

FEDERAL COUNCIL MEETING OF THE
LIBERAL PARTY OF AUSTRALIA
HOTEL CANBERRA, CANBERRA



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Speech by the Prime Minister, Mr Harold Holt

Federal President and Colleagues of the Liberal Party :

I think I must first thank you, Mr Federal President, and indeed congratulate you for that splendid introductory speech which launched our proceedings here earlier today.

You have made my task a lot easier in that you have outlined the essence of our policy in relation to Viet Nam. You have spoken of what we as Liberals contributed to the growth and security of Australia and you have introduced, I think in a most valuable way, the important difference which exists between this organisation and that of our principal parliamentary opponent, the Australian Labor Party. I think it might be useful if I were to begin what I have to say to you all tonight by picking up what the President had to say in relation to this matter because, really, it is fundamental to political life in Australia.

For many years there has been a disposition on the part of the Press and quite a few other people to take the view that "there is no effective opposition to the Government and therefore we are the opposition and we'll keep them on their toes and sharpen them up." But in more recent times, because there's been a change of leadership, they've been projecting our opponents as a viable alternative to the Government which I have the honour to lead as your parliamentary leader.

If that is the case, then I repeat tonight what I said when I spoke on the external affairs debate after my colleague, the Minister for External Affairs had given us one of the most valuable and articulate presentations of Australian foreign policy I believe has ever come before the National Parliament. I said that if people are seriously going to regard the Australian Labor Party as a viable alternative to the Government I lead, then we all have an obligation, the Press, the Parliament and the public to probe the policies offered as alternative national policies as searchingly as they probe the policies of this Government - and it is proper that our policies should be probed. After all, we have the destiny of a great nation in our hands and what we decide as a government affects the future course of the nation, and affects the well-being of the men, women and children of this country.

It is important not only to recognise that but to consider it when you are discussing alternatives because this is not a mere matter of an expression of resentment or pique or displeasure. When a party is voted out of office or a government is - and I certainly don't expect to be if people understand the issues clearly enough before them - but when a government is voted out of office and some other government replaces it, then that's more than just the changing of the guard, it's a changing of the whole course of the national life, the stream of the national life.

Arthur Calwell once said if he came into office, he would change the face of Australia and the present leader of the Australian Labor Party, although he's not quite so blunt about it, if you take the trouble to analyse his

policies, has his own quite radical treatment for this country, quite different from the treatment that a Liberal-led Government has given to it. I say that, not because I feel we can't offer very much better but because I think it is vital that people realise that we offer very much better.

And so the first thing that I stress tonight is that we offer something very much better in the way of a structure of political organisation and something very much better in the way of the principles which should guide a political organisation. You opened on this note, Mr President, very properly, and you mentioned that there had been the disposition on the part of some commentators to regard the Labor Party as being pretty much in the same sort of organisational picture and status as ourselves at this time. Well, some of those who claim to be political analysts and even leader writers can err. It has become important and more significant when I am sure quite wittingly - because he's much too intelligent a man to do it unwittingly - the Leader of the Opposition presents the position in quite a different light from that which actually exists.

In an interview on "Four Corners" on 5th August, Mr Whitlam, referring to - and I quote his words - "The first change in the Federal structure of the Labor Party since 1915" said this: "It was a very great structural change and it puts us ahead in our structure of any of our competitors". Later in the same interview he said :

"It can never be said again that our party doesn't trust the parliamentary leaders who have to express its policies to the people. All the leaders are now part of our Federal structure. There's no other political party which supports them in this way. The Liberals, for instance, say that the Federal leader and the Senate leader can be on their top Federal body but we have four Federal leaders and the six State leaders. That means....."

and Mr Moore, interviewing him, interrupted at that point - "And still the 36 faceless men, Mr Whitlam?"

"Well, whether they are faceless or not, the point is this - that the parliamentary leaders are full partners in the process of making policy on the Federal conference, and the four office bearers in the Federal Party are full partners in administering policy. This means we have completely removed the stumbling block. We're ahead of all Australian parties and we are comparable to overseas parties."

