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"MEET THE PRESS"

TELEVISION INTERVIEW GIVEN BY THE PRIME MINISTER
MR. JOHN GORTON ON BTQ 7, BRISBANE

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Chairman : Reg Leonard
Panel : John Wakefield
Alan Underwood.

Good evening to you. In a few days we will be voting in the Senate Election. In this the last of four interviews with Commonwealth Party Leaders, it is my privilege to introduce the Right Honourable the Prime Minister, Mr. John Gorton. Good evening to you, Sir.

Now, the Prime Minister obviously has a very wide field to cover, and I suggest we might start off with defence with the first question from John Wakefield.

Q. Mr. Gorton, you contend strongly that our presence in Vietnam is essential. Why then isn't the Eighth Battalion being replaced, and can you explain, please, your change of policy on replacements?

PM Yes, I contend that our presence in Vietnam is essential and that an American presence in Vietnam is essential until such time as the South Vietnamese will be strong enough to be able to look after themselves. Before the last general election, I stated that should the situation reach the position where significant withdrawals of American troops could take place, then I would expect to see that some Australian troops were phased into that withdrawal. Well, there were significant American withdrawals, and because what we promise we perform, Australian troops were phased into that withdrawal.

Q. Does this mean, Mr. Gorton, that we are now approaching some of the goals we sought when we first went into Vietnam?

PM I think we are much closer to the goals. The goals we sought were a situation where South Vietnam could defend itself and its people could decide what kind of a government they wanted to elect. I think that we, as a result of building up the Vietnamese Forces, as a result of building up Vietnamese morale, I believe, on all the information that I have that we are closer to these goals.

Q. Senator Gair said on this programme about ten days ago that we should bomb Hanoi - you may have read that. Now do you agree with Senator Gair on that or, alternatively, do you think it makes sense for us to allow the enemy ships to come in there, into the ports down along North Vietnam, twelve of them a day sometimes, to bring in all these war goods?

- PM Well, we wouldn't be bombing Hanoi, of course. It would be the United States who bombed Hanoi if anybody bombed Hanoi, and I have no doubt at all that the United States is not considering carrying out any bombing raids on Hanoi. Now you asked me a second part of that question, and I think in the narrow military sense, it probably doesn't make sense not to flatten your enemy altogether, but in a broader sense, looking at the possibilities of what might occur if that escalation took place, then I think that it does make perhaps overall sense.
- Q. Sir, the North Vietnamese or the Vietcong have had no hesitation whatever about pummelling Saigon.
- PM No.
- Q. You don't believe in reprisals?
- PM Well, I wouldn't want to go that far. I do believe in doing what one can in those circumstances, provided - and this is after all, a judgment for the United States to make who will eventually have to bear the great burden of this -- that kind of retaliation doesn't lead to an escalation which leads to a really great conflagration.
- Q. Prime Minister, a couple of seconds ago you mentioned that one possible course in the war in Vietnam was to flatten the enemy. Well, if you don't do that, can you see any early end to the war, and how will it come about - will it be by military means or by negotiation?
- PM Well, I am not able to put an answer to your question about an early end, or any particular time scale.....
- Q. Well President Nixon says 1972. He doesn't say why.
- PM. Well I am not saying why, either....nor commenting on President Nixon. I am just saying I am not prepared to.....
- Q. You are not even saying 1972 now? .
- PM I am just saying I can not put a time scale on with any confidence. But you asked me how it would end. Now the basic fact that will bring it to an end will be military victory. You will find Mr. Whitlam and Mr. Barnard and their supporters wandering around this country saying there can't be a military victory for either side. But you don't find the NLF or the people from North Vietnam saying that because they know a military victory will eventually decide this matter. I don't mean that it alone will decide it, but out of the military success will grow either negotiations, which I think is possibly less likely, or just a dribbling away of the war and a cessation of it in the way we saw in the Malayan Emergency.

Q. Just so all Australians will be clear, Mr. Gorton, you think sufficient pressure is now being exerted by the Allies to win a military victory in Vietnam?

PM I think the military situation is improving and that as pressure is kept on in the way it is, there is a real opportunity that the South Vietnamese will be able to continue to build up their forces so that they can deny military success to the enemy.

Q. Do you subscribe to the contention of some of Mr. Whitlam's critics...as you know he has advised young National Servicemen who oppose the war in Vietnam not to serve there. They claim this is treason. Would you go that far?

