

"REPORT TO THE NATION"

DELIVERED BY THE PRIME MINISTER (THE RT. HON.
SIR ROBERT MENZIES, KT, CH, QC, MP) OVER TV
AND RADIO STATIONS THROUGHOUT AUSTRALIA ON

THURSDAY, 19TH NOVEMBER, 1964.

Good Evening Ladies and Gentlemen :

There is a Senate election coming on. That means that less than twelve months since the general election for the Lower House, you have to be voting again, and unfortunately perhaps for you, I have to be speaking again. You will, of course, at once understand that this is not an occasion for a new policy. A policy that is put forward in a parliamentary election is put forward for a three-year period, and of course, at the end of twelve months, you don't expect to have completed the whole of your policy, though we, as I will point out later on, have completed a remarkable percentage of it. So this is not a time for a new policy. This is a time for you to say whether you affirm your vote of last December. What, in effect, the Opposition is saying to you in the Senate election is, "Let us, the Opposition, have a majority in the Senate." That will, of course, contradict your decision of last December and it will frustrate the Government and impair the success of the policies you voted for. Still, of course, the Opposition asks you to do it.

Now, I want you to remember - because this is very important - that the Senate is not the House of Lords. We occasionally call it the House of Lords when we are moving around among its members, but it isn't the House of Lords. The House of Lords hasn't a fraction of the power that the Senate has. The Senate can reject legislation sent up from the Lower House; it can dismiss or disallow regulations made under Acts. In other words: When you have a hostile Senate, you live, as a government, entirely at the risk of your actions being overthrown in the other place. Now this is important, because under a good deal of the legislation that we have been passing or introducing pursuant to our last policy speech, our promises to you, are several Acts under which regulations will have to be made from time to time to make them effective, and if those regulations can be laid on the table of the House of the Senate, as they must be, and rejected by the Senate by a hostile majority, then the regulation falls to the ground.

So have that in mind, would you. I have had a little experience in this, because in 1949 when you sent us in with a cracking majority, we were at the mercy of the Senate, and it took eighteen long months to get a double dissolution and get a majority in the Upper House, and in that eighteen months, we were able to do very little, although you had given us an enormous majority in the House of Representatives. Therefore, you see, the real issue in this matter is: Do you reverse your decision, having elected us so handsomely last December? Do you want to put it out of our power to carry out the rest of the programme that we laid before you? Now, that is I think, the broad issue that comes before you.

But I want to say something about it in relation to a particular matter. Now you will remember that only the other day I introduced a defence programme in Parliament. This was


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the most far-reaching defence programme in the history of Australia in time of peace. To put it quite shortly, it added £400M. over a period of three years to the defence budget. It added enormously to the fighting capacity of the three Services and to the service of supply. Among other things, it introduced compulsory selective military service. Now you are entitled to know, thoroughly entitled to know, that this is not just a politician's judgment. We did this on the close and detailed advice of our military advisers - the Military Board and the Chief of the General Staff. We had them there in person when we were discussing the defence programme and we have acted on their view which commended itself to us as unanswerably correct. If you were to have the army you want in the time you want, then with the present economic circumstances particularly, voluntary recruiting would not produce the result.

Now, why should we be so concerned about it? The answer is that foreign policy and defence on both of which you have heard a great deal in the last election, foreign policy and defence are inseparable. We have a definite foreign policy as you know, and we examine from time to time the risks involved in the foreign situation, and we came unhesitatingly to the conclusion that things had deteriorated. I am not talking scare stuff. I don't want anybody to suppose we think there is going to be a war tomorrow, or something like that. But the position has deteriorated.

