

# AUSTRALIA: Bastion of the South Pacific

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**A**USTRALIA stands at mid-century, a lusty partner in the new concept of Commonwealth, gazing with eager eyes into the future, supremely confident of development as a major world power.

Planning and conjecture today are conditioned by The Bomb, but assuming that we are not all translated into cosmic dust, the confidence, taking a long-range view, seems justified.

Progressing, sometimes with faltering steps, sometimes with fleeting feet, as the blankness of wisdom of political leadership fluctuated through the 162 years of existence, she is today a virile nation of 8,000,000 people, with a balanced economy and opportunities of expansion which recall the progress of the United States at a comparable period of its development. Within the limits of population potential—the maximum figure is usually placed between 20 and 30 millions, though optimists let their imagination run to 50 millions and even more—she could become an United States of the Western Pacific.

Australia's development depends on the inseparable trinity of population, power and water, and the last few years have seen a dramatic change in national approach which will have incalculable effect on the future.

While the Liberal and Country Parties for many years have favored population expansion from overseas, Labor tradition-

ally opposed large scale migration, on the tragically fallacious argument that dilution of labor and unemployment would follow.

Since the war, largely due to the inspiration of Labor leader Chifley and Arthur Calwell, his Minister for Migration in the Labor Government defeated last December, and to the inescapable logic of post-war ideological tumult, labor has reversed that policy.

Today Australia is planning an annual intake of 200,000 New Australians and this plan, though not so ambitious a target, was set by the Labor Government. The Liberal-Country Party coalition now in the saddle, led by R. G. Menzies and A. W. Fadden, is developing the policy enthusiastically, though putting the emphasis more on British, than European migrants.

It is true that there is doubt within the Labor Party whether Australia's absorptive capacity can digest that number—the housing famine is one crucial factor—but the principle that Australia should take annually as many migrants as she can absorb is no longer an issue for political disputation. It is opposed—only and inevitably—by the Communists.

In the field of power and water, nation building vision equally stirring is being displayed, again in the absence of political acrimony on major issues.

By far the most important leap forward has been the commencement of the Snowy Mountains power and irrigation scheme launched in October last year by the Chifley Labor Government, but it is fair to assume that had the Menzies-Fadden Government been in power it would have acted similarly. The Snowy Mountains cluster in the South East corner of New South Wales, and the scheme will not only benefit that state out adjoining Victoria. The highest mountain Kosciusko (7,300 feet) is the main feeder of the Snowy River which drains 700 square miles, mainly snow-covered every year from May until November. In its tumbling run of 300 miles to the sea it falls 7,000 feet, with smaller rivers adding to its flow. The total capital cost of the scheme (excluding transmission) is estimated at £125,000,000, total firm power to be generated is 2,600,000 kw., and the total extra water for irrigation in the Murrembidgee and Murray Valleys is 1,700,000 acre feet annually.

Not only will this scheme supply power on a scale not dreamt of hitherto in Australia—equal to 4 million tons of black coal a year—but it will permit the centralisation of industry and the strategic location of defence works away from the highly vulnerable coast line.

Importantly also it will spur the imagination of Governments and a new and vital era of development, in which water power will be the magician, can be forecast. The scheme is expected to take 25 years to complete but it is planned to provide the first electric power in from 8 to 10 years—merely a single heart beat in the great onward march of this new nation.

With the Snowy River Scheme as a base, the Government plans to establish a great electric grid running along the East Coast of Australia, linking up the Morwell and Kiewa power scheme in Victoria and the Clarence River project in New South Wales. Power and irrigation would multiply many times the population and productive capacity of the states, and city amenities provided by cheap power would be a magnet to keep young men on the land. Meanwhile giving the greenlight to a new era of progress the Menzies-Fadden Government created a

senior portfolio, a Ministry of National Development, and placed an active and imaginative Minister in charge, R. G. Casey. He will be remembered by many Canadians as the Australian Minister at Washington 1940-42, and later a Churchill selection as U.K. Minister of State in the Middle East, and subsequently Governor of Bengal. He has an opportunity to set the pattern for vast nation building, which, if permitted to develop, will help shape not only the destiny of Australia, but the Commonwealth in the next quarter century.

