



FEDERAL COUNCIL OF THE LIBERAL PARTY
OF AUSTRALIA

Hotel Canberra, Canberra, A. C. T.

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Speech by the Prime Minister, Mr John Gorton

Mr Chairman, Delegates :

It is in some ways a very awesome thing to stand here in front of you at a place where two great leaders have previously stood and to address a Party which for so long has kept in power a government which has enabled Australia to be transformed. I think that most of you will understand the humility with which anybody must, for the first time, appear before you in a place where those other leaders have for so long appeared. I don't propose to talk to you for very long tonight, but there are some matters I think we must regard, as a party, as new matters for Australia to consider, as new matters for the members of this Party to solve.

Some of them, of course, are not entirely new but they are new in the degree to which they impinge upon us, and one of those is the matter of defending our country. It has been since the last Federal Conference of this Party that the final decision has been taken for the accelerated withdrawal, and what appears virtually a complete withdrawal, of the United Kingdom from the countries to our North and from East of Suez. And though for a long time we have been talking, all of us, of the need for more defence for Australia, of the need to look more to ourselves for our own security, yet this has only recently been brought home in the starkest terms.

It may be traversing ground which ought not to be traversed, but yet we should have it in our mind that for nearly two centuries we lived under the protection of Great Britain. It was her Navy that kept us safe, and it was only when crises arose that young men and women flocked from all corners of this Commonwealth and made sacrifices, at whatever level was required, during the time of conflict. In between little attention was devoted to defence. Now that has changed and must be accepted as a new situation facing Australia.

So we find that we have had, as a government, to raise a vote for our own defences which was running at some \$400 million a year to a vote which is running at \$1,250 million and which in terms of money, I think, will over the years ahead need to be raised still more (though not, if I can help it in terms of our gross national product).

Not only has this new situation forced this vast diversion of resources upon us but it has exacerbated the solution of the other new problems to which as a nation and as a party we are pledged. And yet some of these problems cannot just be put aside. I hate, and I believe most of the people in this room would hate the thought of all those resources devoted to defence. When we think of the number of schools, of the number of hospitals, of the new freeways, of all the things for which the people of Australia are calling which could be provided with that sum of money, we

must regret that it is necessary for that sum to go to defence. However, schools, freeways, hospitals and all these other things are of little use unless they can be safely held and defended by the country which has them.

But there are matters which cannot, in a modern nation with a modern conscience, be put aside or denied. Here, too, though these are not new matters yet, Sir, I think there needs to be a new approach, a new examination.

You have all heard me speak from time to time of the essential need to care for the old, the ill, the handicapped in our population. But up until very recently we, as a Liberal Party, took the view that our contribution towards such people should be just that, a contribution, and that we would expect them to receive from other sources, from their family or from some charity, or from another source somewhere, additional assistance to enable them to live in reasonable self-respect. I don't believe that is an approach that can any longer be accepted by the Liberal Party.

I believe that the new and necessary approach and the one which my Government will take must be to see that a contribution made to such people is sufficient for them to live in frugal comfort and with reasonable self-respect, so that there is no need for appeals to be made for blankets to keep them warm or for fuel for their houses in the winter or for additional food because they do not have enough. This, in a sense, is a new approach but it is an approach, Sir, that we must make.

In its application it is not simple. Again, always in the past in seeking to help people of this kind, we have dealt with a broad brush, we have said, "Let us raise this pension or that pension by so much across the board." This approach, I think, is wrong and wasteful in that it on occasions leads to the provision of more than is required for the standards of which I have spoken to be attained, and on occasions leads to less. For that reason we have, as a government, a Welfare Committee researching and searching into the requirements of people of this kind so that the aid can be given where the need is greatest and so that there will be, from the resources available, sufficient to meet those areas where the need is great.

This Committee, which has already resulted in your Government removing one great fear that was in the hearts of the Australian people and that is the fear of a long-continued illness being unable to be paid for by the community, is bringing down recommendations to us which will seek to attain the ends and ideals I have been putting before you. And while they are seeking to do that, they will also, as I believe from the work they have already done, ensure that in doing what I have suggested should be done, they will not remove the incentive, will not remove the reward for those who have saved to assist themselves over and above what the community may give them when they retire.

