

PRESS, RADIO AND TV CONFERENCE GIVEN BY  
THE PRIME MINISTER, MR. WILLIAM McMAHON  
AT PARLIAMENT HOUSE, CANBERRA

27 MAY 1971

PRIME MINISTER : Before I ask you to ask questions, I would like to make three announcements to you, and they all relate to Government policy. The first one is that Mr. Peter Howson will be appointed the Minister in charge of the new portfolio. Yesterday afternoon, I had an audience with His Excellency the Governor-General and he agreed to commission Mr. Howson on Monday, probably at three o'clock.

I have already stated the functions of the portfolio in the House, but if you want to get complete details so that you can use them tomorrow morning, they will be available from Mr. MacDonald, my Press Secretary. The name of the Department will be the Environment, Aborigines and the Arts, and I hope that Mr. Howson will be able to take up the appointment quickly and come to grips with many of the problems that are so urgently in need of being answered and solved.

The second one relates to our Repatriation system. For some time now, many organisations, many reputable ones, and particularly the Returned Servicemen's League, have asked for an independent enquiry into the repatriation system - its objectives and its rationale - and we have agreed to the independent enquiry. Later on today, I will be issuing a press statement about it and all the details relating to principle will be contained in that press statement. Subsequently, of course, we will have to appoint the independent authority and then draft the terms of reference. These will be announced as soon as we can by the Minister for Repatriation himself.

And the third one relates to our contribution to the East Pakistan refugees - that is those who are going into India. The Government has agreed this morning that we will contribute \$500,000 to the East Pakistan refugee organisation in Calcutta, of which \$200,000 will be made available immediately, and after discussion with the Calcutta authorities, the other \$300,000 will be made available as and when it is needed. The initial \$200,000 will be a cash grant to the Red Cross, a certain amount of money for medical supplies that are desperately needed, and the third amount will be for temporary accommodation such as tents which have been asked for by the refugee authorities themselves. This is, as you know, a tremendously serious affair with over three million refugees moving from the North-East of Pakistan into India. We have expressed our great sorrow at what has happened and we hope by this means that we will be able to make some contribution to the assistance of the refugees themselves.

Now having said all that, may I ask those who want to ask questions either to please stand up or put up their hands and I will call them in turn.

Q. In announcing the appointment of Mr. Howson, you made no reference to the appointment of the Assistant Ministers whom the Parliament also approved the appointment of. When will you be appointing these?

PM I can't finalise the decision relating to the Assistant Ministers until Mr. Anthony returns. I had discussions with him a few days before he left but he wasn't in a position to announce those Assistant Ministers whom he wanted to appoint, and so I will have to leave it for the time being. But I have decided that Ministers to assist other Ministers will be appointed in two cases. The first one is that the Minister in Charge of the House, that is Mr. Swartz, Minister for National Development will have a Minister assisting him. And Mr. Snedden will have a Minister assisting him as well. In the first case it will be Mr. Chipp, who will also be the Deputy Leader in the House, and in the case of Mr. Snedden, it will be Mr. Andrew Peacock. These are the only appointments I can announce at the moment. In Mr. Snedden's case, I think you will agree that it has to be done so that the Minister assisting him will be able to go right through the Budget papers and help him not only in the preparation but in the presentation of the papers to the Cabinet.

Q. So we will have another six Assistant Ministers on top of these two assisting Ministers....

PM. Well one is Assistant Minister and that is an official title. The other is a Minister of State who will be assisting another Minister.

Q. Well Assistant Ministers, how many of those are we going to get?

PM. Well I don't know yet. I haven't made up my mind, but I will be discussing this when Mr. Anthony returns.

Q. Does Mr. Peacock's appointment in this role, Sir, mean that you will not have a Minister of State assisting you?

PM. At the moment. I want to give him greater experience. He is an able bloke and I think it is wise to put him into different portfolios to get the experience, and in particular I think he will do well in the Treasury with Mr. Snedden.

Q. In the context of the appointment of the Minister will it mean an increase in the Public Service?

PM No.

Q. I can recall Mr. Gorton said there would be no further recruitment.

PM I haven't yet approved of any increases in the Public Service because of the action taken.

Q. Sir, reverting to your first announcement does the change in title and your description of its functions mean that the Executive Council Secretariat will not now be moved from Prime Minister's Department as originally planned?

PM I think you can take it that the probability is that the Secretariat of the Executive Council will remain with the Prime Minister's Department. But it is not of great importance or significance, and in deference to the wishes of the Governor-General the probabilities are I will leave it with the Prime Minister's. I haven't made up my mind about it.

Q. That means that Mr. Howson will be Vice-President of the Executive Council?

PM No.

Q. Sir, will he be No. 27 in the order of priority?

PM Yes.

Q. Can I open up another topic, Prime Minister? On May 11 you announced the Federal Government had decided to try to initiate dialogue with the People's Republic of China. What steps have you taken since then to initiate this dialogue?

PM We have taken steps to open up the dialogue, but this is one occasion where quiet diplomacy is essential. If we were to divulge the source that we have approached in order to open up the dialogue, we think it could do harm. And as I have said, and I want to repeat this - we want to do this carefully. We want to measure every step we have taken, and to consider the gains for this country. And every step taken will be in terms of a profit and loss account and we want to see that that turns out for the benefit of Australia. So I have got to handle this with the maximum of subtlety and caution, and I am unable at the moment, anyhow, to mention the area where we have opened up the initiative.

