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TELEVISION INTERVIEW GIVEN BY THE PRIME
MINISTER, MR. JOHN GORTON, OVER ABC
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Interviewer: Mr. Patrick Tennison

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- Q. Prime Minister, a first impression from your policy speech was that you were offering us two kinds of soups - one lot was clear, the other had a lot of good ingredients though was less clear. For instance, you gave a figure of \$3 million to set up the Institute of Marine Science at Townsville but you didn't say what would be spent to set up the atomic energy plant at Jervis Bay. Is there a figure?
- PM. Yes, I think the figure is estimated at \$120-\$130 million for the atomic plant, but it can only be an estimate at this stage, and of course it would be spread over quite a number of years - seven years.
- Q. Why Jervis Bay for this? I am thinking this is so close to the Snowy Hydro-Electric Scheme which is a major power source now.
- PM. Well, for a variety of reasons. This is a pilot plant, as it were - the first plant that is coming into Australia and we wanted it to be on Commonwealth Territory so there was no question of Constitutional problems about its control, or its safety, or anything of that kind. We wanted to have it on territory which belonged to us. The site was recommended by the experts as being a very good one because of its proximity to water which apparently is required in large quantities, and because it was close to a large electrical consuming public which would enable the electricity it generated to be fed into that grid, and at the same time, of course, take care of the expansion of Canberra as it grows.
- Q. Coming closer to the voters' hip-pocket nerve, which as one of your predecessors said was the most sensitive, there are some unclear points about your taxation reform proposals. Now, at what point does a middle income-earner stop being a middle-income earner?

PM. Well, we haven't given any benchmarks on this. If you read the policy speech you will see that we said that we are studying it and it requires more study, but as a very rough guide at this stage - and only as a very rough guide at this stage, I would say it would start at the \$2,000-\$3,000 a year mark, probably something over \$2,000 or \$2,000, very roughly, and would cut out at the middle income range, at say \$15,000-\$16,000 a year. That would be a very rough and ready guide.

Q. Now, these people are going to be saved \$200 million a year eventually. Where is this money eventually going to come from?

PM. How do you mean. . . . there will be a lack of collection of that amount of money, we hope. That is our aim and our objective in three years' time. Now it can come from a variety of sources. It could come from not spending all the amounts that have at least promised to be spent by our opponents - leaving it in the hands of the people themselves to decide whether they should insure themselves or whether they should be compulsorily insured. Or it could come as a result of expansion in revenue in other areas. There are a number of ways it could come.

Q. But will the people on the higher brackets of income be more heavily taxed to make up at least some of this anyway?

PM. Well, we haven't suggested that that would happen, and indeed, the people on the higher levels of income tax are comparatively few and there would be comparatively little return from increasing the revenue there. You couldn't by increasing taxation on higher levels of income make up for what revenue you would lose on the lower to middle levels of income.

Q. You also gave the figure of \$16 million as the Government's estimate of its cost to bring medical benefit refunds closer to actual medical costs. Now this is less than \$1.50 a year for every person in the community. It will take more than that I would imagine. Will people have to pay higher premiums?

PM. Yes, the Funds. . . . this is the cost to the Commonwealth, \$16 million. The Funds will have to pay more, and in order to bring the scheme fully into operation, we believe that people will probably have to pay something like 5 cents a week more in their contributions. For that, they will get complete protection, except for the \$5, against the really costly illnesses which must be the most worrying things they have to face.

Q. Well, we are really getting closer to a national health scheme, such as Labor has proposed, except this is a contributory one?

PM. Well, we have had a contributory health scheme for quite a long time. What we are doing is making the contributory health scheme work far better. We are leaving it as a voluntary scheme. We are allowing people to continue to have the right of choice as to where they wish to insure themselves, as to where they think they will get the best service, rather than make them go to just one Government Department. We are taking care of the very heavy costs which surgery could cause to people. After all, what a health scheme should do is take care primarily of the worries of people about heavy medical expenses, and medium-sized expenses - but it isn't necessary for it to buy every bottle of aspirins or something of that kind.

Q. Would you agree that this seems to epitomise the whole policy? There is no sign of any overall tax relief. I don't think Government is going to get any cheaper, apparently, but this money will go out to the areas where you feel it is most needed, or most deserving?

PM. Yes, all our revenue, of course, has got to be split up, and divided between the requirements of the State Governments which we have got to pay a lot of attention to. Our opponents, of course, are paying no attention to them at all, apparently. But we have got to take into account requirements of that, requirements of the demands of defence, of national development projects, of social welfare, of a whole variety of fields. And in the social welfare field itself, it is necessary to pick where the money and resources available will bring the best results for the people of Australia.

Q. On defence which you just mentioned, the Government has pledged in your speech to progressively increase defence spending. This is just two months after a Budget which cut defence expenditure by 5 per cent. Isn't this rather a switch in attitude towards defence?

PM. Not at all. The very first Governor-General's Speech that was made from The Throne when I became Prime Minister said that we would, year by year, expect to increase the amount of money that was to be spent on defence, though not necessarily the amount of GNP. And this therefore is no switch whatsoever from the policy which we then enunciated and which we still believe to be the right one. In this particular year, the proposals put before us by the Defence Department were only enough to require the amount of money which we provided for them. But they are working in a new cost-benefit analysis, if I can put it that way, of a lot of the propositions that come up, and I have no doubt at all that these will be coming in to us in the next year.

Q. You stressed the importance of the American alliance and the ANZUS Treaty in your policy speech, but unlike the Labor policy, you still won't agree to signing the Nuclear Non-Proliferation Treaty, though I notice you leave the pen within reach, as it were.

PM. Well, we won't agree to signing it until we are sure that it is an effective Treaty, that it really is going to do what it sets out to do and that its signature which in our case we would expect to be followed by ratification - we wouldn't want to sign it unless we ratified it - that its signature would not endanger Australia's future security. We do need to be satisfied on those - that we have full protection. And we are not satisfied on those.

Q. Paradoxically in this age of prosperity, poverty is an important issue in this election. Now, basically, where does your policy disagree with the Labor Party's in tackling areas of poverty?

PM. Well, there are only a certain amount of resources which you can take from people in order to help the less well off, in order to help the needy and the sick. You must leave the wage-earner and the salaried man with his own family with his own incentives to live a better life and be able to afford more, so there is only a certain amount that you can take. One great difference is that we do not believe it right and proper to spend say, \$370 million on abolishing the old-age means test alone. This is a proposition that Labor puts forward. It would cost \$370 million to abolish the old-age means test without one cent going to help the less well-off. Now we believe that resources should first be devoted to such areas as handicapped children, to the handicapped and invalids, to improving the base pension as and when we can do it and make sure that what we do is of real benefit and not an illusory benefit; to co-operating with voluntary institutions, and above all to helping the needs of the children of needy families. We would sooner devote our resources there than to abolishing the means test for old age and pay pensions to the rich.

Q. Thank you, Prime Minister.
