

Policy Launch Speech: Robert Menzies, Prime Minister (LP)

Canterbury Memorial Hall, Melbourne, 4 May 1954

“We come before you for a renewed vote of confidence. In this speech I have no intention to rest upon past achievements. But I will speak about our record; partly to give an account of stewardship, and partly because we are willing to be judged, not just upon new promises, but upon past promises faithfully performed. We hand back to your custody as voters a nation more prosperous, more productive, possessed of more social justice, better defended, and with more friends abroad, than ever before. We present our accounts, not with apology and anxious explanations, but with pride.

Our opponents have been destructive critics. They have politically welcomed every difficulty. They have prophesied, and hoped for, disaster. Depression, mass unemployment, financial collapse; these have been their gloomy political stock in trade. All their prophecies have failed. Instead of depression, we have a record prosperity. Instead of unemployment, we have a record level of employment at high wages. Instead of financial collapse, we have the highest national income on record, large exports and international reserves, splendid credit, buoyant loan markets, stabilised prices.

Today, bitterly frustrated by the failure of their past prophecies, they are struggling to raise false issues and new prejudices, and to make glittering promises to distract attention from real and solid achievements.

For the sake of the Australian people whose cooperation has made all things possible, we hope that the substance will not be abandoned for the shadow; and that the administration of this nation will not be entrusted to politically desperate men, divided in their counsels, men who have not been able to follow any consistent line of principle or present any coherent proposals for the judgment of the electors.

This is a Policy Speech, not a Budget. The purpose of a Policy Speech is to explain broad lines of policy. I should make this clear, because, having regard to limitation of time, one hour, any Policy Speech must be as conspicuous for the things it does not say as for those which it says. Thus, I have found it necessary to omit re statements of policy on important topics, on which I am issuing Supplementary Statements.

We have gone through a bad inflation. The value of the pound was held during the war by elaborate controls, such as wage pegging, rationing, conscription of labour. When the war ended, people wanted their freedoms back, and controls began to come off. By 1948-49 prices were rising 10% a year. When we came office, we set out to increase production, which is the major antidote to inflation. We met unexpected difficulties; the war in Korea, the "cold war" activities all over the world, the consequent wool boom. These factors put immense pressure on demand, and so on Prices.

We carried on the fight. We facilitated the procurement of plant and equipment and materials for productive enterprise; we countered monetary excess by a **FOUS** Budget; we

adopted policies which diverted the needed labour to basic industries. As the tide of inflation began to be arrested, we made, in the 1952 budget, increased tax reductions, to encourage production. In 1953, we produced the greatest Tax Reduction Budget that has been seen in any country since the war. Production is still rising; labour is fully employed; wages are high; prices have become stabilised. For the time since before the war, price falls have been recorded. I quote a few official figures.

In 1950, prices rose 12 ½%. In 1951, when the difficulties were at their height, prices rose 24%. After our Budget the prices increase fell in 1952 to 10%. In 1953 it fell to 3 ¾%. During the last six months, the prices index has not risen at all!

With peace and sensible administration, this stability will continue. Continuing policies are essential. An irresponsible burst of vastly increased government expenditure which our distracted opponents will offer in exchange for votes, would undo the good achieved, and create once more inflationary pressures. It would be a national tragedy if, having won a great campaign against inflation, we disbanded our forces and left the field to the enemy.

Stability is not an end in itself. The creation of new wealth and wider opportunities must go on. We must help to build a great Australia. In 1949, we said that we would raise loans totalling £250 m., over a period of 5 years, for development. Well, in four years we have found or raised £760 m. for works of development. This is £500 m. more than the Chifley Government found in a similar period.

This remarkable record of promise and performance has been obscured by arguments about Commonwealth and States financial relations. The States carry out the bulk of the works, and, during our term, the Commonwealth finds most of the money.

Not without political difficulty, we hung on to our constructive, long range policy. In the result, of every £10 the States have spent on works during the past three years, £7 has been provided by my Government!

