

SPEECH BY THE PRIME MINISTER, THE RT. HON.
R.G. MENZIES, AT MAITLAND TOWN HALL, ON
TUESDAY, 8TH AUGUST, 1961

Mr. Mayor, Mr. Fairhall, parliamentary colleagues and ladies and gentlemen:

I have spoken in this hall a fair number of times and I don't remember a meeting like this before: on other occasions it has been rather exciting! (Laughter) You know it usually has been at election time and oddly enough at election time I encounter quite a number of people who don't seem to care for me very much. My mind goes back to one time - oh, this meeting is not like it - when we were having a meeting here in December and it was very hot and we had had a long hot day. I was being "carted around" if I may put it that way, by Allen Fairhall: we had made speeches here and there; we had fought with wild beasts at Ephesus - if I may put it in that fashion; and we ended up with a very spirited meeting here. When it was all over I was so hot that I was about to melt and I had to get out into a little economical car that he was driving and be driven to Newcastle and the choice was between being stifled and getting pneumonia. I opened the window and got pneumonia. (Laughter) It's as simple as that. I wasn't able to go on in the campaign for another four or five days. And the result, I don't need to tell you was that we had a record majority. (Laughter)

But tonight is something of an experiment because I suppose that six months ago a great number of people in Australia had never heard the blessed words "the Common Market"; and as I have had something to do with them over a few years now, and as the matter now begins to come to a head, I thought that it might be an extremely useful thing to say to those who are affected by these matters, something of what they are about. So I warn you this is not going to be a very controversial, political speech. If you feel that it is becoming a little dull, you have my perfect permission to make a rude interjection. (Laughter) Then we will get back again.

The words "Common Market" are now familiar in our mouths. They are obviously not very well understood by everybody because I have heard in the last week or two earnest people say, "Why don't we have an Asian Common Market?" or "Why don't we have a Pacific Common Market?", as a sort of counter-blast to a European Common Market. Therefore I think perhaps I ought to begin by getting right down to brass tacks on this matter and saying what a European Common Market means. Life becomes a little complex at this point because some people will talk about the European Common Market and some, with equal accuracy, about the European Economic Community, and some about the Messina powers, and some about the Treaty of Rome. All the same thing, you will be happy to know.

What happened was that in March, 1957, six European nations signed a Treaty with each other at Rome - hence the Treaty of Rome. And the six were Germany, France, Italy and what we call the Benelux countries, Belgium, the Netherlands and Luxembourg. A group of fairly small nations on the west coast of Europe and France, Germany and Italy. And at that time the United Kingdom declined to be in the party. Arguments were put to and fro as to whether perhaps Great Britain shouldn't be one of what would then be seven; whether she shouldn't come in on the ground floor, and negotiate herself for a Treaty - whether that turned out to be the Treaty of Rome or not. The British Government of the day decided not to. Well today, some four years later, four and a half years later, they have decided to negotiate to go in. But what I want you to remember is that at that time they decided to stay out.

Now what was the object of this Treaty of Rome? It is a very remarkable story because at the beginning of 1957 France was in very poor shape, economically and politically. We, perhaps, have forgotten that until De Gaulle came along as President and gave stability to French government they used to change their Prime Ministers every six weeks or, at the outside, every six months. I know many of you would think that an admirable idea. (Laughter) Sometimes I think so myself. But it wasn't until De Gaulle came along that they had stability of Government. Economically they were in a very poor way in 1956. Germany was strong, not as strong as she is now, but had grown strong in the years that had occurred since the war. And the six of them got together for reasons that I want you to have very clearly in mind, and they made a Treaty about it - it's a large thick document. But it repays a lot of examination. I am just going to tell you the essence of it.

They decided that they would establish a Common Market, meaning by that that after a period of years which began by being 12 and might be a little more, but looks like being a little less, but over a period of years, a short period of years, they would achieve, as between themselves, complete internal free trade; and as between all of them and the rest of the world a common external customs barrier.

Now you see what this means? This means that the six nations in Europe were setting out to put themselves in a position, in relation to Europe, similar to that which is occupied by the United States of America in its own country: internal free trade and a common external customs barrier. And the advantages that they saw in this, of course, were very great. It meant that every nation, Germany, France, Italy, whatever it might be, would have unrestricted access to the raw materials of the others; it meant that France, which is a great wheat producing country, could sell wheat into any of the other countries without duty; it meant that raw materials for manufacturing could be moved without duty from one country to another; it meant a completely free interchange of labour, and a completely free movement of capital. In other words these six nations, including within themselves, many scores of millions of people, an enormous industrial and agricultural strength, were to become, economically, one community.

