

26

PRIME MINISTER'S PRESS CONFERENCE
PARLIAMENT HOUSE, CANBERRA
TUESDAY, 26 AUGUST 1975

PRIME MINISTER: I thought I might say a few things about the Budget at the outset. Tonight the Leader of the Opposition will have an opportunity to be precise in his criticisms of the Budget. He has made some general criticisms that it's a bad Budget and so on. He has also lamented many of the changes brought about, particularly in the tax system. This seems to strike home very grievously to him, but anyway he will be able to be precise tonight, he will be expected to be precise.

There is another thing however that I would like to say about the Opposition's approach to the Budget in general. It's been entirely destructive criticism; there have been no proposals from the Opposition, what they would have done if they were bringing down a budget in the present domestic or international situation; what deficit they would have had; what bounties or subsidies or remissions or concessions they would have made; what expenditures they would have initiated; what expenditures they would have retrenched. It is I believe a damaging thing in general that criticism should be entirely negative this way. It just doesn't help business confidence, which is quite necessary to restore health to our economy, just to make generalised cries of doom and criticism. At least an alternative government ought to be precise, it should be constructive at least to that extent.

Now I should say something about one of the features of this Budget which is quite epoch-making. It represents the biggest change in the taxation system which has ever been made in Australia. The present tax scales, of course, were introduced in 1954.

Particularly the general approach of the taxation system as a result of this Budget's proposals will be very much more just. The people who will benefit from the tax changes are, overwhelmingly, those who have dependents, and those who work harder, or longer, will not be deterred by the very high rate of taxation which has applied to marginal incomes in their brackets. This will have beneficial effect in industrial relations. People won't be wanting to ask for too much from their employers or from the Arbitration system so as to overcome the additional tax which they will have to pay. But there will be a very great number of Australians who will pay less tax and there will be in fact, the number of taxpayers will be half a million less than is at present the case. A lot of people won't have to fill in tax forms at all. And for everyone the tax forms will be simpler. So the taxation system, particularly in substituting rebates for concessions, is a very equitable thing and very much more efficient.

Now there is an addition or two of course. The concessions which the Budget has made for companies, in particular the rate of company tax, will be lower than it has been for very many years and the double rates of depreciation, which were to cut out at the end of last June, will be continued indefinitely. So, while no Budget, of course, would please everyone, no Budget would have applied the prescriptions of all the experts, in fact the experts don't agree among themselves, but this Budget does recognise that there are basic irreconcilables and accept

but it makes the most of that constraint by a balanced and imaginative combination of measures.

The next thing I wanted to say to you was to correct quite a spate of misrepresentations that some of your newspapers have made. I want to make it quite plain that none of these misrepresentations have been signed by any of you or any of your colleagues. They seem to have come from the top of the management in each case. I give three instances: One was the Mirror last Wednesday in its editorial. It responded to the Treasurer, Bill Hayden's request that critics should be specific. And this comment was made: "We will be specific," the editor says - "While we don't question the eventual need for an A.B.C. network of stereo FM stations, is it really necessary for the Government to spend a massive \$132 million on it in this economically ailing year?" Now the sum of \$132 million is the sum total in the Budget for every activity of the ABC. The amount which will be spent on stereo FM stations is \$616,000 and there will be also be \$254,000 for the PMG. So it is rather an exaggeration. That is it will be \$870,000 will be spent this financial year, not \$132 million.

Now the next one is a relatively simpler misrepresentation. I noticed on Friday the Melbourne Truth said: "The Prime Minister Mr Whitlam, had a face-to-face showdown with his stormy Minister for Minerals and Energy, Mr Rex Connor, in his office at Parliament House yesterday." Then it says: "The Deputy Prime Minister, Mr Crean, the Treasurer, Mr Hayden, and the Senate Leader, Senator Wriedt, were present with Mr Whitlam during yesterday's meeting.

Then on the basis of that story, presumably, last Friday's Mirror said: "The Prime Minister, Mr Whitlam, had a face-to-face showdown with his Minister for Minerals and Energy, Mr Connor, at Parliament House, it was reported in Melbourne today." And that was from the Mirror's Melbourne office.

Now in fact Mr Connor wasn't in my office at any time last Thursday. Senator Wriedt wasn't in my office at any time last Thursday. I don't recall having spoken to Senator Wriedt at any time last Thursday or having written to him. And I might easily have said hello to Rex Connor at Question Time on Thursday, but I didn't write to him or speak to him anywhere on Thursday at all. The story is a complete fabrication.

