

PRESS, RADIO AND TELEVISION CONFERENCE
GIVEN BY THE PRIME MINISTER, SENATOR
JOHN GORTON, AT PARLIAMENT HOUSE,
CANBERRA



17TH JANUARY, 1968

PRIME MINISTER : Well, gentlemen, this is a press conference for the purpose of enabling you to ask me questions in the hope that I will be able to provide some sort of an answer to them. It is not an occasion for me to make a statement but rather an occasion for you to raise matters which are in your minds.

Q. What action will you take if you get a bad answer today?

PM: Well, we don't know of course what the answer of the Union is. They haven't yet decided as far as I know. But we will be forced to seek to keep the Australian mails moving. We hope that commonsense will prevail and that the Union will go back to work. That is our objective. We don't quite know - well I don't quite know - why this inconvenience should be inflicted on the Australian people with such a history of events. Let me remind you of that history. On the 11th, I think it was, a driver was dismissed. On the 12th, agreement was reached for the reinstatement of that driver. Subsequently there was a stoppage and I received a telegram from the Union saying would I accelerate a meeting with the Public Service Board from the date on which it was previously agreed to be held, and I said yes, I would, so there is no dispute about the driver being reinstated, there is no dispute about an accelerated meeting, provided the men to back to normal work. There has been no attempt to invoke any punitive clauses but the strike may go on. I don't believe that any Australian Government could sit back and not attempt to move the mail whatever the circumstances might be. Now, you would not expect me, indeed I think it would be a matter for the Postmaster-General and the Minister for Labour and National Service to explain the steps that they would hope to take should such steps be necessary - as I hope they won't be.

Q. Jack Commins, ABC: Can you give us your initial reaction to Prime Minister Wilson's announced cuts of yesterday? Will there be any speeding up of the review by the Defence Committee of Cabinet?

PM: Well, I think we have already given a reaction to the announced cuts because they are more or less in line with what was suggested to us would happen by Mr Thomson when he was out here, and we made a press statement after that, you will remember, expressing great regrets that these cuts should take place, expressing our belief that in this part of the world - Singapore, Malaysia - in that area, relatively small forces could contribute far beyond their numbers to the maintenance of a security in the area which would enable a proper economic development in the area. And we expressed some concern that the Naval and Air supports, quickly and speedily available in the area if necessary, appeared to be in doubt. Our reaction to that is the same as it was then. We feel that if economic considerations are those which has made the British Government make this decision, then savings could better be made in some other part of the world if we are concerned with keeping security. Other than that I can't go any further than I have before, except to say, as perhaps is known to you, that the British Government has extended

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the period of their withdrawal of ground forces by nine months after discussions with Australia and the other countries concerned, and it will now be - I think it is four years, December 31st, 1971, before the proposed plans are completed. We are pleased that this extension has taken place.

Q. Now that you know the British plans, Prime Minister, and in view of the guns or butter economic evolutionary process that we are going on with now, could you undertake to make a statement or bring out a Defence White Paper which would outline clearly the responsibilities that we are going to have to undertake over the next two years?

PM: I'll discuss that with the Minister for Defence and the Defence and Foreign Affairs Committee. But I think it must be clear that we ourselves cannot step in and fill the place that Britain has been filling in that part of the world. We would want to lend assistance as we are now, provided the countries there continued to want us to lend that assistance and said so, but there is a limit I think to the amount that a country such as ours can afford to expend on defence because there are requirements of development, requirements of immigration, requirements of looking after our own population which at some stage must be considered as being something from which, in effect, has some effect on Australia's defence potential rather than the mere guns and ammunition which also have a direct effect. The amount that we are expending on defence is quite large. You mentioned guns and butter. I don't know whether it's guns and butter exactly, but guns and development and human relations in our own country must be brought into a balance. I'll consider a statement in more detail, although I think that this might have to wait perhaps until there are further discussions, until we are a bit clearer as to precisely what is meant by one or two matters mentioned in Mr Wilson's speech, and until we are a little clearer as to what the five powers concerned might in concert do.

Q. Max Hawkins, Brisbane Telegraph: Do you see this withdrawal as the end of the British Commonwealth Brigade there, or do you see some other battalions or forces that the British are taking out coming in to fill the gap? Have we been asked to.....

PM: As I understand it, the British ground forces are, at the end of the period to which I have been referring, to be withdrawn from the area. If that is so, and they now being a component part of the Commonwealth Brigade, I don't see how the Commonwealth Brigade would continue after that date.