In North Vietnam, the Communists, for example, haven't hesitated to attack the United States of America, both on land and by sea. In South Vietnam, there is a very unstable government which makes it very difficult for all of us, very difficult to assist effectively a country where the government is uncertain. You know what has been happening in Malaysia, with Indonesia stepping up, if anything, its attacks, its little landings on the mainland of Malaya, its infiltration in the Borneo territories; the truculence with which Soekarno and those with him speak to us and to the world, all these are bad signs. They show that there is some deterioration and, of course, don't forget that a nation which will not hesitate in breach of all the rules of international conduct to invade, even in a small way, a peaceful neighbour, won't have too many doubts about making some infiltration into our side of New Guinea, if they think this is profitable. And therefore in our programme, we have had to step up, quite materially, what we are doing to defend New Guinea and Papua.

Now all this, I think, is a matter that you will be able to determine for yourselves. I would just like to say that my distinguished opponent, the Leader of the Opposition, is very hard to please, you know, on these matters. I don't mind that because I daresay when I was Leader of the Opposition, I was hard to please too. But he does put me in an awkward position over this compulsory business because, in the first place, he says the people are against it and if we had a referendum, the people would reject it and the Prime Minister won't give them a referendum, and in the next breath, or the next paragraph, he says, "The Prime Minister has brought this on. It is a political stunt to get votes in the Senate." Now, you know, with respect, he can't be right both ways, can he?

Now, I don't know yet what your views are on this matter. All I know is that if I had had a far-reaching programme of this kind, containing considerable novelty and had put it in the pigeonhole until after the Senate election and

had brought it out when we resume after Christmas, you would have had a perfect right to say that I had deceived you, and as I am not in the habit of deceiving you, we decided, without any hesitation that what we were going to do, dramatic as it was, revolutionary as it was in some respects, very costly as it is in any respect, should be known to you, plainly and clearly before you voted either for us or against us at a Senate election.

Now having said that, I would just like to turn aside to what I will call the domestic front because at the last election, you remember, I gave great prominence to foreign affairs and to defence and then also put before you a series of propositions, particularly about education and housing and some social services which I thought, and my party thought, would be of value to the people. We promised a variety of things.

Let's take them first of all on the educational side. We said that we would provide 10,000 scholarships for secondary school students for the last two years of their schooling and that these would be worth up to £100 in fees and up to £100 in maintenance. This was a very handsome scholarship provision. Well, we found that, of course, we couldn't begin the system last December because you were still voting and therefore the system was carefully worked out and designed to begin at the end of this year. Well, now, we found that a number of students who might, if things had happened a little earlier, have been in for a scholarship of this kind, had missed it because they had not two years to go but one year to go, and so in order not to disappoint them and in order to achieve the best possible result, we said, "Right, we'll have 10,000 scholarships - two-year scholarships as we said - we will add another 10,000 one-year scholarships for students who have one year to go. Now this was a case of performance going far beyond promise, but we did it as you would have wished us to do it so that we achieved the greatest possible good for the purposes that I outlined at the general election.

I said that we would have 2,500 technical scholarships. Now that's been a rather difficult job, as my colleague, Senator Gorton, who has done an awful lot of work on this, could tell you, because each State has its own technical school system and some States have none at all, so-called. We are very individualistic people in Australia - and I don't complain about it; I'm a great believer in diversity - but there is an awful lot of diversity in the technical schooling field in Australia. But all these problems have been worked out now and a basis has been arrived at and so these scholarships go into operation at the end of this year.

I said, didn't I, at the last election, we would provide £5M. for technical schools, all of which in Australia are run by government. Well, we've done that, we have paid out the first half already, although the financial year is only a few months old. I said - and I give some emphasis to this - that we would find £5M. a year for the improvement of scientific teaching facilities in secondary schools and that we wouldn't discriminate between State secondary schools or what are called independent secondary schools, some of which are church schools, some of which are not. We said we would not discriminate between them because our purpose is to help scientific teaching in the schools to reach its highest possible level of efficiency and, as those of you know who have children at school, the cost

of scientific equipment and scientific teaching in schools now has gone up out of all sight. Therefore we said we would find £5M. a year, and already, I am happy to tell you, half of that has been paid out in respect of a great number of applications from all types of school, and this will continue, I hope. I never know whether there will have to be some regulations made under this scheme next year, and we would therefore perhaps be at the risk of a hostile decision on the part of the Senate because, you know, as I understand Mr. Calwell and what he says in the House, he is opposed to this scheme. And if he is, there is a sporting chance that the Labour Party is. So you never know. And if the Labour Party is, then there is a risk which I would wish to avoid and which you would wish to avoid.

