

PRIME MINISTER'S PRESS CONFERENCE

CANBERRA, TUESDAY, 15 OCTOBER 1974

PRIME MINISTER: Are there any questions?

QUESTION: In light of Mr. Snedden's remarks that he is waiting for the call of the people, that he is planning to move towards an early general election and in light of the reports that you, yourself, have briefed ministers about the possibility of an election in December, can you now spell out your views on the chances of an early election? Will there or won't there and, if so, when?

PRIME MINISTER: My view is that the people spoke in December 1972 and again in May 1974 - they spoke decisively in each case. In each case they intended to elect a government for the following three years. They elected, in each case, a Labor Government. The Parliament first sat in July. That means that there should not be another election for the House of Representatives until the middle of 1977. My Government is proceeding with its program on that basis; that it has been re-elected for three years. Now, the Opposition is clearly wanting to get the public used to the attitude that there should be elections more frequently than at three-year intervals. The Constitution very clearly has proposed that there should be an election every three years for the House of Representatives and every three years for half the Senate, those elections being at the same time. Now, because of the Double Dissolution, there must be an election for half the Senate just before the middle of 1976 and there shouldn't be an election for the House of Representatives until the middle of 1977. Now, it is true that any time, twice a year, the Senate can refuse Supply and thus produce an election for the House of Representatives. It was done for the very first time in April this year. It can be done, of course, any time in November when the Budget for the whole of the current financial year has to be decided or, say, the following May, when there have to be provisional appropriations for the first five months of the next financial year. Now accordingly it would be possible for the Senate to reject a Budget in November or the Supply Bills next May, and it could reject them by just being evenly divided.

Mr. Snedden constantly suggests that there may be an election. Now, it will depend not only on what he says but on what the senators say and he has no control over his senators. There are two Liberal parties in the national Parliament. There is the Liberal Party in the House of Representatives; there is the Liberal Party in the Senate. And the Liberal Party in the Senate has a Leader and a Deputy Leader who are elected wholly by senators. Mr. Snedden has no part in choosing who the Leader or Deputy Leader will be in the Senate Liberal Party. They go their own way. So, naturally, he is confused. But I think there is more seriously an attitude by the Liberals in general to produce the idea that it is natural to have more frequent elections than the constitution envisaged, to give the impression that an election is always around the corner or may come about - you know, election jitters and upset business confidence through that idea. I don't believe there is any substantial view

in Australia that there should be another election for the House of Representatives or that there should be an election for half the Senate before the due time just before the middle of 1976. It is on that basis that my Government is proceeding.

Now it is true that there have been ten bills already rejected by the Senate since the new Parliament was elected. I forget about the six bills which they rejected a third time and on which there was a joint sitting. Apart from those six there have been ten rejected, two I think the week before last. Now, if after an interval of three months any of those bills is rejected again there can be a double dissolution situation again. If there is a double dissolution situation the Government won't advise the Governor-General to dissolve both Houses unless Supply is refused by the Senate. Obviously, if Supply is again refused by the Senate then I shall advise the Governor-General to dissolve both Houses on the basis of a second rejection if there is in fact a second rejection of any of these ten bills. I think the next work by Laurie Oakes and David Solomon is to be called "The Grab for Power". It is an account of the election in May last. I think that's just behind the whole of this talk. Mr. Snedden miscalculated, mistimed, last April. He blew his top in a bit of hysteria and the events of April. He miscalculated. Well, he always has to strut to justify what he did then. I believe, in fact, he will be very cautious about himself, and the Senate Liberal Party will be rather cautious also.

QUESTION: While you were overseas the Education and Economic Committee of Caucus decided that the \$400 tax allowance should be restored. What's your own personal view on this? What do you think Caucus is likely to decide, and do you think that this sort of recommendation, as Mr. Snedden has already said publicly, reflects on the quality of your leadership?

PRIME MINISTER: I'm not obsessed with the qualities of my leadership. I've been leader of a political party in the national Parliament longer than most people have the privilege of leading any political party in this Parliament. I've been leader of my party for nearly eight years and at every election we have improved our percentage of the vote. I don't have to promote the Fuhrerprinzip. I'll leave that to those who have failed as leaders. Now, about this education deduction proposition. My view is it remains that the \$400 deduction is a waste of money. The \$150 deduction is justified. I support the \$150, I reject the \$400. Now, the Caucus Economic and Education Committees, which like all Caucus committees are self-appointed, made a recommendation that the deduction should remain at \$400. I sometimes wonder who my colleagues believe elected a Labor Government. Who they think a Labor Government should have first in mind. Now, the Labor Government has introduced legislation - it was opposed at certain stages by our opponents - but we have introduced legislation, and so far it has been passed which means that there has been more than seven times as large a provision for funds for education by the Australian Government in the calendar years 1974/75 - the two full years under us - as was allocated by the last two full years 1971/72 by our predecessors. I advise you to look at Mr. Beazley's splendid article in today's Age. It gives a chapter and verse for the increased expenditure for education under my Government. The Education and Economic Committees - self-appointed - of the Caucus recommended that the deduction should remain at \$400, i.e. they recommended that \$30 million more should be spent this year

