

SHADOW CABINET (NO. 24) RECORDCanberra: Monday 13 October 19751. POLITICAL CLIMATE

- Khemlani/Loans Affair: "Cabinet" discussed the latest disclosures in the Loans Affair. Staff were directed to carry out research into Government lies and inconsistencies.

("Cabinet" met again on this subject after the dinner break to be briefed on the research material. It was agreed that there would be a further meeting prior to Question Time tomorrow to further assess the position and to decide on the precise tactics in the House).

2. TACTICS

- Senate Attitude to the Budget Appropriation Bills:

"Cabinet" considered the tactics for stopping the passage of the Appropriation Bills, and the prospects of forcing Whitlam to a House of Representatives' election. It was agreed that steps should be taken to defer Senate debate on the Second Reading until next week. Senators Withers, Greenwood and Carrick, and Mr Ellicott, were requested to advise Mr Fraser on procedures to achieve this tactical delay.

Mr Fraser said it might be desirable to announce the Opposition's decision on the fate of the Budget prior to end of this week, even though debate was deferred until next week. In seeking adjournment of Second Reading debate, Senators should highlight the Budget deception over size of deficit.

Handling in Party Room

- No final recommendation.
- Use Mr Fraser's "two principles" Council speech as basis for current briefing of Party Room.
- Views will be canvassed - but this not appropriate moment.
- Those with strong views on the matter to be invited to go to see Mr Fraser.

Urgency motion

Budget deficits
Mr Lynch and Mr Adermann)

3. LEGISLATION

NAVIGATION

Support
(But Mr Nixon to make some more enquiries among the States).

MARITIME COLLEGE

Support.

INCOME TAX BILLS

Major debate on "fraud" aspects.

ASIO BILLS

Let through
But in case of phone tapping bill point to Prime Minister's lack of confidence in Enderby.

ADDITIONAL JUDGE FOR INDUSTRIAL COURT

Defer, pending details.

INTERSTATE COMMISSION

Mr Nixon's amendments approved.

JOINT PARLIAMENTARY COMMITTEE ON EX-SERVICEMEN'S ANOMALIES
(letter from Mr Bonnett)

Mr Bonnett's Committee to undertake specific examination and to prepare report as a preliminary to setting up Joint Parliamentary Committee.

SENATOR JESSOP'S PROPOSED BILL
(AUSTRALIAN GOVERNMENT APPOINTMENTS)

Wait for report from Public Service Royal Commission.

EXCHANGE OF POWERS
(FAMILY COURTS)

Some States unhappy. To come back to "Cabinet" again. Decision deferred.

4. POLICY

APPOINTMENTS OF PERMANENT HEADS
(Paper submitted by Mr Fraser)

Approved by Shadow Cabinet.

Mr Fraser said it would be his policy to discuss Permanent Head appointments with the Deputy Prime Minister.

5. FOR PARTY ROOM TUESDAY

Education Policy.

THE LIBERAL AND NATIONAL COUNTRY PARTIES HAVE DECIDED TO VOTE AGAINST THE APPROPRIATION BILLS IN THE SENATE.

THE EVENTS OF THE LAST WEEK HAVE BROUGHT AUSTRALIA TO A TURNING POINT. THE MOST SERIOUS QUESTIONS CONCERNING THE HONESTY OF THE GOVERNMENT HAVE BEEN RAISED BY THE REVELATIONS OF MR KHEMLANI. THE MINISTER FOR MINERALS AND ENERGY HAS NOW RESIGNED BECAUSE HE LIED TO THE PRIME MINISTER. THE PRIME MINISTER MISLED PARLIAMENT AND NOW JUSTIFIES THAT ON A GROUND THAT HE HIMSELF WAS MISLED.

BEYOND A SHADOW OF DOUBT THE PRIME MINISTER HAS FAILED TO SET STANDARDS OF HONESTY AND DECENCY AND TO CONTROL HIS GOVERNMENT IN A WAY AUSTRALIANS ARE ENTITLED TO EXPECT. HE REFUSED TO APPOINT A JUDICIAL ENQUIRY OR A ROYAL COMMISSION INTO THE GOVERNMENTS LOANS DEALINGS WHEN THE MATTER WAS PREVIOUSLY RAISED. HE THEREBY TOOK PERSONAL RESPONSIBILITY FOR THE CONDUCT OF HIS MINISTERS. AT THE TIME THE PRESENT MINISTER FOR LABOUR STATED "THE AUSTRALIAN PEOPLE HAVE BEEN TOLD ALL THEY NEED TO BE TOLD". THE PRIME MINISTER'S WILFUL DISREGARD FOR THE FACTS HAS NOW BEEN EXPOSED. ALL THE DOCUMENTS WERE NOT TABLED. HIS CLAIMS WERE FALSE. UNDER THESE CIRCUMSTANCES HE HAD NO OPTION BUT TO OBSERVE CONVENTION AND RESIGN AND HE REFUSED TO UNDERTAKE TO PLACE ALL RELEVANT DOCUMENTS BEFORE THE PARLIAMENT. EVEN NOW HE DENIES THE RIGHT OF THE AUSTRALIAN PEOPLE WHO KNOW THE TRUTH. THE OPPOSITION IS CONVINCED BY EVIDENCE ALREADY MADE PUBLIC THAT THERE HAS BEEN AN UNPRECEDENTED ATTEMPT TO CONCEAL THE TRUTH FROM THE PARLIAMENT AND THE PEOPLE.

