

LIBERAL PARTY OF N.S.W. STATE COUNCIL,
A.M.P. AUDITORIUM, SYDNEY, N.S.W.

23RD OCTOBER, 1964

Speech by the Prime Minister, the Rt. Hon. Sir Robert Menzies

Sir and Ladies and Gentlemen :

Tonight I just want to talk to you because you are, if you will allow me to say so, my own people and you, like myself and my colleagues, have a profound interest in what happens in the next month or two, what happens in the next ten years, but in particular, what happens in a Senate election, what happens in a State election, what happens in the whole course of political controversy. And I thought I would like to offer a few words to you about one or two aspects of this matter.

We are going to have a Senate election on December 5th, and our opponents, remembering the last general election which was only a little over ten months ago, have been casting around to see how far they can divide us or embarrass us. Therefore I want to say something to you about some of the things that they think they have discovered that divide us or embarrass us, because apart from that, a Senate election coming pretty soon after the general elections is not an election in which you write out a new policy speech - policy speeches are not so easily prepared as all that - and, after all, we were re-elected last elections on a policy which was a policy for three years and a great deal of it has already gone into operation in less than eleven months.

What we really have to do in a Senate election is to report what we've done pursuant to our engagements at the election and to indicate what we see is the future shape of events during the rest of the life of the Parliament, and the people will decide, in the Senate vote, whether they want to repudiate their mandate given to us last December or whether they want to help us to put it into full effect. That, in reality, is the simple issue at a Senate election.

But our opponents are, themselves, of course, heavily divided and they seek to divide us, and I must say, if I were in their place, I would regard that as a rather suitable tactical exercise.

Last night we were debating in Parliament this great Peace Congress - whatever it is called - which began today didn't it? (Voice - "Sunday") Sunday, oh well, rather good for a Communist-inspired Congress to meet on the Sabbath. I think that's not a bad idea. That, I suppose, is tactically a good exercise. But we had a debate about it, and if there is anything that became completely clear in the course of the discussion, it was first of all that this Congress is bogus, that it is here to preach peace to the most peace-loving people in the world, that it isn't preaching the same sermon in Peking and Moscow, and the other thing is that the Labour Party itself has got into a state of complete ambiguity about it.

In 1951, which is after all not so long ago, when we were in office, the Labour Party at its conference denounced these so-called peace conferences, said that they were

"Communist-front" organisations and threatened with expulsion any member who attended them. That was just in 1951. Time has gone on and the Labour Party has moved steadily to the left. I don't need to remind you that in Victoria, the left wing had a great victory, its joint standard-bearers being Mr. Calwell and Dr. Cairns; Mr. Calwell being by disposition not very much to the left and Dr. Cairns being by disposition very far to the left. But they were two who led the forces and who had a great victory in the election for the Victorian executive. And all this time, in your State, the Labour Party has assumed the attitude of an extremely moderate Labour Party, right wing, or at the worst, centre of the road, but perhaps a little right of centre, and they have had some success in conveying this image, as I believe it is called, to the people. But now what has happened?

Well, first of all of course, in the Senate election they have selected a very prominent left-winger to be one of their team, and when it came to this conference, this conference which leaves all orthodox Labour men cold or apprehensive, what have they decided? As I pointed out last night, the New South Wales Labour Party carried a resolution which said, "Well, officially, we won't have anything to do with it, but unofficially, members may attend." Now, that's worth thinking about, isn't it? Officially, we don't associate ourselves with it; speaking as the A.L.P. in New South Wales, we don't want to be associated with what we well know to be a Communist front, but in order to have a little bit each way, we then say to our members, "Well, if you want to attend, unofficially (I don't know what that means) do so by all means." I say I don't know what it means. I suppose that when one of them attends, he says, "I want to make it quite clear that I am unofficial. Don't refer to me as So-and-so M.P." I don't know how this is done. But this is a proof of the ambiguity of their attitude. It is indeed from my point of view a proof of the steady move that is going on in the Labour Party towards the left. This will mean more and more accommodation with the Communists and with the Communist fronts. Now I want to say no more on that, about the Peace Congress because if you want to study what has been said on these matters, Hansard is very readily available.

But I would like to say something about a matter which is now completely current and that is the great argument that is going on about internal airlines in New South Wales, and this I think requires a little bit of explanatory matter. I hope you won't mind if I occupy you for a few minutes in giving you that explanatory matter.

