

SPEECH BY THE PRIME MINISTER, THE RT. HON. R.
G. MENZIES AT THE OPENING OF ALUMINIUM FOILS
(AUST.) PTY. LTD. AT GRANVILLE ON FRIDAY,
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I am constantly reminded by the highest authorities that I don't know much about anything. But I could certainly tell you all I knew about aluminium quite briefly.

I know, for example, that we call it "aluminium" and that in the United States and in Canada, they call it "aluminum". But with that happy instinct for compromise which characterises us, they go one step further back in the process of manufacture, and they have all agreed that one is "alumina".

I also know that aluminium is a subject about which my colleague, Senator Spooner, constantly talks to me. If I were to meet him at midnight on some remote airport, he would say to me, "I'd like a few words with you about aluminium".
(Laughter)

So by a happy association of ideas, when I was invited to come to open this factory I said, "Yes, I'll come; I'll convert this from the world of theory into the world of practice: I'll have a look at it".

Then I read, by kind courtesy of those who have already spoken to you, a rough idea of what they were going to say. I read that little bit about using this foil for wrapping up the joint. Do you remember it? I mean the joint you eat. (Laughter) I've seen other joints wrapped up in it, but they tell me that that was some insulating purpose. But any rate the good old roast beef can be wrapped up in this commodity, and we've been told that it will preserve the flavor, and that it will keep the pan clean. I don't understand that. I thought you had to put things on beef in the process of cooking it.

What I really want to know, in pursuance of my quest for knowledge, is this: Do you wrap it up tightly, and when the meat is cooked, do you eat the aluminium with it? (Laughter) Because this would open up a new universe to me - edible aluminium. I wouldn't be surprised; they'll come to that.

They will find that there is some strange medicinal quality about aluminium taken orally. And no doubt some ingenious fellow will invent ways and means of giving it a flavour, (Laughter) which, of course, would greatly add to the results of unsatisfactory roast beef.

But all that is a mere by the way. The fact is that this is really a splendid event and a splendid venture. I'm a great believer - I think we all are - in the development in Australia of industries, more and more industries, of greater and greater quality in their production, because we know that we have a destiny in the world which won't be determined by the events of this year or next year, but which will steadily grow, and expand over the course of the decades, and, indeed, I hope, over the course of the centuries.

Many of you will recall some of our vicissitudes of the past: the great depression of 1929, '30, '31, '32 hit Australia - it wasn't peculiar to Australia although some people thought it was. It happened in the United States of America; it happened, indeed, all round the world. But in the case of Australia we were hit by two things.

One was the export prices for our export

commodities, notably wool and wheat, which went down to such fantastic depths that they amounted to wiping out a considerable section of our export income.

At the same time, and perhaps because of that, and because of the impact of the depression all round the world, our capacity to raise money outside Australia dried up. The loan markets closed against us, and at that time, in consequence, we had an experience in Australia which produced at its peak, I remind you, something over 30% of unemployment.

That is not going to happen again. Having regard to our developments it can't happen again. At that time Australian manufacturing was, although substantial, small compared with what it is today. It was, indeed, after that, that you had the major accelerations in manufacturing. Since the second world war, we have seen miracles of development in the manufacturing field. We are looking at one of the latest of them here today.

The result is that we now, economically speaking, stand not just on one foot, but on two. We are not exposed to anything like the same degree, to the wind and the weather of world markets, as we were then because we have a vastly developing population, largely engaged in this enormous development of manufacture, and in supplying the needs of our own country.

So I haven't the faintest doubt that economically we are infinitely stronger, infinitely more capable of resisting what I've just called the "wind and the weather".

There is another aspect of that matter that I just want to say a word about.

We, from time to time, have tremendous arguments in Australia - I've even heard one or two of them myself of late - about economic problems. We are constantly reminded of the profound, and inescapable truth that all economists who advise governments are incompetent; and that all economists who advise newspapers are invariably correct. (Laughter) This is one of the great facts of life - and I don't mind it, not at all.

But do let me say this to you, just as a matter of pure commonsense. We will always have a tendency to balance of payment problems. These problems will tend to recur as your balances go up, and as they come down, if we depend almost essentially on primary production for our export income.

If our export income is primarily made up of great staples like wool, and wheat and meat, and so on, then, inevitably, as their prices fluctuate, our overseas income will fluctuate, with all the repercussions that it has, and would have, if there were no government at all, on the internal credit structure.

These are, as I say, the elements of the problem. Therefore I believe, and my colleagues believe, that the ultimate insurance against these fluctuations having these rather severe results, is to introduce more and more into our export earnings manufactured and processed commodities. Because, more and more, to the extent to which we can do that, we will, externally, be standing on two feet, as we do now stand, internally, domestically, on two feet.

Now how you are going to develop export, how you are going to improve your balance of payment problem, is a matter which again lends itself to two considerations.

