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PRIME MINISTER ON MONDAY CONFERENCE

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Bob Moore: Very recent public opinion polls have suggested that your Government and your own popularity are on the down-turn again after being on the up-turn, after being on the down-turn. Why do you think this is at present? Why the down-turn now?

Mr. Whitlam: I don't know. I don't concern myself too much with these regular polls. The two matters I always have in mind are these - that when there is an election and the voters have to make a real choice, then they are much more likely to vote for the Labor Party than for the other parties. There is no use just protesting against the Labor Government. They will come to see that we are better than the others, or a sufficient number will. And the second thing is - I think that during an election campaign, people get for the first time exposure to the positive things that we are proposing or that we have done.

Bob Moore: In practical terms, what affect has Mr. Fraser being Leader of the Opposition, made to you as compared with Mr. Snedden being Leader?

Mr. Whitlam: The main thing is that the Parliament behaves better. Mr. Snedden didn't control his followers and didn't attempt to control the Country Party which just ran amok. Mr. Fraser has done a much better job in that respect. I don't know how important conduct in Parliament is, outside. I don't know this. I thought that Mr. Fraser would be much less responsive to whatever was the latest newspaper story. He is more, as Mr. Snedden always was. I think Mr. Fraser is falling into that error of getting absorbed in just temporary issues instead of looking at the long-term objectives. But I think his big trouble, compared with Mr. Snedden, is that he has never had to work for a living. Mr. Snedden always did and Mr. Snedden had lived where most people in Australia live. Mr. Fraser never has.

Alan Ramsay: And yet, Prime Minister, you once said, not so long ago that you thought Malcolm Fraser had been born to lead the Liberal Party.

Mr. Whitlam: I think that would be his view and the people who put him there, would have had that view too.

Bob Moore: In general terms, do you agree with Mr. Fraser's proposition that barring exceptional circumstances, a party that has a majority in the Lower House should normally expect to run its three year term.

Mr. Whitlam: 'Of course I do. I think Mr. Snedden's great error was to allow the Country Party to overwhelm him on that issue a year ago when he had a premature election. It was against principle. It was the wrong thing to do and finally, he was the

one who suffered.

Creighton Burns: How much easier would life be for you, Prime Minister, how much more effective do you feel your Government would be if you had a smaller Cabinet than the 27 you have now?

Mr. Whitlam: I have told the Cabinet, I've told the Caucus, the our Government would be twice as good if it were half the size.

Creighton Burns: Told them recently?

Mr. Whitlam: About a month or so ago. Of course that's obviously the case. You've got to face the fact that we inherited an act of Parliament which says there are 27 Ministers. It's an extraordinary form of self denial for any Party to reduce such a benefit - 27 people are bound to be Ministers. What about Fraser, of course, now, is a Shadow Cabinet of over 30.

Alan Ramsay: Did you give the Caucus any reasons why you thought life would be much easier if in fact the Ministry was half the size.

Mr. Whitlam: I forget what context it came up in.

Alan Ramsay: Are you likely, in fact, having said this, that we are going to see something in the near future whereby the Ministry might be smaller?

Mr. Whitlam: There is quite a lot of discussion in the Party along these lines, but mind you I think the way in which it could come up, is to have a Cabinet and then Ministers outside the Cabinet. I think that's a possibility.

Creighton Burns: You've never really, for any sustained period had what would be called a 'kitchen Cabinet' have you? I mean in the period before the last Budget when there was a small group of Ministers around you and you were really operating in an informal Cabinet system in a sense. But that didn't last for long. Is this a tactic, is this a possible system?

Mr Whitlam: There are several matters which come before a group of 5 or 6 Ministers, that's true, which don't go to the Ministry as a whole.

Bob Moore: You've said that you are in favour or that you prefer the idea of the Cabinet being elected by members of the Parliamentary Party, compared with the Prime Minister appointment. But leaving that aside in general, are there any details of the procedure by which Ministers are elected by Caucus that you would like to see changed.

Mr. Whitlam: These are all technicalities.

Bob Moore: There's nothing substantial?

Mr. Whitlam: Nothing substantial. I strongly believe, as I always have believed, that it makes for greatest cohesion and harmony in a Parliamentary Party, to have the Party as a whole, elect its Ministers. Where you have a Prime Minister appointing Ministers, you immediately have the people who aren't Ministers blaming, not the Party as a whole, but blaming the Prime Minister and those that the Prime Minister has appointed take it for granted. They think that their virtues are self-evident.

Alan Ramsay: There is some support in your Party though that possibly a compromise could be reached between a wholly elected Ministry and possibly the Leader of the Party, choosing, say, twelve and Caucus electing the rest. Would you support this?

Mr. Whitlam: No, I would still think that who are to be the twelve, the Cabinet, should be decided as we decide who are to be the Ministers as a whole, namely, at a secret ballot. I wouldn't want the burden of choosing which are the best twelve Ministers. I would want to know who the Party thought were the twelve best.