I am not going to discuss the legalisms of this. I can't. These are before the Court. It will be for the High Court to determine whether the regulations promulgated by the Commonwealth, and which occupy the field, are valid or not, and I say nothing about it. As far as we are concerned, we will facilitate the decision of that matter by the High Court of Australia, and of course, obviously, what it says will determine the matter.

But I just want to take you back a little. Back before the war, when I was Attorney-General and a great deal more optimistic about constitutional changes than I am now, we had two proposals to amend the Constitution. One had relation to orderly marketing and it was rejected heartily, particularly in those areas in Australia which it was designed

to assist. (Laughter) And we put up with it, as a second proposal, a proposal that the Commonwealth should have power over civil aviation. Nobody in the Federal Parliament could be found to argue about it, it was so obvious.

Civil aviation - if there is one proof, to use the old hackneyed phrase, that we have got away from the horse and buggy age, it is the fact that today aircraft take off from Sydney and in a few minutes, almost literally, they are in another State. And we thought even then when the aircraft was slow, lumbering and did 130 miles an hour, that it was pretty obvious that if you were going to have control of civil aviation, with all the airports you needed, with all the facilities that would be required, with all the air safety measures, and all the navigational aids, with all of these things so obviously necessary for an efficient and safe and modern air service, it was quite clear that you couldn't have seven different authorities dealing with it. And so we put it up and it was rejected, not by any process of reason, if I may say so, with great respect, by the electors of that year, but on the safe general principle that when there is a proposal to give any power to the Commonwealth, you vote "No."

Well, Sir, I'm a federalist. I have made this clear time after time. I don't want to see unified government in Australia, but we must have judgment as to what powers ought to be exercised in a unitary way. I would be astonished to find anybody here tonight who thought, really, that civil aviation ought to be controlled by six States and some aspects of it, perhaps, by the Commonwealth of Australia. And the best proof that that is an accurate remark is to be found in the simple facts. I wonder if I might rehearse them to you.

We have six States. We have South Australia. Now if anybody wants to tell me that my friend, Sir Thomas Playford, is a great believer in unification, he is wasting his time. (Laughter) Of course he's not. But it happens that in South Australia they have no provision for any State licensing of an aircraft at all. It is all done, for obvious and sensible reasons, under the Commonwealth Air Regulations. I notice that Tom is now saying, "I will never surrender this power to the Commonwealth". All I want to say to you is, he has never exercised it, and it seems to me to be rather odd to refuse to surrender a power that you have never thought fit to exercise but which you have preferred to have exercised by the Commonwealth, for very sensible reasons.

In Victoria, they have no State licensing. In West Australia, the laws and the regulations of the Commonwealth operate. In Tasmania, they have an interesting system. You get a Federal licence and a State licence and unless you have both, you can't operate. (Laughter) Therefore, in effect, the whole condition for carrying on an intra-state air service in Tasmania - if there be such - is that you have a Commonwealth licence, under the Commonwealth regulations. In Queensland, they have power to exclude Commonwealth regulations in relation to intra-state traffic but they have never exercised it. So you have five States in which de facto the Commonwealth air regulations have operated, the Commonwealth authorities have licensed aircraft, and the allocation of routes and all these things - air safety, air control - have all been in the hands of the central Government.

And the one State that is out on all that is New

South Wales. Now I wonder why it is that in New South Wales there is some special circumstance which renders it undesirable that the Commonwealth should exercise this vastly important power in this vastly complex modern operation of transport. Apparently the answer is that there are two intra-state airlines operating here, quite quietly, and that the State says that the Commonwealth ought to have nothing to do with the licensing of them or with the allocation of routes. Now, all that the Commonwealth has said is, "Look, we have been advised, rightly or wrongly, that we have power in this matter. We know perfectly well that we assume 95 or 98 per cent. of the entire responsibility for civil aviation in Australia, financially and otherwise." Just let me give you a few of the figures on that.

Even in the case of these local intra-state airlines, the Commonwealth is looked to for a subsidy. We pay subsidies of £440,000 a year to these intra-State airlines. We have spent, in point of fact, £60M. on facilities for civil aviation. We are at present finding £12½M. a year for the maintenance of these facilities, and oddly enough, of the £12½M., £4½M. or near enough, we find for intra-state facilities. Now these are very large sums of money, I think.

In the next five years, airports development programmes in Australia coming into our account will amount to £30M. plus another £600,000 in this year for development and maintenance of municipal airports. Now these fabulous millions of money are being found, and what have the State Governments found? A few score thousand. If you added it all up, you couldn't reach £100,000. In other words, in practical effect, the whole financial responsibility for this matter falls on the Commonwealth Government and Parliament.

