

TUESDAY 30 JANUARY 1973

PRIME MINISTER:

Thanks ladies and gentlemen: First the Cabinet decisions. We have sent for legislative drafting, four schemes of tax avoidance which the Treasurer, Mr. Crean, announced that we would be wanting to prevent from now on. The purchase of company shells for tax avoidance purposes, income tax concessions for capital subscriptions to mining companies, income tax deductions for life insurance premiums and payments to superannuation funds and avoidance of tax through Norfolk Island. Mr. Crean will give you the full details on any of those four if you have not got them.

Broadcasting of Parliamentary proceedings. The present Act doesn't extend to the territories, i.e. in case of defamation or possible defamation so we have resolved to amend the Act to cover that situation.

Export of merino rams and semen. We are taking steps to hold a referendum of the persons affected by any lifting of the ban.

Amendments to the Conciliation and Arbitration Act. There again, quite extensive amendments to the present Act were approved for drafting of amending legislation. Mr. Cameron would have a press conference on these tomorrow if you wish.

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A proposal for dental therapists and social workers. Mr. Beazley can give you the explanation but in brief they are these:

That the State Grants Advanced Education Act be amended as soon as practicable to provide supplementary grants for approximately \$715,000 this year for training up to 55 additional dental therapists and \$40,000 this year to establish a post-graduate course for social workers commencing next year.

That there be an immediate announcement that the Government will provide additional capital and recurrent funds to enable colleges of advanced education to double the number of places available for new dental therapy students this year.

C.A.E. scholarships will be available subject to the usual conditions for the enlarged student entry, and the Government will provide additional funds this year to enable the Tasmanian College of Advanced Education to establish a post-graduate course for social workers commencing in 1974. That fills out the proposals that have already been announced for getting more trained men and women to undertake pre-school education and social work and dental therapy.

Then there was some decisions of Cabinet committees which were ratified.

The Townsville International Airport terms of reference.

The Inquiry into the Australian Post Office. The three Commissioners - they will sit as Royal Commissioners - will be Sir James Vernon, O.B.E., C.B.E., Mr. Bernard James Callinan, the senior partner of Gutteridge Haskins and Davey, the engineers, and Mr. J. J. Kennedy, a Chartered Accountant of Brisbane.

A fresh reference to the Public Works Committee of the Palmerston Highway in the Northern Territory and the general lines of the new conditions on which the Commonwealth will make money available to the States for housing purposes next financial year and the following years.

A decision on Lake Pedder - perhaps I should read the full text. The Minister for the Environment and Conservation is to be asked to advise the Cabinet on the establishment of appropriate machinery to determine the Australian Government's role with respect to the environment in relation to past or future development projects both in the States and in the territories. The projects the committee had in mind are those which have deleteriously affected or can so affect the environment. The projects specifically mentioned in this context were in addition to Lake Pedder, Cluther in New South Wales, Black Mountain in the Australian Capital Territory and the Alligator River in the Northern Territory.

P.M. Are there any questions?

Q. Prime Minister, two weeks ago you said that Vietnam was the only area of dispute between Australia and the United States. In view of the information which I presume you and Mr. Barnard now have, can you say whether you are in full agreement with the type and role of U.S. installations in Australia?

P.M. There's no more information I have to give you on that matter.

Q. Can you say whether you have made any further studies?

P.M. No.

Q. Sir, on the same subject, can you tell us if you have any information on the types of signals going between Australia and Washington, in particular the role of the Defence Department. Is there anything there in which you feel you are perhaps under-informed or which you would consider it would be important for you to know. I'm thinking particularly of defence information which, there have been a lot of rumours over the last few weeks, is being put by members of the Department and by members of organisations in the department without direct reference to the Government - to either you or Mr. Barnard?

P.M. I don't understand the purport of your question. You mention rumours. I don't know what rumours you're referring to.

Q. They are rumours that there are signals being sent between Canberra and Washington which have not been referred to either you or Mr. Barnard?

P.M. I think there'd be hundreds of such signals being sent every day to various posts. It's quite obvious that ministers can't see the text of every signal that is received or transmitted. I have no knowledge of any signals which have been sent which wouldn't be completely in accordance with Government policy.

Q. Are you totally satisfied with the information you've been getting from the Defence Department and from the various security organisations about communications between Canberra and Washington?

P.M. Whenever I've asked for any information in the security field, I've been satisfied with the answer I was given. Mr. Barnard has never expressed any doubts as to the information he was given by his Department. My own Department of Foreign Affairs - I'm certain that it is

carrying out the Government's policy promptly and effectively.