Q. Again on China, Sir, doesn't the sale by BHP of \$6½ million worth of pig iron represent a cut across the Strategic List?

PM No it does not. And I have made that plain already. It does not cut across the Strategic List in any way. Every part of the supply by the BHP to Mainland China can be provided from other sources. And if we don't do it, someone else will.

Q. Sir, can you say whether you have had anything that you can consider a response at all to your announcements for the Government's desire for dialogue?

PM Yes, we have had a response. We have had at least two responses.

Q. Mr. Prime Minister, you have stated quite secret sources and careful and quiet diplomacy...

PM I didn't say "secret sources" - I didn't use those words. "Quiet diplomacy" I said.

Q. ....Any chance that this same quiet diplomacy can be used in trying to get access to new information about the Australian journalist Francis James?

PM In time, perhaps, but we had already approached other sources who had immediate contacts with the Peking Government and asked if they would make further enquiries for us about Francis James. They informed us, after some delay, that they thought it was better that we went elsewhere to try and get the information.

- Q. Sir, are you considering Government, as distinct from private trade missions to China, to deal with commodities other than wheat?
- PM Not at the moment. I can't answer that question in fact, but we are, as I said in the statement I made in the House, giving visas to private interests to go and over one hundred Australians went to the Canton Trade Fair, and we can at least account for \$12 to \$15 million worth of contracts from this source.
- Q. Sir, you have said you have had at least two responses from China. Have they been positive ones? Do you feel that the Chinese are interested in dialogue with us?
- PM I can't tell you that. They have been probing enquiries.
- Q. Sir, are the responses from China or from a third party that we are dealing with?
- PM I won't go any further than I have gone at the moment, because as I said, if ever there is a case where we need quiet diplomacy, if we want to be successful, this is the occasion.
- Q. Can you take it this far, Sir? Can you say whether they are at a significantly high level?
- PM No, I will go no further, Mr. Reid.
- Q. Mr. Snedden was reported earlier this week as saying it would be a tough Budget. You are reported in this month's issue of the "Australian Liberal" as having said the same thing either to the State Council or the N. S. W. State Liberal Party. Have you discussed this with Mr. Snedden?
- PM First, I never used the words "a tough Budget" anywhere. I certainly didn't use it at a private meeting of Liberal Party members. Secondly, Mr. Snedden is in control of the Budget, and it is up to him to use the descriptions that he thinks are best. After all, I believe in Ministerial responsibility, subject, of course, to overall control by the Prime Minister and by the Cabinet. But it is his Ministerial responsibility to conduct the public relations associated with the Budget and I want to make no comment about it whatsoever.
- Q. Mr. Prime Minister, following this, do you think it is wise to have your Treasurer making comments on the nature of the Budget so far ahead? In this case, one has to think of the concern this has caused the business community.
- PM I think Mr. Snedden was wise in making the statement he did at the time he made it. Equally, too, did he make a statement today - or tonight - I am not quite sure when he is making it - to the manufacturers. I approved of it, and those who have good memories should compare it with the statement I made in the House of March of this year. You would think we were both making the same speech.
- Q. Does this mean then, that the nature of the Budget is going to be divulged in advance...

PM No it does not. I don't think Mr. Snedden will be making any more speeches about this. What you have got to remember is that up until the present moment, we have no papers whatsoever in front of the Cabinet or the Cabinet Secretariat.

Q. You have said that the rate of inflation in Australia is now running at over 5% per year and this is an increase that is almost double of what it was about two years ago. Is this Government now prepared to live with this rate of inflation or does it want to cut back on inflation.

PM Of course we want to cut back on inflation. In a country like ours that is a very big exporter, and has to compete in the international markets against the international giants, and particularly, too, in the case of a country that has so many primary producers dependent upon their income for the export of their own products, the lower we can get inflation, the better it is for them. Now our position is different to any other country, and it is no use saying that relatively our position is better than others. That is not the answer in our circumstances and we have got to do everything we can to get down the rate of inflation to something that is lower than increases in productivity.

Q. In January or February this year, the Government, as it was, announced decisions which were aimed at reducing inflation. Is the Government now satisfied that these had some effect or does it still believe that further measures will be necessary?

PM I think your words are the best description that I can give of it - "satisfied that they are having their effect"... I can't better those words. That is the best I can say about it. But of course we could do better and if we could get inflationary pressures down, and we could have the consumer index reduced, we would want it. This is the biggest problem we face at the moment in the economic field, and we must do everything we can in order to see that the pressures are reduced. But I do not believe that any measures, any other measures will be needed until the Budget. And if I can say this in one area - that is monetary policy and interest rate policy - I believe we have been pretty successful because now we find we will have a Budget surplus, an internal Budget surplus of \$450 million - we thought a few months ago it would be ever so much lower. We think that the interest rate structure now, subject to movement of anomalies from time to time, is just about right. And the fact that we had \$193 million contribution to the recent Loan and a large number of subscriptions to the Loan that has just ended is, I think, a remarkably successful result from the Government's point of view. I could say more about this problem of monetary control because I think it is acting well, but I think other questions have got to be asked before we get into that.

Q. Sir, well on that very point, on the Loan result, when he announced it, Mr. Snedden did say there was some evidence, not precise evidence, he said, that the result was not a matter of foreign money chasing high interest rates - it was the first indication, in fact, of the new measurement of capital inflow. Can you actually say where the foreign money is coming from?

