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PRIME MINISTER'S PRESS CONFERENCE

PARLIAMENT HOUSE, CANBERRA,

TUESDAY, 9TH OCTOBER, 1973

PRIME MINISTER: Thanks. Are there any questions?

QUESTION: If the referendum on price control on December 8 is carried, can you tell us what precise steps you intend to take in an effort to control prices. You have mentioned that you would intend to bring down a Land Stabilisation Act in Parliament the following week but can you be specific on what other steps, and also can you give me a ditto answer if the referendum on incomes is carried?

PRIME MINISTER: I indicated that the incomes referendum would enable us to have the same procedure for determining non-wage incomes as the Constitution has always provided for the determination of wages. In other words, we would extend the operation of the Conciliation and Arbitration Commission to specified forms of incomes other than wages.

QUESTION: You announced a series of ministerial changes in the House this morning. Could you tell us why you made each of them and whether they indicate that you are unhappy with the performances of some ministers in some portfolios?

PRIME MINISTER: I won't accept the second invitation but I will deal with the first one. The principal reasons were that we now have several ministers with experience in administration which means that some of the senior ministers are able to off-load some of their responsibilities. In particular, I will be able to give Foreign Affairs to Senator Willesee, Dr Cairns has been able to give Secondary Industry to Mr Enderby, Mr Barnard has been able to give Supply to Mr Enderby also and I think it will be announced this afternoon that Senator Murphy will be able to let Senator Cavanagh carry out the same responsibilities in the Senate as Mr Daly carries out in the House of Representatives, i.e. the determination of the business of each chamber. That means that the four senior people; myself, Mr Barnard, Dr Cairns, Senator Murphy are able to share some of their responsibilities with others. The other major reason is that by giving two departments or more departments which are due for amalgamation to the one minister we can accelerate that process of amalgamation. Already, of course, Mr Jones has both Transport and Civil Aviation and Senator Murphy has both the Attorney-General's Department and Customs and Excise. As you know, it is our intention to combine those two departments or at least to disperse several aspects of one of them. Mr Barnard now has merely Defence, Navy, Army and Air which are all to be amalgamated into one department. Then there are two minister who each have two departments now, Mr Johnson has Works as well as Housing which he's had hitherto and Mr Enderby has both Secondary Industry and Supply. Now that means there are five ministers who all have two or more departments and those departments will be amalgamated.

QUESTION: I take it that Mr Enderby will also have the AIDC as part of his Secondary Industry responsibilities?

PRIME MINISTER: No.

QUESTION: Who will have AIDC?

PRIME MINISTER: Dr Cairns.

QUESTION: Why? I mean it was Secondary Industry, it wasn't Overseas Trade that AIDC was connected with?

PRIME MINISTER: No, that's not necessarily so. AIDC is really to marshal resources in regard to trade and investment so that they will not be as much in foreign hands as they have been up till now, so AIDC will be Dr Cairns, Minister for Overseas Trade.

QUESTION: On Supply you speak of this rationalising this with Secondary Industry. Is that all of Supply?

PRIME MINISTER: No. I haven't gone into detail there. I have already made a statement about various aspects of Supply being allocated to different departments. So I have got nothing to add really to the statement I made on that about a month ago. Similarly, Customs and Excise will not be amalgamated with any one department as you realise. To give the two principal features; there are revenue, there are law enforcement aspects of Customs and Excise. Well they will go to different instrumentalities.

QUESTION: Are you prepared to make any comment on reports that Mr Bryant gave up his portfolio only very reluctantly?

PRIME MINISTER: No of course not.

QUESTION: Will Dr Cairns retain authority over the Industries Assistance Commission?

PRIME MINISTER: No, that is Prime Minister.

QUESTION: The Special Minister of State. Will that department continue or will....?

PRIME MINISTER: Yes.

QUESTION: You talked about divesting yourself of additional responsibilities. Do you plan to divest yourself from responsibilities for the Arts and the Industries Commission which you have just referred to?

PRIME MINISTER: I have no present intention of divesting myself of either, but probably never of Arts.

QUESTION: But what about tariffs?

PRIME MINISTER: Well that is protection in general isn't it. But certainly for some time I would be wanting to retain

protection, i.e. the Industries Assistance Commission because there has to be somebody to co-ordinate the various aspects which will now come to the Industries Assistance Commission from various departments; Secondary Industry, Customs and Excise, Primary Industry.

