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"THIS DAY TONIGHT"

TELEVISION INTERVIEW ON ABC NETWORK GIVEN BY
THE PRIME MINISTER, MR W. McMAHON

Interviewer: Richard Carleton

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Q. Mr McMahon, rather than ask you what you have achieved in your first 100 days, let me ask you instead : What have you failed to achieve in that time?

PM: There is very little that I've set out to achieve that hasn't been done. Very little. That must be judged against the background of the problems as I saw them at the date I took over the Prime Ministership. Most of those problems have been either removed or to a considerable extent the tensions have been taken away.

Q. You are a fit and healthy man, Sir, at the age of 63. But has the office been a strain on you physically?

PM: No, no physical strain - no. It's been a lot of work - yes. But I couldn't concede that it's been a physical strain, and in fact I think I feel a little better today than I was when I started. So that while you keep going continuously, the word "strain" doesn't quite fit in. You do, of course, on occasions, get a little bit disturbed because of the rush -- you haven't got enough time to think of the problems and give the right answers. But it hasn't been to an extent that I would regard it as doing any harm to myself personally.

Q. Mr McMahon, your term as Prime Minister - 100 days - has been active and possibly volatile. Many major economic and political issues have arisen. And some of them remain to be resolved. Can I go through with you now some of those issues and ask you to comment on Australia's changing positions?

PM: Yes, of course you can.

Q. Well, let me start with China. In the past three months, Australia's attitude to China has done an almost volte face. On the 27 May you said that you've taken steps to open up a dialogue with China. How far has that gone?

PM: May I first remind you that a little over eighteen months ago I became the Foreign Minister of this country. And that gave me a deeper insight into foreign affairs than I had previously had. And I felt then that we ought to have a look at our relationships between the Mainland of China, Japan and the Soviet, in order to see if we couldn't come to a more pleasant accommodation with them. The whole three were interlocked. Particularly, we wanted better

relationships and better trade with Japan because this was of enormous material importance to us and our economic success. But I also felt there was one great country of over 700 million people and that is Mainland China, that ought to be brought into the comity of nations and we should try and find out what China was up to and what it intended to do in the future, knowing that it has been a source of great embarrassment to many of the countries immediately to the North of us, because obviously they have inspired insurrection and insurgency in those countries - or many of those countries. So I knew that I had to embark on new policies, initiated from Australia, for the benefit of Australia. And we've done all that. So I did announce that we wanted to open up a dialogue to have better bilateral relationships and we have been making whatever soundings we could in international embassies throughout the world to see the wisest courses we could follow. Admittedly, I can't go too far and tell you explicitly what we have done because I think if I did it would undo all the good that has been achieved already.

Q. But just let me ask specifically one point on that. In the last three months, as a result of that time, are we now closer towards recognising Mainland China?

PM: I don't think so. We've taken all the initiatives. We have not as yet received any favourable replies from the Peking Government.

Q. Before we leave China, Mr McMahon, could I put one question to you? Mr Whitlam is to go into China two weeks from today. Still Australia has no wheat order from China for this year. Do you still expect one?

PM: No. I don't expect one, but I'm not in a position where I'd be a good judge. And other people who are much better judges than I am think that there is a prospect of getting an order. But might I put this into perspective, because I'm sure you don't want to get a false impression. It doesn't matter to us this season whether we have substantial sales of wheat to China or not.

Q. It would be preferable though.

PM: It would be preferable, yes. But we're selling very large quantities in other parts of the world, and I think we've got better sales this year, in this crop year, than we've ever had previously in our history. So we're doing very well. And only in the last twenty-four hours, we've been able to announce sales of flour, to South Korea and to Taiwan. Our carry-over will be much smaller than in the last few years, so we're not very worried about whether or not we have substantial sales of wheat to China. But I've gone through all of this before, but I don't think it's really a question of great political importance in Australia today.

Q. Well, I won't persist with the wheat industry, but may I ask another question about the rural industry - the wool industry in particular. In many people's eyes, the wool industry is in queer street. Is your Government going to spend millions of dollars now rescuing the farmers that are in hopeless straits?

PM: I've got to put this in three different ways to you if I can. The first one is, of course we are worried about wool, and we are worried about other rural industries as well. I've appointed an inter-Departmental Committee of the top, efficient people to look into it and to give recommendations to us as to what we can do to help. Secondly, I have had, within the last few days, discussions with Sir William Gunn, the Chairman of the Wool Board, and with Mr Vines of the Commission - that is, the Wool Commission. I have had their advice. I will shortly be having Cabinet together to be able to consider what I know and the papers that are presented by the various Departments, and then we'll make up our minds what we're to do.

