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Curtin, Australia and Now
by Don Dunstan
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John Curtin Memorial Lecture, 20 October 1972

The previous lectures in this series have dealt with John Curtin's unique personal qualities of courage, dedication, sensitivity and eschewing of petty personalities or malice, which enabled him both to unify the Labor [sic] Movement and to lead the nation through the Second World War. Lloyd Ross dealt with his early life and the influences upon him of Tom Mann and Frank Anstey. He covered Curtin's work in Western Australia as a journalist for the party, his period in parliament during the depression, his early period as leader of the Party, and then his wartime prime ministership. Kim Beazley dealt at length with his personal qualities as an atypical Labor leader, his development of defence and foreign policy, his forging of ties with the United States of America, and his personal philosophy.

I want in this lecture to deal with Curtin's unique contribution to the Labor Party and to Australia. He was one of the men who guided the Labor Party to a position where it possessed the clearly coherent and related principles that allowed it to become a party of reform and planning in the post-war era. Curtin is often looked at simply as the successful wartime organizer. He is often seen as the defender of Australia at the time of its greatest peril. He is remembered for his initiative and his departures from previous policies in defence and foreign affairs. Because his successes in these areas were so signal, they tend to overshadow a role that in the long term has been of immense importance to Australia and to the Australian Labor Party.

Curtin grew up and remained a socialist, an idealist, and a visionary. He was fundamentally concerned with ensuring secure, full and stable employment, adequate housing within the reach of the worker, care for the aged, poor and sick, education for children, and a balanced development of this nation's resources. He wanted the nation not only to provide a satisfying life for its citizens, but also to play its part in developing similar standards of security and liberty for its neighbours. Through the darkest and most troubled times of the war, when Curtin spent the sleepless nights of worry in lonely concern for the nation which led to his eventual breakdown in health and early death, he was concerned not merely to win the war by defeating the enemy, but to win it in such a way that the wrongs against which he had fought all his life within Australia would be righted. He wished to ensure that the opportunity for organization of the nation given to Labor during wartime, would also be an opportunity taken to secure a very different Australia after the war. He therefore set out to obtain the Constitutional basis on which Australian Government could achieve such aims.

Curtin was a member of Federal Parliament when the Labor Party's economic policies for coping with the depression were defeated. at that time he saw and felt the acute misery Australia and its ordinary working people suffered. And his reaction was typical; he could not see any justification for giving lip service to the conventional economic wisdom of the day which allowed such gross economic dislocation and national suffering to occur. Curtin's position, in fact,

was very much the product of his time. And yet one of the most striking things about his career is that many of the fundamental issues with which he grappled as Prime Minister remain matters today with which we in politics are bound up and concerned. No area of national or national social planning remained untouched during his period of office. I am constantly made aware in government now that, in South Australia at least, we are implementing programs that have their roots set fast in the great period of investigational enterprise carried out by Curtin's Government during the Second World War.

And central to this process were Curtin's experiences during the Depression, his basic commitment to economic justice for all, his humanism and the disappointment he and other members of the Labor Party felt on losing office on issues that, had they not been so successfully fought against by vested interests, could have meant a rapid economic recovery for the nation at that time. Curtin's position was in fact that of John Maynard Keynes when Keynes wrote in "The End of Laissez-Faire" :—

"Let us clear from the ground the metaphysical or general principles upon which, from time to time, Laissez-Faire has been founded.

"It is not true that individuals possess a prescriptive "natural liberty" in their economic activities. There is no "compact" conferring perpetual rights on those who have or on those who acquire. The world is not so governed from above that private and social interest always coincide. It is not so managed here below that in practice they coincide. It is not a correct deduction from the principles of economics that enlightened self-interest always operates in the public interest. Nor is it true that self interest generally is enlightened; more often individuals acting separately to promote their own ends are too ignorant or too weak to attain even these. Experience does not show that individuals, when they make up a social unit, are always less clear-sighted than when they act separately."

Curtin agreed. As prime minister, he was determined to see that Labor's proposals for a planned economy and for central control of the finances of the nation were not frustrated by constitutional limitation. He called and led a constitutional convention of all states and representatives of parliamentary parties to consider a draft of constitutional amendments drawn up by Dr Evatt, and he obtained unanimous agreement that power should be granted to the Commonwealth for the purposes of demobilisation and post-war reconstruction. When this agreement was sabotaged by the campaign of Menzies, and the Liberal Government States failed to pass the necessary reference of powers, Curtin then pursued the matter to referendum.

