

Policy Launch Speech: Robert Menzies, Opposition Leader (UAP/LP)

R.S.L. Memorial Hall, Melbourne, 10 November 1949

“This policy speech is delivered on behalf of both the Liberal Party and the Country Party. It cannot in the space of an hour cover all the important subjects. It will therefore be supplemented by Mr. Fadden next week, and by myself as occasion arises.

It is a joint policy. Further, just as we have acted jointly in Opposition, so we now tell you that we shall set up a combined Government if you elect us. ...

At the last election we had just emerged successfully from the greatest war in history. Our people were unwilling to displace from office those who had conducted Government during the last three and a half years of that struggle, and returned them with a substantial majority.

The Government misinterpreted the vote as an instruction, not to preserve the liberties of the subject, but to curtail them; not to encourage the restoration of normal, competitive enterprises, but to set up the Socialist State. It will be for you to say whether you approve of this interpretation.

When we speak of Socialism, we no longer speak of a theoretical or far distant goal. Our opponents mean business.

Since the general election, without mandate, in defiance (in the case of banking) of the most overwhelming indications of the public opinions, they have moved further along the road to the all-powerful State than all the previous Australian Labour Governments added together.

Since 1946 we have had the Bank Nationalisation Act, the taking over of more airways, Government shipping, broadcasting control, a television ad frequency modulation monopoly, the announcement of nationalised medicine, advances without interest of something of £4 million to Trans-Australia Airlines. You will realise how much has been done in so short a time.

This is our great year of decision. Are we for the Socialist State, with its subordination of the individual to the universal officialdom of government, or are we for the ancient British faith that Governments are the servants of the people, a faith which has given fire and quality and direction to the whole of our history for 600 years?

This question cannot be avoided. In 1946 you could vote Labour, reasonably supposing that it was a party of reform and not of socialisation. In 1949 it is clear that a Labour vote is for the Socialist objective, and for nothing else.

The Canberra Socialists have recently begun the claim that their objective – the socialisation of industry, production, distribution and exchange – does not mean what it says.

And so they have trotted out what they call the ‘Blackburn’ interpretation, which failed to get the prescribed majority at the Labour Conference of 1921, and has in consequence, unless some pamphlet has now been hurriedly printed, never appeared in the A.L.P.’s printed platform.

Socialism, they say for the purposes of this election, will be applied only to monopolies and undertakings socially undesirable or injurious to the public interest.

The reasons for this change of front are well known. One of them is that the overwhelming majority of Australian are anti-Socialist. The Government, therefore, cannot survive without anti-Socialist votes. It now seeks to obtain them by false pretences. But test the matter. Were A.N.A. and Ansetts injuring the public? Were the shipping companies really accused of damaging practices? The Government has never said so!

Has the Government ever claimed that between the last election and this one the trading banks had worked against the public interest?

Of course not, but the Prime Minister has sought bitterly to nationalise them. Look back over these facts, and you will not be deceived by Socialism's 'new look'.

Let nobody who votes for the Socialists this year be heard to complain in future that he 'didn't know it was loaded.' Above all, let those Australians who protested against the Government's banking legislation realise this.

The Courts have declared invalid the legislation in its present form. They have not said that the banks cannot be legally destroyed in some other way.

The Government has not accepted defeat. Several Ministers have made this clear.

If you vote for the Socialists you will be approving of bank nationalisation; and you will in all human probability never have a vote again on that matter.

"We must choose our road. Upon our decision will depend the future and fate of this nation.

Every extension of Government Power and control means less freedom of choice for the citizen.

And in the end, what happens? Having chosen the Socialist road, to what journey's end do we come? To the master State, the one employer, the one planner, the one controller.

In that State, as in the monstrous totalitarian States which have disfigured the history of the twentieth century, all free choice will have gone.

The case against Socialism is a deadly one. It concerns the spiritual, mental and physical future of our families.

1) Socialism is not creative of real things. But by increasing enormously the circulation of the money it creates an illusion of prosperity. By remaining indifferent to production it turns that illusion into a common fraud money being worth less and less as there is more and more of it.

