

QUESTION: Why was it necessary for the Government to issue an undertaking by Mr Lynch that Australia won't devalue?

PRIME MINISTER: Well there have been rumours to this effect and we wanted to make it quite certain that they remained rumours, that people would put that sort of attitude well behind them. And the statement the Treasurer made was a strong, a forthright statement; it had been fully discussed, not only with myself but also with Mr Anthony.

QUESTION: Are you very concerned with the drop in Australia's international reserves?

PRIME MINISTER: Oh, I would think that whatever movements that did take place were temporary movements and speculative movements. There had been a good deal of talk about this in the newspapers as you know, and we felt it was time, and our advisers felt it was time, for the Treasurer to make the sort of statement that he did.

QUESTION: It's an unusual occurrence to make such a statement?

PRIME MINISTER: No, not in the circumstances that prevailed, no.

QUESTION: Mr Fraser what consideration is given to the Country Party in the decision not to devalue.

PRIME MINISTER: Well the Government is one Government, it is not two separate Parties and I've never known an issue in which there has been a division between, on Party lines, in any Cabinet discussion.

This matter was fully discussed by the Treasurer with myself and with Mr Anthony. I had a number of discussions with Mr Anthony in relation to it. We all in complete agreement with the statement.

QUESTION: There have been suggestions that the Young Liberal Movement will be pushing for a complete split with the Country Party. Will you be discussing this with them at all today?

PRIME MINISTER: Well, I wouldn't be interested in discussing that with anyone, and would have no intention of doing so. There is a coalition that worked very well in Opposition, and it will work very well in Government and it will work for the advantage of all Australians. And any suggestions of anything else is just so much nonsense. People have said that because there is a large majority in the House of Representatives a coalition is not needed. Well the people that say that are talking nonsense. Australia needs it and there is a firm partnership between the two Parties, and between Mr Anthony and myself. That is going to continue, I hope, for a long while and for Australia's advantage.

QUESTION: But if the Young Liberals passed a resolution that all Liberals should stand against all Country Party candidates would you...

PRIME MINISTER: Oh, look, some States have different views about how they handle local electoral matters. What I'm talking about is the coalition in Canberra and that is firm, it is absolute and nothing will shake it.

QUESTION: You're here to open the Young Liberal Movement's Convention, how much notice will you take if a resolution is passed?

PRIME MINISTER: We listen closely to what the Young Liberals say, obviously. They have an important point of view to put on many issues of importance, national issues, local issues, not ones that just affect young people. So obviously we pay close attention to many of the things that they say.

QUESTION: Mr Prime Minister, another of the resolutions is that there should be compensation for defeated members of Parliament, so that they can be sure that they've got money coming in. How does that idea appeal to you?

PRIME MINISTER: All branches of the Party, State branches and it is not only the Young Liberal branches, sometimes pass resolutions that I mightn't always agree with. I think that anything that does occur in relation to members of Parliament ought to flow out of the Renumeration Tribunal. Any ideas that might be put forward and that the Tribunal felt were worthwhile, could be looked at. But losing your seat is one of the hazards of politics, and I think it has to be accepted as such.

QUESTION: Mr Prime Minister, what Federal powers do you predict will be handed back to the States?

PRIME MINISTER: Federal powers I think is maybe the wrong way of putting the question. A meeting is being scheduled for the 4th and 5th of February to discuss in the major part the initial implementation of our new Federalism policy. A great deal of work will have

to be done and I've got no doubt that we and the States will have views about the way in which working parties will need to be established to define some of the finer details of the policy, such as the equalisation arrangements as I've said the interests of States, such as Western Australia or Tasmania, and others will be completely and absolutely guaranteed, that the rights and positions of the smaller States will be absolutely protected. Those equalisation arrangements will take a good deal of working out between officials in fine detail and this is something that it just was not possible to do in Opposition. You need the advice of your officials, advice from Government Departments and the information that they've got to enable this work to be undertaken. I regard this initial meeting with the Premiers as an important one in laying the ground work for the work that has to be done before the policy can actually be applied. I hope it can be applied as soon as possible.

QUESTION: Well Mr Dunstan's described the meeting as a "con job". What is your reaction to that?

PRIME MINISTER: Well let's see what Mr Dunstan says when he actually gets to the meeting.

QUESTION: Are you prepared to take over the State railways as Mr Whitlam said he would?

PRIME MINISTER: I would have thought that States would basically want to maintain control over their own railways. One of the things that hasn't been always understood is that when the Commonwealth takes over State railways, they take over the States

development. While there are some differences between arrangements to South Australia and to Tasmania, if the Commonwealth has control over internal transport within a State, it's basically got control over what can happen within that State. It is worth noting, I think in the Tasmanian agreement anyway, there was power for the Commonwealth to enter into competition with private road hauliers, virtually power to control the sorts of licences that might be provided for road hauliers. Now this is giving complete control to the Commonwealth. I can't really imagine the State that has a belief and faith in its own capacity to look after its own affairs wanting to pass that kind of power over to the Commonwealth.