Now the moment that happened we became extremely interested in Australia. I will develop for you, in a moment, the reasons why. But before I do I just want to elaborate on this Common Market, this economic community, because if, and when Great Britain joins it, no doubt the Scandinavian countries would then join also, and you must realise that this is going to represent an economic community of 250 million people, much greater than the United States, greater than the Soviet Union. And not a weak community, in economic terms, because it contains some of the greatest industrial power anywhere in the world.

So the first thing to aim at was a customs union with, in due course, internal free trade. The second was to try to have a common agricultural policy. All these are set out in the Treaty. They haven't yet worked out their common agricultural policy. They were due to have a meeting about it before the end of this year. And I think that one of the reasons why the British Government has announced its intention to negotiate is that it wants to be in a position to negotiate about the common agricultural policy - and I think that is very good, very good. Because if the six negotiate a common agricultural policy I would be fearful, myself, as to what the results might be. In these European countries, for reasons that one can understand, historically, reasons of war and threatened starvation in time of war, they have adopted a policy of agricultural protectionism,

bolstering up the production from their own soil by subsidies, by certain price arrangements, by whatever it may be, in order that they may provide as much of their own foodstuffs as they can. In point of view of world economics, not a very good thing; and from our point of view not a very good thing. But that is what they were aiming at in the Treaty of Rome when they established the Common Market.

Now as to the present position in Europe let us consider, for example, the question of wheat. In Germany they produce wheat in the most inefficient fashion. You know we are rather accustomed to think that the Germans are the model of efficiency for everything. But they are not. They grow wheat in little plots; their methods of wheat agriculture would make any wheat farmer in Australia smile. But they do it in order to produce as much of their own food as they can. And in France they have so encouraged the production of wheat that at this very moment they have an exportable surplus. They look across the Channel to Great Britain and they see there a market for their own type of wheat, for their surplus of their own type of wheat. Again if Great Britain goes into this Common Market, Denmark will go in and Denmark is a great producer of dairy products, a magnificent producer of butter. It would seem rather ironical, wouldn't it, if we and New Zealand who, under a system of Commonwealth preference, have had a preferred market in the old country, found that the position was reversed: that we had to pay a duty and that Danish butter went in free - the complete reversal of Commonwealth preferences. This is the kind of thing that exercises our minds and that exercises yours.

But one of the things in this Treaty of Rome is to work out a common agricultural policy, aimed at increasing production - that is one of the things said in the Treaty - and at the organisation of markets. I have mentioned to you that there is to be a free movement of workers; I think I have mentioned to you that there can be a free establishment of capital enterprises from one of the European countries in another; there is to be a European Investment Bank. And they have institutions, quite formidable already, including an assembly of 142 people, a Council of six, and a Commission which is a sort of executive body, of nine. On top of all this there is to be a Court of Justice to deal with the enforcement of the Treaty.

Now, Sir, it will be seen at once that these arrangements of an economic kind will lead, inevitably, to closer and closer industrial and economic association between the European powers. And if Great Britain goes in - I'll come later on to the terms and conditions - but if she goes in, then of course she will become more and more closely associated with them in these fields.

Any amendment to the Treaty - and this Treaty was made in March, 1957, and a lot of water has gone under the bridge, and a lot of advance has been made in both Germany and France, economically, - any amendment to the Treaty requires the unanimous approval of all the Six. If any country wants to join - and Great Britain is now going to negotiate - then she must make an agreement with the Six, not with some of them, not with most of them, but with all of them. Therefore any one European power out of the Six can, by digging its heels in, insist on terms completely unacceptable to Great Britain and the matter will come to an end.

Now that, broadly, is the nature of the Common Market, the Treaty of Rome, and it has, in the economic field, succeeded enormously. I would just like to say to you that before the Treaty of Rome was ever executed I had the great opportunity of having long conversations with Chancellor Adenauer in Germany,

and with the then Prime Minister of France and there were different views expressed then from the ones that you will hear now, because at that time France was the weak nation, economically, and people said, "Oh, you must give France time to recapture her strength before you discuss anybody coming into the Common Market". Two years ago, talking again to Adenauer, and talking, this time, to De Gaulle in Paris, I found a complete change in the circumstances. Because France had become strong; and so strong that I rather feel that she is not in a very great hurry to admit Great Britain to this party. I don't know, but that is rather the impression that I got.