And the third thing is the "Australian." On Saturday it lists a great number of projects for Chanceries and residences in other countries which the Government is including "among its \$53 million for those purposes." And on Monday there was an editorial in the Australian on the same subject.

Now it all flowed, I take it from an answer which I gave as representing the Foreign Minister, Senator Willesee last Thursday on these projects. It happens that all the expensive ones all the big ones, were approved by our predecessors.

Now to be quite precise let me go through them. The cost of the Bangkok Chancery and Residence will be \$5.8 million, approved by our predecessors. The renovations and electrical works at Australia House in London will be \$477,400, approved by our predecessors. The Chancery and accommodation in Paris will be \$18 and a half million, approved by our predecessors. The Chancery in Port Moresby will be \$2 million, approved by our predecessors. The Chancery in Singapore will be \$4.4 million, approved by our predecessors. And the extensions to the Chancery in Washington will be \$4.6 million, approved by our predecessors. And lastly the construction of the Chancery in Kuala Lumpur will be \$4.2 million approved by our predecessors.

Now admittedly the question didn't ask when these projects were approved. It was assumed that we had approved them all. This year as anybody can see from the Budget we will be spending \$3 million on overseas construction for Chanceries and Residences for our High Commissioners and our Ambassadors. But the whole of that amount that I read, that is all the big amounts were approved by our predecessors.

It grieves me very much that Mr Peacock should have been reported in Saturday's Australian as saying: "Mr Whitlam's concept of open Government doesn't seem to extend to Opposition front-benchers. I haven't had a chance to see the figures yet but when I do so I may make some comment on them." That's the Australian of Saturday. Presumably Mr Peacock's comments were made on Friday. He got the answer on Thursday afternoon, because no questions are printed in Hansard unless they are received by 5.30 in the afternoon. But in all events the editorial and the original story were grossly misplaced.

QUESTION: On the question of Timor. In your Statement about Timor today you mentioned the Government welcoming the outcome of talks in Dili and Macao.

PRIME MINISTER: I will say no more on the subject of Timor. I said that I would be reporting to the Parliament probably if there were other developments. I'll leave it at that.

QUESTION: Well can I ask you about...?

PRIME MINISTER: No, no I will not elaborate on the statement I made.

QUESTION: Well there is a bit of ambiguity about it....

PRIME MINISTER: No I don't believe so. Please I will not elaborate on the statement.

QUESTION: No funds were allocated in the Budget for the Westwood extension of the Transcontinental Pipeline for the Northwest shelf. Is this project defunct or only postponed? And may I also enquire why no Chairman has been appointed to the Pipeline Authority as required by Section 61(a) of the Pipeline Authority Act which was proclaimed more than 2 years ago?

PRIME MINISTER: I don't know.

QUESTION: Prime Minister, the Government's obviously very satisfied with the Budget. Do you think that it will show its satisfaction by ensuring that the Secretary of the Treasury, Sir Frederick Wheeler, has a long tenure of office?

PRIME MINISTER: That will depend on his health and his conduct.

QUESTION: What effect will the Government's entry into the manufacture of car engines, in Adelaide, have on the private sector? Referring to G.M.H. and Ford who claim that this will lead to unemployment in the industry?

PRIME MINISTER: I don't believe that the public is so readily moved by G.M.H. and Ford as they were last year. I trust that the Party isn't so readily moved by G.M.H. and Ford as it was at the end of last year. The proposal that the Government has made is - that it should participate with the two Japanese companies, Nissan and Toyota, and Chrysler, in setting up a four cylinder engine plant in Chrysler's premises in Adelaide - Each party to take a quarter share in that enterprise. The overall interest that the Government has is - that Australians should have a choice of Australian motorcars which is more consonant with what the consumers want. There can be no doubt that Australians would like more four cylinder motorcars. They're more manouverable, they're more economical, they are cleaner, and the difficulty up until now has been that if you wanted four cylinder motorcars they usually had to be imported and usually imported from Japan. So accordingly we are wanting to encourage the Japanese manufacturers to make the engine, which is the biggest component, getting the 85% Australian content, made in Australia. Australians shouldn't be forced if they want an Australian motorcar to choose between

those that the American subsidiaries have hitherto compelled them to make.

QUESTION: Does the Government intend to introduce a Supply Bill before the passage of the Budget? And if so could you say for what purposes the money will be used?

PRIME MINISTER: No decision has been made on this.

QUESTION: Are you planning a trip abroad for December/January? And if so what stage have you reached regarding details?