Let me say something about the Commonwealth's own expenditure on development. I leave aside the expanding work of, e.g., the Post Office, though it is essential to developmental settlement. I merely mention one great work; the Snowy Mountains Hydro electric and Irrigation Scheme. It was just begun by our predecessors, but we have found practically all the money. The Snowy, so far from being local, will serve with power or water an area which contains well over half of the population of Australia. It is already progressing so well that even by 1959 it will have capacity to supply as much electricity as either Bunnerong or Yallourn. And as much water for irrigation as is now available to the entire Murrumbidgee Irrigation Area.

You will see that more public development work been going forward than ever before. But true, development also requires private action. The work of a company which creates or expands an industry, is developmental. To take a simple example, the huge private investment now being made in oil refineries is developmental in the truest sense. Our recent action in making reductions in company tax was designed to make possible greater non-Government developmental expenditure and maintain both continuity and growth of employment. We will continue this policy.

But what of public works? Can we improve upon the methods of the past three years? We think we can. But there is no national order of priorities. There is no competent body which can advise both Commonwealth States about what are the most important jobs from a national point of view. Just as we claim no right to interfere in State affairs, so do we say that if we, the Commonwealth, are to assume the burden of finding for State works many millions out of the taxpayers' money, we have a duty to tax payers to see that the selection of works to be done should be guided by their order of true national Importance.

We will therefore ask the States to co operate in the creation of a small advisory body of highly expert persons to serve as a National Development Commission, acting in association with the Department of National Development, to report to both Commonwealth and States upon the economics and relative importance of [articular proposals. This will not only influence public opinion and Government action, but will produce authoritative reports upon particular projects, irrigation, power, land settlement, which may well attract private enterprise both locally and overseas.

In the absence of such a body, Australian development may be actually hindered by election promises about specific local projects, made without regard to any Australian pattern.

A great country with vast riches and an enormous population could perhaps afford to be prodigal in labour, or money, or time. We cannot afford to do so. That is why we will aim at a concentration upon those things which will best serve the future. We have no enthusiasm for orders and compulsion. We prefer team work. We have shown this in industrial co operation leading to industrial peace; in making the absorption of immigrants a friendly community effort. In four years we have received and absorbed 510,000 new settlers, without real disturbance. On our Committees, large employers and Trades Union leaders have sat down together. This cooperative spirit has done much to improve morale, to stimulate confidence, and to forward our national growth. By good sense, fairness, co operation, and determination, we can achieve all.

Under our Constitution, the Commonwealth has no general authority over, or responsibility for, housing. Our authority extends to housing in the Territories, for the Services, and for ex servicemen. But we have gone further. We have found all the money spent on housing in practically all the States. Great progress has been made. In the last three years of the Labour Government, 140,000 houses were built in Australia. In the past three years of our Government, 227,000 houses were built.

Though War Service Homes began 35 years ago, we have provided as many War Service Homes in four years as all other Governments provided in the other 31 years!

The Commonwealth Bank in the last year has made advances of £2.6 into Building Societies and Co operatives, and another £7.4 in for other home building purposes.

We have so far provided £115 to the States under the Housing Agreement. In the previous corresponding term of Labour the amount was £56 m.

What is needed is that encouragement should be given to home ownership, now that, by sound industrial policies, adequate supply of materials, and steady continuity of work, the costs of building have been reduced. The Labour Government, when it prepared the

Commonwealth States Housing Agreement in 1945, rejected the idea that people should become, in the famous phrase, "little capitalists". Indeed, steps were taken to discourage the purchase of homes to be built under the Agreement. In the result, Governments are becoming the greatest landlords.