Alan Ramsay: Yes, but I don't mean electing the twelve best. In other words, the Leader having the right to choose twelve members of the Ministry as a whole.

Mr. Whitlam: I don't seek that. Those that were not in the twelve, who were in the rest of the other 15, they would blame me for being left in the second 11. I would rather the Parliamentary Party, as a whole, take that responsibility.

Alan Ramsay: Would you accept then that the fact that your Caucus elects the entire Ministry breaks down the principle of Cabinet solidarity?

Mr. Whitlam: It does to a certain extent, yes. But it has the virtue that was so obviously lacking in the McMahon and the Gorton Governments, where people who were not Ministers, or people who were Ministers and not in Cabinet, blamed their plight on the Prime Minister. I don't think that that makes for harmony or cohesion in the Government Party. I support the fact that the Ministry and any Cabinet within the Ministry, should be chosen at a secret ballot by all the members of the Parliamentary Party.

Alan Ramsay: Would you prefer that the Cabinet of 27 or 12, or whatever in fact it might be, who having arrived at a decision then be bound by that decision within the Caucus or do you go along with the concept as it happens now, that Ministers go around if

they oppose a decision in Cabinet?

Mr. Whitlam: Some do. But I don't want you to think that most do that. Most do not. The practice we have reached is this - where after the Cabinet has made a decision, any member of the Cabinet feels so strongly about it that he wants to oppose it in the full Parliamentary Party, the Caucus, then he should tell his colleagues in the Cabinet, that that is his intention.

Alan Ramsay: Do they do that?

Mr. Whitlam: Yes they do. Most do. There have been a few people who have not, who have been underhand - but only a few.

Alan Ramsay: And you go along with this?

Mr. Whitlam: I think that's the way it works. I can see the argument that it's unfair that a person who feels very strongly on a matter, should be silenced and not only silenced but should be dragooned into voting for a Cabinet decision in the Party as a whole, which he thinks is wrong.

Alan Ramsay: You have got a committee of the Caucus in fact looking at your Caucus standing orders.

Mr. Whitlam: There has been for some months.

Alan Ramsay: And they in fact will come up with some recommendations on this very question of the election of Ministers. I don't know what they are going to be.

Mr. Whitlam: I expect so, that's their charter to come up with such proposals to simplify the election. The trouble is that up till now we've had three stages for electing the 27. One of the suggestions - it is one that I would support - is that the whole Ministry should be elected on the one ballot. It is more likely to produce the choice of the Parliamentary Party as a whole. What we have at the moment means that those that don't get in the first two ballots - you know the Ministers - all join forces to get the remaining positions available on the third ballot.

Alan Ramsay: Would you expect this review to come up with the support of the principle of an inner Cabinet of 12 or 14?

Mr. Whitlam: I don't know. I'm not sure what their thinking is on that.

Bob Moore: Last week, Dr. Coombs, in addressing a Public Service Association in Melbourne, suggested that maybe the convention ought to be changed in accord with Labor Party practice. What he was saying was, that under a Labor Government, Caucus has, at times, such a powerful policy role, maybe Caucus should have the kind of access to Public Service advice that only Cabinet has under the convention. Do you see any merit in this suggestion?

Mr. Whitlam: Public Servants can, and constantly do, speak to Caucus committees. That's always been the possibility or the practice and, in fact, they speak to Opposition committees. Any member of the Opposition or any of the Opposition committees that want to speak to particular Public Servants or people from particular Government instrumentalities, such as the airlines or the banks, or anything like that, only have to ask and we arrange for people to go along to talk to them. And the same happens, of course, in the Government committee meetings. But it is quite, I suggest, erroneous to think that the Caucus or Caucus committees can be policy-making things. They are too leisurely and too incoherent in their composition and procedures to do that. Of course, the Cabinet makes the proposals. That is the case with any Executive. Sometimes the Cabinet's views don't prevail but that's very rarely. Obviously you can't have a Government run by so large a body as 90 or 100 people such as you have in the Parliamentary Labor Party. Policy matters, initiatives, are taken, after all, by individual Ministers usually, and principally by the Prime Minister.

Alan Ramsay: The Caucus does, in fact, have the overriding authority to say yes or no to a decision?

Mr. Whitlam: Of course it does. Under our practice, ever since there has been Labor Party representatives in Australian Parliaments, the people who will be voting in the Parliament decide, collectively, how they will vote on any proposition coming up in the Parliament.

Alan Ramsay: You don't think Caucus has too much power?

Mr. Whitlam: No, that's reasonable enough, after all. When the public vote for a Labor member of Parliament, they know that he will participate in deciding at meetings of the Parliamentary Party, how he will vote in the Parliament. They know that he will have as much opportunity as any other Labor member of Parliament to decide how the Party will vote and he will abide by majority decision of the Party on that question, how he'll vote. That's always been the practice. It's what all the parties do but as in so many things, the Labor Party pioneered it.

Bob Moore: In the debate over the \$2,000 million or \$4,000 million loan, do you feel that the Government was let down by the Treasury?

Mr. Whitlam: Be more specific.

