

SOUTH AUSTRALIAN CHAMBER OF MANUFACTURES DINNER

ADELAIDE, 4TH NOVEMBER, 1961

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

Sir, Mr. Premier, Mr. Leader of the Opposition - et hoc genus omne. (That used to be Latin in my time!)

I have had a most interesting night tonight. All the time I have been saying to myself "What should I say?" and having got a rough idea about it I have then heard this one and that one and the other one pluck all the food out of the basket, and I find myself left with only the crumbs that fall from the rich man's table!

If I might start at the end, I want to say about young Bob Anderson that having heard him tonight in full cry - I hope he never gets into the Senate....I won't dwell on it any more than that. I beg of him as a friend not to become a Senator because if he were in my House I could deal with him, but I find it increasingly difficult to deal with Senators - I hope you all understand this travail.

Then, of course, the Premier, who has been a Premier for 23 years, seasoned - not a novice like myself who has been a Prime Minister man and boy only for 14½ years - made a powerful speech (as he always does) and he went to some pains to explain to you that South Australia is no longer a claimant State. You know I've been waiting for that for a long time! When I think of all the development that has occurred in this State, when I think how increasingly difficult it is for me to get a majority in this State, I've been waiting for the time when Tom would say "We are no longer a claimant State". But although no longer claimant, you take it from me South Australia is still clamant! (Laughter, applause)

In my earlier days when I was at school - as no doubt quite a few of you were in your own time - somebody told me a story, do you remember, about the old Bishop asking about the Angles and the Saxons who came in after the ancient Britons and he was asked what they were, Angles or Angels - a rather difficult problem (it's like claimant and clamant) and he said, "Non Angli sed angeli". Now that was rather flattering; for them to be converted from Angles to angels was something that required a theological effort on the part of the Bishop. But all that is needed in South Australia to convert South Australia from being claimant into clamant is a characteristically non-theological exercise by the Premier of South Australia! (Laughter, applause)

Well, Sir, I've listened in and I've collected whatever crumbs I could find. I remember being here two years ago - I think two years ago, if I remember correctly (but you will correct me, won't you?). I was tolerably popular, I think so, two years ago. And I went away feeling very content because I thought that it was the finest Dinner of any Chamber of Manufactures that I had ever attended in the world. And you know, oddly enough - I forgive you for everything you've been saying in the last twelve months - I still think so!

This is a remarkable occasion, and a remarkable place. I did not know (so brutishly ignorant am I!) that South Australia produced the first Chamber of Manufactures - I might have known it. Dear me, I haven't been in Parliament long - about 33 years one way and another, but I might have known that all the troubles that I suffer from were bound to begin here!

You know it's ironical to think that in 1869 - 25 years before I was born - the seeds of my present troubles were being scattered in this State! And it is a tremendous thing to reflect that although at that time probably the manufacturers of Melbourne and the free trade manufacturers in Sydney (as they were at that time) regarded South Australia as being rather brash. It is a remarkable thing to recall that in these last 20 years, or to be precise Mr. Premier, in these last 23 years, this State has become a powerful manufacturing State, so that it no longer needs to be looked at as the young brother who is rather speaking about himself, but is, itself, a great manufacturing community, a well-balanced community. Not a community that forgets about primary industry because, just as there was a temptation years ago for primary industry to forget about manufacturing, so I want to say to you, never forget about primary industry yourself because I am a believer in the balanced economy of this country.

If something happens that is weakening to the primary industries of Australia, the Australian manufacturers will find it more quickly than anybody else. If something happened to restrain the development of manufacturing industry in Australia the man on the land would feel it more rapidly than anybody else. We are no longer to engage in the false dichotomy that you are for one or the other - I am for both; and I am sure that you are for both. It is the fact that Australia has developed a balanced economy that has made us what we are today, in spite of temporary vicissitudes, a powerful and well balanced and strong national economy.

But we have problems in front of us. Some reference has been made to the Common Market. I want to say, Sir, that I am afraid that an awful lot of people talk about the Common Market just as they might talk about the blessed word "Mesopotamia" - without quite knowing what it's about. I receive the most earnest letters from the most earnest people who say, "What about a Pacific Common Market?". You know, it sounds grand doesn't it? "Why don't we have a common market with Japan and India and South East Asia? This is the answer", to which I always reply that although I am not incapable of certain stupid willingness to engage in a brawl, I wouldn't like to have to look the Australian manufacturers in the eye and tell them that I had established an internal free trade customs union with the countries of Asia. I think that is right enough, isn't it?