PM I think we can, but Mr. Snedden's description was the best one. From a Treasury point of view, and from a detailed economic analysis point of view, the word "precise" is the accurate word to use. But I remember the time when I was in the Treasury, I instructed the Reserve Bank to devise better means of determining both the origins and the components of capital inflows. And we strengthened what was called the ticket system, that is the system used by the private trading banks and the Commonwealth Bank under which they ticked off various entries in tickets, and when money was received in Australia and sent them to the Reserve Bank. And that was an indication - but only an indication - of both source and component. At the same time, we asked additional questions when approval was required for the moment of funds into Australia. And I think you can take it that of the components, and no more than the components, that a large amount of the money was in terms of private investment. A large amount was because of the maturity of the Australian money market system and Australian corporations have been able to borrow large sums particularly in the United States. This is called institutional loans. It is obvious, too, that there isn't a great deal in portfolio investment because if there was the Stock Exchange would be rising and not falling. Other amounts, too, are what are called lags. We do find that, wisely, Australian importers are now delaying payment for the goods that they have purchased and this is another reason why the capital inflow is somewhat bigger than you would have otherwise expected. In other words, while we can't get the figures accurately enough for statistical purposes, at least we have got a pretty good idea that there isn't very much hot money involved.

Q. Bearing in mind your recent statement that the Government wanted the South African rugby and cricket tours to go ahead as planned, and that Mr. Whitlam has been rather silent on this in the last few weeks, and some trade unions in recent days have said they would not ban the tours, do you expect there will now be little difficulty with the South Africans touring this country and staying at the hotels, and if there are some bans by the unions that affect the tours, has the Government promised to make Government air transport available to get the tours around the country?

PM I have made one statement and that is that we want the tour to go on and we will do nothing which is likely to obstruct it. If it so happens that an attempt is made by Mr. Hawke to obstruct it, then, of course, we will look at the position and decide whether the Government is to take action. But that is hypothetical. But can I now that you have opened up this subject, state the Government's policy clearly to you. First of all, we don't believe in the interference in the affairs of other countries as we resent other countries interfering in our affairs. Secondly, we believe that politics ought to be divorced from your sporting and recreational, artistic and other cultural types of activity. I don't believe, and no-one in my Government believes, that an ACTU or any political party should interfere in what are purely domestic matters. For this reason, we feel the tour should go on, and I believe this is the wish of the great majority of the Australian people. A Gallup Poll was decisive in saying that the people wanted it. The Queenslander view was more than decisive, and consequently, I believe the tour should continue. And I will continue, too, in this way. We don't like apartheid, and I made this clear and the Australian people's feelings clear to the South African Government. But we don't think that clumsy methods, methods that depend upon intimidation are every likely to be successful. On the contrary, they are likely to be counter-productive. And I

think the attitude taken by so many African States now - Malawi, Sierra Leone, Lesotho - is the right course to follow - they are but a few of the countries I can mention. They believe the proper way to handle this problem is by dialogue and by co-operation. Those are phrases I heard used by the President of Malawi myself, and I think if we want to get a solution to this problem, we had better leave it in their hands rather than the clumsy methods that I mentioned just a few moments ago.

Q. Do you think Mr. Hawke should have corresponded direct with Mr. Vorster?

PM That is Mr. Hawke's business. I don't want to make any comment about him. But if the previous implication can be implied as aimed at Mr. Hawke, then you are entitled to make the implication.

Q. Qantas was held to ransom for half a million dollars yesterday. It is a Federal Government airline - the Federal Government is in charge of Civil Aviation. The New South Wales Government has today offered a reward and your Government hasn't. Do you have any plans along these lines?

PM Yes. We have decided to offer in addition to the New South Wales Government a reward of \$30,000.

Q. On that subject, are you involved otherwise than in the offering of a reward. As you ultimately, through the Treasury, will be the donor of the \$500,000 that was paid, have you any views on the course of action that Qantas adopted in this?

PM No, I haven't. When I was telephoned by my Press Officer at the Governor-General's residence yesterday, at round about 5.40, my first thought was for the safety of the passengers and the crew. And I consequently felt I should get the senior civil servants into my office immediately and as many Ministers as I could who were in Canberra, and I contemplated getting Billy Snedden back from...the Treasurer back from Melbourne, so that we could discuss it. But then I find in my first telephone conversation with Sir Donald Anderson of Civil Aviation that the decision had been made.

Q. Have you got any views on the...

PM No, I have got no views. I will leave that for Mr. Cotton to handle with the Treasurer and they will have to put up any thoughts they wish to me.

Q. Prime Minister, to get back to the China dialogue for a minute. In view of the Government's initiatives, do you think they could receive any setback by the Labor Party mission which is to visit there next month?

PM I don't think so. The Chinese are calm and collected people in making these decisions. Increasingly the power in the hierarchy seems to be shifting to the professional officials and away from those engaged in the Cultural Revolution. And if the power structure is altering, we feel that the Foreign Office, and particularly the Premiership, will be handled in a much more subtle way than was done previously. I don't think they can do very much harm. They may perhaps be able to do some good.

Q. Back on the domestic political scene. There is a group called the Businessmen for Democratic Government who apparently doesn't like your reign. What can you tell us about this group? Do you regard them as a serious threat to you?

PM No I don't. As you know this is pretty old hat stuff because they tried it when Mr. Gorton became the Prime Minister and wanted to run my colleague Alan Fairhall against him. It petered out fairly quickly.