QUESTION: The reasons you gave earlier, sir, don't seem to cover the reason why Mr Bryant....

PRIME MINISTER: I have twice refused to answer any specific questions like that.

QUESTION: Well you did agree to outline the reasons for the changes?

PRIME MINISTER: I have given the general reasons. I do not comment on individuals.

QUESTION: You said earlier that you wouldn't make any changes until after the Senate elections and the question is why have you?

PRIME MINISTER: Did I?

COMMENT: Yes, at a press conference.

PRIME MINISTER: Did I. I don't remember having said so.

QUESTION: Well could you give a particular reason why you felt it was necessary to make the changes now and not say wait until after Christmas or during the Christmas recess.

PRIME MINISTER: The two reasons I have already given. There are now several ministers who can take responsibilities which at the time we became a government, 10 months ago, there was a more limited number of ministers able to discharge. Secondly, I want to accelerate the progress of amalgamating some of these departments.

QUESTION: What part did Dr Coombs play in any of the reshuffling?

PRIME MINISTER: Well, none.

QUESTION: Like Mr Bryant he didn't have anything to say to you?

PRIME MINISTER: Dr Coombs had nothing to do with this.

QUESTION: Did he advise you....?

PRIME MINISTER: Certainly not.

QUESTION: Will you now go overseas next year, I think it's South East Asia and to the European countries?

PRIME MINISTER: Of course, I will be making no fewer trips than hitherto.

QUESTION: You have made some tentative approaches to attempt to resolve the power dispute in New South Wales which is basically within the New South Wales competence. What steps are you taking to resolve the airport dispute which is more closely within your competence?

PRIME MINISTER: I expect the Public Service Arbitrator will be calling the parties, including the Public Service Board, into compulsory conference this afternoon.

QUESTION: On your initiative sir?

PRIME MINISTER: I was aware.

QUESTION: When, if at all, are you going to recognise Chile?

PRIME MINISTER: Thursday.

QUESTION: Do you expect that Thursday's Premiers' Conference will discuss anything other than Loan Council representation for local government?

PRIME MINISTER: The Conference is being called as was forecast - as was announced - by me at the Constitutional Convention five weeks ago to discuss the participation of local government in the Loan Council. You know, of course, that the Labor Party's program since the 1971 Federal Conference has provided that local government in each State should have a voice and a vote on the Loan Council. You will remember that I emphasised this in the policy speech last November. You will remember also that the Australian Government insisted that local government should have delegates at the Constitutional Convention as a condition of the Australian Government itself attending the Constitutional Convention. Now it is for that purpose, the discussion of that program, that the Premiers and I are meeting in Canberra on Thursday. I doubt if we will have time to discuss other matters. If so, it would be in quite general terms. In light of the officials' report - which was made about three months ago, wasn't it - I have asked the Premiers to comment on the suggestions that the officials from the seven Treasuries made. Many of the Premiers have not yet commented on those suggestions. In particular, there is, I regret to say, very little activity in the stabilisation of land prices which is one of the worst inflationary aspects in Australia and which is completely within the jurisdiction of the States.

QUESTION: On the subject of prices. Did Cabinet make a decision yesterday not to make a decision on meat?

PRIME MINISTER: It did make a decision not to institute any tax on the export of meat. The Parliamentary Committee on Prices had by majority made such a proposal; the Cabinet is not attracted by it.

QUESTION: You haven't announced the decisions Cabinet took yesterday. Do you intend now to make all these announcements to Parliament first, or didn't you make any decisions?