Bob Moore: Were you not told things that you should have been told and were other people told things which they should not have been told, in your view?

Mr. Whitlam: I should have been told one particular matter, that's all, one particular matter, but I don't think that the person who raised that, the Deputy Leader of the Opposition, Mr. Lynch, was told very much, because obviously his allegations, it turned out, were without foundation. Mr. Lynch is very free in what he says. He said on one of the A.B.C. programmes that he suspected that there had been no meeting of the Executive Council. Of course there was. That was his first allegation. The second allegation was, that the intermediary, to use his term, had a criminal record and that Scotland Yard has reported on him. A couple of days later, he said that there was a report from Scotland Yard in typewritten form on Treasury files. I hadn't heard of this so I called in the Secretary and he told me that there had been an oral inquiry from Scotland Yard and the response was that there was nothing detrimental known about the intermediary. I wasn't told but after all, there was nothing to tell me, was there? Mr. Lynch was obviously astray.

Alan Ramsay: It must have embarrassed you that Mr. Lynch, in fact, knew more about this business than you did from your own Government people?

Mr. Whitlam: Well he obviously didn't. He had fabricated it.

Alan Ramsay: Are you saying he fabricated it or the people who gave it to him fabricated it?

Mr. Whitlam: If anybody gave it to him, they misled him, or he fabricated it. The fact was that there was nothing in typewritten form from Scotland Yard on Treasury files. Treasury had made an oral inquiry from Scotland Yard and Scotland Yard didn't say there was a criminal record and they made no report on it. They said they knew nothing detrimental to him. This is a very reckless, and irresponsible, improper thing for Mr. Lynch to say. Obviously, he didn't get the information from Treasury which he used in the allegation he made in a question without notice.

Alan Ramsay: You are quite certain that none of this information that he got, whether he built on it or fabricated it or otherwise, came from the Treasury?

Mr. Whitlam: I don't know. It seems funny that the word Scotland Yard occurred. It may be somebody in the Treasury let the word Scotland Yard drop in Mr. Lynch's hearing, but obviously there was no basis for what Mr. Lynch alleged, that the man had a criminal record, or that there was a Scotland Yard report in typewritten form about him.

Alan Ramsay: Are you trying to find out that in fact anybody in Treasury did give this, or any information, to Mr. Lynch or the Opposition?

Mr. Whitlam: No, of course I'm not trying to. I don't assume that anybody in Treasury did. Quite obviously, anything that came from Treasury would not have justified what Mr. Lynch alleged.

Creighton Burns: Apart from the petrodollar affair, have you any other reason, Prime Minister, to feel that you and your Government haven't been properly and loyally served by Treasury or any other Department?

Mr. Whitlam: No. Let me say this. The only criticism I would make is that when this question by Mr. Lynch, using the words Scotland Yard, came up last Monday, I'm sure somebody in Treasury would have had the penny drop. They'd watch what's going on in Parliament, I daresay some of them listen, but they certainly would have read Hansard the next day. In those circumstances, they should have come clean and told me what there was. When it was used on the Wednesday, then I inquired and, as it turned out, there was nothing that they should have told me at all. I think they should have told me, after the question on Monday when the word Scotland Yard was used, they should have told me - 'well in fact there was an oral inquiry and it turned up negative'.

Creighton Burns: In other areas, do you feel that you received the co-operation and support from the Public Service which you are entitled to?

Mr. Whitlam: Yes. The Federal Public Service is an extraordinarily capable body. It's true that I think the Treasury, and the Reserve Bank for that matter, have erred in economic advice, but after all, the Government might have made mistakes there too. Maybe you say that the Treasury and the Reserve Bank should be more expert, they have had longer experience and they shouldn't have erred.

Alan Ramsay: That's the first time I've ever heard you admit that the Government might have made some mistakes, on the economy.

Mr. Whitlam: Well we haven't spoken enough. Of course we have made mistakes, but everybody's working, these days in developed countries, in an extraordinarily difficult economic climate. Everywhere in Western Europe and in North America, Japan and Australasia, you have this extraordinary economic situation. Each of us suffers it and it's the worst

economic situation that any of us has suffered for 45 years. I don't want the viewers to get any impression that I'm making any general criticism of the advice. But quite clearly, the advice that we received from the Reserve Bank and the Treasury in September 1973 about the credit squeeze, was belated and the advice continued and the credit squeeze was allowed to continue too long. It ought to have been brought on three months or more earlier and should have been ended three months or more earlier. Secondly, it was quite clear that the advice we received from Treasury last August about the deflationary measures, was misconceived. But those were two cases where I think, one must admit, the advice was wrong. I've made the general criticism and we have taken steps to correct the situation, there are more relevant and prompt statistics made available to the government.

Bob Moore: What are the mistakes that you have made, you said that the government had made some mistakes?

Mr Whitlam: You don't expect me to go into that.

