

PRIME MINISTER'S PRESS CONFERENCE

CANBERRA, 10 JUNE, 1975

Mr. Whitlam: Ladies and gentlemen, when I announced the ministerial changes last Thursday night, I didn't include details of the Ministers assisting. As you will notice, there are now several departments which have been given additional responsibilities, so there is a need to have additional Assistant Ministers.

Senator Bishop, the Postmaster-General, will also be Minister assisting the Minister for Defence. You remember that he did act as Assistant Minister earlier, before Mr. Morrison became Assistant Minister.

Senator James McClelland, the Minister for Labor and Immigration, will also be the Minister assisting me in matters relating to the Public Service.

Mr. Morrison, the Minister for Defence, will also be Minister assisting the Minister for Foreign Affairs in matters relating to the islands of the Pacific.

Mr. Stewart, the Minister for Tourism and Recreation, who has been Minister assisting the Treasurer, will now also be Minister assisting the Minister for Social Security and Minister for Repatriation and Compensation.

Mr. Riordan, the Minister for Housing and Construction, will also be Minister assisting the Minister for Urban and Regional Development.

The Government has decided to establish a National College of Navigation and Communication to provide education and training for officers in the Australian maritime industry and to site it at Launceston. The decision results from the report on 'Training Requirements for Sea-going Personnel' by Mr. Malcolm Summers, who is the Royal Commissioner inquiring into various aspects of the maritime industry. His report was tabled on the 11 July last, and has since been discussed with all the States.

Launceston was chosen because the College needs to have practical training facilities at a seamanship centre, including a jetty, boat repair sheds, boats, liferafts and periodic access to a small training ship. It needs to be situated close to sheltered water with good access to the sea.

Those were the requirements set out by the Royal Commissioner, Mr. Summers, and Launceston has all these requirements and its proximity to Bass Strait is a decisive consideration. As you know, the RAAF has always centred its navigation training in Bass Strait.

The Government accepts the recommendation of the Royal Commissioner, that the College should be based on a requirement of 300 student places, with provision for future growth. The Government accepts the recommendations of the Commissioner that the College should be situated close to a tertiary institution which may need to be developed further than the existing advanced education facilities in Launceston. Library, hall of residence and some other facilities could, by arrangement with the Tasmanian Government, be available for joint use with Tasmanian tertiary students.

The Committee which has been investigating post secondary education in Northern Tasmania will be asked to recommend the manner of this association between the National College of Navigation and Communication and the new tertiary educational facilities which are being developed in Launceston.

The College will educate deck officers, engineer officers, radio officers and it will provide for higher studies including nautical science degree qualifications for which at present Australian seafarers are forced to go overseas.

The College will be comprehensive, with predominantly tertiary level studies with associated courses at a level appropriate for seamen and fishermen and including practical training in safety, fire fighting and life saving.

Prime Minister: Are there any questions?

Question: How do you equate your Brisbane statement that ordinary people are more prosperous than they've ever been with the highest unemployment since the depression and the present high inflation rate? What immediate steps do you expect the new Treasurer to take to rectify this anomaly?

Mr. Whitlam: The steps which have been made to alleviate unemployment are well-known to you all and they are working. The fact is, as I stated in my weekly broadcast in Queensland on Sunday, the standard of living for most people has certainly risen. That is the average income, taking into account taxation, is higher than it was in real terms, and in many cases, such as those who are on pensions, it is conspicuously higher. I think

to give one instance there, the cost of living in our two and a half years, has risen by about 36%. The age pension for single pensioners has risen by 80%, for pensioner couples by 74% and one can go through all those fields where incomes depend on payments by the Australian Government to demonstrate that in every case the incomes, in real terms, are conspicuously higher than they were when we came into office two and a half years ago. As regards incomes fixed in the general sphere by Arbitration proceedings and so on, after taxation incomes are worth more than they were when we came in, significantly more.

Question: When do you expect to have the report of the inquiry into the allegations by Dr. Cairns?