Q. You don't say who it was...

PM Mr. Pat Sayers. But if you have read the National Times on Sunday, they had an interview with him and he then stated that his fundamental objective was to destroy the Liberal and Country Parties and it wasn't an attack on me personally. Now he has disclosed that he is a front for the Labor Party, a front probably for left wing socialists. And he refuses to deny that of the so-called Liberals who he says are supporting him, or to confirm whether they are American concerns, and it is these American concerns that will be providing some of the funds.

Q. Apropos the Treasurer speaking to the manufacturers, there has been some suggestion the 20 per cent investment allowance might be restored - the 20 per cent investment allowance that was suspended last February. There was one report, I think in the "Financial Review" about that. Have you been thinking along those lines for the Budget?

PM What do you mean? That it might be reinstated?

Q. Yes.

PM No, it won't.

Q. Sir, we have all read "Time". Any comment?

PM The "Time" article?

Q. Yes.

PM No, I don't want to comment about it. Personally I wasn't very much affected by the article. There were some quite complimentary things and others that were untrue. But my Press Officer, who is very much like you - he belongs to your group, and to your clan - he felt that there was a matter here of professional ethics involved when there were two statements that were not correct. On his own initiative, he wrote a letter to "Time" stating what the two mistakes were. He was right, and frankly, getting to know him better and better every day, I think the attitude he adopted was the correct one. In other words, he said he had put some questions to me. He had not done so. Secondly he said that he asked me a question on Australia in the 1970s. He didn't do so at the formal discussions, but as he got to the door, and I was moving out to get a plane, he then asked me the question. I said, "Look, wouldn't it be better if I got a few notes for you and you had a word to one of my officials - my Private Secretary, Kim Jones". He said, "Well, perhaps I may". But the "perhaps" was the right words. He didn't.



Q. Prime Minister, what are your thoughts on the future of Australia?

PM On which?

Q. On the future of Australia.

PM I live here. I am proud of it. I wouldn't want to go anywhere else and if I was anywhere else, I would want to come here.

Q. Mr. Prime Minister, in the uproar of the last week of the Session of the House of Representatives, it was the view that this was partly caused by the bank-up of legislation towards the end of the Session and that you had instituted a Departmental enquiry into how this could be avoided. How is that enquiry going?

PM We have moved a long way. The first action that has been taken is to reform our Legislation Committee. Previously the Legislation Committee only acted to ensure bills brought before the House conformed to the decisions made by Cabinet. We have now widened its jurisdiction to provide for continuous programming of bills during the whole of the session of the House. And we want to ensure that instead of coming in in a rush in the last days of the House, they are systematically and progressively introduced as the House proceeds. Now you know just as well as I do that this has been a problem every since Federation and that we can't completely overcome the problem, but I think by this method we will be able to go a long way to get bills introduced in the early and middle parts of the Session and we will be able to reduce the tensions and the rush right at the end. The Departmental officials are also looking at the problem of this committee and what other methods can be taken, and I think you know that a Party Committee under Malcolm Fraser has been appointed to look at the whole procedures of the House. We are proceeding steadily. I hope that by the time the House meets we will be able to say what we think ought to be done. But I have already mentioned to you the major steps.

Q. Sir, there was a fairly simple way of overcoming the problem created by the rush of legislation on this creation and that was to have extended the Sittings of the House by an extra week or two as in fact the Senate finished up doing. Could you tell us why this wasn't done?

PM Look, that would take me all day. But I will give you three explanations if you like. The first one was no doubt due to the fact that we had a change in the leadership of the Liberal Party and of the Government, and consequently in the personnel of the Attorney-General and of the Leader of the House. The second one was that if you look at the bills, you will see that six of them were surrounding one substantive bill and five of them were a matter of consequential amendments to other bills. Now the main bill itself, Commonwealth Employees' Compensation Bill, I put the original elements of the bill on the table of the House when I was the Treasurer. That is how long ago they have had it, and the Labor Party wanted it and didn't want any amendments to it, so you count out that six. That left eleven. We then had three more - one on the science blocks which we could very easily have left, and that reduces it to ten, and the other two were two normal orthodox Treasury Bills that are necessary - always brought in at this time - and didn't introduce any novel features whatsoever. So we had eight. We had one other real difficulty. -And I don't think we would have struck any real problems but for this difficulty.

Normally in a guillotine, it runs on from a particular hour to another particular hour - from 3 o'clock on one day to five o'clock the next day - am or pm whichever you like. On this occasion, we introduced it in the form of so many minutes or hours for each particular bill and that gave the Opposition a glorious opportunity in order to exploit the Standing Orders of the House in order to frustrate the passage of the Government's legislation. But that is past history. That won't happen again, particularly that type of guillotine. I can assure you of that. What is important, and it is critically important, is that I do everything in my power to see that in future, (a) there is adequate time and (b), that we schedule the bills so that we give the important ones plenty of time for discussion and we put them through the House in accordance with the programme that can be approved of by the Legislation Committee.

Q. A related question . You elaborated your new China policy first in a press statement after the invitation arrived for the Labor delegation, and then at a dinner which was originally going to be a private dinner. Why didn't you explain the Government's China policy to the House of Representatives which rose only a few days earlier? And don't you think that is what Sir Robert Menzies and possibly the late Mr. Holt would have done?

