

STATEMENT BY THE PRIME MINISTER  
(RIGHT HONOURABLE R.G. MENZIES, C.H., Q.C., M.P.)  
IN THE HOUSE OF REPRESENTATIVES  
TUESDAY, 16th OCTOBER, 1962.

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THE PRIME MINISTERS' CONFERENCE AND THE COMMON MARKET

The Prime Ministers' Conference which began in London on September 10th was, in its own way, an historic event. I can well remember the time when there were five Prime Ministers sitting around the table. On this occasion, no less than sixteen nations were directly represented, most of them by Prime Ministers, but two of them by Ministers. Those who enjoyed direct and full membership of the Conference were the United Kingdom, Canada, Australia, New Zealand, India, Pakistan, Malaya, Ceylon, Ghana, Nigeria, Sierra Leone, Tanganyika, Jamaica, Trinidad and Tobago, Cyprus, while, following practice established in the past, the Federation of Rhodesia and Nyasaland was represented by the Prime Minister, Sir Roy Welensky. In addition, such countries as Malta, Singapore and Uganda were represented by their Prime Ministers, sitting as observers. This was therefore the largest Prime Ministers' Conference in history.

We met in Marlborough House, the famous palace designed by Christopher Wren. We met, therefore, in a place which was, itself, full of history, and old history at that, but we were making new history. Out in Pall Mall there were many people standing with placards and banners, most of which expressed opposition to the Common Market. The press gave great space to the proceedings, most of the newspapers being, as far as I could judge, strongly in favour of Britain's entry into the Common Market.

Now, in so large and diverse a gathering, it would not be reasonable to expect any high measure of unanimity. We were met to consider a great economic problem which is also a great political problem. But on the economic side, there is an extraordinary mixture of interests. The countries of Asia were largely concerned with such commodities as tea, cotton textiles, jute goods, and other products of their developing industries; the African countries with tropical products; the West Indian countries with tropical products, including sugar, in which, of course, Australia has a very material and indeed essential interest. Canada, Australia and New Zealand were largely concerned with temperate foodstuffs, with raw materials including certain metals, and with manufactures. Australia was also concerned with the way in which the products of Papua-New Guinea would be treated, including such products as copra and coconut oil. The countries of Asia were made offers which included the negotiation of special trade treaties between them and the European Economic Community. The African and West Indian countries were offered associate status under the Treaty of Rome, although most of them expressed an unwillingness to accept it. One has only to mention these problems even briefly to realise that we were not discussing at any given moment, any particular commodity in which we all had an interest; it became increasingly important to divide

the proceedings into committee stages in which the nations interested in particular commodities could take part.

Under these circumstances, it is not so remarkable that we failed to produce an agreed statement on all of the economic matters involved, as it is that we were able to produce a communiqué at all.

I should say at once that the Conference did not produce anything particularly new. Yet I do think it quite important that certain of its features should be put on record.

Mr. Macmillan, in opening the Conference, made a speech of great lucidity, a speech which expressed views which clearly he held very strongly.

I thought that he made it quite clear that the Government of the United Kingdom had come to the conclusion that entry into the European Economic Community was of essential importance to Great Britain for both political and economic reasons. He stated quite explicitly that Great Britain could not expect to have any steady influence on the formulation of Community policy from the outside. He thought it reasonable to suppose that if Great Britain were a member of the Community, its influence would be important and might be decisive. He thought that if Great Britain remained outside the Community, it would be inevitable that the realities of power would cause the United States to attach increasing weight to the views and interest of the Six and other countries who might accede to them. He thought it inevitable that the United States and the Community would concert policy on major issues without the same regard for British views and interests as present relationships with Washington afford. He felt quite clearly that to lose influence, both in Washington and Europe, would seriously detract from British standing and would greatly impair the usefulness of Great Britain to the Commonwealth.