QUESTION: Many people were disappointed that some well-known Liberals like Don Chipp, Bill Snedden, Peter Rae, Senator Peter Rae, were left out of your Cabinet. Would you comment on why they were left out?

PRIME MINISTER: I've got no comment to make on any individuals in the Parliamentary Liberal Party.

QUESTION: Mr Prime Minister, what percentage of income tax do you intend giving to the States?

PRIME MINISTER: Well I think you're asking questions that would be better to ask at a later point, after there have been discussions with the States. The policy does state, in broad outlines, the sort of base level which would apply as the working point, as the starting point, as the percentage that the States now get for tax reimbursement reasons, or from the tax reimbursement formula.

But there's a great deal to be done, a great deal to be worked out and I've got no doubt that there will be a fair amount of time before the final details are settled between the States and ourselves.

QUESTION: Will there be less tied grants?

PRIME MINISTER: Well that's the objective, yes, very much the objective - to give the States more independence, more initiative, more capacity to do what they believe needs to be done for their own people. And also, having that capacity then they are accountable for what they do and don't do, and aren't in a situation in which somebody from Canberra is telling them what they must do. This makes Canberra accountable for everything, and I think wrongly so. Because people closer to Perth must know their interests, and Western Australia's interests, better than people who are in Canberra. - The whole thrust of the policy was to create circumstances in which there would be independent capacity, not only for State Governments but also for local governments.

QUESTION: Have you moved into the Lodge yet, Mr Prime Minister?

PRIME MINISTER: No.

QUESTION: Your wife suggested that it might be a bit too small for you.

PRIME MINISTER: Well, we didn't know how many beds there were, and I think it's some while since a Prime Minister's been in the Lodge with children. And I did case the joint a week or two ago. There are

enough beds.

QUESTION: Mr Prime Minister, now that the number of the House of Representatives has been finalised, do you feel that having such a large majority - well no doubt you're quite happy to have such a large majority - but do you think it's in the best interests of the country to have such a large majority?

PRIME MINISTER: I think it was in the best interests of the country that the verdict against Labor and the three years of Labor was as strong as it was. But I also thought it wasn't just a negative vote against Labor, because we were offering positive and different policies that would take Australia into the 1980's and beyond. So I believe it was also a vote for what we were offering and I'm very glad that the movement was as firm and as vigorous as it was, against what we'd said was the worst Government in Australia's history, the worst Government since Federation. Now what happens in the future depends upon ourselves - what we do, the way we govern, the contact we maintain with people outside in the general community, the contact we maintain, the cooperation we establish with State Governments, and through State Governments with local government. One of the things which will be important is to make sure that all members of Parliament not only have, but feel they have, and this is very important for new members, the useful and constructive role to play. Now this will be done through our own Party committees, through Parliamentary committees, and through discussions in the Party room. I'd already made it plain as Leader of the Opposition and earlier that I'd wanted to see

substantial changes and improvements in the committee system in the House of Representatives, giving private members a more meaningful role to fill and to play. There's a great deal to be done. We've already established a committee of our own private members who are preparing a paper for me on the role of private members in Government, and their role in the Party Room. And there are particular reasons for this. There are a large number of new members and because the majority is so large. So out of all of this I believe we'll get not only good Government for Australia but a parliament in which people believe they're being usefully used.

QUESTION: You don't feel that having so many tends to lead to a feeling of complacency within the Party?

PRIME MINISTER: Oh, well I think the branches of the Party, State Premiers, the Young Liberal Movement and the Party room itself will certainly prevent the Government from becoming complacent. I've seen on previous occasions how vigorous Party room debates have kept Governments on their toes - this is going back a fair number of years. I think that the nature of the Liberal Party and the sense of purpose we have, what we want to achieve, will make sure that we don't feel complacent, and don't become complacent. I'm certain that if there is any sign of that there will be a great many people from within the Party and outside who will start to tell us to get up and start doing things.

QUESTION: It's now three weeks since the election, Mr Prime Minister, and we still don't know properly what the new composition of the Parliament will be. Would you like to see the voting procedure

simplified so that we would have a quicker result, a definite result more quickly?

PRIME MINISTER: Well I think we have a definite result haven't we?

There's a very definite result in the House of Representatives and there's also a pretty definite result in the Senate.

It's just a question of how large the majority in fact will be in the Senate.

QUESTION: Wouldn't you like to see the finalisation of it earlier or quicker?

PRIME MINISTER: I would like to see the finalisation of it earlier

but I wouldn't like to see injustices created merely to achieve an earlier result. If you start to change the voting system you could lead to a situation in which injustices might occur, some of the changes which were suggested in the past could have led to that sort of injustice. Changes can be suggested that can achieve a quicker result but preserve equity for all Parties and all people. That's obviously something that we'd look at.

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