The case for greater Commonwealth powers prepared by Bert Evatt for the Constitutional Convention was a remarkable document. It set out the nature of national planning and the objectives to be achieved. It quoted Curtin as saying on 28th August, 1940:-

"While the immediate task is a successful prosecution of the war, attention must be given to the planing of our future so that we shall

be in a position to honor our promises to those who will bring us victory. We must shape our course now so that we shall have a complete democracy."

Evatt himself, in the introduction to the case for greater Commonwealth powers said:—

"This then is our case. In the fires of war we have fashioned a new machinery of government diverse yet unified, with its roots in the people and yet with effective central direction; we have, too, fashioned a system of economic regulation by which we have built and maintained a gigantic war machine and at the same time protected our people from want and insecurity. We profoundly believe that this machinery of government and this system of control and organisation are necessary and well adapted to handle the equally difficult and urgent problems of the post-war period. Are we to plan for peace as we have planned for victory in war? Or are we to revert to the divided responsibility, the insecurity, the waste, the unemployment, which characterized so much of Australia's pre-war period?

"This the broad issue — plan or no plan? Plan or chaos? Do we as a people take our future boldly into our own hands and shape it with the tools we have fashioned in the furnace of war, or do we leave it to the blind forces of economic anarchy? If the former, we must give the national parliament sufficient constitutional power to lay down and carry into effect a general plan for the post-war reconstruction of Australia and the performance of all our war-time promises to the fighting services and their dependants and to the people of Australia. To plan or not to plan — that is the question."

Significantly, one of the fundamentals of reconstruction which was set out was regional development, and the case said:—

"During the war the Commonwealth has taken steps to decentralize certain war industries. Scattered throughout Australia are towns whose lives have been transformed by the war. Factories have been built; transport services, water supply and sewerage have been installed; houses and public buildings have been set up to cater for a greatly increased population which these new industries have required. This development is not confined to one or two states. In every part of the Commonwealth new wartime centres of industry can be found.

"Unless a national plan is adopted for basing post-war industrial decentralization upon this principle, the greatest part of the capital already expended will be lost. The towns will steadily decay, and the population — both those directly engaged in the factories and those dependent on them — will drift back to the capital cities. In these towns workers are now encouraged, where it has been possible to provide them, to purchase permanent dwellings. But the government has been greatly handicapped in planning these facilities for the workers because of the threat of impermanence

which overhangs these areas and the natural reluctance of the population to accept commitments based on the assumption of continued residence in the towns after the war.

"All this evidences a great evil; but it also suggests the remedy. Post-war development should be regional. Plans for industrial expansion will need to be prepared in terms of smaller and clearly defined natural economic regions, but the just claims of relatively neglected areas must also be considered...

"...In the future all decisions about the location of industry must be co-ordinated with the policy of regional development and must be made on grounds which take into account the availability of the essential material and power, and also the scale of output which is necessary to efficiency. In making these decisions the long-term view is necessary. But under the Constitution as it stands at present the Commonwealth will in peacetime be unable to plan the location of industrial development on any sound regional basis.

"A positive policy of regional development would have profound effects not merely upon our provincial towns but upon our rural areas. It would enable changes to be made in the productive methods of the farmers ...

"It would enable a greater variety of crop policies to be followed and would permit and justify more intensive methods. Above all, it would bring the city closer to the country."

The case also dealt with the problem of lagging social services, and with the necessity for the Commonwealth to assume responsibility for a greater measure of social justice involving a greater and more uniform provision throughout Australia of health and medical services, child welfare, housing, educational facilities and technical training.

When the referendum failed, Curtin was faced with endeavouring to work the present creaking Constitution in some way to ensure that the objectives for post-war reconstruction which had been so clearly set out were attained.

But I would like to pause here and reflect. The words I have just quoted by Curtin and Evatt have a familiar ring. They are based on arguments — on approaches to governmental problems — that are used now within the Labor Party. Take out references to the war, and the touch of rhetoric the times allowed its leaders, and examine the fundamental philosophy of the issues argued. The urgency of the problem is the same now — but increased tenfold. Since those words were written the ghost of Adam Smith, not Keynes, has clanked through the corridors of power.