THE REFUSAL OF THE GOVERNMENT TO RESIGN LEAVES THE OPPOSITION NO OPTION. WE BELIEVE OUR DUTY TO THE AUSTRALIAN PEOPLE IS TO USE THE POWER GRANTED TO US BY THE CONSTITUTION TO FORCE THE GOVERNMENT TO PLACE ITSELF BEFORE THE JUDGEMENT OF THE PEOPLE. WITH THE DEEPEST REGRET WE HAVE COME TO THE CONCLUSION THAT WE MUST OPPOSE THE APPROPRIATION BILLS IN THE SENATE. WE DO THIS WITH GREATER RELUCTANCE EVEN THOUGH IT LIES WITHIN OUR CONSTITUTIONAL POWER BECAUSE WE HAVE NO OTHER WAY OF MAKING THE GOVERNMENT MEET ITS RESPONSIBILITIES TO THE PEOPLE.

THE DISGRACEFUL CONDUCT OF THE GOVERNMENT OVER THE LOANS AFFAIR FOLLOWS A LONG RECORD OF SCANDALS INVOLVING RELATIONS OF MINISTERS AND POLITICAL APPOINTMENTS, THE MOROSI AFFAIR, THE PHILIP CAIRNS AFFAIR, THE COPE AFFAIR, THE LOAN AFFAIR, THE KHEMLANI AFFAIR. IT COMES AT A TIME WHEN THERE ARE STILL SERIOUS UNANSWERED QUESTIONS ARISING OUT OF THE ACTU ROYAL COMMISSION INVOLVING THE PRESIDENT OF THE LABOR PARTY HIMSELF. IT IS NOT AS IF WE ARE DEALING WITH ISOLATED AND UNUSUAL CIRCUMSTANCES. WE ARE DEALING WITH A CHAIN OF IMPROPRIETIES WHICH CONSTITUTES ONE OF THE MOST EXTRAORDINARY AND REPREHENSIBLE EPISODES IN AUSTRALIA'S POLITICAL HISTORY. THE FULL STORY OF THESE SORDID SCANDALS HAS CLEARLY NOT YET BEEN TOLD.

THE LABOR GOVERNMENT 1972-75 HAS BEEN THE MOST INCOMPETENT AND DISASTROUS GOVERNMENT IN THE HISTORY OF AUSTRALIA. ALTHOUGH AUSTRALIA HAS BASICALLY ONE OF THE STRONGEST AND HEALTHIEST ECONOMIES IN THE WORLD IN THREE YEARS THIS HAS BEEN BROUGHT TO THE BRINK OF DISASTER BY INCOMPETENCE OF THE WORST KIND. WE NOW HAVE THE HIGHEST UNEMPLOYMENT SINCE THE GREAT DEPRESSION OF THE 1930s AND THE WORST PROLONGED INFLATION IN OUR HISTORY. SAVINGS ACCUMULATED THROUGH DECADES OF LABOUR AND EFFORT HAVE BEEN DESTROYED IN ONE TERM BY THIS GOVERNMENT. BUSINESS FAILURES - MAINLY SMALL BUSINESSES - ARE RUNNING AT UNPRECEDENTED LEVELS AND WILL REGRETABLY GET WORSE. THE DREAM OF HOME OWNERSHIP IS BECOMING A NIGHTMARE. RECENT ENQUIRIES HAVE ESTABLISHED THAT THE CONDITION OF THE WEAKEST AND POOREST MEMBERS OF OUR COMMUNITY HAS BEEN GRAVELY DAMAGED BY THE POLICIES OF THIS GOVERNMENT. FOR THEY HAVE BEEN THE ONES LEAST ABLE TO DEFEND THEMSELVES. UNLESS THERE IS A CHANGE OF GOVERNMENT CONFIDENCE WILL NOT BE RESTORED AND OUR WAY OF LIFE AND ECONOMY MAY BE IRREPAIRABLY DAMAGED.

IN 1970 IN HIS REPLY TO THE BUDGET MR WHITLAM STATED AND ENDORSED THE PRINCIPLE THAT A GOVERNMENT WHICH IS DEFEATED ON A MONEY BILL MUST RESIGN AND FACE THE PEOPLE. THIS IS AN ACCURATE STATEMENT OF THE CONSTITUTIONAL PRINCIPLE GOVERNING THE SITUATION. ALTHOUGH THE PRIME MINISTER HAS SOUGHT TO EVADE THE CONSTITUTION IN THE PAST - AS HE DID IN THE LOANS AFFAIR - WE BELIEVE HE WILL BE MAN ENOUGH TO PLACE HIMSELF AND HIS GOVERNMENT BEFORE THE PEOPLE AS THE CONSTITUTION AND HIS INTEGRITY DEMANDS. HE HAS REFUSED ALL OTHER TRIBUNALS. IT IS TIME FOR HIM TO FACE THE ELECTORS FROM WHO ALL POLITICAL AUTHORITY ULTIMATELY COMES. HE SHOULD IMMEDIATELY ADVISE

THE GOVERNOR-GENERAL TO DISSOLVE THE HOUSE OF REPRESENTATIVES
AND SENATE. ONLY IN THIS WAY CAN THE AIR BE CLEARED AND THE
PROBLEM OF THE GOVERNMENT OF THIS COUNTRY RESOLVED.