Now, that's the scholarships side. I omitted one matter which is perhaps not enormous but I did say, do you remember, that we would provide 15/- endowment for each full-time student child from 16 to 21. Now that itself has made a very considerable difference.

Well I turn away from that, with this sort of gathering-up remark that if you look at our education programme as we put it before you, you will see that in every respect we have now put it into performance and that in one respect we have gone beyond our promise - that is in respect of the one-year secondary school scholarships.

Now I have been in Parliament a long time - some people think too long. I think that too, occasionally, when I am a bit dyspeptic. But I have been there a long time, and I want to tell you this. In the whole of that time, this first Session of this Parliament since the last election has been the most productive in the whole of my experience. It's almost unique to have so many things done to completion so quickly after an election, and in the school field, we can look you in the eye and say, "We said we would do it and we have more than done it."

Well now let me turn to housing. We had two promises in particular that we made to you about housing. We directed one to those up to the age of 35, the younger married people who wanted, we thought, some help in saving to put down a deposit or put themselves in a position to negotiate the purchase of a house. And our promise, put shortly, was, as you know, that we would have a home savings advance of £250 for £750 saved by the prospective home-owners, or a proportionate sum as you went down, which meant that if they saved £750, we would make it £1,000. This, of course, was a very material aid to people in this age group. Its popularity has already been well established.

There have been many, many applications made and the conditions fulfilled. Last time I heard, admittedly it was about a week ago, but at that time, the better part of £1½M. had already been paid out under this scheme, and again, you must remember, it hasn't been operating for very long. That has been, I think, a substantial achievement and as time goes on, of course, there will be more and more millions found because, as time goes on, more and more people in that age group, approaching marriage, anxious to establish a home, will realise what a tremendous advantage this is. This gives the little extra help at the point of time, at the point of substance at which they need it.

The other proposal we made was not confined to younger people, but that we should establish a homes loans insurance corporation, the object of which would be to ensure loans given on mortgage normally for the purchase of a house. The insuring of a mortgage loan, of course, would enable that loan to be given at a much more satisfactory rate of interest. We want to get away from all this twelve per cent. business on second mortgages. We want to have a system of insuring home loans of this kind so that the rate of interest will be a perfectly normal and proper rate of interest for something that is, in effect, guaranteed by the government.

Now this has been a very complicated matter because first of all we had to establish a Department of Housing. We had never had one before in Canberra, and I appointed a Minister, Mr. Bury, who had to establish a Department and get a Permanent Head and get things together, and of course, get a good deal of advice of a technical kind. I think it's a very remarkable performance really that under these circumstances the Housing Department should have already got into operation this savings grant scheme, and that Mr. Bury himself was able, in the last few days of the Parliamentary Sittings, to introduce and move a Bill relating to the establishment of the corporation which is to be the Home Loan Insurance Corporation for the Commonwealth.

I know there are some people who think all these matters might be done overnight. I marvel, really, that they have been able to, at this stage, within comparatively few months, to arrive at this result, and I am anticipating that when the House resumes after the Christmas break, this Bill will be passed and will go into operation and by that time, we can say that the whole of our special housing proposals put before you at the last election have gone into operation. You know, politicians, my friends - you know what people say about us, and probably you do too - we are always supposed to be great makers of promises and great breakers of promises. I just want you to remember that I am able to sit here and tell you of the promises, all of which you remember from the last election, all of which, so far from being broken, have been put into performance.

Now there were other things in the Health Department. In the health field, we said we would increase the Government contributions by one-third. That was done in the first Sittings after we returned. We said that we would extend the scheme by which we helped the States on the building of mental institutions. We did that in the first Sittings.