Well, let's just analyse that for a moment or two, Mr Chairman. Dr Cairns made a statement on 6th August at the Hiroshima Day Rally which he addressed - "Conference decides policy not the Leader or Deputy Leader or any other member." What makes up the Conference of the Labor Party? There's a fundamental difference between Liberal and Labor policy determination. There is a fundamental difference in approach. If you re-examine our objectives, you'll see set out in our official Federal platform that our objectives are for an Australian nation dedicated to political liberty and freedom and dignity of man, with Parliament controlling the Executive and the law controlling all and looking primarily to the encouragement of individual initiative and enterprise as the dynamic force of progress.

Well, in those words you have the fundamental difference between the Liberal Party approach and that of the Labor Party. After all, when you talk about political liberty and the freedom and dignity of man, there's not much dignity nor political liberty about a situation in which the elected

representatives of the people are told, most of them without having any say personally in the decisions taken, just what they are to do. There's not much element of Parliament controlling the Executive and the law controlling all when the parliamentary representatives from the Australian Labor Party are controlled by the Conference - and it's true they've added 11 people to the so-called 36 faceless men. But it is that Conference which controls the Parliament and this, of course, is where we part company in a fundamental sense.

The fundamental difference between the two parties is that the Liberal Party from its inception - and I say this as one who has been a member of it from the time of its foundation - has recognised that the elected representatives of the people decide policy. They accept responsibility for it and they are answerable to the electorate for it. That doesn't mean, of course, that we don't give the weight you would wish us to give to what comes up to us through this Council or through the valuable committees of this organisation, our Joint Committee on Policy, our Women's Committee, our Rural Committee and the other Committees which look at aspects of policy.

But you have never claimed either the right nor have you ever sought to impose the will of a non-elected body of people upon the elected representatives of the people. And we must make this abundantly clear to the people of this country. It has a very practical application as I shall come to tell you in a moment.

In contrast, the Labor Party policy is not decided by the elected representatives of the people but by a Federal Conference made up of the 36 faceless men plus four ex officio members of the Federal Parliament plus the six State parliamentary leaders and a delegate from the Northern Territory. This body has no responsibility to the electorate, it is not answerable to it and the rank and file of members of the Federal Parliamentary Labor Party have no direct say themselves in policy determination. But although they have no direct say, they are subject to expulsion if they do not accept the Conference decision as completely binding. We had an illustration of this in the shape of Sam Benson.

Sam Benson didn't defy them on policy but he wanted to belong to a Defend Australia Committee, and they didn't like this Committee because it believed we should be in Viet Nam, that we should have a stronger alliance with the United States, and that we should be doing other things for the security of Australia. So although he wasn't able to determine the policy of the party nor even have a say in it in the essence, they expelled him.

Now I say this has a practical application for a significant part of Australia in that we have a critical by-election coming up shortly in Capricornia. I had the pleasure last night of meeting our candidate, Frank Rudd, and I would think I had hardly ever met a candidate who inspired me immediately with more confidence than Frank Rudd. If there was ever a man for the seat and a man for the job, I think Frank Rudd is that man and I want this party to know that - despite all the by-election influences that operate - I'm not going into the Capricornia by-election to hold the same vote that we got at the general election. Some people would think that was a good enough goal. We're going into Capricornia to win, and to win Capricornia with a man who will give to that part of Central Queensland an effective voice not only on the outskirts, with no say in policy himself, but able to provide an effective voice himself inside our Government party. That's the kind of man I believe Capricornia needs and that's the kind of man we hope to elect in Capricornia.

Now, his opponent Dr Everingham - I have no knowledge of him and I make no comment about him other than this: That he can be no voice for Capricornia in the sense of making policy inside the Labor Party because he's not one of the chosen 11 that sit with the faceless 36, and they are the supreme masters of policy in the Australian Labor Party.

Mr President, you spoke today about the importance of the Senate elections and I'd like to dwell on that for a moment or two because I, too, believe it to be a critical and important election. If the Australian people truly believe in democratic government and are prepared to give a record majority to the Liberal Party and its coalition partners in the House of Representatives, then they could hardly have conceived that the will of the electorate as so registered was going to be frustrated by the Senate. Well, you may say up until now it hasn't been frustrated. The fact of the matter is that we are in a minority in the Senate, partly and quite significantly from the ill-fortune of the death of former colleagues. But surely it runs against the common sense to give a record majority in the one House and then say, "Yes, but we are going to tie your hands behind your back in the other one". And that is where this Senate election becomes of quite critical importance for us.

