

THE PRIME MINISTER'S PRESS CONFERENCE

PARLIAMENT HOUSE, CANBERRA

TUESDAY, 19 JUNE 1973

PRIME MINISTER: Ladies and gentlemen: There has been no Cabinet committee meetings this week. Yesterday, today and tomorrow we are holding these economic consultations with industry. I thought it might suit you if I were to have this press conference at noon, well before lunch, so that the afternoon papers could get their turn. I have no announcements to give you. Last week Mr. Jack Fingleton asked me about the cost of cable communications between India and Australia and I said I would find out what was the basis for it. I haven't yet got the information I want. Are there any questions?

Q. Now that you have finally got the invitation to Washington, can you tell us just what you hope to raise in your talks with Mr. Nixon and what you hope to achieve while you are over there?

PRIME MINISTER: I have no further information to give you on this matter.

Q. Two of your most senior ministers, over the last couple of days, have had differing views on tax increases. Dr. Cairns says he will press in the Cabinet Budget talks for tax increases to correct any inequality in education and health. Yesterday Mr. Crean said that Labor's major electoral promises will be honoured and he would not increase taxes to pay for the promises. Will you give unequivocal support to Mr. Crean's declaration about tax increases?

PRIME MINISTER: What I said in the policy speech stands.

Q. I would like to bring up the question of Cuba which we discussed at the press conference last week. I questioned Marshall Green about this - the new United States Ambassador - at the National Press Club and he said: "We and others should expand dialogue and negotiations with other powers". And then specifically on Cuba he said: "I don't see from my remarks that I have just made now that there would be any intimation that we are protesting against any other country opening dialogue with each other; on the contrary it seems to me that was the very point I was making". In view of these remarks might deference to America still be a factor in our relations with Cuba or absence of relations with Cuba or diplomatic or consular representation?

PRIME MINISTER: Australia and Cuba have always recognised each other. There is no diplomatic or consular representations by either country in the other country. But it is all a question of priorities and the Caribbean has not hitherto been an area of great diplomatic or consular priorities as far as Australia is concerned. We will be getting some representations there. All the countries in the Caribbean belong either to the Commonwealth or the organisation of American States and I would expect that in my visits to Mexico and the United States and Canada, I might discuss the augmentation of our diplomatic or consular representations in the Caribbean. That is the context in which you have to regard Cuba.

Q. Did you think that Mr. Hamer and Sir Robert Askin are justified in claiming a victory in London? Do you feel that a referendum may be necessary to solve this question?

PRIME MINISTER: You are referring to the abolition of appeals to the Privy Council? Well, I would be happy to know what their attitudes are to this question of abolishing appeals to the Privy Council. I don't believe that any contemporary political leader in Australia would resist the abolition of appeals to the Privy Council. How it is done is not so important, as the fact that it be done.

Q. When you say "how it is done is not as important as it be done". Well they don't like the way that you are doing it.

PRIME MINISTER: Well, what do they suggest?

Q. Well, do you have any alternatives?

PRIME MINISTER: Well, I would be happy to consider any alternative that they propose. The fact is that the Labor Party has been committed to the abolition of appeals to the Privy Council since 1908. This is a very long-standing political commitment, and I suppose the Liberals might claim one of their paragons as Prime Minister was Alfred Deakin. Alfred Deakin was against continuing appeals to the Privy Council back at the end of last century. You remember the discussions that he and other Australian leaders had with Joe Chamberlain - the one of two generations ago, not the present one - on this very question. That is, I would imagine that since before the first World War every significant political leader in Australia has been in favour of abolishing appeals to the Privy Council. Now I am quite happy to discuss any alternatives that Mr. Hamer and Sir Robert Askin suggest.

Q. When would you do this?

PRIME MINISTER: Whenever they like. Whenever they suggest.

Q. Next week, Sir?

PRIME MINISTER: If they like to suggest to discuss it at the Premiers' Conference, I would be very happy to do it. It is really an absurd anomaly that we should still have the possibility of appeals or petitions to the British Privy Council and this has been a matter of great diversion over the last couple of weeks here and over in Britain.