I need not elaborate these matters. It is clear, and we should conduct all our own examination on this footing, that the Government of the United Kingdom has worked hard on the problem and has, under present circumstances, come to the conclusion that entry into the Community is something which must be achieved for the future of Great Britain and, in its view, the future of the free world.

As honourable members know, we have never assumed to sit in judgment on this point. We see the arguments quite plainly, and we appreciate, quite soberly, their weight. Yet, as every Prime Minister at the Conference agreed, the ultimate decision on these matters will be one for the United Kingdom and not for us. I will return to this matter at a later stage in order to express with more particularity the views which I offered on behalf of Australia.

On the economic side, Mr. Macmillan said that his colleagues and he felt sure that the consequences of joining the Common Market would benefit Britain from the economic angle. This, again, as it related to Britain, was a matter for their decision. As I said in my final remarks at the Conference, we could not sit in judgment on that issue because there must be a mass of economic arguments for consideration, pro and con, with which we are not acquainted but which have, no doubt, been taken into account by British Ministers. It would therefore be as wrong for us to be offering an uninformed approval as it would be quite wrong for us to offer a blank opposition to the decision which, in principle, they have made.

Towards the end of his opening speech, Mr. Macmillan made a point to which I later on referred myself. It is a point of considerable moment when we come to consider the effect that British joining will have on the existing structure of the Commonwealth. He recognised that, on the political side, the Community will either break up or grow stronger. This, of course, is quite true. I am not aware of any history of confederations or political associations in which there has not been either a tendency to break up or a tendency to become more concerted. I know of no example of such an association which merely stood still. Recognising this, Mr. Macmillan said that he believes that the European Community would be more likely to develop and to grow in political strength than to fall apart.

The Prime Minister was followed by Mr. Heath, the Lord Privy Seal, who is the principal negotiator in these matters with the Community. Mr. Heath gave us, with great lucidity and care, an account of the progress in the negotiations in all their various fields. That he has been unflagging in concentrated hard work and devotion is quite clear. We all had a great respect for him and his work.

In the case of the Asian countries and the African countries, considerable progress had occurred in negotiations. In the case of ourselves and Canada and New Zealand, the progress made has been extremely limited. In our own case, for example, there have been considerable discussions about world commodity agreements with particular reference to wheat. But on the other large matters that concern us, there was no progress to be reported. This means that in the negotiations which are now being resumed, very important Australian interests will be under consideration in relation to meat, dairy products, processed fruit, sugar, metals and so on. In other words, it would have been impossible for any Australian Prime Minister to give a general benediction to the British proposal to enter Europe, because we will not know for some time yet the terms that are to be secured for these important export commodities of ours. Until we know those terms, we will not be in a position to size up the effects for us of the bargain that is made.

Having said these things, I would like to say something more particularly about our approach to what I will call the Commonwealth problem. I endeavoured to analyse the matter in this way. Did the United Kingdom expect Australia, in a matter so full of implications for her, and with so many factors as yet entirely unsolved, to pronounce a general benediction on the enterprise? This, I said, was, of course, completely out of the question. Should we, going to the other extreme, object in principle to British entry? Should we simplify the problem by saying that whatever the conditions might be, Great Britain should not enter the European Community? Again I said that we could not possibly put ourselves in the position of objecting in principle, even though we had reservations in respect of the possible implications for the Commonwealth itself. But those reservations would not lead us into a position of blind opposition. The whole decision was one of historic and almost revolutionary importance. It would fall for decision by the Mother Nation, a nation of fifty million people, of great power and prestige and experience. It would not, under these circumstances, be appropriate for us to seek to dictate.

These two extreme views being thus disposed of, I pointed out that how Australia at the final stages would regard the terms of the entry, as distinct from the entry itself, was a question which no Australian Government could answer in advance. On the contrary, we must completely reserve judgment.