Now, you mentioned earlier today, Mr President, that in order to have a working majority there, we must win five out of the six States at this coming Senate election and I'm amazed at your moderation. We've got to win six out of six States at this coming Senate election because that is what I believe represents the will of the Australian people on the issues for which we stand. The issues haven't changed since the last general election, as I shall hope to show in a moment or two and if we are to carry out the will of the people as expressed to us less than a year ago, then we've got to have an effective working majority in the Senate.

I wonder how many speeches I've heard from Labor men on the other side of the House saying that the House of Representatives should be the supreme Court of Appeal of the Australian people. They even wanted it to override the High Court in its decisions, and as for the Senate frustrating the will of the popularly-elected majority in the House of Representatives, well, earlier Labor men that I've heard speak on the subject you'd have thought this would have poisoned them before they'd utter such a sentence. And their platform - this rather handsomely produced version - you'd find all your old friends inside there if I had time to refer to them. This still contains a proposal for the abolition of the Senate and this presumably remains a fundamental tenet of Labor belief.

But could you, having regard to that, imagine a more cynical use of the Senate than is being made at the present time by the Australian Labor Party? They're even seriously debating on Wednesday whether the Senate should virtually reject the Budget of this Government. They know the constitutional position about the relations between the two Houses. But we get these despatches through the Press as to whether Mr Whitlam can carry the day or not, he presumably resisting the pressure to have the Senate reject the legislation - the postal legislation - which is an integral part of our Budget. And it's not put on some great ground of principle that he's resisting this; it's put on the grounds that it may be a bit too early for the Labor Party to go to an election. I repeat, one could hardly imagine in a Party that is pledged - because these men are all pledged to carry out the platform of the Party - pledged to abolish the Senate, a more cynical disregard of principle in the use that they are making of it. Well it's for us to

capture the Senate and we are encouraged by the enthusiasm and the strength of support which we have had illustrated to us here in the course of these discussions.

You have mentioned, Mr President, various policy items, that we've quickly given effect to our election undertakings and you spoke of the significance still of the Viet Nam issues. I'm not going to talk in any detail tonight about the domestic items because if time permits I hope to speak on the Budget tomorrow and I shall therefore be dealing with the domestic economic situation in rather more particularity than is possible tonight.

But one of the difficulties as a party is that it is so long since there was a Labor Government in office that a generation has grown up which has no mental picture of what the situation was like. When we're attacked on this aspect of policy or that aspect of policy, they don't stop and ask themselves, "But what did the Labor fellows do when they were there?" Well some of us have been there long enough to remember what happened with the Labor Party, and I'm only going to rattle off quite quickly to you a few figures because you're an intelligent enough audience and experienced enough to apply these to the situations.

One of the things thrown at us by our opponents is, of course, that we're a heartless bunch, concerned only with the wealthy supporters of the Liberal Party, and having no appealing warmth or sentiments towards the less privileged members of our community. So I just cite a few pertinent facts about that.

The last year of Labor Government to which I can direct your attention is 1949 and their Budget for 1949-50. They provided in that year for national welfare \$125.6M. In our last Budget we provided \$1,071M, roughly $5\frac{1}{2}$ to 6 times as much, and even allowing for movements in prices, a very substantial increase in real standards. And it's not only the amounts that are being provided but again, because we're so often chided with neglecting those less privileged members of the community, it's worth recalling the innovations.

Pharmaceutical benefits, . . . well, it was hardly worth mentioning in 1949-50. It was then an expenditure of \$610,000, while this year it's \$75.2M. There was no provision for medical benefits in those days. This year : \$45.2M. There were no pharmaceutical benefits for pensioners. We are often abused because we don't do enough for the pensioners; they had no such scheme. We spent \$31.2M this year on pharmaceutical benefits for pensioners. Medical services for pensioners - they had no such scheme. We provide \$16.5M.