Creighton Burns: Do you think one of the reasons for your present economic problems and some of the Government's present difficulties is your insistence on maintaining your promise not to increase taxes in your first year, to try and finance reforms out of national growth? That while this may have been an admirable insistence in keeping your electoral word, that there may well be occasions in the national interest when a Prime Minister or a political leader at any level will have to break his word simply to achieve a given objective. So with hindsight, do you still stick by your decision not to increase...?

Mr Whitlam: This is almost two years old. This goes back to the Budget of August 1973. You may be right, but at that time the advice was both ways. It's quite wrong to say that all the advice was to increase taxes. That was not the advice from everybody - it was from some people. I don't like going against things that I've promised at elections and I'm very intent, if it's at all possible, doing things that I have promised at elections. After all, this was the one instance really, where there was discussion in the Party before the 1972 election and there was discussion whether, in the policy speech, I should make a reference that we would not put up taxes or not. I assembled the opinion and the opinion was that we should say they would not go up. Now, having sampled the opinion and having expressed that undertaking, I would have been very reluctant to go back on it. We have gone back on some things to the extent we had to defer the timetable. Our present deficit is due to the fact that we have reduced taxes so much, and everybody said that to reduce taxes, personal and company, as we did last November, was necessary to reflate the economy.

Creighton Burns: Do you think that with hindsight that the 25% across the board tariff cut might have been illjudged. That it might have been better to have been selective about it?

Mr Whitlam: No I do not. I think that was correct and I'm glad that I have some Ministers who are now talking up staunchly for the fact that Australia's resources are best used if we don't raise still further the tariff wall around us. We are a trading country. It's true you get people working in industries, employers

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employees, owners, getting together to put pressure on Government and we have to yield to some of that pressure in some areas where, obviously, there was an unacceptable amount of unemployment, but I welcome the opportunity to say that the interests of a great majority of Australians in this generation, as well as future generations, will be best served by having a smaller tariff barrier than Australia has had. We just are not serving ourselves properly. We aren't using our resources and we are putting up our prices

Bob Moore: Do you agree with what Senator Jim McClelland is saying?

Mr. Whitlam: Utterly, completely - he is a very effective Minister, one of the most effective Ministers I have, publicly and privately.

Alan Ramsay: You are satisfied that there are not some sections of the Public Service who are actively trying to undermine your Government by passing on information to the Opposition?

Mr. Whitlam: No, I don't think they do. There are obviously ...

Alan Ramsay: There have been some damaging disclosures of late on this.

Mr. Whitlam: That always goes on but it doesn't happen at that level which I and my colleagues see the Public Service. Obviously there must be a lot of people who see things and gabble around, but, no, I don't want to support any allegation that you make that the Public Service is not a loyal one. The Public Service, true, at its upper levels most of them have got their positions during 23 years of Liberal/Country Party rule so it would be true to say that they are conservative in general approach and secondly, that they are not used to national initiatives. They grew up, they got their positions in circumstances where the theory was - oh that's a matter best left to the States. Nobody ever thought of local government, but that's a State matter. Of course, that's where the deterioration in our society, to a certain extent, our economy, came about. So, it's true they wouldn't be innovatory. Some of them wouldn't show as many initiatives, but it's not true to say that they would be disloyal. Any Australian Government would be superbly served by the Federal Public Service.

Bob Moore: We are talking with you in a climate of suggestions or speculations about a possible spill of Cabinet. Would you like to see that happen?

Mr. Whitlam: I don't think there will be one.

Alan Ramsay: Would you support these soundings that were made last week by some members of your...?

Mr. Whitlam: I don't initiate any

Alan Ramsay: No, I'm not saying you do. I'm just saying do you support the soundings or did you support or do you support now, the soundings that were made to see whether or not there could be one?

Mr. Whitlam: Well I suppose I ought to give a candid answer to you - a general attitude. If a new Ministry were being elected now, there would be some changes. Quite obviously in the 2½ years since the present Ministry was elected -there have only been two new Ministers in that time, Senator Wheeldon and Senator James McClelland who you mentioned, Mr. Moore, both magnificent additions to the Ministry - but in the 2½ years since the rest of us were elected, clearly the people would have come to realise that there would be some people on the backbenches who would be more effective than some who are on the frontbench. After the next election, when there has to be an election, I would expect there to be a few changes in the Ministry.

Alan Ramsay: And you wouldn't expect something to happen before the next election... ?

Mr. Whitlam: I don't think so, but mind you, I'm relaxed about these sort of things. For instance, if a move were made for a spill, I would support it because I think it is clear that once the ice is broken, once the people have tempted fate the first time, they would do it a second time. You remember all the to-do last November or December, whenever it was, when there was a move for a spill in the Liberal Party and all the effort was put into beating the move for a spill. If Mr. Snedden at that time had said - right, let's have it, I'll support it - he would have been re-elected then, he might still be there now, but it happened the first time and it failed. The next time someone moved it, it was carried although he opposed it, then he stood and was beaten. So, my general philosophy is, if there's any move for a spill, it's best to get it over with. I put my own job on the line too, I think I would survive.

Alan Ramsay: But you are not initiating one?