Now there are two aspects of this matter, as to whether Great Britain, the central nation in our Commonwealth, the most significant overseas nation in our economy, should seek to go in? And if so, on what terms? Now I am not going to endeavour to answer the question "Should she go in?" I am not here to pronounce any dogmas; and I'm not here to decide a problem for Great Britain which Great Britain is immeasurably more competent to solve for herself. After all people in London are not fools: they know the people of Great Britain are not fools. They have an enormous tradition of wisdom and good judgment. And they have to thrash these matters out. All we can do from our end is to say what we think, as Australians, and to carry out our simple duty as a Government, which is to do the best thing that we can for our own country and for our own people.

Quite obviously there are two aspects of this matter. One is the economic aspect. What is going to happen to our overseas trade? What do we suppose will happen to dairy products and meat, and wheat, and sugar, and dried fruits, the whole gamut of our primary exports, which, apart from wool, represent of course, our great contribution to international trade and Australian solvency. We are concerned to see what happens to those. That is the economic problem.

But there is another problem which is the political one. I wonder if I could just say a few words to you about the political aspect of this matter before I deal a little more fully with the other.

There is nobody here, and least of all myself, who isn't a great believer in the British Commonwealth and in what it stands for. We want to see it continue, we want to see it strengthened, we want to see its voice in the world more powerful, and more and more respected. But we must face up to this: that the Treaty of Rome is not just a merchant's bargain; the Treaty of Rome has enormous political significance. You can't have six nations trading together with no customs barriers between them, a common external tariff, common industrial rules existing, a Court to enforce them, you can't have all these things without those countries becoming more and more united; and as they become more and more united so they will more and more want to have a common foreign policy to defend their common domestic policy. This seems to me to be simple, and indeed, almost elementary. That has not yet been fully conceded but I firmly believe it myself.

I was very interested to find that not long after I had expressed these views in almost these terms to the representative of the United Kingdom, the heads of State of the six powers - I will call them the Six - had a meeting and issued a communique. This is a remarkable communique in my experience because it said something. (Laughter) I am an old hand at communiqes (Laughter) I have had a finger in the pie about dozens of them, both here and overseas: this is the first one I ever knew that said something. I only need to tell you that I had nothing to do with drafting it. But the communique stated,

on the 18th July, that the Heads of States and Governments were convinced that only a united Europe is in a position, allied with the United States and other free people, to meet the dangers of the free world; that they were determined to develop their political co-operation with the aim of European unification. For this purpose they proposed to have regular meetings in order to bring their policy into line and reach agreed views.

Now that, I confess, didn't surprise me. It has always seemed to me to be inevitable that a close, intimate, economic association of this kind must ultimately produce common political institutions and common political policies. That is tremendously important. It is probably enormously important for the world. If you had a united Europe with all these nations in it, with a common policy, a common voice, and that great European power stood against the forces of Communism, this would give a balance of safety to the world that it now doesn't possess. This would be of tremendous significance to everybody. Therefore at this point I make no comment on it except to say that it would involve great strength for the free world.

But, Sir, the question then arises as to what happens to Great Britain in relation to the Commonwealth if Great Britain goes into that new union? After all, as I have said, domestic policies to which she would become party must be protected by some common external policies. If the old country goes into the European Common Market, the European Community, then I believe that she will increasingly become absorbed in the international politics, the international views, the significance in the world of this new union or new agglomeration of power in Europe, of which she would form part.

I wouldn't have you believe that I think that because of that the matter becomes unthinkable. All I have ever said about it - and I repeat it here - is that I will take a lot of persuading that the Commonwealth will remain the same if the chief country in the Commonwealth is absorbed into a European political union. It may be a good thing that she should be; but don't ask me to believe that the Commonwealth will remain the same. Because what happens now when you have a Commonwealth Prime Ministers' Conference? You go along and you agree or disagree - I seemed to have a lot of disagreements on my hands last time - but we meet and we talk to each other and we represent our countries and the voice of Great Britain is the voice of Great Britain, uninhibited by anybody else. When it becomes, in a sense, the voice of Europe, well the position won't be quite the same, will it?