One of them is, what commodities are there that you are importing into Australia, that you are paying for out of your earnings, that you could make here, effectively, economically? And if you can discover some of those, then you will reduce your demand for imports in that field, and satisfy the requirement at home. By saving £5 million on some item of that kind, we are, in terms of our balances of payments, just as well off as if we had increased our export income by £5 million.

That is why I am very attracted, Sir, by the figures that you gave about what the importation has been in your own field. And therefore to the extent to which you replace that by a commodity which has such quality that nobody can deny its presence, or its right to be present on the market, then, if you do that, you are, in effect, adding to our export position by reducing the volume of our imports.

Of course, on the other hand, we would be poor Australians, we would have a very, very small confidence in ourselves if we didn't believe that with this growing population of ours, growing at an enormous rate, growing at a percentage rate greater than that of Japan at the present time, if we didn't believe that with this greatly increased population with the vision that we have of more millions of people in the future, with our usual and proper confidence in our own capacity to do things in Australia - our skill, our resourcefulness, our free-mindedness - we would have very little faith in ourselves if we didn't believe that this country is going to be a very substantial exporter of the products of its factories.

I have been discussing this matter only in the last few days with representatives of industry. The problem is a complex one. It has to be approached not with a collection of old fashioned or conservative ideas - that is not for a government to do, or that is for a government to do, how can we break into the markets in such and such a place because we have a relatively high cost structure.

If we are going to achieve entry into new markets, strategically placed, as we are in this corner of the world, if we are going to expand the markets that we already have, then we will have to do two things.

First, in co-operation between industry and government we must seek out every possible means of increasing export, orthodox or unorthodox. Some matters may have to be done overseas; some matters may have to be attended to inside Australia. But unless we have a go at this, unless we can get out of the old idea that our costs of manufacture are so great that we can't possibly sell to the rest of the world, unless we get away from that, then I just want to say to you that we will go on essentially depending upon a large export earning, because we essentially depend, and so does manufacturing industry, to a large extent, on large imports of materials, and plant and skills from the rest of the world.

But if we are to have all these things, these hundreds and hundreds of millions of pounds worth of things that come in across our exports, our imports, for the use and benefit of manufacturing, must be paid for.

And if we are going to pay for them, and pay for them steadily and increasingly, then our export income must be steady and increasing. Because if it isn't, and it fluctuates wildly, according to whether wool is 70d. or 35d. then we will inevitably have problems of balances of payments, problems of imports, problems of international finance which we could all well afford to be without.

So, I am all for the development of these industries in Australia which I am certain will find before they are very much older, that they have markets open to them, not necessarily in Canada or the United States, if one talks about your own commodity, but in South-East Asia.

There are other countries around the world. Don't let us forget that one of the purposes of the Colombo Plan under which great aid has been given, and is being given, to South and South-East Asian countries, is to lift the standard of living. There is no quicker way of lifting the standard of living in those countries than by giving them some industrial development; and as they develop in that way, so their demands will grow.

The more industrialised Australia has become, the more we have imported; and that is going to be their experience in due course. The result will be that particularly if we keep our sights up, and our quality high, there will be a very remarkable prospect and a growing prospect of doing export business.

We are working very hard on this; the work has been done for years, or for some years now, in the Department of Trade with great energy, as I think everybody will concede. We are intensifying our search for these ways and means of increasing our exports, because it is in these two aspects of saving imports, and of increasing overseas earnings that the future of Australia is so intimately wrapped up with the future of Australian manufacturing production.

That is a rather long-winded kind of sermon. But seeing that I am in the presence of the usual collection of highly responsible business men all of whom, occasionally, have reason to doubt whether I ever think about anything, I thought I would just offer you these few observations for your assistance and for mine.

But before I conclude I want to say one personal thing. I was delighted when I read, and today when I heard, that my old friend Tim Clapp was to be here. I see he's over there. (Applause) I think I am right in saying, Tim, that in my first manifestation as a Prime Minister you and I had something to do with buying some aluminium in the United States of America during the early year or two of the war.

But that is not his greatest claim, although he is a great citizen. I want to tell you that in my earlier and more reputable days when I was Attorney-General and I came over to Sydney and was so unimportant that no pressman wanted to interview me at the railway station, or on the airport, if there had been one, Mr. Clapp used to take me out on the harbour, heavily disguised as a yachtsman (Laughter) and my functions were very simple. When we got into a quiet stretch of the harbour, with no obvious obstructions to traffic in sight, he allowed me to take the helm, telling me precisely how I should just steer about half a point off the wind - wonderful political training it was for me. Then he went down below and he always produced, ultimately, for lunch - you don't mind me going into these intimate details do you - steamed sausages for which I've always had a great and sneaking regard ever since, surrounded by some kind of spaghetti. But the whole point was this: before that happened his hand would come up through the hatchway, not holding a sword like Excalibur but holding a large glass of some exotic liquid which really set me up for the day. (Laughter)

Ladies and gentlemen, now that I have mentioned that to you, your mind will begin to run so much on those liquid refreshments that were delicately hinted at by the last speaker, that I'll conclude. But before I conclude I'll declare this factory Open and wish it the greatest success. (Applause)