

ANNUAL MEETING OF THE FEDERAL COUNCIL OF THE
LIBERAL PARTY OF AUSTRALIA HELD AT CANBERRA

ON 15th NOVEMBER, 1962.

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

Mr. President, Ladies and Gentlemen;

I think I ought to begin by making a personal explanation. I am not really responsible for these twins. (Laughter) The reason I wasn't here this morning was that I was somewhere else. That's a very sensible reason. I was opening the Colombo Plan Conference in Melbourne. I went down yesterday. Just before I left the news was broken to me about these twins, so when I arrived in Melbourne I drove straight down to have a look at them. I didn't recognise them in the picture in the "Sun" this morning or whatever paper you read. (Laughter) One of them in that picture looks singularly like Winston Churchill (Laughter) The other one's features were not visible because he was bellowing, but my son assures me that he bears a striking resemblance to Lindsay Hassett the cricketer (Laughter) So life is like this and having got over this shock, I opened the Colombo Plan Conference and here I am.

I think I ought to begin by making one or two personal references. The first I am sure you would all wish me to make is to Bob Willoughby. Bob Willoughby is a most able and devoted servant of this Party. (hear, hear) There's no doubt about that. But in spite of the uncomfortable position he is in, he will go down in history as the only devoted and able servant of the Liberal Party who ever went fishing on horseback. (Laughter) And I must say that I seize the opportunity of speaking about him in a friendly way because he's really been a very remarkable man for us ever since he was a boy.

The second thing I would like to say is about the President - one of my very oldest and closest and stoutest political associates - a wonderful man who always pretends that he's not. That's Phil McBride. (Applause) He was kind enough to send me an indication of what he was going to say, this morning and I cast my eye over it and I saw that with his usual - well, I'll say no more than that - he said that I would say something to you about far-reaching events shaping the history of the world at the moment. That's a pretty good assignment. (Laughter) But I can say something about some of them and perhaps in a cheerful way, because if there's one thing that stands out in this calendar year so far, it is that though our majority has been sketchy, our morale has been good. (Hear, hear) And I, myself, feel that we have made distinct progress in the political field in the last nine or ten months. Only the future can prove whether that's true or false, but I feel it and I think most of us at Canberra would feel that that was so.

Our opposition hasn't been tremendously effective. It's been added to in numbers but I don't think added to remarkably in talent, and as far our own people, they have been in good fighting shape. Therefore, I can report to you most hopefully about our Federal political position.

Well now, Mr. President, you said something about far-reaching events shaping history. I won't endeavour to cover that ground but I would like to say something of two or perhaps three of them.

The first relates to recent events in relation to Cuba, which are not events confining themselves to Cuba but are, I believe, events of most tremendous historic significance. It may very well be in due

course that people will look back and write about these things and find that President Kennedy's action in relation to Cuba was one of the turning points in modern political history, in modern international history. (Applause) I have no apologies whatever to make when I tell you that when his speech was coming through, we were about to begin a Cabinet meeting, and we discussed it, and we agreed that I should go in at half past two when the House met and make a clear-cut statement on this matter. There are all sorts of people who want you to hesitate and say, "Well, let's see what somebody else says. What will be the reactions here or there." The fact is that the statement made on behalf of Australia was the first statement in support that President Kennedy had from any country. (Hear, hear) (Applause) And as I am sure that, like myself, you attach enormous importance to Australia being en rapport with the United States of America in the defence of our security and the security of the free world, you will understand how important this was from our point of view.

I suppose that there are people - in fact I know that there are people - who think that the right policy for Australia is to be slightly isolationist, perhaps to an extent, neutralist, or to use the more polite expression, I believe, non-aligned. I think people of this kind, and there are quite a few on the left-wing of our opponents who think that way, people of that mind must have had a tremendous awakening in the last ten or fourteen days. They have seen the prodding, the pushing, the threatening of the Soviet Union halted in Cuba and indeed, retreat in Cuba, because one man, representing an immensely powerful country and being, himself, of strong mind and purpose, said, "This is where you stop." I have been looking for this, hoping for this for two or three years. I have had the opportunity of discussing things with President Khrushchev - this man is no fool. He's an earthy, robust character, but for these two or three years, I have been saying to some of my friends, and indeed to many of my friends, what is needed is that a man of immense power, with immense power behind him - and therefore he must be either the President of the United States or the Prime Minister of Great Britain - the time must come when that man will sit down, physically or metaphorically opposite Khrushchev and tell him, "This is where you stop" and make Khrushchev believe him. That's the essential point. Because old K, you know, regards most of the Western talk as bluff. He smiles and shrugs his shoulders and says, "Oh, well, they won't do anything." Now, on this occasion, action has occurred, strength has been manifested, and in the result, this is the first good thing that has happened from the point of view of the free world since the cold war began. (Hear, hear) We are not to boast about it. We are not to pretend that this is the end of the contest. Of course it isn't. But it is a measure, a step, an exhibition of determination that the world has needed for a long time, and that the world now has.

