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FOUR CORNERS INTERVIEW WITH THE PRIME MINISTER,

THE RIGHT HON. J.G. GORTON

Reporters: John Temple
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TEMPLE: Good evening. This last edition of Four Corners for 1968 is coming from Canberra. An interview with the Prime Minister, the Right Hon. J.G. Gorton, looking back on his first year of office. With me are John Penlington and Michael Willosoe.

Prime Minister, since you came to office there have been some quite dramatic changes in the strategic situation in the area - Britain's accelerated withdrawal from east of Suez, America's scale down in Vietnam and apparent reluctance to become too involved in future in Asia. As a result of these, how much more vulnerable is Australia?

PRIME MINISTER: Well, I don't think Australia is any more vulnerable at all, if you're talking in the terms of an invasion or a likely incursion across the borders of Australia by some hostile power. I believe without question that the A.N.Z.U.S. Treaty covers Australia and New Zealand and we have ourselves increased our own capacity to defend ourselves. So if that is the sense in which one is talking I believe we are no more vulnerable at all. But nevertheless, it would be true to say that Britain's accelerated withdrawal and the debate going on in the United States as to the extent of involvement and the kind of involvement that country should have in South-East Asia, would have created conditions there less stable than before these things happened.

QUESTION: Could I ask you what Australia is going to do in this less stable situation? At your press conference

this week the general assumption seems to be that Australia will continue to have a role in regional defence including troops stationed abroad. Is this a fair assumption?

PRIME MINISTER: What I said at the press conference was that the Government had taken what I regard as significant decisions enabling the military advisers of the Government and Defence Department to plan the sort of advice that they will give us. We have told them the capabilities we would like our forces to be able to fulfil. They can then advise on the composition of the forces to fulfil those capabilities and the kind of arms which would be provided and do their planning in that way. That is one thing and the decisions needed to be taken on that. That should be distinguished from taking at this stage decisions not as to composition of the forces but as to disposition of the forces. Not as to capability of the forces but as to the deployment of the forces at some time in the future. They are two different things.

QUESTION: Prime Minister, I'd like to ask why it has taken Cabinet so long to reach this latest decision?

PRIME MINISTER: Well, as you said, or as you said, sir, we were confronted with a comparatively new situation in, particularly, the area to our own near north. We knew, of course, that Britain was intending to withdraw but the quite significant acceleration of her withdrawal presented problems which came before us sooner than they would otherwise have been thought to be coming before us. And this required a good deal of study and a good deal of advice and a good deal of discussion by the Defence Committee before advice came to Canberra.

QUESTION: Now, your critics have attacked you because of the delay but has the Australian Government suffered or made any losses because of this delay?

PRIME MINISTER: I don't believe they have. You see, we have engaged in Five Power talks as you know in the area directly to our north as to what is to happen up until the time that the British withdrawal is completed. Those talks have been going on and those countries know our views and their own views and I've already announced that in principle we propose to keep in that area forces subject to a few details being cleaned up.

QUESTION: Are you aware of any strains in Australian-Malaysian or Australian-Singapore relations as a result of the delay?

PRIME MINISTER: I'm not aware of any.

QUESTION: We have heard reports of certainly the Singapore Government pressing your Government for a decision. Have such measures been taken?

PRIME MINISTER: I know of no such strains or no such pressing coming from Lee Kuan Yew to myself.

QUESTION: Prime Minister, you said this week that it wasn't a choice between Fortress Australia and sticking all our troops in Asia. But didn't you start the speculation about Fortress Australia and add to it by some of your statements through the year?

