

PRIME MINISTER'S PRESS CONFERENCE  
ADELAIDE

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PRIME MINISTER: I believe you wish me to say something about the elections here next Saturday for your House of Assembly and for half your Legislative Council.

The sole issue in these elections is whether you, in South Australia, are to have the best State Administration anywhere in Australia replaced by an Opposition which is linked with the Liberal negativism and obstruction in Canberra. Because that's what it is all about. This election was brought about because of Liberal obstruction in the Legislative Council of South Australia, you had Liberal Members and an LM Member voting against the Labor Members of the Council and also, of course, there were some, to their credit, there were some Liberal Members of the Legislative Council who also voted with the Labor members of the Council: which is a sufficiently extraordinary thing to do. But you have got this situation, that in the Legislative Council here you have some Liberals so cussed, so obstructive, that they will vote against something which is clearly in the interests of the State. You have the extraordinary situation that most of the Liberals in the Council and an LM Member of the Council voted against a Bill which had gone through the Federal Parliament without opposition.

Now you all know very well that if there is any ground for opposition to any legislation that my Government introduces in the House of Representatives or the Senate there will be criticism of it and obstruction of it and frustration of it. But in this Bill, the Bill to ratify the agreement between the Australian Government and the South Australian Government for the acquisition of the non-metropolitan railways in South Australia, there was not only no vote against the Bill in either the House of Representatives or the Senate but there was not even any criticism of it in either the House of Representatives or the Senate. It was in fact supported by many of the Liberals. It was supported by Senator Steele Hall, and it's unquestionably of benefit to the State. Because not only does the State gain outright an additional \$10 million this year, but in addition to that it is saved the inevitable increase in railway deficits which occur as long as Australia's railways are run in the separate State compartment

So it was an absolute bonanza for the State. It meant that the State got rid of something which could never fail in later years to be an increasing burden to it.

QUESTION: Mr Prime Minister it will be alleged tonight on a television program that you yourself knew as far back as December last year when Mr Crean lost the portfolio as Treasurer, about the overseas loans issue. Also .....

PRIME MINISTER: If you don't mind. There is no basis in such allegations at all. But I'm not answering questions on those matters. I gave a very full Press Conference yesterday in Sydney on this: I think you were represented there. Certainly it was shown on T.V. in Adelaide last night. So I have nothing to say on this, the matter will come out in the proper form now, next Wednesday afternoon, in the House of Representatives. If anything is to be produced of that nature then the Liberals will be perfectly free to produce it. I invite them to do so.

QUESTION: On the State issue then, may I ask you a question?

PRIME MINISTER: Of course.

QUESTION: It has been reported that Federal taxes are crippling the South Australian Wine Industry. Can anything be done to assist the Wine Industry in this State?

PRIME MINISTER: Yes, something is being done on this matter. Mr Dunstan was in touch with Treasurers this year, my Treasurers, and there has been a thorough examination made of the situation of the wine firms in South Australia. The position is not the same with all of them, of course, nor is the seriousness of the situation the same in all cases. But I gave Mr Dunstan a note on this last night - you know we were together at a function last night, a thousand people or so there at the Juventus Ball - and so he knows and he will convey the details of what we are going to do. But the net position is this: the people who produce wine in South Australia will be in no worse position than other business people in Australia as regards their taxation liabilities.

QUESTION: What about unemployment in that industry?

PRIME MINISTER: Well, this matter will deal with that. I mean that there is no question that the wine industry in South Australia has a very rosy future. There can be no question of that. This is one of those industries where there -rural industries -where there is not only a certain increase in domestic demand but there is also - very largely due to the new markets being sought by my Government, which has made more trade agreements with other countries than any previous Australia Government - as a result of that there is a very much increased appreciation of and demand for Australian wines. And as you would say here, that obviously means particularly South Australian wines.

QUESTION: Is it true that Mr Lynch has claimed/<sup>anyway</sup>that Mr Dunstan asked you not to come to South Australia during the current .....

PRIME MINISTER: Mr Dunstan gave a very effective reply to that. Nobody believes Mr Lynch; there was no basis in that at all. I would certainly have been here more occasions if I hadn't had other preoccupations.