Now what does this mean? This means that you have large airports. You have Mascot. You have other large airports in this State and in all the other States. They have to be provided with safety facilities by the Commonwealth, traffic in and out of them must be regulated in the interests of the public safety, there must be effective controls over a control area, there are international aircraft coming in and out of international airports, and all these things are done and, if I may say so, magnificently done by the Department of Civil Aviation, so that our air services, international and local, have a reputation all round the world. And the whole responsibility for attending to these things falls on the Commonwealth. Don't you think it is rather funny to have somebody come along and say "No. Forever and a day, we, a particular State, must have the right to determine who shall fly in and out of these facilities that you provide, who shall fly in and out of this controlled area, what their timetables are to be." This seems to me to be an almost monstrous assertion of something that in proper consideration is irrelevant. If it is determined by the Court that we haven't the power, then this will go on. If it is determined by the Court that we have the power, then of course, we will exercise it in the interests of the common safety.

Now come back to New South Wales. There are two intra-state airlines. I have no bias about either of them. I know very little about them, but I do know that each of them is subsidised by the Commonwealth and I do know that each of them is serving what is the paramount interest, in my opinion, in this State - the interests of the people in the country centres who want air services, both feeder to the main lines

and between themselves and Sydney. This is the paramount interest. We have never sought to interfere with it. We agree. We have said, time after time, we want to serve this interest. In the second place, we don't want to crush one of these airlines. So far from doing that, we want each of these airlines to have services allocated to it which will enable it to carry on a profitable operation and a useful operation for the people in the country areas. We have never said that Mr. Ansett is to have so-and-so or he is not to have so-and-so. I wouldn't know. All I know is that it is not beyond the wit of people to make an equitable allocation of routes and services as between two businesses, each of which we are determined to preserve and each of which we, in fact, subsidise in order to make it profitable.

Well, what does the State Government do here. It passes an Act, very hastily. It lays down penalties, running into many thousands of pounds, the whole idea being to frighten people off acting under the Commonwealth regulations. And I had a letter from Mr. Renshaw about this only the other day.

Before I quote that, I must just go back to the fact that on August 6th, which is a long time ago, I wrote a letter explaining all these things to every Premier - the letter has been tabled in the House, it ought to be well known - and indicating first of all that we were advised that we had this power; secondly we thought it would be in the interests of orderly control of civil aviation that we should exercise it, and thirdly that in the case of any particular State, we would act when it came to the point of allocating routes in the closest consultation with the State transport authorities. All that was stated very very clearly on August 6th.

Well then, much later on, regulations of ours are tabled, they are due to go into operation unless they are disallowed, and I have a despatch from the Premier of New South Wales in which he sets out his views on this matter and indicates quite plainly that he proposes to go ahead, that he will not delay the operation of his own Air Transport Act or give any undertakings to that effect. In other words, that if one of these airlines operates a route which it has already had for a number of years, it will do so at the risk of being fined £10,000 or £20,000 and the Government of New South Wales will not hold this matter up pending the litigation, pending the decision of the Court as to where the power lies.

Well, I must say that that struck me as a most astonishing attitude because there is a legitimate argument. I don't know who is going to win the argument but there is obviously a legitimate argument as to where the power lies, and this will be determined. The first shots were fired in the High Court today, and I say nothing about the legalism of this thing because I don't profess to be qualified to do so. (Laughter) You forget, I don't forget, but you forget that I have been in this job for fifteen years (Laughter) and not the law but politics. Not even the profits, but politics, not the law. And so yesterday I sent a telegram to Mr. Renshaw which I later on today told him I would make public. I wonder if I might read it to you, it is quite short. It is not without point.

"YOUR LETTER OF OCTOBER 20TH SEEMS TO OVERLOOK THE FACT THAT IT IS ONLY THE COMMENCEMENT OF YOUR AIR TRANSPORT ACT WITH ITS PARTICULARLY HARSH PENALTIES THAT CAN PREVENT A CONTINUATION OF EXISTING AIR SERVICES TO DUBBO AND ORANGE. (This is right. If our proposal that the status quo should be preserved until this matter had been determined had been adopted, then of course the existing services to Dubbo and Orange would continue because they are part of the status quo.) THEREFORE IT IS ONLY THE COMMENCEMENT OF YOUR AIR TRANSPORT ACT THAT CAN PREVENT A CONTINUATION OF EXISTING AIR SERVICES TO DUBBO AND ORANGE.