Q. Armfield, Melbourne Age: Will Britain's decision to scrap its F111 have any effect on the cost of the Australian order?

PM: This is something I propose to find out quite rapidly but can't tell you now.

Q. Will you be making a statement to Parliament very soon and how soon will Parliament meet?

PM: Parliament will meet in March, but whether in the second or third week in March might depend a little on events - but let's say the second or third week in March. And I would think that, yes, there ought to be a statement made to Parliament on a matter of this importance as soon as may be after it meets.

Q. Mr Prime Minister, have you any details yet on the programme of the meeting of the five powers affected by British withdrawal from South-East Asia?

PM: No. No details. Indeed, I don't believe there are any details, I don't believe there are any firm proposals as to when such a meeting should take place. You will remember that Tunku Abdul Rahman suggested some time ago that there should be such a meeting. The then Prime Minister indicated that Australia was interested in attending such a meeting if and when it was held, but the other powers had to express their views on it too. I noticed that Mr Wilson in his statement said, if I recall it correctly, he would be interested in a five-power conference but such five-power conference must start from the premise of the decisions taken by the British Government. We, for our part, would attend such a five-power conference but we are not at the moment intending to initiate or call for it.

Q. Sir, on the Post Office again. Do you have any thoughts as to a long-term solution of the problems in the Post Office because every time there is a dispute it holds up communications of the country, as we have seen in the past year?

PM: Well, I think it's a pretty hard sort of a question, if I may say so, to ask a Prime Minister at this stage. The running of the Post Office is the responsibility of the Postmaster-General and the Public Service Board also comes into the picture. There has been, as you so rightly say, a number of disruptions in the Post Office. I would hope that we could, through the responsible Ministers, and I would include the Minister for Labour and National Service in that, although they are really a client Ministry for the Postmaster-General, to see whether there was some underlying malaise which could be removed. But that is a matter of looking into seeing whether there is some underlying malaise, to see what action could be taken if it is there. I don't think it is directly concerned with the immediate problem which faces us today. But it is something clearly that needs to be looked at.

Q. Mr Prime Minister, I am sure that the war in Viet Nam must be a priority for your consideration, and in view of this, I wondered whether you would care to comment on the statement by Senator Mike Mansfield, the Leader of the Majority in the Senate of America in which he this week called for an end of the bombing in North Viet Nam and an effort to persuade Hanoi to enter into peace talks. What would your opinion be about this?

PM: Well, my opinion on the bombing of North Viet Nam is this. In the first place, the United States could, if it wanted to, because it has the power to do it if it wanted to, virtually destroy North Viet Nam. It has not used that power and I would strongly be opposed to it ever seeking to use such power in that way. What it has been doing is using bombing in an attempt to interdict, to interfere with, to delay the flow of men and materials from the North to the South. If there were a clear indication that should that type of bombing cease, then the North Vietnamese would, for their part, stop sending men and supplies to the South and start talks so that during the period of time when such talks were taking place there was neither bombing of the North nor sending of the troops or materials to the South by the North, then I would consider that a reasonable proposition.

- Q. John Jost of the Age: Has there been a decision on the Victorian Turnover Tax, specially with regard to Commonwealth Public Service salary?
- PM: Well, that is a matter under discussion between myself and the Victorian Premier at the moment.
- Q. Did you raise this with him yesterday, Sir, when you spoke to him?
- PM: I made a courtesy call yesterday.
- Q. Chalmers, Australian Press Services: Mr Prime Minister, has Cabinet, or will Cabinet consider an official enquiry into the disappearance of Mr Holt?
- PM: The answer to that is no. There has been an enquiry by the Victorian Police into all the events of that tragic day. The report has been presented. In view of some of the matter printed in it which has perhaps led to your question, I propose to make the report the Victorian Police have compiled available. It will require a day or two to get it copied in sufficient numbers for everybody to have it, but I think there is no need to go any further than that.
- Q. Stephens, Adelaide Advertiser: For the past eighteen months, there have been discussions going on at the Service level about the future British defence role in Australia, in the Australian area. In view of the latest decisions, do you feel those talks are worthwhile continuing?
- PM: Well, yes, I think they are worthwhile continuing. The British Government and the Minister who was out here have expressed the view that defence arrangements are useful even though there are no immediate forces in the particular area that is being discussed to enable those arrangements to be put straight away into practice, and there may be something in this. Anyway, let me put it this way. They are not talks which I would seek to break off ourselves.
- Q. Mr Prime Minister, in view of your quite obvious sympathy for Mr Lee of Singapore and his plight, is Australia prepared to consider giving him interim assistance during the period such as, for example, paying for the Gurkha brigade battalions or something of that nature or, at this stage, is our assistance merely restricted to the planning side of it?
- PM: No, at this stage, we are giving assistance to Mr Lee in Singapore. The details of that assistance I don't carry in my mind, but we are giving both economic assistance and military assistance in various ways in that field. It is not intended, nor has it been suggested that that should be accelerated or increased at this moment.
- Q. Mr Prime Minister, there has been a proposal for the establishment of a naval facility in Western Australia. Now I add another one to this, there has also been the question of the future of Woomera at stake. Is the decision made by the British Government likely to affect both Woomera and the Western Australian naval facility?
- PM: I can't answer that question. I don't know enough at the moment to answer it. I'm sorry.