We have, you have, all this period of time since 1949, created a climate in which, gradually at first, then with ever-increasing speed, Australia has become transformed. All that time ago, you rejected a concept which I believe was inherent in the philosophy of our opponents, and that concept was that the individual existed to serve the state and that the state did not exist to serve the individual. And from that grew an insistence on controls, unnecessary controls, and from that grew a

stagnation which became so impossible to bear, which resulted in a rate of unemployment of five per cent which was said to be all that a developed country could expect to attain, that you revolted against it and changed it and changed the philosophy. As a result, you brought about that climate of development, that possibility for the individual to take his risks and reap his rewards if he were successful and to take the consequences if he wasn't, according to his own efforts and according to his own ability and energy. So in that period of time, this country grew to the stage of incipient greatness in which it now finds itself.

It finds itself now in a position it has never been in before. This again is something new which faces the nation and which faces us as a Liberal Party. You all know of the enormous developments now taking place in the North of Western Australia, in the seas off the coast of Victoria, in Queensland, and of the immense material benefits which will flow and are flowing from them - nickel, iron ore, oil, minerals of all kinds, requiring not millions, but billions of capital for their full and proper development; another call upon the national resources which is new, a requirement as I believe, Sir, for this Party to accept that it is necessary, with these possibilities before us, with the capital required for their full development being hard to get, that priorities of development for the good of the nation need to be examined and need to be decided.

Then we come to another matter, on upon which, Sir, we touched this morning, one which will be the subject of future discussion by the Party, and that is, in your own words: What sort of a Federal system do we want, and how can we best make a Federal system work? Is it right and proper that nearly a quarter of a century after a general philosophical programme was adopted in a country which was then different from the position in which it now finds itself, in a country which had problems not measurable against those now to be faced, that we should look again to see whether the philosophy then adopted meets the requirement of a nation a quarter of a century later.

This is new. It is good that it is new. It is good that it is going to be discussed. With one of the points so long ago adopted, Sir, I believe there can be absolutely no question, and with that all here would agree, and that is enshrined in the words... "the development to the fullest extent of a national spirit in Australia". It has been growing. I am sure it will grow, and I am certainly going to do all that is within my power as a leader of the Liberal Party to see that this national spirit is fostered and is developed and that everybody in Australia now, or in thirty years' time when we will be twenty-eight million people, will feel some kind of fire in the heart when they say, "I am an Australian" first, foremost and all the time.

Then the next point which will be the subject of discussion is this phrase... "the maintenance unimpaired of a Federal system of government with appropriate divisions of power". We will need to examine what is meant by "unimpaired" because quite clearly it doesn't mean "unchanged" or else we would not, as a Liberal Party, have changed as we have in such things as passing a referendum on aborigines and in other ways. What we need to work out in our philosophy is not the question of divisions of funds. This of course comes later. This of course is important, but this of course is different from what I am now talking about.

What we need is to consider - let me put it rather not in terms of what we need, but the kind of approach which I have in mind and with which some may agree, others may not, but which it is time for this Party to thoroughly examine.

In my view, Sir, it would be unthinkable for an Australian Government not to have the overriding power over the maintenance of the Australian economy as a whole. It would be unthinkable to have a nation where an Australian Government could not assess the resources and materials available throughout the nation and could not, if necessary, let credit run so that all materials and all resources were used, and if necessary, restrict credit so that cost inflation because of an over-demand on materials and resources available did not occur. I don't really think this is a subject of dispute, but it is the starting point from which I begin.

I think that it is necessary for an Australian Government to be able to effect the division of resources in the nation between the public and the private sector according to its requirements of private development or of public development, and I know of no other way in which this can be done but by an Australian Government.

