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DEAKIN MEMORIAL LECTURE

Title : "ALFRED DEAKIN - HIS LIFE AND OUR TIMES"

"The Liberal Tradition in Australia"

INAUGURAL LECTURE DELIVERED BY THE  
PRIME MINISTER, THE RT. HON. HAROLD  
HOLT, CH, MP, AT THE UNIVERSITY OF  
MELBOURNE

31ST JULY, 1967

When Alfred Deakin died, the Commonwealth of Australia was not quite twenty years old. It was peopled, in Deakin's phrase, by a little more than "five million Australian Britons" and had just emerged in the flush of victory from the horror of World War I. Six States, six former colonies, united in a Federation by constitutional processes, had been fused by the searing process of war and were beginning to reach out again in the forward march as a nation.

Deakin had watched the nation's ordeal from the wings. It was the evening of his brilliant career, for his memory was failing in those years and his intellectual powers were almost spent. Yet he saw the nation he had done so much to create, and in whose service he had exhausted his strength, face its first great test and emerge triumphant, with honours written large on the banners of its short history. This was one measure of his labours, and those of his fellow-founding fathers. He, and they, had built well.

What Alfred Deakin achieved in Victorian politics, in the union of the States and in the first thirteen years of Commonwealth are well recorded. The honour board is bright with his achievements, and in a nation not given to loving, or even liking, its great men, his name is revered and remembered. He was a Liberal, with a little "l" and a capital "L" - and it is of the man and his work, and how, in the perspective of history, we see him against the events of our time, that I speak to you tonight.

There was an age of Deakin and it embraced many things. The spotlight fell first on Federation, and Protection as a policy for the nation. These were our beginnings as a nation. Many laboured in those vineyards at the beginning of the century and the credit must be shared. But Deakin was the architect, the leader, the advocate - three times Prime Minister in the first thirteen years of Federation. His was the mind and his was the heart that gave the new nation a course to steer.

We know a good deal about him for he wrote as fluently as he spoke and his letters and papers are voluminous. They are, however, fragments of a whole, for in the six years that were left to him when he took his leave of politics his wearied mind was not able to finish its task of giving us his complete, personal story. His own book, now published as "The Federal Story," is only part of the record.

He was born in Fitzroy in 1856, the only son of English migrants who had made a honeymoon voyage to Australia and landed first in Adelaide, where a daughter, Sarah, was born. Then the lure of gold brought the

family to Victoria. Young Deakin had the great boon of a happy home. He was not born to riches, and had no castles to defend in later life. Nor was he born to poverty. There was no bitterness in his heart.

His father made a modest living in the coaching business between Melbourne and Bendigo, and with Cobb and Co. Alfred had a good education, first at a small mixed school (mainly for girls) in South Yarra and later at Melbourne Grammar School where it is fair to assume he learnt the art of eloquent speaking from the talented Dr Bromby, a Cambridge man who was then headmaster. Deakin was a voracious reader. He devoured books and poetry of every kind with a fever that consumed most of his leisure hours.

Some biographers have been tempted to give him a dual personality: a lively, larking schoolboy, casual with his studies and a dreamer, a visionary beyond his years. I don't think he was two people. We all have our dreams, but it so happened that Deakin made many of his come true. He was, in my judgment, a normal, intelligent schoolboy, showing early signs of scholarship and the questioning of an alert mind on matters of religion, philosophy and the social problems of the day. His Christian faith was real from an early age but was never neatly packaged and his mind wandered in lively interest through spiritualism and along non-conformist ways. He was a liberal but, in the tune and temper of the times, he was also a radical.

He came to politics at the age of twenty-two. Behind him was the law - he had had a few briefs as a barrister, some teaching, including a period voluntarily given to night classes for the street urchins who excited his interest and compassion, and experience in journalism as a political writer for "The Age". He won the seat of West Bourke in Victoria in 1879 and resigned on his first day in Parliament at the conclusion of his speech moving the Address-in-Reply because of an irregularity in the poll caused by a shortage of ballot papers.

"If I am the representative of the majority of electors of West Bourke, I will be returned again. If I am not their representative, I have no right here." He was returned again and for twenty years was a State Member and a Minister for seven of those years.

