

# **Policy Launch Speech: Joseph Chifley, Prime Minister (ALP)**

## ***Recorded Speech Broadcast, 14 November 1949***

“The Commonwealth Labour Government brings to you, the electors of Australia, an account of its administration during the three years since you returned it to office; a review of how it has sustained the trust you gave to it when the call for national leadership went out in 1941; and its plans for the future, greater Australia.

You will recall that in 1941 – after two years of war – the Liberal Party and Country Party coalition Government led by Mr. Menzies came to an unprecedented ending when his own party deprived Mr. Menzies of the leadership.

You will recall, too, that a new Government led by Mr. Fadden was also torn by internal dissension and jealousy. It could not survive and, eventually, the then Governor-General (Lord Gowrie) sent for the late Mr. John Curtin to form a Commonwealth Labour Government.

And so, in war and in peace, this nation has been served by a Labour Government. It was able to organise the fighting forces, the working front and the economic resources of the nation, on a scale unknown in our history.

With the valour of our fighting men and women; the magnificent response of the labour force and the whole-hearted co-operation of the Australian people generally, the war was carried on to a successful conclusion.

Even before the war had ended, the Labour Government began planning for the peace. You know of the success that attended the demobilisation of the forces and their rehabilitation into civilian life. The schemes have been carried through in a manner that has not been bettered anywhere in the world.

When, after five years in office, the Labour Government went to you, the people, in 1946, you were told of what had been accomplished and of what was planned for the future. There were no glittering promises. A straight, honest understanding was given that the Labour Government; if returned, would do everything possible to make Australia a better place for all Australians.

It is my duty to-night to show how that undertaking has been kept and to say to you simply: If you return the Commonwealth Labour Government, it will continue to carry out that pledge.

Further, I say this to you: Our opponents will raise bogeys and whip up side issues. There will, no doubt, be passionate declarations of what our opponents will do about Communism. They have been saying the same thing for 20 years or more. There will be scares about nationalisation.

There will, no doubt, be emotional appeals on behalf of the British Medical Association which stands in the way of the sick receiving medical benefits.

The Government will treat all this with the contempt it deserves because we believe that the intelligent electors of this country want to know the programme of each

political party: whether a party has a forward-looking policy and not just a return to the past; and they will then form their own judgment.

There has never been any mystery about the Labour Party's policy platform. It is known to all; whether it deals with social security; shipbuilding; banking or help for Britain.

My colleagues and I ask that you judge us on our record and on our ability to go on with the job of building Australia into the nation we all want it to be. The concern of every individual is not only for the community, but also for his or her own economic and social welfare and I now review briefly the policy followed by the Labour Government and its estimate of what the future may hold.

The Labour Movement exists to promote social and economic security for the people, higher living standards, and the progressive expansion of Australia as a nation in the world community of nations. Through the past eight years, the Labour Government has steadfastly pursued these aims and, despite the war and the difficult conditions which followed the war, it has gone far towards achieving them.

Full employment has been maintained. The economy has been strengthened against the possibility of depression. A wide system of social services now offers protection to the individual against misfortunes of unemployment, sickness and old age.

Great headway has been made with the migration programme. Huge developmental projects have been put in hand to open new resources and provide the foundation for the expansion of all kinds of industries.

Before the war – and for as many years back as we care to go – it was the usual thing to have 8 or 10 per cent of unemployment in Australia. Often the rate went higher than that, and in the depression it rose above 30 per cent.

That meant want and degradation for the unemployed and their families. For those in work it meant ceaseless fear of losing a job. For business people it meant slack demand, low returns, and unsaleable stocks. For the farmer it meant low pricing, unpayable debts, and often foreclosure on his property. For the community as a whole it meant stagnation, wasted wealth, a falling birth-rate, frustration and bitterness.

The Labour Government has shaped all its financial and economic measures towards maintaining full employment, and it will continue to shape them so. So far as it can humanly contrive, never again will the dole queues be seen in this country.

Never again will competent workmen stand idle for month and years while limitless work remains to be done. Never again will young men drift hopelessly from town to town and from State to State, searching for the jobs which, in all this wide land, did not exist for them.

During the last four years all the men and women demobilised from the Services – more than 500,000 of them – and all the people who worked in war industries have found peace-time jobs. All the boys and girls who have left school in those years, and all the new settlers coming to Australia, have likewise been absorbed.