Q. Prime Minister, the Premiers of Victoria and South Australia have called for a Premiers' Conference in February. Have you considered this and, if so, what is your answer?

P.M. I don't think they have formally asked for a Premiers' Conference.

Q. You've received no formal request?

P.M. There has been a letter from each of them but it's not a formal request. I would point out that the Government acted very promptly - much more promptly than had been the case as far as I can remember - in assisting the States - all the States - with grants for employment-giving works. The assistance which has been given at Premiers' Conferences which have been often held in February was in fact granted as the result of direct negotiations between the Treasurer and sometimes myself and the State Premiers or Treasurers in every case before the end of the year.

Q. Sir, how do you feel about a Premiers' Conference in February?

P.M. I don't see the need for one.

Q. Are you in favour in principle of making public the membership of inter-departmental committees?

P.M. Yes.

Q. Will you make public the membership of the inter-departmental committee which is proposed by Dr. Cairns and Mr. Crean into the question of export incentives.

P.M. Yes.

Q. If and when set up.

P.M. Yes.

Q. Will you make public the report of that committee?

P.M. It has been set up and I'll give you the information.

Q. The report of that committee will be made public?

P.M. I didn't say that. The membership I can give you now.

Q. The third question was: will the report of that committee be made public?

P.M. I don't remember ever having given an undertaking of that character.

Q. I hadn't suggested that you had.

P.M. Well, probably not.

P.M. There is an inter-departmental committee to consider the general question of export credit composed of the Departments of Overseas Trade, Secondary Industry, Treasury, Reserve Bank and Export Payments Insurance Corporation. There is an inter-departmental committee to deal with adjustment assistance for secondary industry composed of Treasury, Overseas Trade and Secondary Industry. There is a third inter-departmental committee dealing with the question of export incentives composed of Treasury and Secondary Industry.

Q. Mr. Whitlam, while you didn't commit yourself to making inter-departmental committee reports public, you, on a number of occasions asked in Parliament would they be made public, and it was just in going through today I noticed for example, in respect to the superannuation

report - superannuation - I seem to remember you asked the inter-departmental committee report to be made public and so there was an inferential support of this idea; and while also looking at that I noticed the available report itself was never made public despite the fact that you asked for it. Could you tell us when all these documents which you requested be made public will be made public?

P.M. The general position is that they are tied in with the question of making public documents before an earlier government, and the practice has been hitherto that the documents which have been before a preceding government are not made public without the consent of the head of the party or parties which composed that previous government. I wouldn't depart from that practice without very serious consideration but I have not, at this stage, asked the heads of the Liberal Party and the Country Party whether they would mind any such documents being published. The whole thrust of my questions and statements on these subjects in earlier Parliaments was that the late Government used to hide behind the fact that an inter-departmental committee had been set up to look into certain subjects and one could never find out One couldn't for the last two years, find out what Departments were on these inter-departmental committees and when they had reported. Mr. Gorton used to make available the names of the inter-departmental committees and the Departments which sat on them and somewhere about the beginning of 1971 he changed his policy and in that respect Mr. McMahon did not change a Gorton policy. So you've asked me who sits on these inter-departmental committees - I've given you. If you later ask me if the inter-departmental committees have reported I expect I would tell you if they had.

Q. Do you have a closed mind to the proposition of giving us inter-departmental committee reports?

P.M. No, I haven't got a closed mind about it, but in these matters it is the Ministers who have to take the responsibility and I believe we will tell you the procedure by which we are arriving at our decisions. We'll not fob you off by refusing to tell you who are on these inter-departmental committees or when they have reported.

Q. Will you be asking the heads of the Liberal and Country Parties whether they mind these documents being made public?

P.M. I may, I mean one subject which is under consideration of course is the Moreshead Committee Report.

Q. Sir, on the same subject, you say you think you should inquire of the preceding government whether a report should be made public?

P.M. No, whether Cabinet documents should be made public, and these have all, we find, all these Committee Reports have been attached to Cabinet documents.

Q. Well, Sir, during the election campaign you made quite a lot out of the Bureau of Transport Economics Report, You don't see any inconsistency in what you're telling us now with what you did during the campaign?

P.M. No, well there are two matters there - one I think was the sleepers, you know, the railway sleepers, the concrete or the hardwood - you know what the Government's policy is there. It is calling for tenders for the most economic form of sleeper. The other one was about the B.T.E's reports on urban transport and I think I've written to all the Premiers on those reports on the investigations which the B.T.E. made into urban transport, and I'm not sure if I've written to the Tasmanian Premier because Tasmania was not covered in the original report. Melbourne

was not adequately covered because the Victorian Government hadn't given sufficient information. Some of the other States you remember hadn't given any information on underground railways, so I've been in correspondence, I think, with all the Premiers on that B.T.E. report on urban transport.

