

TEXT OF PRESS CONFERENCE GIVEN BY THE PRIME
MINISTER, RT. HON. R.G. MENZIES, AT THE
AUSTRALIAN EMBASSY, WASHINGTON, D.C., U.S.A.
ON 20TH JUNE, 1962.

QUESTION: What can you tell us, Prime Minister, of
your visit to the President?

PRIME MINISTER: Well, there's a communique out, isn't there?
That says what we both find ourselves able to say.
Personally, I thought the discussions were very,
very helpful. They were conducted in a very
helpful spirit. There has been a belief, I think,
perhaps in some parts of my own country, that there
is some very powerful opposition between the position
of the United States in relation to the Common
Market and the position of Australia. I think you
could sum it all up, after the discussions I've had,
by saying that the central feature was that if
Great Britain goes into the Common Market, and that
would be for Great Britain to determine, both
Australia and the United States, or in order of
magnitude, the United States and Australia, will
be outside the Common Market and will therefore
have some interests in common, very considerable
ones; because each of us would desire to maintain
our competitive status as a non-member of the
Common Market of the European Economic Community,
and that became common ground between us in the
course of these talks. In order to give effect to
some practical considerations - you may have noticed
in the communique that we said that the problems
arising out of Britain's proposed entry should be
approached not on any basis of theory or the use of
particular words, but on a practical basis, examining
commodities one by one, and in order to enable that
examination to proceed in a practical fashion, I
have arranged for the Head of the Australian Trade
Department, Dr. Westerman, now in London, to come
across and have further discussions with the experts
at this end. I think that fact will demonstrate to
you that we are not just up against a closed door,
but there is a feeling that if we can get to a
discussion of commodities one by one then it ought
to be possible to evolve proposals in regard to
commodities which would be acceptable to the United
States and acceptable to us, and much more importantly,
of course, acceptable to the Six. So that the
position is to be regarded as a flexible one. Dr.
Westerman, I might explain, is our expert who put
a full presentation of our case to the delegates at
Brussels quite recently and he is, on the official
side, our principal expert in these negotiations.
I haven't been negotiating, of course; I don't
regard myself as qualified to be negotiating about
a whole series of commodities. He's our expert when
it gets down to the retail business; I have merely
directed my mind to a few wholesale considerations.

Q. Can you tell us, Sir, what the main commodities
involved are?

P.M. Oh, well, there are a great number of commodities
that fall into this from our point of view. There
are certain base metals, particularly lead, sugar,
wheat, meat of various kinds, fruit in various

P.M.
(Contd.)

forms and so on. There are probably scores and scores of items, but these are among the major ones that are under consideration. So far as some of them are concerned, of course, we would like to see world arrangements, and there is a glancing reference to that in the communique. We would like very much to see a resumption of discussions for a world wheat agreement because the wheat problem won't be easily solved in the absence of a world arrangement. Similarly with metals. We think that international commodity arrangements on a world basis are very important.

Q. Sir, would you put a wheat arrangement ahead of British membership or can it wait?

P.M. I think the negotiations ought to go on right away, but if those negotiations succeeded, and you've got a world wheat agreement, it would take that topic out of the Common Market discussions, but knowing something about the long distance durability of negotiations about wheat, I would think that the negotiations with the Six will have finished before the negotiations about wheat.

Q. They don't seem to be very happy to talk about wheat while they're negotiating.

P.M. That's a matter for their own judgment.

Q. In that connection, Sir, there's a paragraph in the communique which says the Prime Minister offered the view that it would be a grave misunderstanding if, after the negotiations it turned out that the conditions laid down for Britain's entry were unacceptable to Commonwealth countries.

P.M. "Grave misfortune". That's an error. There's a misprint here. You've directed my attention to it - "The Prime Minister offered the view that it would be a grave misfortune". "Misfortune" was the word - "misunderstanding" doesn't make any sense "grave misfortune, if after the negotiations it turned out that the conditions laid down for Britain's entry were unacceptable to Commonwealth countries." Do you want me to explain that?

