

YOUNG LIBERAL MOVEMENT CONVENTION
Y.W.C.A. HALL, SYDNEY
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Speech by the Prime Minister, the Rt. Hon. R.G. Menzies

Sir, I am delighted to be here and I am very sorry that I didn't hear the whole of that last debate. The three speeches that I listened to I thought had a quality that has almost disappeared at Canberra. (Laughter) Brevity and point. But I would like to take exception to the statement made, a most misleading statement by one of the speakers, that in Australian Rules football, there are three umpires. (Laughter). He said this in a rather derogatory fashion. I take leave to point out that there are five, (Laughter) and they are very sharply to be distinguished from those who officiate in Rugby League in Sydney, (Laughter) because some of them have been publicly known to be right. (Laughter)

Now, the Chairman has betrayed one of my guilty secrets. He has pointed out that a long time ago, I was a young Nationalist; indeed, a long time ago I was one of three fellows who sat down in the study of my own house in Melbourne and established the Young Nationalist Movement. And so that I will be on easy terms with all of you, I would like to tell you that on that occasion, we said to each other, as no doubt you have many times, "Too many old fellows in this outfit of ours." (Laughter) "Time we gave the old boys a bit of a stirring up. What we need is new blood." We became very formidable. We stood at street corners; we had tomatoes and occasionally a little other garden truck (Laughter) thrown at us, occasionally a friendly but fragile egg (Laughter) and by the time I became a Minister for the first time and, indeed, the second time and the third time, it will surprise you to know, looking at my sunny locks, (Laughter) that I was always referred to as "one of the more promising young men." So I say this to you in order to establish that though times have changed for me, I hope they haven't changed for you. Because, at that time, we believed and rightly, that the future of our side of politics depended upon youth and vigour, with a little age and experience thrown in - we were always prepared to concede that - but, above all, youth and vigour. And this must always be the motto of a political party that hopes to have a future and not merely to dwell on its past.

It isn't so long ago, from my point of view, back before the 1949 election, before the 1946 election, when I, myself, being Leader of the Opposition, had occasion to look over the field in Australia and to say, "Are we putting ourselves into shape to win the election and to govern the country?" This was a serious question, but not a very easy one to answer at that time because, under the pressure of adversity, we split up into various groups and factions. There were about three different political parties, non-labor, in New South Wales. I think there were about four in Victoria, and so it went around Australia until I think when I convened the original meeting to establish the Liberal Party, I had to send notices to at least thirteen different organisations. I know it well because it was all done in my offices as Leader of the Opposition and by 1944, we were establishing the united party; by 1945, we had it well under way. In 1946, we won a few seats, not too many, we couldn't hope to win an election, but we won a few seats, and in 1949, we were swept into power at what was then almost a record level of majority.

Now all that happened because we had something to believe in, not just something to oppose, but something to believe in. If we have fallen into any dangers in the last few years, it perhaps is because we have lost sight of the idea - what is it we believe in - and have perhaps concentrated unduly on dealing with our opponents and demonstrating how wrong they are.

Now, Sir, nobody could be a greater believer than I am in the Young Liberal Movement, and for those reasons, because long after I am merely a dusty memory, there will be plenty of you in this hall tonight who will be occupying leading posts in the political life of Australia and carrying great responsibility in that political life. But you will do it and do it in positions of power and responsibility only if you and all the rest of us from time to time sit down and say, "What is it we believe in?"

Modern history is, as you all know, full of examples of great movements that disappeared because they had ceased to have any genuine reason for existence. I remember - speaking about the British Commonwealth - a penetrating man saying to me only six months ago, "You know, there is a lot of argument about the Commonwealth but the thing I am always trying to discover is what does it stand for, what does it believe in." And this is a great problem. It is not enough just to accommodate the structure to new things or new events, the important thing is to have a faith to live by. And that goes for us, in this Party.