Q. As a basic principle, would you reject the idea of spending, say, \$200 million to rescue the wool industry?

PM: I will not make up my mind, or announce it until I've got the recommendations of the various Departments. I'm not one of those who believes in going off half-cocked or making instant coffee decisions. When I get the reports, when I discuss them with my colleagues, and we come to a common conclusion, I can assure you I'll make an announcement to the Australian people. But I want you to understand we know their problems, I think. We know them, we are anxious to help, and we've already shown by the fact that we've appropriated \$100 million for reconstruction schemes, of our anxiety and willingness to help when we know we're on the right track.

Q. Sir, let me turn to a major, and continuing issue. The South African sporting teams tours. They are due here next week. Now let me paraphrase something you said on 15 April. You said: "If I have to take some action, it's best to leave it until the last moment." Well, it's almost the last moment. What are you going to do about it?

PM: I don't think it is the last moment, and I'm not prepared to say what we as a Government are likely to do. But I will repeat what I said before, because I believe in it today just as much as I did then. We don't believe that the ACTU should be poking its nose in what is political business, or the business of the Australian community, outside their industrial functions.

Q. But given that they are doing that. . . .

PM: Given that they are. . . Yes, and we'll do all that we can when we decide that it is wise for us to act - to do what we as a Government regard as sensible - to let the Australian people themselves have the opportunity to make up their minds whether they want to go to the sporting functions or not. Not to be prevented by the ACTU, but to let the Australians decide whether they want to go. And if they want to go why shouldn't they, why should they be intimidated into not going? So I repeat what I said before, with emphasis, that I don't believe that these movements should get into the politics of Australian life. I don't think politics should become involved in sporting enterprises, and I see no reason why these people should be punished because of the actions of the South African Government. And I believe that if you look at the Gallup Polls, the true Gallup Polls, most Australians share that view too.

Q. Sir, let me turn to what might be called your favourite area now - the economy. For six months now, the Government has been warning of inflation. The Treasurer threatens a tough Budget. The Government calls for restraint and even possibly austerity. Let me ask, just what's wrong with our economy? We're supposed to be a booming nation, and overseas our own publicity says we're a land of milk and honey.

PM: We are a great country, and we are developing well. If it had not been for the unbelievably high wage increases that have occurred in Australia in the last year, we would have had very few problems. In fact, we would have been under real booming conditions, with everyone joining in the advantages of the boom conditions. But what is happening now is because of the National Wage Case, and because of the over-award payments that are occurring outside the Arbitration Commission, costs are going up too rapidly, prices are increasing too rapidly, and instead of getting the real benefit of growth and progress, too much is being dissipated in higher prices.

Q. Mr McMahon, you seem to put all the blame on the Arbitration Commission. But the Arbitration Commission is a properly constituted body. If this is not going to happen, must you now change the Arbitration Commission?

PM: I didn't put all the blame on the Arbitration Commission. I said it had to take a fair measure of responsibility for giving a 6 per cent increase in the National Wage Case. That I believe was economically foolish. I go further than that though, and say that there has been a 40 per cent wage drift. In other words,

not only have the Trade Unions taken advantage of the Arbitration system, but outside the system, they have been enforcing big increases in wages by use of the strike methods and intimidation. So I didn't put all the blame upon the Arbitration Commission. I have gone further and I have said the time has come when we must have a good look at the Arbitration system and we are doing this now. But this is a case where you cannot make judgments in a moment. It requires the most detailed and careful thought, and we will give it that detailed and careful thought before we move any further.

Q. Sir, the front page story on every Australian newspaper today is the McNamara papers on Vietnam. Have the revelations of the New York Times cast doubt on the propriety of our original commitment announced by Sir Robert on 29 April 1965?

PM: No, I don't think they have. I don't think they touch us other than at the edges. And I want first of all, though, to put this in perspective. We had our reasons for putting troops into South Vietnam, and I do know the history just as well as anyone, with the possible exception of Sir Robert, because I believe I was at every Cabinet discussion that dealt with this problem. So I know it well. I know all the cables and I know the history and the background of it. So first of all we were there.....we were there because we felt there was a real danger at that time of the whole of South-East Asia falling to Communism. South-East Asia has been saved. So let us remember this. Secondly, we wanted to join with our very great friends and allies, the United States - a great liberal democracy with which we have the ANZUS Treaty that virtually guarantees our freedom. And, thirdly, we want - and this is a great principle with me and my Government - we want the smaller countries of South-East Asia to determine their own future. This is why we were there.....

Q. Sir.....

PM: Wait a minute, because unless I put it in perspective, it won't be understood. So what happens then --- the McNamara papers come out. Sir Robert made his statement yesterday, I have referred the whole problem to the Defence Committee; the highest officials we have got in Defence and Foreign Affairs will report to me, and shortly I will be able to make a comment on it. But at this stage, to my personal knowledge, everything that Sir Robert said was correct. We received our first request through Mr Howson and with our Ambassador up there -- Mr Anderson now in our Foreign Office -- that the South Vietnamese Government wanted us to help them and give military assistance.