These left-wingers think Australia ought to stand aloof. Well I suppose there is something rather comfortable about Australia standing aloof from her friends, but would we be happy if our friends stood aloof from Australia. They never think of this; they never think of mutual agreements as having a two-way operation. It never occurs to these left-wingers who after all, no doubt, desire the Communist success in the long run, it never occurs to them to think that all these things go two ways. We are a small country, a relatively weak country and Great Britain is a relatively large country and the United States of America a vastly large country with enormous strength. But all the big countries need friends. It's very important to be among them.

I remember some years ago making a speech in the American Congress, taking this as my text. I said, "You know, right through the nineteenth century and into the twentieth century, Great Britain was the greatest power in the world. How many friends did she have? Not many." Not many. In Europe, there was resentment - there is always resentment of great power, there is always jealousy of great power. The whole skill of British diplomacy in the nineteenth century was exercised in order to prevent enmity, resentment, in this European country or that from becoming too clear. If the French referred to Great Britain as "perfidious Albion", it was a mere manifestation of this fact that in the history of nations enormous power will always produce, on the rebound as it might be, hostilities, jealousies, resentments. And so, I said "You, the United States, now the greatest power in the world, have plenty of critics, plenty of opponents. Some of those whom you have helped most resent the help most. You are like Great Britain in the nineteenth century, you need friends and I am happy to say, as I can say about Great Britain itself that we, in Australia, are your friends." And they understood this completely. And it's true. We are not to blow out our bags and think that we are the important people who determine the current of events. That's not right. But we are always to realise that a country like our own which manifests its friendship and association always has, in the long run, a proper advantage from it. And therefore I reject these ideas of isolationism. But as for those who like to suggest, to hint a little that we ought to be neutralist, keep out of trouble, they must have learned a lot in the last fortnight. After all, the great exponent of non-alignment in the whole of Asia has been India and India finds herself, having kept up her bridges with Communist China, having interpreted the West to Communist China and having sought - and very properly too - to interpret Communist China to the West, now finds herself, in breach of every rule of decency, invaded by Communist China, fighting, and in a sense, fighting for her life. I think this will have some effect on neutralist ideas in the world. Modern history contains no record of any neutral nation which, by its neutrality, achieved immunity from attack, and when it is attacked, it needs friends, and when it needs friends, it must, to that extent, forget about non-alignment and say, "Come and help us." Well, we've never been non-aligned, we've never been neutral. We have all our lines cut and have had them out for many years. We don't need to make any special appeals. Now I want to say no more about that. I merely say that I think that this whole episode - the episode in Cuba and the episode in India - will have a marked effect on contemporary history and the effect will be one which ought to be entirely favourable to our own ideas and our own national security.

Now there is a second matter that I would like to mention, Mr. President and that is the declaration made by the A.L.P. in favour of a nuclear-free Southern Hemisphere. This has at last emerged. This is the Labour Party's policy. This is a by-product of what I've chosen to call isolationism or hoping-to-be-left-alone. And they say, "well, now, let's start by saying that South of the Equator - because that, I believe is the Southern Hemisphere - everything that we can do will be done to see that there is no nuclear establishment, no use of nuclear weapons, no storing or application of nuclear weapons. This is a cordon sanitaire around the world, the equator, with Manus Island south of it and our Territories south of it and, of course, ourselves south of it. Well, this to me, as I said the other night in Sydney is the very definition of suicide. Because if it is supposed to mean anything, it means that