We have always stood for home ownership. The Agreement expires over the next year or two. We will require that any new agreement encourages ownership, and leaves ample opportunity, both financial and otherwise, for the work of Building and Cooperative Societies and private building. Meanwhile, we have practical proposals for the encouragement of ownership:

1. We will continue to co operate with the Commonwealth Bank and other financial institutions for continued support to Building Societies, Cooperative Societies, and other lending authorities.
2. We will increase from £2,000 to £2,750 the advance available for the purchase of existing homes under the War Service Homes Act. To permit of this, we will increase the War Service Homes appropriation to £30m. per annum.
3. We are prepared to authorise the States to sell Housing Agreement houses to ex servicemen tenants of twelve months' standing and ex servicemen occupy 60% of such houses! with a maximum advance to the purchaser of £2,750. The advance will be treated as owing to the War Service Homes Division.
4. We will authorise the States to sell Housing Agreement houses to tenants who are not exservicemen on a minimum deposit of 10% and an outstanding indebtedness of £2,750, to be paid off over 45 years at 4 1/2% interest, payments by the State to the Commonwealth to be made accordingly.

I will add another new and important proposal which might be placed in my Social Services section but which, as it concerns homes, I will deal with now. There is no greater human problem affecting lonely old people than that of care and housing. Wonderful work has been done by the Churches and Charitable Organisations. But their financial difficulties on the capital side are great. We will provide, on a pound for pound basis, money towards the capital costs incurred by Churches and recognised charitable bodies and institutions for building homes for the aged, up to a total Commonwealth contribution of £1,500,000 a year. We believe that this will be warmly welcomed and will be of immense help in a great cause.

Australia's arbitration laws were revised by our predecessors. We have made further amendments, notably in respect of Secret Ballots, the strengthening of the Court's authority to maintain uniform industrial policies, and the provision of a limited much needed system of appeal from Conciliation Commissioners, whose work was left completely uncoordinated by the Labour Government.

Dr. Evatt, however, attacks the principle of Court Review. He goes further. He has recently promoted a belief that he undertakes, if he becomes Prime Minister, either to persuade or to compel the Arbitration Court to decide in favour of the Unions. This is deplorable. Do you want an independent Court, or one that can be ordered around? It is dangerous for politicians to applaud and uphold the Court when it raises the basic wage,

or reduces working hours, and denounce it when it even postpones a decision upon marginal rates.

Our attitude has been different. We always support the Court. When the central Parliament does not have power to fix wages, we think it useless and dangerous to bring industrial disputes into political debate in a Parliament which cannot settle the dispute itself. After all, industrial peace depends upon a belief in the scrupulous independence of the industrial judiciary.

Dr Evatt knows that he can do nothing about the margins issue – unless he secures an amendment of the Constitution. Does he propose such an amendment, or is he allowing voters to believe that no Constitutional amendment is necessary?

The whole issue of margins has been obscured. That the highly skilled employee should be properly rewarded is clear. There is nothing in the decisions of the Court to the contrary. But the so-called “margins” claims put to the Court by the general body of the unions were not designed to give special help to the really skilled man; on the contrary, they sought increases for all people on rates higher than the basic wage, very few of whom are really highly skilled. In short (as substantially nobody in Australia is on the Basic Wage!) the so-called “margins” claim was simply an attempt to have wages raised generally over almost the entire industrial field. The Court, having, as the Union advocates expressly asked, upheld the existing basic wage as being the highest wage which industry could afford to pay, was not prepared to add to the existing cost level in industry until it had further time to examine the national economy. I put it to the skilled workers, the craftsmen, whose claims I respect, that their real quarrel is not with the Court, but with general union policy.

Recently, the Communist Party published these words – “The present situation demands that we deliver the main attack on the Menzies Government. . . A Labour Government opens up greater possibilities for advances, greater opportunities, provided we organise and lead correctly.” So now we know what side the Communists are on! But what side is the Labour Party on?

We said that we would outlaw the Communist Party. We introduced the Communist Party Dissolution Bill. Labour opposed it. We were told that Communism was a “bogey”. At last, under threat of Dissolution, Labour surrendered, and the Bill passed.

The Communists, aided by some Communist-controlled unions, challenged its validity. The Leader of the Labour Party made one of his necessarily rare appearances in Court to support the challenge. The High Court decided that Parliament had no power to make that law,

We then sought an amendment of the Constitution. The Labour Party and the Communists fiercely opposed the amendment, and it was rejected.

