would have been possible but for the obstruction of the Labor Party and the Democrats in the Senate to have held the Convention in December as originally planned but the delay caused by that obstruction necessitated shifting the Convention until February.

Parliament will not sit prior to the holding of the Convention. There is an additional week in which the Senate is scheduled to sit in March, the House of Representatives will probably also sit on that additional week and if a further additional week or two of sittings is required during the year then that will be scheduled.

I should also announce that the formal notice of the election of the elected delegates will be issued on 29 September 1997. The roles will close on 7 October 1997. Nominations on 8 October 1997. The ballot papers will be distributed between 3-14 November and the ballot will close on 9 December and I am advised that the Australian Electoral Office will be in a position to certify the ballot on or about 6 January 1998.

In addition, I would remind you that the Government will be very widely distributing, including lift-outs in all of the major newspapers of Australia, material providing an exposition of the cases for and against any change to the existing arrangements for our Head of State and also other material about how the existing Constitutional

arrangements work and also a discussion of various options for change if some kind of change is decided upon.

I have already announced the appointed delegates. The announcement that I make today completes announcements for arrangements. The Government has fulfilled the commitment that it made to the Australian people at the time of the last election - that it would hold a Constitutional Convention. It has been delayed because of the rather foolish obstruction of the Labor Party and the Democrats in the Senate but fortunately that was overcome with the support of the two Senators from Tasmania.

I am delighted to know that the arrangements are now in place and that the balance of the election of the elected delegates can proceed and the Convention can take place during February, appropriately in Old Parliament House, Canberra.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

No it's not. When you look at the stance of fiscal policy, you not only look at the impact of particular budget decisions but you also look at the confidence effects of the overall stance of budget policy. If we had not cut the \$10.5 billion deficit that Kim Beazley and Paul Keating left us, we would now have higher and not lower unemployment. We would have higher but not lower interest rates. We would have less rather than more business investment and those who argue that some massive reversal of budget or fiscal policy is the remedy to unemployment, really haven't learnt anything from their 13 years of failure.

The truth is, the Labor Party wants a reversal of fiscal policy. It wants to spend more. It wants to push up interest rates. It wants to, in the process, sap business confidence. And their recipe, which, of course, left us with not only a deficit of \$10.5 billion, but also an unemployment rate of 8.7 per cent after 13 years, their recipe would worsen, not improve unemployment.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

Well, I think the poll expresses a view. I think we have a long way to go before the issue's resolved. But at the end of the day the people will determine this, not an opinion poll, but they'll determine it through their election of delegates, through the attitudes taken at the Convention and, ultimately, through a vote. I mean, there will be a vote by the Australian people. So, in a sense, what opinion polls show at the present time are totally irrelevant.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

No. No, the Government will definitely not consider a mini budget. I mean, that is a foolish, uninformed, counter-productive suggestion. You have a mini budget when the budget is out of control. The Labor Party bequeathed us a budget out of control. We have now got it under control. If we had not done so, unemployment would be worse now than what it was when we came to power because business confidence would be a lot lower.

There are no circumstances in which you could possibly justify a mini budget. That is one of those, sort of, reckless, empty suggestions that Labor oppositions, that have failed in 13 years inevitably, make to score a cheap political point.

**QUESTION:**

Would another interest rate cut be...[inaudible]

**PRIME MINISTER:**

Well, that's a matter for the monetary authorities. The unemployment situation is obviously of significance and concern to the entire community. It is our view, our strong view, that the measures we have taken will produce a more beneficial and a better employment outcome in 1998.

Unemployment is always the last of the major economic indicators to come right. We have got strong evidence of stronger economic growth. The latest national accounts indicate the economy is now growing more strongly than it was last year. And once you have a maintenance of that strong growth, over a period of months, you do get improvements in employment.

Now, I understand very deeply and very warmly the concern of people about the level of unemployment. But I also know that there's a cause and effect and you need stronger growth. And we have laid the conditions for stronger growth. Departing from our strategy would stunt growth and depress the prospects for a fall in unemployment and that is why we are not going to depart from our strategy. It doesn't mean that we don't adopt particular measures in certain areas, such as our decision on textile, clothing and footwear tariffs, our decision on work-for-the-dole and analogous decisions to supplement the strategy.

But there will be no change at all in the fundamental strategy because it is correct. The alternative is a big spend, higher interest rate, less business confidence and inevitably, higher unemployment strategy.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

Well, I don't agree with that. I actually didn't know he'd actually used that word. If he has, it's a word I would reject completely. I don't think conservatives or liberals have been cowards on this or any other matter. The fact is, that there is a range of views within my Party on the issue. There's a range of views within the Labor Party on the issue. I know people in the Labor Party who don't support a republic. I think, in a sense, they're more intimidated into silence than what people who support a republic in my Party are.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

Oh, that's ridiculous, ridiculous. I wanted to have the Convention in December and the Labor Party and the Democrats conspired to stop that. We're now holding it as soon as possible thereafter. It's got nothing to do with early elections. I want to run three years. I have no desire to run to the polls in less than the allotted three year period. The Australian people elected me for three years and based on my current feelings and current circumstances it would be my intention to run a full term. Now, the timing of the Convention has absolutely nothing whatever to do with the timing of the next election, nothing at all.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

I feel for people like that. I understand their sense of frustration. I say to them, the path to lower unemployment is higher economic growth, more investment, more business activity. There is no other way. And to pretend that, through some kind of big spending change in budget strategy, you can fix the problem overnight is quite illusory.

I believe that what we have done will produce a better employment climate in 1998 and I, and my colleagues, will bend all of our energies and give our highest priority to achieving that goal. That's the message I give to him and to people in a similar situation. I do understand their position, but I have to deal in reality and I have to speak honestly to the Australian people about the issue.

**QUESTION:**

[INAUDIBLE]

**PRIME MINISTER:**

We have provided the best circumstances for greater economic growth for 20 years in this country. And you don't need to take my word for that. Look at the words of the Governor of the Reserve Bank who, for the first time in a generation that I can recall, as a Reserve Bank Governor, said that the speed limits for economic growth have been removed.

We have low inflation, falling interest rates, strong business investment, a budget strategy that will send us into surplus after only three years despite having inherited a deficit of \$10.5 billion. The conjunction of those circumstances is more likely, than in any other conjunction of circumstances, to produce higher economic growth. And it's higher economic growth that will help the young man who was featured on the front page of *The Australian* this morning. It is higher economic growth that will give hope to other unemployed Australians, and we're going to stick to that strategy and we're going to maintain that strategy because we know in the end it will come right.

Thank you.