Now, Sir, I don't want to make a sort of theological speech to you, but I do want to say a few things about what I believe in and what, as I hope, you believe in. This is not a matter for some casual, contemporary observations. I want to talk to you about some of the great things, as it seems to me, that matter in our country and in which your mind and your heart and your spirit will be determining factors in the years to come.

What is the first objective, Sir, of national policy in Australia? Not just to be in office or to stay there, but to build something, to build a balanced nation, a strong nation, a progressive nation, a civilised nation, in which advances and advantages belong to all the people. Now you may say that's almost platitudinous, so platitudinous that half the people have forgotten it. All the people represent our constituency of thought and of action. We must work for all the people and build for all of the people and have our vision of a civilised Australia for the benefit of all the people.

A good deal has been said in my time, politically, about class distinction. We still have a few hopelessly reactionary people, like socialists and communists, (the most reactionary people in the country) who want to whip up something about class distinction. A Liberal regards this country as having only one valid class distinction, the distinction between the active and the idle. If the world belongs to the workers, in the words of the Communist Manifesto - and I believe it's true - let it belong to the workers.

Let us believe that it is the industrious people in a country who matter, that they are the contributors to a national life, and don't let us, as Liberals above all things, fall into these easy ideas that the modern conception of life allows you to be idle, to be dependent, to leave it to the

Government, and between a yawn and a yawn, cast a vote about something. This is a wonderful country; it's going to be more wonderful still, but it will achieve greater wonders on the hard work and efforts of its people, and not by a spirit of dependency, not on that kind of attitude towards governments and what governments ought to do that our opponents find so easy.

Sir, it's quite true, we must always remember it, that we have a strong and splendid heritage in Australia. We can all look back, most of us at any rate, except those who have only just newly arrived, on our forefathers in this country. We talk easily about the pioneers. We sometimes forget what remarkable things have been done. It would be a marvellous thing for all of us if, by some retrospective photography, we could be taken back fifty years. That's all. Fifty years, and look at how things were fifty years ago, and then look around us today, and there are those here -- tonight who in fifty years' time will look around them and, remembering how things looked today, will marvel at the achievements of this country.

We come of a great race of people. We have every reason to be proud of them, but our pride in them will be worthless unless we are determined to be an even greater race of people ourselves, unless we are determined that the future that will be looked at, perhaps by another generation in Australia, is going to be as astonishing as the one we look at today.

These things, Sir, don't call for a spirit of quiet acceptance of what a Government will do. These things call for a spirit of adventure, they call for a desire to contribute, a rising level of civic unselfishness. Again I say to you, don't take those things for granted. Civic unselfishness. We don't know too many people, do we, who would answer to that description. We know a great number of people who want something, who want to have it, who want to be given it. There are not so many people in the country, outside this room, whose great ambition is to contribute to the nation. And yet, if Liberalism stands for anything, and young Liberalism above all, it's for a passion to contribute to the nation, to be free but to be contributors, to submit to the discipline of the mind instead of the ordinary, dull discipline of a regimented mass of people. These are wonderful things for us to have in our minds.

If I turn away from that to what might be regarded as more concrete matters, could I just say to you, quite briefly, something about the objectives of national policy other than those I have already mentioned, because they are very important. They represent a constructive task. The first one of them is that this country must have more and more and more people, year by year, and this means a very active policy of migration in Australia. It is very hard for me to realise that when we came back into office -- Senator Spooner will remember with me -- at the end of 1949, the population of Australia was about 2½ million people less than it is today, and that is one of the marvels of this period, that with this enormous increase in population, an increase of something like 33% or 34%; in that period of time, our living standards have risen and our growth has been so great. We must have that population. We cannot indefinitely suppose that we are going to be allowed to be the trustees of a half-empty continent. Migration, the determination to maintain migration, the rise in the population of Australia will continue to be one of the great challenges to our national future.