Here we are, a great trading nation, most of our exports primary products, but a perceptible and growing percentage of our exports manufactured or processed goods, here we are looking at the problem of the European Common Market, with Great Britain negotiating to go in, with the one problem that remains at all times as to the terms on which Great Britain will go in - and the terms will be terms that affect first, Commonwealth trade, second, British agriculture, and third, the European Free Trade area because Great Britain has six associates in that area whose interests she must attend to - but from our point of view it is the interests of the Commonwealth countries that are of first importance.

I am not here to make a prophecy about these matters. All I want to say to you is that ever since the Government of the United Kingdom departed from the old statement that agriculture was not to be in these negotiations and began a process of negotiation which includes agricultural products, my own Government - this is not a Party matter, I'm sure that I could speak for everybody in the Commonwealth Parliament - has been working on this matter, Ministers, officials, in London, here, with the express purpose of protecting, so far as we can,

the patterns of trade which have made Australia, small as we may be, one of the first ten international trading nations in the world. I don't think that is always understood, that in absolute terms, not per capita, but in absolute terms, this country of ours in which you have such faith and I have such faith, is one of the first ten international trading nations in the world. (Applause)

We have our own patterns of trade: we sell a great deal to the old country, we sell a considerable amount to European countries: we buy a great deal from the old country and from European countries, and it is our simple, but difficult task, to stand for our own interests on these matters - not preferring them to the interests of the peace of the world or the strength of Europe, but as we are bound to do, standing for Australia and Australia's future.

Therefore this thing won't come to a head in a day, or a week, or a month, or perhaps in two or three months and all I want to say to you is that I hope that in all these matters that will be discussed we will be able, whoever may be in office, to represent Australia with sanity and good judgment and with the backing of the Australian people - with the backing of manufactures, with the backing of people who are concerned with growing wheat or butter or meat or wool, or whatever it may be. Because I believe that these negotiations are the most important economic discussions concerning us that will have occurred in the lifetime of any man present tonight. Far more important than the Ottawa negotiations, tremendously important, because here we are witnessing a movement in Great Britain, our mother-country, which must lead to an enormous integration of the whole of Western Europe; which must lead to a powerful association between countries, some of whom have been at war with each other in our own lifetime. And in all these matters we in Australia, while not denying the importance of a powerful Europe, are properly concerned to see that industries built up in our own country on the pattern of British trade are not to be ignored, not to be set on one side, but are to be treated with fairness, with understanding and given some opportunity not just of retreating a little but of expanding in the future.

Sir, these are tremendously difficult matters. But there is one other that I would like to say a word about. What do we export from Australia? Well of course we export wool and we export wheat, and we export meat and butter and dried fruits. We export a great number of commodities of that kind - and we export some manufactured goods. "Some" - growing, growing, I agree, but still only "some".

Now why is South Australia no longer a claimant State? Because South Australia has developed secondary industries in balance with primary industries. Why is it that today in Australia we need not fear that another 1929 will produce a disastrous depression? The answer is because today in Australia we stand on two feet (you quoted my words on this matter, Sir), we stand on two feet. We are a great manufacturing country, we are a great primary producing country; and if the wind blows cold on the one it doesn't necessarily blow cold on the other. We have some balance, we can take up the shock. We couldn't take up the shock in 1929. But if we can't take up the shock in 1961 and 1962 then it will be incompetence on our part because we have all the foundations for it - we stand on two feet.

But in the world of exports we don't - not yet, not yet. Why don't we export manufactured goods? Now we've all spoken about this, haven't we, before today and somebody says, "Oh, yes, this is a very good idea, it's a very useful idea". We have, within the limits of our imagination and competence done what we

can and we will continue to do more things as we think of them, to develop, to encourage, the export of manufactured and processed goods. But why don't we export more? Is it because we are not as good at making things as they are elsewhere? I don't believe it for a moment. Nobody can go around a great factory in Australia and look at it, see the people on the bench, talk to the people who are in charge, without saying to himself, "But this is magnificent! There is a spirit, there is a vivacity in this thing!" Why can't we export? Somebody says, "Well of course there are other countries that have a much bigger turnover" and I suppose if we just sit down comfortably and say, "Well, he sells more therefore he can produce more cheaply", that will be the end of the question. I really want to say to you gentlemen, because I am a seething mass of confidence in the future of this country, I just want to say to you: Don't adopt a defeatist attitude on these matters. It may be that in order to get exports somebody may need to take a little less profit, somebody may have to achieve exports without profit, or, if you like, at some technical loss. But we will never be a great country in the world, economically, until we are supplying this massive market which lies just outside our doors.