2) The illusion of prosperity reduces the incentive to effort, and so production lags, and living standards actually fall. In Australia, our perils are for the time concealed by fancy prices paid to us by a hungry and ill-clad world.

But in great Britain, where there is in office a Socialist Government also, that Government has been so busy creating the Socialist paradise of something for nothing that its own supporters have difficulty in understanding why five years of Socialist rule have ended in a financial crisis, the devaluation of the currency, rising costs, and the new programme for further lowering the standard of living.

(3) The Socialist mouths such words as ‘security,’ by which he always means Government monetary payments. ‘You need not build your own security,’ he says; ‘we, the Government, will provide it for you.’

Let us analyse this piece of humbug. The best people in this community are not those who ‘leave it to the other fellow,’ but those who by thrift and self-sacrifice establish homes and bring up families and add to the national pool of savings and hope some day to sit under their own vine and figtree, owing nothing to anybody.

Many thousands of such people are to-day chafing at some of the injustices of the means test, not because they wanted to draw a free pension but because their own savings have lost so much of their value that some aid from Government has become unavoidable.

Governments made up of people who get a special satisfaction out of spending other people’s money always inflate the currency and so destroy savings.

In Australia, the pre-war pound – the Liberal pound, the Country party pound – has been converted into a Socialist pound which in terms of what it will buy is, even on the “C” series index, worth only 12 shillings and not 20; and in real terms has certainly fallen to 10 shillings.

4) Socialism must mean the reduction of human freedom. You cannot have a controlled economy without controlling human beings, who are still the greatest of all economic factors.

You *cannot* socialise the means of production without socialising men and women.

There may be some people who think that the only freedom that counts is to have a roof to sleep under, clothes to wear, food to eat. These are very necessary; Governments must be pledged to do all in their power to assist people to secure them; but they are not freedoms at all. Each can be obtained in a state of utter slavery.

The real freedoms are to worship, to think, to speak, to choose, to be ambitious, to be independent, to be industrious, to acquire skill, to seek reward. These are the real freedoms, for these are the essence of the nature of man.

Socialism will have none of them; for unless people do what they are told, work where they are told to work, learn what they are drafted to learn; in a sentence, fit obediently into their appointed place, the Socialist ‘planned State’ falls to pieces like the false and shoddy thing it is.

5) The fifth charge against the Socialists is that they have helped to create in this great young country with opportunities which it needs the young man’s adventurous and chivalrous outlook to explore, the outlook of an old and tired man. For the pioneer’s virile cry – ‘Leave it to me; I’ll do it!’ – they have substituted the slogan – ‘Leave it to the Government!’

My friends, the great centuries of British expansion were not fashioned in this way, nor were the foundations of Australia laid upon such rotten soil. Be warned! Socialism is the politics of dependency and decay.

6) The sixth charge is that the Socialists, both here and overseas, have been busy getting rid of the British Empire idea, weakening our organic link of the Crown, contracting away our rights to Empire preferential trade, and abolishing our old common British citizenship.

7) And, for a final count, there is another charge, not to be made lightly. The Socialist doctrine has list all spiritual content.

It tells me all the time that my brother is my keeper. It forbears to tell me that I am his keeper, that his rights are my duties. Its attitude induces a deep, cynicism about all spiritual values.

It is, as Church leaders have pointed out, the lineal descendant of the gross materialism of Karl Marx.

Honesty becomes old-fashioned. It becomes smart to break the law and get away with it.

In brief, Socialism is in Australia an alien and deadly growth. We must destroy its political power and its mental and spiritual infection while there is yet time.

The aspiration for full employment is no monopoly of the Socialists. We are all human beings. Yet it is clear that full employment is to be the Socialists election slogan. This is a false issue.

We shall confidently devote ourselves to full employment and the avoidance of depression.

The last depression arose from circumstances outside Australia. A world depression meant that the world's price for our exports fell to disastrous levels and our overseas borrowing dried up.

The majority of Government then in office in Australia were Labour, but they did not prevent ruinous unemployment, which reached record levels.

By the end of 1931 the people of Australia, with a close and vivid understanding of the depression, voted the Socialists out and Mr. Lyons and his colleagues in; and they kept us in for 10 years of remarkably recovery.