THERE IS, IN THE COMMONWEALTH'S VIEW, NO REASON WHATEVER WHY THE EXISTING AIR SERVICES SHOULD NOT CONTINUE WHILE THE QUESTION OF CONFLICTING COMMONWEALTH AND STATE LAWS IS RESOLVED."

Now I wonder if anybody thinks that's unfair. That's a proposition that is as old as the hills. In my time, in those remote, respectable years in which I practised the law, this was a commonplace. "Well, if you will undertake to preserve the position as it now is, pending the determination of the litigation, that is all right" and this is what we offered.

"YOUR PROPOSAL", I said to him, "IS THAT A CHANGE BE MADE PENDING LEGAL CHALLENGE. THAT WOULD, OF COURSE, BE CONTRARY TO THE USUAL PRACTICE WHICH IS TO MAINTAIN THE STATUS QUO PENDING THE DETERMINATION OF ANY LEGAL ISSUES."

DESPITE WHAT YOU SAY ABOUT PREVIOUS JUDGMENTS OF THE HIGH COURT AND PRIVY COUNCIL (I won't go into this; he had an argument based on the last decisions), THE TRUTH IS THAT NEITHER HAS CONSIDERED THE POSITION AS IT NOW STANDS."

And that's true because the last time this was in Court, we had not issued regulations, we had not undertaken to occupy the field of civil aviation control and, therefore, it has all changed.

"THE JUDGMENTS TO WHICH YOU REFER SEEM TO HAVE LITTLE BEARING ON CURRENT MATTERS, EXCEPT THAT SOME COMMENTS MADE IN THE HIGH COURT JUDGMENTS SUPPORT THE VIEW, UPON WHICH THE COMMONWEALTH HAS ACTED, THAT THE COMMONWEALTH HAS WIDE POWERS IN THIS FIELD.

AS I SEE IT - (I want you to note this) YOUR LETTER ATTEMPTS TO PRESENT THE MATTER IN SUCH A FORM THAT THE BLAME IN THE PUBLIC MIND FOR ANY DISLOCATION OF AIR SERVICES WILL FALL ON THE COMMONWEALTH WHEREAS, IN FACT, ANY DISLOCATION OF AIR SERVICES CAN ONLY RESULT FROM A DECISION OF YOUR GOVERNMENT NOT TO DEFER THE COMMENCEMENT OF YOUR NEW TRANSPORT ACT. (Hear, hear) IF YOUR GOVERNMENT IS DETERMINED TO LET YOUR ACT COME INTO FORCE, AND NOT TO ALLOW THE STATUS QUO TO CONTINUE PENDING THE LITIGATION, YOU WILL UNDERSTAND THAT MY GOVERNMENT WILL HAVE TO MAKE IT CLEAR TO THE PUBLIC WHO IS RESPONSIBLE FOR ANY DISLOCATION OF SERVICES WHICH RESULTS." (Hear, hear) (Applause)

Now, Sir, having said that, could I just go back to the beginning of this phase when I said that I was a federalist, and I know that you are federalists and I know that,

like me, you don't want to have a complete aggregation of power in the centre. But your federal principles always have to be thought of in terms of the practicalities of life. There are certain matters in which it would be disastrous to have control from the centre. Until somebody can satisfy himself or herself that he or she would like to see seven different authorities controlling civil aviation in Australia, then it seems to me to be pretty clear that there is an irresistible case for one doing it. Indeed, Sir, it is always unwise to prophesy, and of course it is even worse to look back over a period of twenty years and say what would have happened if somebody had done something. Well I think I will take that risk.

If in 1937, whenever it was, we hadn't had this contentious matter about organised marketing, frightfully unpopular in my electorate, if we hadn't had that and had just had one single referendum proposal, civil aviation, it would have been carried by an overwhelming majority. Nobody has yet been heard to put a solitary rational argument against it, because you see, in the nature of things, there are some matters which are indivisible. I will take an example of one that is divisible, the great problem of education.

I would never accept the proposition myself that the Commonwealth ought to have control of education because I think that education, if it is to achieve its highest results in the development of citizens, must have an almost infinite variety, it must have local characteristics, it must not be just the same in Tasmania as it is in Queensland. Education is the production of a citizen under an environment which is not necessarily the same environment as in some other place. And so I am all for variety in education. I would regard it as a horrible disaster if all the curricula in all the schools were written up in an office in Canberra. That's what I mean when I say there's a problem which is in its nature divisible.