Recently Mr. Casey issued a blood-tingling blue print for progress. The Government's programme of developmental work, he said, would require the expenditure of £200 million a year in the first few years and more later. The Government hoped that private enterprise would provide most of the capital and issued an invitation to overseas companies to establish themselves here this year. Contractors to take on big jobs would particularly be welcomed, especially if they brought their own equipment, key personnel and pre-fabricated homes. Of the total of £200 million a year the Government plans to provide £50 million for the development of rural areas. Other funds would be allocated to import quantities of capital equipment and heavy machinery for development projects and to State and Local Government bodies to develop natural resources such as coal, water, electricity and minerals at a far quicker rate and to boost basic industries to help the national economy. Manpower availability will be the touch-stone of progress but already we can see the basic foundations of a new Australia, the star actor in a majestic romance of post-war development. Let us place some other elements of the structure in position, before we consider a somewhat sombre picture, which must weigh against our lively optimism.

## II

**A**USTRALIA has moved, with a great stimulus created by the war, from predominantly a primary producing nation to a more balanced economy. Even allow-

ing for increases in prices, the jump in the value of output in manufacturing industries shown in the following figures is heartening. 1938-39—£500,419,000; 1945-46—£867,647,000; 1947-48—£1,210,352,000; 1948-49—£1,424,330,000. Australian factory employees grew from 542,200 in 1938-39 to 829,900 to 1948-49.

One notable achievement has been the manufacture of the first Australian motor car, the Holden, which leapt into dazzling popularity overnight. It weighs just under one ton, rated HP 21.6 and sells at £795. There is a vast unsatisfied local market, but when this lag is overtaken, it is confidently expected that the Holden will find overseas popularity.

Australia is also active in shipbuilding and aircraft construction. Merchant ships under construction include five freighters of 6,000 tons deadweight, seven of 2,500 tons deadweight and several smaller ships. Naval shipbuilding includes six destroyers and a number of minesweepers and frigates and other smaller craft.

The aviation picture is encouraging. Boosted by the war the industry is now self-contained. The DeHavilland Aircraft Company near Sydney is turning out Vampire jet fighters, powered by Australian-made Rolls Royce Nene jet engines, and Drover three-engined feeder planes, specially designed for Australian outback flying. Plans are in hand to turn out England's latest Hawker jet fighter, the Canberra jet bomber and an Australian designed trainer, the CA22, which will be powered by an Australian designed motor, the Cicada.

Perhaps the most ambitious project is a new long-range penetration fighter (jet-powered) which will be as powerful as any in the world. This machine is on the drawing boards. The great English aircraft firm of Fairey has joined hands with the Clyde Engineering Company in Sydney to provide ground facilities and maintenance for the Hawker Fury fighters and Fairey Firefly reconnaissance planes of the Royal Australian Navy's air arm.

Up-to-the-minute figures of general industrial progress are not available, but a statement presented to Parliament showed that for 12 months ending June 1949,

946 new firms were entering or planning to enter the manufacturing field, with a capital expenditure of almost £11 millions, while 357 established manufacturers had made known expansion programmes of over £18 millions. Of the new businesses 43 had British and 14 U. S. affiliations. Earlier figures fill in the background. From September 1945 to June 1948, 1,672 new manufacturing businesses and expansion to 732 others were announced, totaling a capital expenditure of £144 millions. Some of these businesses of course could not be labelled essential, and the figures may not be impressive, but they indicate a significant trend.

In their assessment must be included the fact that a Socialist Government, which tends to chill the blood of free enterprise, was in power. Now that the Menzies-Fadden Government, which smiles benignly on free enterprise and shudders at Socialism, is in power for at least three years (unless Labor's Senate majority forces a double dissolution, in which event the odds would probably favor the return of the Government in increased strength), a swift increase in overseas investment in Australia can be expected. The double taxation handicap with America is expected soon to yield to mutual agreement.

Two large British firms in New South Wales alone have shown their confidence. Lord Nuffield has established a £1 million motor plant for fabrication of motor bodies, while the British rayon firm of Courtaulds is going ahead with an investment of £10,000,000 in three factories. Production is expected in 1953.

The picture is incomplete unless we take a quick glimpse at the conditions of some of our natural resources at mid-century, in addition to the massive wool and wheat growing wealth. Atomic power industrially is still over the hills of time, but Australia has enough coal, mostly easy of access, some experts say, to last a thousand years, though it is apposite to mention that the present rate of production is 20 per cent short of industry's requirements largely because of strikes, and 1,000,000 tons will be imported this year.

Iron ore resources are sufficient for estimated needs. Main sources are the

Middleback Range despoits in South Australia, close to transport, and the Yampi Sound deposits in Western Australia, which the Japanese were so anxious to secure before Pearl Harbour.