than the Budget provided. I mentioned this at the Cabinet meeting yesterday. I asked if any minister wished to re-consider this matter. Not one suggested we should re-consider it. Accordingly, when this matter comes up before the Caucus it will have the re-asserted view of the Cabinet that the money can be better spent. The last statistics show - they are for 1971/72 - that the average deduction for a dependent student only exceeded \$150 a year for those who were on an income of \$10,000 or more. It is quite obvious that money is better spent in the education field on improving facilities all over. Now, I don't deny that there are some parents who have to spend more - boarding and so on for their children - but we have catered for them through the isolated children's allowances which we introduced. And similarly, of course, you could say that there were some disadvantaged areas where the community has to spend more, as for Aborigines, and we have done so. I commend Mr. Beazley's article to you for this. It will come up in Caucus and I believe it will be rejected as I strongly believe it should be.

QUESTION: Mr. Connor said in Parliament this morning that he had prepared a White Paper for you on energy or uranium and that he had prepared it in good time. Will you now release that paper?

PRIME MINISTER: This is a Cabinet submission and it will be discussed in Cabinet.

QUESTION: One of the reasons for the devaluation of the dollar was that it would have a beneficial effect on business confidence. Do you believe that it has? Has it had enough? And, particularly, would you consider any other forms of incentives such as some incentive like the investment allowance, re-introduction for a tentative period, if it turned out that business confidence hasn't reacted as you thought it would at the time of the devaluation?

PRIME MINISTER: The devaluation has given a boost to business confidence. Those who study the Stock Exchange tell me that there has been a marked improvement there. Of course the Government will consider any of these matters. I, myself, at this stage, would think there was no justification whatever for restoring the investment allowance. But, nevertheless, if circumstances change then obviously we would consider it. My Government, I believe, has shown that it is prepared to consider matters, or reconsider them, as circumstances change. It so showed in respect to devaluation and there is not a single member of Parliament who objects to the devaluation. In effect, our revaluations over the first 22 months has been cut down to half that amount. The dollar is considerably more valuable than it was when we came into office, but it has been devalued from the height which it had reached.

QUESTION: You just made reference to your own longevity as Leader of the Labor Party. I wish to ask a supplementary question to one which you answered in a recent Washington "Meet the Press" program. You were questioned about the dangers of left-wing groups in the Caucus ousting you and you replied that they would be cutting their own throats. I now ask....

PRIME MINISTER: Any group that wanted to oust me would be cutting their own throat. I don't want you to think that the only throats to be cut would be those you describe as left-wing.

QUESTION: Do you regard yourself as indispensable to the Labor Party and do you believe that you are the only person competent to lead a Labor Government?

PRIME MINISTER: No, I believe there is a wealth of talent in the Australian Labor Government in this Parliament. I believe that I have the greatest amount of talent at the present time. But quite apart from what I may think about this, this is unquestionably the view of all my colleagues. This is not an issue on which I feel disposed to differ from them.

QUESTION: Does it concern you that Caucus has already made one decision on one of your Budget matters, namely the 10 per cent surcharge, and are threatening to do so on the education one as well? Or, do you consider that this is just pure bloody mindedness?

PRIME MINISTER: Let me get this in perspective. We've been in power for over 22 months now and the Caucus has overruled the Cabinet on two occasions. Once was a year ago on the gold subsidy. The second was on reducing the range of taxpayers who had to pay a higher rate of tax on their unearned incomes. Now on this latter one - there was no surprise on my part because, in fact, when the matter came up for discussion in the Caucus one of those who supported the discussion of it by committees of Caucus was the Treasurer himself and what emerged from the committee consideration was in fact proposed by the Treasurer at the very Caucus meeting where it arose. Now, I wasn't particularly upset by the change which was made. There has been an advance in what I believe was an equitable principle that people should pay a higher rate of tax on their unearned income than on their earned income. Now there is one other matter where you can say that during the lifetime of my government my view has been rejected by the Caucus, that was on the question of Parliamentary salaries. But the Cabinet wanted, proposed a view which the Caucus adopted. I was in a minority in the Cabinet and in the Caucus.

QUESTION: I was just going to make an aside, Sir, that if there is any blood letting or blood cutting, neck cutting, would you take that tie off and leave it for one of us before it happens. But, on a more serious note, have you made any comment yet on the result of the British elections?

PRIME MINISTER: I sent a cable to Mr. Harold Wilson but I haven't made any public comment. Nevertheless, I am very happy to say here, and it would come as no surprise to you, that I am delighted that the Labor Government has been re-elected and has a majority in its own right. I'm rather sorry that my old professor, Enoch Powell, is exiled to the neighbouring islands and so on, but nevertheless, clearly I believe that there should be government by a party which has a majority in its own right. I am glad that the British Labor Party now again has that.