Nearly everywhere to-day there is a shortage rather than a surplus of labour, and the total number of people at work has risen rapidly. At present nearly 750,000 more people are at work throughout Australia than in 1939.

Yet this policy of full employment is being criticised and derided! It is blamed for shortages, blamed for rising prices, blamed for strikes! You cannot have discipline and efficiency – so critics say – unless you have a degree of unemployment.

Not too much unemployment, of course - that would be bad for business. Just a nice 6 to 8 per cent of unemployment, just a quarter million or so out of work to keep the fear of the sack in the hearts of all the rest.

The Labour Government rejects this barbarous and intolerant view and dismisses as absurd the arguments used to support it. It is utter nonsense to say that unemployment would cure shortages – produce more goods, that is, by having fewer people at work. But full employment can be maintained only if positive measures are taken to ward off depressions and to ensure that as the economy expands and population grows there will be jobs available for those seeking them.

In the present troubled state of the world, economic affairs can change quickly and suddenly for the worse, and, linked as we are with many countries through our big overseas trade, a depression abroad can hardly fail to affect us seriously. A good deal has been done in recent years to buttress our position against adversity abroad.

Financial reserves held overseas have been built up to a total in Australian currency of more than £450 millions, and this should be valuable stand-by if at any time our earnings from exports fall. Government debts abroad have been reduced in the past eight years by £117m Australian.

Through this reduction of overseas debt and successful conversions of debt to lower rates of interest, the amount of interest payable annually abroad on account of Governments has been reduced since 1941 from £23 millions to £15 millions. Further, the Labour Government negotiated with the British Government a number of long term contracts covering meat, dairy products, sugar, eggs, and dried and canned fruits. The effect is that producers are guaranteed profitable returns on their exported products.

Under the International Wheat Agreement, quantities of wheat up to 80 million bushels each year for a period of five years can be sold within fixed price limits. For this year the minimum is about 13/4 a bushel and the lowest price that can be paid in any one year is 10/8 a bushel.

Business firms, farmers, and private individuals have been able in recent years to pay off debts and to accumulate financial reserves which will stand them in good stead if difficult conditions return. Savings bank deposits, for example, have trebled since 1939 from £245 million to £730 million last June.

Low interest rates will help in the same direction. Before the war overdraft rates ranged from 5 to 6 per cent. and higher. Since 1945 the maximum rate has been fixed at 4½ per cent. Most other rates of interest have been similarly reduced.

In past times nothing did more to discourage enterprise and burden the farmer, the home builder, and the ordinary man and woman than the charging of excessive interest rates by financial institutions.

As a safeguard against unemployment and a fall in incomes, the Commonwealth and State Governments have cooperated in building up a very large reserve of construction works. By putting these works in hand, not only would unemployment be created directly, but the demand for materials and equipment and for goods and services generally would be sustained.

Let me turn now to the budget, which has a vital place in economic policy. I first give you a brief summary of what has been accomplished in this field.

During the war, Commonwealth expenditure rose above £600 million a year, and, although taxation was raised to the limits, revenue still fell a long way short, and the Government had to borrow heavily from the public and the Commonwealth Bank. In 1944-45, the last full financial year of the war period, revenue was less than expenditure by £266 million, and this amount had to be borrowed.

Since that time –

Tax reductions have been made which, on present income levels, would be valued at £280 million per annum;

Large outstanding war accounts, including the Lend-Lease settlement with the United States, have been met;

One hundred and eight million pounds has been found for interest and sinking fund on debt arising from the war:

Gifts totally £45 million have been made to Britain;

Contributions worth £32 million have been made for the relief of the victims of war in Europe, Asia, and the Middle East;

One hundred and thirty-two million pounds has been paid in subsidies to keep down the cost of living and to assist primary producers;

A post war defence programme has been pushed ahead and great national works undertaken in the fields of the Post Office, civil aviation, and power development;

Social Service expenditure has been increased under Labour Governments from under £18 million a year before the war to an estimated £100 million a year. In addition, the National Welfare Fund has been built up to £100 million.

Yet, notwithstanding these great measures, it was possible during the last two financial years of the period to balance the national Budget. In 1944-45 we had to borrow £266 million for current expenditure. In 1947-48 and 1948-49 the whole of current expenditure was met from revenue without any borrowing whatever.