Mr. Whitlam: Certainly not. I am happy to work, and I want everybody else to realise, that I'm happy to work loyally with whoever is elected by the Party and I want all of them to realise that.

Alan Ramsay: If there was a move by somebody else, that you would support?

Mr Whitlam: I think in those circumstances, one would have to. I wouldn't say it would be carried but I wouldn't want anybody to be in any doubt as to my attitude; that if anybody felt so strongly about the matter, that they thought there ought to be an election for the Ministry as a whole, again, I wouldn't want to give any impression that I was frightened of the outcome or that any Ministers should be frightened of the outcome.

Alan Ramsay: Why does Mr Barnard want to retire from politics?

Mr Whitlam: He has stated, and this has been knowledge for some time, that he will not be standing at the next election.

Alan Ramsay: Why does he want to go now?

Mr Whitlam: Well does he? I'm not going to feed this speculation. I don't respond to speculation like this. He hasn't been offered anything.

Alan Ramsay: Well nobody had denied it and least of all Mr Barnard.

Mr Whitlam: I don't respond...

Alan Ramsay: Do you think Mr Barnard has been happy or unhappy in the Government since he lost the Deputy Leadership a year ago?

Mr Whitlam: Yes, you wouldn't get a more loyal, industrious serene character. I have known him for 21 years, last Thursday, when he was elected to Parliament but if you look at the legislation and the administrative arrangements he has made since he was superseded as Deputy Leader, 10 or 11 months ago. It's been a magnificent record - all the new procurement programs, the new legislation and prospective legislation. Lance Barnard has been the most effective administrator that our defence force has had in anyone's memory.

Alan Ramsay: Having said you won't feed speculation, would you like to kill it by saying he doesn't want to go now?

Mr Whitlam: No, I won't. I said he hasn't been offered anything. I should know.

Alan Ramsay: Certainly, Prime Minister, All I'm asking you is has he asked you for something?

Mr Whitlam: No certainly not, I'll answer that forthwith. If I respond to this - one of the papers today said that another Minister was expecting an appointment - if I answer questions like this, we'll go right through the Ministry.

Alan Ramsay: Do you regret that he lost the Deputy Leadership a year ago?

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Mr Whitlam: I'm not going to answer questions like that. You know I supported him. I accepted the decision, he accepted the decision.

Alan Ramsay: I would suggest, Prime Minister, that he has been quite unhappy since.

Mr Whitlam: He hasn't been. You asked me that and I denied it already.

Creighton Burns: You said a moment ago, that sometimes circumstances force the deferment or even the default of promises.

Mr Whitlam: I don't think there's been a default in any, but there have been a few deferments, there has to be.

Creighton Burns: You're surely now facing a situation which might become a very real problem because most economists seem to think that we're looking at a very substantial budget deficit in the next financial year and there have been strong representations that there will have to be some substantial reductions in Government expenditure. Under these circumstances, do you think it still makes good sense to go ahead with the abolition of the means test? There is \$230 million or so at stake in that, money which will, in many cases, go to people who already have satisfactory standards of living, as a subsidy maybe not for the rich, but for the comfortable. In other areas of policy your Government have rejected that as a principle, in education for example, 'A' category schools, that the young rich don't get the benefit but the old rich do. What is the sense in pushing ahead with a program which will perhaps force cuts in other critical areas of social expenditure?

Mr Whitlam: This may be deferred but it will not be abandoned. I'm far too committed to this to tolerate an abandonment of that. It's been spun out, as you know. For instance, I said in the '72 elections, that everybody of 65 or over, would be getting the full pension, that is without means test, by the end of that Parliament. That would bring us to the end of this year. Well, it won't be in force by the end of this year, but let's look at this. In the middle of last year, twelve months ago bar five days, I think it was, at the Premier's conference then, I said that we would in fact, be deferring some of the means test abolition, and there was a huge outcry that I'd betrayed promises. Let's face up to this. If we were to abandon that, the people who would be criticising us would be the Liberal and Country Party people in the Parliament who are always asking us to cut expenditure. So it may be spun out, but I would expect by the time that the next House of Representatives election is due, that is mid '77, that the means test will be abolished, as I said it would be, by the end of '75. That is, it will have been deferred by 50 per cent.

Creighton Burns: Even if this in the meantime involves imposition of some additional cuts in other expenditure which you...

Mr Whitlam: Well, this is an undertaking on which quite a number of people have now been banking. A lot of people have now ordered their affairs in reliance on our undertakings and we have honoured all our undertakings of this character and I won't be in deferring it. Mind you, we know perfectly well that it's not on politically to do it because our opponents wouldn't say that they would defer it. So it's one of those things that's all right for you chaps in a television studio to suggest that this would be the responsible course. But we have to live in the kitchen, we have to live with these things and we couldn't survive with it. And of course I suppose politically nothing would suit us better than for our opponents to say that they would abandon it or defer it. They won't, we won't. It will come about.

Creighton Burns: That last year, the 65 to 70 group, would be deferred or possibly spread over another two years?

Mr Whitlam: That would be right, yes.

