

Q: Mr Whitlam it was reported yesterday that you asked all Government Departments to submit reports to you on their financial positions. Have you received those reports?

P.M.: No, I'm expecting them for Monday when there's a Cabinet meeting.

Q: As you know it at the moment, what is the financial position of the Government?

P.M.: Well there is full Supply voted last May up 'till about November. Then there are many things for which Supply has been voted on a continuous basis. The matters where the money will run out are payments for Public Servants, for the armed forces, for Medibank patients, for students, for services for people in aged persons' and handicapped persons' homes, that sort of thing.

Q: How long do you think before those things are affected?

P.M.: It would vary from one Department to another. I wouldn't, I couldn't, give, effectively, an overall estimate.

Q: It's been suggested that it may be three or four weeks. Do you think that would be conservative?

P.M.: In some cases, in some cases, it might be less than that. In some a bit longer.

Q: What's the Government's next move in this situation? What do you plan to do next?

P.M.: The next move is up to the Opposition. The Opposition has voted to defer the Budget Bills, and of course they are avoiding the crucial issue: whether they will pass them or reject them. They have to make up their minds - a Budget has never been deferred in the past; it certainly never has been rejected in the seventy-five years we've had an Australian Parliament. And they have broken all precedent and all principle even in deferring the Bills. The Bills will have to be passed.

Q: What is the likelihood of a half Senate election now?

P.M.: Oh, there has to be an election for half the Senate before the end of next June. I haven't decided when I will recommend to the Governor-General if he asks the State Governors, whose job it is, to issue the writs for that election.

Q: If there wasn't a half election until the middle of next June and this deadlock remained, what sort of a situation would the Government be in?

P.M.: What sort of a situation would the country be in if the Budget was rejected? That's what you're asking. The Government will be there whether the Budget is passed or rejected, because the Government has a majority in the House of Representatives and it's in the House of Representatives that Governments are made and unmade and it's only in the House of Representatives that any Budget Bills or any money Bills at all can be introduced.

- Q: Mr Fraser suggested yesterday that unless that the Government made a move shortly to end the deadlock that the Governor-General may, in fact, issue writs for a...
- P.M.: The Governor-General can only issue writs for a House of Representatives election on the advice of the Government. The Constitution says that the writs for a House of Representatives election are issued by the Governor-General-in-Council - that means, in effect, by the Government. So then, the Government will certainly not advise the Governor-General to issue writs for a House of Representatives election just because the Senate wants them to be issued. So, the House of Representatives has a majority of members supporting the Government, and therefore the Government decides, the House of Representatives decides, the Senate doesn't and mustn't decide when there will be an election for the House of Representatives.
- Q: So irrespective of how bad the situation gets, there are no circumstances under which the Governor-General could issue those writs?
- P.M.: That is absolutely right. The Queen, in England, or her Viceroy in Australia, the Governor-General, cannot issue writs for a House of Representatives election except when the Government advises him to do so. He has no independent right nor of course has the Queen, any independent right, to say that there will be an election for the House of Representatives here, or the House of Commons in Britain. It is the Government that decides that question.
- Q: How do you view statements by the former Liberal Prime Minister, John Gorton, that if the situation continues we could in fact see riots in the streets?
- P.M.: There are undoubtedly very strong feelings on this matter. I've never seen people so stirred up on an issue as they have been by this usurpation by the Senators. Look, I should say this: the motion that was passed by the Senate was an amendment to the motion to pass the Budget; it was an amendment to defer the debate, and if the Labor Senator Milliner hadn't died a few months ago and, if the Premier of Queensland hadn't appointed a non-Labor replacement, then the votes on that amendment would have been 50-50 - there would have been as many voting against it as for it - it wouldn't have been carried. As Senator Steele Hall said, this amendment was carried over a dead man's body.
- Q: Just on the subject of rioting in the streets, just how much worse do you think the situation...
- P.M.: I don't want to speculate on that - I believe that the Senate will pass the Budget; that is what I expect.
- Q: Well, when do you think they'll do it, Sir?
- P.M.: It may be a week, it may be a few weeks, but that is my expectation - that the Senate will pass the Budget.
- Q: That surely would be a slap in the face for Mr Fraser?
- P.M.: Well, he has put himself in to this position. He was saying, only a very few months, and he said it in fact as recently as the time the

Budget was introduced, that the Party which had a majority in the House of Representatives was entitled to govern for the three years for which it was elected. And he also said that he couldn't see circumstances why the Budget should not be passed. Now, nothing has changed. See, the Government has a majority in the House of Representatives; it will have a majority for the rest of the life, the three-year life, of this Parliament; it's entitled to govern.

Q: Sir, you're known as a man who likes a bit of excitement and a challenge. Is this an exciting and challenging time for you, or is it a worrying time?

P.M.: Well, it's a challenge, obviously. I pick up the challenge, I will not surrender this. It's a great principle that the House of Representatives decides who will be the Government. There are two Houses, you can't have the Senate deciding who will be the Government - you can't have a Prime Minister in the Senate; you can't have a Treasurer in the Senate. It has to be, in each case, in the House of Representatives. Now, this is not something which my Government or the Labor Party acknowledges and propounds - it's something which every Party, every Government, has propounded and acknowledged. If I were to accept the situation that the Senate can decide when there will be an election for the House of Representatives, even if it doesn't face the people itself, then I will have sold the past, it will be impossible to have stable government in Australia in the future. There are two times every year when money Bills have to be passed - there is October for the Budget, there is April for the Supply to carry over from July to November following that, while the next Budget's being passed. Now if we accept that the Senate can, on those two occasions every year, reject a money Bill, cut off the funds for the Government, then we are conceding the principle that governments in Australia are elected, not for three years, but for six months, and that is impossible, in those circumstances, to have stable government.

Q: Can you see the political structure, Australia's political structure, ever fully recovering from this crisis, or do you think it's gone too far?

P.M.: If I don't win this issue, there will be permanent wounds in the Australian political structure. The conservative forces are those that always stress the proper course, the conventions, the right thing, and this year, in the course of a few months, the conservative forces have inflicted, or are threatening to inflict, very serious wounds on all the political proprieties in this country. First, two governments, State governments, appointed successors to Senators who didn't belong to the Party to which the former Senator had belonged. Secondly, Mr Fraser has said that the Senate may reject the Budget - it's never happened before. And thirdly, the Liberal Federal Council, last weekend, urged the State Premiers, the non-Labor Premiers, to advise the State Governors not to meet the Governor-General's request for the issue of writs for a half Senate election. Now these are three things which have never happened - that is the appointment of a person who doesn't support the Party of a former senator had never happened in the quarter of a century that we've had proportional voting for the Senate; the rejection of Supply has never happened in the seventy-five years we've had a federal Parliament; and for a State Governor to disregard the request by the Governor-General for writs for the Senate had never happened on the previous 24 occasions when there've been Senate elections.

Was the recent visit to Australia by Tirath Khemlani an embarrassment to the Australian Government?

P.M.: Oh, yes it was, but this is a pure side issue, because he didn't say anything that wasn't known three months ago. And the Opposition never did anything then. That is, there is no impropriety, no illegality, which they can point to. They've never moved a motion about it yet.

Q: Were you disappointed in Mr Connor's performance in the....

P.M.: This is a completely side issue. We were talking about the gross impropriety of rejecting the Budget. That is completely irrelevant to what you are now asking.

Q: Thanks very much.

that any Budget Bills or any money Bills at all can be introduced.