In those turbulent days when the life of the colony was raw and privilege rated high, the Liberal spoke for most of the people against the entrenched representatives of the aristocracy of wealth and property. There was a force and a fever about Deakin, the State politician who, though always a Liberal, began as a free-trader and was converted by David Syme, the proprietor of "The Age", to be a foremost advocate of Protection. He injected the basic elements of long-lasting liberalism into Victorian politics and is remembered, not only for what he did to bring Victoria to the Federation but for his irrigation policies and factory legislation.

His writing was his highroad to politics and in politics he found his life's work. The British historian F. S. Oliver has aptly described politics as "the endless adventure of governing men". Deakin was quick to catch the tide. For him it was a vocation as well as a great adventure.

He was, like Sir Robert Walpole in another century, a conspicuous example of the man who came at the right time. Walpole, you will recall, fathered the system of Cabinet Government in the British Parliament. Deakin was the right man for the infant Federation and showed his superb skill by achieving so much, despite the fact that he headed a minority party in government during his three terms as Prime Minister.

He did, in his time, what Walpole did in another way in the eighteenth century, an immemorial service to democracy by advancing the purpose and authority of the Parliamentary system.

It was Walpole who governed Britain for a record term of twenty years as chief minister and gave the House of Commons so much of the strength once held exclusively by the Crown. It was Deakin who, on the Australian scene, focussed the thinking of the States and State-minded people on the institution of the Federal Parliament and on the national issues that flowed through its corridors. The strength of the Australian Constitution was there but it needed the eloquence and steadfastness of Deakin to make it manifest and make a people one.

I find much in common between Walpole and Deakin - though the differences were there too. On Walpole I quote from Oliver :-

"He is the archetype of the normal politician who forces his way into the highest positions. He had a strong, clear, practical judgment. He was valiant and steadfast. His crowning merit was faithfulness to the King he served and his country. Neither fears nor temptations could ever shake his fidelity."

Deakin was out of the same mould nearly two hundred years later.

Oliver goes on -

"At the same time it would be senseless to deny that he (Walpole) was a self-seeker, an opportunist, a man without any tincture of book-learning or philosophy."

Deakin was none of these. His scholarship was plain for all to see and hear. He took nothing personal from politics and he commanded respect on both sides of the House.

For all his magnificence as a speaker he seldom tipped his shafts with venom. He was not vindictive. I think the sharpest tongue he turned on a fellow member was when he once described the late W. M. Hughes as "behaving like an ill-bred urchin whom one sees dragged from a tart shop, kicking and screaming as he goes." It was a rare excursion and was not his usual form. He later apologised for it.

The art of politics has not changed all that much since Walpole's day or from Deakin's day. But the practice of politics has, and of course the issues and causes have. The British blend of representative with party government, from its beginnings, left a politician no choice but to use his best endeavours to defeat his opponents and, while that habit is still with us today, we do it in a rather more sophisticated way. What we are concerned with are the principles that guide us in power and which govern our conduct in opposition. This is where we recognise the constancy of Liberalism. It is a philosophy, with a translation in practical terms into a party platform, and always matching the contemporary scene.

Gladstone asked and answered the question: "What do I understand by Liberal principles? I understand in the main, THIS, by Liberal principles: the principle of trust in the people, only relieved by prudence. BUT, by the principles of their opponents I understand mistrust of the people, only relieved by fear."

I am talking to an audience largely composed of Liberals

tonight and it is worthwhile us all remembering that the Liberal idea is permanent, though the forms of expression are shaped to the times in which we live. We are in the words of our own party platform, "dedicated to political liberty and the freedom and dignity of man".

Deakin wrote "we are liberal always, radical often and never reactionary". There has inevitably to be change in emphasis according to the needs of the times. There are today issues of great importance to the nation which occupy the attention of politicians but they are not of a nature that attracts radicals or do they call for radical thinking in the terms of those early years of Federation.

There have been changes in our party and in the opposition forces, and in the Parliament itself. New systems and methods of communication between the politician and the public have changed our habits and the tasks which fall on Ministers and back-benchers alike. But the old values remain. It is because of the very fact of our pledge to political liberty and individual freedom that we can absorb change and maintain our identity. Some comparisons are appropriate.

Deakin stood for a two-party system in Parliament, but he never secured it in his own right. So he sought it, first by negotiation, and then by fusion. From the outset of Federation he also recognised that the Senate would be a party house and not a States' House, though it came into being to satisfy the anxieties of the States who had taken a half-century or more to come to the point of Commonwealth. Things, then, really haven't changed all that much.