Q. Did the President agree with that?

P.M. This is a statement of the view that I was putting. The President is not to be treated as offering a view on that matter. Very naturally, because though he has an interest in the Commonwealth, he wouldn't want to buy into a discussion of that kind, I am sure. But the point that I've been putting here is this: Let's illustrate it. Suppose, as a result of the negotiations between Great Britain and the Six the best that could be obtained was that by 1970 all our present trade advantages should disappear. Suppose that happened. Great Britain would then have to choose whether to go in on those terms, terms which would involve bringing to an end the special Commonwealth pattern of trade or to stay out. Now, that's a pretty grave dilemma because to stay out would be to forego, what I believe is regarded in Great Britain and here, as the material advantage of Great Britain being in the European Economic Community and yet to go in, to get those advantages on terms which involves the termination of what I've called the Commonwealth pattern by 1970 would, I am perfectly certain, be unacceptable to the Commonwealth countries. And therefore this classical choice that's

P.M.
(Contd.)

been talked about a good deal - Europe or the Commonwealth - would present itself in a singularly naked form. That, I think, must be avoided, and one of my objects has been to emphasise here, in Washington, the nature of that choice and I must say that I've been quite pleased with the understanding of that point that I've encountered and a willingness to sit down and discuss, commodity by commodity, ways and means which might be put forward for preserving the competitive status of Australia, for example, and, at the same time, the competitive status of the United States - much larger interests in some things - but as I said earlier, both of us outside the Common Market and both of us anxious that the Common Market should not be established in such a fashion as to inflict damage on us or to prevent us - either the United States or Australia - from proper economic growth. These are wide, general words, of course. They have to be, but the thing I attach great importance to is the co-operative spirit behind them.

Q. Is some year other than 1970 acceptable to you?

P.M.

What, do you mean later? Well, that can't be answered simply yes or no. There are some commodities on which we would hope to have a world agreement made and under those circumstances, special arrangements made at this stage would need to be permanent. They would be merged into a world agreement when it was arrived at. There are other cases in which, where we now have tariff preferences in our favour, these preferences would become negotiable, as they say, in GATT, because that is the machinery that is provided for negotiating about these matters. You give up a right in order to obtain one. You do a bit of horse trading. But the machinery of GATT has always been available for that purpose and if negotiations of that kind occur, then the existing state of affairs would terminate. But you can't put a date to either of these things, they merely exhibit two possible avenues by which one procedure will be taken up and merged in another.

Q.

In paragraph 2, on page 2, you said it was agreed that the problems should be approached not on any basis of theory or the use of particular words - does this refer to Australia's insistence on comparable outlets.

P.M.

There have been, I think, two words or phrases that have had a good deal of currency. One is the great word "preference" on which almost theological arguments have been going on, to my knowledge, for thirty years, and we agree to disagree, but on this occasion, I said, "Well, let's forget about the words," because words don't matter very much; and, similarly, we have been putting forward alternative proposals to the Six, and through Great Britain, for what's been called "comparable outlets". Well, if that is a phrase that excites opposition, let's forget about the phrase. In other words, it may be that we can evolve some comparable outlets, without calling them such, and maintain some of the benefits that we have had in the past without putting a particular label on them. This is a purely pragmatic approach, and I think we both agree that we ought to move away from the world of dogma and become pragmatic on these matters. And that's the drill.

Q. Mr. Prime Minister, Soviet Premier Khrushchev offered a proposal for a world-wide trade organization, would you have any comment on that? And there was another related question - What is Australia's position on trade with the Communist countries? Do you favour more restrictions or less restrictions on that trade?

