

PRIME MINISTER'S PRESS CONFERENCE  
PARLIAMENT HOUSE, CANBERRA  
TUESDAY, 24 SEPTEMBER 1974

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PRIME MINISTER: Have you any questions?

QUESTION: You have made some grave charges against some of your colleagues of peddling lies. Do you propose to ask for or seek their resignation from the Cabinet? If not, do you propose to continue to lead a ministerial team among which are some ministers against whom you have made such grave charges?

PRIME MINISTER: I have not made grave charges; I haven't made the charges that you have just peddled. I was asked a question in the House about this; I answered it. Several of you were at the dinner last night and recorded what I said. Play the whole of it! Nobody at the dinner was under any misapprehension as to what I meant.

QUESTION: Do you repudiate it?

PRIME MINISTER: I never made the charges.

QUESTION: If those charges were not made, certainly there have been implications that they were. Could you tell us exactly what you did say in relation to what has been said here today?

PRIME MINISTER: No. I invite you to play the tape that you took of my whole speech. I do not respond here to invitations to pick and select what I have said or to comment on interpretation. I don't recall on this or any other matter that any of my colleagues in or outside the Cabinet have knowingly given false information. I do believe that there are many people in public life - including the Parliament, as I have said; on both sides, in each House, front benchers and backbenchers - who too readily and uncritically accept information which is given to them. They ought to scrutinise it before spreading it or publicising it. I believe some of the people that have given the information know it to be false. They are the people who make the lies. But people ought to be scrupulous in giving currency to false information. They ought to check the accuracy of the information.

QUESTION: Have any of your colleagues sought clarification today of your statement last night?

PRIME MINISTER: No. There were several of them there. You weren't there. There were a great number of people invited. Who was there from my side? There was Mr Connor, there was Senator Jim McClelland, there was Mr Anthony, there was Senator Cotton, Mr Gorton.

QUESTION: Could I read an extract from your speech last night?

PRIME MINISTER: No, you won't. No. You have the whole of the text, haven't you?

QUESTION: Yes, sir.

PRIME MINISTER: Well, play the lot of it.

QUESTION: Yes, but I....

PRIME MINISTER: No, if you don't mind.

QUESTION: This is quoting from you in the House today, if that's allowed. You indicated that you thought that this Government would succumb, admittedly less readily, to the conspiracy between the unions and the multinationals. Do you think that this Government....

PRIME MINISTER: I didn't use the word "conspiracy".

QUESTION: Oh well, to the arrangement.

PRIME MINISTER: "Collusion" was the term I used, wasn't it? Yes.

QUESTION: The collusion between the unions and the multinationals. Do you think your colleagues are about to cave in on the motor industry?

PRIME MINISTER: I think that some of them, after hearing some pleas from some particular sections of the motor industry, are likely to have misgivings about the recommendations of the Industries Assistance Commission. Anybody who has read the IAC report will know that there has been a rort at the expense of the Australian consumer in many aspects of the motor industry. But the whole of the motor industry is being consulted at this moment. I feel sure there will be some changes in the proposals that the IAC made.

QUESTION: What arm of Government - the AIDC or the Atomic Energy Commission or what - will be responsible for underwriting the new share issue of Mary Kathleen uranium that the government announced it would do recently but didn't specify the agency? Was this decision taken through Cabinet? And thirdly, what briefly was the justification for saving the underwriting cost which was to be borne by the predominantly foreign-owned CRA from underwriting a venture which most financial commentators see as not very attractive at all?

PRIME MINISTER: The proper minister to ask about what agency will provide the money would be Mr Connor or Dr Cairns. There are companies operating in Australia which have obligations to supply uranium overseas. The Australian Government is, of course, conscious that such contracts must be honoured. The proposals which have been made will help those contracts to be honoured. CRA will be less overseas controlled as a result of the arrangements.

QUESTION: Last night you said, quote, "I have nothing but contempt...."

PRIME MINISTER: Now, Mr Kelly, I invite any of you to publish the speech in full but, if you don't mind, I will not respond here to questions based on some selected pieces of a speech which I am told took over half an hour.

QUESTION: Can I ask....

PRIME MINISTER: No, not on this.

QUESTION: Do you retract anything you said last night, Prime Minister?

PRIME MINISTER: No, of course not. After all, I have invited you to play the whole of the speech, so I am scarcely retracting anything I said.

QUESTION: If you know of any people who knowingly give the Government false information what action can you take or will you take against these people?