Similar events happened in almost every State.

If you are tempted to believe that Socialism is the answer, remember that the last depression satisfied the great majority of voters that it was not!

But let us take the matter further. Thanks to the war, the money it circulated, the war-time restrictions on spending, the shortages caused, not only of houses but of all kinds of civil goods, and the unprecedented demand for the products of our farms and fields, there is at present full employment.

We must not be content to gamble on these circumstances continuing, or boast about them as if we created them. The real task is in the future.

How do we ensure full employment of a productive kind for the future? The Government relies on great public works programmes as the answer.

Let us make it clear that we also, knowing the vital importance of full employment, will use public works to the full.

But, unless there are powers of direction of labour, how can a manual job at a country water-works, though suited to many men, be the answer to the loss of his job by a clerk or shop assistant at Balmain? ...

A real full-employment policy is completely interlocked with policies for the stabilisation and development of the primary industries, housing in the country as well as in the towns, improved transport, the securing of migrants experienced in farming

methods, the maintenance of supplies of coal and other basic materials, the increase of production by adequate material incentives, the reduction of costs by greater efficiency on the part of both employers and employees.

In the long run (and not very long, at that) increased production will mean competition among sellers, and therefore lower prices. Greater turnover will mean reduced costs.

A resolute reduction in the burdens of government and, with it, in the rates of tax, will mean reduced costs of production.

We will attack all these problems with vigour and imagination.

Socialism, by placing its emphasis on State control, State management, the growth of departments, the notion that security is independent of individual effort, actually discourages production.

The Socialists, so far from protecting you against depression, are pursuing policies which, if allowed to go on, will inevitably produce one.

The industrial problem is crucial. The highest production and living standards cannot be achieved without a new and human spirit in the industrial world.

No industry can succeed without the co-operation of capital, management, and labour. Each must be encouraged. Each must be fairly rewarded. Between the three there must be mutual understanding and respect.

Yet, unhappily, too many employers wash their hands of their employees as human beings, as if the strict performance of their legal duties would suffice, and too many employees have swallowed the pernicious propaganda of the 'class war,' with the result that it is not uncommonly believed that the success of 'the boss' must mean the failure of the man who works for him.

We believe that these obsolete ideas must be rooted out of our minds. The days when labour was a commodity to be bought and sold have gone forever.

We shall either get to realise that the industrial problem requiring immense human understanding and a genuinely co-operative spirit, or our civilisation will crash to ruins, its production down, its living standards broken, its civil life marred by bitterness and hatred.

There are some enterprises in Australia which have set the good example, and have set up schemes of profit sharing, of incentive payments, of factory amenities, of assistance to employees in their private lives, of joint consultation for the pooling of ideas, the informing of employees in their private lives, of joint consultation for the pooling of ideas, the informing of employees in relation to the employer's problems, the conveying to employers of the difficulties or grievances of their employees.

We believe in these things, and will encourage them to the very limit of our powers. Among the causes of under-production is insufficient attention to the highest possible efficiency in management and organisation.

On the legal side of industrial relations, the two great tasks, as we pointed out three years ago, are to maintain the availability and authority of industrial arbitration, and to ensure democracy within the industrial organisations.

It was a Liberal Administration which established Commonwealth Conciliation and Arbitration 45 year ago. In the years that have gone, Governments of our ideo of

politics have, for 29 years out of the 45, maintained and improved a system which has given to organised labour the basic wage, the standard working week, the protection of employees and the enforcement of their legally established rights.

We will review the Act to co-ordinate the work being done by Conciliation Commissioners, bearing in mind that speed, certainty, and consistency are positive virtues in any arbitration system.

In 1946 we declared that the Court ought to have power to declare certain strikes and lockouts illegal. The Chifley Government was forced to declare the coal strike illegal only a few months ago.

Industrial democracy we propose to give back to the rank and file of the unions and other registered organisations by providing that the rules of each organisation shall contain provisions for the election of officers and the taking of major decisions involving stoppages, by secret ballot.”

The day has gone for treating Communism as a legitimate political philosophy, Mr Menzies said.

