

6/10/61

SPEECH BY THE PRIME MINISTER, THE RT. HON.
R.G. MENZIES, AT CIVIC RECEPTION, TOWN
HALL, TOWNSVILLE, ON 20TH JUNE, 1961.

Sir,

There is just one thing that you said in your very generous speech to which I take exception: "You people from the south", you said. (Laughter) Now I would have you know that I am a sort of expatriated Victorian because I live in Canberra, but Australia is my parish. The Prime Minister of Australia must be a Queenslander, a New South Welshman, a South Australian, a Victorian and so on right round the Commonwealth. So let's get the record straight. My responsibilities in relation to Queensland are every bit as great as my responsibilities to any other part of the Commonwealth. Indeed, they are rather greater because I have always, as you know, believed profoundly that the development of this State which is relatively an undeveloped State, is one of the great, exciting tasks of the future.

It becomes all the more exciting as the character of our economy changes. There was a time, well within my memory at any rate, when we exported primary products in a fairly orthodox fashion, we imported a lot of manufactured goods, and we made some ourselves. But as the years have gone by and as the pressure of events has developed, this country of ours has become a remarkably well-balanced one economically. Our industrial development has been phenomenal; and because it has been phenomenal we now have a capacity to withstand the stresses of international economic events much greater than we had 30 years ago. That is why I constantly want to remind people that the great depression of the thirties which did not begin in Australia but in the United States of America for reasons that I could discuss with you, could not happen today. It could not happen - and I don't say that simply because I am Prime Minister - it could not happen under any Government that took advantage of the knowledge that has been gained over the intervening period, and took advantage of the fact that we are now a remarkably developed country on both primary and secondary sides of industry.

But the great thing that now puts more and more pressure on our minds is how we can avoid the periodical crises in the balance of payments, the fluctuations in our overseas funds. There are two or three bankers here this morning because I have met them, and if they were having an unofficial moment and not just saying "No, I'm sorry, it's the credit squeeze", they could tell you that the movement up and down of our international reserves has a direct and profound effect on banking policy inside Australia - because it affects the liquidity of the banks. When you have a run-down of your overseas funds, you will expect the liquidity of the banks to be tending to dry up in Australia.

So we all have a tremendous interest in preserving a reasonable balance of payments in our trade with the rest of the world. And our trade with the rest of the world is enormous. There is no other country in the world that could compare, per capita, with our trade with the rest of the world - not one. Our export trade, our import trade, are both enormously significant in world terms, in absolute terms. More and more, as we study this problem, we realise, don't we, that we must have more exports, a greater variety of exports. You must, so far as you can, insulate yourself against the violent fluctuation that may be produced by drought or by a fluctuation in the world's wool price. We are doing what we can about that. Only in the last 48 hours have I been putting myself in communication with the administration of the United States on the old question of the American tariff on Australian wool, which I venture to describe as a perfectly foolish tariff since it protects an American wool-growing industry which is not tremendously efficient - that is the understatement of the year. It protects it at the expense of Australia, the greatest wool-growing nation, the greatest grower of fine wool in the world. And to have a tariff on our wool passing into the United States is really very foolish. I hope that having regard

to current negotiations the light may be seen in that great and generous country. If we could secure some modification of that tariff we would in one stroke do a great deal to improve a little and then to stabilize the price of wool in Australia. This would be tremendous.

But there are two other items on which our export income can be built up, I believe, in the relatively short term, very significantly. One is in minerals; the other is in the export of meat. And both of these concern Queensland as perhaps they concern, to the same degree, no other State.

I went to Mount Isa. I'm excited about Mt. Isa. I think this is a phenomenal development. But we are only scratching the surface of our mineral resources yet. By the time the geophysicists and the geologists have done their stuff I believe that we are going to expose mineral resources in Australia which will be quite tremendous. In the meantime we think in terms of lead and zinc, we think in terms of copper, we think in terms of bauxite; we are beginning to think in terms of alumina, and perhaps, ultimately of metallic aluminium. These things, provided we have the wit and imagination to cope with them will, I believe, produce a development not only in the north of Australia, which is very important, but a development in the international scene which will remove from Australia this particular problem of the fluctuating balances of payments and the balances of international reserves. This, I think, is tremendously important. And when a born Victorian and an adopted Canberran comes up to the north Queensland you mustn't think that he is being entirely unselfish - I know you would never accuse any politician of that - you mustn't think he is entirely unselfish: the fact is he is having a look over that part of his parish which he believes will yield, in due course, one of the greatest dividends for the nation. You mustn't suppose, for one moment, that this is not in our minds; it is never absent from my own mind for more than 24 hours.

Now this morning I read your local newspaper and I read it with great advantage. I would like to compliment the Editor because it has an immensely wide cover and, so far as I was concerned, seemed to have an uncommonly high degree of accuracy to which fellows like myself are not accustomed. But I did read a very thoughtful leading article on the question which concerns you and concerns me, of whether Great Britain is to come into the European Common market. It does concern any Australian State which exports things to the markets of the old world; and to the markets of Europe.

I am a little surprised, myself, to find from half a dozen newspapers the implication that the problem of whether the United Kingdom should enter the European Common market is something that has suddenly arisen. I assure you it hasn't suddenly arisen. I know there was an argument in the House of Commons the other day and this gave rise, very properly, to a great deal of speculation about it. But if it is any comfort to anybody I should tell you that this is a problem that has been under discussion between my Government and the Government of the United Kingdom for the last three years. It is a problem that I have myself discussed in person with Adenauer in Germany and with de Gaulle in France, and with representatives of the Government in Italy. The last time I was in London we had a very special conference about it. It is as a result of that conference, some months ago, that at this very moment Australian officials are sitting down with the United Kingdom officials discussing the essential details of this matter. All this was arranged some time ago. It is perhaps my fault that when I have arguments to conduct with another Government in the British Commonwealth I like to conduct them privately and not publicly. They are very familiar with our views.

I attended a conference in London this last time and made two things perfectly clear. The first is that the United Kingdom should not agree, even in principle, to go in to the European Common

Market without having prior effective consultation with the Commonwealth countries concerned, including, in particular, Australia. That is agreed, and there will be no commitment, even in principle, until these consultations have concluded.

In the second place I said that in order to bring the general problem down to brass tacks it was essential that component officials of theirs and of ours should, in fact, work out in detail what interests of ours might be affected, what exports of ours might be concerned, what price we would require to be paid in terms of entry to the European market and to the market in the United Kingdom before we would say "Yes". Now this is a very practical approach.

What I would like to emphasise to you is that the problem is not a problem of wholesale discussion, but of retail discussion. There are very good reasons why the United Kingdom should want to be in the European area.

(Tape incomplete)