The ore in both cases is high grade hematite ranging from 64 per cent to 68 per cent iron. At Yampi the iron ore bodies are estimated to contain 80 million tons above high water mark.

Oil has not yet been found in Australia, but the Shell Company has started drilling a £1 million test bore north of Roma, Queensland, and extensive American and Australian capital is engaged in oil search in Papua.

And now for a vision splendid which illumines the dreams of many patriotic Australians. Already in conjunction with the British overseas Food Corporation a £2,000,000 cattle and sorghum fodder project in Central Queensland to help Britain is in production.

Away up in the Northern Territory and the Kimberleys, a day's flight across this sprawling continent in the near-tropical zone, are opportunities of major expansion in beef breeding. The Government, provided it can get a guarantee of a continuing market from Britain, has plans for lavish development in these areas and Queensland. It is not a matter of tomorrow, nor next year, nor even a decade, but of at least a generation. The Government, if permitted to remain in office, and encouraged by Britain, will spend millions in development in the shape of roads, watering facilities, stocking, soil conservation, freezing plants and other incidentals. Establishment costs will be tremendous, but the imagination quickens at the vision, and with co-operation it is not impossible to foresee ultimately a shift of 10 millions of population from Britain or even more.

Pre-requisite of course would be the approval of the British Government and co-operation of the British people, but visionaries, who can still keep their feet on the ground, think of a vast migration romance spread over the years, in which not individuals, nor families, but communities, industries, workmen and homes are transferred. Britain would thus, it is argued,

have a lessened famine danger margin in the event of war and the Commonwealth would be strengthened by a powerful new Britain in the Pacific, an outpost of democracy and a bastion of freedom, as well as a storehouse of encouragement, knowledge, cultural and technological assistance to friendly Asia.

It is realised that should such a vision ever be clothed in reality, Australia must accept a proportion of Britain's national debt and a fair proportion of middle-aged and aged, so that the Mother Land be not overloaded with debt nor overbalanced with people of low productivity.

If such a major shift is beyond the wisdom or wish of man, the alternative is still the development of this Continent as a great granary and industrial powerhouse within the Commonwealth.

### III

**A**T this stage it is wise to pause and examine carefully the sombre background to this glittering picture of a nation quickening into vast development and coloring the future with visionary splendor. And there's a background of difficulties and dangers within the national life and national economy, which must be analysed meticulously before we strike the balance of the huge expanding enterprise—AUSTRALIA UNLIMITED.

The two most menacing dangers are Communism and inflation, the former interwoven with the latter. Communism, which is one of the most persistent and complex threats to our prosperity, provides the paradox—not confined to this continent—of a political failure, yet a dynamic industrial weapon.

At State and Federal elections, Communist candidates are rejected with repeated and enthusiastic scorn. At the last Federal election they polled only 1.9 per cent of votes and did not secure election of one candidate.

In the whole Commonwealth, not one Communist holds a parliamentary seat. Rhodes scholar Fred Paterson was a Communist Member of the Queensland Legislative Assembly, but was defeated by a

large majority at the State Elections on 29 March. The numerical strength of the Communist Party is between only 12,000 and 15,000, yet in the industrial field, through control of major unions, they could overnight bring Australia's vital industries to a standstill. In a national challenge they would be defeated, but only after a mountain of misery and lost production had been credited to their policy of sabotaging democracy.

Federal Unions led and controlled by Communists include miners, waterside workers, seamen, ironworkers, building workers, sheet metal workers and sections of the Railways and Tramways Unions. Communists are now planning to control food manufacturing and distributing unions. They control the hotel, club and restaurant employees union in New South Wales and, if successful, will have a new, more deadly weapon to bully and bargain with employers and governments.

The picture of Communism in Australia is not without its brighter side. A movement within the unions known as the A. L. P. (Australian Labor Party) Industrial Groups, having its origin largely among Roman Catholics, is fighting the Reds on their own battleground—and with encouraging success. Moreover the present Federal Government was elected largely on its pledge to smash Communist domination. Its anti-communist Bill—introduced by Prime Minister Menzies in 27 April, 1950, in a speech described as one of the most powerful in his political career—undoubtedly has the strong support of a large majority of Australians. It provides for the dissolution of the Communist Party, five years in gaol for any member of any organization declared unlawful, forbids such persons to hold office in a key industrial union or to be employed by the Commonwealth. The taking over of all property of an unlawful association is another provision of the Bill, which is one of the most drastic introduced in a British community.