Mr. Whitlam: I wrote on Friday afternoon to Dr. Cairns, to Mr. Hayden, since some of Dr. Cairns' former office staff may now be in Mr. Hayden's office, and to Sir Frederick Wheeler, the Secretary of the Treasury, Mr. Harders the Secretary of the Attorney-General's Department and Mr. Menadue the Secretary of my own Department in these terms :

"You will be aware of the statement made in the House of Representatives yesterday by Dr. Cairns concerning the handling of papers in his office in the Treasury and in the Attorney-General's Department dealing with loan raisings. Naturally I take a serious view of what Dr. Cairns has said and I, therefore, require from you a full report insofar as your Department is concerned, including signed statements from any individual members of the staff who have dealt with this matter in any material way. The report and accompanying statements should be produced to me early next week."

Those letters were delivered to Sir Frederick Wheeler and Mr. Menadue at 4.30 on Friday afternoon and delivered, I believe, to the others at the same time, within a few minutes thereafter. I've had no written statements or reports yet. If there is any disparity in the statement, any discrepancies in the reports, the statements I receive, then I will have an inquiry of a quasi judicial nature instituted.

Question: Last week at his press conference, Dr. Cairns said that he was removed as Treasurer because, in your view, he had acted unwisely in his dealings with Mr. George Harris. Was that the only reason he was removed?

Mr. Whitlam: The sole reason.

Question: Would you say what prompted you to remove Mr. Cameron as Minister for Labor and Immigration?

Mr. Whitlam: The general changes were due to my belief of where men can best serve; which Ministers can best discharge particular portfolios at the present time or from now on.

Question: Can you tell us then what special qualifications Mr. Cameron has as Minister for Science?

Mr. Whitlam: The Department is Minister for Science and Consumer Affairs. The Department was changed last Friday to emphasise that consumer affairs are primarily in that Department. Mr. Cameron's qualities to investigate and pursue issues are well known to you and such qualities are conspicuously suitable for consumer affairs.

Question: If the sole reason for Dr. Cairns' dismissal as Treasurer was the question of the letters on overseas loan raising and since you have already asked for an inquiry to be instituted, would it not have been fairer to wait for the result of the inquiry before dismissing Dr. Cairns?

Mr. Whitlam: I believe not. Dr. Cairns doesn't dispute, he never did dispute, the letters which he had given Mr. George Harris as he has already reported to the Parliament. I believe that it was unwise for him to give such letters. There's no dispute concerning the passage of letters between Dr. Cairns and Mr. Harris. There is the question of how the letters came to be transmitted by Treasury officials to the Attorney-General's Department. It is obviously a matter of interest that the Head of a Department, the Departmental Head, should seek a legal opinion about his Minister without telling the Minister, without telling the Prime Minister.

Question: Your judgement there, is that based on the original letters or on the version that you received via the Attorney-General's Department?

Mr. Whitlam: I didn't receive a version directly from the Attorney-General's Department. I received the Attorney-General's Department's opinion from the Secretary of the Treasury.

Question: What is the distinction between the loan raisings of Mr. Connor and Dr. Cairns? Did Mr. Connor provide full details of all his intermediaries to Cabinet and why is it that he has escaped scot-free in this matter?

Mr. Whitlam: It's well-known that the transaction in which Mr. Connor had authority, was known and discussed by all relevant Departments; his own Department, Treasury, Attorney-General's Department and myself.

Question: Why did you decide to incorporate the Social Welfare Commission into the Department of Social Security?

Mr. Whitlam: What I've done is given the same man, Senator Wheeldon, both portfolios. The Departments are separate, but one Minister holds both of them. There has been concern about the proliferation or duplication of the delivery of welfare services. Senator Wheeldon, the Minister for both Social Security and Repatriation and Compensation, has shown his outstanding effectiveness as Minister for Repatriation and Compensation and I thought he would be an ideal man to see that research and policy and equipment, new computers and that sort of thing, were all properly coordinated between these two principal welfare departments.

Question: The question I think was about the Social Welfare Commission which has been abolished or is to be abolished.

Mr. Whitlam: Yes. Legislation will be introduced to abolish the Social Welfare Commission. I announced that last Thursday night, about 10 o'clock last Thursday night. I did state then, that the Social Welfare Commission would now become a bureau within the Department of Social Security. It may become a bureau within the Department of Repatriation and Compensation. As you know, the National Advisory Council for the Handicapped, under Mr. Justice Meares, will be responsible to the Minister for Repatriation and Compensation and it may be that the Social Welfare Commission will become a bureau in that Department. But in all events in either case, it will be under the same Minister, Senator John Wheeldon.

