

15



PRIME MINISTER

24 October 1997

**TRANSCRIPT OF THE PRIME MINISTER
THE HON JOHN HOWARD MP
RADIO INTERVIEW WITH MATT PEACOCK
AM PROGRAMME, ABC RADIO**

E&OE.....

PEACOCK:

Mr Howard, they are now talking about the Asian currency meltdown, what sort of impact do you think it may have on Australia?

PRIME MINISTER:

I think words like meltdown are quite extreme and not appropriate. Obviously it will have some effect but not as much as some of the doomsayers are suggesting because only about 10 per cent of Australia's trade is with the countries that have experienced the most turbulence. You have got to remember that the great bulk of our exports in the Asia-Pacific region go to countries like Japan and Korea. Now that is not to suggest that the other countries aren't very important to Australia but you have got to keep a sense of proportion. And you have also got to remember that many countries in many parts of the world have gone through currency turbulence in the past. I guess the other lesson that you have got to learn out of this is nothing beats having the fundamentals of your economy strong and right and true. And that, of course, is something that my Government has done with the Australian economy over the last 18 months.

PEACOCK:

Nonetheless, how concerned are you on behalf of the region?

PRIME MINISTER:

I am concerned about any evidence of instability but I am not going to engage in panic talk when there is no need for that. It is a question of keeping one's head, of understanding what is occurring, of being a good neighbour, a good friend of the region as we demonstrated in relation to Thailand. Our gesture in involving Australia in the currency swap has been warmly welcomed and deeply appreciated not only in Thailand but throughout the Asia-Pacific region as a clear signal, a practical signal of just how deeply committed we are to the Asia-Pacific region.

PEACOCK:

You welcomed President Clinton's greenhouse package but even the United States is still setting targets, albeit less than the European Union. How acceptable would the targets set by Mr Clinton be to Australia?

PRIME MINISTER:

There are three things that are very good about President Clinton's package. Firstly, it rejects the European demand for uniform reductions of 15 per cent. Secondly, it is conditional on the involvement of the developing countries. And thirdly, it is a recognition that different countries have different problems and therefore by definition will have different responses. That is why I welcome what President Clinton has put forward. I see it as very much in line with what I have been arguing for and very much a vindication of Australia's campaign for a degree of differentiation for the involvement of developing countries and also a flat rejection of the quite unreasonable demand of the European Union.

PEACOCK:

But it still sets 1990 levels for developed countries, is that acceptable to Australia?

PRIME MINISTER:

What is acceptable to Australia is something that is fair to Australia and I have said repeatedly and let me say it again, that before we go to Kyoto we will unveil our position. I will be outlining a number of domestic measures that Australia will take to reduce greenhouse gas emissions. At no stage have I said that we expect a free ride, we can't have a free ride. Australia will have to do more. I make that clear to the Australian public in the years ahead to reduce greenhouse gas emissions. What I am determined to do is to ensure that my country is not burdened with an unfair proportion of the load. What President Clinton has done gives me great encouragement.

PEACOCK:

Is any mandatory target like 1990 levels acceptable to you?

PRIME MINISTER:

It is acceptable if the arrangement is fair to Australia. Of course it is.

PEACOCK:

You will be dining with the Queen tonight. What are you going to tell her about the perhaps outcome of the Constitutional Convention and her job in Australia?

PRIME MINISTER:

It is not normal, as you know Matt, to speculate in advance or even talk about in retrospect discussions you have with the Queen. But I will certainly be going there along with Jean Chretien, who I had a very pleasant discussion with yesterday.

PEACOCK:

In relation to your discussion with the Canadian Prime Minister are they an ally with Australia at all in terms of the greenhouse issue?

PRIME MINISTER:

I think Canada understands our position. I don't see this in terms of allies because you imply in that that we have enemies.

PEACOCK:

Well there is a lot of people who have been very critical, including the Deputy Prime Minister here in the United Kingdom.

PRIME MINISTER:

He wasn't present at the discussion I had yesterday with Mr Blair. The discussion I had with Mr Blair yesterday was a very co-operative, constructive discussion and I was very pleased with that.

PEACOCK:

But he didn't voice any criticism of Australia's position?

PRIME MINISTER:

No he didn't. But what he did do was to say that there had to be an understanding that different countries had different situations and different problems. He has a position in relation to the United Kingdom. You have got to understand, of course, that the European Union is able to allow a country like Portugal to have a differentiation of a 40 per cent increase in greenhouse gas emissions over 1990 levels. Other countries have a very large increase. It is the fortuitous conjunction of the closure of a large number of coal mines in the United Kingdom, plus the collapse of much of East German industry after the implosion of the Eastern bloc in the late 1980s that has produced a large contribution to the European Union's capacity to leap the target that they are demanding of the rest of the world. Now I think you have to bear those sorts of things in mind. But to suggest that my discussion with Mr Blair yesterday was a difficult or antagonistic one is, I can tell you, quite wrong.

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