Let me recall the procession of events and the course the Liberals followed in those early years which eventually gave us the Liberal party as we know it today.

In 1901 the non-Labor parties were largely identified by their attitudes to the national issue of Protection as a fiscal policy for the nation. There were the Liberal Protectionists under Barton and Deakin, and the Free-Traders under Reid. The Labor Party held the balance of power in the first Parliament, but it gave sufficient support for the Liberals to govern, with Reid and his supporters making up the official opposition.

Then, in 1909, with Protection a settled policy for the nation, the non-Labor forces of Deakin and Reid came together officially as one party called the Liberal - or Fusion - party. In 1916, when the Labor Government split on the issue of conscription, the late W.M. Hughes and others who supported conscription, were expelled from the party and after attempting to maintain a shaky Government with the Parliamentary support of the Liberals for a few weeks they merged officially with the Liberals to form the Nationalist party. So briefly there was a clear-cut two party system, but in 1919 the Country Party was formed and that party has retained its identity to this day.

The Nationalists were reorganised in 1931 into the United Australia Party under the late J.A. Lyons, who like Hughes, was a Labor man who had broken with his party and the Scullin Government, in this instance, on matters of economic policy during the depression. The U.A.P. was with us till 1944.

That was the year of the re-birth of the Liberal party, the year when the Liberal Party re-established itself in name and policy under

the leadership of Sir Robert Menzies. Its policy was broadened to meet the needs of modern Australia and in response to the urge for reform and rejuvenation from those who had become increasingly dissatisfied with the limited horizons of the U.A.P. It was closer to the Deakin concept of a party with a wide appeal, not limited by any of the divisions by which society tends to stratify itself.

Deakin was a Prime Minister of minority governments - there were mostly "three, and sometimes four, elevens" in the House of Representatives. But his skill as a negotiator, his affability, his patience and the constructive nature of his policies enabled him to secure support, substantially on his terms, to carry out effective and progressive government. This gave us a permanent tariff policy, imperial preference, a defence policy, a Federal legal system, an arbitration system, a basic wage and age and invalid pensions.

In the Parliament today we have three parties in the House of Representatives, and we are getting things done because of the way in which, by our coalition with the Country Party, we are able to operate a two-party system in terms of work and practical politics. The present coalition has shown durability in the seventeen years of government since its formation in 1940, although we have competed for votes and although the role of the Country Party has been affected by the national need to promote manufacturing industry and as urban growth outruns rural growth.

In the Senate, as you know, we are a long way from effective two-party government - having four parties and two independents - or again in terms of practical politics, three parties when we count the coalition as one. There is no doubt that the advent of the Democratic Labor Party, as yet another group, disillusioned in recent times, as others were in the past, with Labor policy, has influenced attitudes in the electorates and in the Parliament, where the party is represented only in the Senate.

There has been little change in the principles the Liberal Party applies to the conduct of its business and this - if I may seem to speak in an apparent contradiction - is why we have been able to adjust smoothly to changes in the political, economic and social worlds around us.

The party constitution says "Once an endorsed candidate is elected by the people as a Member of Parliament he represents the whole of the people in his electorate and is not subject to any directions from the party's organisation. When he becomes a Member of the Parliamentary Liberal Party he, with his colleagues, is expected to implement the party's platform, but is favoured with complete freedom of action without any attempt to coerce him."

This stands in remarkable contrast to the highly regimented, sternly disciplined organisation of the Labor Party, where policy-makers outside Parliament dictate what the elected representatives should do and, furthermore, exclude parliamentary leaders from a vote on policy-making decisions. In the Liberal formation, the party has policies through which it expresses its Liberal philosophy. It recommends - sometimes strongly - and advises the parliamentary party, but final decisions are in the hands of the elected members, with Cabinet giving the lead.

To give an example of the freedoms the Liberal Party allows. In the Parliament, while Senators meet with members of the House of Representatives in Joint Party meetings, the Senators also hold their own party meeting to determine their approach to issues in the Senate. And again, of course, the same individual freedoms apply. Labor, on the other

hand, has a single Parliamentary Caucus which determines the actions of both parties and all their members, in both Houses.