Question: Why have you decided to make the Social Welfare Commission a bureau, to take away its former status?

Mr. Whitlam: So that the policy functions which it has been discharging, will, in fact, be fed in directly to the Department most concerned.

Question: Are you satisfied that no legal agency existed between Dr. Cairns and Mr. Harris on the basis of his letters? If so, can you tell us why you think his action was unwise? Was it because he failed to consult properly?

Mr. Whitlam: I don't believe it was a responsible thing for a Treasurer to give that sort of letter. I'm not going to give a legal opinion on it. You have a legal opinion from the Secretary of the Attorney-General's Department.

Question: Have you had a legal opinion on the letter Mr. Connor gave to Mr. Khemlani. How does it differ from the letter Dr. Cairns gave to Mr. Harris? And why is Dr. Cairns' action less responsible than that of Mr. Connor?

Mr. Whitlam: I've already stated that what Mr. Connor did was in consultation with the Departments I've named. There have been many statements by the Opposition and by the media in recent weeks regarding the borrowing overseas of petrodollars. I want it clearly understood that the Government has not negotiated any such borrowing. I want it clearly understood that no-one has authority to make any such borrowing on the Government's behalf. In answer to a question in the House of Representatives on the 21st May, I informed the House that the authority given to the Minister for Minerals and Energy in connection with a proposed \$2 billion loan, had been revoked. The authority has not been renewed. The week before last, I became aware that the former Treasurer had given certain letters relating to the possible borrowing of monies overseas. This was done without my knowledge and without consultation with the Minister's Department. Henceforth, no person has authority to do anything in relation to borrowings by the Australian Government unless it is done with Mr. Hayden's authority. That includes the AIDC which, as you know, has statutory authority to borrow overseas. It is, ministerially, the responsibility of Senator James McClelland.

Question: What other intermediaries did Mr. Connor use besides Mr. Khemlani if any, and why is there this reluctance to make Mr. Connor's letters public?

Mr. Whitlam: Mr. Khemlani was not an intermediary. Mr. Connor had authority under the Executive Council minute, to borrow as Minister for Minerals and Energy. That authority has been revoked.

Question: Dr. Cairns said he had authority under ExCo. as well.

Mr. Whitlam: I don't believe he did say that.

Question: If you believe that Dr. Cairns

Mr. Whitlam: You're referring to the Saudi Arabian Monetary Authority and AIDC. Well those are authorities given to the Treasurer under Executive Council minute.

Question: If you believe that Dr. Cairns has acted unwisely, what do you feel about the role played by Sir Frederick Wheeler in not telling anybody that he'd sought this legal advice?

Mr. Whitlam: I've already made the only comment I'm going to make on that subject at this stage.

Question: Would you agree that a Permanent Head's first obligation is loyalty to his Minister?

Mr. Whitlam: There are several duties which a Permanent Head has, several duties. I believe that if there is a difference of opinion between a Permanent Head and his Minister, then the Permanent Head, according to custom, according to precedent, according to right practice in my view, should bring the matter to the attention of the Prime Minister.

Question: Can you explain why the Federal Government has brought the North West Shelf Gas project to a standstill for more than twelve months?

Mr. Whitlam: Because the States have challenged the Federal legislation in the High Court. I say the Federal Government's legislation. The legislation which is being challenged by Western Australia and by all States in the High Court, certainly was introduced by my Government and it was passed by Parliament under my Government. But it is the same legislation as was introduced in April, 1970, under the Gorton Government, in the name of Mr. McMahon, who was then Foreign Minister.

Question: The company just want details of the optake of gas, the price and when it will be available so they could continue to plan even while this

Mr. Whitlam: You can put their case if you wish. You can be their advocate. I'm not going to be an advocate. What I want to do is to assert the Australian Government's responsibility in this matter. When I was in Opposition, I made it quite plain that the Opposition would support the Gorton Government's legislation. When Mr. McMahon became Prime Minister, I still made it plain that we would support that legislation. It was still on the noticepaper throughout the term of office of the McMahon Government. After Mr. McMahon became Prime Minister, it was on the noticepaper, under him, in the name of his Foreign Minister, Mr. Bowen. When we came in, we brought the legislation in. At last, on the second attempt, we secured its passage. Now we've done all we can. We did so in Opposition, when it was introduced in April, 1970. We at last got it through in our first Parliament. We've done all we can. I sympathise with the position of the company for which you are speaking. The fact is, however, that the Australian Government has done all it can. It introduced the law, it is justifying the law before the High Court which has reserved its decision.

