

BROADCAST BY THE PRIME MINISTER (RT. HON. R.G. MENZIES)
Over NATIONAL STATIONS at 7.15 p.m. MONDAY,
27TH NOVEMBER, 1961

DEVELOPMENT

As the election campaign goes on, it becomes more and more clear that there is a basic difference between Government and Opposition in their approach to the national problems. I can best illustrate this by referring to our well-known policy of national development - a policy which we have been pursuing with great vigour, and in relation to which we have already accepted substantial additional obligations over the next few years. I refer to the West Australian iron ore, iron and steel, and railways scheme, Beef Roads in the north, improved coal ports, and the like.

From our point of view, the great continuing policy of works for development, particularly those calculated to earn more export income and save imports, is essential. It provides a foundation upon which everything else stands. For when you develop our country, whether in minerals or water supply or power or transport or heavy industries or more intensive production from the soil, you are doing something which increases the national wealth and the national income and enables living standards to rise and makes it financially possible for a Government to increase social services and other community benefits. We regard national development as the cause, and improving social benefits as the result.

Labour seems to start at the other end. Mr. Calwell has been complimented in some quarters for putting forward a constructive policy. Yet that policy is, in reality, a string of financial promises and hand-outs having for the most part little or nothing to do with the development of the nation's resources. His approach is, therefore, fundamentally different from ours.

We have shown, and will show, that great works of development must be based upon economic stability and the encouragement of investment, and that only such a policy can give rise to increased employment and wealth and growing social advantages.

The Calwell policy, so far from being constructive, is in reality destructive. It will check national development because it is grossly inflationary, and will, therefore, lower living standards and operate against effective saving and investment in Australia. If he won this election it is quite clear that the more he attempted to put his policy into operation, and the greater the rate of inflation became, the slower would be the rate of national progress and the greater the difficulty of honouring the rest of his promises.

Now it must be said for us that we have very seldom made election promises in relation to what I will call broadly "social services". We have simply known and determined that these would be improved as the national capacity to provide them became greater. And what has been the result?

I hate to weary you with figures, but the ones I am about to give you are quite remarkable. When the Labour Party was defeated in 1949, having had up to that time a clear majority in both Houses of Parliament, and being therefore able to put its policies into force, it was spending £85m. on social services. In the current year we are finding £273m. But there are great additional items. When they went out they were finding £6.3m. for hospital benefits - we are now finding £23m. They were finding nothing for medical benefits - we are finding £16m. They were finding less than half a million for pharmaceutical benefits - this year we are finding £34m. There are other similar items, such as tuberculosis benefits and the nutrition of children. Add all these up and the simple fact is that in the whole of what I will call the "health field" they were finding £7½m. in 1949 - we are, in 1961, finding £84m. These latter figures include two remarkable benefits for old age pensioners over and above the actual amount of their pensions of £4.8m. for medical services and £9.3m. for pharmaceutical benefits, or a total of £14.1m.

Now I want to say to you that this record, which puts Labour's present electioneering protestations and promises in their true light, could not have been achieved unless, under our overall policies of development and high public credit and investment, both domestic and from abroad, the gross national product had risen from £2,729m. in 1949 to £7,208m. this year. You see what I mean? The expansion of the resources of the nation has made it possible soundly and justly to increase the benefits coming to citizens. You cannot, without inviting disaster, put this proposition into reverse by saying, as Labour appears to say, that the individual benefits create the national wealth.

In our term of office, as a result of these basic policies, Australia has become, among other things, the tenth greatest trading nation in the world. For that is what has enabled its living standards and its social services to grow.

To put this in the shortest possible terms -- we believe that a nation must create before it can distribute, and it must earn before it can pay out. We have already, as I have said, pledged over the next three years very large sums of money to works of national development. Our economy will need to be strong and stable to sustain and forward these enterprises, to say nothing of others which will emerge. Yet, Mr. Calwell light-heartedly proposes to add hundreds of millions more each year over and above the already committed Government expenditure. And, I repeat, the great bulk of his promises have nothing to do with development or with the creation of wealth at all. He seems to me to be putting the cart before the horse. Indeed, so little attention does he pay to the basic problem of building up this nation, that I begin to think that so long as his cart is full of glittering gifts he does not think that a horse is necessary at all.