You know, ladies and gentlemen, it is worth remembering that the secret of British history in relation to Europe was for a long, long time this: she had - a small country in the days, the great days of the first Elizabeth - a population of less than half of what we have in Australia today; she was a country of great seafarers, a fertile country, a sober sensible country. She maintained a position of dominance in the world right through the 19th century after the Napoleonic wars by pursuing the policy known as the "balance of power". And what was the "balance of power"? The "balance of power" involved Great Britain keeping out of entanglements in Europe, but putting her hand in when necessary to prevent one nation from becoming overwhelmingly strong. So she was able to rectify the balance in Europe. Right through the 19th century, the greatest period of British expansion in reality, the century of optimism, the century of imperial growth, the balance of power was the policy.

Now the question has arisen, for decision, as to whether Great Britain should abandon that policy, abandon it and go in to Europe herself as one of the factors to be balanced -

not as somebody from outside intervening when wise, here or there, but as one of the Seven, as it would be then, all of them working together, arriving at their decisions and pronouncing common conclusions.

In the history of British foreign policy this will be the most historic event for at least a century and a half. It may be that it is right. I would give a lot, myself, to see a united Europe, strong and cohesive, in the present state of the world. But when I put to you the political implications you will at once see how right it is for me to say, and for other people to say that the decision that will ultimately be taken on this matter will be the most important decision ever taken by any British country, except in time of war, a tremendous decision, with far flung political consequences, international consequences; and of course the economic consequences to which I propose to turn.

Now before I leave that aspect I ought to say to you we have a lively interest in having a powerful Europe; we have a lively interest in doing something to prevent the spread, the incessant and insidious spread of communist power in the world - a very lively interest. All I say about the effect, politically, on the Commonwealth is that I have never seen any particular virtue in shutting your eyes to something and pretending that it isn't happening. I am quite certain myself that the British Commonwealth will be something different, if this event happens, from what it is today.

I think at this stage I ought to say this to you. The other day Mr. Macmillan, announced that the Government of Great Britain was going to negotiate with a view to entering the Common Market. That negotiation, of course, won't take place next Tuesday. Things don't happen that way. The most optimistic estimate that I have heard as to the amount of time that would be occupied in the negotiations was eight months; and when I pulled down out of the shelves the full text and annexures of the Treaty of Rome I came to the conclusion that negotiating all of them might take a lot longer than eight months. But anyhow that means that some time next year, April, May, whatever it may be, this matter will fall for decision.

We are interested from the point of view of negotiation in two ways. In the first place a lot of these negotiations must affect our export industries. There will be negotiations about whether for example some Australian product is to pay a duty while a European product runs free. In other words whether the preferences that we have enjoyed are to be capsized and operated in favour of a European country. These are great questions. And we think, in Australia, that we in Australia are the only people who are competent to argue about them. We know our industries. And we have made it quite plain that we are not prepared to leave to somebody else the defence of Australian dairy exports, or of Australian cereal exports, or of Australian meat exports, or sugar, or whatever it may be. They are our lively concern. The first duty of an Australian Government - and it will certainly be carried out by me - is to defend the interests of our own industries and to preserve the future of our own country. (Applause)

Well there will be several phases of this. Officials have already been in consultation. There will no doubt be further consultations on that, or some other level, before 1961 is out. There will undoubtedly be interventions by us in the course of negotiations. Whether we are allowed to get into the inner room or not is not something we can determine; but we will make an awful noise at the door, I can assure you. And we will be there with horse foot and artillery, meaning by "horse" a Minister or two, meaning by "foot" a couple of Heads of

Departments, and meaning by "artillery", as many competent people representing industry as we can put our hands on.

But in due course the time will come when we will know what are the best terms on which Great Britain can enter. And I remind you again: don't be too surprised about what happens because unanimity is required on the part of the Six. If any one of them says "You can't come in and protect so-and-so's interest", then Great Britain can't come in. This is a matter of making a negotiation with six nations all of whom have to agree with each other on everything before the negotiation comes to a happy conclusion.

When the negotiation has finished and Great Britain is in a position to say "Well we have been able to do this about meat", or "We have been able to do this about wheat", or "We have been able to do this about butter", or whatever it may be, then no doubt at all, they will call a Conference of Commonwealth Prime Ministers to come along to say "Yes", or "No". Not that I suppose if we all said "No" it would necessarily conclude the matter; but I am perfectly certain that the weight of opinion in Commonwealth countries would then be formidably felt.