PRIME MINISTER: One is wary of them in future. I would make the point that people who give exaggerated or false information, that is misinformation, to the Government are not only lowering themselves in the eyes of the Government and spoiling their cases for assistance but, of course, they are wanting the Government to help them take the public down. All I want is that the facts should be known.

QUESTION: What action will you take against your colleagues who promote that false information?

PRIME MINISTER: I have taken it.

QUESTION: Could you tell us what it is?

PRIME MINISTER: The speech last night will make people, I am quite certain, more careful in checking the sources of the information they are given.

QUESTION: Can you give us any examples of this misleading information, how widespread...?

PRIME MINISTER: I quoted three last night. I am sorry you weren't there.

QUESTION: Well, for the radio and television audience now, Prime Minister.....

PRIME MINISTER: No, if you don't mind, you can play the tape.

QUESTION: But that's not much use to the audience who are watching and listening to this.

PRIME MINISTER: I am sorry they weren't there last night, but on your radio station you can play the lot.

QUESTION: Last week Senator Willesee, as Foreign Minister, released copies of letters he had sent to Australian companies with subsidiaries or associates in South Africa suggesting that they should do several things to upgrade the conditions of black and coloured employees in South Africa. Has the Government any power at all to enforce such improvements, and does the Government intend to take any action to try to enforce improvements or is this just a general moral exhortation which will probably be ignored?

PRIME MINISTER: We might not have any sanctions against the companies concerned. They are not breaking any Australian law. There might not be any law that the Australian Parliament can make about it. They aren't breaking South African laws. But other countries have, for some time past, used this method of spurring their subsidiaries - the companies who are domiciled in their countries but who have subsidiaries in South Africa - they have used these methods to spur

them to improve conditions in South Africa. Particularly the United States and the United Kingdom have done it; but the Scandinavians, West Germany and, I think, above all, Canada have done so. It was time we did it; there has been some improvement as a result of what the other governments have done. We hope there will be some improvement on the part of subsidiaries of Australian companies.

QUESTION: I was thinking specifically of things like exchange coming back to Australia from these subsidiaries and possible taxing powers on companies. You had nothing of that sort in mind?

PRIME MINISTER: I would doubt it.

QUESTION: Back to your speech last night. In the course of that you referred to nervous Nellies in your party on tariff matters. Could you give us any examples or indicate the areas in which we might find these nervous Nellies?

PRIME MINISTER: Now, if the tape is played - I haven't got a copy of it - you will find that I was not just referring to nervous Nellies in my party. I said nervous Nellies in public life, including in the Parliament, and there were some of them in my party.

QUESTION: Well, that was the point I....

PRIME MINISTER: Yes. Well, I am not going to specify it, no.

QUESTION: After the Budget last week you made a strong speech in which you said that the Budget laid the groundwork for co-operation and restraint. Will the policies outlined in that Budget work if you don't get wage restraint? If not, will you take action on a different policy?

PRIME MINISTER: The policies in the Budget will obviously work much more effectively and promptly if there is wage restraint. No Government in Australia can deal with all these matters which have to be done in the economy. There are a great number of things which have to be done by employers, employees and investors and the Budget would encourage all of them to do some of those things. It is important for employees to understand that the Government's policy of restraint in the growth of wages and other incomes doesn't mean that the Government intends to reduce the purchasing power of wages. When we use the word "wage restraint" we don't mean that we mean to reduce the real level of wages or the level of real wages. What we want to do is to discourage the excessive claims which were being made and the frequency of those claims. One of the things we are doing is to help the indexation of wages, the restoration of automatic, periodic wage adjustments. When this comes about, as there seems to be a very good chance of it coming about as a result of agreements between employers and employees at Mr Justice Moore's conferences, then there will clearly be less incentive for employees - blue collar, white collar employees - to make exaggerated claims. They will know that indexation will maintain the level of their real income. I am hopeful that the ACTU unions at present meeting in Sydney will bring about a situation where the overwhelming majority of trade unions will co-operate with the Government which is pledged to fight inflation and to minimise unemployment using policy instruments which will be fair and equitable over the community as a whole.

QUESTION: Do you think the unemployment caused by tariff cuts has been serious? What action do you think is needed against it? And specifically, can I ask you your view on the arrangements between the Government and the unions to impose quotas on certain items made in the announcement last Friday?

PRIME MINISTER: There has been serious unemployment brought about in some regions. As a result partly of the tariff reduction and partly as a result of revaluation, and maybe partly as a result of reducing the excessive liquidity. You ask about restoring tariffs, is that it? Or imposing quotas?