But how is civil aviation divisible? Can anybody sensibly believe when a Boeing 707 flies into Mascot from overseas and it comes within the whole area of control in the interests of safety so that it is brought down by a proper system of control, that you can distinguish between that and another aircraft which is coming in from the west which has to go through the same controls, which has to be accommodated within the total pattern of flying?

Look, ladies and gentlemen, for my sins I must have been hoicked around the world and around Australia in the air for about a million and a half miles by now; I know all the noises that an aircraft makes except one and I don't want to hear that. (Laughter, Applause) And one of the glories of it is that we have developed such a comprehensive, such an indivisible system of control in this country, and indeed they have in Great Britain and elsewhere, that when you find yourself going around and around in a dense cloud, you just say to yourself, "Oh, well, we are in the stack" and you look at your watch and you hope that you will be down in about ten minutes. And sometimes, if you have to make a speech at the other end, you hope you will be very long delayed. (Laughter) I understand all these feelings.

But this is something indivisible, and to have what professes to be a great Constitutional issue, an issue of State rights built up over this thing, seems to me to be just about as silly and irresponsible as anything possibly could be. And, Sir, I hope that nobody in this Party in New South Wales will be

deceived by it. Indeed, I hope that none of them will believe for one moment that if our power to do these things is established in the Courts and we proceed to become the licensing authority for intra-state lines in New South Wales, I hope nobody will believe that we are going to do this as the humble obedient servants of somebody. We're not. We are going to do this on a basis of equity and the predominant rights of the people in the country who need these services. (Applause)

After all, it is worth remembering that we pay the subsidies. We are not likely to land ourselves with an absurdly high subsidy because one of the airlines has had an absurdly bad deal and can't make money, are we? You know, we can be foolish but we are not fools all the time. That is a boastful statement but I make it. (Laughter)

Now, Sir, I don't want to say any more about that. I just want to go back to mention one or two other matters. I've mentioned the Peace Congress, I've mentioned the airlines controversy. I'd just like to say something about the economic problem as we now see it and then something about the international problem and I'll be as brief as I come to them as can be.

This great slogan of the Labour Party that this is a Stop-Go Government is brilliant. It's brilliant, like accusing a motor car driver of being a stop-go motor car driver. A terrible thing to be. Terrible thing. If the traffic lights are against him, he should drive through them. (Laughter) In the interests of consistency, he ought to ignore the rule of the road, he ought to ignore the weather. Well, you know, it's too silly for words that kind of thing. The fact is that we have a policy which is briefly expressed in these terms: That we want the greatest possible degree of progress and development in Australia that can be achieved without destroying the stability of the currency. I wonder if anybody can fault that. And, of course, if that's to be your principle, then you must always be watching the indices of pressure on the economy, of pressure on the structure - either shortages of labour or an over-supply of labour, shortages of material or an over-supply of material as it may be from time to time.

And alongside of you, you have the Reserve Bank. All I ask of people is to understand that it is a very good thing to have a Reserve Bank. There's not a civilised country in the world without one, and if you have a Reserve Bank, you ought to allow it to do its job. A Reserve Bank is not there just to take the bidding, the whims and fancies from day to day of non-expert political people. The Reserve Bank is there to study all the aspects of the national economy, the credit, the liquidity of the banks, the trade balances, all the matters which come into account, and, from time to time, to take those steps which only a Reserve Bank can take to modify the effect of so-and-so. It may call up special reserve deposits, some of the money in the trading banks when their liquidity is so high that a great inflation becomes threatened. It may, on the other hand, when there is a decline in that kind of thing, restore, release some of these. It may move on the question of interest rates. It may take all these various aspects which are part of its technique, not only here but in any other country in the world, for keeping as much stability as possible in the monetary system. And we are all for that. We much prefer to have it done in that normal fashion than to be compelled to take stringent measures in a rather dramatic way. We had to do that a few years ago. It wasn't very popular. We are human beings, we have no desire to have to do it again, and I don't think we need to because I

think that these matters have been handled with very great skill.

People may say, "Oh, stability. This is a sort of fetish." Nobody in this audience thinks it's a fetish, I hope. Everybody in this audience tonight has saved up some money, has invested some money, has some assets. In a sense, you know, we are all little capitalists, to quote that immortal phrase of Jack Dedman's, and we want our money to hold its value, and strangely enough, though this is supremely true in the case of somebody with £200 or £300 or £400 in a savings bank, or with an investment in a life insurance policy, it is also profoundly true in the case of some of the greatest industrialists and investors in the world.