Q. John Moses, Channel 7: In the absence of Britain, how do you see broadly our defence and economic responsibilities to our Asian neighbours, including Indonesia?

PM: Our economic responsibilities, particularly to our closest Asian neighbours, to Singapore, to Malaysia, to Indonesia, to the Philippines.....but I think we are talking of the area - Indonesia, Malaysia, Singapore....this is the area in which I would like to see our major effort made in this economic assistance field. But there are two provisos to that. One is that the countries themselves wish for some physical forces present as an insurance policy against the insurgencies, an insurance policy against brushfire wars, not of course with any concept of preventing a full-scale invasion from some other place but just to keep the peace in that particular area, to keep the peace against small outbreaks in that particular area. So that also is a field to which we have contributed, and that proviso cuts down, to some extent, what we can do in the economic field. The second proviso is the one I started with, that Australia has to consider its own development, its own requirements in many fields, in health, in education, in social services, apart from development itself; it has to keep its immigration going, it has to develop its industrial muscles and its potential for the future. And these things cannot be sacrificed to greater use either of overseas reserves which are heavily called on by defence commitments or defence commitments in other ways.

Q. In Commonwealth/State financial relationships, you have been described as something of a centralist. Could you state your general attitude on this rather touchy subject?

PM: Yes, I think so. I don't think it is an accurate assessment of my position to call me a centralist. It is more a matter of philosophical approach. I would have thought a centralist was somebody who wanted to take a field and to centralise the administration of that field in Canberra through one public service, as it were, and that in the fields in which the States are so heavily engaged would, in my view be inefficient and wrong; particularly in such fields as education, I am sure it would be wrong. On the other hand, we have a theory that the proper thing to be done in Australia is to hand out sums of money to various State Governments and leave it entirely to those State Governments to divide those sums of money between the various competing fields inside that State - between education and health, and building of roads and all the other things the States have to do. Now, in general, I would of course agree with this, but in particular one could find the situation developing where from the national interest, something was being neglected in one of the six States and that State was falling behind the other States in that field and this could be detrimental to Australia as a whole. I think that it is this kind of approach of mine, I think it is a kind of approach of, well, if water is to be conserved in Australia, it ought to be conserved where its conservation will do most good for the nation as a whole, even if it means that it is in some particular State where it would do the most good for the nation as a whole, and therefore the money is not divided strictly on a population basis because we need it to be down there. That's where the water is, that's where we get the most effectiveness from it, and therefore we just don't divide it on a formula around the States. These are qualifications which I put to the theory of complete handing over of the

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money and leaving it completely to the States to develop. This, I think, is the basis of a charge of being a centralist, but as I say, I don't think it is a properly-based charge because I would not seek to interfere in administration nor, unless it could be shown to be something that were detrimental to the national interest, to try and keep a balance in the fields between the States.

Q. Mr Prime Minister, when do you meet the State Premiers to discuss these matters?

PM: I know what you mean...when do we have a general conference. But I think it worth saying that I have already had a courtesy call on Sir Henry Bolte. I will be meeting Mr Pizzey on Thursday. I will be having a chat with Mr Askin during the weekend. These are just talks to individual Premiers. I don't know that I could give you a timetable for a Premiers' meeting now because there are a number of unknown factors, a number of unusual circumstances just at the moment which make things awkward, but we would have one as soon as we reasonably could....

Q. Is it imminent, before the next Parliamentary Session?

PM: I don't think it is before the next Parliamentary Session. I wouldn't rule out the possibility that it might be.

Q. Would you consider redistribution during the current Parliament?

PM: A redistribution of seats? Yes.