Now we in Australia are a little more fortunate than some; we have a broader economy. We can, in Australia, take a shock or two occasionally because the economy of this country stands now, squarely on both feet and we are really strong in the economic world. But poor New Zealand, to whom the export of butter and dairy products is as important as the export of wool to us, stands at enormous risk in these matters; and I am perfectly certain that Great Britain won't overlook that problem because it is one of overwhelming importance to our sister country. In the case of Canada, well Canada exports wheat and therefore has a lively interest in that matter; Canada also exports manufactured goods to the United Kingdom in large quantities. I don't know what the answer to that problem is going to be. Because one of the great objects of the European Common Market is to develop European manufactures in order to increase the competitive powers that they have in the world.

So from our direct point of view, we have interests in certain export industries. We have stated them categorically to the Government of the United Kingdom; we expounded them to Mr. Sandys when he was out here representing the Prime Minister for this purpose; he knows exactly how we feel about these matters; and he knows that so far as we are concerned we are not giving up without a powerful struggle the preferential system of Commonwealth trade which has meant so much to us, and - I venture to say - has meant even more to Great Britain. (Applause)

But, of course, there is another interest that we have. Great Britain happens to be a great market for us as you know. The United Kingdom last year, 1960 - I'm putting this in terms of sterling - sold to Australia £259m. worth of goods. It is worth remembering that Australia is at present the greatest market for British goods outside the United States of America. But in Commonwealth terms we are the greatest customer, £259m. worth. We took 7% of all the United Kingdom sales abroad in 1960. And the Commonwealth countries, including Australia, took 42% of all the British sales; and the six countries of the Common Market took 14%. I will put that into more memorable terms: what Great Britain sold to the Commonwealth, including Australia, in 1960 was three times what she sold to Germany, France, Italy, Belgium, the Netherlands and Luxembourg - the Six. That means, of course, and Great Britain well understands this, that she has enjoyed a Commonwealth market immeasurably more important to her than the market in Europe has been.

Well, suppose she goes in. She will go in for one commanding economic reason and that is that it would give her access to a home market without tariffs intervening, a home market of 250 million people. This I can see quite plainly is an argument that has had great compulsion on the minds of my friends in London: "To get into this home market; to be able to develop our export industry on the basis of this home market; it will put us in a position competitive with the United States of America". But why can the United States of America outsell people around the world? Because she has a home market with internal free trade of 180 million people and access to all the raw materials of a continent. Therefore I am sure they say "This is the dominating factor; let us have the home market and everything will be well. We are in great economic difficulties" - as indeed they are at present, as you know, - "let's get in to this thing".

Well of course there is another side to the coin. If they can sell free of duty to Germany, Germany can sell, free of duty, to them. That is the essence of an internal free trade system. And I have been wondering for myself - I speak only for myself on this matter - I have been wondering whether some of the industries in the United Kingdom could stand free trade competition by some of the industries on the continent.

You know, ladies and gentlemen, it is one of the ironies of life - you have all observed them - that one of the ways to get a completely up to date industrial establishment is to be beaten in a war. In the case of West Germany the Ruhr was devastated, her heavy industries blasted practically out of existence; and with the remarkable skill and energy and hard work of the Germans they have come back and all their iron and steel works are quite modern, many of them erected with foreign aid. With an iron and steel industry that is completely modern I think they are going to be at some competitive advantage with an iron and steel industry in the old country which is certainly not modern for the most part, modern only in parts.

Well they have thought about that, I've no doubt. I'm not going to have you believe for one moment that they are incompetent to work these problems out for themselves - they are extraordinarily competent; they know far more about them than I do. All I want to point out to you is that there must have been great questions to be answered in their own minds about these matters before they decided to take the first step and negotiate. Because if they are right, if the home market does it, if their industries prosper, if their export capacity grows, if their purchasing power increases, we will get the benefit because as European purchasing strength, including that of Great Britain, improves, we will have a better market than before. But if they are wrong, well, it is not the kind of thing, I think, in which you can make one error and then another and then get back.

This is a tremendous and grave decision that will have to be taken. One of the things that I want to make clear to you is that they have not taken it yet. What they have decided to do is to negotiate, to test out the ground, to see what the terms and conditions may be, to see how far they can protect your interests and mine, the interests of Australia, New Zealand Canada, the British countries around the world. That is what they are going to find out. But I thought that it would be very necessary to tell you that we don't approach this problem, we, your Government, in some simple fashion and say, "Well, whatever you say, that's all right". We approach this matter strong in our own defence, strong in our own interests, strong to protect Australia and its growth because if it turned out that some decision was taken, adversely to our will or our desires, and

this affected one or two or three of our export industries, it would be Australia that would have to pay the price.