Bob Moore: Why do you think it is that the private sector or large parts of it, feel that your Government is so unsympathetic to them, that after all they feel that Dr Cairns, particularly in recent months,?

Mr Whitlam: I don't think it is true to say that the private sector is against us. It is true that some sectors of the private sector are against us and are vocal. I notice Mr Fraser was stirring them up to protest against the Government, to abuse the Government, to denounce the Government. The fact is that you just don't get any top people in business in the private sector, you don't get Managing Directors or Chairmen of Directors of big companies or responsible institutions attacking my Government. You don't, and the relations we have between us are quite civil, quite respectful, and we acknowledge, gratefully, the fact that there are a very great number of people, top people in business, who have been willing to give up their time to head or to serve on, committees or commissions which advise us. And they know that if they advise my Government their advice will be made public and it will certainly be seriously considered. We couldn't have done many of the things which we have initiated, but for the advice of leading people in the private sector. They had expertise; it was not available to Governments; my Government sought it, and is making use of it.

Bob Moore: I am surprised to hear you say that there aren't

some top people, Managing Directors, who aren't critical of the Government. I can't swap names with you?

Mr Whitlam: Well, I suppose the insurance people are doing it at the moment.

Bob Moore: Isn't a fairly common complaint among business people that they are worried about the lack of certainty of the Government's plans...?

Mr Whitlam: You mentioned the 25% tariff cut. It's true, I suppose that we have been roundly abused, betrayed one might say, by some of the American motorcar companies in Australia. That's true. And I suppose some of the textile people have abused us a bit although they're not abusing us that much now.

Alan Ramsay: Betrayed, did you say betrayed?

Mr Whitlam: Yes, well we very fully consulted them and they applauded what we did and a month later they abused us. This is getting a few months back now, this is November and December you will remember.

Creighton Burns: One of the criticisms that is made, it may not be made to you or face to face with members of your Government, one of the criticisms is that curiously that while there is much talk of planning in the Labor Government there is not nearly enough planning to satisfy the problems the businessmen have in doing their own planning. They say that this criticism comes sometimes from within the ranks of your own Government. One of your newly appointed Ministers recently said that he thought there was as much ad hocry in this Government as there had been in previous Governments. Do you think there is a problem about planning?

Mr Whitlam: I can't remember which Minister this was. This might have been in, say, some of the protection field. It might have been Jim McClelland. We have had to yield a bit to some ad hoc pressure, that's true. I've gone along with it. Jim McClelland has said, quite rightly, that this assistance that we have given through the Tasmanian Government to APPM at Burnie - now that's the principal employer at Burnie - he has said that if they close down, it's just the same as if Burnie was struck by cyclone Tracy. That's true. You can't by any normal standards, justify what we did there, but it's perfectly open and the Opposition is not going to defeat it. They can. They wouldn't bring down the Government, if they did it, but there's no chance of them defeating it. There's a lot of nonsense spoken on it.

I didn't like doing it but it was an open thing and it is something based on what was done by our predecessors, you remember, for the canning industry in Shepparton. The act is exactly the same. People aren't used to it being done so overtly for secondary industries.

.../15.

Creighton Burns: The point that is made though is not simply relating to issues like APPM. The criticism is a general one that the Government's general priorities are not as clear as they might be and that industries and firms cannot plan ahead, particularly in this present economic climate with the confidence which they feel that could in the past.

Mr. Whitlam: Well, let's take the Industries Assistance Commission which replaced the Tariff Board - a much more expert body than the old Tariff Board and theirs is a much more efficient body; I think it will be. When it comes to the private sector there's a limit to what the Federal Government can do, but if you look at our submissions to the Arbitration Commission, to the Prices Justification Tribunal, the establishment of the Industries Assistance Commission, the way we are going about those matters which concern the private sector, we are much more efficient and open and making it possible to have overall planning than was the case before. There are other things which will take longer to come into play, such as the Trade Practices Commission, because this can be very complicated. All the other countries we mentioned, North America and Western Europe have long had this and we haven't yet had it in Australia. This is the sort of planning they have in mixed economies and it's the sort we will have too. What the Government ought to be doing mostly in a mixed economy is planning the public sector and we have done that better, more thoroughly, more forthrightly, than any previous national Government.

Creighton Burns: A third of the public sector affects the States, about a third of the public expenditure goes to the States.

Mr. Whitlam: That would be about right.

Creighton Burns: And, of course, this problem is going to come up again in two weeks for the Premiers' Conference.

Mr. Whitlam: Yes.

Creighton Burns: The growth in Government expenditure has been, I think, faster in the States than in the national area.

Mr. Whitlam: Yes, right. It's been at least 50 per cent more in the States than it has in the Federal. You get a terrific amount stated about the growth in the Public Service. The Federal Public Service in the last 12 months has grown by 3 per cent. The State Public Services have grown in that 12 months by about twice that.

Creighton Burns: What I want to raise about this, Prime Minister, is that if there are going to be constraints on spending there will have to be constraints on the State spending as well as

Mr. Whitlam: As well as Federal, yes.