Q. Have you decided upon the Commissioners, Sir?

PM: I haven't had a great deal of experience with these press conferences and I might be putting my foot in it. I think what has to be done is that the Commissioners are provided by the various State Governments... (interruption) let me finish... The Commissioners need to be provided by the various State Governments and I am not sure whether I am at liberty to answer that direct question, but let us put it this way - that the State Governments know whom it is that we would wish to be provided as Commissioners.

Q. I was thinking of the time factor. Mr Holt said he thought they would be announced by the end of the year that has just ended, and we are running out of time on the....

PM: I don't think it will be long.

Q. I see. Do you expect any trouble from the Country Party this time?

PM: Why should I?

Q. Nancy Buttfeld, Macquarie Network, Adelaide: Prime Minister, will you be looking into a new basis for grants for the States?

PM: Do you mean a new formula?

Q. A new way of allocating the grants.

PM: Oh, I hadn't thought of it but one never knows what might come up at these conferences.

Q. Stewart Harris, London Times: I was wondering, Sir, if there was trouble in the Malaysian/Indonesian area, say over the next couple of years, would you feel free to withdraw any Australian battalion from Viet Nam, temporarily if necessary, and do you have such an understanding with the South Vietnamese and American Governments?

PM: I know of no such understanding with the South Vietnamese or American Government. You asked me this question out of the blue. I know of no understanding, but it would seem to me that it would be a very odd military situation to be in, to have a battalion integrated in a force, engaged in operations, liable to be withdrawn and disrupt all the people with whom it was serving. I should think it quite unlikely.

Q. Sir, in the light of your emphasis here today on development, are you yourself wedded to the concept that has prevailed in the Government that defence spending should be limited to 5 per cent of gross national product or are you liable to take a more flexible view in the light of the quick march of events in South-East Asia?

PM: I wouldn't want to pin myself to a particular percentage of GNP, whether it be five or four or three or any particular percentage of GNP, but I would hope, indeed it will be necessary to see that our expenditure on defence, a good deal of which is already committed for the next two years, does not cause us such commitments then or after then that it interferes - not with butter - but with the development of Australia.

Q. Just to take you back to the Premiers and the States/Commonwealth financial relations for a moment, are you prepared to go ahead with the usual Premiers' Conference that is usually held in February and also will you go ahead with this proposal of Mr Holt's to have a meeting of Liberal Premiers?

PM: Well, the meeting of Liberal Premiers is what I call a family meeting. It is not a meeting which the Government as such is concerned in having. It is not a meeting indeed in which Liberal Premiers alone attend. It would be a meeting which the Liberal leaders of the various States, whether they were Premiers or whether they were Treasurers or Leaders of the Opposition would meet with members of the Liberal Party in the Commonwealth sphere for a family discussion, and that is all it would be. It is not something that can be equated with a Premiers' meeting or something of that kind, and I think that the timetable that was in mind has been disrupted and it is very difficult to fix a date but I would in principle expect that that should happen.

Q. - Mr Prime Minister, the relations with the Country Party have just been mentioned. I would like to ask you what action you have taken or propose to take to heal the breach between Mr McEwen and Mr McMahon?

PM: Well, we are starting a new Government. I was never closely associated with events in the last Government to which you refer, but as far as I am concerned, at the start of this new Government, the book should be ruled off there, and a new start made.

Q. Is that feasible, Sir, in the light of discussions that have gone on between the two Ministers?

PM: I hope and trust so.

Q. Will you yourself, Sir, be influenced in your choice of a Cabinet by any considerations of the strained feelings that have existed between the Country Party and the Liberal Party, or will you be guided by your choice of whom you consider the best person for a portfolio?

PM: You said would I be influenced in my choice of a Cabinet - is that what you mean, or do you want to go further than that?

Q. The Ministry in the broad.

PM: I would not expect, indeed I know that Mr McEwen would not expect that any people chosen by Liberals would be subject to question or to veto by himself any more than he would expect any Country Party Minister to be subject to question by myself. I think he has made his situation quite clear, that he regards it as his prerogative, and has regarded it as his prerogative to say who it is that he will or will not serve under but that he regards that as the limit to which he should go.

Q. Prime Minister, do you have any plans at this stage for a tour of South-East Asia or perhaps even further afield to meet with other world leaders?