QUESTION: I was asking specifically about the decision last Friday to impose quotas on textiles?

PRIME MINISTER: This is from South Korea. Previously you will remember there were agreements made with Hong Kong, India and China. Also, since they are not in GATT, restrictions were imposed on Taiwan. The general emphasis on what we are doing is to maintain employment, either by giving assistance to those particular textile factories or to other forms of employment in the regions concerned. I am not attracted to the idea of imposing quotas all over or increasing tariffs all over or placing embargoes or refusing to unload cargoes because these would help areas where help is not required. There is a problem which we are tackling in certain non-metropolitan areas.

QUESTION: The situation concerning information coming to the Government which prompted you to make those remarks last night, do you think that that posed a real threat to the drive for tariff reform which has been one of the features of your Government?

PRIME MINISTER: I very real threat, yes, I do.

QUESTION: Do you think that the threat is silly, and do you accept that you are in the vanguard of your own party in questions of tariff reform and particularly to the fore of your deputy?

PRIME MINISTER: There is a continuing threat to the rational use of resources in Australia by the misinformation which is sedulously peddled by some industries. My deputy and I are in complete agreement, constant consultation, on all these aspects. There is no disagreement; there hasn't been; there is most unlikely to be. But I do believe that the press has some obligation too in letting the public know the facts. Very often, I regret to say, lobbyists are able to get their stories in the newspapers, including sometimes in your own. Now, you are all commendably inquisitive or critical or cynical about things that elected people say, including ministers or the Prime Minister himself. You are quite rightly critical in these matters but you are not, if I may say so, sufficiently critical of some of the stories that are given to you by lobbyists.

I would have thought that the reports of the Industries Assistance Commission, of which the establishment was one of the triumphs of my Government so far, would illustrate how much the public are taken down by the reports which have grown up behind Government assistance of one form and another. I don't want to see policies which were taken at an easier economic time reversed or abandoned too readily. If hardship is being caused to individuals then that hardship must be alleviated promptly and fully. But there is no excuse for using the hardship of some communities to impose on the

whole community for the benefit of some industries in some areas where no assistance is justified.

I was speaking last night at this Heavy Engineering Manufacturers dinner and I pointed out that manufacturers, in general in Australia, should get out of the purely negative, defensive attitude of saying that their future depends upon Governments imposing tariffs on competing imports or imposing embargoes or quotas on competing imports or paying subsidies for certain local products or allowing taxation deductions for the production of certain local products. A much more positive way to assist basic industries in Australia is to have a rational procurement program by governments.

Now the industries concerned last night were particularly apt to benefit from rational programs. I pointed out that the heavy engineering manufacturers depend very greatly on orders coming from the public sector and my Government has tried, conspicuously in the transport field, to see that there are forward orders for that industry. The industry will be much more assisted by, say, a re-equipment program for the railways or a proper national roads program or pipeline program or - I know this one is more difficult - a shipbuilding program, in all of which government orders are crucial, sometimes a predominant factor, than those industries will be assisted by just putting up the price of everything for the Australian consumer. I believe the message got across there.

Naturally enough I also commended them for the fact that they do not tender or peddle misinformation. They are an effective industry association and I think them for the fact that they have publicly expressed support for some of the policies which my Government has proposed to help them gain export markets. We still don't have an export bank in Australia. We are going to establish one. We still don't have an overseas trading corporation. My Government is going to establish one. And the Heavy Engineering Manufacturers have not opposed, in fact they have very often expressed support for, the expansion of the Australian Industry Development Corporation, the Pipeline Authority, the Petroleum and Minerals Authority, the Australian Government Purchasing Commission. They are a good body, but one's entitled to draw the contrast. One takes notice of an organisation which collects and submits accurate information and cogent arguments. By contrast some other industries ought to understand that if they give misinformation, not only is the Government less likely to be impressed, but the public also ought to be alerted.

QUESTION: Do you believe that the strong stand which you are now taking on tariff protection could prejudice the efforts of your Government to secure support from the trade union movement for wage restraint? If you do believe that, are you prepared to modify the stand you are currently taking?

PRIME MINISTER: I don't believe that anything I've said would be resented or resisted by most responsible trade union people. After all, I am certain that trade unions as well as companies and governments will only have public support if the public is certain that they are acting on accurate information. The public shouldn't - the government shouldn't - blithely accept an imposition on the taxpayer for the benefit of people who can't make out an accurate, honest case.