Very difficult to find in any of these fields, health included, anything that has not been put into complete and satisfactory performance.

There are two matters which very properly concern a great number of people, particularly those who live in the northern parts of Australia, that perhaps I should refer to with particularity. Roads. Now I made what some of you might have thought to be a rash promise when I was coming before you on this last occasion. I said that we were going to negotiate a new roads agreement with the States, a new five-year agreement and that we would, on that occasion, increase our provision from £250M. to £350M. - there was to be an increase of £100M. on this tremendously important matter. Well, we dealt with that matter. Instead of increasing it to £350M., we in fact increased it to £375M. so that there again is a case in which the performance outmatched the promise.

We also said that we thought it was time to have some body which could survey the roads needs of Australia and try to bring some order out of chaos, try to get some system of establishing priorities - which road was more important and what one - and that therefore we would establish a Roads Bureau. Well, we had a conference with the States and we established the Bureau, an Act was passed through Parliament and the whole matter is now under way.

Second, we said that we would examine the freight burdens on the people in the far north of Australia, that we would set up a special committee to do that. We did, and it's been working and I expect that its report will be coming to us before very long. This may be one of the most significant reports about the north of Australia.

And third, we said we would establish, within the Department of National Development, a Northern Division, the special and urgent job of which would be to examine all proposals for the northern development of Australia so that the Government might be in a position to make some selection and to conduct useful discussions with the States, where States were involved such as Queensland and Western Australia, or with its own Department of Territories in the case of the Northern Territory. Now that division has been established and is working hard and, as a matter of fact, has at present in hand some very useful enquiries about priorities of work in that part of Australia. So in those fields we have done what we said we would do.

There is one matter on which we have not reached completion though it concerns the very people I have been directing myself to, and that was our proposal that we would work out a scheme under which the price of petrol in remote areas should not be more than 4d. above the metropolitan level. This was a conscious, deliberate act of decentralisation.

Now it required two things. First of all, of course, discussions with the oil distributing companies, because unless we have their co-operation on this matter, then we, the Commonwealth, can't compel. So we negotiated, and we have reached, practically, finality in our discussions with the oil companies. These have been, of course, prolonged. We are now putting before the State Governments the results of these discussions because only with the co-operation of the States can this scheme become effective. I don't anticipate for a moment that we will have ~~any difficulties raised~~ because I am sure the States will want this just as much as we do, but it is necessary to put our negotiation results before them. This will be done instantly. I dare say that by the time Parliament resumes, we will be in a position to announce that there is a complete scheme and that the necessary legislation can be put into operation.

Now that leaves only one matter - restrictive practices. This is the most complex problem in the world, as the experience of every other country shows. We have devoted, literally, hours, days and weeks in Cabinet. The Attorney-General has been working on this, we've had representations from all sections of the community and we are now getting to the point where we can see daylight, because we don't want to make a mess of business. We want to encourage free competition without having injurious effects on those who are engaged in business undertakings. Now we are determined to go on with this matter. I am perfectly certain that when the House resumes we will be in a position to introduce into Parliament a scheme which will be none the worse for having been delayed because it

will have the great advantage of having been thoroughly considered.

Now, my friends, there it is. My time is running out. In a statement to the nation, I made up my mind I would like to tell you, remind you, of what we had promised and to tell you about our performance. I hope you will allow me a little pride in being able to make such a report to you at this time. To the extent to which the defence programme and the defence argument now going on operates to affect your minds and votes, then all I say to you is that this defence programme is realistic, it's practicable, it is completely necessary in face of the deteriorating position that we see overseas, the threats which exist in our neighbourhood and the basic fact that the security of Australia depends, very very largely, upon how far we can have defence in depth, and how far we can have South-East Asian countries kept out of the hands of the Communists. Because if they all fell to Communism, we would be a very unhappy and, in some senses, a very lonely people.

Now I am sure that all these things can be avoided - they can be avoided by strength and readiness, and I know that in all those matters we will have your support.

Good night ladies and gentlemen.