I have told you that this is going to be quite a time yet. If I survive the next election - and I have already met three people who think I will - (Laughter) - if I survive the next election and I am in rude health and strength, I may be there in the middle of this argument. I just thought I would like to let you know that I am not going along to any argument of this kind to be a "yes" man; I'm going along carrying the greatest brief I ever had in my life, a brief for the export industries of Australia. (Applause)

Sir, while all that goes on we must continue to do what we have been doing, more and more actively as time goes on, seeking to expand our markets so that we won't have too many of our eggs in one basket. There are perhaps great markets in the world to be found, not only for Australian manufacturing, not only for Australian primary industry, not only for Australian mining, but for all of them, for every productive activity in the country.

I have a number of reasons for being happy to come along to Maitland but one of them was that you represent, in a sense, a combination of all these matters: you are cheek by jowl with one of the great steel works of the world, one of the great basic industrial undertakings of the world; you are in the middle of a famous area for the production of primary products; I hope you remember, from time to time, at dinner time, that you are sitting just below the most celebrated wine area in Australia; and you are sitting alongside one of the great coal measures of the country. We have been looking at all these matters in order to stimulate markets. I am very glad to see that my colleague, the Minister for National Development, Senator Spooner, is here because he is all tangled up in this coal business. But the business of exporting coal from Australia is one, I believe, that can be developed out of all sight. In fact we know it can and we are at this very moment in negotiation with the Government of New South Wales to facilitate this through coal ports.

If it becomes necessary for us to go out more and more and to scour the world for people who will buy what we produce, we shall go out and scour the world. But you know we are old fashioned people most of us, we have it in the blood: I would feel terribly sad if anything happened to prevent us from trading to that extent, at any rate, with the old country, along the old preferential routes, to our mutual advantage and to the continued good of the world. (Applause)

Question

Could we sell primary products to Asian countries below cost by subsidising the producers?

Mr. Menzies

Well, Sir, we would get into a great deal of international trouble if we began to subsidise our exports, whether of primary products or otherwise. One of our great problems, of course, as you know, is that we strongly suspect that there are countries that do it now and that some of the goods that we get into Australia are dumped at prices lower than the cost of production. We have anti-dumping laws, but it is not always easy to prove that they have been dumped at below the cost of production.

But there is no future, if I may say so, in getting into the competition in the world for subsidising exports because the greater the country the more successfully it can play that game, and the more rapidly will the small one go to the wall. (Applause).

Question

If Great Britain joined the Common Market adhered to the Treaty of Rome without reservation, what would be the immediate effect on our exports?

Mr. Menzies

Now that sounds like a simple question, but it isn't in reality. Where we have no current contract the immediate effect on our exports would be very considerable. We would come up against the customs barrier which would then extend to the United Kingdom as well as to Europe and that would tend to damp down the flow of our goods into Great Britain. In one or two matters, of course, we have current contracts. And when you say "unconditionally" Sir, do you mean abandoning current agreements or allowing them to run out? Do you see what I mean? We have a 15-year meat agreement. Well it has some years to go. It may be that they would get an unconditional entry provided that that contract was allowed to work its time. Well the immediate effect on us then would perhaps not be very great. We have a sugar agreement in common with other Commonwealth sugar producers and that has some time to run. If Great Britain said "Well we will go in unconditionally, but the sugar agreement must be allowed to run its course" then for that time our export of sugar might be maintained, although of course we would know that there was a bad time coming in the future. We have a trade agreement with the United Kingdom, but in most respects it can be terminated on six months' notice. Well they might have to give six months' notice. You see what I am getting at is this: that where we have no benefit of contract an unconditional adherence to the Treaty of Rome would be immediate and damaging in its impact on our exports. In certain other cases it might be a postponed impact while contracts ran out. But although I answered that question I am bound to tell you this that I do not think for one moment that Great Britain will adhere to the Treaty of Rome unconditionally. (Applause)

Question

Mr. Prime Minister if Britain accepts all the implications of the Common Market what would happen with the general agreement on trades and tariff that now exists?