Curtin's first move following the defeated referendum was the calling of a conference of Commonwealth and State Ministers at which he endeavoured to seek a co-operative approach to regional planning within the existing Constitutional framework of federation.

His words in opening the conference are again relevant today to both Australia and the Labor Party.

"All over the world the importance of regions to a particular nation is now realized to a far greater degree than was previously the case. We are no longer living in water-tight compartments, and from a national point of view we cannot afford to have areas that are vulnerable, undeveloped or neglected. Some regions have a direct impact upon the strength of our economy as a whole, and in dealing with them it is imperative that we have regard to local knowledge and the knowledge of state officers; and we have to bring that knowledge into line with the general knowledge possessed by Commonwealth officers. Both for reasons of defence and development special attention must be given to certain parts of the Commonwealth in order to enable us to minister more effectively to the total strength of the nation. Some of these parts are, as it were, vampires which at present are sucking away much of the nation's strength.

"In view of our small population, we cannot afford this loss of our national capacity. Further, we have unused resources. We may require increased population in order to use those resources, but we cannot attract and hold additional people, and provide full employment, unless we develop them. I have something in mind of plans which would enable us to direct the development of certain parts of the Commonwealth right from the commencement. This should enable us to hold and employ a very great number of people. In that way we should develop communications and transport, and that in itself would surely ease the problem of decentralisation.

"All of these factors enter into the problems of making Australia stronger and greater ... nobody wants to trespass upon the responsibilities of the States. The Commonwealth itself has a tremendous problem in the Northern Territory, but we find that we cannot adequately deal with that problem so long as the North-West of Western Australia and the northern part of Queensland are not also stimulated to attract settlement and to develop the resources in those areas. Then there is the problem of water supplies for Australia as a whole. That relates to our works programme; but all of these things are dependent upon increased population. Surveys incidental to development on a regional basis and the utilization of such surveys call for not only collaboration between the States and the Commonwealth, but also the inculcation of enthusiasm in the minds of the people of Australia to develop this country. Too many of our people are concentrated in limited areas. We have our economic eggs in too few baskets. It is in that spirit that this outline of regional planning has been submitted to this conference."

It was from this beginning that came the final proposals for comprehensive regional planning and development involving the Commonwealth, the states, and local governments, which are set out in "The history of progress and

review of regional planning activities through the Commonwealth" issued by the Department of post-war reconstruction in 1949. This was a blue print for careful assessment of resources, physical and human, to provide for regional development, decentralization, and the fullest participation of citizens at every level of representative government, as well as through voluntary organisations, it was a masterly piece of planning to ensure the direction of investment to the development of our resources. In the same way policy was developed for housing as a result of the Commission on Housing appointed by Curtin's Government.

The Commission produced a plan of immense importance and long-term significance. It is a blue-print for efficient regulation and supply of housing and the implantation of urban planning that has not yet, in fundamental terms, been superseded.

It found that housing standards in Australia were very low especially for the low wage earner. It pointed to what was for that time an immense shortage of housing, and a critical need of complete or partial replanning in cities and towns throughout Australia.

In the process of dealing with the housing shortage, it argued that in any area, new or old, a wide range of community facilities needed to be provided, and it recommended periodic national housing surveys to determine the total housing needs of the community and the proper location of housing.

The Commission said that the government should aim to overcome the housing shortage within ten years, or by about 1955. To do this, it argued that it was not only necessary to ensure a normal annual growth in new housing, but also to provide for the repairing or replacement of substandard dwellings and for slum clearance. At that stage they estimated the programme would require the erection of at least 700,000 dwellings by 1955, including single units, attached units, multi-storey dwellings and hostels, and they agreed that in addition financial provision had to be made for repairs to houses and the construction of community facilities. They set an annual target of 50,000 dwelling units, rising to 80,000 by the end of the third post-war year, to be maintained until the shortage was overcome. And to achieve this massive programme during the post-war period, it proposed a strategy that, had it been implemented, would have effectively provided an urban planning and development base of unparalleled magnitude and effect and of a kind that most cities in Australia sorely lack.