Now this is in a period when we've also had the tremendous obligation of building our defence forces and the security of this country. In 1949-50 they provided \$100.4M; this year we are providing \$1,112.2M. And as another practical test, which I would just like to mention to you, although the proportion of our total Commonwealth expenditure on defence has soared from 1949-50 from 0.3 per cent of the Budget to 17.25 per cent of the Budget, the amount we provide for social welfare has not only increased in the dimension I have mentioned, but it's a bigger percentage of a very much bigger Budget - 13.7 per cent of the Budget in 1949-50 compared with 20.55 per cent of the Budget this year. I will not dwell on these facts or give an elaborate statement of our domestic policy. My colleague, the

Treasurer has done that in a way which produced, I think, a more favourable reaction to the Budget than I can recall in my time in public life.

At this stage of the Parliament, new policies are not expected. We announce at election time the sort of things we are proposing to do. We said we will do this and more and in the three years that we run our full term, as I expect us to do, we shall certainly be doing a great deal more. But you don't when you get a good show running - we've been there now for a considerable number of years - you don't alter the basic policies on which you have been elected and which you have gradually brought into effect. You don't expect Broken Hill Pty. Ltd. or General Motors-Holden or Colonial Sugar or one of these big successful companies suddenly to throw out their board of directors, completely reverse their policies and hope to produce the same satisfactory results for their shareholders. I hope that the Australian people have got enough sense to realise that this is not the way to better standards for themselves.

Well, Mr President, I did speak of the difference in fundamental approach to the relationship between elected representatives of a Parliament in this organisation and in the Australian Labor Party. But since Mr Whitlam made such great claims about the outcome in Adelaide I think we might go on and look a little further as to what actually did occur there. I don't blame the Press for giving a new leadership a favourable run. This is fair enough, but at least let's be realistic and factual about it. What is happening inside the Labor Party - and I pointed this out to you on earlier occasions - is that since the split in the party, it's been in the grip of the left wing, which in earlier periods of our political history was merely a rump of the Labor Party. Now they find Mr Whitlam a very convenient medium because he's got a personable front for them. But he's still in the grip of the Left Wing of the party, as they have been at some pains to point out to us since the Adelaide Conference.

I remind you that at that time they dealt with the Viet Nam situation and this, of course, for reasons which we all well understand, has tremendous importance for this country. Tremendous importance first because Viet Nam itself means so much to the kind of world in which Australia is to live, in which we are to co-operate, in which we are to trade. We are fighting to resist aggression against a small country but the issues are very much larger for us in that we are fighting to preserve the security of South East Asia as a whole. And we sent troops away in two world wars to Europe not because we were directly threatened by the outcome there but because we knew that the kind of world which would exist unless we succeeded in resisting that aggression would be an unacceptable world to us.

We won the election virtually on the Viet Nam issue because people were able to understand that not only was Viet Nam threatened but the way of life we stand for is really threatened by the outcome in that country. I have no doubt that we have successfully resisted the aggression and that in the course of time we will be able to build in Viet Nam itself the sort of co-operation that has been such a marked feature of the periphery of Asia over recent years.

These countries which formerly were in a state of economic disability are now finding their feet. And in my last tour around these countries in Taiwan, Korea, Laos, Cambodia, Thailand, Malaysia, in all these countries were seen the dividends that have flowed already out of the resistance to Communist expansion in South Viet Nam and we need to remember that.

But no less importantly for Australia is the significance of this for the strength of our alliance with the United States of America. And while at some point of time Australia may hope to be completely self-reliant it's not going to be in my lifetime and I doubt if it will be in the lifetime of anybody in this room. For as long ahead as we can see our security is bound up with the strength of the alliances we can make with like-minded people who have the same view of the kind of world they want to live in as we do.

Now, what does the Adelaide decision mean in this connection? Mr. Whitlam has been pretty subdued about this one because he knew the last policy was an election loser and he's been trying to provide some sort of a gloss to it. He was the moderate man, fighting against the forces of the left and overcoming them successfully. That's if you haven't read what Mr. Calwell said about the outcome of the Adelaide conference. He claims it is complete vindication for his own policy.

If you read what Dr. Cairns says about it, he says that the position was ambiguous before the Adelaide conference but now they have a clear and concise policy, and Dr. Cairns certainly believes it to be in principle identical with the policy they had at the last election. Well you may say that these are rather left-wing types but I came across an article by Allan Fraser, 23 years a Labor member of the Parliament and Allan wrote an article in the Sydney "Sun", 30th August in which he said this, "Many interpretations have been given of this revised version. In my view it does not differ in any essential from the authorised 1966 version. What it succeeds in doing is to improve the form of the statement to make it more explicit less easy to twist in meaning by quotation out of context." And that's precisely also what Dr. Cairns said. He said it's now in a clear and concise form.