Q. The Australian Proprietary Sugarmillers' Association said today that they had no objection to a public inquiry into the home price of sugar when next they apply for a variation in the price - presumably upwards. Would you have any objection in principle to these State industry and Commonwealth talks on the home price of sugar being held in public in future?

P.M. I'd want to discuss this with my Minister. I've not considered it.

Q. Mr. Whitlam, a week ago, Senator Wriedt after conferring with you announced that he had approved the export of 30 Merino rams to China. Could you tell us the procedures by which this decision was arrived at. It seemed to many who wrote about it that the decision was inconsistent with Labor policy. Could you explain that and could you explain if an exception was made in that case purely to be nice to the Chinese?

P.M. This was the only application that had been received by the present Government. It had no bearing on it that the destination was China. It's the only application for an export licence which the Government had received. We found that the deal has not been concluded and, accordingly, it is possible for us to have a referendum on the subject as the Party Platform prescribes.

Q. On that particular subject, Sir

P.M. I think there are some other people that haven't asked a question.

Q. I was going to ask you about the same question.

P.M. Would you announce your name because people will understand why you take an interest in rural matters?

Q. Richard Farmer: Do I take it from that answer that the rams will now not go to China?

P.M. That will depend on the result of the referendum.

Q. But Sir, what was announced last week is not now applicable. Is that right?

P.M. No. Because the deal had not in fact been concluded it has not been concluded.

Q. As a supplementary, who will take part in the referendum?

P.M. That's been worked out. We'll have a paper on this for next Tuesday's Cabinet.

Q. You can't give us any idea of whether it will be just graziers or ...?

P.M. No, I can't. The Party Policy says the persons affected.

Q. On the supplementary to the supplementary would we be correct in drawing ...

P.M. Max, you haven't asked a question.

Q. It's not another supplementary, Sir. It's on another subject. Lord Carrington's visit at the end of the week which you and Mr. Barnard and other Ministers will see him ...

P.M. Yes.

Q. ... I take it that you will reaffirm to him as he probably already knows that we will withdraw our infantry battalion group from Singapore ...

P.M. We will not replace them at the end of their term of duty.

Q. However I understand that several hundred, perhaps up to 500 or 600 Australian soldiers will remain in logistic support at the signal in Singapore. Has this been made clear too?

P.M. Well I haven't spoken to Lord Carrington about this but of course it'll be made clear. I would imagine he's quite he knows what we've said on this ...

Q. Why I asked was I think it was generally inferred that the whole 1300 or nearly the whole 1300 would be coming home. It now appears that perhaps only about half ...

P.M. That would be an inaccurate inference.

Q. Now finally could you indicate the other matters other than ANZAC and Defence matters that you may be discussing with Lord Carrington?

P.M. I'm happy to discuss with Lord Carrington any matter which he thinks the British Government would like to discuss with me. There's no agenda. Lord Carrington knows Australia well and Mr. Barnard and I, I think, can claim to know him well because we knew him when he was British High Commissioner here in the late fifties and we always see him when we are in London.

Q. But apart from what he might want to put to you, have you got anything specific to put to him apart from the Defence side?

P.M. I think there'll be quite a wide ranging discussion. I'll have some hours with him and some of my other colleagues will be also in the talks for part of the time so I think there'll be quite a wide range of matters of mutual interest. There is no agenda. Lord Carrington is a very easy person with whom to have a discussion.

Q. Sir, on the subject of Lord Carrington, will you be open to argument to change your mind on any subject which you raise?

P.M. Of course, I always am.

Q. But with Lord Carrington?

P.M. Of course. And he's one of the most persuasive of men.

Q. That's what I meant.

P.M. Lord Carrington is not just another Lord. He is a very important member of the British Government and of the Conservative Party.

Q. You've said Sir, he knows Australia well. He knows Australian politics well, too, Sir?

P.M. Yes.

Q. He will therefore have some firm intentions. Will you be prepared to hear his arguments in view of that?

P.M. Of course. Noblesse oblige.
That's for Agence France Press.

Q. Sir, on Merino rams. Can I ask why the decision...

P.M. You gentlemen are taking a great interest in them ...