PM I can't give you a legal opinion on whether it is legally treasonable or not. I am not a lawyer so I can't answer that. But I think it is thoroughly reprehensible and extremely irresponsible advice for a man who aspires to be Prime Minister to give. You can't confine this to saying to people "Don't serve in Vietnam if you don't like it." You have got to say "Don't serve anywhere where you feel that you don't like it." And what is more, that would, of course, make it almost impossible to run our military forces. What's more it is absolutely rotten advice because it puts a chap in a situation where he can disobey an order, get a dishonourable discharge, get punished, and the reasonable advice is to say "Join the CMF if you don't want to go somewhere."

Q. During this campaign, Mr. Gorton, Mr. Whitlam has referred many times, and particularly on this programme, to the role which he would like Indonesia to play in Australia's defence. Now, quite frankly, I can't understand it. Can you?

PM Not really, because I am not sure whether he wants it as a bulwark of an umbrella. As I read what he said, he said Indonesia would be a bulwark against Communist China. - the best bulwark there was. I suppose against Communist China attacking down this way. Then he said Indonesia would be a bulwark for Communist China - presumably to protect Communist China against attack from Hong Kong or somewhere! And in the intervals, it was going to be an umbrella for us. So I am not quite clear just what role he has cast the Indonesians for. But may I add this. It is a strange role because just last year, I think it was, the Victorian Labor Party came out with an article violently attacking the Indonesians and the present Indonesian Government, and saying anything Australians can do to get rid of this violent and reactionary government ought to be done. Now that is a strange way to win friends and influence umbrellas!

Q. What do you think, Prime Minister, might be the reaction of Indonesians that they should be the bulwark - in other words - the ham in the sandwich?

PM Well if they notice at all what Mr. Whitlam says, I think they would treat it with the regard due to what he says.

Q. Mr. Gorton are you worried about reports that the Russians, if they do not control the situation in the Indian Ocean, are very well on the way to controlling it.

PM I don't think any Australian, or anyone else in this part of the world can regard with equanimity the increase in Russian strength in the Indonesian Ocean, and I think that our attention must be more directed towards that area. That is why Learmonth has been built, that is why the naval base is being built in the West.

Q. Well, it has been very freely stated - and I don't think it has been denied - that our arrangements with the Americans regarding Woomera and Pine Creek at Alice Springs, is that we give them ground facility for the reception of photographs which are taken by satellites which show possibly military installations in Asia, including China and Russia, which are relayed back to America. Now for that privilege, what do we get in return from the Americans?

PM Well, can I first make it clear that I am not agreeing with your statement of what function these bases carry out. I have no right to say what they carry out, other than to say that they are entirely defensive and have no offensive capacity at all. They are joint bases. They are built according to Article 2 of the ANZUS Treaty which provides for this kind of mutual help. Did you say did we have a cast-iron guarantee that the Americans would. . . .

Q. For that privilege, what do we get in return?

PM Well this is done really under the terms of the ANZUS Treaty, and I think Australia gets a great deal as a result of the ANZUS Treaty. Let us put it another way. If we didn't have the ANZUS Treaty, or if we had it and didn't adhere to it and ignored it, then I think we would be in a much worse situation than we are having the ANZUS Treaty and adhering to it.

Q. Have you, or have we Australians any firm assurance that the Americans will stand by us if we are in trouble?

PM We have got the provisions of the ANZUS Treaty which I suppose, legally, since it provides in the case of attack for the two Governments to consult, could be held out to be not a legally binding contract. But insofar as treaties between two countries can go, this treaty goes. And, again, if we didn't have it, we would really be in an infinitely worse situation; and damaging it, as I believe the Labor Party would, is to damage Australia.

Q. Sir, I will invite you now to transfer your thoughts to some of the local problems. . . . domestic problems.

Q. Prime Minister, you have condemned the 35-hour week proposal. What then must happen in our economy before it could become feasible?

PM I think we should be producing sufficient to ensure that from that production we are able to provide the materials for the schools and the hospitals and the water supplies and the other public facilities that are required, and providing enough so that the real wages could rise. We don't want to reach a situation where we are producing the same amount as we are now with fewer people or with a shorter week. Surely Australia wants more and more production to be channelled into all these fields.

Q. Do you think that production at this present level is inadequate?

PM Well, it is inadequate to meet our needs as quickly as we would like to meet them.

Q. Mr. Whitlam when he was on this programme, seemed unusually embarrassed when we started to talk about Mr. Hawke's 35-hour week. Now, Sir, do you personally believe that the political wing of the ALP would support a 35-hour week?

PM Well, not let us leave my personal beliefs out of it. I would like to read you an extract from a letter Dr. Cairns wrote in 1968 :

"At a special conference of the Party, Mr. Whitlam did two things. He apologised to the Federal Executive for his public attack on it and said 'I now undertake to work within the framework of the Party and to accept the decision of its properly-constituted authorities.'"

