

TEXT OF TELEVISION INTERVIEW GIVEN BY THE
PRIME MINISTER, RT. HON. R.G. MENZIES, ON
B.B.C. on 4TH JUNE, 1962

Mr. Robin Day: Mr. Menzies, we've read about your strong reaction on Saturday to the agreement which was reached in Brussels, whereby Britain would gradually do away with the Commonwealth preferences on manufactured goods from Australia and other Commonwealth countries. Now why were you so disturbed about an agreement which affects only about 2 per cent. of Australian exports to the United Kingdom?

Prime Minister: Well of course the effect of it depends entirely on how many more agreements there are to come. Because it will be the cumulative effect of these things which will be important, in the long run. Now this first one, as you rightly say bore on a relatively small amount of trade from Australia, much more of course from Canada. But when it was announced as an agreement, this at once provoked in our minds the question that 'Is this the end of it?' Is this a provisional arrangement? Or are we being told now that that is the agreement?

Mr. Day: Well, the British Government line has been that this can only be judged, and ought not to be judged except as a part of a package deal which is not yet completed.

Prime Minister: Well, I've been emphasising to them in my talks since, that that needs to be made clearer than it was at the time this particular agreement was announced.

Mr. Day: May I put to you what one Conservative newspaper said about your statement? It said 'It is a great pity that Mr. Menzies should make such an outcry over the settlement on manufactured goods. His Government knows that its main export interest will be well cared for.' And it goes on to make this point: The main commodity in Australian exports is wool, and it is already certain that there will continue to be free entry of wool into Britain and Europe.

Prime Minister: Well the writer of that is - like a lot of people he thinks that wool is our only export commodity.

Mr. Day: It didn't say that.

Prime Minister: No, but he rather implies it. Wool is looked after - wool is safe - yes. But we have many many scores of millions of pounds worth of other commodities, which are at risk.

Mr. Day: May I ask you about one point in your statement on Saturday in which you said that this agreement must not under any circumstances be taken as a pattern for the type of settlement which might be reached on other products. Now isn't that rather strong language for one independent Government to use to another independent Government?

Prime Minister: Well, I thought it wasn't very strong myself. You have to remember that these are our exports that are being dealt with - ours - these are our preferences that are being negotiated. Not your preferences into Australia - our preferences into Great Britain. These are the ones that are on the counter. We have a perfect right to express our views.

Mr. Day: Oh, certainly, yes. What was the reaction of the British Ministers at the weekend to your observations?

Prime Minister: I think they understood my point of view.

Mr. Day: Were they angry with you?

Prime Minister: No, oh, no. We know each other very well. We don't get into that state of mind.

Mr. Day: What safeguards Mr. Menzies -

Prime Minister: I may tell you that I - May I interrupt you?

Mr. Day: Please go on.

Prime Minister: We in fact have been, as they know, most co-operative. We might have said at the very beginning - 'Look, we won't have anything to do with this matter'. But we didn't do that. We have, through officials and other channels, put forward constructively, proposals without which Mr. Heath, as the chief negotiator, wouldn't have been as far forward as he is now. Of all countries we have been reasonable on this matter.

Mr. Day: Now what safeguards, Mr. Menzies, are you in fact demanding for Australia's interests?

Prime Minister: Well, you can't answer that except by answering in terms of about a hundred different commodities. But there is one point that we have emphasised though, and that is that we do not like this transitional period idea - what has been called the precipice by some people. That was involved, that was included in the hard manufactures arrangement that has been tentatively made, as we have by now learnt. But if you were to reproduce that in respect of dried fruits, canned fruits, wheat, butter, meat, so that all these preferential arrangements or their substitutes, went out by 1970, this would be in the highest degree unsatisfactory to Australia because we would have a decline in our production of these things, and our marketing of them going on steadily over a period of years. And that is why we said, both Marshall and I, that we didn't want to see this method reproduced down the line.

Mr. Day: Now may I ask you about some of the alternatives in this problem, Mr. Menzies? If we join the Common Market, the United Kingdom stands to get free access to the markets of Europe; now if we don't, as an alternative are you prepared to offer us free access to the Australian market, to take away your tariffs on our goods?

Prime Minister: But aren't you rather overlooking the fact that we have been giving you tariff preferences in Australia since Australia began practically?

Mr. Day: They have been reduced in recent years, haven't they?

Prime Minister: But their effectiveness, let me remind you, has been such that we have over the period of the last twenty years been Great Britain's biggest customer. In the last 30 or 40 years we have taken more goods from Great Britain though we have a population running from five million at the beginning to ten and a half now, we've taken more than the United States of America, with 180 million people. And this is, I think, very largely the result of the preferential tariff position enjoyed by British goods passing into Australia.