The Liberal Party has its rules, its platform, and a wide-ranging organisation. You might call it a loosely-knit co-operative, inside as well as outside the party room and Parliament. There was a signal demonstration of the liberality of the system recently during the discussion and debate on the "Voyager" disaster. This was a grave matter, raised by a Liberal back-bencher and taken freely through the party room and the Parliament, although the Government had long ago reached a considered judgment on the issues that were then re-opened.

And while I am on this point I would remind you that, despite criticism of the growth of Cabinet power and its apparent domination of Parliament, here was an example that the end authority remains with Parliament in all matters. It is true, however, that the increasing pace of government, and the number and range of matters that now have to be dealt with, require positive leadership from the Cabinet and also decisions by the Cabinet which, in Deakin's day, would have been the subject of long and exhaustive debate in the Parliament.

The individual parliamentarian has a duty to represent his electorate, to watch the interests of its people and be responsive to their needs. He can do that most effectively when his representation fits into the pattern of state and national policy. He must, figuratively, lift his sights from the parish pump to the Snowy Mountains.

There is, to my mind, as clear an obligation on the Cabinet, as there is on the individual member, to take the responsibility of leading in matters where new ground has to be broken or where action has to be taken that has not been the subject of a mandate from the electorate. A government, in simple terms, is elected first of all to govern and the greater information available, by virtue of their office, to those charged with this task should encourage them to be bold, imaginative and forward-looking.

This is vital for a Federal Government today which has to give leadership in significant fields not strictly within the constitutional division of its powers. There is an old judgment, and a true one, that power tends to move to the centre. Certainly, political responsibility has flowed that way, although the Federal Parliament is not much larger or its powers substantially greater.

In the first Parliament there were 75 members in the House of Representatives. There has only been one major increase - to 122 in 1949 - and a recent submission to referendum for another was rejected by a large majority. Yet to the business of Federal Government and Parliament now come the needs of near twelve million people and a weight of extra responsibilities which include national development, immigration, social services, education, health, aborigines, civil aviation and tourism.

To deal with the work, the Ministry has trebled in size in the last fifty years. Deakin's last Ministry in 1909 was nine strong, with one Minister without portfolio. Today the Ministry has twenty-six members, of whom twelve are senior ministers making up the Cabinet.

You might like to have some Budget comparisons - not the one just coming up, for that is the business of my colleague, the Treasurer - but the one produced by the first Deakin Ministry in 1905-6 and the one we brought down in Canberra last year.

Deakin's first Government raised \$24 million, spent \$9 million and gave \$15 million back to the States.

Receipts towards our last Budget were \$5,400 million, of which we spent \$3,600 million and gave \$1,800 million back to the States. In Deakin's Budget, the States got 62 per cent of total receipts, last year they got 34 per cent - giving substantial evidence of how the responsibilities and commitments of the Federal Government have grown.

Defence has become a major item in our Budget nowadays. In 1938-39, the last year of peace before World War II, the Federal Budget was creeping up towards its first £100 million figure (\$200 million) and the defence provision was £8,800,000.

The total Budget topped £100 million in 1939/40 and included a provision of £12 million for defence and war, which in the event grew to £24 million in the first year of the war. In our last Budget, the defence provision reached the record level of \$1,000 million.

In brief, spending on defence 30 years ago took around 8 per cent of the Budget. (In Deakin's day it was much the same). Today defence is taking close on 20 per cent of the Budget.

The first basic, or minimum, wage in 1907 was four dollars twenty cents a week. Today the minimum wage is thirty-seven dollars forty-five cents a week.

There are new issues to face today, totally different from the battle-cry of the Deakin age, and in a different nation and society. We have absorbed into the British stock from which we sprang, people of forty or more different nationalities. We are an affluent society, we have full employment, a total wage system and a prescribed working week.

The Labor Party today has not the industrial issues to support that it had in other years and in seeking new footholds of power it is, of necessity, moving towards the centre. The pull of Labor to the left has lost its momentum and the party is now seeking to invade ground firmly held by the Liberals, while at the same time being reluctant to jettison its doctrinaire attachment to socialism, a borrowed philosophy that has not had any significant revision since 1921 - despite all that has happened in the forty-six years since then!

The issues before us are those of national growth, the welfare of our people, national security and our place in the international community. We are deeply committed to the orderly and energetic development of the rich treasures of this continent, a better education for our young people, improved health for the population, security for the aged and infirm, the advance of our technological skills, aid for the under-developed nations, a strong defence system, fulfilment of our obligations under treaties and the continuing encouragement of a special relationship with Asia.