So he has accepted that binding. And the last Conference of the Labor Party, held in August last year, said -

"Conference considers that an effective political campaign be undertaken in conjunction with the ACTU to achieve our objective of a 35-hour week."

So leave my personal opinion out of it. He has promised to do what this says he has got to do.

Q. Mr. Hawke challenged you to a debate on the 35-hour week. Why don't you accept it?

PM I don't think he challenged me to a debate. I think he doxed Mr. Whitlam in, really, although Mr. Whitlam later said he knew about it. He say, "Yes, yes, yes" when he answered that question on the grounds that "what I tell you three times is true". But I think Mr. Hawke actually said he would like Mr. Whitlam and himself to debate with myself and Mr. Snedden. I am not going to provide a forum for either Mr. Hawke or Mr. Whitlam. But Mr. Snedden said he would be glad to debate it with Mr. Whitlam. We haven't heard from Mr. Whitlam since because the last debate he has was on his call for mutiny with Mr. Malcolm Fraser and he got done like a dinner!

Q. Isn't it a singularly futile exercise to get up and spout.

PM I'm quite sure it is - interrupting each other. There is a certain amount of debate about the 35-hour week going on right now out in the hustings.

Q. Mr. Gorton, in this programme last week, Mr. Whitlam emphasised again that he could abolish the means test within six years, or in six years, and the cost would be peanuts. Those were his words. What do you feel about that?

PM Well, I think it a typical Whitlam statement. If you regard \$300 million as peanuts, then I suppose fair enough, it's peanuts. But it would, even on his own figures, cost \$300 million to abolish the means test, and that only if the pension didn't move up in the meantime. Now you could do an awful lot with that money for people who have got nothing but the pension.

Q. We all appreciate, Prime Minister, that questions on pensions are generally associated with the House of Representatives election. But there has been so much talk about it. Can you elaborate at all?

PM I don't think, even in a House of Representatives election, in my experience, people have really gone around saying "I propose to raise the pension by this much or that much or anything else." I haven't heard it there. All I can say on this field is that I believe, and I think the figures show it, that in all fields of social welfare, including the base pension, we have done more than any other government has done in a comparable time. And I am determined to go on doing it.

Q. What the pensioner wants to hear tonight, in view of sharply-rising costs, is some hint that he is going to get relief.

PM. Yes, but I have said all along that I think it quite wrong to give indications of any kind in the course of an election campaign. It wouldn't be right.

Q. A Senate election campaign, you mean?

PM Well, really.

Q. They could be given in a House of Representatives campaign.

PM Well, possibly. But after all, the Budget came in just a little while ago.

Q. Just talking about inflation, Mr. Gorton. We have asked Senator Gair and Mr. Whitlam and Mr. McEwen just exactly what they propose to do about inflation. Not one of them seemed to have the answer to it. Now, have you?

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PM I have got a partial answer to it and a suggestion. The partial answer is that we should continue Budgets as we are budgeting, which provide for a very large domestic surplus in order to be a weapon against inflation, and that we should, as we have done, lower the expenditure on new expenditure for the Commonwealth. We have given the States more this year but our expenditures on new things has only risen by \$70 million, I think, in the Budget as against \$130 million last year. But over and above that, I have got a suggestion, and that is that if the Arbitration Court would bring down its decisions having regard to the rise in productivity, that would be one of the greatest blows that could be struck against inflation.

Q. Now, let's get that one. That is a statement of momentous importance. Am I right, Sir, in saying, that you think the Arbitration Court should mould its decisions in the light of the level of productivity at the time it makes its awards?

PM I believe it should take into account when it is making decisions or awards of one kind or another the level of productivity, the increase in productivity, and the effect on the economy of the country.

Q. Prime Minister, do you feel this isn't being done now by the Commission?

PM Well, I don't think I should answer that question in set terms. But I was asked a question of what could be done about inflation and I suggested....

Q. On inflation again, just before we get off it, Prime Minister. What is your Government doing to set an example to the private sector?

PM Well, as I said, we have budgeted for quite a large domestic surplus this year. That, I suppose, is not setting an example, so much as using a weapon. But we have reduced the new expenditure in this year's Budget as compared to last year's Budget. But you can't reduce it too much because so much of the Budget is taken up with things that people really must have. For example, the second highest item in the Budget is social welfare, and so on... help for schools, for the States....

Q. In your Budget, you increased things like sales tax and petrol tax and company tax and interest rates and PMG charges. Now how can you argue, Mr. Gorton, that these things are not already adding to our inflation?

PM I don't think we did increase interest charges in the Budget. We introduced them as a weapon against inflation, incidentally, as a classic weapon against inflation....