Mr. Day: But if we don't go into the Common Market there must be some alternative trading arrangement for us to gain benefit from, and this is what critics of your attitude maintain.

Prime Minister: Now look, I want to make it quite clear that whether Great Britain goes into the Common Market or not is a matter for Great Britain to decide. She knows far more about her business and her interests on those matters than I do; or than we do. That's not our point. We have said: Very well, if you want to go in, that's your decision, and you will cast up the pluses and the minuses, fairly enough. We know what the pluses and the minuses are in the impact on our own trade and we want to come out of this with as little injury as possible. Don't imagine for one moment that we expect to come out of this as a profit, we won't. We will lose something. But we want our losses to be within reason.

Mr. Day: Many people, Mr. Menzies, see this whole issue as a choice between the Commonwealth and the Common Market. Do you see it in that simple way?

Prime Minister: Well, I think that is over-simplifying the problem; I think the two things overlap; I wouldn't at all be disposed to be dogmatic on that matter. But just to take a simple example: if Great Britain goes into the Common Market, the Common Market has an internal free trade, no internal Customs barriers. Then certain products on which we now enjoy a preference, will be the subject of a preference to the European competitor, and we will have to encounter a tariff barrier. So that our preferences will be reversed into a preference for one of the European suppliers. Well, this may be the price of Admiralty, this may be one of those things that must happen, if you are going into a species of Customs Union. And we feel the merits of that kind of thing. But we, being of the same race as you are, are always prepared to have a good look at our own interests on these matters and protect them.

Mr. Day: Mr. Menzies, there has been some criticism in the press that you have doubtless read, about your motives in making your strong statement the other day. One was that you had deliberately overstated your case for tactical reasons in order to - with an eye on the harder bargaining which is to come on wheat and butter and all these other things -

Prime Minister: Well, I'm sorry to be disappointing on this matter, but you say it was a very strong statement and a provocative statement -

Mr. Day: I didn't call it provocative -

Prime Minister: Before it went out ...

Mr. Day: I'm not objecting to it -

Prime Minister: My only doubt was whether it was too wishy-washy.

Mr. Day: Well would you like to strengthen it now?

Prime Minister: I've never seen anything so built up and so dramatised - it's a perfectly simple statement. We don't want the rule that's been applied - to manufactures, to hard manufactures - to be applied down the line. That's quite true. They know that. There is nothing in our statement that hasn't been said a dozen times to the people conducting the negotiations.

Mr. Day: There is another criticism made of you which you have probably also read, that you made this protest, whether strong or not, to strengthen your somewhat shaky political position at home, where I believe you have a majority of only one in the lower House of Commons.

Prime Minister: I may say that I have never felt so comfortable in Parliament as I did during the recent sittings, with a majority of one.

Mr. Day: Can I go on -

Prime Minister: People think I am crying myself to sleep every night worrying about that - they're quite wrong.

Mr. Day: You said before you left Australia that you were coming to look into the political implications of this European question. Now one of the things you mentioned, whether Britain would become a State, part of the European Federation, what have you found out about this? Are you any clearer?

Prime Minister: No, I'm not, but I expect I shall be before I leave. I've already had one or two discussions with my old friend, Mr. Macmillan - we can talk to each other, we're old friends - and I'm seeing him again next weekend. And I hope to furnish my mind a little more fully.

Mr. Day: You have suggested that Britain as part of Europe can hardly be an independent member of the Commonwealth, those were your words when you arrived here. (Yes) What effect do you think that is going to have on the whole constitutional structure of the Commonwealth and the Crown, the Queen of course, being Queen of Australia as well as Queen of the United Kingdom?

Prime Minister: I think it will tend to - myself - loosen the structure of the Commonwealth, but the Commonwealth structure, of course, has been fairly well loosened in recent years: it's become a little less structural and perhaps a little more occasionally functional. And when you discuss it of course, you just mentioned the Queen, we are the Queen's men and women in Australia, we're monarchists; and there's a certain quality about the relationship between the monarchical countries which can't be reproduced by a form of words with other members of the Commonwealth.

Mr. Day: Do you think that would be affected if the United Kingdom were merely part of a European Federation?

Prime Minister: Well -

Mr. Day: Diminish the significance of the Queen...

Prime Minister: The longer this, well, that's true - but the longer I live, the less disposed am I to generalize about the future of the Commonwealth, because I don't know, quite frankly. But I do know this, that to me the great Commonwealth question is the relations between Great Britain and Australia. This is it. I know they are relations with other members of the Commonwealth too - I don't underestimate them - but when it comes down to brass tacks, to me the continuance of the Commonwealth is vitally associated with the avoidance of misunderstanding between Great Britain and Australia and their working together, economically and politically.

Mr. Day: Thank you Mr. Menzies.