We then brought down a Bill to provide effective Secret Ballots for union office, so that the rank and file of unionists could have a fair chance of throwing out Communist leaders. The Labour Party fiercely opposed this democratic measure. So did the Communists.

Yet Union after Union has taken advantage of our law to achieve victories over the Communists. We will continue to fight the Communists, with whatever weapons we have. It may well prove that additional powers should exist; if so, we will ask for them.

But where do the Labour leaders stand? If they say that they are now the enemies of Communism will you accept this repentence, or will you conclude that they are now trimming their sails to the prevailing winds of public opinion ?

Some wage-earners say, " I vote Labour, because I am a worker." But how many are not workers? Is a man who works with his hands a worker, and another man who works with his head not a worker? Are our wives workers? We need workers with hand, heart and head, if we are to become a great nation. But, anyway, who are the worker's friends? Look what has been done during the past three years. Australia is prosperous, production great, employment secure, the future excellent.

No worker has security without defence. Australia is better defended. No defence policy is adequate unless foreign policy makes powerful friends and allies. We have succeeded to such a degree that it is quite certain that Australia runs no risk of having to stand alone.

Adequate production of basic elements is essential to full employment. We gave priority to these things. Black coal, which was desperately short, is now in record production. Steel production has risen by over 40%, production of electricity so essential to our industrial expansion has grown by over 50%. The greater availability of building materials has meant a record completion of houses during the past three years.

Our last Budget was one from which every wage salary and salary earned secured material relief. The family breadwinner was specially helped through increased allowances for his wife, his dependent children, medical, dental, and educational expenditure, life assurance.

The "workers" of Australia are not a special section; we are the overwhelming majority. No policy can be a workers' policy unless it seeks justice for all employers, employees, housewives (the hardest workers of all) self employed in shop or office or farm. It is because we have never confined our interests to one group that we can rightly claim to be the workers party in the truest sense.

As a Government supported by over two thirds of the Members of Parliament representing country electorates, we have devoted much time to the rural industries. In fact, they have never known such prosperity as during our term of office.

When we came in, shortages were the order of the day. Many farmers could not use their money to fence or improve because materials could not be got. We concentrated on financial, migration and industrial policies. In the result, shortages have substantially disappeared. Developmental investment on farms, such as on employees' houses, fodder conservation, and farm machinery, has been encouraged by special depreciation allowances. We abolished Land Tax, which Labour is pledged to restore. Total farm output has already increased by 12%. Long term targets set by the Australian Agricultural Council appear likely to be achieved.

Let me say eight things:

1. We successfully defended the Wool Auction System against a most powerful challenge.
2. We established Producer controlled Marketing Boards as effective principals in price negotiations overseas.

3. Our success in raising dollar loans from the International Bank has helped greatly, directly through dollar equipment for agriculture development, irrigation; and indirectly through its assistance to coal and power, vital for the local production of plant, machinery, and material.
4. Through migration, we have placed labour effectively. Between March, 1952, and March, 1953, there was an increase in rural labour of 12,000 persons.
5. Our taxation policy has given great incentive to developmental expenditure.
6. Our negotiation of the 15 year Meat Agreement has ensured an outlet for our exportable surplus.
7. Increased expenditure on Research, particularly through C.S.I.R.O., has produced spectacular results. Thus, myxomatosis is estimated to have added £50 m. to the wool clip, while a scourable branding fluid is eliminating wool waste equivalent to about 2% of the entire wool clip, our greatest source of wealth.
8. We have accelerated the construction of stock routes, with watering points, in Northern Australia. We have encouraged the tobacco industry by increasing the percentage of Australian leaf to be used in tobacco manufacture; we have given cotton producers a guaranteed return; the new Sugar Agreement and adjustments of price have put the sugar industry into a sound position.

We stand for orderly marketing and stabilisation. Our attempts to establish a Stabilisation scheme, though enjoying the support of five States and of the organised wheatgrowers themselves, have been frustrated by the Labour Government of Victoria. No doubt you will now be told that we promised stabilisation and have failed.

