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**TRANSCRIPT OF THE PRIME MINISTER  
THE HON JOHN HOWARD MP  
SPEECH TO THE NEW SOUTH WALES LIBERAL PARTY STATE  
CONVENTION, SYDNEY**

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

Thank you Michael. To my Parliamentary colleagues and to my fellow Liberals here in New South Wales. It really is an immense pleasure to be back with you tonight and have the opportunity of doing something that I enjoy a great deal, and that is talking directly to the members of the Liberal Party of Australia, the people who work so very hard to put us into Government all around Australia only 18 months ago, and tonight I want to address many of my remarks to the obligations that those of us who were fortunate enough to be Parliamentary members of the Liberal Party owe to the millions of people around Australia who want years of strong and effective Coalition Government.

We, as members of the Parliamentary party should never forget the obligation that we owe to those who worked so hard to put us into power. There is no point in my mincing words in talking to you tonight. The last week has not been a good week for the Government but let me say to you, it would have been an immensely worse week for the Government if I had walked away from taking some very difficult decisions.

Politics can be a cruel and unforgiving and very difficult business but it is the highest form of public service. It is the noblest thing that people can do for their country and that is to serve all of the members of the society of the nation in a sacrificing way and I have always regarded public life in politics as a great profession. And there are many people in Parliament on both sides who are dedicated to the service of this country and it is important that we do everything we can to fight the cynicism and the denigration of our great national institutions and upholding Parliamentary standards, requiring of people who hold immense power through great public offices that they exercise great care, proper diligence and honesty on all occasions is the first requirement of political responsibility.

That is a standard that I have sought to uphold and it has been upheld by me this week and it has been upheld by me throughout the whole time that I have been Prime Minister. Let me say to you tonight that I will continue to apply that standard. I will apply as Prime Minister of this country the standards my two Labor predecessors deliberately chose not to apply when they were in power.

My responsibility over the last week was to deal with difficult situations, to take immediate and effective action and then to return the concentration of my Government and the members of my Cabinet onto the things of great concern to mainstream Australia, to remind the Australian community of what we have achieved over the last 18 months, to remind the Australian community again and again what we inherited from our predecessors, to remind all of you tonight that we inherited a deficit of \$10.5 billion and in three years we will have turned it into a surplus of \$1.6 billion.

Just as we should never be reluctant to remind the Australian community that Kim Beazley and Gareth Evans conspired in 1983 to prevent a police investigation of their then-mate Senator Colston, equally we should never, ever be reluctant to remind the Australian people of what we inherited in March of 1996, not only that huge debt but also an average unemployment rate over the previous 13 years of 8.7 per cent. When I became Prime Minister of Australia and Peter Costello Treasurer of Australia, the long term bond rate in Australia was what the money marketeers call 250 basis points higher than the long term bond rate in the United States.

Two and a half weeks ago the Australian long term bond rate slipped below the United States long term bond rate for the first time since the floating of the Australian dollar in December of 1983 and

that was a tremendous mark of approval. Ten out of ten from the most ruthless group of investors in the world, the money men and women of the New York markets and it may sound to many people a rather esoteric comparison but what it says is that in 18 months my Government has turned around the perceptions of the investors of the world about this country, that the investors of the world now know that Australia has a Government that is prepared to take difficult decisions, that Australia has a Government which has reformed our industrial relations system, that Australia has a Government that has embarked upon the most effective and comprehensive privatisation programme ever undertaken by any Federal Government in Australia, and can I personally congratulate John Fahey as Finance Minister on the marvellous job he has done in overseeing the privatisation process in my Government.

What the Australian people want from me and what the Australian people want from my Government is a focus on those things that are of direct concern to their daily lives. They are grateful that we have given them the lowest inflation in 30 years. They are grateful that we have given them five interest rate cuts and the lowest housing interest rates since the late 1930s. They are grateful that we have been able to reduce our immense national debt. They are grateful that we have delivered on our great promises in relation to the family tax initiative and the private health insurance rebate and the improved taxation treatment of self-funded retirees.