Q. Just to slow things down.....

...../c

PM Before the Budget came in. Yes, to slow demand down. To slow down the amount of money borrowed and therefore the demand that money would generate. Well, we did that before the Budget, although the long-term bond rate was raised in June and that might be what you are thinking of. I don't think that company tax - an increase in company tax would have any effect on inflation, or rising prices at all. I just don't think anybody would say it did.

Q. What about as an effect on company returns?

PM It has an effect on company returns, I admit, but I don't think on the general level of prices. Sales tax, yes, on those items on which it is imposed, but we didn't impose it on the whole level of sales tax. Only on things which are mostly sort of luxuries - well, there were furs and jewels. But there was perhaps one item of necessity, that was cosmetics. I must admit that. But by and large it wasn't on staple items - really items that are required. Sales tax, petrol tax would have some effect - not a great deal because most of the petrol is used by private motorists. But it undoubtedly must have some effect.

Q. Don't you consider liquor and cigarettes essentials?"

PM Well, I like them.....

Q. For most people. Not for you, but for every Australian, or the majority of Australians?

PM Not as essentials. No. I don't. But of course the major Australian drink is beer - what is consumed most - and nothing was done to raise the excise on beer - or on spirits. Wine was the only excise that was imposed, and that is scarcely an essential.

Q. You know, years ago, when Harold Holt increased the sales tax on cosmetics, there was such a row he had to withdraw it. You may remember that. There hasn't been any such scream this time when you do it.

PM Perhaps Australian women are getting much better looking without artificial aids.'

Q. Do you think they are necessities for women? Cosmetics?

Chairman : We are getting on to awfully dangerous ground. Let us get on to Commonwealth/State relations.

Q. Mr. Gorton, can you see any alternative to the present Commonwealth/State relations - and this annual bartering, and now it is becoming even more frequent - don't you think it is almost denigrating the Premiers the way they have to go cap in hand.....

PM I don't think it is denigrating the Premiers. But I think we all have to understand that the overall responsibility for managing the economy is the Commonwealth's and I think the Premiers themselves would unquestionably agree to that. It has been suggested that an alternative might be to lay aside a certain field of income tax or income tax for the States. I would not support that. I don't believe Australians would be at all happy to have two income taxes which one Government could raise and another Government could drop and varying between the sections of Australia. I really think that would be retrogressive. Indeed, the abolition of uniform income tax would not be good for States like Queensland.

Q. What is the Government doing for the farmer? Why are we in this parlous price throughout all our primary industries.....

A. I think we are in the parlous price for two reasons - one because of the cost increases which you mentioned that the farmer has to bear, and the other because world markets seem to be closing down on their requirement for our produce or the money they are prepared to pay for it. Dairy produce the European Economic Community has got running out of its ears. There has been a green revolution going on in the growing of cereals, and so on. Beef and sugar are not bad so far. Tobacco is all right, but wool is an industry that has been really badly hit and this because of the drop in prices. What are we doing? Well we have had a long programme of subsidising superphosphate, of taxation concessions, of zone allowances, of things of that kind, quite a lot of things of that kind, and we are now tackling the wool one as best we can by setting up the Wool Commission which, as you know, is designed to see that people will pay....

Q. It started only two days ago, it is too early to say how it went.

PM It is indeed, but since it was announced, and maybe fortuitously, the price of wool did begin to rise. Now it won't solve the problem, we have got to do more than that. . And one of the things we have done....promised to do.... is to set up this Rural Finance Insurance Corporation to insure long-term loans for farmers who are good credit risks, the way there is a Housing Insurance Corporation.

Q. Canada has recognised Red China now. Do you think that will cost Australia any big wheat orders?

PM I doubt it. Red China seems to be singularly unconcerned about whether countries recognise it or not. It buys where it thinks it is cheapest.

Q. Can you see any sense in our continuing not to recognise Red China?

PM Well, one thing that immediately comes to mind is Red China's insistence that Taiwan should be recognised as a part of Red China. I don't believe it would be right or proper or moral to take 12 million people.....

Q. That didn't worry Canada, did it Mr Gorton?

PM Well, I am not responsible for what Canada does...

Q. No, but if they can do it, we can do it.

Chairman : The United States did last week did modify its attitude about Communist China's admission to the United Nations. I think it would accept now both Chinas. Does that influence your thinking at all?

PM We haven't altered our own governmental attitude on this.

Q. Why can't we recognise both Chinas?

PM I have always understood one of the reasons is that Communist China has strong objections to both Chinas being recognised.