This will deceive nobody, least of all the wheat grower, who knows that, but for this opposition, he would have had the chance of voting for and establishing stabilisation months ago, instead of having it made a political chopping block at a General Election. Our plans stand, and is still open for acceptance. Meanwhile, we negotiated with the States a three year orderly marketing arrangement which ensures a guaranteed return for home consumed wheat. Our policy on wheat storage has already been announced.

In 1952 we introduced a new five-year stabilisation plan. The cost-funding authority is the dairy Industry Investigation Committee, established 1957. The guaranteed return to producers has been almost doubled. Part of this consists of a substantial consumer subsidy. We are paying 10 3/4d. per lb. at present and have so far paid, over three years, nearly £50 m.

There is uncertainty in the export market, though we secured a variation in the United Kingdom contract, which gave a price increase of more than 60% in the last two years of the contract. Since that contract expired, there has been an open market and a fall in prices. To assist the industry in the difficult change over, we recently made a special grant of £250,000. We have also legislated to reconstruct the Australian Egg Board, to provide State Egg Boards with direct representation, and to develop orderly marketing.

Over four years ago, we said that taxation should be reduced as national production and income rise. That policy stands. But in addition there may be circumstances under which reduced taxation may actually help to increase production and national income.

In our last two Budgets we reduced taxes by a total amount of £197 million. I will not repeat what I have said elsewhere. It is sufficient to remind you that, since the 1951 Budget, and largely because of its effectiveness, we have repealed Entertainments Tax and Land Tax, have reduced Income Tax, including Company Tax, Sales Tax, Estate Duty, and have greatly increased family tax deductions. We have relieved of Pay Roll Tax fifty thousand small employers. And all this has been done with balanced Budgets.

You may find that Labour, whose promises become more lavish as its risks of having to perform them grow less, will undertake to spend hundreds of millions more of your money, but will also perform the remarkable acrobatic feat of promising to collect less from you! This would be a financial feat, the secret of which has been hidden from the wise and prudent, and revealed only to Dr. Evatt.

My distinguished colleague, Sir Arthur Fadden, whose fortitude under difficult circumstances all of us so much admire, has pursued, with our whole hearted support, policies so far removed from the auction sale atmosphere, that Australia's finances were never more solid, her prosperity never so notable, and her Treasury never more solvent. It is because of these facts that we can confidently look forward to making still further reductions of tax in our next Budget.

In 1949, Australia had no National Health Scheme. Socialist Labour had done little more than quarrel with the very people whose co operation was vital. We got co operation. We have created a National Health Scheme which, we believe, has no superior in the world.

We have made a great attack on tuberculosis, by Tuberculosis Allowances so adequate that sufferers could go into hospital without worry, mass X ray surveys, help in the building of special hospitals. The results have been amazing. Deaths were, in 1953, only half of what they were in 1949.

We have made life saving and disease preventing drugs free. We are providing free milk for 750,000 children under 13 years of age. Under our Hospital Benefits Scheme the whole financial position of hospitals is being changed. In the first year of operation, the over all increase in hospital income exceeded £3,500,000!

We have arranged or provided the wonderful boon of free medical treatment and medicines for pensioners. Last year, we instituted the Medical Benefits Scheme, which makes use of about eighty non profit making health insurance organisations, and includes heavy Government subsidy.

A great burden is taken off the private citizen, who, nevertheless knows that he is helping by his own contribution, and that he retains his freedom of choice of doctor. There is no doubt that, if it is not interfered with by meddling Socialists, this scheme will bring wonderful human aid to practically the entire population Australia.

We will press on with research. For example, we already had one of our most distinguished scientists working in America, with Americans, on the search for a vaccine for immunisation against poliomyelitis. A vaccine has now been developed in America (though not yet commercially) which appears to give immunity in a substantial proportion of cases. We are investigating the possibility of producing the vaccine at the Commonwealth Serum Laboratories.