PRIME MINISTER: No stage has been reached in any such plan. Quite obviously if I went away it would be over Christmas. I never miss any of the Parliamentary Session. No arrangements have been made for any overseas visit.

QUESTION: I believe it was Sunday, you intimated that the Government hadn't quite reached full Open Government. How long do you expect this to take and under what circumstances would we arrive at a situation under which we could have Open Government?

PRIME MINISTER: I haven't got the speech that I made on Sunday with me. I don't accept your summary of it. I did make a passing reference to the very glib questions and comments that so many of you put, that you're entitled to know every item and detail of the decision-making process. I pointed out that Open Government means rather the fact that the public should know the options which the decision-makers have, and that is something which the present Government has implemented very greatly indeed. The public knows to an exceptional extent, completely unprecedented extent, the advice which the Government receive. I've been asked a question already about motorcars. The reports of the Industries Assistance Commission are published much more promptly than ever was the case with the old Tariff Board. But you go through the whole range of initiatives that my Government has taken and you will see that most of them have been based on reports compiled by experts who've sought views and the experts' views have been published. That is, people now know what the options are. There is Open Government, particularly to that extent. The Government mightn't necessarily accept the advice that it receives but the public knows what the advice is.

QUESTION: In the event of any of our near neighbours finding themselves in the unfortunate circumstances of being involved in civil war, will Australia consider providing humanitarian aid to them?

PRIME MINISTER: Yes.

QUESTION: Will it do so in terms of Portuguese East Timor?

PRIME MINISTER: I'm not elaborating on the statement.

QUESTION: Prime Minister, why won't you answer questions in relation to what's going on up there?

PRIME MINISTER: I've made a statement in the Parliament, 3 hours ago, and I'm not going to elaborate on that statement. The situation is quite sensitive and I'm not going to respond to particular slants that you might want to give it.

QUESTION: In April last year, you said that the Government would not extend agreements on foreign bases in Australia. Last Wednesday and again today you indicated that's changed, in the case of Pine Gap and some other bases. Can you tell us when the Government changed its mind and why?

PRIME MINISTER: The position hasn't changed. I gave an answer to a written question, a question on notice on this matter, last Thursday - and the question stands.

QUESTION: It's different from your attitude in April last year.

PRIME MINISTER: No it's not.

QUESTION: Why has Australia dumped Papua New Guinea-if we are to believe Mr Somare?

PRIME MINISTER: We haven't dumped Papua New Guinea. We are in fact assisting Papua New Guinea to the extent of some hundreds of millions of dollars every year. I promised early last year, I think it was, that in the course of last financial year, this and next, we would be contributing \$500 million to the P.N.G. Budget - and we shall be. That incidentally is completely apart from any Defence expenditure.

QUESTION: What bases were you talking about in April last year when you said that the Government would not extend agreements?

PRIME MINISTER: I haven't got, you're referring to a question that I answered without notice, I think about the 3rd April last year, wasn't that it? And I gave an answer last Thursday. I think you're referring to some comments which you very easily elicited from one of my colleagues who was never briefed on the purposes. I have stated all along that these facilities are not parts of any weapons system.

QUESTION: When can we expect some clarification of the Government's joint venture with the Ranger Uranium parties... for nearly a year?
Peko/E.Z.

PRIME MINISTER: Within the next couple of months I would expect. I would hope less time than that.

QUESTION: Does the Government intend to press on with the establishment of the Australian Government Insurance Corporation?

PRIME MINISTER: Yes, of course. There is a gap in the insurance available to a very great number of Australians and furthermore the insurance available to a great number of other Australians is only available on terms which are too onerous. It'll be remembered that in the election campaign in May last year, I stressed that the Australian Government Insurance Corporation

would be set up to meet, for instance, the situation which was found to apply in Brisbane at the beginning of last year, and in Ipswich. There were a very great number of people who were not insured against the disasters which overwhelmed them. It was not possible for them to get that insurance from any of the normal companies or institutions. The only institution, I think, from which you were able to get flood insurance on reasonable terms, was the War Service Homes Insurance. The other point I made was that insurance has been available very much more cheaply, not only from the War Service Homes Scheme, but also from the Commonwealth Savings Bank Scheme. So the Australian Government Insurance Corporation will give insurance where none is available at the moment and furthermore it will give insurance where it is at present available but on much more reasonable terms. I point out that despite all the propaganda that's been brought about the A.G.I.C. it will have to pay its way; it will be subject to all Federal and State legislation.