These things carry us forward, and others drop away into the mists. The imperialism of Deakin's time has gone and the "White Australia" cry from his first platforms does not have the same relevance, and happily the term is no longer used by us. It is true that we have an immigration policy with restrictive aspects as do all countries in one form or another, but it is humanely shaped, it takes special note of our geographical position in Asia and it has recently

been liberalised. Today we have just on 40,000 people of non-European origin living in Australia, of whom almost half are now Australian citizens by birth or naturalisation.

We are proud of our British heritage, and proud to share it with these new Australians. While some of the old forms have disappeared, ties of kinship remain and the traditional institutions of Britain are mirrored in much of our life today. We have added to this special relationship with Britain a complementary friendship with America, which too has drawn heavily on British stock and institutions in the beginnings of its growth to be a mighty power.

Liberalism is not static - it belongs to the old world and the new. In all the movements that have taken place it has been flexible, pragmatic if you like, and yet it has never lost sight of fundamental principles.

I said earlier that the art of politics had not changed but that the practice had. One biographer has reminded me that Deakin was the only Prime Minister of Australia to be summonsed for riding a bicycle on a footpath. I confess that, as Treasurer, I was fined for speeding on the road from Portsea.

Mention of this makes a point - that the pace of politics is faster today. It is also tougher and more demanding although we have new services at our command. The stresses that took their toll of Deakin have been replaced by new stresses and no parliamentarian can insulate himself from them.

We live in a jet age and we move into the supersonic age of flight in three or four years' time. We live in a space age and, when the orbiting satellites of the two most powerful nations on earth wink overhead in the night sky as they pass in their endless orbits, few of us spare them a glance. We live in an age of instantaneous communications and of the exposure by television of public figures to audiences of millions in almost every corner of the globe at any one moment in time. We have a new intimacy with the world.

The death of Julius Caesar took two years to become known throughout the Roman Empire. Today we can speak by telephone to the South Pole, we can see the shape of the earth on which we live photographed from outer space. We can see pictures transmitted from the cratered surface of the moon. In Canada recently when I attended Australia's Day at EXPO 67 in Montreal I was able to read a facsimile of that day's front page of "The Sun" newspaper, published here in Melbourne.

These are some of the fascinations of our day and age, but with their excitements come new pressures on public men. Today a Prime Minister goes round the world, not "trailing clouds of glory", but trailing a comet's tail of cablegrams which lengthens as he goes and which keeps him posted with what's going on at home and just about everywhere else. He flies the jet streams at 33,000 feet and six hundred miles an hour and can girdle the globe in fifty hours.

He sleeps, if he is lucky, in catnaps. Mostly he is at work on his papers in flight and at most stopovers he has to face the press, radio and television. He is expected to know what happened at Khatmandu that very day - and "Would he like to comment on what the Leader of the Opposition said last night". The critics are unforgiving if a loose phrase by a tired traveller can be taken the wrong way.



He has dinner when he should be having breakfast, and lunch, perhaps, in a no-man's-land of time above the clouds. He breaks every known rule for good digestion. It used not to be like that. It took fifty days to London in a ten-thousand-tonner at the turn of the century and a travelling parliamentarian had time to rest, to study his subject, prepare his brief and be on his mettle for his first engagements. He also had the perfect excuse, if affairs of state abroad could best be handled by diplomatic absence, of pleading he couldn't spare the time that would be taken in travelling. Now it is a case of "Come over for a day or two."

In my foreign journeys, I have travelled many routes, across the Pacific, through Asia, across the Atlantic, over the Polar ice-cap. You measure your journey in hours, not weeks, and drive yourself just a little dizzy by keeping up with the clock changes, especially when you find yourself flying forward into yesterday! On my last journey I had two Sundays going over and lost a Wednesday out of my life on the homeward run.

At the beginning of Federation there was really only one popular route for parliamentarians bound overseas - to London and back by sea. Yet I note from the record that at one Imperial Conference Deakin attended he was in London for six weeks and averaged only four hours' sleep a night. So the pressures obviously were there though the forms were different.

The practice of politics at home was also different. There was a sharper awareness among the voting public, they had things on their mind and they wanted something done about them. The class divisions were clear-cut and there were great causes around every corner. Apart from organised meetings and street corner addresses, the press was the only means of political communication. And the press of the day had "fire in its belly". Newspapers took up opposite positions and saw little compromise. "The Age" stood for protection and tariffs, "The Argus" stood for free trade.