I think that it is necessary, if these tenets I have put forward are accepted, that the major fields of taxation in Australia should be, as they are now under the Constitution, the responsibility of an Australian Government, both as to their use and as to the rates of taxation applied within them. It would seem to me to be silly, if to meet some particular economic situation for the good of the nation, the Treasurer for example, lowered the rate of income tax in order to enable more to be available to be spent by the private sector and private people, and burdens to be taken off those who are now so heavily burdened, the middle range, and were to do this for economic reasons, and those taxes were to be arranged again by some other source.

These are all matters of overall economic management. These are all matters which now, under the Constitution, are the responsibility of an Australian Government.

There are, of course, other fields in which much discussion can take place. I will deal with only one of them. I would like the conference to feel, as I hope they do feel, that what I am saying to them is what I feel is for the good of Australia as a whole and a necessity if Australia is to progress in the way it should. They are not just light or random thoughts. There is a need for an Australian Government to be able to move to a field of special assistance somewhere in Australia if that field of special assistance is going to be of benefit to this nation, and it cannot, without an Australian Government, be exploited.

If, for example, there is to be a requirement for cheap power to be provided somewhere in Queensland and it is known that if that cheap power is provided then there will be twenty other industries established to use it and a port will grow into a city as a result, but it will cost \$200 million, then there would be a requirement for an Australian Government to be able to assist in that way. If there is to be a requirement for a pipeline to bring natural gas from somewhere in Australia to Adelaide and it cannot be achieved without assistance from a national government, then a national government needs to be able to have the right and the capacity to assist in that way.

I don't think I need to expand this list, but I would ask the conference to put this question in their minds. But for the use of grants such as Section 96, Sir, do you believe that we would now have a uniform system of rail gauges throughout Australia? You answer it in your own minds. I don't believe we would. So there is a need, too, for this kind of assistance, and this kind of capacity for an Australian Government.

Let me refer to another matter, another aspect of the same matter because these are all things that this Party must look at and make up its mind about and they are important and they need not be the subject of snap judgments. I think that there is a demand from the people of Australia as a whole, and I think it is a just and a proper and a necessary demand that after general purpose grants have been provided to State Governments as they have been and will be in increasing amounts, there is a need on behalf of an Australian Government that certain responsibilities to the nation are met. There is a need, for example, to see that the facilities for the education of a child are roughly the same, no matter in what part of Australia that child may be born and grow up. There is a need and a requirement to see that the facilities for the care of the ill are roughly the same in Australia, no matter where it may be that a citizen falls ill. These, if they are demands - and I believe they are - and if they are proper demands and I think they are - are again matters in which an Australian Government must concern itself.

If it is true - and I believe it is true, that in the world of today we must grow, not only economically but technologically, if it is true we must develop our own technology and train people in methods of operation and methods of building and methods of application of time, if this is true, then it is a national requirement that proper technical and technological education is applied throughout the whole of Australia. If that is a national requirement, then no national government can sit back and wash its hands of that responsibility and say, "Oh, but general purpose grants have been made and there is nothing further for us to do, even if this requirement isn't met." So I am glad that amongst the other new things that I have mentioned and the other problems which we face and the other calls upon us which prevent us from being able, because of a shortage of manpower and material to do all we want to do, that this other matter is to be a subject of discussion.

I have sought merely tonight, because I thought it was my duty, to give an insight into some of my thinking to those of you who are here. I don't believe it would be true or right or proper to describe that thinking as the thinking of a centralist or a unificationist. It is the thinking of somebody who believes that national requirements do exist, there is a responsibility on a national government to see they are met, but that after that, then the general grants made and made in increasing quantities are used and administered by those governments nearest to the people.

So it will be an interesting discussion, a necessary discussion, a new approach. I think in any case that on the record of what we have done we ought to be able to solve the problems still before us. With you, I look forward to that day I spoke of when we are not twelve but twenty-eight million and growing more rapidly to forty million and becoming a great material power, a power with a social conscience, applying those principles we are now working out and will begin to apply again in the next Budget, and giving to our people the feeling not only of material greatness but a capacity and an opportunity to develop themselves and their own individuality which after all was one of the reasons, if not the most important reason for the foundation of this Liberal Party. I think, Sir, we will be able to achieve these things together.