Q. Can I take it from that that you are quite prepared to reconsider the approach which you outlined to us in London?

PRIME MINISTER: Well, let us see what suggestions they make about it. A lot of suggestions are made about referendums on this question. I would have thought anybody following British politics in the last couple of years would have noticed that Mr. Heath, in particular, asserts the responsibility of Government to make up their minds in these matters not to seek the referendum to decide issues. That was the whole issue on which he was so resolute, you remember, on Britain's joining the Common Market. Governments ought to make decisions on this matter.

Q. Sir, the Associated Chambers of Manufacturers/^{Association}yesterday made some very dire forecasts about the expected rate of inflation. Have you any comments on their forecasts and have you had any alternatives on forecasts from the Treasury of the rate of increase of the consumer index maybe?

PRIME MINISTER: No, and no.

Q. I understand that you recently had a letter from the acting Queensland Premier, Mr. Gordon Chalk, asking in effect how Aborigines will be better off under federal control than State control. Could you say what is the core of the disagreement between the federal and State Governments on this matter? If the Queensland Government won't co-operate with the federal Government, are you going to need enabling legislation?

PRIME MINISTER: The Queensland Government takes a paternal attitude. The Australian Government takes a fraternal attitude on this matter. Six years ago, overwhelmingly the Australian people at a referendum gave the Australian Parliament the authority to pass laws concerning the Aboriginal people, the people of the Aboriginal race. My Government proposes to introduce appropriate legislation in the Australian Parliament to promote the welfare of people of the Aboriginal race. There is one matter on which neither Mr. Bjelke Petersen or Mr. Gordon Chalk have yet replied to in correspondence. It is now over six months old. It concerns the repeal of the discriminatory provisions of the Aboriginal and island affairs legislation of the Queensland parliament. The view is, and it is a view expressed by our predecessors as well as by us, that this legislation is in conflict with the 1965 international convention for the elimination of racial discrimination. We propose, in the Budget session, to bring in legislation to implement that convention and this will enable us to override the Queensland legislation. In other words, we will be carrying out another undertaking Mr. Gorton made over three years ago.

Q. In answer to an earlier question, I understood you to say there would be no increase in taxation in the next Budget. In reply to a question from Tony Thomas, you said "no" in both cases. The second part of his question, as I understood it, was about....

PRIME MINISTER: Whether there was a Treasury estimate as to the rate of increase in the consumer price index? And, I said "no" to that question.

Q. Well, I was just wondering - in this context - if you haven't got any forecasts of the economy, how can you at this stage make a promise about no increase in taxation? Does this mean that irrespective of the rate of inflation or rate of inflation forecast, that there will not be any increase in taxation?

PRIME MINISTER: Will I read what I said in my policy speech? I said it stands.

Q. Given that there may be high levels of economic inefficiency in the expansion of Australian defence industries, will you see that any proposals to expand Australian defence industries are first referred to the Protection Commission?

PRIME MINISTER: No. You've asked questions and I have given you an answer.

Q. I am asking you a second question. Why not?

PRIME MINISTER: I gave an undertaking that we will develop certain basic industries in Australia and among those I think mentioned was light aircraft, fighter aircraft, rolling stock, pipelines and so on. These are commitments we want to establish - basic industries in Australia for which we know there will always be a demand by Australian Governments or Australian companies.

Q. Sir, Why is it...?

PRIME MINISTER: I am not going to assume that Australian defence industries are inefficient.

Q. Why not look at it and see if they are?

PRIME MINISTER: Well they have not, in general, been given a chance. I don't think, for instance, one could say that the Mirage program was inefficient.

Q. Why is the additional production of Nomad been limited to 50 aircraft when as Dr. Cairns said yesterday.....

PRIME MINISTER: There has been no decision on the Nomad aircraft.

Q. So it may not be 50 aircraft?

PRIME MINISTER: There has been no decision on the Nomad aircraft.

Q. Mr. Ducker, the New South Wales President of the branch of your party has some rather strongly worded remarks today to make about a group within your branch. Do you agree with his statement?

PRIME MINISTER: I don't comment on organisational matters.

Q. Do you have a particular view on this matter - a personal view on this matter?

PRIME MINISTER: No.