QUESTION: Are you considering using Mr Connor's considerable talents in another area?

PRIME MINISTER: I don't answer questions concerning the future of my colleagues. I never have and I won't this time.

QUESTION: The Adelaide family of Dr Grady, a Geologist, somewhere in Timor has expressed concern about his safety. One report says that he is now in the hands of Fretilin supporters. What efforts, if any, are being made to find out about this man?

PRIME MINISTER: I don't remember all the details. Every Australian known to be in Timor was contacted with the offer to be taken out, and I'm told that the only ones who didn't come out declined to do so of their own free will. There was a plane went in and got some other people out who had previously declined but these ones were able to be contacted after they had second thoughts. No, I forget the names.

QUESTION: The Chairmanship of the Film, Radio and Television Board of the Australia Council has been vacant since the beginning of July and is apparently causing some problems in the operation of that Board. I was wondering, is any announcement imminent of a replacement Chairman.

PRIME MINISTER: Yes it is.

QUESTION: You can't say now who it will be?

PRIME MINISTER: No I will put it in the whole context. I approved it all last week, I think.

QUESTION: It's been reported that a large number of the evacuees who arrived in Darwin on the Lloyd Bakke want to stay in Australia. What is the Government's attitude...?

PRIME MINISTER: If there are sponsors, if there are relatives who have sponsors here well they're staying on the usual condition.

QUESTION: Could you tell us when the Government decided that it would renew the Pine Gap / and also Northwest Cape and who made the decision ? Agreement

PRIME MINISTER: The question to renew, it doesn't take that form. The facility continues unless steps are taken to end it. The situation to end it can't arise until the 9th December next that's the earliest date at which notice, a year's notice, could be given to end the agreement. No such notice will be given, as I stated last Thursday.

QUESTION: The Government's Uranium Policy Statement of the 31 October 1974 said - that the Government would consider separately the question of some earlier return for the shareholders of Queensland Mines, Naranda and Pancontinental, they have had a rather hard trot from the Government's Uranium Policy. Has this question.....

PRIME MINISTER: Wait a bit, wait a bit. You know what was said about Queensland Mines, by Mr Justice E.A. Woodward. You know that don't you?

ANSWER: Yes.

PRIME MINISTER: He recommended that no uranium lease should be granted to Queensland Mines. We accepted his recommendation.

QUESTION: We've still got Naranda and Pancontinental Sir.

PRIME MINISTER: I forget the details there.

QUESTION: But has the Government considered some earlier return...?

PRIME MINISTER: I told you that this will be considered. I think I said within two months, I hoped earlier. And, of course, I would expect there will be a statement made then. I forget the details, but you mention Queensland Mines, you sought to cast the Government in a wrong light. The Queensland Mines was dealt with by the Rae Committee and was dealt with by Mr Justice E.A. Woodward. The Government agrees with what they found.

QUESTION: You have no doubt noted Mr Somare's statements that he might perhaps go elsewhere because of Australia's reluctance to give it more money. Does that concern you and have you spoken to Mr Somare since he made those statements?

PRIME MINISTER: It doesn't concern me. I haven't spoken to Mr Somare. I have written to him since we had a discussion on Monday week. But this question was dealt with in my Second Reading speech on the Papua New Guinea Independence Bill and the related legislation last Wednesday. Papua New Guinea will be independent on the 16th of next month. It is entitled, it is welcome to receive assistance from any country in the world. It would be completely inappropriate for us to look as if we resented that. There are other countries which are assisting P.N.G. as it is. There are some international financial institutions; there is New Zealand; and there are one or two other countries as well. It is perfectly natural for Papua

New Guinea to get assistance wherever it can. I notice there was some suggestion that - it was Mr Peacock made it - that the Russians had promised some assistance. That matter was disposed of by Sir Maori Kiki, the P.N.G. Foreign Minister and by the Soviet Ambassador.

QUESTION: On the night of the Budget, Mr Hawke said that he agreed that those people making projections of half a million unemployed by next year. Do you agree with Mr Hawke?

PRIME MINISTER: No.

QUESTION: What information do you have concerning this?

PRIME MINISTER: The information that the Treasurer has. He was asked a question about this last Wednesday; he gave an answer; his answer was correct. I support it.

QUESTION: Why is the Government refusing an export permit for Utah, the development of Norwich Park Coal Mines, as it's now going to get \$6 a ton off it. And under what conditions would the Government give an export permit to the Norwich Park Coal Fields?

PRIME MINISTER: I think you'd better put that on notice.