To achieve this the Commission argued that a prime necessity was a co-ordinated national effort in a Commonwealth-State-local government-private enterprise grouping.

Further, it set a minimum housing standard, and proposed a fifty-fifty government-private building programme, with the Commonwealth sponsoring the efforts of government agencies in the States. It recommended the establishment of a Commonwealth housing authority to plan and advise, with State housing authorities charged with the task of construction and administration. Local Governments were to have participated in the process, with powers delegated from the State housing authorities. Private enterprise housing was to be financed and constructed as before by semi-Government

agencies, banks, insurance companies, building societies, and so on. In addition, it recommended regular conferences of a meaningful kind between the State and Federal Governments to achieve proper policy objectives.

On the town planning front, there was to be national, regional and town planning. The Commonwealth was to have set up a Commonwealth Planning Authority. State Planning was to have been co-ordinated through State Planning authorities. Regional and town planning legislation was to have been enacted in all States. And pending the drawing up of full town plans, the control of land use was to be through zoning, the declaration of housing development areas and the control of land subdivisions.

And so the report went on — through post-war controls to cover manpower and materials shortages, rent controls to alleviate the lot of those housed but under pressure through demand factors, and limitations in the cost of dwellings during the shortage period.

The Commission recommended State Valuing Authorities in each State using uniform principles of valuation, co-ordinated to a Commonwealth Valuing Authority. It suggested immediate investigations into land nationalisation and the implementation of land betterment taxes. Compensation for land required to carry out housing schemes was to have been that set by the Government Valuing Authorities. State Housing Authorities were to be empowered to declare housing development areas, so as to control subdivisions and the price of land required for housing. They were also to be able to purchase and resume land required for housing purposes and to replace and re-subdivide purchased land. The report then went on to deal in detail with materials, labour, construction, and the organisation of the building industry.

As with all such schemes, it is the financial and administrative recommendations which determine effectiveness. In finance, the Commission recommended Commonwealth government loans to State Housing Authorities for approved housing projects. Sales tax on building materials was to be removed. Where subsidies were required to bring the payment for housing to an agreed proportion of the family income, set at one-sixth of a family income, the cost was to be borne by the Commonwealth and State Governments in agreed proportions. The Commonwealth, State and local governments were to share proportionally the cost of community facilities. The standard recommended in the report was not to exceed 22.5% of the weekly basic wage. Special priority was to be given to those whose housing need was greatest, and domestic building was to extend as labour and materials became available, but only in accordance with a plan of development designed not to repeat the evils of unplanned and unco-ordinated growth suffered in the past.

In all these matters, constitutional reform, regional planning, housing planning, national resource planning, we see the actions of a prime minister and a government directed towards goals that spelt out a basic concern for people and a basic unconcern for interest groups and arguments extending the idea of an inalienable right to land and housing speculation.

As a first measure there was produced from the Commission's report the Commonwealth-State Housing Agreement of 1945.

At this time, plans were also laid for the development of a National Health Service and the provision of free public wards in public hospitals. Each of the programmes was carefully worked out, well researched and designed. Curtin had given the clear answer to the question "Plan or no plan?". The work, of course, of planning and of post-war reconstruction was continued and developed under Ben Chifley, but it would not have begun, the foundations could not have been laid during the wartime period, had it not been for the fact that Curtin's enthusiasm, idealism and enormous authority, had been used to ensure that they were.

It is a bitter thing to note that this perfectly rational approach to government has come to naught. When the Labor Party was defeated in 1949, the Liberal Party's campaign had made "planning" a dirty word. In fact, we have had nearly three decades of government characterised by stop-go, short term policy stances. In this respect I mention only as three examples of many, the brakes on budget of 1971, the reversal of this policy in February 1972, and then the December package deal on monetary conditions last year.

Curtin was a nationalist, and he was determined that our resources would be developed and controlled by Australia for Australians. Under four prime ministers, Menzies, Holt, Gorton, and McMahon, there has been no direction of Australia's own investment capacity to the kind of development which was foreseen in Curtin's original plans on the Liberals gaining office, the only thing left untouched of the regional planning proposals was the Snowy Mountains authority, which they had originally derided and boycotted in Opposition. (It is noteworthy that tomorrow at Tumut the last power station in that project is to be officially opened. A power station opens: proper national planning closes down.) Under the Liberals, Australian investment has been encouraged to look for short-term opportunities. Longer term risks have been taken by the overseas investors. The control of basic resources has passed to an alarming degree into the hands of the nationals of other countries. International corporations constantly make inroads on Australian enterprise. The benefits that were to be provided by the proposals in the report of the Commission on Housing have been steadily eroded, and now the only effective Commonwealth participation in the programme is in the steadily decreasing real value of its monetary contribution.