PRIME MINISTER: I don't know when I can be quoted as having used the words Fortress Australia but with that rider let's accept what you've said. What I have been saying is that in this new situation there are a great number of possibilities, when we knew when this acceleration was going to take place, there were a great number of alternate possibilities and all of them needed to be looked at. But Fortress Australia is not I think a phrase I've used, and the connotation of it is not one that I would support. The connotation of Fortress Australia is the idea that everybody goes back into Australia, turns their

back on everything outside Australia, draws a line around it and says, we're inside this line and we're not interested at all what happens outside it, we just stay here in a fortress. This is a proposition, in fact, that has been put forward by some Opposition spokesmen, but that is not at all the same thing as, for example, and I'm speaking of possibilities again, the role that Britain took, say, during the Napoleonic Wars when she was in a sense fortress-ridden but occupied on the Continent.

QUESTION: These are extremes. I think you put it this week as "black and white".

PRIME MINISTER: Yes.

QUESTION: But I think a lot of commentators have taken it as meaning an accent on one or the other and I come back to this point that you were the person who started saying that we have to reconsider this forward defence concept and I think you were even quoted as using the term 'Fortress Australia' at the Government Parties meeting.

PRIME MINISTER: Well, I don't think I've ever used the term in any public meeting and I won't comment on what happens inside Party meetings. So there are a number of possibilities to be examined. I think you're not quite right to say the commentators have on the whole put an accent on one or the other. Some of them have. But I think some of them have tended to say it's either all one thing or all the other thing. And that I think was quite wrong.

QUESTION: Prime Minister, do you think in fact that taking the defence situation at the beginning of the year and now as best we can read it; would you agree there's no major policy change?

PRIME MINISTER: Are you talking of defence situations from the point of view of the hardware that's supplied to the forces?

QUESTION: No, I think basically deployment philosophy.

PRIME MINISTER: Well, the deployment of the forces up until 1971, subject to what I've said in Parliament in announcing it, is clearly a continuation of what we did before. A continuation up until the end of 1971 so in that sense there would be no need to change.

QUESTION: Prime Minister, you've said just recently that we have to face the fact that we've entered a new era and that we must build up our defences. Does that mean that we can reasonably expect that conscription will be maintained?

PRIME MINISTER: I think if we are to keep regular forces of the size that we should keep it will be necessary to have a form of national service in order to keep them up to that level.

QUESTION: Now, another comment of yours earlier this year that may have given us a clue as to what you were feeling about that, you said that you'd like Australia to have "a citizen army ready to go at a moment's notice as the Israelis were able to go at a moment's notice into action". Now, what did you have in mind that would be different to the sort of citizen army that we have at present?

PRIME MINISTER: I think what one had in mind was a better citizen army, a better equipped citizen army, a better trained citizen army, C.M.F., than we have had at present. We have throughout our military history, in fact up until recently when we had greater regular forces, we have been dependent on a citizen army and calling it together in times of emergency and then training it for some time before it can go into action. One of the possibilities again and one of the things that needs to be examined is a bettering and a better-equipping and a better-training of the citizen army so that we don't have to have that long delay should it ever be needed.

QUESTION: And a bigger C.M.F.?

PRIME MINISTER: I'd like to wait for the direct military advice of our military advisers on this before I answer that.

QUESTION: Is it probable that conscription or at least some form of national service would be enlarged perhaps to the point of making it universal?

PRIME MINISTER: I don't think that we would need to enlarge it to the point of making it universal. We did once, you know, make it universal for a six months period of training, and I think the armed forces got very little out of it and it did disrupt a whole lot of civilian activity and development of Australia. What is needed is a period of time for a national serviceman to serve which will enable him, first of all, to be properly trained and then for the armed forces to get the advantage of that training for the rest of the time during which he is serving. Now, if that were to be applied universally, I think it would be bad for the other requirements that Australia has for its young men to build Australia.

QUESTION: Could we turn quickly now, sir, to Vietnam. In June this year, at the National Press Club in fact here in Canberra, you said that the military objective of obtaining political freedom for the South Vietnamese people could be attained. Do you still believe that?

PRIME MINISTER: Well, I suppose that would depend on the outcome of the negotiations going on now in Paris. If the outcome of those negotiations is that the South Vietnamese people do get political freedom then I think it should be clear that that political freedom has been achieved only because there was military opposition to aggression.

