

FOR PRESS :

P.M. 36/1965

AIR-LINES DISPUTE

Statement by the Prime Minister, the Rt. Hon. Sir Robert Menzies

As certain legal aspects of the current air-lines dispute in New South Wales are before the Court, I will confine myself to the political differences. Commonwealth Ministers have met State Ministers in an attempt to secure agreement. By courtesy of the Premier, I have had a conference with the Commonwealth Attorney-General and the State Attorney-General, in order to clarify my own mind as to the nature of certain differences of interpretation of the judgments in the recent air-lines case.

In the result, and after Cabinet discussion, I now state the attitude of the Commonwealth Government.

We think that our first duty is to ensure the safety, efficiency, and regularity of air navigation as a whole in Australia.

We do not think that this duty can be performed by looking at one service in isolation, as if no adjoining or intersecting services existed. If effective control of air navigation and a high record of safety are to be maintained in relation to a complex of international, interstate and intra-state flying services, we believe that it would be completely unsound to look at each type of service separately, as if the others did not exist, or to deal with individual services within one of these classifications as if other individual services did not exist. In the public interest, there must be some overall pattern and regulation.

We think that this is true in relation to New South Wales intra-state services, which have as one terminal the Kingsford Smith Airport at Mascot, which is also the principal airport for international services and a main airport for inter-state services.

The paramount interest to be served by the New South Wales intra-state air services is that of the people in the country and in provincial cities and towns. Each of the two competing intra-state services, East-West Airlines and Airlines of N.S.W., has played its part in serving that paramount interest. Whatever re-arrangement of routes may be made from time to time should be so made, within the limits of safety and efficiency, as to enable each to carry on profitably and thereby maintain its operational efficiency.

To solve the problem, we believe that a completely objective and co-operative approach is essential.

To this end, we have proposed that a Commonwealth expert and a State expert should confer with each other, with a right in them to appoint an umpire in case of differences of opinion. The object of the conference would be to survey

and allocate various routes and services, and to bring in recommendations to both Commonwealth and State Governments. For our part, we will stand ready to accept these recommendations. As every facility would be provided for speedy investigation and conference, we should be able to anticipate a result within two months.

The Government of New South Wales has, as I understand it, not rejected the conference idea outright but makes acceptance of it conditional upon East-West flying a service between Sydney and Dubbo meanwhile. This the Commonwealth is not able to grant. For its part the Commonwealth would prefer that pre-existing arrangements should be restored. This would mean that over the projected period of the conference, Airlines of New South Wales, the holder of the Commonwealth licence for the route, would fly a direct service between Sydney and Dubbo as it has (until recently) done for many years.

The Government of New South Wales has been reported as wishing us to agree to a proposition that, in the meantime, each of the two companies should take turn, month and month about, in conducting the Dubbo service.

Our advice is that this is not practicable, since the movement in and out of staffs and facilities involved would be grossly expensive and wasteful, and could scarcely be regarded as giving effective results to the people of Dubbo, who are primarily concerned.

Under these circumstances, we cannot accept this proposal. But we repeat our own, and hope that, in the interests of all concerned, it will be accepted and acted upon with all expedition.

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CANBERRA,

4th April, 1965.