PM I don't think he would have done it. I don't think Mr Holt would have done it and I have heard no comment whatsoever from the Labor Party about it or asked that it should have been done there. So that is the point. The second point is it was an enormously important meeting of businessmen and commercial people in New South Wales and I thought it was a suitable opportunity to do it. I wanted it to receive wide publicity and it did. But above all, I feel that this was a matter of such... I wanted to get the widest publicity for it and it did. And I believe that the overseas reaction to that speech has been as great as any overseas reaction I have known, certainly known, during the course of the last five years. And it did a lot of good.

Q. The Senate Committee on Securities and Exchange has been very much in the news, particularly with this decision calling for brokers' accounts for the last five years. Are you quite satisfied that the Committee acted properly in doing this? And if the Committee, in your opinion, overstepped the line, would you initiate some action?

PM This is a Senate matter and I would not interfere in any way.

Q. You took a personal hand in negotiations with the Australian Medical Association over doctors' fees. Last week, the Health Minister announced that more than 20 per cent of Australian doctors were charging more than the common fee. Do you not believe that this indicates a breakdown in the Government's Health Service?

PM I don't think so. But if I can tell you the facts. When I first saw the bill that would have to be paid for the increase in doctors' fees, it was more than \$35 million, and after negotiations with them, we got it cut down to \$9.3 million which our own Health authorities thought was reasonable and fair. So if that isn't an achievement, I don't know what is. Secondly the AMA itself said it would try and persuade doctors to accept the common fee and they are doing their best to achieve that objective. Third, in the case of the specialist fees, they will not have

an across-the-board increase. But what they will do is look at an anomalies and if they want to get an increase, they have agreed to discuss the facts with us before they make a decision. All in all, I think it is a remarkable achievement on the part of a new Minister and I personally would like to give him a pat on the back here and now for his achievement. If I could add this to you, I am proud of the three of them.

Q. The question of the Securities and Exchange Commission apart, do you believe that with the rise in the influence and work of Parliamentary Committees, there should be some guidelines set down for the protection of witnesses?

PM I have submitted this to the Attorney-General. He is giving me a report with the Leader of the House, Mr. Swartz, on the Parliamentary Committee system, particularly as it might relate to the House of Representatives, the Constitutional position and guidelines as well. And also some guidelines relating to protection of the individual, but I haven't got the report yet and I won't receive it for some time.

Q. Do you intend to widen the Committee system in the House of Representatives?

PM Wait until I get the report, please.

Q. The investment allowance, Prime Minister. You said the Government would not restore it. Various elements in the business community have been very anxious that it should be restored, and I would like to know when and why the Government made the decision not to restore it. What effect do you think this will have on the Armco steelworks at Jervis Bay?

PM One, we have not made any decision not to restore it. It is suspended. That is the first point I want to make. The second point - the first question I received was from you, David, David Solomon, relating to inflation. This is one of the anti-inflation measures that we've got. And if you look at the latest statistics relating to investment in plant and equipment from private sources, you will see that the rise is a little bit alarming. And I could just add this now, too, the increase in commercial building and industrial building is at boom levels and this has got to taper off soon or we will have to be asking the industry why they can't live up to their promises to us.

Q. I thought you said in answer to an earlier question it would not be restored.

PM Well I didn't mean permanently. I said perhaps. If I can explain it, it is suspended. We have made no decision whatsoever with regard to ending the suspension.

Q. Regarding the Common Market, and Britain's entry. Any opinions or comment?

PM No, I can't. As you know, in one way or another over \$360 million worth of Australian exports into Continental countries - EEC countries - will be involved. And it is Mr. Anthony's intention or objective in his present visit to see what arrangements he can make with British and EEC countries to try and get a better transitional period as well as making arrangements for our raw materials. I can't add anything to that.

Q. Do you accept it as inevitable that Britain will go into the Common Market? Do you accept that?

PM I would never say that anything is inevitable, but knowing Mr. Heath as I know him, and I know him very well - I know he has got his heart set on it - and he will be difficult to divert from getting into the EEC.

Q. While you made the point quite effectively that the agreement with the doctors was very satisfactory from both the Government and the doctors' viewpoint, can you view it as satisfactory when your own Minister for Health says that 20 per cent are being charged more than the common fee? Isn't there some degree of satisfaction needed for the patient as well as for the Government and the doctors?

PM Yes, but there is a lot to be said, Mr. Reid, before you get to that point of view. I don't like this 20 per cent and if I knew how to handle it, I would do so. At the moment I have got no recommendation before me, so I can't give you a precise answer to your question. But there are two factors to be remembered. The first one is that we have decided that the direct cost to the patient, him or herself, will not be more than 80 cents in the case of a surgery visit, \$1.20 in the case of a home visit, or \$5 in the case of any procedure - that is the total procedure. So to that extent, the patient is protected. The second important point is that we want the best medical service that we can get for all people including the pensioners. And so far as I know, there will be no drop whatsoever, and perhaps even an improvement, in the care and the attention given to the individual himself or herself.

Q. Recently in a glorious display of the operations of democracy in this country, two of our colleagues were hauled before the bar of the Senate and publicly rebuked for breach of privilege. You will recall that after the Frank Browne scandal, Sir, Sir Robert Menzies undertook to review the privileges situation. Would you be prepared to revive this tired promise?

PM I have done it already.

Q. In what way, Sir?

PM I have now asked - again I have got to refer, I am sorry, to the Attorney - but I have asked the Attorney to prepare a Cabinet submission and to co-operate with others of my colleagues so that I can take it to Cabinet.