Political speeches were reported at length and the reporter, a fast, skilled and knowledgeable fellow, happily inserted his comments, according to the policy of his paper.

A two-hour election speech of those days would rate ten minutes on radio or five on TV today. It would rate half an hour on the platform and half a column of main points in a daily paper. Speeches in the Parliament of the new Federation were packed with immense detail. Many ran longer than two hours and on one occasion Deakin spoke for three and one quarter hours. I shudder to think what would happen to the business of the House if Members claimed so much of their parliamentary colleagues' time today.

When Deakin made his first election policy speech as Prime Minister at Ballarat it got six columns of solid type in the daily press. And the type was smaller and the columns wider than they are today.

I liked the warm and friendly touch of one report of Deakin's first Eastern States election campaign. He went by train to Sydney and by carriage to the City Hall, where the "Town Clerk formally welcomed him over a glass of wine, the Lord Mayor being absent in Melbourne for the Cup."

Today news reporting of politics is not interlarded with opinion and it is good that this is so. The opinion is supplied by editorials and identified commentators. The cover is not as extensive, though major

policy speeches and Budgets always get extended space. There is no violent collision of newspaper policies as there was in the wilder, colonial days. The general habit of the press, while broadly liberal or conservative in its inclinations, is to keep its columns open to other opinions and the presentation of policies opposed to its own. The press treatment of politicians is much more an exercise in personal journalism and human interest than it used to be.

Throughout his Federal political career, even as Prime Minister, Deakin wrote anonymously for the London "Morning Post" and for all his familiarity with the press, he remained sensitive to the harsh light it shed on men in the posts of political power. In his "Federal Story" he says :-

"Public life in Australia is impaired by the almost entire absence of respect for the privacies of official life and for the persons of those in power. The passion for equality which sways the multitude contains a spice of envy which encourages the belittling of even those whom they are delighting to honour. The crowd always retains to itself the privilege of chastising its gods in time of adversity while worshipping them in days of prosperity."

Now it chastises them, even in days of prosperity!

I like Oliver's comments. He says that a politician's critics claim that :-

"A politician lacks natural intelligence as well as education; he has no foresight, no constancy of purpose beyond the pursuit of his own advantage. . . . Moralists, idealists, humanitarians are equally severe. They are shocked by his untruthfulness, by the deadness of his soul to all the higher emotions. . . . he is never more than a lip-servant of sacred causes and then only when they happen to be in fashion.

"Soldiers, sailors and country gentlemen are convinced that no-one who talks so much, and obviously knows so little, about the conduct of war and the management of land can possibly understand any department whatsoever of public affairs.

"The great army of company directors, and others of a certain age whom newspapers describe as 'captains of industry' condemn him for his lack of practical ability, initiative, push and go; they suspect him of being a lazy fellow who likes to draw a salary for doing next to nothing.

"Jingoes denounce him as a traitor if he is not forever plucking foreign nations by the beard. . . . pacifists consider him to be the chief cause of war. . . .

"The magnates of the popular press, secure behind their private telephone entanglements, sneer at his want of courage; and the man-of-the-world - most ingenuous of dotterels - takes up the same tale from his club arm-chair. . . .

"What humbug, it is, for the most part, and what a welter should we be in, if the politicians, taking these lectures to heart, were to hand over the management of public affairs to their critics!"

Ours is a grudging democracy which holds politicians in low esteem. In the United Kingdom, with its long political tradition, there is more respect for the office-holder, and he is more likely to be judged on his merits. In America, the political leader is built into something larger than life-size and there is disenchantment when it becomes obvious that the leader cannot live comfortably in the rarefied atmosphere that has been created for him.

In Australia there is a comparative apathy towards political issues. For example, you do not see the same surge, the same vitality of political interest in student bodies that you get in other countries. This, I believe, is because we have moved along ordered lines under the Constitution, and because we have become an affluent society, with a clear course ahead of us, comfortably situated in a congenial Pacific environment. Most contemplate the dangers of our geographical location as casually as they accept the promise and opportunity opening before us. There are real dangers in this if we let complacency over-ride the satisfactions of a job well done.