In addition to this, very substantial amounts were put aside in reserves such as the National Welfare Fund and War Gratuity Reserve. Thus the national finances have been placed in a remarkably sound position. That is another vital step to strengthen our economy and ensure stability of business conditions.

But it is said by some that taxation should have been reduced further and expenditure curtailed. During the war, rates of taxation, especially direct taxation, were raised to very high levels.

Since then, however, there have been five successive reductions in direct tax rates. For example, a man with a wife and two children earning £600 a year now pays only £26 a year for social services contribution, as against £118 a year in income tax and social services contribution in wartime. Further, this £26 is less than the combined Commonwealth and States taxes paid by the same taxpayer in all States except one before the war. Remember, too, that the man concerned or his wife is now getting 10/ a week for the child endowment and is eligible for other social services benefits as well.

The great body of taxpayers – all, in fact, except the few on very high incomes – are now paying much less than half the direct taxation they would have paid on their present incomes if war-time rates now applied. At the present time 75 per cent. of taxpayers pay only social services contribution, the maximum rate of which is 18d in the £.

A single person does not now become liable to income tax as apart from social service contributions unless his income exceeds £500 and a married person with two dependent children does not become liable to income tax unless his income exceed £827, or nearly £16 a week.

Indirect taxation, also, has been greatly reduced. Reductions in sales tax and other indirect taxes since 1946 have cost an estimated £35 million a year. Sales tax has been eliminated from practically all foodstuff, clothing, and building materials.

Many material reductions have been made in Customs, Excise, and Primage. Entertainment tax rates have been reduced by about one-fifth all round. The special reduced rate applicable to the legitimate theatre has been applied to sports such as football, cricket, and certain other games conducted by non-profit organisations.

The war-time company tax was abolished two years ago, and so was the gold tax. On the basis of present incomes, the direct and indirect tax concessions made by the Labour Government are worth nearly £300 million a year to taxpayers. Of this amount £46 million represents concession which have come into effect during the present financial year. This policy of progressive tax reduction has been followed out step by step as financial conditions made possible.

This is what, at the last election, the Government undertook to do. Taxation measures, like all other financial measures, have been judged in the light of the overall position at any time. All told, it may be said that the Government has fulfilled its undertaking to make tax reductions as and when it could.

I turn now to expenditure. It is said that the Government has been extravagant and that taxation would have been reduced more if expenditure had been curtailed. The Budget this year provides for the expenditure of £567 million.

This total is made up as follows: Defence, £60 million; debt charges (1939-45 war), £49 million; War (1939-45) Services (including Repatriation), £36 million; War (1914-18) Services, £22 million; gift to Britain, £10 million; subsidies for price stabilisation and primary production, £16 million; National Welfare Fund, £121 million; payments to States, £101 million; Post Office, Railways, and Broadcasting, £47 million; capital works and services, £55 million; and Territories, £6 million.

All these items represent either past commitments, such as those for war debt, or expenditure on defence, repatriation, social security, the running of vital services, payments to the States, or constructive national works. It is for the critics to say which of these they would eliminate or reduce. So far they have not done so, either in Parliament or out of it. Yet in total, these items make up £523 million of the aggregate of £567 million – by far the greater part of the Budget.

In the remaining £44 million, provision is made for current expenditure on civil aviation, immigration, the C.S.I.R.O., and a thousand and one other items essential for the government and progress of this country.

Nowhere does there exist a great element of wasteful, unnecessary expenditure which could be reduced and allow further big reductions in taxation to be made. In

criticising the cost of administration, some people even decry the splendid work of the Public Service.

More than ever now it is necessary that a strong, forward movement of our economy should be maintained. The war showed up the difficulties of our defensive situation, in particular the need for more people and for the expansion of key industries. Migration plans on a scale not attempted before in this country are the answer which the Government is making to the population problem.

Industry is primarily a field for private enterprise, but the Government can assist. It has assisted in recent years to establish and enlarge industries in Australia on a scale unparalleled in our history. But it rests with governments to provide the basic works which open up resources and give the essential facilities of transport, power, and water supplies which industry requires.

The Commonwealth Labour Government, in co-operation with the States, and in some cases on its own account, is carrying out great undertakings in many parts of Australia which will pave the way for new industries, increase the output of present industries, and make possible the growth of new communities.