QUESTION: Do you believe your presence here during this weekend in particular Sir, .....

PRIME MINISTER: Were you there last night, did you see the reception I got last night?

ANSWER: No.

PRIME MINISTER: Well it's a pity you didn't because we were, I could say, rapturously received. Don Dunstan and I, separately and together.

QUESTION: You don't believe that Federal Issues will have any part to play in this State election?

PRIME MINISTER: Indeed they will. The whole issue is, well the whole basis of this election, is the nature of the cooperation between the Federal Government and a State Government. Now certainly my Government has been very generous to South Australia. But every other State could have got the same good deal from my Government as South Australia has got under the Dunstan Government. The fact is that the Dunstan Government had the nous to move quickly, to take advantage of the laws which we have been able to get through the Federal Parliament. And as a result South Australia was the first of the States, the only Mainland State, to take advantage of the proposals that my Government made to relieve the State Governments of two inevitably growing burdens on their budgets. One is the railways; there is no State which can look forward to anything other than an increased deficit on its railways every year for the foreseeable future. You just can't run railways in State compartments, and we offered to acquire the railways of each of the States. Now South Australia was the first, so far the only, Mainland State to respond. And the other thing of course is the hospital expenses; hospital services and health services in general are going to be an increasing burden on every State budget. The percentage of money which has to be spent on health services, and in particular, hospital services, is going to increase more than any other public expenditure, Federal or State. And the proposal we made was that we would pay half the cost of running the State hospitals if the people who entered the Standard Wards were not charged fees; if there was no means test, there were no payments and South Australia was the first of the Mainland States to accept that.

Now the upshot of all this is that South Australia is the only State whose books are in the black; the other five are all in the red. South Australia is the only State which balanced its budget in the year just closed or has any hope of balancing its budget in the year just entered upon .

QUESTION: Providing railway transfer goes through.

PRIME MINISTER: Of course. Well I have no doubt that it will go through, because I can't believe that the people of South Australia would not return the Government which cooperated with the Federal Parliament on this matter. My Government introduced the South Australian Railways Bill, but it was passed by the Parliament. Now in those circumstances I don't believe for one minute that the people of South Australia would put in a Government which wouldn't cooperate with Labor or Liberal federally, whereas Dunstan, of course, he would cooperate with the Federal Government if it was doing something for the advantage of South Australia. And there can be no question, this is to the advantage of South Australia. South Australia, the Dunstan Government, is the only Government in Australia which can promise to remove any form of taxation in this new financial year: the only one in Australia.

QUESTION: It's been suggested that it was probably a political bribe for this election. What do you think of that?

PRIME MINISTER: The election wasn't due for another year. If one was having bribes one would have it closer.

QUESTION: <sup>The promise</sup> No/I mean the promise of the \$10 million, if the deal goes through.

PRIME MINISTER: No. What do you mean? What \$10 million?

QUESTION: If the, the announcement last week that \$10 million would be forthcoming.

PRIME MINISTER: No but it has been paid. The money has been paid over. We kept our part of the bargain. That is, the Federal Parliament authorised the payment of a certain sum of money in the last financial year. So we paid it.

QUESTION: The money from the 1975/76 financial year .....

PRIME MINISTER: No the amount, but it is all in the Agreement.

After all, there can't be much wrong with an Agreement which all the elements in the Senate support. You have got this extraordinary situation here where there are Liberals and LM people who will vote against something which is supported by their Federal colleagues. And I don't think that anybody can doubt that this is a bonanza for South Australia. Because South Australia, more than any of the Mainland States, depends on good communications. But this is not just something we have done suddenly. In January 1973 I wrote to Don Dunstan offering to acquire the non-metropolitan Railways. Why we said non-metropolitan was, in South Australia alone the metropolitan railways can generally be separated from the others and there is the new one along to Christies Beach the first electric railway you have had in South Australia which obviously can be run as an urban entity of its own.