Our attitude has been one of great tolerances. We conceded freedom, and were rewarded by a series of damaging industrial disturbances with no true industrial foundation.

The Opposition asked for a Royal Commission, which was contemptuously refused.

The Government was temporarily stung to action by Communist attempts to hold up the rocket range project, attempts which were described by the Attorney-General himself as made ‘in the interests of a foreign power.’ Then, once more, the Government lapsed into inactivity.

The Communists are the most unscrupulous opponents of religion, of civilised government, of law and order, of national security ...

Communism in Australia is an alien and destructive pest. If elected we shall outlaw it.

The Communist Party will be declared subversive and unlawful and dissolved. A receiver will be appointed to deal with its assets.

Subject to appeal, the Attorney-General will be empowered to declare other bodies substantially communist; to follow the party into any new form and attach illegality to that new association.

No persons now a member of the Communist Party shall be employed or paid a fee by the Commonwealth; nor shall any such person be eligible for any office in a registered industrial organisation.

The laws with respect to sedition or other subversive activities will be reviewed and strengthened. Conviction under such laws will disqualify from employment under the Crown or from office in a registered organisation.

These are far-reaching proposals. But half measures are no good if, in the bitter conflict between the Communists and our decent, peaceful people, the people are to win.

Coal is vital. It is vital to the farmer, the manufacturer, the householder. Without it we can have neither full employment nor full production.

We must, therefore, get coal. We must have adequate reserves as a guarantee against unemployment.

The importation of coal is a short-term expedient only. When coal of good quality is here in abundance for the getting, there is something wrong if we have to import coal at high prices from overseas.

Yet in Australia our underground coalmining is producing less coal than before the war, the lag being just about taken up by open-cut operations.

We propose the following lines of action:

1) Open-cut mining will be developed as rapidly as possible, in collaboration with State Governments, with particular attention to improving the transport of open-cut coal to market.

2) High priority will be given to plant for the mechanisation of coal mines, with financial assistance where required. In pillar workings the great bulk of the available coal is left in the ground. Mechanical extraction of pillars would alone add millions of tons of our annual production.

3) Reserves of coal will be set up even if in the first instance we have to secure them from overseas. It is intolerable that a few days of coal strike can at once involve power and light rationing and much unemployment and misery.

4) We shall retain the Joint Coal Board, particularly for the important function to be described later in this speech. We believe that the coal industry, like other major industries, should ultimately come under the jurisdiction of the Arbitration Court.

5) We shall encourage better production of coal (including high-quality coal) by the following method: The Joint Coal Board will set a target of production for each mine, to meet current requirements and reasonable reserve. The Government will guarantee the purchase of such quota.

Further we shall work out with the board and with representatives of employers and employees in the industry a scheme of incentives under which special reward will come to the employees reaching or exceeding the quota.

We remain warm advocates of a Ministry of Development so as to concentrate effort upon the expansion of the productive resources.

The basic evil of Socialism is that it takes production for granted and devotes its greatest efforts to redistribution of the product by heavy taxation and large expenditure by the Treasury.

This want of a balanced view is very serious. Our population and needs are growing. Only a truly expanding economy can preserve the value of savings and give us real security for the future.

We shall stipulate development of all basic industries, primary and secondary.

We shall pay much needed attention to more remote and undeveloped areas such as north Queensland, the Northern Territory, and north west Australia.

We shall actively aid oil search.

Other a period of five years we shall raise loans totalling £250 millions, the interest and sinking fund on which will be provided out of the petrol tax. The amount to be

raised and spent each year will be conditioned by the availability of men and materials.

Its general administration will be under a National Works Council. The work will include feeder roads; soil conservation; the development of rural housing, embracing the construction of groups of workers' homes in seasonal labour areas; flood prevention; the provision of water, light and power; vermin and noxious weeds destruction. We will aim to improve carrying capacity, reduce costs, and increase productivity generally. ...

We have in mind also the improvement of transport, water, supply, and ports, the review of the incidence of taxation in developmental areas, and the stimulation of the beef cattle industry by the improvement of transport by rail, road and air.

We stand for the stabilisation of rural industries wherever practicable on the basis of guaranteed minimum prices. Schemes to this end will not be set up unless growers, by vote, approve.