In brief, now that the war and its troubles have largely receded into the past, the grand aim of policy should be to take up the tasks of national development on a basis wider than ever before, brining to the job all our resources and all our energies, with the same will and the same singleness of purpose as the Australian nation showed in the crisis of the war.

I summarise the record of the Labour Government; ask you to weigh it against the past record of our opponents; and invite you to endorse our plans for the future.

The Labour Government has increased the value of social services from under £18 million a year before the war to an estimated £100 million this year.

The system of Social Service benefits which the Government has been developing over the years will continue to be developed in the light of economic and financial circumstances. In particular, consideration will be given to those pensioners whose income is wholly, or almost wholly, confined to their pensions.

Employment is at an all-time high, unemployment is almost non-existent.

The Labour Government in co-operation with all the State Governments has £743 million of essential works ready to promote economic and social development in almost every locality in Australia.

Since Labour took office, the number of factories has increased from 27,000 to over 37,000. Over 2,600 new manufacturing projects have been commenced in Australia over the last four years, and 200 of them are from overseas.

In addition, the Government has pursued a planned policy of decentralising industry throughout country areas, The number of tractors in use in primary industries has more than doubled since pre-war years.

The Labour Government believes in Australia and her future greatness. In the forefront are positive projects undreamed of 10 years ago. These include the £200 million Snowy River Hydro-Electric Power Authority. The northern Australian meat production programme will develop the Northern Territory, the Channel country of Queensland, and north-west Western Australia. It will assist Britain and also meet our

ever-increasing needs. The Government is considering a joint effort with the Queensland Government to develop the Burdekin River irrigation scheme.

An examination will also be made of the possibility of joining with the Queensland Government in a plan for the development of the Callide coalfields and the Mareeba-Dimbulah irrigation project.

In Western Australia, the Commonwealth Labour Government has made a grant towards the cost of the Great Southern water scheme.

In Tasmania the Commonwealth and the State Governments are jointly establishing an aluminium industry.

In war and in peace, the Labour Government has had a progressive programme to ensure continuing prosperity of Australia's agricultural, pastoral, and other primary industries. To-day, Australia's primary producers are in a better position than ever before in our history.

The Labour Government succeeded where all previous Governments failed, and has secured Australian-wide agreement on a wheat stabilisation plan. In 1947 the Labour Government announced a five years defence programme which is now estimated to cost £295 million. This is the first time in Australia's history that there has been a programme of such magnitude and giving continuity of development.

The present strength of the permanent naval forces is 10,148. Before the war the total was 5264. Permanent military forces total 14,861, as against 3,863 in 1938-39. The R.A.A.F. has a strength of 9,073, but only 3489 pre-war.

The Labour Government's Defence policy is to provide the most modern equipment for our forces. It is co-operating with Britain in a practical manner.

It has plans for the expenditure of £33 million for research and development, of which the long range weapons project is the main item. The defence programme is initially based on co-operation with British Commonwealth defence.

Britain is the heart of the British Commonwealth. It is vital to our own security and our economy that we continue to co-operate with the United Kingdom. Planning is actively proceeding between Britain, Australia, and New Zealand on mutual defence.

Immigration means security. Even more than that, it means the full development of untapped resources. It means greater protection of goods and services. It means a better, happier, more prosperous life for every Australian.

The great immigration drive, launched by the present Labour Government in 1945, and carried with remarkable success, will be continued vigorously until Australia has the population she needs to achieve the development of all her resources and guaranteed her security.

The Labour Government has carried out faithfully its duties and obligations to Australia in the field of international relations. The Labour Government realises that, without world peace, all social progress would be imperilled. It has, therefore given its full support to the United Nations through which it has made an outstanding contribution towards ensuring the effectiveness of international machinery to maintain world peace, order, security, and improved economic conditions.

Australia's efforts were recognised by the election of her Minister for External Affairs to presidency of the United Nations.

Before the war ended in 1945 the Labour Government initiated a concerted effort to speed up the erection of homes. Under an agreement with the States, £48 million have been advanced so far to the State Governments. In all fields of housing, 52,000 dwellings were built and 60,000 were under construction last year, compared with an average of 27,000 for the 10 years under anti-Labour Governments before the war.

Education is primarily a matter for the States. The Commonwealth Labour Government, however, is assisting the States in many fields of education. As a result, the Commonwealth Government now provides £15 million a year for education and research compared with half a million pounds in 1939. Recently, arrangements were completed for 3,000 students to be selected each year for scholarships. Further, a committee will examine the finances and developmental plans of Australian universities.