we must say to our nuclear-power associates - to Great Britain, to the United States of America - "Look, sorry, we are delighted to be with you in SEATO, we are delighted to be with you in ANZUS, but if there is any attack, you must understand that under no circumstances do you deploy nuclear weapons south of the equator." Do you suppose that the United States of America would tolerate such nonsense for half a minute? I jolly well know they wouldn't. Do you suppose they are going to enter into obligations with us as they have in both SEATO and ANZUS and then be told by us that if nuclear weapons are used from the north of the equator and come down, they must stand munchance; they can't use any retaliatory weapons from our territory or, indeed, if we have our way, from any country south of the equator. This is nonsense. It exhibits a complete confusion of mind. I don't believe myself that nuclear weapons ought to be spread indiscriminately around the world. I have more than once indicated that for ourselves we don't desire to have nuclear weapons because there are a lot of countries who don't desire to have nuclear weapons. So long as they are in the hands of two or three great powers, with some feeling of responsibility, then the chance of an accidental nuclear war will be substantially diminished and, therefore, we have never said, "Sprinkle them around." But suppose there is a great war. Do we need to be warmongers to suppose such a thing? Suppose there is a great conflict in the world, and suppose nuclear weapons are being used, are we so bent on self-destruction that we would say that under those circumstances our great allies are to keep clear of us and to avoid using our territory to launch weapons, although that might be the place from which to launch them for a determining strategic blow. When I said something about this in Sydney, I noticed my distinguished friend, the Leader of the Opposition, said - he appears to make a statement each weekend, Arthur does - "This is silly. It already applies in Antarctica." Did you notice that? As some newspaper said, "Down among the penguins, there is no talk of nuclear war." We are talking about human beings in a great country like ours which will someday be much greater and about the ultimate security that we must have in the face of nuclear Communist attack. Well, there it is. I don't know. I get a little worried about the Labor Party in my Parliament. I know nothing about the one in yours, Henry, but I get a little worried about the one in my Parliament, because they always let it be known, some of them, that they have no connection with the Communists, yet they seem to have a remarkable community of ideas with them on some of these matters. The other day somebody took the trouble to send me a copy of the Communist Review, a well printed paper - it ought to be, the Communist Party has more money to spend than, I think, the Liberal Party. But there it is - the Communist Review. And there is a powerful article by Mr. Ralph Gibson, who I think once did me the honour of standing for Keoyong but, anyhow, he's a very prominent intellectual among the Communists. May I read you just two passages from it, and they are not without value?

"The new stage of the war preparations of the Menzies Government was dictated by the American imperialists who want to make Australia a major nuclear war base directed against the rising people of South East Asia. In the light of this we can see the tremendous importance of the A.L.P. declaration in favour of a nuclear-free Australia and a nuclear-free Southern Hemisphere. That declaration cuts clear across the policy of the United States Government and Menzies."

Well, that's a good, forthright observation. Then he goes on to say to himself, "Now how did such wisdom emerge from the A.L.P. at long last?" And he provides the answer. "The A.L.P. declaration is the result of years of action by the forces working for peace." (You know who they are) "Years of growing mass revulsion against the horror of nuclear war." Then he goes on to make a glancing reference, as we say in Parliament, to the massing and marching of hundreds in Canberra, and that's had a big effect on Federal politicians. And therefore, he ends up by saying, "These ideas are a part of Labor Party tradition as reflected in the Hobart decisions of 1955, in several speeches of Chifley and in the declaration against the use of Australian military forces in Malaya. It is an urgent question for the whole Labor movement that the A.L.P. should take up the same stand on Viet Nam and the other South Eastern countries as it has taken up on Malaya." Now, here's a remarkable brotherhood of mind, don't you think, with the Communist boys taking credit for this glittering result. This - well, this declaration and quite frankly, I am not going to use its extravagant language, I would regard as preliminary notice by the Labor Party if it wins the next election, that it will cancel the ANZUS pact. It must mean that if it means anything, unless somebody is foolish enough to think that a great power like the United States, supposing it becomes involved in a great struggle, is going to allow its allies in the ANZUS pact to retreat and say, "Nothing doing. You must not launch any of your powerful attacks from our soil." Now this is a serious matter. It is a matter that I have, myself, had the opportunity of discussing in Washington. It is not to be laughed off. Let the Labor Party go into office and let them apply this policy and I venture to say that the relations that we have with the United States, so zealously built up over the last ten or twelve years, will suffer an irremediable blow.