And not only in regional planning or housing have we suffered from a withering of effort or commitment. The national health scheme and the free public hospital scheme disappeared. Plans for heavy Commonwealth involvement in child welfare, the guarantee of civil liberties, proper social security programmes and effective Commonwealth-State relations, have all suffered either from inaction or indifference. The governments of no plan have been governments of the status quo ante. Such measures as they have taken for reform have been unrelated, poorly planned, and often very short-term reactions to public lobbying and pressure. Moreover, the attempt to use the present constitution to get something effective done governmentally in Australia, which Curtin pursued on the defeat of the 1944 Referendum, has been utterly discarded. The present government, through its arrogance and utter refusal to discuss national objectives with the States or local government representatives, through its bland refusals even to meet the State premiers and ministers on matters of national concern and importance, through its

laying down of policy objectives without consultation with those experienced in the particular policy areas concerned, has effectively dismantled what would have been Curtin's greatest memorial, the most effective structure ever erected in the name of good and humane government in the history of this nation.

For as I mentioned earlier, the very factors with which Curtin grappled are those that tend to choke us now. Take the condition of the cities in 1947 and compare their problems with ours now. Take the urban population then. In 1947 69% was urban. The current estimate is 86%.

Take the disastrous situation we face in relation to foreign ownership and control. Our weak research position means that overseas companies have an immediate technological advantage over their Australian rivals. Only a government committed to planning and economic benefits to the nation as an entity rather than to individuals or interest groups as investors, would be capable of discovering ways of acquiring the kind of technological base that not only America and Japan enjoy, but also small countries like Sweden.

And then there is the matter of Australia investing in its own development. In the three years 67/68 to 69/70 the inflow of overseas investment in companies accounted for an average of about 35% of the total of net private investment expenditures. By 1968, 44.0% of total mining production was attributable to overseas ownership. These ratios on the face of it suggest a serious shortfall in the ability of Australian savings, as at present marshalled, to satisfy available investment opportunities. However, changes in the rules under which major financial institutions operate in Australia would allow a greater volume of savings to become available for investment projects now undertaken by foreign owned firms.

And it is possible in this area to go on listing the manifold policy. Initiatives that are possible in this area, for a government of vision and intelligence and decisiveness. For instance, the level of savings available for Australian investment initiative in mining, manufacturing, and primary or service industry capital expenditure, is affected by the rate of population growth and particularly net migration growth. It is affected by the desire for single unit housing on separate suburban blocks of land, the distorting effects of regulations affecting the use of savings bank and life assurance income, the lack of confidence in the stock exchanges and company law as a protection of the investor, and the unwillingness of the Federal government to provide the infrastructure for major new mineral projects.

Now all of these areas are ones in which the Federal government can be closely involved in an organising, leading or controlling situation, providing it has a policy and knows which way it wants the investment and development pattern to go. Briefly, it could remove its minimum ratios of government securities required to be held by savings banks and life assurance societies for superannuation funds and give incentives to these institutions to take up bigger equity shares in large-scale developmental projects.

It could borrow abroad at least part of the moneys needed to finance housing for low-income earners, and in fact our sound balance of payments prospects would permit such borrowings to be expanded to include funds needed for

infrastructure in new mining ventures or even normal capital expenditures if there is a serious shortfall in domestic loan raisings after loss of savings bank and life assurance subscriptions. A reduction in the net migration intake would lower the demand for outer suburban new housing and the accompanying heavy social infrastructure expenditures. These are just some of the alternatives open to the Federal government. They and similar solutions have been ignored since 1949. The pattern of overseas capital inflow before the Second World War was largely governmental fixed interest borrowing, but for two decades it has been largely private corporations which by taking up equity in the private sector have created the issue of ownership of our resources.