In this field, there is a wonderful record of improvement. Old Age pensions have risen from £2/2/6 to £3/10/ per week. Substantial liberalisations have been made in the means test. The exemption for money or its equivalent has been raised from £100 to £150, while the ultimate property limit has been increased from £750 to £1,250. Exemption of the surrender value of life assurance policies has been raised from £200 to £750. The income means test has been raised from £ 1/10/ to £2 per week, or £4 per week for a pensioned married couple. Similar steps have been taken in respect of invalid pensioners. Blind people have a pension of £3, without means test. Widows' pensions have substantially risen. We have doubled unemployment benefit. Reciprocity on Social Security has been arranged with the United Kingdom. Taxation concessions have been made for persons of pensionable age, so that now a married couple in that group pay no income tax if their income does not exceed £750 per annum. I need not elaborate the wonderful benefit which has come to pensioners through the free doctor and medicine service, worth at least 5/- per week. If the pension paid in the last year of Labour (£2/2/6) had been increased with the cost of living Index Figure it would now be £3/9/3.

Under us, it is actually £3/10/ , plus the free medical service. In the result, the Social Services outlay of the Commonwealth Government has increased from £75m. in 1949 to £153. today. Apart from "indirect" taxes, there are now 3 1/2 million income tax payers. Tax includes the cost of social services. We therefore have, broadly, a contributory system.

Could we, at the present very high level of taxation and social service expenditure, produce a practical scheme under which the Means Test was completely abolished (at an added cost of £100m. per annum, even at present rates of pension) and a new tax in the form of a contribution created?

Whatever the position before the war, when the social Services bill was £15m. a year, we do not believe that the Australian people could now be asked to accept increased taxation on such a scale. Nor would we be guilty of pretending that £100m. can be found without either increased taxes or inflationary finance. Without increased production the earning groups just cannot go on carrying the enormous burden of age benefits which accrue to an increasing proportion of our population every year. We have therefore decided that it is not practicable completely to abolish the Means Test, but that we will continue vigorously the work of modifying it, having in mind the majority of hard cases.

We will therefore raise the permissible income from £2 to £3/10/- per week. We will raise the ultimate property limit from £1,250 to £1,750. Up to now, income from this property, as well as the capital, has been included for Means Test purposes. We will exclude it. We will raise the complete property exemption from £150 to £200.

Could I give you a simple illustration? A married couple, both on pension, will be able to draw two full pensions, i.e., £7, and also draw, without loss of pension, superannuation of £7 per week. They can also have without loss of pension, property of £400. If they have more, their pension will not disappear until £3,500 of property is reached. Their income from property will no longer be included as income for calculating permissible income. In addition, each could have a life insurance policy to a surrender value of £750, and they could also, as now, own their own home and personal effects.

Whatever rate of pension is drawn, they are also entitled to the benefit of the free medical and medicine service.

These proposals stop short of Means Test abolition, but they are financially practicable, will give relief to many scores of thousands of deserving and will remove from retirement much of the anxiety with which frugal men and women have in the past been so heavily concerned.

Roads are vital to development. They are, constitutionally, State and Municipal matters. But years ago the Commonwealth allocated portion of the petrol tax receipts to the States for roads. This practice has continued. In 1950, we made a 5 years' arrangement under which we were to pay to the States 6d. per gallon on imported petrol and 3 1/2d. per gallon out the Excise on locally refined petrol. Payments to the states rose from £8m. to £12.8m. in 1950/51, and will be over £17m. for 1953/54. We will have provided just over £60m. for the States for roads in four years. We have decided to make certain changes.

Thanks to the immense local refineries, development of the last year or two, less petrol will be imported, and more refined locally. Under these circumstances, payments to the States could fall. We will therefore, at once, review the basis of payment. We will make a flat rate payment to the States per gallon of petrol consumed, irrespective of origin or of tax paid. We will pay 7d. per gallon consumed, which will in 1954/55 increase the Roads Grants to £25m.

We will, of course, continue to require the States to spend at least 35% of the grants on roads in rural areas, and will reserve £800,000 for strategic roads. These important decisions will be welcomed by State local governing authorities all over Australia. Our policy, as stated in 1949 and 1951, is being carried out with success.