Creighton Burns: Do you feel the machinery for agreeing on these constraints, is adequate?

Mr. Whitlam: No, it's not.

Creighton Burns: Do you believe that Section 96 which I think Sir Robert Menzies really pioneered but which your Government has used very rigorously, some would say brutally, in some cases ...

Mr. Whitlam: We used it deliberately.

Creighton Burns: Is this an adequate instrument of Commonwealth/State or Central/State ...?

Mr. Whitlam: It is the only instrument that has been, so far, available. I would very much like to have better coordination. Let's take something which everybody acknowledges is principally a public responsibility, a responsibility of the State and Federal Governments - transport. I would be very happy to discuss with the States, say, what amount, what proportion of total public funds ought to be spent on transport. Previous Governments have always said - now look we'll look after civil aviation, don't you States worry about that. And the States have always said - now look the railways are ours, don't you Federal people come into this. As a result, you've got a very great dislocation there. Take the roads. Somewhere about 40 per cent of the total money spent on roads in Australia comes in the form of an outright grant, not a loan, no interest, no repayments, an outright grant by the Federal Government. And yet our roads are atrocious. The fact that you can't go under economic conditions between Sydney and Melbourne is a scandal. I would be very happy if we could have a five year plan, Federal and State, saying what proportion of the national product should be spent on transport and what proportions on each form of transport.

Creighton Burns: Would you be happy also to let State administrations have a bigger say in the detail of the expenditure and not be subject to such?

Mr. Whitlam: Yes, I think we ought to pool our knowledge here. This is a field where, I suppose, everybody would acknowledge that Governments have prime responsibility and we ought to have more consultation on it. It's no skin off my nose if the States express some views as to airports and aircraft. By the same token, it's reasonable enough that we should have something to say, about say, interstate roads or the principal railways or in fact urban transport. I give you that instance and I don't mind extending that to the delivery of health services and so on.

Alan Ramsay: Why do you think it is that Prime Minister Lee Kuan Yew of Singapore is so antagonistic to yourself and to

your Government?

Mr. Whitlam: I don't know. I've known Mr. Lee Kuan Yew, I suppose, for 12 years. I suppose I would have seen him at least a dozen times, for hours at a time in that period. I can't believe it's the same man that I discussed things face to face, as the man who is reported from overseas or gives press conferences overseas. It just baffles me why there should be this difference. Now I assume that he does give press conferences overseas, as reported. You have served over in Singapore and you would know if a high Government source says it to some of your impressionable successors in Singapore, that it would be with his approval. So I assume, either he is not prepared to have things out with me face to face or he's a different sort of man. But your colleagues overseas see him on these occasions and I don't. Personally, there is no difficulty, there never has been, in discussing any subject.

Alan Ramsay: Why don't you ask him why does he keep dropping buckets on you in public?

Mr. Whitlam: It's not so public.

Alan Ramsay: In Jamaica it was fairly public then. He had some rather caustic things to say ...

Mr. Whitlam: And your colleagues who were in Jamaica had some very caustic things to say about him. They thought he was around the bend, didn't they?

Alan Ramsay: Do you agree with that?

Mr. Whitlam: If they correctly report him, yes. All I can say is that he is quite lucid when he speaks face to face.

Bob Moore: Do you see any problem of principle of the threat ...?

Mr. Whitlam: I don't overlook the fact that he is in a difficult sort of situation, in political and economic terms and I suppose he has to look after the interests of his nation as he is trying to create it, the best ways, and I suppose if I come in his sights on some occasions that way, well I've just got to cop that.

Bob Moore: Do you see any problem of principle in the threat by Commonwealth Public Service unions to organise against the Opposition, because of the Opposition's stand on the Superannuation Bill?

Mr. Whitlam: No, I think it's counter-productive if any particular interest group looks as if it is bringing too heavy a pressure to bear on a political party. I don't seek that sort of pressure and I think it can be counter-productive. I don't mind if the Public Servants vote against the Liberal Party, but I don't want them to organise campaigns like that I know, for instance, the way the Labor Party suffers from many gratuitous campaigns in the trade unions.

Bob Moore: I don't know whether you've read the piece now celebrated, I suppose in the last couple of weeks by Paul Johnson in the New Statesman on Unionism and Socialism.

Mr. Whitlam: Yes.

Bob Moore: Do you accept all or any part of his thesis?

Mr. Whitlam: The trade unions, after all, are part of the capitalist system, aren't they?

Bob Moore: He certainly argues that.

Mr. Whitlam: Of course they are.

Bob Moore: In practical terms, as a Labor Prime Minister ...?

Mr. Whitlam: A Labor Government does much more to bring about social democracy than the trade unions can. Trade unions just interact with employers. That is a transitional stage of society when the people who want to bring about social democracy do so through having a Labor Government.

Bob Moore: But he says more than that, he says unionists are inimical to socialism.

Mr. Whitlam: You don't expect me to go that far do you?

Bob Moore: Well I'd like to hear you ...