But, Sir, not only must we build up the population, we must have a busy and employed population, and the maintenance of full employment of people and of full employment of material resources in Australia is not an easy thing to marry to an active migration programme. Don't forget that, because every migrant who comes to Australia establishes, in the short run, a capital demand whether it is for a house or roadwork or school or church or some portion of a hospital. He establishes capital demands, and his own labour will not contribute correspondingly for some years to come. That's what people mean when they say that a large migration programme is, in the short run, full of inflationary tendencies but, in the long run, the essence of national growth. Therefore we have to watch these two things together.

In the third place - and this appears in some quarters to be rather an unpopular idea, I gather - we must restrain inflation and preserve the value of the currency, and the value of savings. Some of our opponents, from whatever side they may come, are a little bit inclined to say about us, "Oh, these people are obsessed by the idea of stability." This is only because they don't understand what stability is. They think that stability is stagnation. It's nothing of the kind.

We are not the apostles of stagnation, but we want stability, so that we may build a great structure on it. We are builders, not contemplaters of foundations. Builders. But if you are going to build a great national structure, then anybody can tell you that you must have some stability in the foundations. If you are going to have, coming into Australia from the other parts of the world, investments - capital - which we so badly need for our national development, you are not going to have it if your economy is in a state of flux, if the value of your money is declining. We know this from long and painful experience, but give it stability and the results flow.

And I want to remind you, all of you, that in spite of all the problems we have been going through, in spite of the unpopularity that is attracted by many of the measures we've taken, the fact is that for the last eighteen months, the consumer price index in Australia has been stable. For the last eighteen months, we have had no inflation of the currency because we have had no perceptible movement upward in the price level. This, you would agree if you looked around at the experience of the rest of the world, is a very remarkable thing, and one of its by-products has been, not stagnation, but a record-breaking movement of investable capital into Australia from people outside who see in this country all the possibilities of development in the future. Sir, it will be a pretty poor thing if we have less confidence in Australia than foreigners have in Australia.

Then Sir, there is another aspect of this stability, falsely so-called stagnation. Just look back, if you wouldn't mind, on the last few months, on the last twelve months, just to see what it is we stand for in the objectives of policy. Have we been sitting down contemplating this glorious index figure and saying, "Ah, it's the same now as it was three months ago. This is fine." Have we just sat back and looked at our balances of payments overseas and said how splendid they are, how much recovered they are from the dangers of two years ago? Not at all.

It's over this very period when we have had stability of this kind, that we've been able to spend many millions on the Snowy Mountains Scheme under the Ministerial control of my colleague, Senator Spooner, millions on uniform gauge works, millions on the Mt. Isa railway to the coast to develop what will be the greatest copper mine in the world, full of export income; coal ports in New South Wales and Queensland, beef roads in Western Australia, in the Northern Territory, in the North of Queensland - these things add up to almost fantastic sums of money, and we have been contributing our money for these purposes at the very time when we have been maintaining stability in the currency and in the value of money. I mention those things because to my mind they are practically conclusive evidence of the falsity of the claim that stability means stagnation and that the Liberal Party has lost its imagination and its drive.

There has been no Party in the history of Australia that has had such a picture in its mind of Australian development. There is no Party in the history of Australia that has so far done more to paint that picture, to bring it into existence, and with your good help, there will be no Party over the next ten years that will do more to extend the boundaries of development, so that we may carry a vast population, so that we may improve our security, so that we may improve the living standards of our people and do it all on a basis of growing civilisation. (Applause)

And then, Sir, I would just like to mention a couple of matters. When I was a boy, in the bush, and many people think that intellectually I am still there, (Laughter) the first political arguments that I ever listened to (because I was born in a rather talkative and political family) were about protection and free trade. And as it was in the country, the fashionable thing at that time was to think of all the manufacturers as evil creatures, battenning on the man on the land - you know - and because my old man was a protectionist, he was frequently in strife with the neighbours. All that is gone. That's as dead as the dodo. The fact is that it would be a rare person today in either city or country who didn't realise that the greatest example of interdependency that we have in Australia is manufacturing on the one hand and primary production on the other. And I think all the more advanced leaders and thinkers on both sides have long since realised that. But today we need to carry our examination of it a little further.