Now, Sir, the next matter that I thought I might say a word to you about is, and I suppose it can't be avoided, the Common Market. I am not going to endeavour to say anything very fresh on this matter because there is nothing very fresh to be said. I think the outstanding development in the Common Market negotiations since the Prime Ministers' Conference has been that the Government of the United Kingdom has had an overwhelming vote in the Conservative Party in favour of going in and only the other day, had an overwhelming vote in the House of Commons to support the steps that had been taken. Now you may, as I sometimes do myself, wonder whether that is a very good negotiating position to be in. You may wonder whether it is a very strong position to be saying to the Six when you are negotiating with them, "Well, look, we must go in anyhow." I would have thought it was not, but still, they know their business better than I do. But I think we have now got to a point when, in all probability - not certain, of course; nothing is certain - but in all probability, Great Britain is going in. Therefore, we will have to think of this matter increasingly as one of the facts of life. In all probability, within twelve months, Great Britain will be a member of the European Community. What effect that will have on the Commonwealth structure I have spoken about at great length with considerable emphasis and I don't want to argue about it. Personally, as you know, I think that loose confederations either break up or they get closer. They end up by a dissolution of the idea or they end up as federations. That has been the history in the United States; it has been the history in the West Indies where they began to think they had a federation but because the pulling-apart forces were too great, it broke up and now we have a series of separate Commonwealth countries in the West Indies. In the Federation of Rhodesia and Nyasaland, where Sir Roy

Welensky is struggling hard to preserve the Federation though the odds appear to be slightly, at any rate, against him, the pulling-apart movement is on. Therefore, I have resolved all this constitutional thing in my own mind by saying, "Well, you go into Europe, you tell us, and I believe you, that you don't want to go into a federation, you don't want to become a state in a federation of Europe, but you do want to get the advantages that can be got out of an economic union, out of an increased home market, out of all the prospect of greater efficiency and lower costs and more things to sell around the world. Well I understand that, but if you go in like that, you must want it to succeed, you must want to get the highest possible measure of economic unity and the more of that you get, the nearer you are to a political federation." Well, I hope I will be wrong on that matter, but as nobody would engage in the nonsense of going into the European Community with the idea of breaking it up but only with the idea of building into it and helping it to build itself to more and more unity and more and more strength, then it seems to me to be practically inevitable that federal political principles will come to be applied, that there will be a considerable concerting of political policies of all sorts and that in the result, Great Britain will tend to become a State in a European federation. That is not a view that is universally held. I hold it myself very strongly and have expressed it in the Conference in London as clearly as I could. The British Government doesn't agree with it, but they will be making the decision, and if they make the decision and if their movement into Europe becomes a profound success and if this strengthens the economy of Great Britain, then we will all be happy, but we will have to revise some of our ideas of what the Commonwealth means. Still, I have had to revise so many myself in my own time that perhaps I can accommodate myself to another revision.

But one thing does emerge from it, that the old days of the pattern of trade in the Commonwealth based on free entries and on preferences - all these mutual arrangements that have been going on for so many years - are coming to an end, and we will therefore increasingly have to stand on our own feet and pursue our own trading policies and try to persuade countries all round the world to agree with them. That means two things for us - one is that our already great activity of promoting overseas trade will have to be increased more and more. We are succeeding, I think, rather remarkably from what conversations I've had, in getting more and more manufacturers in Australia to understand that they must manufacture for export as well as for the local market, because until we have reached a stage in Australia when exports of manufactures assume a substantial place in our export income, we will be subject to recurring troubles about balances of payments because our position will depend almost entirely on whether wool goes up or wool goes down or whether there has been a drought in wheat or whether something happens around the world.

Exports of manufactures are, over the next ten to twenty years, vital to a healthy state of Australia's balances, and I think that more and more manufacturers are realising that. I have met quite a few who have told me that they have come to realise that in order to get this extra business it would pay them to sell without profit or to sell at a loss in order to find their way into an overseas market and this, of course, is true because their turnover is going to have a great relation to their ultimate costs in Australia and we can't have these things done by pushing up the costs of the primary industries. They are now, and they will be for many, many years to come, the very heart of our international economic existence.