Now this offer was made in January 1973 and we have been working on it, our officials, and our Ministers, Geoff Virgo, Charlie Jones, ever since: and we concluded the arrangement. Any other State could come into it but, as a matter of fact Sir Henry Bolte and Sir Robert Askin, before we came in offered their railways to the Federal Government. When we came in Mr Hamer said no, I won't now. And Sir Robert Askin was discussing it with us and about two or three months ago, Mr Lewis, you know very macho said, "The discussions are off!" But we went on here. But you know in South Australia, you more than anybody else depend on being able to deliver your consumer goods to the other States or Territories and this is not only done by the acquisition of the railways which will certainly transform their capacity to equip, you know with signals and rolling stock and so on. But we also have undertaken the Crystal Brook railway, the Adelaide to Crystal Brook, which means that there will no longer be a break of gauge between any of the State Capitals. When that railway is finished - We are, of course, now totalling doing it - it means that any of your goods will be able to go without break of gauge to Melbourne as they already can, but also without break of gauge to Perth, which they can't now; to Sydney, which they can't now; to Brisbane which they can't now. And furthermore we are also from Tarcoola to Alice Springs, a couple of months ago I inaugurated it, we are building the largest railway project which has been undertaken in Australia for over half a century. And there

.. too it will be a standard gauge heavy duty railway. And so you will be able to go without break of gauge and whatever the weather from Adelaide to the Centre. Now this transforms the transport position and immensely improves the economic position of this State. You've got an excellent deal from my Government. And it was always possible for the Australian Government to do these things. Everybody knew they had to be done, but it waited for us to do it.

QUESTION: Sir in the wake of the Bass by-election there has been predictions there could be a marked swing against the Labor Government in the coming elections. Does this concern you?

PRIME MINISTER: No, I don't think it's on: for two reasons, a by-election is never as good for a Government as a General election; that was a by-election and people took the opportunity to express displeasure with the Government in the Parliament to which they were electing a replacement member. But this is a general election, a general election, and I have no doubt whatever that the Dunstan Government will be returned well in the House of Assembly and it will similarly at last get a majority in the Legislative Council. This is the first Legislative Council election where everybody will have a vote, man and woman, 18 and over - and I have no doubt that they will rejoice in exercising the franchise for this historic chamber.

QUESTION: Mr Whitlam, taken that the Federal issues will play a part in this State election, why won't inflation, unemployment and high interest rates effect the votes of these South Australians?

PRIME MINISTER: Well in most things there can be nothing said against the Dunstan Government in any way at all. As a matter of fact the Dunstan Government has achieved, by cooperation with the Federal Government, much lower land prices than you will get in any Mainland capital. I think it is \$26 million that my Government paid to the Dunstan Government in 1974/75 to acquire land to be developed and subdivided and sold at cost. You know you have the cheapest urban land in any Mainland capital and this has been brought about because the Dunstan Government accepted the offer

made by my Government. I'm not saying that this is any favoritism to South Australia because we would have had to do the same to any State Government which accepted the offer. Because when we introduce legislation of this character it is of universal application through Australia. But the Dunstan Government was the first one on the Mainland to accept the proposals and you've benefited from it.

Now this is a very clear example, despite all the carping of the Liberals and so on, this didn't have to go through the State Parliament. It just had to be done by an agreement between the Premier and the Prime Minister and of course, we have done that. It went through the Federal Parliament, it couldn't be frustrated by the State Parliament and Legislative Council and accordingly the Premier and I were able to consummate the arrangements.

Now if you are worried about inflation, the State Government here has done more to restrain it than any State Government in Australia. Furthermore they do have some regulation <sup>of</sup> prices here, the only State Government that does, and they are, when this Bill goes through, in the unusual position of being able to remove a tax, the petrol tax. The only Government in Australia which will be able to remove a tax.

QUESTION: If South Australians want to lodge a national vote in protest against inflation and unemployment, don't you think they could do so at this election?

PRIME MINISTER: They would be very foolish to take this opportunity of getting rid of a Government which has/all a State Government can do in these matters. done

QUESTION: Prime Minister do you think the loans business has hurt Labor in this State campaign and will a special sitting of Parliament help?

PRIME MINISTER: The special sitting will undoubtedly help because the Liberals will then have to produce anything they have and justify it. They can't just hide behind a press campaign when the Parliament sits, they'll have to put up and shut up.

QUESTION: Mr Fraser says he would like to see the documents before Parliament sits. Will you make these available to him?