Political Labor, despite severe internal dissension, has decided to support the Bill in principle, though its spokesmen are standing firm in opposition to the "Onus

of Proof" clause. They say that this must rest upon the Crown.

Menzies has introduced several amendments to the Bill, some of which are in line with Labor amendments, and it is possible that a compromise may be reached. If Labor, however, using its Senate majority creates a deadlock, Menzies has indicated that he will force a double dissolution and appeal to the people.

The Government believes that it would be returned with a working majority in both Houses. Both Menzies and Fadden are determined to scotch the Reds. Because of Communist domination of certain unions, the battle, however, may be fierce and costly before victory is won.

#### IV

THE other threat to our economy, a wave of inflation, has not yet touched its peak. Its basic cause, simply stated, is a massive expansion in the national money volume without a corresponding bound forward in the output of goods and services. Some of the more powerful impulses in this dangerous imbalance are a record increase in export income, the wage-price nexus, increasing production costs due to a national 40-hour week, lower production in some vital industries, mainly the result of Communist-inspired strikes, the drift of labor lured by higher wages to luxury and semi-luxury goods, and the national tendency of a small proportion of workers to go slow because jobs are plentiful—a human reaction not restricted to this country.

Let us examine some of these factors at closer range. Figures issued by the Bureau of Agricultural Economics in Canberra estimate the value of Australia's rural production for 1949-50 at £720 million, easily a record. The previous year's production reached the record level of £616 million. Compare this with the average for the five-pre-war years of £211 million, and the extent of a dangerously heady infusion of spending volume will be seen.

The average of weekly figures of notes in circulation in 1939 was £49.4 million.

Last year it was £212.7 million (population 1939: 7,005,283; 1949: 8,000,000). Savings Bank deposits in Australia increased by £45,173,000 during the year ended 31 January, 1950, and total deposits were £735,773,000 with a total of 6,016,000 accounts operating. Trading bank deposits rose by £125 million in 1949.

The wage-price link would give any economist a nightmare. It is a dizzy spiral, with the limit beyond calculation. This is how the machinery functions. A basic wage operates throughout Australia. It is a living wage based on the needs of a family unit, man, wife and one child. It is subject to quarterly adjustments in terms of retail price variations. Actually, so many people receive more than the basic wage that it has become in effect merely a statistical cipher. Every industry has added a "loading" and skilled operatives, being in short supply, have little or no difficulty in securing margins above those fixed by the courts.

But the basic wage variations have a direct impact on wages. There are nearly two million male wage and salary earners in the Commonwealth and more than half a million females (females nominally receive 54 per cent of the male basic wage). A basic wage rise of 1s. is estimated to add about £5.6 million a year to the national wages bill. The wage has risen by almost 3s. a quarter during the past twelve months. The highest figure to date is £6.18.0 in Sydney; and the unions now have an application before the Commonwealth Arbitration Court for a £10 basic wage.

The inflationary spiral can thus be seen with startling clarity. Up goes the basic wage, prices chase it and pass it, up goes the wage again and up go prices. The total wage and salary bill increased by £128 millions in 1947-8 and again by £151 million in 1948-9. Last year's figures are not available but the movement has been maintained.

Increasing production costs are not only revving up the inflationary engine but they are adversely affecting the competitive strength of Australian industry. The danger was clearly expressed in the 1948-49 annual report of the Commonwealth

Bank which warned: "While Australian costs continue to rise overseas costs generally have either levelled off or are falling. In such a situation the Australian economy is particularly vulnerable to a downturn in economic activity overseas or to the effects of internal instability."

Employment, as Prime Minister Menzies pointed out recently, though full is unbalanced. It has fallen in farming and mining and risen only 20 per cent in building and construction industries in a period when factory employment has increased by 55 per cent. Steel production is hundreds of thousands of tons a year below capacity, coal supplies are 20 per cent short of requirements and the Government has decided to import, not only coal, but iron, steel and building materials, a fact which should permit local Communists to carry an enthusiastic vote of confidence in themselves.

Against this background it will be seen how intractable is the problem of putting value back into the Australian £, a high priority task which faces Menzies and Fadden and to which they are committed by policy and promise. The £ today, compared with prewar, is estimated to be worth 12/6d, though many citizens, grimly trying to balance their earnings with costs, will tell you it is below that.