QUESTION: What is your view about the unsolicited distribution of bank cards and do you feel that they could add to inflation? And, also, did you receive one?

PRIME MINISTER: Yes I did, I did.

QUESTION: Did Mrs. Whitlam receive one?

PRIME MINISTER: Yes, she did. In recent months she has got an account of her own actually. So we received bank cards. Now, at last, when I don't have to establish my bona fides as a creditor, credit is being foisted on me. I am not sure that we will use them or destroy them or return them. I think that is the increasing order of probability.

QUESTION: Can you say which one has the greater credit, or is that too personal?

PRIME MINISTER: Oh I think it is, but you are an old friend and I will talk to you afterwards. I mean you and I both married well.

Comment: You have more houses than I have.

PRIME MINISTER: I think I was at your wedding and you at mine, and they have both lasted.

Comment: Amazing.

PRIME MINISTER: This was the first and best of my appointments.

QUESTION: Can I interrupt? Did you in fact in Cabinet yesterday discuss with your ministers the possibility of a December election?

PRIME MINISTER: No. I repeat, though, that we will not be working for any election before the three years is up.

QUESTION: Did you have a discussion outside Cabinet?

PRIME MINISTER: Oh, obviously, one talks about various contingencies but I don't want to talk about what goes on in Cabinet. There were no agenda items on this and I shouldn't have to repeat that I believe that if you go to the people with a three-year program as we did, then you should try to carry it out.

QUESTION: On October 1, in his first day on the floor of the House as Acting Prime Minister, Dr. Cairns made it clear to the Parliament that the present reference to the Industries Assistance Commission apropos the new lands in Western Australia could be opened up as a general reference on the question of superphosphate and, in fact, was wide enough for a general reference. In view of that do you still adhere to what you said in the House this morning?

PRIME MINISTER: I don't know what Dr. Cairns said on this matter. Of course I adhere to what I said this morning.

QUESTION: There seems to be some suggestion that the Government, after all contrary to Mr. Enderby's announcement, may not buy the Leyland land at Waterloo. Was this matter discussed yesterday in Cabinet, and as far as you are concerned will the Government be proceeding with that?

PRIME MINISTER: There was a report on this matter in Cabinet. I had discussed it with two or three of my colleagues before I went away three weeks ago and the general idea is that that land could be very effectively used by the Australian Government for a range of activities which it has in the urban field.

It would not only be well situated for housing but also, quite clearly, for child-care and health centres and other initiatives in that area.

QUESTION: Were you aware during the flight from Hawaii to Suva that the Permanent Head of the Foreign Affairs Department, Mr. Renouf....

PRIME MINISTER: Well, before you go any further here, I was asked questions in the Parliament this morning and I will answer no further questions on it.

QUESTION: Do you believe that Australian uranium producers should be allowed to negotiate new contracts for the sale of uranium abroad?

PRIME MINISTER: Mr. Connor discussed this on a motion by Mr. Anthony on 2 October while we were away and again on a motion by Mr. Anthony this morning. I heard this time what he said, I read what he said on 2 October and I find each speech completely convincing. As I said in Question Time today, he massacred Mr. Anthony on 2 October and he would massacre him today - and he did.

QUESTION: Yesterday morning you were offered some friendly advice from the President of the Miscellaneous Workers' Union, Mr. Roy Cameron?

PRIME MINISTER: I have got nothing to add.

QUESTION: On one point that you didn't refer to yesterday, Sir, was his remark that you should say more and your ministers should say less...?

PRIME MINISTER: I agree completely with what he said on that.

QUESTION: If the education deduction of \$400 is a waste of money, why isn't an education deduction of \$150 not also a waste of money?

PRIME MINISTER: There are still a great number of things and services which parents have to pay for themselves in the education field. We have, of course, made tertiary and technical education free. We have vastly increased the expenditure on schools. We are undertaking expenditure on the pre-schools and child-care facilities, the general matters in the scope of the children's commission which we are appointing an interim committee. The objective, of course, must be to get all the materials and services in the educational field provided free but they are not yet provided free, but \$150 would certainly cover what is not yet free.

QUESTION: How important do you think the so-called "social contract" is in combating inflation and how optimistic are you that the forthcoming talks with the A.C.T.U. might lead to some basis for such a contract?

PRIME MINISTER: Mr. Justice Moore's conference is resuming today and we are taking part in it so, although it is meeting in private, you know the attitudes we are taking there and you know also our reaction to the decisions of the A.C.T.U. meeting of unions three weeks ago. The "social contract", as you call it, as it's called

in Britain, is the best hope for restraining cost inflation and we are moderately optimistic that we can bring about such arrangements in Australia. Clearly, a Labor Government is more likely to get those arrangements in Australia, as in Britain, than a Tory Government.