Q. Can I ask you why the matter wasn't referred initially to Cabinet instead of allowing Senator Wriedt to make a decision which was apparently in conflict with ALP policy?

P.M. It was a matter which we hadn't got round to discussing. No one really was expecting an application on this subject. The next auctions were thought to be I think next June.

Q. Mr. Whitlam, I thought the next auctions were on February 6 in Dubbo.

P.M. Well, there are going to some in March, I now learn.

Q. Just to return to this point, I know that 30 Merinos aren't very important

P.M. I wouldn't have thought so.

Q. We're in the novel situation trying to work out procedures with the new Labor Government. It always struck us that it was part of the Labor Party philosophy that the opinions - the conference decision were binding. The conference decision is quite unequivocal in this area

P.M. That's right.

Q. And both yourself and Mr. Wriedt in consultation have decided to override the conference decision. Is that correct?

P.M. No.

Q. Well it would seem to be, Sir, that the statement put out last week by Senator Wriedt under his name flew in the face of the conference advice.

P.M. We now find that it is possible that since the deal has not been made that we can go ahead with a referendum.

Q. Was there any suggestion that the deal would have been made within a day or two before the Cabinet meeting?

P.M. It could have been made, it was thought, last week. But in fact it's now found that it was not. The deal has not been concluded.

Q. If I could sheepishly ask another question about sheep Sir, did Senator Wriedt confer with you on this subject - can you confirm that? Were there any complaints after the decision was announced - complaints from unions or anyone else that this flew in the face of Labor Policy, and can you explain to us why you were apparently prepared to breach Labor policy until you found that the deal hadn't gone through?

P.M. There have been no complaints as far as I know from unions or anybody else on this subject. This is scarcely a matter of as great interest as it was four years or even one year ago.

Q. Sir, on the question of a wider topic - the uniform building code: There seems as though there'll be some State opposition to the introduction of a uniform building code. Have you any thoughts at this stage on how the Federal Government will persuade the State Governments to agree to the adoption of that policy that you pledged before the election?

P.M. You are being very obscure. What State opposition do you expect?

Q. Melbourne and Queensland, Sir.

P.M. Mr. Dickey has changed his mind in the past - in fact in the last couple of weeks. In Queensland the question scarcely arises because there is a single building code throughout the Brisbane City Council area. If there was a single building code throughout the Melbourne and the Sydney Metropolitan areas the average house in those areas would cost \$800 less.

Q. But in the Queensland country areas, Sir, there are I think 134 different building codes required by the local government authorities.

P.M. The mischief doesn't occur in Queensland. Where the expense arises is where builders, architects, surveyors, tradesmen in general have to operate in an area where there are several conflicting codes. In Queensland, local government areas in general are larger than in the other States; and accordingly one does not have the waste of money in Queensland that one has in all the other States. The ordinary builder, surveyor, tradesman operating in any Queensland provincial city operates in the terms of a single building code. This is one reason why houses in general in Queensland cost less than in any of the other States.

Q. In view of Mr. Dickey's statement, Sir, I wondered if you could give us an indication of how far you're prepared to support the Housing Minister in his endeavours to carry out policy pledges in the housing area with the States?

P.M. I'm prepared to support Mr. Johnson, the Minister for Housing, completely in this area. I welcome the opportunity to point out that it's been known for years - the Jennings family have proclaimed it for many years past - that the average home costs now \$800 more than it needs

to cost because there are so many conflicting building codes in the largest Australian cities; and these building codes depend not only on local government requirements, they also depend - and in Queensland they can partly depend on this - on the varying requirements of the lending authorities. The Commonwealth, under the Constitution, can have a very great influence on standardising the codes accepted by the lending institutions. The Constitution gives the Commonwealth Parliament power to legislate with respect to banking and insurance. The Commonwealth also of course makes most of the Government funds available for housing by way of Housing Commission and War Service Homes finance. Incidentally, the War Service Homes Act will be renamed Defence Services Homes Act because it will now of course be available to people in the Armed Services in general - not just to those that have had active service overseas.

Q. Sir, in the light of the continuing relatively high unemployment figures, is the Government restricting the growth - the increased growth in the Public Service to the 3 per cent limit laid down by the previous Government?

P.M. That still stands. At this stage it's not been considered by the new Government.

Q. Can I ask a further one Sir: In view of the number of new Departments that have been established, will this not place a strain upon the existing if this limitation is continued?

P.M. No. There can be savings in some areas such as Immigration and Labour and National Service.

P.M. Gentlemen, I think this is understood. Anyone who hasn't yet asked a question gets one before those that have already had one get a second ...