I find great encouragement in the type of young men and women who are now being attracted to the Liberal Party. There is no "fiery cross of Federation" (as Deakin put it) for them to hold aloft and make the sky bright with its blazing, but they have a challenge to take up. I have mentioned it earlier and I repeat it now :-

- . It is concerned directly with the continuity of good and responsible government.
- . It is concerned with the growth of Australia and the development of our new external relationships.
- . It is concerned with the preservation of free enterprise and political liberty.
- . It is concerned with Australia today, strong and free, going forward across new horizons.

Our critics have said "Where are the great memorials to all the years of Liberal rule?" My answer simply is that the nation itself, and the shape it is in, is the finest memorial of all. The orderly but rapid national progress in an environment of political, social and economic stability; the preservation of liberty, personal freedom and incentive for the individual; the continuity of employment, improvement in living standards and social welfare, the growth in international influence - these are some of the more notable achievements consistently sustained in the years of post-war Liberal leadership.

Australians would do well to recognise the good fortune we enjoy in a world where so much wretchedness, turbulence and insecurity persist.

We do not wish to be remembered by solitary spectaculars, but by what we have done to ensure the happiness, prosperity and security of the people of Australia and to be respected abroad for our policies and achievements.

There are new excitements around us and adventures to share. The skills of new Australians have been joined to our own. Things are happening in the cities and on the plains, along the valleys and over the

mountains. From the gold and the wool and the wheat of Deakin's day, we have spread our energies and our initiatives very widely indeed.

We can make most things that others can make; we have found oil and we are taking gas from the sea. The immensity of our recently discovered mineral resources and the rapid start with their development is helping to shape a new order of growth.

We can travel through the old kingdoms and former colonies of Asia and we number among them more friends than most European nations can count. This is the wider world in which we have to live now, and we take our place in it with confidence, secure in the knowledge that the Federation, the Commonwealth of Australia that Deakin did so much to establish, has strength and that its people are proud of their great inheritance.

There is one final matter I want to put before you because it will be of critical importance to all of us in the years ahead. I refer to defence and the British Government's historic decision to make a total military withdrawal from the mainland of South-East Asia by the mid-70's.

We are facing fundamental changes in our defence strategy and in our foreign policy. For some time now we have had under active examination the alternatives for Australia in the event that Britain should decide upon the course its Government has now declared. In our planning we take account of the interests and capabilities of our friends in this area and elsewhere.

It is appropriate to remind you that our defence and our security are covered by two parallel defence lines in the Pacific and South-East Asia.

The first line is one of friendships, trade and aid over the whole area. Our trade has increased by close on 40 per cent with Asia in recent years but much of it has been with Japan. We must diversify this effort so that we can help the economy of Asian nations to become viable and so assist them to develop their own defences.

We are giving 0.7 per cent. of our national income to external aid and in this we rank second in percentage terms after France, among the aid-giving nations of the world. At this time, the average level of world aid for the needy nations is declining and nations like America and Britain are reducing the relative percentage they give. Australia on the other hand is still increasing her level of aid.

Already we are associated with every established international aid-giving organisation of any substance and we are giving our aid without strings.

Our traffic in friendship is also increasing. As your Prime Minister, I have been to Asia three times in 20 months and my Ministers have been in the aggregate many more times than that. A cultural exchange programme with South-East Asia in due course will, also, I hope add to goodwill and understanding.

All these things are elements in the first line of defence.

The second line of defence is one covered by treaties

with friendly powers and includes currently a military capability in South-East Asia. We have been associated with Britain for many years past in the Commonwealth area of Malaysia and Singapore. Yet this is not the only forward post we are manning or where our only interests lie and I need not tell you how vital it is to us that the cause for which we are fighting in support of the United States and other allies in Vietnam should be sustained until an honourable peace is won.

It would be wrong for me at this stage to attempt to indicate to you what the new shape of our military defence line will be, but I want to say this.

The two defence lines that we have are of vital importance to us. Their strength is a responsibility that a Government has to assume for the people who have placed it in power. It is a responsibility falling squarely on a sovereign, independent nation .

In the first days of Federation, Alfred Deakin fought stoutly for an Australian Navy. He urged the formation of a permanent Australian military force and for compulsory national service to support those forces. He foresaw the tasks that one day must come to a young nation in the Pacific and Asian areas. We face them now. There is no turning aside from our geography nor must there be any turning aside from what we Liberals conceive to be Australia's national destiny.

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