Q. Could you tell us why not, Sir?

PRIME MINISTER: I will deal with this within the organs of the party if it arises.

Q. Do you have any comment on the current dispute in the motor industry, and do you see a role for the Commonwealth Government in bringing the dispute to an end?

PRIME MINISTER: I am considering this just at the moment. It is a bit premature for me to say anything about this.

Q. Will you be recalling Mr. Cameron from overseas?

PRIME MINISTER: Certainly not.

Q. In the context of your proposed visit to America, are you embarrassed at all about the remarks made by Senator Wheeldon belittling the ANZUS pact?

PRIME MINISTER: I don't comment gentlemen on reports or interviews that my colleagues give or opponents give. You know this.

Q. What action could the Federal Government give - if any - in the Ford dispute?

PRIME MINISTER: I am not sure.

Q. At the special Premiers' Conference last month, you sent a joint Commonwealth/State committee to investigate ways to solve the problem of inflation. Could you tell us whether that committee would be in a position to present a final report to the Premiers' Conference?

PRIME MINISTER: I expect so.

Q. Two issues. When could you expect an announcement by the Federal Government on the future of the export incentives scheme?

PRIME MINISTER: In about 9 months.

Q. This would be about three months before it expires?

PRIME MINISTER: The decision has been made and announced.

Q. Yes, to continue to June 1974.

PRIME MINISTER: Yes that is right. To continue the present one until the end of next financial year.

Q. Yes, I was talking about...

PRIME MINISTER: No. I am only guessing when we will make a statement, but I would not imagine we would resolve this matter before the end of 1973.

Q. The other one. Have you seen the report of Sir John Crawford?

PRIME MINISTER: No.

Q. When do you expect to do so?

PRIME MINISTER: I think next week.

Q. How soon after will it be published?

PRIME MINISTER: All reports in the normal course are released very promptly.

Q. Will the Coombs Task Force...

PRIME MINISTER: No, that's in a Budget context. I hope that that will be published with the Budget papers. No, but you can understand - you don't expect us to...

Q. You answered it. If ever it was going to be published and you've said you hoped it will be published..

PRIME MINISTER: My present inclination would be to table the Task Force report with the Budget papers on the 21st of August. But we wouldn't publish that before the Budget.

Q. On the question of the export incentives which Mr. Hawke raised. Have you changed the position you adopted in Cabinet when this matter was discussed earlier this year?

PRIME MINISTER: No.

Q. That the export incentives should be phased out?

PRIME MINISTER: Phased out?

A. Phased out.

PRIME MINISTER: I thought that they should have been ended. That is the present scheme. I mean I am not committed against forms of export incentives. What I don't like is the present one which is the atrociously expensive one. An export incentive scheme shouldn't be a perennial. Certainly we ought to encourage Australians to export their resources, their skills, or to establish a foothold for them overseas, particularly in our region. There is a very good case to establish export links but there can be very little case for keeping on a scheme for ever. The present one is too unimaginative, too rigid, no longer relevant. But the situation we inherited, as you realise, was that the scheme was expiring at the end of this month and while the Australian Labor Party had never committed itself to continue the scheme, by the time we got around to considering it - that's about three months ago - it would have been rather short notice to let it expire at the end of June. I wouldn't have minded it going to the end of December. In fact it has been extended until the end of June next year. There was a proposal, which our predecessors made at the 11th hour, that it should be extended for another five years. That didn't get much shrift. We will hope to review this matter but you can't really review it until the Budget has been brought in.

Q. When you spoke in Adelaide the other day you said that, quite rightly, we were subsidising motor vehicle exports to South Africa. Do you have any figure to the extent to which we are subsidising exports to South Africa under the incentive scheme?

PRIME MINISTER: No I haven't. There is difficulty. I think the law in fact prevents the publication of taxation figures such as this.

Q. But that would only be for individuals. You can aggregate.

PRIME MINISTER: Yes, but a company is an individual.