We have them in Australia from time to time. We have the advantage in Australia of having hundreds of millions coming into Australia on private investment account, with some of the shrewdest people in the world controlling that investment at the other end, and every time I see one of them, from a Rockefeller down, the first thing he says to me is, "Do you know what the great attraction about Australia is? This is the one country with a future, which has great stability." It is worth thinking about that, and with a little pride.

There are plenty of countries in Latin America, there are countries in Africa which may present the prospects for a quick turnover, some great prospects of development, but their political and financial instability is so notorious that they are not an attractive haven any more. And all I am bound to say to you is that as long as we keep our heads and behave like sensible people, I have no doubt that one of the great factors in the enormous growth that is going to occur in Australia will be that we command the confidence of people, particularly in the United States and in Great Britain.

Now the only other matter that I want to say a word to you about is the matter of foreign affairs. I made a glancing reference earlier to the Labour Party and the fact that it was divided and the fact that it seemed to me to be moving fairly steadily in a left direction. Where does it stand on our foreign affairs? We had an election about this, and this played a great part in the last election.

We have alliances, we have arrangements, we have mutual advantages and obligations with some of the great countries of the world. We have, with the United States, the South-East Asian Treaty and ANZUS, the ANZUS treaty, the significance of which to Australia has never yet clearly been understood, and on top of that we have Great Britain in the South-East Asian Treaty and Great Britain in Malaysia and our obligations willingly accepted in relation to Malaysia, our constant opposition to aggression, wherever it comes, primarily Communist aggression from the north and aggression at present, unhappily, from Indonesia. And we stand against it and we have had enough sense to get firm friends who stand with us.

The Labour Party sneers. It is always quoting a phrase I used once about our great and powerful friends. You know, they do it rather well. They say, "The Prime Minister, he talks about great and powerful friends. This is a good way of dismissing them." They would be howling like mad for their help if the point arrived.

But our policy consistently has been that we must build our defence and the defence of the free world, the defence

of freedom, into the overall structure of defence with the other great powers in the world who stand for freedom and who indeed are prepared to lay out vast stores of treasure and of lives to defend it. I don't know where the Labour Party stands on this.

We had a funny little incident recently in the House, (Bill McMahon will remember it very well) where one of the Labour Members said there ought to be no Australian soldiers in Malaya. None. That's good Labour policy. Well, I sympathised with him because it is a wise man who knows what Labour policy is on these matters; (Laughter) it depends on whether you read the version of 1951 or 1956 or of 1959 or whatever it may be, and he was taken to task for this rather incautious remark by the Deputy Leader of the Opposition who, I understand, is a young man with ambitions. (Laughter) He was taken to task, and then he was restored by Mr. Calwell.. I don't know where they stand. I really don't. All I know is that at any crucial moment over these years when a wholehearted statement by the Opposition - "We stand with the Government on this matter; this is a joint policy for Australia" would have done infinite good, we have waited for it in vain.

And I hope that everybody, Sir, will have these things in mind - they are only a few out of many that we have to consider - because we are going to have a Senate election, and although I am not without experience in conducting a Government with an equally-divided Senate, a hostile Senate, it is an experience that one gets a little tired of as the years go on. I beg of you, deliver us from it.

I have no doubt that we will be preserved in our position in the Senate by the people because I believe profoundly that at this last election we had a policy and a campaign which commanded the enthusiastic support of the Australian people and in particular of the younger people of Australia with their lives and their families in front of them. (Applause) I would be very unwilling to believe that the enthusiasm which demonstrated itself at the last poll was of so evanescent a character that it faded away by December 5th. It won't. But it will be for you, if I may say so, to maintain it.

It is important that the Government should continue to have a charter incapable of frustration in another place, and if you think of what I have been talking to you about tonight and a dozen and other matters that will manifest themselves over the next four or five or six weeks, I am perfectly certain that once more I will be able to say to myself when the poll comes along, "Well, we have a great number of great people in New South Wales who are doing their job and will do it with success."

QUESTION : Is it not a fact that the Federal Executive of the ALP, meeting quite recently in Canberra, has determined to work wholeheartedly for the Federal control of aviation and if three or four very prominent members of the Labour Party are not already committed, through a Federal Government Committee to such a policy?

PRIME

MINISTER :

Sir, you couldn't be more right. The fact is that the Federal Labour Party is unanimously in favour of Federal control of civil aviation. It has said so in Parliament, it said so through its representatives on the Joint Parliamentary Committee on the Constitution and it made no secret of it the other day. Its attack on the Government was not that we were assuming control over aviation but they thought we were doing it for the wrong reason, which is a proposition that mystifies me a little, but on the end result, Sir, you are dead right. They are one hundred per cent.