PM: I want to go to South-East Asia as soon as it is possible to do so, but I do have things which you have been mentioning to me in the course of this press conference - possible meetings with Liberal leaders, possible meetings with State Premiers, by-elections - one by-election - meeting of the Parliament, getting prepared for that, and I don't see much chance of this happening until after the first Session of the Parliament this year.

Q. Talking about by-elections, Sir, can you give us the date of the opening of the campaign, and your appearance in Higgins?

PM: The 13th February....that is, if I am pre-selected!

Q. How long do you intend to spend in Higgins, Sir?

PM: During my campaign?

Q. Yes.

PM: I would expect to spend some days there, not necessarily on end, but a number of scattered days during the course of the campaign in the electorate. Partly I would be influenced on this by the requests of the organisation in the area and the Liberal Party in Victoria.

Q. Prime Minister, in the formation of your new Ministry, do you plan to keep the same number of portfolios? Do you plan to keep the same number of Ministers?

PM: Probably.

- Q. On the assumption, Sir, that you win Higgins, how soon after the by-election is declared, will you be remaking your Ministry?
- PM: I would hope to announce a new Ministry and possibly some different administrative arrangement orders as between the Departments within two days, I think.
- Q. How strong is the possibility of an early election, Sir?
- PM: I haven't considered the possibility of an early election myself.
- Q. In selecting your new Ministry, Sir, would you be influenced strongly by the number of Ministers from particular States or would you select the men for their own sake?
- PM: I would seek to select the men whom I believed had the ability to carry out the work involved. I don't think you can entirely disregard some State representation. I don't think you could, for example - it's a silly example - that you could leave the State of New South Wales without one Minister, or say Queensland or any other State or most States, but I would not be seeking to get a balance of members of the Ministry as between the States, but you would have to have some regard, as I have said, to some State representation.
- Q. And some regard to the Senate? Will that be fixed and absolute?
- PM: Well, in this life nothing is ever fixed and absolute, you should know that!
- Q. Sir, may you actually have a reduction of Ministers, is that what you...
- PM: No, it wasn't really meant that way. I haven't been thinking so much in terms of numbers on this, and you asked me so I didn't want to say definitely "yes" in case it turned out there was some slight difference, so I said "probably".
- Q. Are you likely to be making administrative reshuffles within the Ministry, combining some portfolios and creating new ones?
- PM: Well, there will be some changes in administrative arrangements orders which are the orders which provide functions for particular portfolios, or at any rate there are some which are under consideration at the moment. But I think that is about enough on that one!
- Q. Sir, because of the decisions of Britain and the United States over the past few months which have a direct effect on us, have you given any consideration to a supplementary Budget?
- PM: Not yet. At this stage I have had no indication of a supplementary Budget.
- Q. Sir, you have spoken of the need to visit South-East Asia, have you given any thought yet to a tour of Australia as Prime Minister?

PM: Well, in this week I will have been in Victoria, New South Wales and Queensland. That is a tour of half Australia in the first week, or an appearance in half of the States of Australia in the first week. Of course it is not so long since a Senate election in which the other three States were also visited. I am not sure whether you mean will I wish to be travelling around to look at all the development projects throughout Australia. Perhaps that was in your mind?

Q. This would include part of it. Yes Sir.

PM: Well, no, I don't think so. Really, I honestly think I have been travelling around Australia over the last four or five or six or seven years pretty solidly and pretty continuously. I would hope to go and see particular development projects but this is not a tour in the sense of a South-East Asian country tour.

Q. Mr Prime Minister, after Britain's decision to devalue, the Cabinet set up a framework of measures to deal with the repercussions on Australia. Could you tell us what progress has been made with those moves and how soon we may expect decisions to be made?

PM: Well, I think we are waiting for assessments from the Department of Trade and Industry in relation to any secondary industries which may have suffered losses as a result of the Government's decision, and from the Department of Primary Industry in relation to any industries there which may have suffered losses. And when I say "suffered losses", I mean suffered losses, not "failed to get gains".

Q. When will that Committee be reporting... There is an inter-Departmental Committee considering this question?

PM: I will have to ask the Ministers directly concerned.

MR EGGLETON: Perhaps one more question, gentlemen.

Q. Prior to Mr Holt's death, Sir, there was a lot of talk about a Viet Nam summit meeting. Has this now been negated because of the series of talks that were held in Canberra during the period of the Memorial Service or do you anticipate there will be a Viet Nam summit?

PM: I think there probably will be meetings of people leading the nations concerned, but I know of no time set down for it and no arrangements at this stage which have been made for it.

Thank you, gentlemen.