Chairman - Gentlemen, can we get on to something - as we have only a few minutes - some of the Party problems that face leaders in the country?

Q. We presume, Mr. Gorton, that one of the great worries that you have got in the Senate election is that you might finish up with a hostile Senate. What do you think the chances are for that?

PM I think it is unlikely, but until the numbers go up, it is always possible. It is a possibility. I think it is unlikely, but it is a danger and I do think people should know it and should realise the difficulty this would cause.

Q. Do you think you can get a clear majority without having to be propped up by the DLP?

PM We would have to be very lucky.

Q. Since the last time you mentioned it - has Mr Whitlam told any more - what did you say "a string of falsehoods" or something?

PM A string of falsehoods exactly - that is what I said.

Q. Factual falsehoods.

PM That is what he quoted, but actually in my initial opening speech, I said "a string of falsehoods". Well, there was a statement that we had had a five per cent rise in inflation last year, which wasn't true. There was a statement that the Treasurer had admitted that which wasn't true. There was a whole lot of them. I can't remember them. But since then, he has added a few. Yes, he has made a statement that nothing has been done to help South Australian Railways, and there was no money in the Budget for it. In fact the money is in the Budget for it, as I have pointed out, and it was stated in the Budget speech. That is one falsehood. There are a couple of other things which verge on it. He indicated the other day there wasn't such a thing as a Five-Power Pact. Now, I suppose legally it hasn't been signed, but there is agreement between Five Powers, and this I think tends to be close to falsehood.

Q. I was wondering whether we could ask you two rather personal questions. Do you feel that at last you have a united team behind you and that all the ruptures of your earlier months of office are behind you.

PM I think that is becoming evident.

Q. Would you say that you personally have changed since you became Prime Minister? And could you tell us in what way you have changed - if you have?

PM I don't know whether I have changed or not. Other people have to look at that and say whether I have changed or not. I really can't answer that....

Q. After Mr. McEwen has gone back to his farm, or taken this roving ambassador trade job or whatever it is, what do you think is going to happen to the Country Party? Do you think it will retain its present strength or it will be more docile?

PM I think it will be under good leadership whoever they choose to lead it. And I think it will continue to be a good partner in the Coalition Government. I don't expect it to be either docile or aggressive. I expect it to be a co-partner.

Q. Just another word, personally from you, on Mr. McEwen. Have you any plans for him as a sort of senior Trade negotiator?

PM No, I haven't. But the way this whole question arose is that somebody asked him at a press conference if he were asked to do something, would he do it, and he said, yes, he would. Now, when I say I haven't got any plans, it doesn't mean that I am saying he wouldn't be useful. It is just that we had never discussed it all.

Q. Why do you want the Commonwealth to collect offshore mineral resources royalties instead of the States?

PM I don't. I made it perfectly clear that the legislation we brought in - and I mean clear to all State Premiers, and publicly clear - that should this legislation pass, then any minerals discovered, the States would get 60 per cent of the royalties of, just as they do, or perhaps a bit more than they do from the offshore petroleum legislation. So the short answer is I don't.

Q. When do you expect this legislation to be through? Undoubtedly it is going to be challenged, I suppose.

PM I wouldn't like to put a timetable on it, but sooner or later this question has got to be resolved one way or the other. The question of where the real legal responsibility lies. But royalties...the States have, and indeed the running...the way their Mines Departments work...

Q. All the hard work, yes.

PM For 60 per cent of the return.

Q. Prime Minister, you are a Victorian. Can you explain to us - nobody on the Labor side can - why Mr. Whitlam can't settle the issue of the Victorian ALP State Executive?

PM Well, I suppose because first of all he has been insulting the people in the Victorian ALP Executive - perhaps with reason. Then he has been saying the most intemperate things about them for quite a long time, including that he is going to stop them running on unity tickets, which he has never done. So there is a lot of bad blood there. And I think that the people on the Victorian State Executive are probably stronger than Mr. Whitlam.

Q. Do you think that the last week's criticism by Mr. Griffith of Shortland will have any lasting effect in New South Wales?

PM I don't know whether it will have a lasting effect or not, but it is a most interesting window into the Caucus room because you will have noticed Mr. Whitlam, quite belatedly in the campaign has suddenly become a great champion of an immediate pension rise, and now this little glimpse of what happened inside Caucus that Mr. Griffith has given us is very interesting. You remember he said "When I (Griffith) urged higher pensions he (Whitlam) accused me of featherbedding the pensioners." Well, there it is.

Q. Well I am sorry we cannot pursue that a little further. It would have been a most interesting subject I think, but our time has run out. We are grateful indeed, to you Prime Minister, for having spared the time.

Thank you very much and goodnight.