Q. Well on this point, Sir, can I ask you, I think fairly, for a "Yes" or "No" answer to the question: Is there a piece of paper in the Government archives that has come out of Saigon signed by the Saigonese Government, to Australia, saying: "Please give us one battalion of troops" ?

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PM: There are all the cables coming through diplomatic sources, commencing in December 1964, requesting us to give military assistance to the South Vietnamese.

Q. Is there a specific paper from the Government.....

PM: I will as soon... as I said to you, I don't move quickly. I move when I know exactly what I am doing and I am able to verify everything, and I will, as soon as the Defence Committee has reported to me, then I will make another statement about what has happened. But I verify now, and this can come out from personal evidence of two people, the Ambassador up there, Mr Anderson, and the Minister for Air, Mr Howson, and they can both testify that they were requested by the then Premier of South Vietnam to supply military assistance to South Vietnam.....

Q. Sir.....

PM: No, look, wait a minute. Let me tell my story because I don't want to be interrupted and get a half-story across. And I won't permit it in fact. From then on we gave several... we had several meetings of the Cabinet Sub-Committee, the Defence and Foreign Affairs Committee on it. I was at each one and we decided that we would be prepared to provide troops, providing only the Americans thought it was wise and we got an official request from the South Vietnamese Government.....

Q. Can this be produced in writing? The official request.

PM: I've said to you that I have to wait until I get the report of the Defence Committee. What I can say is that the best evidence that you can bet in the land, particularly the kind of evidence that would be accepted in a Court of Law, is the witness of those who get the request. And we have the two witnesses.

Q. Sir, let me turn now to three quick straight political questions. Mr Gorton is your Deputy Leader in the Liberal Party. What help is he to you?

PM: He plays his part in Cabinet as the Minister for Defence and does it well. He is there, elected by the members of the Party to be the Deputy Leader. He wanted to be the Deputy Leader, he was entitled to stand as the Deputy Leader and he has been appointed. And he comes into Cabinet as the Deputy Leader and the Minister for Defence and he plays his part there and does it as you would expect him to do it.

Q. Is he a help to you?

PM: Of course he's a help to me. He's a very efficient Minister for Defence.

Q. Mr McMahon, the day you became Prime Minister, half the Liberal Party, 33 men, voted confidence in Mr Gorton. Of those 33 men, how many have you now swung round to your point of view?

PM: Look, I don't want to be going over the past like this and I'll answer this in an indirect way because I haven't counted heads and I've no intention of doing it. What I do know is that the relationship between the Country Party and the Liberal Party couldn't be better. I've been mending whatever fences had to be mended between the Parliamentary and the organisational wings of the Party, and I believe it is in remarkably good shape, and I think my own Party is in remarkably good shape, too. In other words, if I had had my way a few months ago, I would have been having an election round about now, and I would have guaranteed we would have won several seats.

Q. That's an interesting point, Sir....

PM: And that's what I feel. I feel the position is.....

Q. You've never said before that you did hope to have an election.....

PM: Well, I left it vague, yes. I left it vague, that's true, because I never believe in giving away your tactical advantage until you have to do so.

Q. In hindsight now, with hindsight, was that a mistake not to call an election now?

PM: No, I don't think so, because I think we are going from good to better and I don't worry very much about it.

Q. Sir, if it was not for Mr Malcolm Fraser's resignation, you would almost certainly not be Prime Minister now. On the 10th of March you said of Mr Fraser: "He's an able, perhaps a very able man." Is there no room for that man in your Cabinet?

PM: Of course there will be room for Mr Fraser in the Ministry when the opportunity arises. He is an able man. I've expressed my views about his ability but, at the moment, there isn't a position that I could fit him into. I will constantly keep him in mind.

Q. Sir, to conclude with, whether you acknowledge it publicly or not, many people believe that you have now achieved your life-long ambition -- to be Prime Minister. Now that you have sat in that seat for 100 days, is it all that you expected it to be?

PM: I haven't looked at it in that way. This is a novel way of putting this question to me. But it is not very much different from what I expected it to be other than in the sense that previously I had much more time to think. In other portfolios, you can call your officials in and you can cross-examine them and then come to a conclusion as to what you should do. But you have only one portfolio to think of. In this portfolio, that is the Prime Ministership, you have every other Minister's portfolio and Cabinet business as well. So every day you have got half a dozen different kinds of questions to which you have to give an immediate answer. In other words, here it is long experience and the experience that I have had in . . . what is it . . . 13 or 14 portfolios, that has stood me in good stead. So it is the rush and the need to make quick decisions that are so important in the Prime Ministership, and I am making them constantly and I hope I am making them fairly well.

Q. Mr McMahon, thank you.

PM: Good, thank you, too.