In fact, the apparent capital inflow is escalating at such a rate that the Federal government has had to take note in this election year, this election period. The situation cries out for control. For instance, from \$797m in 1969-70, overseas capital inflow has risen to \$1418m in 70/71, and \$1841m in 71/72.

Mr McMahon's current program is a typical short term one. As an interim move departmental machinery will be used to look at take-overs. Eventually some kind of independent authority is foreshadowed which will examine proposals against an undefined range of criteria to see whether they are against the national interest. While quite tough percentage standards have been set for assessing which takeovers are to be classed as "foreign", the government has lightly dismissed the nominee holdings problem. When questioned on this, the prime minister said that the problem had not been raised. A few hours later, the Treasurer explained that it had been raised but brushed it aside as a technical matter which had not the real ownerships behind nominee shareholdings, but it would have been worth discussing with the Prime Minister. In fact nominee shareholding is at the very heart of overseas control. The point is, takeovers and investment by use of nominee holdings or in the open market place are not the only ways in which a capital inflow is capable of taking control of Australian enterprises and resources. The dominant position of overseas investment is that iron ore and aluminium export companies could not under the Government's proposals be checked or controlled at all. All in all, this is a matter of Mr McMahon having his economic cake, eating it, and trying to save both his crumbs and face in a pre-election period.

The Federal Parliamentary Labor Party has developed a comprehensive approach to the foreign investment problem. Its major elements are

1. A Secretariat is to be established which would examine foreign investment and ban capital of a purely speculative nature or where it has little economic worth.
2. It will encourage greater Australian financial participation in Australian resource developments — especially by the large life assurance companies and by using the Australian industries development corporation more vigorously as an investor in Australian projects and as a borrower both here and abroad with the prestige backing of the Commonwealth government.

Such a programme again requires planning and a Federal Labor Government will provide this. It will certainly end the gross duplication of multinational corporations in Australia such as our two nitrogen fertiliser plants in a market that justifies only one and which have increased prices because of higher costs of operation. The proliferation of oil companies in this country is another case. The highly competitive situation in the oil industry has not meant lower costs to the consumer, but in fact increased costs through the establishment of an innumerable number of petrol outlets and service stations that have no economic rationale at all.

The plain fact in all this is that we are now coming to the painful end of a period in Australia of grossly irresponsible government. We have suffered not only from a dismantling of the structure which could have allowed for flexibility and an intelligent taking up of governmental options, but also from a constantly shifting and side-stepping ad hoc administrative approach that has meant, as Donald Horne has pointed out, survival by luck, not design.

The Labor Party, continuing on Curtin's course of carefully working out a series of related policies dealing with contemporary problems in contemporary terms, has a plan. It proposes effective central control of credit, and constitutional reform to ensure effective economic planning. It proposes joint operations with the States and local government in regional planning and development. It will involve itself with the States in the problems of large cities, improvement within those cities and renewal of the areas of urban blight. It will immediately assist in a programme of decentralization to large provincial urban areas. It proposes a comprehensive medical scheme and a programme of housing which will avoid the ever-growing gap between social demand and economic capacity to purchase or rent a house. It proposes co-operation with the States in all levels of education, and the combining of the Commonwealth and States social service systems to ensure that those who are in need or in poverty receive the assistance and the support a humane and wealthy society can afford.

All this has been planned and expressed, clearly and coherently for many years in the face of government apathy or derision. But it is marvellous to see how things can change in a short period where the party of no plan feels the electoral need to produce in the short term at least some promise of action no matter how unrelated, haphazard, or ill-prepared. On control of the economy, the extraordinarily blunt instruments of present federal economic powers have been used to the nation's signal disadvantage. But the government claims that its fiscal policies are the result of forecasted planning, and it is now making the motions of seeking constitutional reform by being prepared to take part in a convention.

Take the case of urban planning and decentralization. I have listed the problem of urban areas at premiers' conferences regularly since 1967. Requests for Commonwealth co-operation with the States in providing officers and some basic funds for research and planning have been refused or simply ignored during that time. In raising the problem of urban blight and renewal at premiers' conferences, I have even had the support of the premiers of New South Wales and Victoria. And yet the position has been constantly ignored, as have my requests for an urgent meeting of housing ministers to discuss the same problem.

