



PRIME MINISTER

"THIS WEEK"

TELEVISION INTERVIEW GIVEN BY THE PRIME MINISTER,
THE RT. HON. WILLIAM McMAHON, CH, MP, ON
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Interviewers: John Boland
Max Grant

- Q. Well, Prime Minister, it seems that the Government stocks were considerably restored after the Budget on Tuesday. But I am wondering whether some of this didn't fall away when Sir Alan Hulme attacked the ABC and you, yourself, subsequently lent your support to that. This particular situation was likened by some journalists this week to the situation in wartime when Mr Calwell, the then Minister for Information, closed down certain papers in Sydney. Now, did you feel that this may have detracted from your efforts on the Budget, this particular conflict that you had during the week ?
- PM: Not a bit. Surely we are entitled to comment. What I did say was this. I was asked a simple question: Do you believe that the ABC or the people of the ABC should be permitted to ask any question in any way they like? And I said, "No, I don't. I believe they have to act responsibly. I believe they have to act upon the truth." But if I could take it a stage further, I don't believe, as it were, that they should consistently put one set of ideological principles and not put the other. But I also believe very, very strongly that the ABC, that is, the Commission, like the universities, must not be subject to interference by a government outside the law. If the law provides for something, then it is the responsibility of the Commission to observe it. Having said that, I have to make this one other comment. So far as I am concerned, this is a problem for the Postmaster-General who has had a lot of experience in these matters. He has not brought it to the Government, and I certainly don't intend to take it any further.
- Q. Do you think, though, that Sir Robert Madgwick was put in a terribly embarrassing situation when he had to repudiate the Postmaster-General over his statements on the Commissioners and the ABC?

PM: I said I don't want to take this any further because there were differences of opinion within the ABC, and as I have said, the Postmaster-General has not brought this to a Government level, so I think it is appropriate that I should leave it at his level.

Q. I would like to ask you this, though. Who really runs the ABC, Prime Minister?

PM: Well, this is where there is some difficulty. We believe that Parliament must pass the law, and it devolves certain authorities on the ABC. It is then for the Commission of the ABC to decide what the devolution of authority should be, and this is where there is some problem, I believe, with the Postmaster-General. But, as I said, he is handling it, and until he decides - if he does decide - that it is a matter of Government policy, then I can't go any further about it. I have some doubts as to whether he will bring it to the Government.

Q. At the moment, is the ABC being vetted in any way except for their current affairs programme?

PM: Not so far as I know. It may be done by the Postmaster-General, but if it is being done by him, he hasn't conveyed this information to me.

Q. You have indicated in what you just said that you believe that the ABC is politically slanted.

PM: I didn't say that at all.

Q. You did use those words but....

PM: I stated certain general principles, and I said that I believed that in the act of Parliament under which it operates that it should be independent and free. But I also believe that it should observe certain canons. I can't go further into those because I have informed you of what my views are.

Q. Prime Minister, I think very few people could argue about the Budget. It has been called a bonanza Budget and described in all sorts of other glowing terms. It must be very tempting to go to the polls straight away.

PM: Yes, it's tempting, but at the moment - and I can give you an assurance of this as I have given it to other people. Up to the moment, I have not made up my mind. In fact I have not considered on what date we should have an election. I did on Friday have the professionals in the Party meet me in Canberra, and they discussed the limit - the earliest and the latest date we could go. Beyond that I haven't given it any further consideration.

Q. What is the latest date you could go?

- PM: If you don't mind, I have got no intention at all of answering that sort of a question.
- Q. Well the earliest would probably be a month away.
- PM: About a month, yes. That is all the information I will give you at the moment.
- Q. Would you consider that, though? I mean, is that a live possibility?
- PM: It's not possible.
- Q. What about October 21?
- PM: I will go no further. I have given you all the clues I intend to give you, because as I said, I haven't given it deep consideration, and I am not the kind of person to answer a question without a considerable amount of thought beforehand.
- Q. It would seem though, Prime Minister, that with the legislative programme you have got in front of you to wind up this year, it would be fairly difficult to do this, and also you have got the unemployment situation, to go to the people before late November. Would that be a reasonable sort of assessment?
- PM: These are matters that every person would take into consideration when he is making up his mind what he should do. But there are many other considerations as well. And I can assure you of this, you will not be able to get a precise date, or an indication of a precise date from me tonight.
- Q. Do you think that if President Nixon is successful, and it looks as though he will be, in re-election for President, that this would help the Government?
- PM: It would be some help, yes, but it wouldn't be decisive.
- Q. Prime Minister, I wonder if I can, without trying at this point for a specific date, put it this way. Are there some other things that you would like to do before you go to the polls?
- PM: Yes, there are some other things. You mentioned first of all the legislative programme. The essential features of the Budget must be passed by the Parliament before we can go to an election. We also have the problem of administration of the election by the organisations of the Party, whether the Parties themselves are ready and on what date they will have the organisation in a fit state for an election. These are but two of the problems. There are others as well. As I said, you won't get any more out of me tonight, so I personally believe it would be far better if we moved on to something else.....