Mr. Whitlam: Why don't you put that sort of view yourself? That's what always intrigues me about you interviewers in Australia. People in the B.B.C. always put, with all the confidence and aggression of which they are capable, and that is a lot, they put their own views. In Australia, you always like to hide behind somebody else's. Do you agree with what Mr. Snedden says? - that's what it used to be. Do you agree with what Mr. Fraser says? - that's what it is presumably this month and the next few months.

Do you agree with what Lee Kuan Yew says? Do you agree with what Paul Johnson says? Haven't you views of your own?

Bob Moore: Would you be happy with interviewers who consistently took a line that was opposite to yours?

Mr. Whitlam: I'd be just as happy as those who then quote some colleague or some opponent or some correspondent, and then put that forward as a view which they want me to contend. It's not much use me arguing with Paul Johnson or Lee Kuan Yew when they are a few thousand miles away.

Creighton Burns: One of your colleagues thinks the press has been unfair to your Government. Another one of your colleagues thinks it has been as fair to your Government as to any other Government. I think it has been remarkably fair to your Government. What do you think?

Mr. Whitlam: I think where it's been critical of us, it's been half our responsibility. I think the Melbourne 'Age' has gone far too far in some ways. I'll admit, as I did earlier, that we've made mistakes but you would never get a newspaper to admit that it has made a mistake.

Creighton Burns: We published it in "We Were Wrong" and we specified. You admit the principle of that you might make mistakes but you don't specify them.

Mr. Whitlam: Yes, that I think is one little mote in your eye every day and the beams of course ..

Creighton Burns: Symbolic of our modesty, Prime Minister.

Mr. Whitlam: That hadn't occurred as the explanation to me.

Alan Ramsay: There was the debate in Parliament in February, initiated by Mr. Wentworth, about Dr. Cairns' staff. Dr. Cairns in defending his right to appoint to his staff, made a statement in which he said - 'I have read a long statement by the Commonwealth Police and an offence which points to the involvement of a number of members of this House in that conspiracy to enter Miss Morosi's home illegally.' Has any police action been taken about this conspiracy by members of the Parliament in an illegal act?

Mr. Whitlam: I forget all the details here. My memory is that there was a case in the courts in Sydney, where the people who had burgled Miss Morosi's flat pleaded guilty and they were associated with the Liberal Party.

Alan Ramsay: But your Treasurer (inaudible).....

Mr. Whitlam: As you say, it's a few months ago and not even Mr. Wentworth has come back with these allegations. You don't seriously expect me to argue with Mr. Wentworth on a programme of this quality.

Alan Ramsay: I'm not arguing, I'm just asking you, what has been done about this, when a senior member of your Cabinet says a police report says that there has been conspiracy by members of Parliament?

Mr. Whitlam: My memory is that the people involved pleaded guilty. I'm right aren't I?

Bob Moore: I think you are.

Alan Ramsay: That's got nothing to do with this particular point.

Mr. Whitlam: I think it did.

Alan Ramsay: NO Members of Parliament appeared in court. If there's a conspiracy by members of the Parliament to carry out an illegal....?

Mr. Whitlam: Look, I really don't remember the details. You must take Mr. Wentworth more seriously than I do.

Alan Ramsay: No, I'm not quoting Mr Wentworth, I'm quoting Dr Cairns, your Treasurer. He says this.

Mr. Whitlam: I don't remember the details. I must confess I never thought that this would be raised on this programme. If I had I suppose I would have gone to the labour of pursuing the matter.

Bob Moore: It seems, in the past few days anyway, that Mr. Somare is having rather more trouble than one would have thought in organising independence day and independence and all that. Are you happy with the way things are going in Papua New Guinea now? And, secondly, is there anything which would cause the Australian Government to insist on, and would it be able to, a particular day for independence?

Mr. Whitlam: Obviously we can give Papua New Guinea independence in the juristic sense when we want to. After all, we have in practice, in fact, given Papua New Guinea, complete independence.

Papua New Guinea Ministers now visit other countries - Indonesia, China, Japan, in their own right. We obviously, have to make the arrangements but we don't accompany them on that. They just proceed in their own way. Secondly, they now have control of their own armed forces. The only situation that is left is for them to have international recognition as an independent country and that would be given whenever we ask the United Nations to do so. I would be optimistic that, in fact, Papua New Guinea will, itself, seek independence this year. I think Mr. Somare's setbacks in the Constituent Assembly as the House of Assembly is now called, have been on procedural matters, not on matters of substance. He is a superb parliamentarian, he is a superb politician and I think that his leadership in the country will be vindicated yet again. It's only about four years ago, at the beginning of 1970, that he and I were being tagged by the Australian and Papua New Guinea security services throughout Papua New Guinea. And now we are leaders of our respective countries.

Bob Moore: I don't quite know what the moral of that is.....

Prime Minister; That things do move much quicker than people think.

Bob Moore: Thank you very much Prime Minister for talking to us on Monday Conference and for accepting questions hypothetical and spiritual alike.

Prime Minister: And some quite archaic.