I then went on to explain more closely the nature of what I regarded as the Commonwealth problem. The Commonwealth, of course, has sustained many changes. In the days of the Balfour Declaration and the Statute of Westminster, it was a community of independent and autonomous States, equal in all things but united by a common allegiance to the Throne. The common allegiance has gone, except in the case of the monarchical nations, like our own. The Commonwealth has become a loose association of nations who value their friendship with each other, who recognise, for the purpose of their association even though they be republics, that the Queen is Head of the Commonwealth, and who, with some notable exceptions, enjoy somewhat similar institutions and traditions of government. But it is still true, however tenuous the nature of the association, that each member is, itself, sovereign and independent.

Now, what effect upon this body of ideas will be made by British accession to the Treaty of Rome? I am going to state the views which I put to the Conference. But I want to make it quite clear that whatever my views about the effect of accession upon the structure of the Commonwealth, I was not, and am not, prepared to say that Australia should seek to exercise a veto or use its not inconsiderable influence to persuade Great Britain not to go in on any terms.

The European Economic Community is, of course, at present far from being a Federation. It clearly hopes to have closer political union. Indeed, if it did not, it would be self-defeating. One of the great intended virtues of the European Community association is that its very existence and its mutual functioning will tend to reduce, and ultimately eliminate, those old hostilities in Western Europe which have twice in this century brought the world to the brink of disaster. Every European statesman will, therefore, naturally wish to see a closer and closer integration of political policies and a closer and closer economic co-operation. Under the policies now operating, there are large fiscal considerations. A common external tariff needs to be collected and this will mean very great sums of money presumably coming into some central treasury. Variable levies will be imposed on certain imports. These again have to be collected and handled. Inevitably there will be at the centre of the Community a large financial and administrative organisation exercising functions which, as we see them, are functions of government. They are not likely to be left indefinitely to officials, since the control of such great matters by a central bureaucracy would be inconsistent with British democratic ideas.

It seems to me, therefore, probable that, unless the association disintegrates, there must be, at the centre, more and more a body of elected persons exercising the powers and performing the administration involved in the further working of the Treaty of Rome.

The British Government says, and I have no doubt with the utmost good faith, that it is not contemplating a federation in Europe, that it looks at its political association in ad hoc terms, with periodical discussions between Prime Ministers, Foreign Ministers and the like, but without the creation of Federal institutions. I sincerely hope that it works out this way. But I keep remembering the undoubted truth of the proposition that political associations do not tend to stand still, that they go forward until they assume what we would call a Federal structure, or even a complete union in certain cases, or they come apart.

The next point that I made was that, should the day come when the European Community became a Federation with Great Britain as a constituent State, then Great Britain would cease to be a sovereign community. It would assume a position quite different from that which it now occupies or from that which is occupied by Canada or Australia or any of the rest of us. My point was that in a Federation, no State retains complete sovereignty; the sovereignty is, in a sense, <sup>divided</sup> ~~pooled~~. Each may exercise sovereign powers within its own field, but some of its sovereignty is shorn off and put into the central Federal authority.

I took the opportunity of referring to the fact that this great issue of State sovereignty was at the very heart of the American Civil War. There had, in that country, been several schools of thought. One was that

when the Federation was established, the States preserved their full sovereignty and that that sovereignty was paramount to the rights of the Union. Another school of thought was that State sovereignty was suspended by the Union, but was capable of revival by secession. And the third school of thought was that State sovereignty as a unitary whole was finally renounced when the Union was effected. There can be no doubt whatever that the third view was established by the Civil War. If it had not triumphed, then the United States of America would have achieved nothing like the cohesion, and strength, and growth that it has since this disastrous episode.

It seemed to me no more feasible to say that Great Britain's position in the Commonwealth would be unaffected by participation as a constituent State in a European Federation than it would be to say that Australia could join another great Federation and still remain an independent sovereign member of the British Commonwealth.

Now, of course, one answer to all this - and it has been clearly made in London - is that Great Britain has no intention of going into a Federation. I repeat that this must be accepted, and that if she does not, then much of the comment which I have made disappears.