Q. Unemployment, then, is a problem that you might like to rectify before you went to the polls.

PM: I have said over and over again, and as I said on this programme the last time I was here that full employment is with us a cardinal principle of policy. We have strenuously since September of last year taken measures to ensure that unemployment was kept as low as we could keep it, and if we find that the measures we are taking are not sufficiently strong enough, then we will take more. But we do believe the big area - the area where there was a tendency to stop the growth of employment in the way we wanted - was consumption expenditure. We have made it a feature of this year's Budget to increase the capacity for demand, and through that method to be able to work its way back through the wholesale shops into the factories, and through the factories to increased employment. In other words, a moment ago, just before I came on to this programme, I listened to an economic reporter, and he said the Government has now put a lot of money into circulation.

He was talking of a total deficit, I am now talking about an internal deficit -- we have turned a big internal surplus last year into a \$60 million internal deficit this year. That is a vast amount of purchasing power to put into circulation. If it gets into circulation quickly, then I have no doubt it will have an impact. So as the previous commentator said, it is up to you, it is up to the viewer, it is up to the people in the community. I believe this is an occasion when they can spend and they should spend. I believe now that most of the doubts have been swept away, and we want a happy economy and a happier people and not one that is worrying too much.

Q. You must be concerned, though, that the movement of unemployment hasn't really shifted very far from 100,000 in recent months. Have you been disappointed that there wasn't a big decrease, particularly last month?

PM: I have said, and in fact, if you look at the words of the Budget, I said that even though our -- or the Treasurer said that even though our unemployment is low by international standards - and it is - it is too high for us. And the views expressed there are my own. In fact the words "for us" were specifically introduced into the Budget by me.

Q. Now getting on to the Budget. The Budget provided \$20 million in long-term loans to farmers. Now is this the start of a \$350 million rural development bank for farmers as the Deputy Prime Minister has indicated?

PM: There is too much made of this problem. It is correct to say that the objectives of the Liberal and the Country Parties are identical. They can be summed up in these words. We both believe that there should be better opportunities for long-term finance on a commercial basis for some sections of the rural industry. That is our objective. Where the problem arises is as to how we achieve that objective. As for establishing a rural bank, my colleague, Tony Street, who is the Assistant to the Minister for Labour and National Service, some time last year presented a paper on behalf of the organisation - the Liberal Party organisation - recommending to the Government that we should have a national rural bank. I, in fact, promoted that idea many months before so that it is not new. The real difficulty that arises here is as to how you do it, and whether you will cause greater problems by the known methods than you will cure. At the moment, I think it is fair to say that we do not know how we can overcome the problems associated with a separate rural bank. But we are looking at it, and what we did in this Budget was to provide \$20 million for the Development Bank to permit it to go ahead with the provision of long-term finance for some of the rural industries.

Q. So it is not on - \$350 million?

PM: No, I don't think it is on, not in the immediate future. Certainly not.

Q. Not when Mr Anthony has indicated that it is?

PM: Well I don't think he indicated that it is immediately. In fact we gave this very careful consideration during the discussions on the Budget and we came down with a figure of \$20 million to go to the Development Bank for this financial year.

Q. Prime Minister, it was rather unusual for the Reserve Bank to come out quite as strongly as it did during the week and virtually say that perhaps the Government should consider revaluing up to counter inflation. Is that a softening up for a Government move in that area?

PM: I contest the words "so strongly". It is implicit in it, but it didn't express it directly that it came out strongly in favour of upward revaluation. What I can say to you is that when we looked at revaluation on the last occasion, I personally took the initial view that we should revalue upward against the US dollar by 6.32 per cent. And I did that for various reasons, and I can explain to you if you want them, and I will explain some of them to you because I think it is critically important that we understand this problem. We haven't to think only of pure monetary theory. On that we would have gone up to 8.57 per cent. We also had to consider our rural industries and the way they would have to compete against others who devalued. We had to consider the mining industries - they lost about \$8 million for every one per cent of upward revaluation. And above all, we had to think of confidence. I am sure that if we had gone further than 6.32 per cent, confidence would not have been restored and we would, I believe, have increased the prospects of greater unemployment. So as a Prime Minister, I took a view right at the beginning of

(PM continued)

where we should go, and I finished up on that point, and that is where we stand.

Q. But now?

PM: Well, now, while I haven't been in daily contact or even in regular contact with the Governor of the Reserve Bank, at least I know that on that occasion, he thought our action was reasonable.

Q. Prime Minister, there are a couple of things that I would like to get through just before our time is up, and one is overseas investment and takeovers of good Australian companies by overseas firms. Now are we likely in this session to see Federal legislation to prevent this going on -- selling off more of the farm, in other words?

PM: I don't like these takeovers, particularly of the type associated with Kiwi. I don't like them at all and while I believe in free flow of exchanges under, well, normal circumstances, I believe that the sooner we can get papers from the Treasury based upon the in-depth survey they made of the effects of capital inflow - private capital inflows into the economy - the better it will be. They are preparing about five different papers and I do not know at the moment how far they have gone in completing them.

Q. Would you like to have legislation before this Session closes?

PM: Yes, I would.

