

FOURTEENTH COLOMBO PLAN CONFERENCE HELD IN  
MELBOURNE DURING OCTOBER - NOVEMBER, 1962

Consultative Committee Meeting held on  
12th November, 1962

Inaugural address by the Prime Minister, Rt. Hon. R.G. Menzies

Mr. Chairman, ladies and gentlemen :

It gives me very great pleasure to welcome you all to Australia and to this Meeting.

We played our own part at the time of the foundation of the Colombo Plan and since then we have maintained a very, very close interest in it. I don't think that anybody would have thought ten years ago that it could have reached such proportions as it now has, or have been responsible for so much assistance to new countries as it has in fact provided over the last decade. All this is very satisfactory, but it is no real reason for us becoming smug or self-satisfied because there is much to be done.

One of the things that strikes the observer in recent times - I'll say broadly in the period since the last war - is that many countries have emerged into political independence, political independence being something very dear to the heart of man, but they have not necessarily at the same time emerged into economic independence. There are many politically independent countries in what is called the New World which still have great economic problems and one of the basic ideas of the Colombo Plan was, of course, to try to attack that problem by giving effective aid for the raising of economic standards and of living standards, but great difficulties have presented themselves.

We have quite a few illustrations in these times of great financial aid being given to nations - financial aid designed to help them to develop their own production and to export the products of their labours - only to find that when they are ready to export them they are confronted by high tariff barriers or by fluctuating prices or by some other uncertainty in the world market which tends to defeat the effect of the aid that they have been given. This to me is one of the very great problems of our time. We discussed it in London at a Prime Ministers' Conference. It has been discussed elsewhere from time to time. I believe myself that there is a growing consciousness of this problem right round the world. For indeed it is quite clear, quite elementary indeed, that a nation which is, as I have described it, coming into the direction of economic independence - striving to back its political independence with a genuine strength in its own country - it is quite clear that that is a country that needs to be able to import capital goods.

Even we in Australia who are, relatively speaking, a highly developed country and a highly industrialized one, still need capital beyond the amount that we can generate ourselves out of our own savings. Fortunately for us - no doubt as the result of the rescuing virtues of the Government - we still receive year by year very large sums of capital inflow from other countries. If that is true of us it is doubly true about a great number of the countries represented here. They can't hope to produce all their capital from their internal efforts and therefore they must be able to get from overseas, capital, capital goods, capital equipment, of the

kind that they will need for developing the resources of their own country. And if they are to do that and not get these things merely as a donation forever, then they must be able to earn these things by the export of their goods to the rest of the world.

This is the final state of national dignity when each nation pays its way by selling to the world what it produces and getting from the world what it needs, and that's a tremendously important thing, not only economically but humanly and we have, as I am sure you have, time after time pointed out to some of the great industrial nations of the world how self-defeating it is to provide money even on the most lavish scale without contributing to a stability of world markets, an assurance of world markets, some guarantee that prices will be profitable prices, payable prices.

This is of the essence, I believe, of any new economic world order and we must all work towards it. If we do, the Colombo Plan will increasingly find itself coming in aid of national development, a development soundly and hopefully to be engaged in because of the knowledge that what is produced will find a market in the world at a price which is adequate to the labour expended on it.

I am a little optimistic about modern developments on this. In the London conference of Prime Ministers, a great deal of headway was made in relation to it. There has, I believe, been a considerable amount of headway, though it is as yet a little indefinite, in discussions among the European powers. But increasingly we, and for that matter, most of the Prime Ministers who were at that conference, were convinced that the problem I have just been discussing is at the very heart of the developments of the next fifty years and, unless the problem is solved, such frustrations will be developed, such hostilities will be developed, that all the generosity in the world will meet a poor response. The real generosity in the world, great as it has been in this Plan, wonderful as it has been, the ultimate generosity will be the helping to establish new nations with proper markets for what they produce and steadily rising living standards. This will be the ultimate proof of what's done.

Before I conclude Sir, I'd just like to say that there is another aspect of this matter, it's really another aspect of the same point, and it's this. There has been for a long time in the world a tendency to classify nations as those who have and those who have not, and undoubtedly there has been a big gap between the standards of living of the heavily industrialized, capital-rich countries and those who are in a more primary state of development. The trouble is that that is a gap which tends to widen because the rate of advancement in countries of great technological skill is more rapid than the rate of advancement in countries engaged in primary industry. Therefore unless we watch it we will find that with all the goodwill in the world this is a gap which widens, and if that gap widens too much then the tensions in the world, the hostilities, the misunderstandings will grow deeper and more serious. And the way in which to avoid that, of course, is again as I say, to take every conceivable step to add to the rate of economic growth in the nations which I have described as the newly-emerging nations of the modern world.

Sir, I know you have all these things in mind; in fact I rather gathered from one paper I saw that this is going

to be among the themes that you consider on this occasion, and so I content myself having taken up your time to that extent by saying for myself and for the Government how delighted we are to see you here. Nobody would have expected ten years ago to see so many nations represented here, such a diversity of interest and of talent, and if, between all these things, you can't produce some results which will add to humanity, add to civilization, add to growth and brotherliness, then I shall be grievously disappointed.

I welcome you very much,

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