

ANNUAL CONFERENCE OF
NATIONAL FARMERS' UNION OF
AUSTRALIA, HELD AT CANBERRA
ON 15TH NOVEMBER, 1962.

Speech by the Prime Minister, the Rt. Hon. R. G. Menzies

Mr. President and Gentlemen :

I was thinking of the name of your body, the National Farmers' Union and that naturally provoked in me thoughts about the importance of a measure of unity among organisations which represent primary producers and I know that your own body represents a very substantial move in that field. It has always been important, it has always been difficult, because if I may say so, having been born among them and seen a few of them since, the man on the land is essentially an individualist, it hasn't been an easy task to develop organisations of your kind, but it is tremendously important that that kind of work should go on. I believe that we are, increasingly, in a period in Australia when the highest possible degree of concerted opinion and concerted advocacy on the part of men on the land will be needed. I don't say that in a gloomy way, but I say it because I think we are entering a period of very great challenge. We have this challenge confronting us, as a matter of fact, in several ways.

First of all, we have all been exercising our minds about the Common Market and I don't propose to make a long talk to you about that because, really, there is yet very little fresh to be said on it as a result of what has or hasn't happened in the last six weeks. But I do think that we all realise that unless these negotiations by Great Britain break down completely, which is in the highest degree improbable I would have thought, then the terms on which Great Britain will ultimately enter the E.E.C. must have an impact on what has been our traditional pattern of trade. We can't expect - in the next six months or twelve months or whatever it may be - to find that we are going along the old paths and existing in the middle of the same pattern of Commonwealth trade. Those things are going to be changed. And because they are going to be changed and because the markets that we must look for and explore will, themselves, tend to change, then it becomes infinitely more important that the views of primary producers as a whole in Australia, in the defence and promotion of their own interests, should be, as far as possible, fully concerted ones.

There is another aspect of the matter. One of the great problems that has confronted Australia - and we are not the only one to be confronted by it in the last ten years - has been the remarkable decline in our terms of trade. Our export earnings, in terms of value per unit, price per unit, have tended to decline. Our import prices have tended to rise and in the result, the terms of trade have moved steadily against the primary-producing and exporting countries and, of course, steadily in favour of the highly-industrialised countries of the Old World. This is a reciprocal process in which Great Britain derives a benefit - we are not complaining about that - but from which we derive a marked disadvantage. And it's because of this decline in the terms of trade that a lot of the best minds in the world have been concentrating themselves on the problems of producing a healthier international position in relation particularly to

primary products, to get some stability of price, to get some payable element in the price, to get some stability of market and of opportunity of increasing access to whatever the market may be. This is tremendously important and a good deal of discussion occurred in London and indeed has been occurring in the last week at Brussels in relation to international commodity agreements and as you know, Australia has been one of the pioneers in this agitation. It's tremendously important.

I was down the other morning opening the Conference of the Colombo Plan and there you had represented a great number of countries, new countries, some of which we had never heard of probably five years ago. The Colombo Plan provides money, and we have found substantial quantities - the United States of America immense quantities of money, but every now and then it is necessary to remind the donors, particularly the donors of the great, powerful countries of the West, that an increase of a few per cent. in the prices of the articles or goods that these people produce would be worth more than all the direct cash aid put together. I think this truth is beginning to be realised. We found increasing realisation of it in London. I am certain that the President of the United States is intensely conscious of it - I know that - and that he hopes that his new Trade Expansion legislation will enable him to make a contribution to this kind of thing by exercising his tariff powers to encourage a freer flow of international trade.

But there it is - the terms of trade - the urgent importance, if the world is not to get completely out of balance, to have primary production in relatively unadvanced countries like some of those of South East Asia, in relatively advanced countries like Australia, but, in any case, in any country in which exports of primary products are of the essence of national solvency, able to develop or create expanding markets. There is the urgently important matter of international agreements which give effect to that desire, which provide for payable prices and which give some stability, without which you will have all the up and down and all the uncertainties and with those uncertainties of income, the periodical balance of payments crisis in Australia with drastic measures having to be taken.

There is only one way in which we can get rid of these occasional emergency actions and that is to get a greater stability in our export earnings and if we can, then I believe that we can stabilize our costs and everything else in Australia much more satisfactorily.

Now the Government, of course, will do what it can on this. I assure you this is a problem very close to our hearts, but it is essential, if I may say so, that you should never let us forget about it and the right way for you not to let us forget about it is for you increasingly to concert among yourselves and with other organisations, united policies, because after all, though you will in a sense be pursuing your selfish interests, you will in a much truer sense be pursuing the best interests of the Australian nation.

The other thing that I want to say to you which has a bearing on this point - the reasons for these challenges that we have - is that Australia is going through a period of most dynamic growth, and when a country is growing in population, growing in resources, it encounters all sorts of internal strains. I suppose they might be described as growing pains. Here we are with a large immigration programme. I've not met anybody who would abolish it. I think it is held all round

Australia to be of great value to this country. We've all adhered to a policy of full employment and I don't hear anybody today challenge the desirability of that. We adhere to a great number of these broad national policies because we believe that these are the conditions of Australian growth and yet they are all fighting each other in a sense. You can build up your cost structure by a migration movement which is not quickly absorbed into productive activity in the country; you can build up your cost structure and full employment becomes over-full employment with bidding up for scarce labour and a high rise in the costs of production in the metropolitan industries. You can have all these tensions, these difficulties. All I want to say to you is that this again presents a challenge. This is particularly perhaps a challenge to government - the challenge to keep all of these great national objectives in balance so that you have your development of secondary industries and of tertiary industries without floating up the costs of the primary industries. Then you may have a full development of primary industries at effective prices without interfering with some other aspect in the overall national programme. It isn't easy, but then nothing is easy that matters. The real task is to keep these things in balance.

There are quite a lot of people in Australia who see one problem and see no others. It's our job to see the lot and to keep all of these considerations in mind. But, living as we do in great cities like Canberra, we perhaps hear a little more of some aspects of this great national problem than we do of others. And, therefore, I come back, Sir, to what I said to you - never be afraid to maintain pressure on the political mind. It's an age of pressure and I don't mind. I am an expert at receiving it. (Laughter) But I have, from the very beginning, taken a great interest in the National Farmers' Union and I hope that you will continue to realise, Sir, that my door is always open when you have views that you want to put to me.

I hope that your Conference will be very successful. I now declare it open.