I think that twenty years ago I might have become more impassioned about this matter, but the Commonwealth has changed a lot since then. Its association has become much looser. For most of its members, the association is, in a sense, functional and occasional. The old hopes of concerting common policies have gone. Under these circumstances, it may well prove to be the fact that even if Federation should be achieved in Western Europe, the anomalous position of Great Britain in the Commonwealth which would then emerge, would be regarded as no more anomalous than many other things which have been accepted, and with which we have learned to live. In any event, so far as Australia is concerned, nothing can shake us in our allegiance to the Throne, an allegiance which will always give us a very special relationship to many other millions of people in Great Britain and elsewhere.

If I have devoted a great deal of time and thought to these aspects of the matter, it has not been with any desire to be pedantic or obstructive, I have merely felt it my duty not to let a great and crucial Commonwealth event occur without some record of our basic views.

For the truth is that any argument of principle, any exposition of the hard practical realities of the Federal system, any traditional feelings we have, must yield the ground when it appears, as it does, that with all these considerations before it, the government of the United Kingdom has decided the political issue in favour of going into Europe. It is an historic decision. It involves great possibilities of advantage and disadvantage. There are material economic risks for us, to which I will return a little later. But, in the eye of the world, the major problem is for

Great Britain. Should she find that her voice in Europe is less influential than she hopes, and that alien political and constitutional ideas prevail, her risks are clear. Should the economic balance turn out to be to her disadvantage, her risks are clear.

Her government has considered all these matters, and has made a decision, at least in principle.

Under these circumstances, I felt strongly that we should not lodge an objection in principle, saying "whatever the terms, you must not do this thing!" We have no right to say it. We have no desire to say it. On the contrary, when the negotiations have ended, and our consultations are ended, we will be well entitled to assess and state the economic effects for Australia. But on the great issue we will hope and pray that the British judgment proves right, and that a stronger, more concerted Europe will result, with advantages for the peace and prosperity of the world.

This has been, of course, a difficult and anxious exercise. The temptation to engage in dogma has had to be resisted. While it has been, and still is, essential for us to battle for the best economic conditions for Australia, we have felt called upon to be careful not to create any impression that ours are the only interests involved, or to seek to force Great Britain into political or economic judgments which, in her considered view, might prove disadvantageous to her.

In the end result, therefore, we devoted much time, and will devote much more over the next few months, to the protection and expansion of our own development and trade. We have avoided hard and fast ideas; we have not just sought, vainly, to preserve the status quo. For Great Britain simply cannot secure admission to Europe taking with her the existing structure of Commonwealth preferential trade. But we have sought fair and reasonable opportunities to sell, at remunerative prices, to Britain and Europe the commodities we can produce efficiently. We have, indeed, construed the British undertakings to us as meaning this. We will be bitterly disappointed if events turn out otherwise.

In short, we have pursued a pragmatic approach to the economic problem, treating the political problem as one which is now beyond our jurisdiction, and making constructive proposals. As I said to the conference -

"If Commonwealth members, as individual nations, can have secured for them terms and conditions of trade which hold out a genuine prospect of increased access to the enlarged European Community at payable prices, and if Great Britain is right in thinking that overall increased trade with Europe will result from the enlargement of Europe, the Commonwealth changes will be accepted by many people, for purely practical reasons."

I turn, therefore, to those aspects of the economic problem which affect Australia.

The facts are that, both before and during the London Conference, we pursued a reasoned and reasonable course. It has to be remembered that Australia is not a party to the negotiations. Britain and the Six are the only negotiating parties. We have made clear both to Britain and the Six the nature and extent of our interests and have made constructive proposals towards safeguarding those interests. We have been positive in our approach. As I have said, we did not seek to retain the status quo. But, as so much of our export industry has been developed to satisfy trade outlets in a special Commonwealth structure, we have sought conditions which will preserve our access to Great Britain and the enlarged Common Market, will enable that access to grow as the Community grows and prospers, and will secure such access at price-levels which will allow Australia's export industries to grow and prosper. All this is quite fair. It is not greedy. It is not asking for guaranteed prosperity. It is not dogmatic or unreasonable. It merely says that, as the Treaty of Rome aims at increasing domestic prosperity, and an increase in world trade, Australia is entitled, in exchange for the British preferences she now enjoys, to her fair share in an increasing world trade on terms which will contribute to her own continued development. This is where we make our stand.