With all the skill that we have, with all the competence that we have, don't imagine for one moment that because we pay people good wages (as we should) and give them good conditions (as we should), that we are contracting ourselves out of the markets of the world. I don't believe it. I think that this business of exporting the products of our factories is the great matter which in the second half of this century will determine the future of Australia. I believe that, I believe that passionately. And if the day comes, not in my time - (but then unlike the Premier, I am not immortal!) - these things won't come in my time, I don't very greatly mind that - but I would like to cock my ear up from whatever strange place it is that I am in in another 40 years and discover that just as in my own life time Australia stood squarely on primary and secondary feet in her internal economy, so she had taken her place in the world standing on the same two feet. Because when she does, you see what will happen.

Why do we have troubles about the balance of payments? Why do we have our overseas reserves running down? Why do crazy Governments at Canberra get worried about the balance of payments? - though importers apparently are not. Why? Why? Because, you see, we believe - and it is an old-fashioned belief - in national solvency. We believe that a nation like Australia ought never to get into a position in which she can't expect to pay her debts abroad - her debts for imports as well as other things - as they fall due. What we need to do in Australia is to get over all these fluctuations, which are inevitable in the present picture. We can't control the price of wool, we can't control whether there is going to be a drought or not, and therefore the sales of wheat, we can't control what the world will pay for meat or for butter or for eggs; and as an exporter of primary products we therefore stand right out, don't we, in the wind and the weather. If the price level falls then our overseas income falls acutely; and if it falls acutely then we are right up against the problem as to how we are to cut down our expenditure on imports - and we get right back to the old argument about tariffs and import licensing and all the rest of it.

Now these are important matters, but speaking as the temporary head of the Government of the Commonwealth of Australia for another five weeks, speaking in that capacity I want to say to you that I don't like this state of affairs. I would like to think that in due course we could take a

fluctuation in the price of wool - we could take a fluctuation in the world price of some primary commodity because we had built up an export income of hundreds of millions in the products of our factories, the products of our mines - all these things on which we are doing great and useful exploratory work today.

I hope, Sir, that I make the point that I am trying to make. There can be no avoidance of emergency economic measures so long as the economic emergency is one against which you have no protection. The right way to get a protection against it is to encourage everybody who manufactures in Australia - and I think we can do it at least as well as anybody else in the world - and to persuade every one of them to get into this business of exporting, to get into the business of making people in South East Asia, or whatever it may be, expect to buy Australian goods because they are Good, because they are well made, because they have quality, and because they have a price that is competitive.

Is this impossible? If I thought it was impossible I must confess I should go home and die in despair. I don't believe it is impossible. When I look back over what has happened in this country of mine and yours in my own lifetime, when I see the enormous development that has occurred, the great surge of productive effort, the great increase in living standards, I adopt as my motto that "nothing in my country is impossible". (Applause) And if that is right, and I make bold to say, Sir, that it is right, then the kind of argument that we have engaged in in 1961, 1960, with reserves running down and emergency measures becoming necessary, will be looked back upon, in another 20 or 30 years, as a sort of old wives' tale, just a piece of ancient history. Just as we look back on what happened in 1929, when we didn't stand on two feet in Australia, as a piece of ancient history, why shouldn't our sons look back on the passing problems of 1961 as a piece of ancient history?

Here we are growing in population enormously. Does everybody in Australia realise that we have received more new citizens into Australia in the last 15 years than America did pro rata in the great age of immigration into that country? Are we aware of that? Don't we know that here we are living in a country which is increasing its net population rather more rapidly than Japan is? We're a bit inclined to look about us in a melancholy fashion, to think about the problems that this population growth imposes on us. This is a magnificent thing, a proud thing. It means that 10½ million today, 20 million, then 30 million, we can look at the future with confidence. Am I to be told, or are you to be told, that with that growth in front of us we are incapable of meeting the competition of the world in markets of hundreds of millions of people, with steadily rising standards of living, only a few miles away from us? Sir, I don't believe it. What we need in Australia is a little less wingeing about our temporary troubles, and a great deal more honest belief in ourselves.

This is a great country - we may have confidence in it. And the first thing to do to have confidence in your own country is to have confidence in yourself! (Applause)