QUESTION: My question goes back to your earlier comment on wage indexation. If agreement can be reached with the union movement on the introduction of wage indexation, would you see merit in the system of tax indexation which would ensure the cost of living increases granted are not taken away again in higher taxation? In other words, when the cost of living rises push a worker into a higher tax scale, can he be sure that the real cost of living adjustment, the adjustment for inflation, will not be diminished by higher income tax?

PRIME MINISTER: There are many attractive features about tax indexation. I was discussing them with Mr van Lennep the Secretary-General of the OECD about 12 days ago. Mr Crean, however, has pointed out that it might be better still to have an annual review of the tax schedule. Tax indexation would preserve the present ratio of incomes to taxation but it would do nothing to remove the unfair features of the present scale - of the scale which there was until Mr Crean announced the changes, the first changes for 20 years - in the Budget last Tuesday. So I don't want to discount the advantages of having tax indexation but I believe to have an annual review of the tax scales and, as Mr Crean has done for the first time last Tuesday, would have advantages in that it would be more fair.

QUESTION: You said that there were allegations made that somewhere in the vicinity of 900 people had been laid off in the textile industry in Launceston. When investigations were made into that it was shown that only 360 people were being laid off.

PRIME MINISTER: No, 340.

QUESTION: 340. Well, you said 360 last night.

PRIME MINISTER: I was speaking, you will remember, from memory of a glance at the report. I have now seen the report again.

QUESTION: So that we may be better informed on the effects of your tariff decisions, is it possible for that report into Launceston to be released?

PRIME MINISTER: Mr Cameron sought and got the report. You should ask him.

QUESTION: Prime Minister, if you can get agreement on indexation and wage restraint from the union movement would you see any merit in going again to the people to try to get wage and price control at a referendum so that that indexation and restraint could be imposed both ways?

PRIME MINISTER: As all of you would know quite well, I believe the Australian Parliament ought to have the same authority to make laws with respect to prices and incomes and interest rates that every other national government has. Nevertheless I have to look at the timing of these matters. I expect that after the next meeting of the Constitutional Convention, which is in the first full week of November, there will be agreement between most Governments in Australia - I wouldn't like to forecast that the agreement of the Queensland Government would be forthcoming - on the proposal for interchange of power which one or two government - New South Wales

and there might have been another one too - suggested at the Convention in September last year and which I accepted. Most Premiers, I believe all Premiers except Bjelke-Petersen and Sir Charles Court, have accepted the draft which was prepared by the Parliamentary draftsman and circulated. There is a very good chance of such a referendum therefore being endorsed by the leaders of the Governments or the majority of the Governments in Australia. Also, one ought to expect that there should be a referendum on say, synchronising, the two Houses and perhaps abolishing appeals to the Privy Council and also simplifying the industrial laws. As you remember, the Constitution says that the Australian Parliament can only pass laws with respect to conciliation and arbitration for the settlement of industrial disputes extending beyond the limits of any one State. It would be very much better if the Parliament had constitutional power to pass laws with respect to conciliation and arbitration for the settlement of industrial disputes.

QUESTION: Are you suggesting there that you would hold these referendums simultaneously?

PRIME MINISTER: I mention a range of ones. Let me see what the options are. Clearly one would plan to hold any referendums at the same time as there was a Senate election.

Gentlemen, I will be seeing some of you within the next fortnight, I believe, in the South Seas and in North America. Perhaps I could give you the expected itinerary. On Friday we will go to Rarotonga in the Cook Islands where there is a meeting of the South Pacific Commission. The Government will be represented by Mr Morrison and the Parliament by Senators Primmer and Bonner. I am inviting them to come with me and we will spend the morning - the dateline of course will mean that it will still be Friday morning - with the delegates to the South Pacific Conference. We will then go to New York for the General Assembly and then to Washington on Wednesday 2nd October where I will meet President Ford; on Friday 4 October to Ottawa where I will meet Mr Trudeau; and I am going back to "meet the Press" in Washington on 6 October. Then we are going to Fiji, which is celebrating the 100th anniversary of the cession to Britain. Prince Charles is also attending those celebrations. It is the first time that a senior minister from Australia has ever visited Fiji and they have become a bit restive at that fact. Then we will go to Norfolk Island, which Captain Cook discovered, as far as Europeans are concerned, on 10 October 1774. So I am looking forward immensely to the company of those distinguished members of the gallery whose proprietors have sponsored them.

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