QUESTION: You've also said that the only way the war could be lost was diplomatically. Do you see dangers

therefore in attempts to reach a diplomatic solution?

PRIME MINISTER: I see no danger in attempts to reach a diplomatic solution at all.

QUESTION: The United States has taken some dramatic steps over Vietnam specifically during your term of office, hasn't it? The bombing halt for a start, and then the start of the Paris talks, and looking back over the things that have happened in the twelve months, is the Australian Government completely satisfied with American policies?

PRIME MINISTER: American policies in relation to the bombing halt and the bringing about of talks in Paris?

.. Yes.

PRIME MINISTER: We have endorsed what the United States Government has done on both occasions. The first occasion was an attempt to show good faith and to bring people to a negotiating table and to seek to de-escalate the actual war as President Johnson said. This had no great success with North Vietnam. But the second decision was based on the Americans' belief that should that second decision be taken then proper peace talks would begin because there had been no proper peace talks until that stage. All the talks were concerned with whether bombing should stop on North Vietnam. Their belief that proper peace talks would take place and that they had good reason to believe that the scale of fighting would drop during the period of those peace talks, and they having that belief and certainly the talks having begun, we can only do as I indicated in the House myself, hope that they'll reach a successful conclusion.

QUESTION: You have indicated some discontent on both those occasions though, haven't you, Prime Minister?

PRIME MINISTER: I think what I have done is to indicate that it is not certain by any means that a peaceful solution will be attained at the negotiation table merely because people are sitting down at a negotiating table. One hopes there will. There is no certainty that it will. I mean, as I think you used at the time, injected a note of caution rather than a note of discontent.

QUESTION: Did you go along with the American policy of putting pressure on the South Vietnamese Government to attend the peace talks?

PRIME MINISTER: Why, we ourselves approached the South Vietnamese and gave them our advice that we thought it was in their interest to go and that this of course was also announced in the House.

QUESTION: Now, Prime Minister, we'd like, if we may, to turn to domestic issues. And one of the most sensitive is the question of foreign ownership of Australian resources. It's an area in which you've personally intervened on a number of occasions. Why has it been necessary for you to intervene?

PRIME MINISTER: Well, the only occasion on which I intervened directly was in the case of the M.L.C. and one was able to do that because the M.L.C. was incorporated in the Australian Capital Territory, and one had a constitutional power to do it. On the other occasion of which you're thinking, I believe, that is the occasion when we asked the Stock Exchanges to continue trading in Australian company shares even though the shareholders of those companies may have sought to protect themselves against being taken over. That we believed was necessary and when I say we, the Government believed it was necessary. To prevent the sort of market raids which have been going on, on good efficient well-established companies or which was anticipated might take place on such companies.

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12.68

QUESTION: I think the critics have warned, Prime Minister, that you may frighten off foreign capital. Have you had any indications from foreign investors that they could be nervous?

PRIME MINISTER: Well, certainly the capital inflow up until this stage from abroad has given no indication of dropping off and there are obvious reasons for that. But I think that what we need to have in our minds in discussing this are two things: first development capital, capital coming into Australia in order to develop some new industry, some new mine, in order to build. This we want and I see no indication of nervousness. We would wish to have some Australian participation in such new development. We would not want debenture capital to be raised inside Australia for some overseas company development in Australia. That is one aspect. On the other aspect, that of taking over established Australian companies, there are, as I said yesterday, instances when this could be of advantage but there are also instances when it could be of considerable disadvantage, and we wish at this stage to try and stop it. Or try and help people stop it.

QUESTION: You don't see any nervousness here for development capital; apparently Charles Court, the Liberal Minister in W.A. for Industrial Development, does. He said this week that your intervention had embarrassed the W.A. Government and had caused doubts in the minds of overseas investors.