They are grateful that we have delivered on our small business commitments. They are grateful that we have reformed the industrial relations system. They are grateful that we have broken the monopoly power of the maritime unions of Australia so that it is now possible for an employer from the Australian waterfront to directly recruit non-union labour and what they want from us over the next 18 months is a redoubled effort to focus on those things that are of concern to them. Unemployment in this country remains too high but don't ever let the Labor Party get away with the myth that unemployment arrived on the second of March 1996.

Kim Beazley's great legacy to Australia is that when he was Employment Minister, unemployment reached a post-depression high of 11.2 per cent and had averaged 8.7 per cent in the 13 years that Labor had been in Government. Our responsibility is to continue our efforts to reduce it. All of the pre-conditions to a better employment outlook in 1998 are there. We have created the circumstances and are now beginning to enjoy stronger economic growth than in 1996. The Governor of the Reserve Bank, normally a conservative spokesman on economic matters, said only a few weeks ago that the constraints on economic growth had by and large been removed in Australia. What he was saying was that we had reached such stable fiscal and other economic conditions that it was possible for the Australian economy to grow without the twin threats of higher inflation and a spillover into a higher current account deficit.

That is something that a Reserve Bank Governor has never been able to say to the Australian people in the 23 years that I have been in Federal Parliament. So if you bring all of these conditions together, the low inflation, the low interest rates, the gathering momentum of economic growth, the enhanced respect in which Australia is held within the international financial community, our determination to reduce and we've succeeded in doing it, the huge debt that we inherited from the Labor Party, you are seeing assembled the greatest conjunction of positive economic circumstances that this country has had for decades and as all of us who have studied the economy know, employment is always the last of the major economic indicators to come right.

So we have much to be proud of over the last 18 months. There have been difficulties and there have been set backs but there have been immense achievements and achievements in which all of us take immense and justifiable pride. We've not only taken action on the economic front but I remain immensely proud of the way in which we have delivered a safer society through our effective ban on automatic and semi automatic weapons in the wake of the Port Arthur disaster last year. We have changed perceptions in important respects concerning our relations with other nations of the world. We have in no way lessened the importance of our associations with the nations of the Asia Pacific region and indeed, the first visits that I paid as Prime Minister were to many of our major

friends and partners in the Asia Pacific region, and I will be returning to Indonesia again in a few weeks time after I have gone to the Commonwealth Heads of Government meeting in Edinburgh during October and once again, conducting discussions with President Soeharto who has led that great Indonesian nation now for over 30 years.

Recently I was in the Pacific area taking part in the South Pacific Forum and much of the media coverage of my visit to the Cook Islands centred upon the issue of greenhouse gas emissions, and ladies and gentlemen, I make no apologies for the fact that at that meeting I stood up for Australia's interests.

I take a very simple, uncomplicated view of the responsibility of the Prime Minister of Australia, and that responsibility in my opinion is to promote the interests of the Australian people. I find it absolutely amazing that whenever there is a disagreement between Australia and some other part of the world the Labor Party always wants us to roll over and apologise to the rest of the world.

About a year ago, the members states of the European Union said they wanted to sign a Framework Agreement with Australia, and that is an agreement to sort of express in formal language the many economic and other bonds that we have with other nations, and when the Foreign Minister came to talk to me about it I said I had absolutely no objection, and in fact I was enthusiastic about signing a Framework Agreement with the members of the European Union, but I objected to the nations of the European Union requiring us as a pre-condition of signing that Framework Agreement to agree to the insertion in it of a human rights clause which would of given them certain rights to terminate the agreement. I took the view that a nation with the outstanding human rights record of Australia ought not to be required by the nations of the European Union to agree to the insertion of such a clause.