An outstanding feature of the Labour Government's programme in the last three years was the establishment with the New South Wales Government of the Joint Coal Board to reorganise and re-equip the coal industry. About £20 million is estimated as required to bring the coal industry up-to-date and £14 million to develop the industry so as to give Australia the increased production of coal needed for Australian's expansion. In the coming year 19 open-cut mines will be in operation.

The Labour Government has provided for ex-Servicemen and women in a way that will bear comparison with any country in the world. The Reconstruction Training Scheme alone assisted 200,000 ex-Service personnel.

By contrast with the experience after World War I, the present War Service Land Settlement Scheme has been an outstanding success. As in the past, the Government will give continuing consideration to the repatriation needs of ex-Service men and women.

In particular it will review the assessment of the pensions of totally and permanently incapacitated members who depend on their pensions as their only source of income.

Scientific research is a necessity for the maintenance of our standard of living and even for our survival. The Labour Government has developed and will continue to expand scientific research. The establishment of the National University of Canberra includes a programme of research in atomic energy under the distinguished Australian Professor Marcus Oliphant.

The past three years have seen development under the Labour Government of great importance to national health, and it is a matter for regret that greater co-operation over a wide held of public health, extended by State Governments, the dental and pharmaceutical professions and proprietors of private hospitals, has not extended to the British Medical Association. The people are now dependent on the goodwill of members of that association.

The Labour Government will continue its endeavours to provide the people of Australia with medical benefits in accordance with Acts of the Commonwealth Parliament.

Since the war, the Labour Government has followed a planned policy in regard to the shipping and shipbuilding industries. The Government is determined that Australia shall have a modern and up-to-date merchant marine in case of any future emergency.

The Shipping Act passed this year is designed to ensure that all vessels for use on the Australian coast will be built in Australian shipyards.

The Labour Government has endeavoured to provide Australia with standard railway gauges. An agreement involving a Commonwealth contribution of £17 million has been reached with South Australia. Negotiations are proceeding with Victoria and Western Australia with the same objective.

During the three years from July, 1947, the Commonwealth Labour Government has made provision for £23 million for roads. Of that amount £6 million has been earmarked for roads in areas which are difficult of access. The anti-Labour Government provided only £11 million for roads in the three financial years before the war.

The Postmaster-General's Department is proceeding with a three years' programme involving £35 million, and an important feature of the works being carried out is the improvement of facilities in rural areas.

As I said to you earlier, our opponents will endeavour to catch votes by raising scares and bogeys. False and malicious statements are being circulated to the effect that the Labour Party intends to nationalise farms and homes and shops and all industry.

Such statements are complete and utter untruths. The Labour Party has no desire and no plan to do anything of this kind, and moreover it could not do anything of the sort under the Constitution.

And now there is something which goes deeper than all that I have said. That is the welfare of the great mass of the people – the ordinary man and woman. The Labour Party, and I personally as one of its members, have always held as our fundamental objective, the betterment of the people.

Many of you will remember the period of the thirties onwards when banks and the Bank Board decided that the only way to restore financial stability was to reduce wages and pensions and to advocate measures that resulted in hundreds of thousands of breadwinners being thrown on to a pitiful dole.

Farmers were sold up and shopkeepers closed their doors, and insecurity, misery, and want were forced upon our people. We are determined with all the power at our command that that shall not happen again. I well remember when, by their thousands, breadwinners, ill-clad and underfed, queued at factory gates seeking work.

We, the Labour Party, feel we have a sacred responsibility to see that all sections of the community receive justice, and that the less fortunate section of the community has protection from want, unemployment, and insecurity.

We affirm for every man the right to receive a fair return for his labour, enterprise, and initiative. But we do say that it is the duty and the responsibility of the community, and particularly those more fortunately placed, to see that our less fortunate fellow citizens are protected from those shafts of fate which leave them helpless and without hope. That is the objective for which we are striving.

It is, as I have said before, the beacon, the light on the hill, to which our eyes are always turned and to which our efforts are always directed. We work and fight, not for personal gain, but that our fellow citizens may labour under good and ever improving standards and conditions, free from want, insecurity, and misery.”

Source: Compiled from the Canberra Times, The Sydney Morning Herald 15 November 1949, page 4/5, and The Argus.