Mr. Menzies

Well, Sir, if I may say so it is a very good question and it is one that we have been putting to ourselves, because it takes a lot of working out as to how to reconcile the general Agreement on Tariffs and Trade - GATT, as we call it, in a familiar fashion - it takes a lot of working out to reconcile GATT with all its rules for international trade with this new complex. Therefore I have no dogmatic answer but it is one of those things that we are certainly having very much in mind. There are various aspects of this: there is GATT: there is the position of sterling and the sterling area: there is the position of our own sterling holdings. All these things are merely thought about in the general at present: that they have to be got down to and given close study, close examination. We will find in due course, over the next few months, that there are aspects of this matter that so far we have not thought of that ought to be thought of and worked out. And you do very well to draw attention to that one. (Applause)

Question

If Britain accepts all the implications of the Common Market what becomes of the policy of preferential trade within the Empire?

Mr. Menzies

The question is: 'If Great Britain accepts all the implications of the Common Market' - you mean goes in unconditionally - 'what becomes of preferential trade within the Commonwealth'. Well I would think that we would have to talk about it from then on the in the past tense, because it is quite clear to me that if our preferences, which have given us our market, for our primary products in Great Britain, disappeared and were converted, on the contrary, into preferences for European countries, our competitors, then I don't think anybody would suppose for one moment that the British preferential tariff in our customs schedule would continue to exist.

Question

If Britain does eventually join the Common Market could we join?

Mr. Menzies

The question this time is whether we could join the Common Market. Now I just want to say this to you: I am not unwilling to take on a few unpopular causes from time to time but I would hate to have to say to the Australian secondary industries that I had entered into a Common Market which gave every European industrial power free trade entry into Australia with its manufactured goods. I would not only be kicked out, but I would have to catch a new ship out of the country as fast as I could. (Laughter, applause).

Question

Would a threat by all the members of the Commonwealth to withdraw from the sterling area carry any weight with Britain as a lever to get her to stand by us?

Mr. Menzies

Well, frankly, Sir, I don't think so, I don't think so. It is very, very complex question, this question of the relationship between the sterling area and the non-sterling area and as you already know probably, there are quite special rules that

apply to British sterling held in European countries in terms of convertibility into dollars. It is a very complex problem. But first I don't think you could get any such general request; second I am not at all sure that I would be interested in making one; third I don't think that even the hint of such a thing would materially affect these negotiations. (Applause)

Question

If Great Britain went in to the Common Market, what would be the circumstances that would enable her to withdraw?

Mr. Menzies

I can't really tell you the answer to that off hand. I have been a little puzzled about it myself. But if it takes unanimity of agreement to become a member, then it may well be it would take unanimity of decision for one member to leave. But I have not worked it out. All I know is that in these great affairs you can't go into a great organisation and say to yourself, "Well if I don't like it I'll leave", because in cold practical fact it is too late to leave then. You have entered into a lot of arrangements; you have had your industries adjusted to the new state of affairs; you have become accustomed to conducting your trade battles in a certain fashion. It is not very easy to reverse course under those circumstances. But if you will allow me to say so on that particular point I really can't give you a definite reply.

Question

I would like to know whether Britain's entry into the Common Market would have the effect of speeding up her change-over to the decimal currency?

Mr. Menzies

To be perfectly frank I haven't the slightest idea. But I don't imagine that it would, I don't imagine that it would. After all if Britain goes into the Common Market she is going to have a nest of problems, matters to accommodate herself to and I don't imagine that decimal currency would come very high on the list. We have had a committee looking into it in Australia - everybody is in favour of decimal currency until you tell them the size of the bill. (Laughter) Then they say "Well that's all right; you boys can pay it". And when I say that to the Treasurer, he faints. (Laughter) (Applause)

Question

What value would be the exports of primary products from Australia to other countries than Great Britain? And what would be the value of such exports to Great Britain.

Mr. Menzies

Well, Sir, I am sorry I don't carry these figures in my mind, as I am sure you wouldn't expect me to. We have of course substantial exports of primary products to other countries; and of course very substantial ones to the United Kingdom. You are right in saying that in any event we would need to expand our markets for our primary industries around the world. And we will do that anyhow because there is a limit, having regard to our growth and development in Australia, there is a limit to the extent to which we can find a market in one country and not in others. We are actively pursuing markets in other countries. We have a very elaborate Trade Commissioner service which is constantly looking for markets and, as you know, we have had trade missions of a variety of kinds going around to different countries in the world, not without success. I hope that more and more we will diversify the markets for our goods. (Applause)