Then we have the Victorian State President of the A.L.P., Mr. Brown, commenting after the Adelaide conference (Melbourne "Sun" of 14th August). He says the Labor Party throughout Australia is moving further to the left. This had been shown at the Party's Federal Conference at Adelaide two weeks ago. The trend of the Federal Conference was leftwards. In speaking on the 3KZ Labor hour, he said the conference had strengthened policy on the Vietnam war. It had attached a meaningful set of objectives to what basically was and remains a "troops out" policy. Possibly we could say now that it is a policy of "troops out unless" and the unless, of course, is in one sense even more offensive to our allies than the policy put forward by Mr. Calwell at the last election. What the Labor Party is now saying to them is that unless you accept these conditions, and they are conditions which our allies have made clear are unacceptable, then we are going to pull our troops out. And in the same breath they'll tell you that they believe in the American alliance and this is fundamental to Australia's security.

Well if you were in America and you found that an Australian Government had served you up with an ultimatum and had then pulled its troops out while your troops were left to do the fighting you'd be scratching your head about this so-called ANZUS Treaty and wondering just how much significance ought to be attached to that or to your obligation under it. Make no mistake about it, fundamentally the foreign policy of the Australian Labor Party in relation to Vietnam and the other matters we thrashed out at the last election remains unchanged, and the gloss that the leader chooses to put on it doesn't conceal the fact that these hard-headed men I've quoted who are pillars of the Party and have been with it for years, they've put their interpretation which can't be challenged as a statement of realism from the outcome of what went on at Adelaide.

I don't need to speak at any length as to why we are in Vietnam - I've already given you some of the reasons - but I would like to say a word, because it's highly topical, about the elections in Vietnam and I'm not going to pass judgment on the detail of the conduct of the elections.

We had four expert people there ourselves in addition to our own very capable Embassy staff who were closely watching this. The interesting thing to note from what has appeared so far and I make no comment about the people who were elected and those who were not is the remarkable fact that in a country where, as I understand it, voting is voluntary, where they knew they were subject to threat and in personal danger, there has been a better overall poll in these presidential elections than there was last year in the constituent assembly elections.

Last year the number registered to vote was 5,288,000, the number who voted 4,274,000, 80.8%. We thought that was a pretty remarkable vote in the circumstances. I think, Mr. President, I am correct in saying that it's a higher percentage of people voting than you would find in the United Kingdom or the United States of America and they haven't the same threats to their person in those countries as they have in Vietnam. This time the number registered, 5,853,000 is nearly 600,000 more than last year. The number who voted 4,863,000 again nearly 600,000 more than last year, a percentage of 83.7 against 80.8 in the last election. I think that's a very remarkable performance.

There were eleven sets of presidential candidates, and it wasn't just the military pair that stood for election. The civilian candidates got a good poll which doesn't suggest that the people were intimidated and unable to register their own opinions effectively. There were 420 candidates for the Senate at the same time for 60 Senate positions. That again suggests that there hasn't been a bad effort in getting the basis of a democratic institution established in that country despite the physical threats that were directed against them.

I've mentioned that the number who actually voted had risen from 80.8 to 83.7. The comment given to me is that this success is all the more heartening in the face of the concerted Vietcong campaign of assassination, intimidation and sabotage to disrupt the elections thus proving that they were a farce as Hanoi radio and the Front radio have been proclaiming. Now, you know we tend to take rather too literally some of the propaganda that's directed to us on these matters because if you accepted what comes to you day by day in your reading through the press - and the press are giving us what they believe to be a newsworthy comment - you could get a very different picture of the realities.