The guaranteed price covering not only the found cost but also a reasonable profit margin for efficient production will be ascertained by independent cost-finding tribunals on the model of the Tariff Board.

Boards established to realise a product should contain a majority of producers.

In particular, we support a long-term stabilisation of the dairying industry for 10 years (by subsidy where the price is not raised), and believe that the Wheat Stabilisation Scheme should operate for a similar period.

Home consumption prices should be periodically reviewed, and losses on concession sales recouped.

As we have already said, the Australian banking system is vitally involved in this election.

If returned to office, we will repeal the Bank Nationalisation Act.

Further, we propose to introduce a bill to amend the Constitution by making it impossible for such Socialist legislation to be passed in future without your approval given at a referendum.

In the past you have been frequently asked to vote to give further powers to the Parliament at Canberra. On this occasion you will be asked to hand back some powers to yourselves.

But for the intervention of the Courts the Government, in contempt of your opinion, would by now have completed the destruction of the banks.

Not long ago Ministers were saying: 'When we've scrambled the eggs, you can never unscramble them.'

There is, in such a statement, a cynical contempt for the rights of ordinary men and women to which the only effective answer is a Constitutional amendment which will give back to the people the supreme democratic power.

We now turn to the banking legislation of 1945, under which, very properly, the Commonwealth Bank was given the full power of a Central Bank, controlling the general bank credit policy of the country, and also the advances policies of the trading banks.

But, under that legislation, the Commonwealth Bank, under one man – the governor – is compelled to give effect to the policy of the Treasurer of the day.

We believe that a Central Bank ought not to be able to ignore the wishes of the elected representatives of the people. But we believe that great financial decisions which, if they are wrong, are wrong on so vast a scale as to injure many thousands of people, ought not to be made by one man without reference to or control by the National Parliament.

A bank Board of experienced and independent men would afford a guarantee that no policy decision by it would be lightly swept aside by the political head of the Treasury.

We, therefore, propose –

- (a) To set up under control by Parliament a small Board of Directors of the Commonwealth Bank, of which the Governor of the bank shall be chairman;
- (b) To provide that if the Treasurer disagrees with the board's policy, he shall refer the matter to Parliament for its decision. That is, we shall restore the sound principle that great financial decisions shall not be secret, and that the elected representatives in Parliament shall be able to control them.
- (c) To provide some much needed check to inflation of currency, we shall restore Parliamentary control over the Commonwealth note issue.

The Government has approached the great problem of public health by looking for votes rather than for remedies. It has also got itself into the position of fighting the medical practitioners.

A Commonwealth Government approaching this matter with commonsense will work for the co-operation of the States, of the municipalities, of friendly societies, and of the medical, dental, pharmaceutical, and allied professions.

Doctors cannot be produced in a day, nor can hospitals or vital drugs or medical research.

Mr. Menzies said the underlying problems must be faced. These were:-

More milk and fruit and other fresh foods; more hospitals; extended bush nursing and flying doctor services; many more doctors; more research; an adequate supply of life-saving and maintaining drugs, in no case to be restricted by the means of the patient; a nation-wide drive for immunisation against disease; a wholesale attack upon a disease like tuberculosis which could be practically eliminated from Australia in 10 years; a reduction in the high cost of diagnosis by including diagnostic clinics in hospitals.

Side by side with these matters, we need to encourage those voluntary schemes of medical benefit which now exist," he continued.

If you entrust us with office, we shall regard ourselves as under an obligation, in co-operations with the States and using all the available financial resources of the Commonwealth, to make an attack upon the problems that I have described.

It is a grave error to treat the problem of a national medical health service as if it meant nothing more than the making of monetary payments to citizens from the Treasury.

The whole questions is one of the putting first things first. The programme here envisaged will be expensive, but will be practical and invaluable.

We utterly opposed to the Socialist idea that medical service should become salaried government service, with all its implications, penalising skill and experience and destroying the vital personal relationship between doctor and patient.

Australia still needs a contributory system of national insurance against sickness, widowhood, unemployment, and old age. It is only under such a system that we can make all benefits a matter of right, and so get completely rid of the means test.