PRIME MINISTER: I am going to propose to him later in the day that we should give him the documents that my colleagues and I propose to table and that he should give me the documents that he and those behind him propose to table.

QUESTION: Sir, the last time Parliament was called together in such circumstances, I believe, was in World War II during a national crisis. Do you regard this as a major crisis?

PRIME MINISTER: No, no I have no more to say on this.

QUESTION: Mr Whitlam, just on that issue if I can.

PRIME MINISTER: No not on that issue.

QUESTION: There was a development yesterday after your news conference in Sydney regarding the recalling of the Senate.

PRIME MINISTER: No, no I have got no comment to make.

QUESTION: The whole thing about South Australia seems to be on the stability of Government. Do you think a coalition Government formed from the Opposition Parties would bring stability of Government?

PRIME MINISTER: There is no chance. I gather that what the non-Labor elements in South Australia are putting up is an extraordinary amalgam of Liberal, Liberal Movement and National Country Party. This is, of course, a recipe not only for obstruction to the Federal Government but confusion within the State. I don't suppose that anybody would really want to wish on South Australia the sort of collaboration between Liberal and National Country Party that occurred a month ago in Western Australia. Sir Charles Court, Liberal Premier, was deserted and blackmailed by the National Country Party Ministers, his Deputy Premier and the other Ministers. And they left the Ministry and Mr Bjelke-Petersen had to come over and plead with him and so on and then they got a couple of new members

to patch things up. This sort of thing made a farce of State Government in Western Australia. Similarly in Queensland you have a situation because of a gross malapportionment of electorates there are more National Country Party members of the Legislative Assembly than Liberal Members although the Liberal Party gets many more votes than the National Country Party does at State elections there. And there you've had this prolonged wrangle over Medibank Hospital Scheme, Queensland's hospitals were free but they were the most crowded, the longest waiting list, the worst equipped in Australia. And you had the Deputy Premier, the Treasurer, the Leader of the Liberal Party, you had the Attorney-General, a member of the Liberal Party; you had the Minister for Health, a member of the Liberal Party, all trying for months to get the benefits for Queensland hospitals of the Medibank hospital proposals. And Mr Bjelke-Petersen conducted a vendetta within the Government Parties, and between them. It was discussed in their Party rooms, it was then put to the Cabinet, the Cabinet couldn't make up its mind. It went back to the Party Rooms, they couldn't make up their minds; it went to the Cabinet again and finally Bjelke-Petersen was done.

Now is that the sort of thing you want in South Australia? In Queensland they're at last wanting to enter Medibank. Though instead of entering it on the 1st July they won't be able to enter it for a few weeks yet: they dragged the chain. And this was because of a wrangle between Liberals and Country Party. Now is that the sort of thing you want to import into South Australia South Australian politics has been disrupted sufficiently by the wrangle within the Liberal Party, the creation of the Liberal Movement arising from the quite monstrous attempt by the Liberal Party to preserve the electoral boundaries for the House of Assembly and when they lost their numbers in the House of Assembly then wanting to preserve a Legislative Council on monstrous electoral boundaries and with a restricted franchise to exercise a veto over initiatives from the Government in the House of Assembly.

Now that is the only good Government that you've been able to achieve in South Australia is under Labor which gives you a united Government in its own right, in the House of Assembly, and as a result of these first universal elections for the Legislative Council, will be able

to do so there as well. And the contrast with Western Australia a month ago and with Queensland up to a week ago shows that you would be foolish indeed to replace a constructive united Government, one that knows when and how to cooperate with the Federal Government, with a coalition ratbag of conservative elements who where they have been represented in State Parliaments have not been able to work together between themselves and not been able to work with the Federal Government.

QUESTION: On that back tax, do you propose to drop that?

PRIME MINISTER: I have given the note to Mr Dunstan and he will be communicating this. You were not here earlier on.

QUESTION: The Federal Opposition has made it clear that it will drop that tax.

PRIME MINISTER: Well I have given it to Mr Dunstan and he will know how to communicate with this. He has been in touch with us for quite some months on this; we have made the survey and I have told him what we are proposing to do and my Treasurer gave me this note for Mr Dunstan which I gave him last night.