Q.

Will the Prime Minister please tell us whether his Government considers the suggestion made by Mr. Wilson in Britain recently practicable. You will remember Mr. Wilson suggested a Commonwealth consultative council be set up to integrate the affairs of the Commonwealth more closely?

P.M.

Well, Sir, all I know about that proposal is the necessarily brief reference made in the newspapers and I don't profess clearly to understand what it means yet. No doubt I will hear from Mr. Wilson in due course because it is my practice to be in communication with the British Prime Ministers. I just point out that we have had in recent years, in the last ten, twelve years, a Prime Ministers' Conference each year which has lasted for ten days, sometimes for a fortnight and this enabled, of course, a very great exchange of views to occur. Every year, some Minister or Ministers will be in London or some British Ministers will be here and, of course, discussions on the official level are almost continuous, and very properly so, on matters of trade and finance, to take two examples. We also have the Commonwealth Parliamentary Association which meets regularly and that provides a means of contact between Commonwealth countries. There is also something that emerged in a general shape from the last Prime Ministers' Conference and that was a proposal for a Commonwealth Secretariat. Now that will, pretty soon, I think, be discussed on the official level to see what the functions of a Commonwealth Secretariat ought to be. It may be that Mr. Wilson is proposing some modification of that idea by establishing some kind of permanent body or assembly or council, but I wouldn't say "yes" or "no" to it without knowing exactly what he has in his mind, but I am certainly, of course, very willing to hear what he does have in mind and to give it the most careful thought.

Q.

Sir Robert, I will send you a copy of this, but the question I want to ask you, reads as follows:

I, along with many Liberals, view with concern the contention of your Government to introduce restrictive practices legislation and I hope it is understood that if the proposed legislation becomes law, the Government will lose the support of many true Liberals and a large section

Q.
(Contd.)

of the business community. I therefore ask: Will you give consideration to the suggestion put forward by a former Queensland State Liberal Party President, Sir Leon Trout, that a small commission be set up to see if the legislation was practicable and if there were a sufficient number of cases of sufficient importance to warrant the legislation.

P.M.

Sir, if you will allow me to say so, you have made a few assumptions there. One of the assumptions is that whatever is in the legislation, it will excite the great hostility of a great number of people. With great respect, how do you know? You haven't seen the legislation yet. We are not taking this matter lightly. We have had proposals, we have had them examined, we've heard representations from various aspects of industry and so on, both metropolitan and rural, we've had two or three long close Cabinet discussions on it of late and before we finish, we will be hearing more representations on this matter. I think when the legislation finally emerges, the people of Australia will take it on its merits. I don't think that everybody in Australia necessarily has the same view as my old friend, Sir Leon Trout, who objects to any legislation of this kind, as I understand it, on principle. I think the people of Australia will look at it and say, "Well, now, what does this do? What does this make unlawful? Is this a good thing to have made unlawful? What is the machinery that is set up? Is it fair? Is it businesslike? Is it not over-technical?" These are the things that people will look at, because it must be remembered that on this question of restrictions and trade practices, there are very many interests, there are very many fairly big people who may not like a particular proposal. There may be very many small people who do. The whole business that we have to aim at is to provide for genuine fair competition, because we believe that this is in accordance with our Liberal policy and that this is in accordance with the public interest. Now, it is easy enough to say that. When you have to come to work it out into the form of a particular measure, that becomes a vastly complex affair. But I pin my own colours to this mast, that I believe that anything that we can do, however it turns out, anything that we can do to increase fair competition in the interests of the ordinary consumer in Australia would be a very good thing. (Applause)

Q.

Does Sir Robert consider, even bearing in mind the differing economic conditions, the recent Territory ordinance prescribing vastly different rates of pay for native people of Papua and New Guinea as conducive to better relations with these people, when one considers, for example, native doctors being paid a quarter of the rates of white doctors and native school-teachers being paid considerably less than half than that paid to white people in New Guinea?

P.M.