During the new Parliament we will further investigate this complicated problem, with a view to presenting to you at the election of 1952 a scheme for your approval. Meanwhile, existing rates of pension will, of course, be at least maintained. We will, much more importantly, increase their true value by increasing their purchasing power.

We are deeply conscious of the frequency unjust operation of the means test, and of the penalty it imposes in many cases upon thrift. There are also grave anomalies associated with the position of persons who have contributed for their own superannuation benefits.

Without an all-round contributory system, there are enormous financial barriers to an immediate abolition of the means test.

Indeed, the vast sums involved (not less than £70 million a year) would add to the present devaluation of money, and would therefore reduce the true value of the benefits now being paid.

We desire, however, to adjust the anomalies I have referred to, and to make such modifications in the means test as we find possible pending a contributory scheme. This great human problem will have our urgent attention as a matter of priority.

Child endowment was first instituted for the Commonwealth by Menzies Government in 1941. Its problems are closely associated with the amount and structure of the basic wage.

That wage is at this moment under complete re-examination by the Commonwealth Court of Conciliation and Arbitration, whose decision we cannot anticipate and have no desire to influence. But the financial difficulties of family life must be eased.

We therefore state our proposals in the alternative.

If the basic wage, whether increased in amount or not, remains on the same foundation as at present, we will give some extra help to families by providing an endowment of 5/ per week for the first child under 16 years, the second and subsequent children continuing to be endowed, as at present, at 10/ per week.

If the foundation of the basic wage is altered and its amount is calculated by reference to the needs of a married couple without children (and we have noticed that such a basis has been suggested), then we shall, of course, provide endowment for the first child on the 10/ rate.

We stand for adequate national preparedness for the defence . . .

Therefore, while we shall labour for peace, we stand for the acceptance of our full share in co-ordinated British Empire schemes of defences; an effective Royal Australian Navy, with construction and docking facilities; an adequate permanent balanced Air Force, supplemented by the Citizen Air Forces; permanent nucleus military forces, backed by, militia units; universal military and physical training for

periods suited to our conditions, and by methods, and on conditions as to call up and numbers, to be determined on the best expert advice; research and scientific development; and adequate facilities for the production of munitions.

Repatriation remains a great and proud responsibility.

The opposition parties contain a majority of members and an overwhelming majority of new candidates who are ex-Service men. We shall see to it that there is speed, financial and human justice, and understanding in our administration of soldier problems.

Current legislation will be promptly overhauled and anomalies adjusted.

We will sympathetically review financial allowances, particularly those related to disability or war widowhood, in the light of all the circumstances, including the fall in the value of money.

For advice in relation to them and other repatriation matters we shall establish ex- Servicemen's Committees of Cabinet and of Parliament, to confer with representatives of ex-Service organisations.

We will encourage and speed up soldier land settlement, assist single-farm as well as group settlement, and aim always at proper security of tenure, without which there is insufficient inducement to effective farming.

The Government has made a mess of the petrol problem, It has treated it as of secondary importance. In truth, petrol is vital to Australian production and transport.

Having regard to our vast area, distances and needs, it is more important here than in most other countries in the world.

- There is a world surplus of production petrol. We have been earning a record export income. Yet we are not getting the petrol we need.
- There are ample supplies of crude oil in the sterling areas; but refinery capacity is short. The Socialists have failed dismally to encourage the necessary increase in our refinery capacity.
- Petrol is unrationed in France and Italy, both non-dollar countries. France has petrol to sell for export. Yet the Australian Government knew nothing of this until a private company asked for an import license.
- Dollars have been short ever since the war. Yet the Government waited passively for the High Court decision which ended rationing, allowed and even encouraged chaotic conditions by alarmist statements, and then threw the problem to the States.

We believe that petrol should have been got. We shall make it our business to get in adequate quantities. If it costs more, we shall either subsidise purchases outside the usual sources of supply or adjust the present rates of tax.

As an interim measure, and under proper safeguards, we would be prepared to draw upon the reserves now held in Australia.”

Source: [11 November 1949 The Sydney Morning Herald page 4/5]