I said something about population. We must have more and more people coming here. I said that that presented a problem, not only to the stability of the currency but a problem of full employment of men and of materials. But if we are going to have a large migration, we are not going to have it moving into the rural industries to any perceptible extent. All the leaders of rural industries concede this point when we have discussions with them. More and more mechanisation is coming on the land, more and more advanced methods of applied science and greater productivity, with no necessary increase in the number of people employed. Consequently, if you are going to bring people into Australia and have them usefully employed, you must look to the secondary industries and to the tertiary, service industries rather than to the primary. This, of course, lends great point to the necessity of having a growing manufacture in Australia, to balance our economy, to take up a great

increase in the population and to give us, more and more, as time goes on, two feet to stand on.

You know, before the time of many of you, there was a great depression, back in 1929 and a few following years, and one of the things about that depression that everybody ought to know about is this: that at that time, our manufacturing industries were comparatively small; our export industries, as today, were comparatively great. But because we had a limit to manufacture in Australia, because we were, as we confronted the world, standing rather on one foot, the primary industry foot, when the depression began overseas and reached us, it reached us in the form of a tragic fall in the prices of wool and wheat and the commodities that we exported. Fantastic. Nobody today, thinking about today's prices, would believe what they were back in 1929 and 1930, with wool a few pence a pound and wheat I remember getting down to eighteenpence a bushel, about 2d. a bushel less than the average freight that had to be paid on it to take it from a country station.

These were tragic things. That can't happen to us today because we have manufacturing industries in Australia which enable us to stand with both feet, and if we lose a little one way, we hope to gain a little the other. We won't always do it, but at any rate, we have sought to establish some form of economic balance, and it is one of the great tasks of our Government and of our Party to maintain it. That's the whole case, or rather, it's the immediate case for maintaining manufacturing in Australia, not recklessly but soundly, persistently, with the knowledge that upon the steady growth of manufacturing industry, the steady growth of Australian population will primarily depend.

I have mentioned to you population, stability, employment of resources, employment of people, manufacturing and its relation to immigration, but there is another thing. We, in Australia, still continue to depend, in terms of external trade, primarily upon the products of the land and we will continue so to depend for many years to come. Wool, wheat, dairy products, meat - run through the whole list - these are the very staple of our export income, and as another proof of the interdependency of primary and secondary industry in Australia, the bulk of the export, the bulk of the money we lay out for imports into Australia - and we have imports because we have exports - the bulk of it is laid out on imports for the manufacturing industries, either in plant or raw materials or whatever it may be. If you were to abolish the wool industry and the wheat industry and the others tomorrow, manufacturing in Australia would come to an end.

This is a tremendous interdependency. If we are going to have it then we must never lose sight of the position of our primary industries. Don't you allow this to become the perquisite of anybody else. This is our business. The Liberal Party has always stood for a lively interest in this matter and I hope that it always will.

The primary industries can, unless we are careful, be costed out of their markets. I have had distinguished representatives of the wool industry come into my office in the last three weeks and point out to me what they estimated

to be the cost of production of wool and what was the ruling price and pointing out that the margin, the difference was not all that great. The same goes for wheat, the same goes, with modifications, seasonal and otherwise, in the case of the great meat industry. And so on. Primary industries are not operating on large margins in the markets of the world, and unlike local industries, they have to take what the world will give them. It is no use the producer of one of these commodities saying to an overseas buyer, "That's not enough", because he either sells it or he doesn't.