I interpolate at this stage that quite a few commentators in London seemed to think that preferences operate only one way. This is, of course, completely wrong. It has been a system of great mutuality. As I pointed out at the Conference, Australian trade with Great Britain has for a number of years shown a substantial balance in favour of Britain - a balance to which tariff preferences on British goods passing into Australia have made a substantial contribution.

There is, of course, a view that even if Britain entered the Common Market on terms which, initially, involved some cost for us, it would be all for our good in the not so very long run because of the great increase in prosperity it would bring to Britain and to the other Common Market countries. This cannot be taken for granted. True enough, if countries abroad, whether they be in Europe or anywhere else, grow in respect of population and industrial output and general demand for goods, there is at least a first expectation that they will need more of the sort of things we produce - foodstuffs and raw materials and the like - and so our exports to them should increase. But it does not necessarily happen that way; not unless one other great condition is fulfilled. Growth and prosperity in industrialised countries may not mean very much to us if, instead of taking more of our commodities, they set out to produce them for themselves behind protective barriers.



Have we reason to fear such a result in the case of the Common Market, enlarged by the accession of Great Britain? At least we have had some rather discouraging experience in recent years. For while growth in the E.E.C. countries during recent times has been very rapid, that unhappily is not true of our exports to them nor indeed of the exports of other primary-producing countries to them.

I may be allowed to quote a few figures to illustrate this. Between 1957 and 1961 industrial production in the E.E.C. countries rose by 30 per cent - outdistancing the growth of world industrial production through that period by 10 per cent. In the same years, however, exports of sterling area countries, other than Great Britain, to the E.E.C. countries rose by only 4 per cent. To other parts of the world they rose by a good deal more than this.

I have taken first this group of sterling area countries - mainly exporters of primary commodities - because they are a wide spread group and therefore diversified.

If we look at our own country alone we find that, through these four years when industrial output in the E.E.C. rose by 30% - a quite remarkable increase - our exports to them actually fell from £236m in 1957 to £168m in 1961 - a decrease of 29%.

I know that particular factors contributed to this fall - notably the decline during that period in the price of wool, which we sell in substantial quantities to Europe. But the larger fact remains - while industrial production in that region was growing at a quite remarkable rate, our exports to it did not increase at all - they fell quite heavily as the terms of trade moved against us.

We therefore cannot lightly assume a ready and certain compensation for any loss we might suffer from British accession to the E.E.C. through a lift in the prosperity of Great Britain and Western Europe. Because the hard fact is that, as a first consequence of that act, there would be not a lowering of barriers to our trade but in the case of Great Britain, an extension of them.

We are not alone in our desire for access and a fair price stability. Our discussions with the American Administration, both through Mr. McEwen and myself and the permanent head of our Trade Department, have clearly established two things.

The first is that the U.S.A. as a non-member of the European Community, like ourselves, shares our lively interest in avoiding a state of affairs in which Europe becomes economically self-sufficient or inward-looking. As exporting countries, we are both profoundly interested in

maintaining and expanding our access to an expanded European Market at payable but not extravagant prices.

The second is that, armed with the new powers of negotiation created by the Trade Expansion Act, the American Administration can contribute powerfully to negotiations with Europe designed to achieve the first objective.

Suggestions of "panic", sometimes heard in Australia, are absurd. We are a sturdy and resourceful people. We have fought and will fight our battles in the world markets with vigour and determination. But we will not silently abandon positions which have been hard won and strenuously sustained. There are many communities in Australia largely dependent upon the British market. We cannot regard any of them as expendable. We will await the results of the negotiations, having in mind our own legitimate interests and the adequate safeguards which have been promised to us.