In 1949, we asked for an Empire Economic Conference. One was held in London in 1952, at which great discussions occurred, principles were established, and plans prepared. The next conference was in Sydney last January, when reports were received about progress. There have since been notable changes of policy in the United States, while the position of sterling is becoming notably stronger.

In 1951, we referred to the possibility of making arrangements with the United States of America in the Pacific. The arrangements were made. The Anzus Pact — U.S.A., Australia, New Zealand — has given us great encouragement and a much stronger strategic position.

These events mark our growth. There are, of course, great problems before us: Korea; Malaya; Indo China. Each of them bears upon Australia's security. Historic conferences are now being held. It is sufficient to say that we are in the closest communion with our friends, particularly Great Britain the United States, on these matters which so vitally affect both South East Asia and ourselves.

The Minister for Defence recently made a statement on Defence Policy, indicating that we would give more emphasis to air defence, which would mean modifications in the Navy and Army programmes. We are not cutting down the over all vote. But we must keep within practical limits. A defence vote of about £200m. as compared with £54m. in 1949 is not small. We will re balance our expenditure so as to place emphasis on the Air and Equipment.

Much has been done: The marvellously successful National Service Training Scheme; Woomera; and joint research. The National Security Resources Board reports “.. The country is in a better position to meet a sudden emergency. . . . The number of men under arms or immediately available has been almost trebled. Arms and equipment have increased considerably; the Navy has more ships, the Army has more tanks, and the Air Force has many more planes.”

We had a mandate to preserve private banking in Australia, to ensure its stability, and to encourage competition. As I have intimated more elaborately in another statement, we have created a Commonwealth Trading Bank as a separate institution; we have averted Socialisation by administrative act by completely reforming the Special Accounts System; we have got rid of injustices and the possibilities of unfair competition. We will not hesitate to make further improvements if experience shows them to be necessary.

We believe that there are great issues of principle which attract the minds of honest Australians, who are always in the majority! What are our principles? We believe in the individual, in his freedom, in his ambition, in his dignity. If he becomes submerged in the mass, and loses his personal significance, we have tyranny. And because of this, we believe in free enterprise; not enterprise free of social obligation, but free enterprise in the sense that it embraces free choice, reward for effort and skill, encouragement to grow and be self reliant, and strong.

We believe that, as every individual has his significance and his rights, sectional policies are wrong. We believe in the growth of this nation. We believe that this requires more people, more industries, profitable employment and investment alike, enterprise, the immortal pioneering spirit.

The Socialists do not really believe in these things. Their ideas may work somewhere, but in a country like ours, which needs the spirit of risk taking, of dynamic energy, the dull, unproductive Socialist philosophy is merely the definition of stagnation and death.

Here we have a conflict both far reaching and vital. The Socialists say that we all ought to work for a Government Department; that we don't need to be encouraged to work in any case, because an all powerful Government will provide. In Australia the Socialists—who call themselves Labour—carry their ideas to the most cynical extremes. They will appoint an extinct labour politician who knows nothing of shipping to run a Marine Board; or a former union official to run the Milk Industry; they would not hesitate to appoint a vegetarian to conduct the meat industry, so long as his politics were right!

How opposed this is to the realities of life. For the less efficient our business management, the lower will be the real standards of living of the very people whom the Socialists profess to represent. It is no mere accident that has made the United States the greatest industrial power and the richest nation in the world. Socialism never got a foothold there! The vigorous and ambitious worker finds nothing to attract him in dreary doctrines which always seek to level down and view with distrust the man of character and talent.

I have presented the issues. Though you will be voting for or against individual candidates, your vote will help to decide the Government. You cannot put the Menzies Government out except by putting an Evatt Government in.

Let my final word be this: Whatever we do will be done in a spirit of service to our country. In that service shall spare neither thought nor effort nor devotion, we know that with self reliance, and imagination, industry, and courage, and that true brotherhood which casts out fear, there is no height that Australia cannot scale, and no true happiness that she cannot attain.”

Source: Compiled from original documents and *The Sydney Morning Herald*, 5 May 1954.