The world controls our export prices and the great hope of the primary industry consists of a positive aspect and a negative aspect. Positively, we must encourage the productivity of those on the land by bringing to their assistance all the modern improvements of research and applied science and improved transport and the like that we can possibly provide. We do a lot of research work in Australia, splendid research work. The name of the C.S.I.R.O. is famous in scientific circles all round the world. I am not yet satisfied that the research work of its scientists becomes sufficiently or quickly enough known to the man on the farm - I know that it isn't. The fact is that we have gaps here. We have little distinctions between Commonwealth authority and State authority. We have a problem here to which we are directing our attention. Not as somebody who wants to be complacent but as people who are grossly dissatisfied, we must do more on this level so that we may, without increasing the population of the farm, increase its productivity and by increasing its productivity reduce its unit cost and by doing that, preserving its position in the world market. These are the very conditions of advancement, and that means that positively we must encourage productivity and the reduction of costs for the man on the land.

Negatively, we become properly concerned, as I am myself, about manufacture and its growth and its protection. We must always remember that secondary industry must make itself more efficient year by year so that, in the long run, it doesn't throw too heavy a burden upon the farmer and grazier in Australia. That's the negative aspect. The other is the positive aspect. We must keep down costs - not by some simple rule of thumb. People argue about these things as if they had everything to do with wages. They have something to do with wages no doubt, but more than anything else, they have to do with our efficiency, with our capacity to paddle our own canoe, to get on with the job.

We need today, in industry, manufacturing and primary, pioneers, don't we? And we need the pioneering spirit - people who want to do it better and better and better and thereby reduce the burden that their own industry might otherwise cast on the community.

Now, the last thing I want to say to you is this. There will be a lot of people who will want to say to you, "Oh, you know, the Government's all right, We have to support it," (Because some people still do) (Laughter) "We have to support it, but you know, they do an awful lot in the public sector" - that's the phrase the economists invented - "not enough in the private sector." Now, Sir, if we stand for anything, it's private enterprise, in this Party - top to bottom, young and old. But do we violate the

principle of private enterprise when we assist a State Government to carry out public works without which private enterprise could not carry on? Let's be sensible about this. How can you develop a vast manufacturing community in Australia unless you have schools, and schools are in the public sector of expenditure, unless you have roads, unless you have water supplies, unless you have transport of all kinds. If you were to look over the average list of public works that the State Governments bring to us each time at the Loan Council, you would be hard put to it to find one that wasn't directly coming to the aid of the development of this country by private enterprise. You would be hard put to it to find anybody in a great private enterprise who didn't acknowledge that without these provisions, he couldn't possibly develop his factory or his business.

Here's a comeback to my old and battered friend the Senator - you see. He's been getting money out of us for the Snowy Mountains, sometimes honestly (Laughter) but always successfully, for years and years and years. He'll dig up the most marvellous hydro-electric scheme with great irrigation storages and therefore enormous potential for the increase of productivity in the irrigated areas of the Murrumbidgee and the Murray. It's all being spent on the public account, it's all regarded as activity in the public sector, it's all being performed by private contract, and every tittle of the advantage that comes from it in power or in water, as the case may be, is something which directly or indirectly will assist private enterprise in Australia to do its job and to get on with the development of the country.

I can sum up my own unsophisticated view very simply. I don't believe that governments provide enterprise. I think governments may provide the condition in which enterprise is encouraged, but if you want enterprise, if you want vision, you have to go to the individual human being. It is human beings right through the community who do things, who think out things, who get on with them. A few of the human beings are elected to Parliament. But to compare the mechanism of government, as if it were some sentient creature with the genius of the human being is absurd. We stand for the human being, we believe that it is on his basis, on her basis, that this country is going to have in the next ten years a degree of expansion unknown, even in the last decade.

So we look forward, and I particularly tonight, looking at you, look forward, because I don't expect to be around in politics in ten years' time and there are a lot of people who would greet that statement with immense enthusiasm (Laughter), but you will be around, and I warn you that unless you carry this torch on as I believe you will, I shall turn in my grave and reprove you if you can hear me.

(Prolonged applause)

Thank you so much. You have convinced me, I think I'll stay for another couple of years.