What then, is the position as it stood disclosed at the end of the Conference, and stated in the final communique?

I will not try to answer this question in detail. But I should say at this stage that while the Minister for Trade and I have been involved in the political and economic aspects of the Common Market, the Treasurer, in London, New York and Washington, was concerned with the special financial aspects of the problem. He was able to encourage and to report a rapidly growing interest in the problems of primary exporting countries, and the need for effective international commodity agreements. I hope that the House will have the opportunity of hearing from him.

On the trade side, my colleague, Mr. McEwen, will fill many of the gaps in my present record. I take this opportunity to say that the Australian public will perhaps never fully know the full measure of the devotion he has shown, with no consideration of health or personal comfort, to the task of forwarding our interests in these great matters.

Broadly, the first thing to record is that, save for "hard manufactures" and cereals, with particular reference to wheat, Australia's exports have so far not been negotiated with the Six, though they have, of course, been extensively discussed between Australia and the United Kingdom. In this category fall substantial items such as beef and veal, mutton and lamb, sugar, butter and cheese, metals, dried and canned fruit, wine and fresh fruits and leather. We cannot at present prophesy the outcome of the negotiations. Plainly, we cannot comment on unknown results. But we can and do say that anything like a phasing out of our present preferences and agreements by 1970 without some other proper provision for preserving our market opportunities, would be vigorously resisted by us. When these negotiations are nearing conclusion, it is agreed that we can have further

conferences on the Ministerial level, either by ourselves or in concert with other interested countries.

The second feature concerns the making of international commodity agreements. Australia has, for some years, been perhaps the leading advocate of such agreements, driven on by the steady decline in her terms of trade. It has become, particularly in recent years, a characteristic of world trade that countries exporting primary products have seen a steady decline in the world price of these products, while their imports from the highly industrialised countries of Europe and America have risen in price. I will give one example. In the decade 1951-61, Australia's export prices fell by 42%, while import prices rose 6%.

Under these circumstances, it has not surprised us in the past to encounter on the part of some overseas countries, including Britain, considerable reluctance to make commodity agreements designed to produce a stable and payable price level for primary exports.

In our London discussions, we asked for a dynamic approach to the negotiation of international commodity agreements.

We argued that principles be followed on price, on production, and on trade access, and on a commodity by commodity basis, which would encourage maximum consumption, which would discourage uneconomic production, and which would offer security of access and stability of prices at a level remunerative to efficient producing countries.

We argued that the internal price policies of the enlarged Community should be such as not to stimulate internal production so as to reduce the access of outside suppliers to their traditional markets or so as to prevent the expansion of commercial imports as consumption levels rose.

We urged that talks between major countries interested in particular commodities should be called at an earlier date and certainly before the United Kingdom made its decision whether or not to enter the European Economic Community. For instance, we said that we thought that the G.A.T.T. cereals group might resume its discussion on wheat in the early part of next year. This would enable the possibilities as to the way in which arrangements for individual commodities might work out in detail to be decided in actual negotiations.

We realized that in none of these matters could Britain declare a policy on behalf of the Community. What we sought to do, was to secure on the part of the British Government a full comprehension of our views and of our trade needs so that they would be reflected and pressed in full degree in the further negotiations.

We indicated in a variety of ways that the forum of the G.A.T.T. should be used wherever practicable - reconvening of its cereals group, the discussion of the Community's price policy, the negotiation, in a manner analagous to tariffs, of levies on agricultural products.

We pressed this argument with vigour, especially in relation to the levels of world commodity prices.

