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Statement by the Prime Minister, the Rt. Hon. R.G. Menzies

The Government now has a majority in the House of Representatives, and the probability of a stronger position in the Senate than at one stage seemed likely.

Ministers met yesterday. They frankly reviewed the election and its results, and the causes of the set-back the Government sustained, particularly in Queensland and New South Wales. Subsequently, we had a meeting with private members, and were supported in the views which we had formed.

In this brief statement, therefore, I speak with the authority of all Ministers and Members on the Government side.

We acknowledge with gratitude and appreciation the support which we received from those who stood behind us in difficult and unpopular policies. These policies have already had, in important fields of the national economy such as the trade balances and the arresting of boom inflation, notable results. But we are quite prepared to face the facts of the election.

It is clear that we have been opposed in the electorates by many people normally our supporters. They appear to have felt that our economic measures of last year were too severe; that we acted in too much detachment from those actually engaged in industry and banking and commerce generally; that full weight was not given to human considerations; and that we were not sufficiently conscious of unemployment. We pleaded and plead 'not guilty' to these charges; but the verdict of the jury almost went against us.

Facing the position in a realistic and democratic way, we do not propose to take up rigid attitudes, or to ignore the currents of public opinion. This does not mean that we will abandon the twin policies of stability and national development which we have been applying, with, we believe, benefit to Australia, for the last 12 years. They are vital to true human progress. But in the application of those policies, modifications of method and approach should clearly be made.

To this end, we will at the earliest practicable date set up closer contacts and discussions with leaders in the manufacturing and business and banking fields, to secure their first-hand views on their problems and those of the men and women employed by them, and their suggestions on how they can be solved. We will particularly desire to discuss with manufacturers the problem of tariffs and imports.

We continue to desire to have full employment, and will give special and urgent attention to ways and means of getting rid of such unemployment as now exists.

The question of Northern Development is one on which there has clearly been great public confusion and misunderstanding. I hope that we may have an early opportunity of personal discussions with State Ministers on this important problem.

We will, of course, devote the closest attention to the problems involved in the Common Market negotiations, with the object of safeguarding the rural industries, whose prosperity is so vital for the nation.

Complete economic recovery depends upon the restoring of private industry to full activity. As the spirit of private enterprise is the dynamo of national progress, we will look to the encouragement of that spirit by such means as are available. The issue still remains - a liberal economy or a socialist economy - and we will fight it out with vigour and determination. We are confident that 1962 can be a great year of advancement for all.

These general observations will, of course, be given a more detailed expression and application as soon as possible in the New Year.

CANBERRA,
20th December, 1961.