Look at the situation here in Australia. We have in the Liberal and Country Parties 109 members including the House of Representatives and the Senate members. We had 110 - there were 110 at one stage who supported our policy in Vietnam. There was one defection from the Senate. That left us with 109 who support our policy in Vietnam. And we retain 109 who support our policy there on the Government side. If you were to take what you read in the press about the United States, Whitlam claimed that half the members of the Senate were critical of the Government policy there. Well the real test of criticism is how you vote when you have to put the chips down, and in the United States Senate there was a proposal that they reduce the defence appropriation, which of course is very largely directed to Vietnam, by 5% and 5% involves 3½ billion dollars. The vote was 23 to 6 against. Later the Senate voted for the total appropriation of 70 billion dollars - 85 to 3 - and I ask you to carry those figures in your mind when you read what

Senator Morse says or Senator Fulbright says or somebody else says. A few vocal minority elements can make a lot of noise as we discovered in this country. What really counts is a solid feeling of the Parliament and the people as a whole.

When I hear people say that there's been some waning of support on the Vietnam issue I confess that since the election we perhaps have not been as vigorous in pressing this matter as we might have been because we thought the Australian people spoke in decisive terms. I believe they still feel in decisive terms but if they're fed a daily diet of the sort of stuff I have mentioned, well they scratch their heads and wonder really what's going on. I think if we can give them the facts of the strength of support as revealed in these Parliamentary figures in the Parliament of the United States, in the Parliament of the Commonwealth of Australia, in the strength of electoral support given in Vietnam, war-battered Vietnam itself, then people will have a fresh view of the importance and significance of what is going on in Vietnam.

Now the final thing I comment on, Mr. President, because it has some bearing on this, is the legislation we have been dealing with recently about the National Liberation Front and proposals that money be collected to give aid to it. The Leader of the Opposition says that I've been the best supporter of these proposals because of the publicity I gave to these misguided people at the universities. The fact of the matter is that I kept out of this discussion for a considerable time. I exercised great restraint on it because, apart from anything else, I didn't want to magnify it and I knew this was the objective of these boys in the universities. They were looking for publicity, but when the Australian people indicated their resentment and this got to the point where those young men fighting for us in Vietnam felt that there was a strength of movement in Australia seeking to aid those against whom they were fighting, then we took a very different view of the matter. And the first comment I made in the House was, "I don't want to magnify this issue, but there are two factors which make it important. The first is - and I haven't got time to elaborate on this tonight but if you care to read what I said at the time in the House you'll get some details on it - I said, "The first is there is a campaign of psychological warfare in this country directed against the Government's policies in Vietnam. And all sorts of well-meaning people are manipulated for various purposes to provide a fund for these activities. I've given chapter and verse in certain directions and perhaps there'll be more as time moves on. And the second thing is that our boys in Vietnam are entitled to know that their Government is going to do whatever it can to prevent anybody giving material aid to their enemies".

Now our Labor opponents have sought to divert attention from this by holding up the fact that we trade with Communist China as if there were no distinction between the two matters. There's been no secret about our trade with Communist China. We have made our reasons for it clearly known. We believe that it is to Australia's advantage more than the advantage of either the economy or the people of China to do so. We sincerely believe that at some point of time there has to be an accommodation with Communist China, and that trade is one of the most potent elements in helping to bring about a mutuality of interest. My colleague the Minister for External Affairs has pointed out that growth in imports by China from non-communist countries is up now I believe to 70% of their total imports and the higher it gets the more reluctant they'll be to interfere with their own economy by adopting courses which run counter to the views of the non-communist countries. We have been entirely frank and consistent about this but it's a very different thing

to set off deliberately to give aid to those who are fighting your own people in the fields. And, of course, our Opposition chooses to ignore this vital difference.

Now, we come to this by-election and the Senate election. I approach them with confidence because I believe that if we can get over to the Australian people there can be no doubt about the outcome in any of these political contests. If we can get over to them what Liberal leadership has meant to Australia in terms of the survival of this nation, the freedom of our people, the opportunity for their enterprise, the national growth of Australia in the years since we took office in '49, and if we can explain clearly to them what the alternatives are as set out, not in some glossy explanation offered by one spokesman or other, but in the platforms of the Australian Labor Party, then the issue should be abundantly clear. It is because you people here from your respective States, you, Mr. President, to whose vigorous leadership the success of the last year has owed so much, my own able colleagues in the Cabinet and the rest of my Parliamentary party and all those branch workers who give us such loyal support in the field, it is because we can all contribute to a better Australian understanding that not only do I have confidence in the future of the Party but I believe we can lead this nation to the greatness that we all believe to be within our reach.