PRIME MINISTER: I can only state my own belief and that is that overseas investors will come to Australia if they see a stable government, which they do see, and if they see a proper opportunity to profit on the funds which they are willing to invest in Australia. And those are the two things I think they make their judgement on.

QUESTION: Prime Minister, do you want more power to control or curb foreign investment?

PRIME MINISTER: To control or curb it. I think that it would be good if the Attorney-Generals' Committee could reach agreement on uniform legislation so that nominees who bought up more than a certain percentage of a company should have to disclose who in fact the beneficiaries were, I think that would be a good step and I suppose that would fall within the category of greater power to curb takeovers. I think it would be, if we could work it out with the States, good to have a selective way of protecting Australian companies from being taken over and their assets dissipated and things of that kind. Yes, I think that would be good.

QUESTION: And you seem to be looking for more power?

PRIME MINISTER: If that's the interpretation you put on what I've just said - yes.

QUESTION: Do you accept the interpretation?

PRIME MINISTER: Well, I think I must because if you make nominees, if you want the power to make nominees disclose who the beneficiaries are, then you're asking for more power - yes.

QUESTION: Prime Minister, can I take you on to another sensitive domestic issue this year - the financial relationship of the States with the Commonwealth. You've been accused in this dispute of being a centralist - it's an accusation that you've repeatedly denied. Just how much financial power do you want your Commonwealth Government to have?

PRIME MINISTER: Well, can I go back to the genesis of this debate, on this matter, and that was a suggestion of mine

repeated in various place that it was time I thought the Liberal Party examined the concept of Federalism which as a dogma it accepted some twenty-five years ago. Examined it and see whether they still thought it was exactly the way it should be. What I think is essential is that the central government should be able to control the general economy of Australia. That if there is too much pressure on available resources then the central government take financial measures in order to reduce the demand on those resources, that if there is not enough pressure, if there are resources and men lying unemployed, then the central government should be able to take financial action of one kind or another in order to see that those unused resources were used. This must be a function of the central government and I think that leads one on to the conclusion that if this is accepted then a central government must have as in fact it has had full control of the major sectors of taxation. Not only fiscal control but full control of the major sectors of taxation. And I wanted those two propositions to be thoroughly examined and for people to decide whether yes that really was the fact.

QUESTION: Do you think you've convinced the Premiers of that yet though?

PRIME MINISTER: Well, what is going to happen about that is that the Liberal Party is going to examine the whole question which at least I believe must be good. But it's not only that. I think there is also a need for a central government to see that if there is a national need, that that national need is met all throughout Australia. If I can give an example of that; if it was agreed, I think it was generally agreed, that Australia needed technicians and needed technologists for its future development, and therefore needed better technical schools and better equipment for the training of people going through them, if it's agreed that there was that need then it was reasonable for the central government to say this is a national need, we will provide

Section 96 grants to see that this is met and that it is met in the same way in Queensland as it is met in Western Australia or New South Wales.

QUESTION: Are there any particular activities performed by the States now which you think as the years go by will move more into areas of Federal control? Financial control?

PRIME MINISTER: I think that's a bit too speculative a question and...

QUESTION: Well, take education for one which is something in which your Federal Government and previous Federal governments have given dollops of money to the States. Do you think this is an area where the Commonwealth is going to take over more control of how the money is spent?

PRIME MINISTER: I don't believe that that is likely to happen and I'm not sure, in fact I think I would not like it to happen. But it may well be in the future, some time in the future, responsibility for providing finance for education, for providing finance for a technical school or a secondary school or a primary school or teacher training or whatever it has, may come to be more of a Federal matter - I don't see it in my time but it may well be. But if it did come to that then one would certainly not want to see, the finance having been provided, some central government saying what sort of syllabus would be taught in a school and what number of teachers and where the schools would be built or any of these matter which the States could do much better.