Q. Yes, but I mean aggregate of exports to South Africa.

PRIME MINISTER: You are asking me to ascertain and to state how much the Australian taxpayer subsidises the export of Holdens and Fords and Chryslers and Leylands to South Africa. I suppose you are right there. You could if there were several makes being exported to South Africa. I suppose one could ascertain the sum total of the subsidies the taxpayer makes on those exports.

One could not of course, under the law, disclose what the subsidies by the taxpayer are for any individual motor company. I don't know how many motor car companies do export to South Africa. But as it is we pay - the taxpayer pays - about \$100,000,000 a year for various forms of export incentives, market development overseas and there are very great competing claims on the taxpayer and the present scheme, in my view, my strong view, does not deserve \$100,000,000 a year at the expense of competing claims on the taxpayer.

Q. Have you any clear agenda items for the Premiers' Conference at the end of next week. Apart from the important financial dispersement and Loan Council matters. For example, is it clear yet whether, apart from the question of the Privy Council raised earlier and perhaps inflation, would city transport, railways, off-shore resources constitute any...

PRIME MINISTER: I don't think off-shore oil....I don't think off-shore resources is listed. I haven't got the list in front of me. Nobody has so far asked for abolition of Privy Council appeals or off-shore resources legislation to be listed. I think I'm right in saying that. And the other matters you mentioned: they're listed - if my memory is...but in particular we will be wanting to discuss welfare, housing and education.

Q. The Torres Strait islanders who were down here last week are very concerned that there should be no drilling for oil in the Torres Strait...

PRIME MINISTER: Yes.

Q. Have you a view on this and have you a view on their other concern about no movement of the border?

PRIME MINISTER: I don't believe that drilling in the Torres Strait should be permitted until it is quite established that it can be done with safety - that there can be no harm to the environment. I was able to remind the visitors from the Torres Strait islands that it was the Queensland Government that was in favour of drilling in Torres Strait and the vicinity of the Great Barrier Reef. It was the Australian Government that successfully resisted and frustrated those proposals. It was the Gorton Government which prevailed on the Queensland Government to establish Royal Commissions, which are still sitting, into this matter. It was the Australian Government which safeguarded the Torres Strait and the Great Barrier Reef environments. The Queensland Government would have run the risk of spoiling the environment. The question of the border is a matter which I hope the Torres Strait islanders will discuss with the Papua New Guineans. I am not too sure to what extent I should say what we discussed because I believe it was a private gathering. I am quite hopeful that there will now at last be discussions. I pointed out that the Australian Government could only help to bring such discussions about until the end of November, because after that Papua New Guinea will be self-governing.

Q. Is the Government still happy with the rigid nexus between the Australian and American dollars? It seems to be producing some arbitrary result if the American dollar...

PRIME MINISTER: I'm not going to speculate on the currency. When we change the parity it will come as a great surprise, and it will be a very well kept secret until we change it.

Q. Is breaking the link....

PRIME MINISTER: I am not going to speculate on things like that, please.

Q. The General Motors Holden appointment of an American to run their Australian operations. Do you have any views on this?

PRIME MINISTER: Yes.

Q. What are they?

PRIME MINISTER: I think the appointment was very ill-timed. And I have no doubt that their sales will suffer as a consequence.

Q. It seems that the first French explosion is imminent. Is there any decision on when the Australian ship may leave for that area?

PRIME MINISTER: No. There has been no change in the decision which was already announced on that matter.

Q. You must wait for the New Zealand move first?

PRIME MINISTER: Well, there is no change in what we announced.

Q. Will the Commonwealth Government see that G.M.H. does suffer through this appointment?

PRIME MINISTER: No. The Australian public will draw their own conclusions about this.

Q. But in the purchase of cars for the Australian Government?

PRIME MINISTER: No, will we buy...I should imagine the present rules apply. We'll buy the car on which we get the best deal.

Q. On this question of the dispute in New South Wales, you said...

PRIME MINISTER: No, well I'm not going to comment at this press conference on this. I'm not going to promote....

Q. Unclear.

PRIME MINISTER: Well if you don't mind, I'm not going to pursue it.

Q. After we have gained control of North West Cape, should the United States seek permission to send a signal to fire nuclear weapons. Will you always say no?

PRIME MINISTER: This is hypothetical, isn't it?