Q. Sir, Australia's international reserves are currently at record levels. It has been argued that this is a bit like stuffing a mattress full of money. Do you intend to allow them to increase much further, or adopt any new policy with regard to our reserves?

PM So far as I am concerned, as a former Treasurer and one who likes to see this country develop, I welcome this money coming into the place. You can never tell when adverse conditions might occur and it is pretty good to have reserves of the kind that we have got at the moment. But it must be obvious that I didn't make clear what I said in answer to a previous question of the probable size, but not necessarily a detailed and precise size of the component. When you look at those components, to a large extent they are building up the greatness of this country. And if they build up the greatness of this country, then we should welcome them.

Q. Continuing with the doctors. You term it a remarkable achievement that the doctors asked for \$30-odd million and got \$9 million...

PM \$35 million.

Q. Is it not standard negotiating practice to ask for more than you expect to get? Is that not just what the doctors have done?

PM I don't think so. They had their own formulas. They had statistics presented. But if you don't mind me putting this to you, I don't want to come here and make this a debating society. It will ruin these discussions if I do. I am telling you the facts. Everyone can make up their own mind whether they agree with my conclusions or they don't.

Q. When Mr. Malcolm Fraser resigned as Defence Minister, you revealed that he had recommended, and his recommendation agreed with that of the Administrator of Papua and New Guinea, that the call-out order for the Pacific Island Regiment should be revoked. I think we went so far as to suggest that it had an element of illegality about it. Has in fact that order been revoked?

PM As to the first part of your question, I was not aware that Mr. Malcolm Fraser had made that statement or that it might have had an element of illegality about it. But I did discuss this matter with...

(Interjection) He said it in the House.

PM Did he? Oh, well, I don't always hear everything and I don't remember that. But I did discuss this with the Minister for Defence, Mr. Gorton, sometime ago, and instructions were then issued to revoke the order.

Q. It has been revoked?

PM Yes.

Q. Prime Minister, in Townsville on Sunday, ABSCHOL, the National Conference of Aboriginal Education, accused you of selling out the Queensland aborigines in your arrangements with Mr. Bjelke-Petersen. Will Mr. Howson be asked to look at those arrangements before they are initialled or agreed to by the Commonwealth?

PM May I put the position to you as accurately as I can? Mr. Wentworth put 11 recommendations to me that came from the Council of Aborigines in Australia, that is, each of the Local Reserve Councils combining together to put their recommendations to us. I thought these were authoritative, and the best group that we could get recommendations from. And I was anxious that their opinions and their recommendations should be put into effect. I took them up with the Queensland Premier and his officials, and nine of them were agreed to - such things as their right to leave the reserves if they wanted to, who should control access again, and that was to be in the hands of the Reserve Councils - vagrancy, the separate rights of the Torres Strait Islanders, control over their own assets, and the supply of liquor and matters of this kind. In every case, with the exception of two, we agreed with the requests of the Aboriginal Councils themselves. In two cases, we had variations. In the case of alcohol, we thought they should

have the right of local option, and the aborigines on the Mission or the Reserve itself should have the right to decide whether they wanted alcohol and under what conditions. I think that is fair. We have local conditions, even in Melbourne, that staid city. Secondly, we had one other problem that I felt the recommendations made by the Queensland Government were right. And they thought that special legislation should be introduced to protect aborigines who were given control over their own assets and who were exploited by undesirable elements. In these cases, special provision would be made to protect them. This is not discrimination. This is protection in their favour. As to ABSCHOL, I am a little amazed that they could make a comment at this stage, because as yet, they don't know the exact details of what the Queensland Government is doing. They should wait until they know and until we are told. And if we are not satisfied, I will immediately approach Mr. Bjelke-Petersen again.

Q. It is not closed then, Sir?

PM No, of course it is not. But they couldn't be making a rational comment about it because they don't know, I don't know, and the Queensland Government itself doesn't know today the exact terms of the bill they intend to introduce into the House.

Q. Sir, the Institute of Aboriginal Studies expects that as a result of financial hardship it might have to cut back its research programmes. Do you feel this is something of an anomaly with regard to Government aboriginal policy?

PM You would have to say that again, I don't quite follow what you are driving at.

Q. The Institute of Aboriginal Studies is also being crimped by the general cutbacks in Public Service spending, and may have to reduce its research programme. Do you feel this is somewhat anomalous in view of the current concern with aboriginal advancement and welfare?

PM It is not a justified concern of theirs. I don't think there is any prospect of it happening.

Q. Sir, we have just had the first Member of Parliament, an aboriginal, elected here - he is on the verge of being elected. Do you foresee the time, possibly, when an aborigine might even sit in the chair you occupy now?

PM I had not thought of it, but it certainly is not out of the question.

Q. Prime Minister, you indicated earlier that you agreed with Mr Snedden that the Budget would be a tough one. Without.....

PM I didn't say that. I didn't make that comment about it. With great respect to you, I said I had not used the phrase myself, Mr. Snedden had used. I believed it was up to Mr. Snedden to carry out his own public relations operations himself and I think he is doing it well.

Q. In view of that, do you disagree with Mr. Snedden that the Budget won't be a tough one?

PM I don't make any comment about it. Implicit in what I said is that I will make no comment about his Budget. Look, could I put this to you. I don't like people interfering with the Minister who is responsible not only for the production of the Budget - under my supervision, of course, and with Cabinet approval. I don't believe in people expressing their own personal views about it. I have lived there for twenty-one years and this will be my twenty-first successive Budget, and I want to give him a fair go to be able to explain it in his own terms. And when the Budget is delivered, to be able to assure the Australian people with the best support that I could give him, that it is in the interests of the nation and the interests of the individual as well.