QUESTION: Prime Minister, can we look now more closely at you, at the Gorton style. Earlier this year you said that you did not see yourself as Prime Minister as a Chairman of Committee. You said that if a Prime Minister believes strongly enough that something ought to be done then it must be done, this was as far as Cabinet was concerned. Have you stuck to this?

PRIME MINISTER: I think that is still what a Prime Minister should do. But, mind you, it would only be in the most extreme cases that it would be necessary for a Prime Minister to put into action that particular attitude. In nine hundred and ninety-nine cases out of a thousand it would be a matter as it should be of discussion and decision by Cabinet but there could be some occasions when the Prime Minister should say this is something I believe in very strongly, that it's got to be done, or you get someone else.

QUESTION: Has such an occasion arisen this year?

PRIME MINISTER: No.

QUESTION: Has this philosophy caused any strains or lost you any friends in Cabinet or Government?

PRIME MINISTER: I don't believe it has at all. In fact I think that I really do believe that our Cabinet is working as happy a team as I've ever seen one work.

QUESTION: Prime Minister, on this theme of your more individualistic approach, your critics seem to imply that they want a Prime Minister who stops, looks and listens before acting, but they accuse you of sometimes stopping and looking but not listening sufficiently. Not taking all the advice. What's your reaction?

PRIME MINISTER: Well, my reaction, I think I can best express this way, that not only a Prime Minister but any Minister running a department should get advice, listen to it, analyse it, argue about it if they're not in agreement with it, and if having done that the Minister or the Prime Minister believes that the advice should not be taken then I think the advice should not be taken because the decision must always rest with the Minister, the Cabinet or a Prime Minister.

QUESTION: Yes, but the accusation is that you don't listen to all this advice.

PRIME MINISTER: Well, I don't think that's an accurate accusation. It may be put forward by some people, I don't know, who really mean I don't take all this advice which is quite a different thing.

QUESTION: I think in the case of the Esso-B.H.P. oil agreement, it appears you didn't take Dr. Frankel's advice and he was...

PRIME MINISTER: Well, Dr. Frankel was employed by the Department of National Development to make reports to the Department of National Development. The Department of National Development was on the Interdepartmental Committee which made recommendations to the Government, and they, the Interdepartmental Committee, had made recommendations and indicated that there was some need for decisions on these recommendations apparently long before they expected to receive Dr. Frankel's advice.

QUESTION: In the same area but with a different twist, these same critics sometimes think you're too hasty. Do you also reject that criticism?

PRIME MINISTER: I don't believe I have been too hasty, I can't think of anything I've been too hasty on.

QUESTION: Could I suggest for one, early in the year you suggested you would place a ceiling on our commitment of troops in Vietnam. You certainly watered this down later.

PRIME MINISTER: Well, I don't think so. We have kept a ceiling on the troops in Vietnam.

QUESTION: Yes, but you decline to reaffirm that wish.

14/12/68 68/177

PRIME MINISTER: I decline to reaffirm it indefinitely that we enter the future under all sorts of unknown circumstances but in fact that statement was made and that statement has been adhered to. And if I may say so that statement was expressing a view which had been reached by a previous government to mine and which was known abroad anyway.

QUESTION: Well, what some people may call hasty others may call decisiveness anyway. Do you see this, certainly this speed of reaction as part of John Gorton or just something you see a Prime Minister should do?

PRIME MINISTER: I don't think that there's any real advantage in speed of reaction as such, just for speed of reaction. There may be occasions arising when speed is necessary but it's not a virtue in itself. Indeed, on the matter of entering overseas shipping which I think is one of the most exciting things Australia's done in the course of this year, there were long discussions before the decision was finally taken by Cabinet, long discussion by Mr. McEwen, by his officials, by myself with Mr. McEwen, On the oil pricing there was long discussion in Cabinet, interdepartmental committees, and so on.

QUESTION: Could I just chip in. When you talk about Cabinet taking that decision on shipping; was it true in fact that a London newspaper gave a report of that deal the same day you put it before Cabinet?