And what was the reaction to the Labor Party? I think he is the local member for the University of New South Wales, isn't he? Laurie Brereton, the Shadow Minister for Foreign Affairs. He said, this is terrible, we should agree immediately, in other words we should roll over, and he said, if you don't agree you won't get the agreement signed. Well of course that turned out to be wrong, we stood our ground and the agreement is being concluded in another form. The same thing happened again last week. I was accused in standing up for Australia's interests in ignoring the interests and the aspirations of the Small Island States of the Pacific area. Once again I was told I ought to roll over, and apologise.

I wasn't ignoring their interests. I understand the concerns of those Island States about global warming, and about rising sea levels, but I also know that we will never get a comprehensive, workable solution to that problem unless we involve all of those nations in the world, both developed, and developing who contribute to greenhouse gas emissions, and the proposal being advance by the nations of the European Union, and apparently supported by the Australian Labor Party, would impose a crippling, disproportionate, unfair burden on Australian industry.

According to some estimates, those proposals if adopted, and if agreed to by Australia, which they never will be while ever I am Prime Minister of this country, would cost Australia something in the order of eighty or ninety thousand jobs. They would impose unfair, crippling burdens on many on the most efficient export industries of Australia. They would spell the death of many more jobs in the Hunter Valley than the recent BHP announcement that had such a traumatic effect on Newcastle, to which incidentally I send my warm good wishes at the Grand Final on Sunday. Controversial backing in an audience like this, but I think there would be something rather nice about Newcastle winning. Ladies and gentlemen, I don't want anybody in this audience to be in any doubt about what is involved in this greenhouse gas issue. This is about the Australian national interest, this is about Australia saying to the rest of the world, we will play our part, we will make a contribution to reducing greenhouse gas emissions, we will be part of a world-wide agreement that sets realistic, realisable, achievable targets. We will accept disciplines, we have already done so, and we will be having more to say about that in the lead up to the Kyoto conference, but under no circumstances are we going to

accept a regime that will impose unfair and disproportionate burdens on the industries of Australia, and on the people of Australia. Because unlike just about every other developed country, Australia is simultaneously a developed society and a net exporter of energy, and as a consequence of that the sort of principles, and the sort of rules that might be satisfactory for most of the European nations are demonstrably unsatisfactory for Australia.

So in this, and in so many other areas the guiding principle of my attitude and the principle that instructs what I do in terms of our relations with the rest of the world is simply the Australian national interests, and that in my view of life is my supreme responsibility as Prime Minister of this country.

Can I also, as a member of the New South Wales Division of the Liberal Party, and as somebody who has been to most, just about every Convention since I joined the party in the late 1950's, and that means I have probably been to as many Conventions as most of the people who are gathered here, can I say a couple of things directly to you about the New South Wales Division. Can I first of all say how immensely grateful I am for the superlative effort that the party put in to deliver so many magnificent new members into the House of Representative, and the Senate at the last election. Can I also say how committed I am to securing the expulsion of Bob Carr from the Treasury benches of New South Wales at the next election.

I have got a lot of theories about politics, and one of the theories I have about politics is what's called the doctrine of the unintended election result, and I don't really think the people of New South Wales intended to elect Bob Carr at the last election, and I sort of think it happened a bit by accident, and he has been really struggling ever since, and I'll look forward to the New South Wales Conference, and the interesting debate about privatisation. I said to the Premier when I saw him a few weeks ago that if he wanted me to address the comrades and the delegates in the cause, I would be very happy to do so.

Now I think we have a tremendous opportunity here in New South Wales. We have an opportunity to hang onto all of those seats we won and win some more. I still have my eye on Michael Lee's seat of Dobell on the Central Coast, and if he doesn't get his act together on greenhouse gas emissions there will not be many of the miners of his electorate that will want to vote for him again.