In the result, though we did not secure full acceptance of our views, I think it right to say that a material step in the right direction was taken at the Conference, with, in clear terms, the full concurrence of Great Britain. Thus, in paragraph 9 of the communique, a paragraph in which the expression "Commonwealth Governments" includes the United Kingdom, it is stated that -

"To meet the needs of the producers of agricultural commodities, Commonwealth Governments will support policies and initiatives designed to maintain and expand world trade in these commodities and to improve the organisation of the world market in a manner fair alike to producers and to consumers. They will support a fresh and vigorous approach to the negotiation of international commodity agreements to this end. In any such approach principles of price, production and trade access would need to be applied, on a commodity by commodity basis, so as to encourage maximum consumption without over-stimulating production and to offer to efficient producing countries adequate access and stable prices at a fair and reasonable level."

Later on, in paragraph 12, which was inserted by the request of the British Government as setting out in summary form their own attitude, it is stated -

"Thirdly, as regards temperate products, the enlarged Community would make, at the time of British accession, two important declarations. One would express their intention to initiate discussions on international commodity agreements for temperate foodstuffs on a world-wide basis. It would recognise the greatly increased responsibilities of the enlarged Community by reason of its predominant position amongst world importers. The second declaration would relate to the price policy of the Community. While taking appropriate measures to raise the individual earnings of those engaged in agriculture in the Community, the Community would do its utmost to contribute to a harmonious development of world trade providing for a satisfactory level of trade between the Community and other countries, including Commonwealth countries. British Ministers considered that the policy which the enlarged Community intended to pursue would offer reasonable opportunities in its markets for exports of temperate agricultural products."

References were quite frequently made to the need for "Trade not Aid". But this needs to be more than a slogan. The practical problem is well expressed in paragraph 7 of the Communique -

"They note with concern that trade and industry in the developing countries, as well as in some of the more developed countries which are large producers of primary products for export, have been adversely affected by widely fluctuating commodity prices and a progressive worsening of the terms of trade. They see this as a problem which calls for progressive policies in relation to international trade and finance so that demand for the products of those countries can be sustained and increased, and larger and more dependable trade outlets assured to them."

We have throughout emphasised our belief that the expenditure of many millions on aid to developing countries defeats itself if the products of those countries are excluded from the markets of the donor countries. In other words, aid tends to defeat itself unless it increases trade. Commodity trading agreements which raised the price and increased the access of the export commodities of what I will call the new world by even a small percentage, would be of more value, for development and good will, than all the financial grants put together.

If the proposed declarations about commodity trading agreements are vigorously followed up, with the prospective co-operation of the United States of America under its new Trade Expansion Law, some of our own problems may be resolved and the world's trade will be on the way to becoming healthier and better balanced.

Before I conclude, I would like to return to what is, in hard fact, the core of the problem.

That problem is access to the enlarged Europe, and fair prices.

The Community as at present constituted arrives at its own price structure and mechanism. If Great Britain enters, she will be a party to these decisions. Are these to be arrived at without reference to outside suppliers? We believe that there should be, in a periodical way, consultation between the Community and exporters like ourselves. We see the established machinery of G.A.T.T. as ready-made for this purpose. Failing such consultation, we see, in the European market, a precarious future for our exports. We believe that Great Britain understands this problem and that, in Europe, she will exercise her influence in the direction which we seek. But there is a great responsibility on the present negotiators.

We took the opportunity, in London, of reminding those concerned that the Six had a great responsibility not to insist upon conditions of

British entry which would weaken either the growing members of the Commonwealth or the cohesion of the Commonwealth itself. We thought that the present community should be aware that its "grand design" of growing economic strength and the furtherance of international trade and prosperity could wholly or partly be defeated if the interests of the Commonwealth, so essential to the "grand design", were either set aside or materially prejudiced.

In the result, the communiqué included the statement that -

"The representatives of the other Commonwealth countries .... expressed their hope that the members of the European Economic Community will wish to preserve and encourage a strong and growing Commonwealth, in furtherance of their own ideals of an expanding and peaceful world order."

I add, for Australia, that the next few fateful months will show whether that hope is to be realised.

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