The Labor Party over a long period has proposed Commonwealth involvement in urban development and renewal, and in the provision of provincial cities, limitations upon the size of larger cities, and Commonwealth involvement in urban transport. As recently as the Premiers' Conference in June of this year, I listed the matter of urban planning once more to be told that the Prime Minister had no proposals to put to us. However, he surprised other ministers and some of his own officers by saying that at least he proposed to take a look at the matter. The look at the matter has now, on the eve of an election, produced an unresearched and half-baked proposal to set up some joint organization to do some more looking, no clear policy, no plan, has emerged, and it is unlikely it will. In 1967, at the Premiers' Conference, I listed the problem of poverty areas in Australia and the grave gaps between the Commonwealth social services system and the relief systems of the States, and asked for a meeting of the Social Service Minister with State social welfare ministers to discuss this problem and to endeavour to integrate State and Federal systems. The conference was refused. The Liberal Federal government, under threat of action in relation to the preferential treatment which was being given to the State of Victoria in payment of prisoners' wives during the first six months of a prisoner's incarceration, called State officers to Canberra and announced that it would meet half the costs of the destitute wives of prisoners for the first six months. It refused to discuss any variation in that proposition or to deal with any other matter. The problems of poverty and of the need to assist the under-privileged have been constantly stressed by the Labor Party, which has produced its plan for co-ordinated services. However, so little did this impinge upon any planning processes of the Federal Liberal Government that when Archbishop Loan earlier this year made his moving plea on the subject of poverty in Australia, the prime minister said that His Grace did not have "a very great knowledge" of the matter. Mr McMahon added "I will make certain His Grace the Archbishop is informed of what we have done and he has every opportunity to form a better view".

This later appeared to the Prime Minister to be one of his more spectacular gaffs. The Federal Liberal government quickly discovered that there was poverty in Australia, and belatedly asked to meet the State social welfare ministers. It now proposes an enquiry on poverty on the eve of an election, although the whole problem has been with us for many many years.

On health, the Commonwealth government, under pressure from the medical profession, retains its adherence to a national health system of its own devising which is more expensive and gives less cover than that in any comparable industrialised country. Panic has not yet made it come up with something new in this particular area.

But the contrast between the Curtin mode and that of the opponents of planning could not be more patent than in the matter of how to move in effective ways to solve such problems without coming into conflict with the Constitution. In fact the attitude has been that because it is too hard, it is impossible. In fact it is not too hard at all. The Labor Party has had a plan to cope with Constitutional difficulties in planning for a number of years. Successive conferences between parliamentary leaders have worked out a scheme of joint secretariats in each area of common interest between the

States and the Commonwealth set up to ensure the maximum involvement of all elected persons and the public in decision making. Further, it is intended that the Interstate Commission be re-established and the role of the Commonwealth Grants Commission expanded to service the joint secretariats.

It is clear that the present Liberal and Country Party governments, both State and Federal, with their well known inertia in relation to this problem, will endeavour to wrangle about who has what monies to spend separately. But the fact is that State and local government must be assisted in those areas where expenditure will inevitably rise more rapidly than income and population. These areas are especially education, health and hospitals, and development, and the amounts for which the States will be pressing will be spent in areas where the increase in expenditure radically exceeds the rate of population growth.

As things stand, the States must be guaranteed no loss of present revenues and in fact must be relieved of their growing interest burden. In carrying out the objects of planning, State and local governments should be given non-repayable Commonwealth grants for capital works.

And this is where we stand now in Australia. The foundations laid by Curtin for the Labor Party and for the effective delimitation of priorities and programmes remain the basis upon which the party operates now, albeit in a radically different national and international context. If Curtin were here now he would see the new contrast and the old situations. He would be appalled at how far things have been allowed to go, at the present magnitude of the task, and the paucity of the machinery to do it. And yet it can be done. Effective government can again take up the task of making a better Australia. People need not and should not have to suffer. Our cities should not have to choke. Women should gain full rights and freedoms. Aborigines should be given land, employment, and the opportunity for self-determination. National development and national energies can be directed towards achieving [for] everyone a proper standard of living and the capacity for self-fulfilment. And this is the Curtin position. It is the Labor Party's. Australia has the chance again to discard a government bankrupt of plan or policy and regain its self-respect.

Thank you.