Q. So you aim at doing it?

PM: It depends how much we have got and when we have the election which you pressed me so hard about at the beginning. I want it as soon as I can get it, but it is a mammoth task and there is a tremendous amount to be done, particularly associating with those measures in the Budget that will relieve poverty and will give incentive to people in the middle and lower income brackets and that will also, I believe, establish very solid foundations for future growth - somewhere about 5 or 5½ per cent.

Q. Prime Minister, national superannuation. People are still expecting some move in the Government area in that. What is the latest on that?

PM: That was explained in the Budget, too, and is a matter in which I have taken a very deep and personal attention. We did say in the Budget that we would abolish the means test within three years and I took a very decisive part in seeing that that went into the Budget. But I have also had to look very carefully at a national superannuation scheme or some other means of ensuring that we would be able to finance - sensibly finance the measures that we have adopted. I have given this matter at least eighteen months consistent attention, but I have not felt satisfied that we were getting the right answers, so I had no other alternative but to say that we would appoint an individual or a committee to examine this problem of a national superannuation scheme. Already I have got several people's names in mind and I believe that it won't be long before we will be able to get guidelines for the individual or the commission. I hope to be able to announce this quite soon.

Q. What form will the poverty enquiry take, and when will it get under way?

PM: We have already drawn up the terms of reference for the poverty enquiry and we have one or two or possibly three names under consideration. We considered this last week in Cabinet, we will consider it again on Tuesday, and I believe on Tuesday we ought to be able to.....

Q. Release the details?

PM: Well, no, the details have been finished. It is the names we have to decide upon.

Q. Very quickly, Prime Minister, following the meeting of State Secretaries and Federal President with yourself at the end of last week, what will you campaign on? There was talk about selling the policies between now and the election. Apart from the Budget, what else?

PM: First of all, as you have said, we have got to sell our policies, and I hope that is what I was coming here to do today because there is so much in this Budget that is so good, we must let the people know what is contained in it as politicians. But apart altogether from that, when the professionals - and that is the professional officers of the organisations in the six States and in Canberra - when they met, they prepared some papers for us. They admitted they had not given the papers to us until Friday morning at ten o'clock and they couldn't possibly expect us to give any decisions on them by the time we rose at one o'clock lunch time. So we will have to consider it again next Friday - and then the professionals and I and the other two Ministers will be meeting again next week.

Q. If you win the next election, would you consider bringing John Gorton back in to the Ministry in the light of recent Gallup Polls?

PM: I have never ever spoken about John Gorton one way or the other since he left the Government. I have no intention of doing it.

Q. Could you give some indication if that may be a consideration?

PM: No, I would give none. But I would not say that he is ruled out.

Q. In terms of time to sell the policies, that would tend to suggest November?

PM: You are a very persistent person, but you will not get an answer about it from me.

Q. Well you haven't ruled John Gorton out, so that is one interesting thing, Prime Minister. The other is that it is being said that this year's Budget is a politically designed Budget for the uncommitted voter. Now is that a fair assessment?

PM: It is one of the ingredients, yes, but there are many better ones, because I know what was in my mind and what was in the mind of the Cabinet when we designed the Budget.

Q. To win the election ?

PM: Well, no, the first one was that we realised there were some people who had a fear of old age and that had to be removed and it has been removed. We knew there were areas of need that had to be covered, and I believe most of them have been covered. There was the area of poverty - I referred to the Henderson Inquiry. And I believe in most of the areas we have looked at, we have covered this question of poverty and we have done it effectively. We have had the problem of nursing homes and home nursing attention. I am sorry that this hasn't been emphasised and the benefits not known because I believe it would be a help to a great number of people. That was our number one concern.

Q. But it is also an election-winning Budget, you feel?

PM: Yes, it is an election-winning Budget, too. They are both important. And the third one was that we had to have sound economic and administrative reasons for the change. And that is why we have a deficit - a total deficit of \$630 million, and an internal deficit of \$60 million. This is sound economic management and will be the basis of our success.

Q. Prime Minister, one final question. You mentioned yourself when you were here some months ago in March, you talked about unemployment and you wanted to get it down then. But it's not down, it is still up around 100,000. Would you be happy to go to the polls with unemployment at that level?

PM: I don't think it will be quite at that level. We have done so much that we should have achieved the response that we expected by now. But our expectations have not been achieved. I believe this Budget, with a deficit as I have said, of overall \$630 million, internally \$60 million should do the trick. But as I have said again, our attitudes to Budgeting are not the hard and fast rules of other days. We believe in flexibility, and while I don't think it will be necessary, it would take a little time before we could make certain of this. But if we felt it was necessary, of course we would act, as we have done, because ever since the days when Sir Robert inherited government, we have always been willing to take action whenever we have thought it was necessary and we have never thought it was a cast iron rule that you had to wait until the actual day of the next Budget itself.

Q. So you think that this is an election-winning Budget?

PM: Yes I do.

Q. Prime Minister, if I thought it was going to be a case of third man lucky, I, too, would ask you when the Federal election was going to take place, but I don't think that theory is going to work.

PM: I can assure you it won't work!

Q. Thank you, indeed, for joining us.