Q. Sir, did you always get a fair go with your Budgets?

PM Who was that now?

Q. It was suggested in your recent term as Treasurer that you yourself were anticipating a tough Budget. This didn't come to pass. This gives rise to my question. Did you always get a fair go as Treasurer yourself with your Budgets?

PM You know I wouldn't make a comment on a question of that kind.

Q. On the question of the Budget, do you still hold hopes of giving a pension increase?

PM I will make no comment whatsoever about the Budget, other than you can take it if I have made a statement in the past, I will be carefully watching to see that what I said then was not forgotten.

Q. You are committed towards a pension increase aren't you, Sir?

PM Yes.

Q. Sir, what are your reactions to suggestions that public servants should have greater freedom to make public statements, particularly in areas which are not directly concerned with their own Department's work?

PM Here we get into an extremely difficult area because I don't know how strong the movement is that increased rights should be given to civil and public servants. Certainly they should not have a right to make public comment on any matter at all with which they have been associated in policy or administrative decisions. Secondly, there is another very big area that they previously mentioned themselves - that they feel they would like to be able to make statements about. Now, I don't feel they should make statements about people's incomes or their private lives or what is likely to happen or the way in which they think Budget changes or other social changes should be made. But this has been referred to the Public Service Board for a recommendation to us. And the Council itself was asked if it would make recommendations. So far they haven't made recommendations or proposals to the Public Service Board. When they do and when the Public Service Board let us know the facts, and what they recommend, we can have a detailed look at it. Until then, we can't. But I do say this that the Public Service is in a position where it must not be permitted to interfere with the rights of the individual

or discuss individual rights and privileges when they might have access to information, that other people outside the public service might not have access to.

Q. What is the reason for the six months' delay in finalising the nuclear power station contract?

PM In anticipation of this question, thinking it might be raised, I discussed it with Mr. Swartz yesterday, and he has assured me that he has had negotiations with the interested parties and that he will shortly be submitting either a letter to me or some recommendations to me which I will probably have to take to Cabinet.

Q. The submission has been ready to go before Cabinet for over a month, hasn't it?

PM That is not correct. No.

Q. Prime Minister, the Labor Party's Federal Conference in Launceston next month is to be open to the Press. The Liberal Party's Federal Council Meeting in Canberra next week is not to be open to the Press. Is there any reason in your mind why the workings of the Liberal machine should not be open to public scrutiny as those of the Labor machine now are?

PM There are two immense differences between the two parties. Despite what might have been said, the first one is that you well know that in a Labor Party Conference everything is arranged beforehand, and.....(laughter) I know you laugh and you should too....and so you should it makes a farce of the whole business....but as you know at one, I think, probably two years ago decisions were made on a "yes" or "no" immediately the conference resumed. We don't do that. We in fact go in and discuss them at length. And the second critically important point - and this is the critical one - that our own organisation, while the custodian of principles, and a group that can make recommendations for them, cannot enforce those recommendations. The third point is we regard ourselves as a national government. And consequently while we examine in the closest detail and as sympathetically as we can recommendations and reports that come from the Liberal and the Country Parties, we don't regard them as decisive. We make up our minds in the national interest. But nonetheless, as Prime Minister, I will have a look next time we have an Executive Meeting - after we have a Council Meeting on Monday or Tuesday, I will raise this question myself.

Q. It is a fact also, Sir, that the New South Wales Liberal Conference is conducted in the same way as the ALP conference and does not seem to attract the disabilities that you suggest might be attracted in the Federal field.

PM Did you say New South Wales?

Q. Yes.

PM Victoria is. Not New South Wales.



Q. The wool industry seems to be in a worse shape than ever, despite the establishment of the Wool Commission and emergency aid grants the government gave last year. Can you say what action the Government proposes to take now, particularly in the light of decisions by many woolgrower organisations that the industry needs a price of 40 cents a pound to survive? And will this mean more Government money for the Wool Commission to allow to lift its reserve prices?

PM First of all, I think I should make it clear what Mr. Anthony did say. He made two statements. The first one was that he believed woolgrowers' organisations should get together and should themselves say what kind of action they want the Government to take. But he equally made it plain that he didn't believe in subsidies. Thirdly he made it clear that he felt that the big woolbuyers of the world would accommodate a rise in the floor price of wool if it were raised by the Commission. It is not a matter I feel that I can enter into a debate about at this time, but it is a matter under the closest scrutiny by officials and by the Government and when the appropriate time comes, I will be able to make a statement about it.

Mr. Reid, you look a little puzzled about the answer to my question. Now, in New South Wales the Liberal Party Council is not open to the public. I have been at the last two, I think, and they were not open.

Q. Your speeches were reported, Sir, and so also was that of Mr. Askin. I took it on that - so also was much of the dialogue - either that or someone was leaking like a sieve...

PM They were, too, you were quite right. Well they might just as well have been open. A better way of putting it. Perhaps that is the way I should have put it, too.

Q. Sir, Mr. Anthony's new-found abhorrence of subsidies... Does this mean there will be no more subsidies to the wool industry?

PM No, it doesn't.