Question: Have you asked Mr. Connor if he has sent any further letters to other people involving overseas borrowings?

Mr. Whitlam: Yes.

Question: Has he sent any?

Mr. Whitlam: No.

Question: The letter to Mr. Khemlani is the only one is it?

Mr. Whitlam: There is no letter. There was a cable, there have been cables. There have been no communications to anybody else. As I mentioned, the whole of that transaction is ended. I thought I'd made that plain.

Question: Next week the annual meeting of the Premiers is being held in Canberra. I understand that officers, federally and state, have been having discussions. Is there any sign of a better accord being reached or are we to expect the usual wrangle at the end of next week? And do you propose that the new formula which is to be worked out should run for the usual five years which has been the practice, or for a lesser period?

Mr. Whitlam: There have been discussions between me and my colleagues and by us with our officials on this matter for some weeks past. The Premiers sent us proposals on the 15th of last month. I received a telephone call from Mr. Lewis on their behalf last week and I told him what our program was. The principal Ministers concerned discussed this yesterday. I am sending a cable to Mr. Lewis and maybe the other Premiers too today. Our officials are meeting theirs on Thursday. The Cabinet will be discussing the whole matter on Monday, and I expect then to give a fuller reply to the Premiers on Tuesday. We meet on Thursday and maybe Friday of next week. You'll see from this timetable that there has been much more preliminary discussion than there has been before previous Premier's Conferences. On previous occasions, the Premiers had not made their officials available and had not themselves forwarded any communications to the Federal Government, certainly not to the extent that has happened on this occasion. On previous occasions, the Federal response was made on the day of the meeting itself. As you see, there will be a preliminary response by me today. It will be pursued by officials on Thursday and there will be a definitive response next Tuesday. This means that the Premiers will be able to confer further on Tuesday or Wednesday and on Thursday there will still be some matters, I expect, for us to discuss directly.

Question: Have you asked Sir Frederick Wheeler to take the governorship of the Reserve Bank when it becomes vacant, Sir?

Mr. Whitlam: We made an offer a couple of months ago.

Question: Beyond paying his fare, will your Government give Mr. Phillip Lynch any assistance in his offshore operations overseas?

Mr. Whitlam: He's going into the sleuthing business over there apparently. Well I frankly haven't considered this matter and it hasn't been put to me up till now, so therefore I haven't given very much consideration to it. As I think I made pretty plain on 'Monday Conference' last week, Mr. Lynch may get some scraps of information. They are either misleading to him or he has embroidered them in a misleading fashion. The only things that Mr. Lynch has ever said precisely on this matter, have been quite wrong.

Question: What was Sir Frederick Wheeler's reaction to the offer? Did he accept the offer of the governorship of the Reserve Bank?

Mr. Whitlam: Not at that time.

Question: Has he accepted it since?

Mr. Whitlam: It's only been made once.

Question: Do you plan to offer it again?

Mr. Whitlam: I've got no answer for that.

Question: As the Government claims a strong record on civil liberties questions, have you got any comment to make on the Opposition's endorsement of a march in Melbourne recently, in which the leader of that march said that she'd be naming the private political beliefs of members of the Victorian Education Department?

Mr. Whitlam: I hadn't heard of this. I read your paper quite closely, Mr. Clark, and I didn't see it, but I haven't seen it elsewhere. I'm not aware of the matter at all. I'm not sure whether this is a breach of civil liberties. I don't suppose that there should be any particular mystery as to what people's beliefs are if they're in a position where those beliefs might be relevant. I think it's sufficient to say that if they

are relevant then a person is entitled to hold them but it's nothing unreasonable in them being disclosed. There's nothing particularly mysterious about this. Some people in the media have even had the gall to ask me what my beliefs were on certain matters. I don't let the Australian media get away with such an impertinence but I must confess I yielded once or twice to a couple of B.B.C. people.