The second aspect of that matter is one that I made some reference to this morning in Melbourne at the Colombo Plan Conference. It was greatly discussed in London at the Prime

Ministers' Conference. One of the ironies of the post-war world has been that great nations like the United States of America and small nations like our own have, in varying degrees, found very large sums of money for the economic assistance of new nations in the world, particularly in Africa and Asia, particularly, in our case, in South East Asia. These great sums of money have been found and they are designed to help these countries someday to meet their political independence with a measure of economic independence, enable them to produce more things on their farms, in their fields and in such factories as they develop. But when all that's done, what happens? Some of the great donor countries will then say, "Sorry, we can't take your commodity. We have a tariff against it or we have some protection against it, and it's just too bad." The result is that, particularly the more undeveloped countries, but it also applies to us, have been living for ten or fifteen years on adverse terms of trade in which they find the average price of their exported commodity falling and the average cost of the things they buy from the rest of the world rising. This is true of Australia. There has been a tremendous fall in the terms of trade so far as we are concerned and it goes for a lot of these other countries that I have in mind and, therefore, we have been advocating that rather than think of it as a mere matter of money-in-aid, the great industrial powers of the world ought to sit down with the rest of us and work out commodity agreements which will maintain a reasonable and payable price and an adequate market for the things that are produced in the countries that get the aid.

The old slogan - not so very old now - was "trade not aid" and for once it happens to mean something. If you could raise the price and maintain the markets of the primary commodities produced in Colombo Plan countries by five per cent., it would do more good than all the millions and hundreds of millions that have been paid to them. This is a very great problem in the world and we propose to continue to devote our efforts to it. Indeed, we have a selfish, a properly selfish interest in this matter in Australia because if the old traditional preferred market is to go, then we have a lively interest in having world commodity agreements which will enable the things we produce to pass into adequate markets particularly in the Old World, but to a large extent in the New.

Now the last thing, Sir, that I want to say is this. We have been in office now for twelve years or more - it's getting near thirteen years - it's been a very remarkable period. In fact, the whole post-war period in Australia has been very remarkable because so much effort has been directed - and I don't say improperly - to what I will call the redistribution of wealth, the whole social service structure, the whole taxation structure.

These things have been designed, consciously, unconsciously, both in the direction of redistributing, of getting rid of the acute chasms between great wealth and great poverty, and a remarkable job has been done in that field. But we are now reaching a point of time when our great task is not just to think about redistribution as if the thing to be redistributed could be taken for granted; we are beginning a period in Australia in which our major task is to create - to create wealth, to create more resources, to create trade, because to redistribute a static quantity with a growing population is, of course, the very definition of despair. It is a creative task, and this is the Party to engage in the creative task. Not a party that has old shibboleths of socialism hanging around it, but a party that really believes in its bones that the task of government, when it sets out to create, is to encourage the private citizen to create, to encourage him to have confidence, optimism, a conception of the

future. This creative task - rising population, new resources, markets, trade - is, I think, the greatest challenge that we have had and all I can say, Mr. President, is that if the Liberal Party of Australia can't meet that challenge, nobody can. We would be denying the very reason for our existence if we recoiled from such a challenge. It is our task not to do the whole thing, because the Commonwealth powers are limited, but to give effective leadership, encouragement, example, in the task of building up the resources, the wealth of Australia, along with its population, the trade of Australia along with its population so that at the end of the next twelve years - and that is not impossible - at the end of the next twelve years - don't be frightened, I won't be here then - at the end of the next twelve years of Liberal administration, we will be able to look back over a period in which Australia has accepted the challenge and has done great things.

I think it was the other day in Lithgow that I ventured to offer an observation about "knockers" and "knockers" who are anxious to tell you at all times that Australians won't work, that they do this or they don't do that - all this miserable, wretched attitude. Well, of course, there are some loafers in Australia, but there are far more active and energetic people. You have only to look around you in this country to see the things that have been done in this country and that have been done in the last dozen years in this country and you have to feel proud of the people who did them. Of course there's plenty of energy, plenty of ingenuity, plenty of understanding of these things, but we have to give up being "knockers" about our own country.

And if I may conclude by saying it, what the Liberal Party wants, in its organisation, right throughout its structure, is a little private slogan, "Down with the 'knockers'." Plenty of "knockers" about. Plenty of people who know how well they can do it. But the people who get things done in this world are not the "knockers" but the creators, and wherever you find a creator, you will find a "knocker" to match him and we are not without them. Not without them. You have all had experience of this in your Branches, in your Divisions, going around - "Oh, well, I don't know." And when a fellow says, "I don't know" in that fashion, it's quite obvious that he doesn't know and he ought to be told. And so I say "Down with the 'knockers' - up with the people who want to get things done" because from wherever I may be at the end of that period - and I wouldn't like to know where - I would like to be able to look up or down or back or around and feel that this great Party - already a great Party - had played its great part in creating the next section of a new and great Australia.