Q. Next month, you will be facing up to the Premiers again, and as you know, the Commonwealth hand-outs to the States constitute about one-third of the Budget outlays. Now in the context of Mr. Snedden's statement that we will have a tough Budget, does this mean it will be less likely that you will be able to make some sort of supplementary allowance as has been made in the last few years and to the Premiers this year?

PM I think you would know just as well as I do that I would not make any statement about what is likely to happen or proposals that are likely to be put by the Commonwealth to the State Governments at the Premiers' Conference. There is no greater source of irritation than to be giving indications of what you are likely to do at Premiers' Conferences. And as I want their goodwill and co-operation, I am not going to irritate them at this stage. They are the first ones to hear what our proposals are. And the second point is, rather like the Budget, I think you should hold your confidence until the last moment because you can never anticipate what is likely to happen in this mobile country of ours. Conditions can change so quickly.

Q. Does that mean then that Mr. Snedden's statement was perhaps a little premature?

PM No. It wasn't, and I read carefully Mr. Snedden's statement that he made today. I think it is excellent.

Q. On China, Sir. You said the announcement had a greater effect overseas than anything for five years. Could you tell us what sort of effect they had particularly?

PM No, I can't. I'm sorry. But I have watched the cables very carefully and I have been informed of the various kinds of discussions that have taken place and I can assure you that the statement that I made on the Thursday has been the subject of questions, that it has caused a great deal of discussion overseas. Much of it, I think, very successful.

Q. President Nixon said about a month ago that he hoped to visit China. Would you be in the same position?

PM When you add the other words that Mr. Nixon used... "in his lifetime"... don't ask me to be saying what kind of a mission I am likely to play at the moment. I find I have got my hands full.

Q. Would you like to visit China?

PM Yes, I would.

Q. Any plans on that, Sir?

PM No, none.

Q. Is Mr. Nixon coming here this year?

PM Not that I know.

Q. Have you made any advance with your study of a growth tax for the States for submission at the next Premiers' Conference?

PM Yes, I think that draft papers will be submitted to me by the Treasurer Mr. Snedden in the first week of next month.

Q. Can you give us any indication of what it will be?

PM No.

Q. Has Taiwan reacted to our initiatives on China, Sir?

PM Yes.

Q. In what way?

PM I am sorry I can't tell you.

Q. I was wondering how you reconcile your statement earlier this year on Omega that it was not sufficiently accurate to be used by ballistic missile submarines. In Admiral Zumwalt's statement this week, he said theoretically it could be used.

PM Well Admiral Zumwalt has said that. I got the text of what he said today, but there are so many gaps in the tape recording of it that frankly I can't quite make out what he did say. What he meant, anyhow. But can I put two proposals to you which are authoritative and come from the Americans in very, very recent days. The first one is there is no receiver now known that can be put into a ballistic missile type of submarine that can receive the Omega. Secondly we have been assured by the United States Government that it has no intention of putting Omega in any of its ballistic missile submarines and that it has no plans whatsoever to do so. And thirdly you can take it as absolutely positive that there are so many better systems, far far better systems than the Omega that there would be no reason why it ought to be included. Now to me there is a lot of nonsense about this debate. I would like to know whether those who are creating the debate want us to stop the Omega system in Australian waters for the use of surface transport? It is a remarkably good system for merchant marine and for that matter for naval purposes. And I have not heard anyone yet who has said they want to see it abandoned for these purposes. It has a lot of advantages, and as I say, at the moment while it is theoretically possible in anti-ballistic missile submarines, there is no intention of putting them in, and no receiver yet capable of receiving the messages.

Q. Sir, when you became Leader of the Liberal Party you spoke of the desire for a greater flow of information from the Government to the people and at a National Press Club interview about six weeks ago, you spoke of an open door policy. To some journalists it seems that in fact there hasn't been an increase in the amount of flow of information, that it seems a long time between press conferences. Is there any reason why you can't follow the procedure which State Premiers have of having Press Conferences, perhaps even daily, I am not suggesting they should be daily, that you would find it possible to have them daily - perhaps weekly. Or of briefing the press, I mean the Press Gallery, on what happens after Cabinet meetings on decisions which have been firmly taken?

PM As to the second part of your question, I think it is worthwhile studying and I will put it to immediate study and make up my mind what ought to be done. As to the substance of your question - it is time. I can't fit in anything more. I would like you to have a look at my diary and see if you can get a better set of priorities than my staff give.

Mr. Barnes : Thank you very much Prime Minister. We hope it is not too long before we see you again.

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At the end of the press conference, the Prime Minister said he regretted there had not been a question about Mrs. Burns.

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At the end of the press conference, the Prime Minister said he regretted there had not been a question about Mrs. Burns.

Q. What were you going to say about Mrs. Burns?

This is the lady that owes the \$7,000?

PM Well the answer is this. I can put it to you in two different components. First of all, she has a right of appeal to a court if she wishes to exercise that right. If she does we will pay her costs. We don't at the moment know whether she wants to or not. Secondly, as to the amount she owes. When I was the Treasurer, I made a decision that if a person has been overpaid, and can establish good faith in the receipt of those moneys, that we will only insist upon the repayment of the amount that was paid to them during the course of the last year. In her case, it would be something of the order of \$1,482, of which she has paid \$538, leaving a residue of \$944. So to that extent we are prepared to negotiate with her, and we certainly will not ask that our costs be paid by her. I thought I would get this question. I was sure I would. And if I can say so, I am rather glad because it shows how human you are because it is the first time I have known you to have been off the mark.

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