PRIME MINISTER: A London newspaper correspondent gave some of the aspects of the deal. But the deal, you know, was not put before Cabinet as "This is a deal which has been concluded". It was put before Cabinet as "This is a proposition which the shipping companies will agree to if you will agree to. Do you accept the proposition?"

QUESTION: Prime Minister, you've said several times this year that you hope for a new sense of nationalism in Australia? Do you see any signs of it?

14/12/68

68/177

- 16 -

PRIME MINISTER: I think people can only make their own minds up on that and form their own judgments and their own interpretations. I believe myself, rightly or wrongly, that there is a growing feeling of cohesion and nationalism and pride in Australia amongst Australians. I think there is. I hope there is. I think there should be.

QUESTION: Sir, one of the things that seems implicit in some of the things you have said about nationalism is that it depends heavily on how much money we get for our enormous natural resources, in some sense we are going to buy a national destiny. That's not what you mean perhaps is it?

PRIME MINISTER: That's not what I really mean at all, but nevertheless it must be true, that if we are to develop as quickly as we want to develop then we need to get proper development capital from abroad and as that development occurs and particularly if there is Australian participation in that development, then we will be stronger and have more opportunities to do the things we want to do which are not just material things inside Australia.

QUESTION: Well, what about the trappings of nationalism, Sir? You have already said you fancy Waltzing Matilda as the National Anthem. You didn't say this?

PRIME MINISTER: No. I said we had a National Anthem and it was God Save the Queen, and that in a monarchy such as Australia is a quite satisfactory National Anthem. But I did say I thought Waltzing Matilda was a National Song. And my personal opinion was it ought to be a National Song and I would be very happy to see it played on such occasions, for example our athletes winning something at the Olympic Games or something of that kind, but when the Governor-General comes or when there is any significant matter of that kind, then I think we have a National Anthem. But yet

14/12/68
68/177

some people do not like Waltzing Matilda, but I do.

QUESTION: And the flag?

PRIME MINISTER: The flag I am quite happy with.

QUESTION: You would not want to follow Canada and have one of our own?

PRIME MINISTER: My own belief is that our flag stands for so much that I would not like to see it change.

QUESTION: Prime Minister, you have made a relatively big jump, well from a relatively junior Minister to Prime Minister. Now you have had twelve months there, have you enjoyed this year of power?

PRIME MINISTER: Yes, I have enjoyed it. It has been extremely wearing, very tiring; but subject to occasionally getting slightly exhausted, yes I have enjoyed it. I am not sure there has ever been another period when quite so many new things have happened; either from abroad or instigated within Australia perhaps by ourselves.

QUESTION: Prime Minister, if you had to single out one particular achievement this year, that you would take the greatest pride in, which one would it be?

PRIME MINISTER: Can I single out two?

QUESTION: All right.

PRIME MINISTER: Well the one I would put down as the beginnings of the entry of Australia into carrying our own produce in our own ships. We are leasing a couple of the ships but in fact we are manning them and controlling them. This I think is the beginning of something which I believe will grow and will be great for Australia.

QUESTION: Can I just butt in there? Isn't that just a little bit adrift from normal Liberal philosophy to move into an area of what some might see as socialism like that?

PRIME MINISTER: Well I think it depends on how you interpret normal Liberal philosophy because after all, for a long, long time the Liberals have been supporting a two airline policy, which involves the running of airlines in competition and this involves the running of ships in competition. I have never heard a Liberal urging that railways for example should be returned to private enterprise, so no, I don't think it is.

The other thing that I am rather happy about is that we have lifted the fear, I believe, from people who might contract a long continued illness and who previously, even though they were insured, would only be insured for a short period of time but now will be insured for as long as the illness continues. Those are two things, there are a number of others that I am happy about, but you only rationed me to two.

QUESTION: Prime Minister, thank you very much indeed for giving us your time.