P.M. A world-wide trade organization, did you say? I wouldn't have thought that was practical politics, so stated. You can deal with a commodity, or commodities, on a world basis. There are one or two now which are the subject of world arrangement, but when you say, "Let's have a world wide trade organization", well, frankly, I don't know what it means. It will become so general in its description as to be ineffective. As far as we are concerned, we trade with Communist countries, yes. We export substantial quantities of wool and wheat. Recently, the Australian wheat farmers have sold quite large parcels of wheat to Communist China and the volume of trade is not big, but in the case of wheat it has recently been fairly substantial because of the shortages of foodstuffs in Communist China. We have certain rules that we apply about strategic materials. If the External Affairs Department regards any particular material as of strategic significance, then we won't export it to Communist China, but that's a limited list. Again, I think you could take it that our attitude is not a doctrinaire one. If Jones won't buy our wheat, then somebody will have to stop growing wheat unless Brown buys it instead. This is purely a practical approach to the matter.

Q. It is generally assumed that Australia is very interested in a peaceful settlement of the West New Guinea dispute. Did you see some kind of role, either direct or indirect, on the part of Australia, in trying to get this peaceful settlement through the Bunker proposals?

P.M. I would have thought the first condition for a peaceful settlement of the West New Guinea problem was for Indonesia to stop making war. I mean, that's very simple. Then there would be an atmosphere of peace and I think, myself, there'd be great hope of getting a peaceful settlement. The two parties don't appear to be all that distance apart over the Bunker proposals. There are differences of emphasis and differences of timetable but, really, in principle, I would have thought it was negotiable. But the atmosphere is clouded because of this quite extraordinary maintenance of armed hostilities by one of the parties while the talks are about to be resumed. I don't profess to understand it. I, myself, have twice received categorical assurances that arms would not be resorted to in support of the claims - once by President Soekarno himself; on the other occasion by Dr. Subandrio, the Foreign Minister. It is a very unhappy affair, but I am sure that if a peaceful settlement is desired, it would be much quicker if the hostilities so initiated were dropped.

Q. Mr. Prime Minister, do you favour the French idea of a high price for wheat and a limited market?

P.M. Don't ask me to go into the details of the matter because, first of all, they are very complex and, secondly, it's not my business on this visit to discuss them.

Q. Mr. Prime Minister, from what Mr. Heath has said in London, it looks as if the draft agreement for Britain's entry into the Common Market will be ready by July. Have you any comment on that?

P.M. Well, Mr. Heath is in the best position to know, I grant you. We are having a conference of Prime Ministers in September. In August, as you know, official London is not a hive of activity, and therefore, if the comprehensive series of proposals are to be put to the Commonwealth Prime Ministers, they will need to have been formulated by the end of July. As a matter of pure reason, that's right. But when I left London, some of the senior people were somewhat doubtful as to whether there would be such a comprehensive list by that time, but what they did hope was that some of the major matters might have been negotiated so that the Prime Ministers could see, in the broad, the shape of things to come. Indeed, they must get to that point because they meet on September 10th and it's no use going over there just to speculate about what might happen. It's much better to argue about what will happen, or what will probably happen or what can happen.

Q. Sir, would the enactment of the Trade Bill in Congress here be a workable alternative to the accommodation you are seeking with the U.K.

P.M. In itself, I wouldn't think so. No. It will facilitate negotiations, yes.

Q. Mr. Prime Minister, would you comment on the situation in South East Asia, and more particularly on the role of SEATO? Do you think it's finished, or is it a going concern?

P.M. I don't think that SEATO is by any means finished. So far as Laos is concerned, well, we are all looking forward now hoping, and I think not unreasonably, that the new government arrangements that have been made will work and that Laos will be able to take her position as a free and independent and neutral country. If that happens, the position of Thailand becomes more stable, less threatened. Of course the actively troubling spot at the moment is South Vietnam, but I think there is reason to believe that the position there is improving and I, myself, am pretty optimistic about it; in the absence, of course, of interventions by people not at present engaged. By and large, I think SEATO, although its means are not very extensive, has been a very useful instrument and it has maintained and attracted, the support of its members - United States, Great Britain, ourselves, for example, have all come to the party, both economically and otherwise. I think that as a result of all these things, there is a strengthening of morale in South East Asia, and a growing disposition to resist being overrun by other people. And anything that can be done to strengthen that patriotic, sensible view, ought to be done. I know that it's rather popular from time to time to say that SEATO doesn't matter. I think it does.