But, I think it is having said that, it is important that we understand the imperatives of domestic co-operation, and the imperatives of political unity within our own ranks. I think I am entitled as Prime Minister, and as a reasonably well known member of the New South Wales Division to say that we are in a very real sense of the expression a broad church in the Liberal Party. We do have people who regard themselves as small "L" Liberals. We have people who have more conservative views, we have people who are economic Liberals, and social conservatives, that's an interesting mix. We have people who are economic liberals, and social liberals, we have people who are economically more conservative, and socially liberal and what we have managed to do and the great genius of our party is that over the years we've been able to have those groups coalesce together to form a party that is appealing to the broad cross section of the Australian community, a party that is prepared to embrace change and reform when that is necessary in the national interest, but also a party which is prepared to defend, protect, and treasure traditional values when that is important in the national interest.

One of the great imperatives of good state craft in the modern era is to know when it is in the national interest to embrace the new, and the different, and the progressive, and also to know when it is in the national interest to hold on to what is tried and true, and effective, and you've got to have the skill to pick the time, and the occasion, and the issue, and if we are to succeed, it is important that we manage our internal differences in a mature fashion, and there is no point in mincing words about that. There is no room for winner take all factionalism in the New South Wales Division of the Liberal Party or indeed any other division of the Liberal Party. We shouldn't kid ourselves, we all know that there is a lot of activism, we all know that, and let's not delude ourselves, let's not be too polite about it. I mean there is nothing wrong with that, I mean it is unrealistic to pretend that you don't have a range

of views, but my plea to all of you, particularly those who have influences, manage those differences, co-operate, respect the other point of view.

One of the reasons we had a magnificent win federally in 1996 was that we went to that election with a Shadow Cabinet and a leadership, and a set of policies that reflected the cross section of views within the Australian community, and within our own party, and I think that it is very important that we keep that in mind. I believe that Peter Collins can become the next Premier of New South Wales, and I believe very strongly that we can hold onto the Federal seats we have, and even win more, and if we all work together effectively that can be achieved.

Lastly ladies, and gentlemen can I say that I always get a resurgence of enthusiasm, and some political adrenalin in coming along, and addressing this gathering. It is always very nice to be back amongst so many of my long standing friends here in the New South Wales Division. I am very proud of what my Government has achieved, I am very proud of the changes that we are making, the beneficial changes that we are making, but most importantly of all I am very proud that its been done in co-operation with, and with the support of the rank and file of the party organisation throughout Australia. I frequently say, and I will say it again tonight, that I would never have hoped to have held the office that I now hold, to have been leader of my party, to have been Prime Minister of Australia without the support and the understanding, and the enthusiastic support that has been of the ordinary rank and file members of the Liberal Party of Australia.

Again let me express my immense gratitude to all of you. Can I say to all of my colleagues here tonight thank you very much for your loyalty and understanding. Those of you who entered politics for the first time in March of 1996 will have seen sort of the rich variety of politics over the last 18 months. You will have seen some of the great highs, and you will have started to wonder a little bit on occasions about other aspects, but it is good education. Variety is very important, you've got to experience all the emotions in politics, and I think we've done that, and of course it has been a bit trying this week. I think I called it *septem dies horribilis*.

But the important thing my friends is that we upheld the standards. The important thing is that we faced, and acted immediately in the teeth of difficulty, the important thing is that unlike our political opponents we didn't have mealy-mouthed principles, but no action, and the important thing is that we can look every Australian in the eye, and say that we have acted to create a situation where tax payers' money is carefully, and honestly handled.

So, to all of you thank you again. I look forward to seeing you again in a year's time at the next convention, and that will be getting very close to the next election, not too close, but it will be getting close, and I know that will probably start a story tomorrow, it wasn't meant to, but ladies and gentlemen thank you ever so much, and to you Michael, as President of the Party, can I congratulate you on the tremendous job that you have done since you assumed the Presidency. It is not an easy job running the organisation, you don't get a lot of thanks, you don't get a very big salary, and you often get a lot of criticism, and lot of brick bats, and you deserve, and I know you have our support and our respect, to all of you thank you so much, Janette, and I are delighted once again to be amongst you.

Thank you

[ENDS]