Sir, I beg to be excused from talking as if I knew the details of the regulation or ordinance because I don't. I have a Minister who attends to those matters. But I do want to point this out to you as a broad consideration. It's worth having in mind. Our whole purpose in Papua and New Guinea is that some day we will bring these people to self-government. Now that is the object of the exercise - to bring them to self-government. I add to that: To bring them to self-government on terms that they can sustain, on terms on which they can continue to live without being utterly dependent financially on other countries. I've seen a lot of modern countries in the world, newly-emerging countries, which are full of political independence and are economically completely dependent on the first man who comes along with a bag of gold, and I don't want to see that happen, and therefore I don't accept the proposition that it necessarily follows that a great kindness would be done by us to the Papuans and New Guineans by introducing Australian standards of pay, for example, in their country. We would make it impossible for them ever to become politically independent with economic self-reliance. This is not a problem of sentiment. This is a problem of doing what is for them, in the long run, the best thing, and how this is to be dealt with in particular cases by the Administration is a problem of great delicacy, not to be understood, if I may say so, except by people who are in the middle of it and who have given a lot of thought to it, and I certainly wouldn't endeavour to muddy the water by offering some extremely ill-informed views on it myself. (Applause)

Q.

Sir, I noted with much gratification your remarks about the divisibility of education. I have just spent several weeks in New Guinea in the remote parts and before I go on to the question, I must say, on the ground roots level, the Government are doing a most magnificent job of education on the lower levels. (Hear, hear). However, there is much concern about the developments and the adoption of the recommendations of the Commission on Higher Education, particularly at the tertiary level. The recommendations, which I have studied in great detail, are eminently sound and practical. Could you advise us of the intentions of the Government regarding the adoption of those recommendations please?

P.M.

Well, Sir, I am sorry to say that I can't because the matter has yet to reach the Cabinet in a form suitable for decision. I have read the report myself and I think it is a very valuable one. I have also heard rumours and perhaps more than rumours in the last few days about a report that is coming in on the future of tertiary education generally, and judging by the size of it, I think I will have to get around to studying it a little later, but I don't anticipate that on either of these matters there can be any effective decision taken in the next month or six weeks.

Q.

Sir, from time to time we see statements that the Army cannot introduce compulsory training or expand the CMF due to a shortage of instructors. Would you, Sir, ask your military advisers to consider establishing the Australian Instructional Corps which before World War II, although small, was one of the finest bodies of permanent soldiers in the world and actually trained the Duntroon men who lead the Army today?

- P.M. Well, Sir, all I can tell you is that I know that that proposal, among others, has been one of those under consideration, but beyond that, I would ask to be excused because I anticipate that in the week after next, (the House meets next week rather longer than usual) - the following week we are going to have a complete examination of the Defence position on a paper produced by the Minister for Defence, and when that's been dealt with, no doubt the answers to all these problems will fall into their place.
- Q. Has the Government been able to assess the effect of the change of Government in the Kremlin, and if so, what is that assessment?
- P.M. Sir, I'm sorry. No. I'm asked whether we have been able to assess the effect of the change of Government in the Kremlin. Well, the answer is that we haven't. We are like everybody else around the world, just speculating at present as to how it happened, but I did receive a courteous visit the other day from the Ambassador from the Soviet Union in Canberra, who called to assure me that although there was a change of Prime Ministership, there would be no change in policy. That led, of course, to an interesting conversation between us as to the difference between being a Prime Minister in the Soviet Union and a Prime Minister in Australia. (Laughter) (Applause)
- Q. May I ask the Prime Minister a question somewhat related to an earlier one. Would the Prime Minister hope to be able to make to the country a comprehensive statement on the Defence situation, and including one dealing with the strength of the Army, before the Senate elections?
- P.M. I am a little cautious about making prophecies. If in these conferences, Mr. Rowe, that we are having the week after next in Cabinet, if we arrive at conclusions which are definitive and I see no reason why we shouldn't, then I would assume that we would announce them in Parliament in the following week.
- Q. Mr. Prime Minister, may I ask you whether it is a fact that the civil aviation industry as a whole is regarded as a back-stop to our Air Force in time of an emergency, and the second part of the question is: Does the Federal Government also finance the introduction of modern aircraft to our civil aviation systems or guarantee the finance for them and therefore assist our airlines systems?
- P.M. You know, Mr. Waddy, you might almost have had a look at my notes because you have just reminded me I forgot that point, because we have in fact, of course, as you know, found millions, many millions of pounds for the re-equipment of airlines, including intra-state airlines. We have been the financial backers of modern air services in Australia and modern facilities of all kinds, so that Mr. Waddy is quite right. As for his first question, of course that's quite clear that if we came to a war, the existence of aircraft capable of transporting people and goods would be of first-class importance and therefore this is, in a reserve sense, part of the defence structure of the country.
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