When the inflationary movement will terminate can only be conjecture. Some economists believe there is a danger of a crisis, particularly if export prices drop sharply. There are several helpful factors: The steady increase by migration of workers, whose influence is already being felt along the production line, public approval by responsible Labor leaders of the need for increased production, growing acceptance by workers of the principle of incentive payments, importation of basic materials and encouragement of overseas capital and machinery.

Some hundreds of New Australians, mostly Balts, already have been placed in heavy industries—a condition of their entry to Australia is that they must accept job direction by the Government for two years. While in the early stages they may aggravate adverse trends by increasing competition for goods and ser-

vices, in the ultimate, as their numbers increase, they will make a major contribution to the dissipation of inflationary impulses. One difficulty is the acute housing shortage, though this will be eased in some degree by the importation of pre-fabricated houses, coal and steel.

Summing up, and tempering optimism with full recognition of stresses in the national economy, I believe that Australia is on the threshold of a new era of growth and progress which will astound the Commonwealth and the world.

We may have to pass through a period of crisis before the inflationary danger ebbs, but the vast natural resources of this amazing continent, the steady growth of population by natural increase and immigration, the bold vision and statesmanship of its leaders and the energy and confidence of its people inevitably must lead it into paths of greatness.

Destiny beckons and Australia responds.

## V

IT is appropriate now to survey this country's attitude to the Commonwealth and the part it may play in encouragement, assistance and leadership. Though recent Constitutional changes have shocked some irreconcilables, it is fair to say, I believe, that the majority of thinking Australians accept the changes as not only inescapable, but a justified evolutionary development.

Australians are proud to be members of the British family, they have a deep personal loyalty and affection for the Royal Family (remember Australia is 98 per cent British), but they see the new alignment of India, Pakistan and Ceylon as a tangible expression of statesmanship, based on compromise and understanding of national pride and aspirations.

Rightly or wrongly many Australians believe that this country, because of its geographical situation and national outlook, is in a unique position to interpret Commonwealth sentiment and to exercise a harmonizing influence.

Australia is anxious to assist by cul-

tural exchanges, material resources and technological knowledge the progress towards higher standards of living and material enrichment of her Asian partners. She is anxious to see an expansion of trade with Asia, which in part already is not inconsiderable. For example, exports to India and Ceylon for ten months ended April, 1950, were: India £30,453,000 and Ceylon £5,087,000. Imports to Australia were: India £23,531,000 and Ceylon £6,188,000.

In the cultural field Australia would welcome increased visits by students and nurses seeking experience, by business executives seeking expansion of knowledge and trade, and journalists and public men who would interpret this continent's White Australia policy and its genuine desire of friendship with Asia.

An earnest of Australia's interest in Asia, small, but significant, was her decision to join with other Commonwealth partners, the United Kingdom, India, Pakistan and Ceylon in a £6,000,000 Commonwealth loan to assist Burma. Australia's contribution was £500,000.

Briefly we are anxious to have the closest accord and friendship with all partners in the Commonwealth. Our White Australia policy is sacrosanct, but has its mainspring in a desire to preserve economic standards against the introduction of cheap labor. In no sense does it contain any foolish ideas of racial superiority. Any political party which attempted to water down this policy would be brushing shoulders with catastrophe, though there is a section of responsible thought, small and not very vocal, which favors a small, strictly limited quota system.

One regret that many Australians have is that even at mid-century we are not more closely linked with Canada. There is a genuine feeling of admiration and affection, based on Canada's part in two wars, the many points of similarity of the two peoples and memories of Canada's generous and warmhearted treatment of our RAAF boys during World War II. Our geographical remoteness, however, at present remains a handicap, though our common Pacific interests and our vulnerability in the event of war are factors which should tighten our bonds. We warmly

hope for closer friendship and personal contacts when the dollar barrier is conquered.

Mention of vulnerability brings into focus Australia's strategic position at mid-century. Shortly she is to introduce compulsory training of young men. She, as stated earlier, is building modern aircraft, she has a compact Navy and a common defence plan with New Zealand under the Anzac Pact, but still, in the event of war with Russia would be one of the most vulnerable nations in the world.

As the Red tide after racing through China piles up in massive eagerness against the Indo-China border, the potential menace to this continent deepens. Australia for the first time in her history, finds herself thrust directly into the maelstrom of fiery world politics, with the possibility of a hostile neighbor on her northern boundary.

The Federal Minister for Development, Mr. Casey, in a phrase like a dagger thrust at complacency, spotlighted the danger as recently as March this year when he warned that unless Australia doubled her population within a generation "our children will be pulling rickshaws." Despite this grim reminder I doubt whether the average Australian has yet a clear conception of the shadow over this sunny land.