PRIME MINISTER: Well take this one here (on meat). This is a matter from a Parliamentary committee; it's not a Government matter. The Government considered, naturally enough, the recommendation of a Parliamentary committee. Parliamentary committees are free to make recommendations as they wish. The Labor Party doesn't, and I don't, believe that any of the other parties considers what recommendations Parliamentary committees should make or that the members of each Party on a Parliamentary committee should make; so the Government considered the report of this Parliamentary committee. The Government's attitude will be reported to our party meeting tomorrow. There aren't, however, any other decisions which I would think it is appropriate to mention here. There is the membership of one of these consumer bodies, but I think Mr Morrison has given that to you already hasn't he - the Interim Commission on Consumer Standards. You have got the membership of that, haven't you? We have also decided, if you want to know, to introduce legislation to enable us to ratify the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) Weapons and Toxin Weapons and of their Destruction. We also approved a statement by the Minister for the Environment and Conservation, Dr Cass, in relation to the development and management of Australia's water resources. You can get the details of that statement from Dr Cass. We have also decided to accept the amendment that the Senate made in the A.C.T. Representation Bill. I would imagine that there will be a motion to that effect in the House today. Those would be the decisions apart from the matter that Mr Chalmers asked about the meat.

QUESTION: With respect, you didn't answer my question on what specific measures you intend to bring in if the price control referendum is carried?

PRIME MINISTER: You mentioned one; the stabilisation of land prices. There is one other I have mentioned and that is that if, in the meantime, there is any change to the jurisdiction of the Prices Justification Tribunal obviously legislation will be brought in under the new prices power in the Constitution to validate the inquiries and the recommendations of that tribunal. I think that was included however in the resolution of the Federal Executive last Saturday which I drafted and which I think the Federal Secretary gave to you on Saturday, so I didn't go into it again.

QUESTION: Would you see that before Christmas you could put a freeze on a whole range of foodstuffs or other items?

PRIME MINISTER: No, I don't see that.

QUESTION: It seems rather odd for a Labor Government to exclude - the only people they exclude from higher interest rates are people with less than \$4000 in savings banks?

PRIME MINISTER: No. This has been left to the banks to administer and Mr Crean can give you the details there. I think this was announced by Mr Hayden a week ago.

QUESTION: Is it correct that Senator Bishop was considered for a position in the Cabinet reshuffle?

PRIME MINISTER: Yes.

QUESTION: Did his illness over the weekend have any effect on the final decision?

PRIME MINISTER: Yes, of course it did. I don't want to say any more about it at this stage until he comes out of hospital and I have been able to speak to him directly.

QUESTION: Are you not embarrassed that the Federal President of your party has indicated that he will campaign against you in your referendum to gain federal control over incomes?

PRIME MINISTER: If he does campaign there will be some embarrassment but I will not be deterred by it. I will support the Government's proposals. I deplore some of the things which are said by some people in the union movement about what use any federal government would make of the incomes power if it is given to the federal Parliament. There has been a very great deal of irresponsible extravagant talk on this subject and I will play my part in repudiating it. It is quite absurd that the only incomes in Australia that can be regulated are incomes which take the form of wages, and there have been stages, for instance, in the early 1950s when the Commonwealth Conciliation and Arbitration Court as it then was did, in effect, bring in a wage freeze under existing powers. But the statistics will show that the proportion of the gross domestic product represented by wages and salaries has gone down. It is clear, therefore, that other incomes have amounted over the last 20 years or 25 years to an increasing percentage of the gross domestic product. In other words, there hasn't been a regulation of other incomes - non-wage incomes - that there has been of wage incomes. This is quite unfair. It produces a great deal of social tension and economic distortion in the community. The Australian Parliament ought to have this power over incomes. The States have it of course, except for people covered by Commonwealth awards they don't use it. They have done nothing to produce a better balance; socially and economically in the community. It's about time for the national parliament to have that power.

QUESTION: Will our Ambassador to Chile be returning to his post?

PRIME MINISTER: No.

QUESTION: Do you intend that Mr Bryant should remain Minister for the Capital Territory for very long?

PRIME MINISTER: I don't want to say any more on this until I have been able to speak with Senator Bishop. I don't want Senator Bishop to be reading about things before I have been able to speak to him directly.

QUESTION: On the incomes referendum. Mr Hawke has said that he expects the A.C.T.U. Executive, next Monday, to make a decision contrary to that of the Labor Party's Federal Executive, i.e. opposing the incomes referendum. If the union movement does oppose the incomes referendum, do you really expect that it will succeed?

PRIME MINISTER: I know how difficult it is to carry any referendum. I believe that some unions will - there will be differences of opinion within the union movement - there may be differences of opinion in different cities on this matter. The way some unions talk it looks as if some of them will be spending more money on trying to defeat an incomes referendum than they will in trying to carry a prices referendum. Sheer sabotage.