Q. Can you tell me, Sir, in the light of the meeting soon in the field of Trade with New Zealand and also the meetings that have gone on this week in New Zealand between Australia and New Zealand and Canadian Dairy Boards, will we be likely to see co-operation between Australian and New Zealand on world markets including the Australian home market?

P.M. This will all be discussed by the New Zealand Minister for Trade and Dr. Cairns, Mr. Freyer, and the Minister for Overseas Trade, Dr. Cairns, when they meet ... It's quite soon isn't it?

P.M. I can't see you in this distress ... Mr. Hawke, will you ask your third question?

Q. There was a question that wasn't answered the last time. At the time Senator Wriedt and yourself made the decision about the export of Merinos, I take it that it wasn't known whether the Chinese deal would come into operation. Is it to be taken then that the decision to fly in the face of Labor Conference policy ...

P.M. I won't have you saying that. There's no flying in the face of Labor policy by me or anybody else.

Q. Well, is the fact that there was no flying in the face of Labor Party policies simply dependent on the fact that the deal didn't go through before the referendum?

P.M. The decision today has been made in the light of the fact that we find that we can take a referendum - or that we believe that we'll be able to hold a referendum.

Q. Over the weekend the Leader of the Opposition advertised two positions on his staff which seemed to be considerably higher salary than that being paid ...

P.M. Yes, they did.

Q. Has that been approved by the Government - these salaries, and has it been approved by the Government, the Leader of the Opposition and other members including the Leader of the Country Party and the Deputy Leader of the Country Party - have their staff arrangements been approved?

P.M. Mr. Snedden was told that he could have two Private Secretaries as his predecessor had. He was not told what the salary would be. The salary appropriate for the positions will depend on the calibre of the persons attracted to them. On that, the Public Service Board's advice will be sought as it has been on all Ministerial staff appointments as regards salary.

Q. Could I add something supplementary to that. If he was to advertise for a man at a salary of \$20,000 a year and if you could get a man appropriate for that salary, does that mean that it would be approved?

P.M. I would want to take the Public Service Board's advice. I don't fix salaries.

Q. Sir, could you outline the proposed changes in the Arbitration system which Mr. Cameron is to develop tomorrow and specifically do they affect the penal clauses?

P.M. I said earlier that if you want an explanation of these Mr. Cameron is willing to have a press conference tomorrow. Let him deal with it as a whole.

Q. Sir, you said last weekend regional co-operation would be a cornerstone in Australia's foreign policy. Does that mean a significant increase in foreign aid to South-East Asia?

P.M. Yes.

Q. Could you tell me whether Senator Wriedt got the approval or contacted any of his ministerial colleagues before he made his announcement last week?

P.M. He spoke to me.

Q. Did he have your approval?

P.M. Yes.

Q. Sir, in view of the fact that there's been precious little evidence so far that any of the benefits of up-valuation will be passed on to the consumers in the form of lower prices, has the Government got any active policy in mind to ensure that the importers and manufacturers who take advantage of the up-valuation on the import side will pass the advantages on to the consumer?

P.M. The Prices Justification Tribunal will cover that situation.

Q. Sir, going back to your earlier remarks about secrecy, will it be possible for members of the public to look at papers presented to Ministers which involved the exercise of ministerial discretion and, in particular, would it be possible to look at those where the Treasurer decides whether there should be an inquiry into a takeover by a foreign company and specifically could I look at the ones involving the takeover of the Australian Equitable Insurance Company Limited by Samuel?

P.M. I wouldn't think so. I guess that you're referring to the fact that our High Commissioner in Britain had an interest in the Company being taken over. Is that it?

Q. That was one thing that intrigued me, but..

P.M. Yes, but I hope you don't think I'm too suspicious if I think that was the motivation of your question.

Q. No, not at all, Sir.

P.M. There is a High Commissioner United Kingdom Act which lays down very strict provisions as to a ny shareholdings or directorates enjoyed by the High Commissioner. They are the most stringent conditions in any Federal or State Constitution or Statute as far as I know. Mr. Armstrong complied with them completely. Gentlemen, I would have thought that I might have been asked something about Sir William Dargie. I think we've exhausted our time and if you don't mind I want to get in something on this: Sir William Dargie wrote to me on 27 December. He got an acknowledgement on 10 January from Dr. Wilenski. I wrote to him soon after - the date doesn't appear on my copy. I wrote to him on 23 of January about the new Council for the Arts, and he acknowledged that letter on 25 January. In view of this chronology, I can't understand some of the press reports which are attributed to him.