To the North, in Indonesia, China and Japan are 605 million Asiatics whose leaders see no morality nor justice in a White Australia.

Japan has a population problem which grows in intensity each year. Fecundity must force migration. In 1934 her population was 66 millions, in 1948 it was 80 millions, and in 1970 it will be at least 105 millions. Democracies are brooding on the problem, but to quote the neat phrase of an Australian writer in Tokio "all the wise calculations of Nations are being trampled by the deafening patter of tiny feet."

Japan officially hopes, with UN approval, to settle five million Japanese in the five years following the signing of the peace treaty. Areas marked for this mass movement include Borneo and New Guinea right at Australia's back door. Nor can

Australia disregard the tacit approval given by some of MacArthur's senior staff to this simple solution of a major problem.

If the movement were permitted, history might record that all the sacrifices and tears of Australian heroism in World War II were in vain. For though Australia applauds MacArthur's plan to fashion Japan as a strongpost against Communism, it would regard Japanese colonisation close to its shores as a deadly threat to future security. Against Japanese admission to New Guinea, Australia will fight with all the power and eloquence of her statesmen and the moral indignation and unity of her people.

In Malaya, the Chinese numbering almost half the population may accept the Red Regime of their homelands. If this happens, then Britain, already fighting grimly and with increasing difficulty against Communist terrorism, will be faced with a new and deadly situation of profound significance to Australia. From Singapore a Red searchlight would sweep this continent.

In Indonesia (population 75 millions), the Dutch, Australia's sole white neighbors, are finally departing and Indonesian foreign policy is highlighting an implacable claim to Dutch New Guinea. The Parliament of the Indonesian Republic has agreed that Indonesia's case at the United Nations would not be closed until the inclusion of Irian, as the territory is known, was settled. Javanese politicians are using the issue to keep Nationalistic sentiment at fever pitch. The Indonesians have no claim to the territory. The natives of Irian are Papuans and Melanesians, and there is no political affinity with Indonesia.

If the Indonesians succeed in their claim then at one stroke the boundaries of Asia would be along Australia's northern coast line, for the remainder of New Guinea, held by Australia under United Nations Trusteeship, and Papua, which is Australian territory, would be neutralised as a defensive barrier.

Another danger—perhaps the greatest—is the possibility, owing to internal instability, of Communism emerging as the

governing body of Indonesia. Australia would then be gazing at the walls of the Kremlin from her northern coast line. Dutch New Guinea is a mere 195 miles from Australia at its nearest point, while Koepang in Indonesia, with a good airfield, is only 150 miles away.

**I**F events tumbled along this ominous highway where would our Commonwealth partners India and Pakistan, particularly the former, fit into the picture? This is an enigma which may never need solution, but at least it points to the need for close friendship between Australia and her Asian partners, not only on humanitarian grounds, but on those of mutual security.

Australia is not sitting in lofty isolation on the edge of this Pacific volcano. Able and energetic External Affairs Minister Spender, who possesses a fine mind and a clear practical vision, fathered the so-called Spender Plan at Colombo for long-range material aid to South East Asia as a counter to Communism. This has been followed by the British Commonwealth Conference in Sydney, which reached unanimous agreement on a programme of both short and long-range aid. Spender's proposal for a Pacific Pact, a defensive military alliance to stem the Red flow, sounds the tocsin for all free nations to join in defence of freedom. If America's concept of Pacific security developed by

hastening events ultimately embraces such an alliance, the pact should preserve Democracy and shape history in this troubled area. The portent of such American participation might lie in the recent statement by Dean Acheson that America will send immediate military and economic aid to French Indo-China

Australia, a noble prize for any land-hungry nation, lies at the end of the long littoral, deeply tinged with Red for the greater part, which stretches from Siberia to South East Asia.

The northern end, with Alaska the only buffer, faces Canada. We share then a common interest—a common peril—and a common dependence in the Pacific on that great guardian of Democracy—the United States of America.

Having carefully registered the grim strategical implications in a cold war which shows no signs of being deeply frozen and forgotten, let us return to our original picture of this golden land, Australia, striding with confidence and pride into the full sunshine of rich and expanding nationhood—a nationhood which will bring wealth, security, happiness and progress to our friends within and without the Commonwealth.

For that, with fervent conviction I believe—if the world is spared the supreme tragedy of war—is the path of splendor that lies ahead.