

THE AUSTRALIAN ASSOCIATION OF BRITISH MANUFACTURERS'
LUNCHEON HELD AT MELBOURNE ON 28TH FEBRUARY,
1963

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

I usually begin a speech by saying "Sir", but today I am going right back to the grass-roots and therefore I say, Mr. Chairman, my Lords - we have a couple of them here today - Mr. High Commissioner, Mr. Ferguson and the rest of you - I was delighted to hear from my old friend, Mr. Hawker, about the exhibit at the International Fair and to listen to his trailer - is that the expression? - of those things that are to come. And as a matter of fact, if I live so long and endure so long and there is enough time available, I am going with my Lord Simon afterwards to have a quick look at the British exhibit.

I think you will all agree that as an honest broker I am placed in a somewhat difficult position today. I walked in and the first man I met was an arrant free-trader. I refrain from mentioning his name. And the next man I walked into was Tom Ramsay, the President of the Australian Chamber of Manufacturers. And all my instincts, all my political instincts, said to me, "Laddie, this is the time to get out". But I was blocked in my retreat by two waiters, each of them oddly enough offering me a drink. And so I remained.

But then I got a little comfort out of remembering that I had been provided by somebody with a little piece of paper about this Association and it recalled to my mind that one of your objectives is "to encourage reciprocal trade." Now, this is something frequently overlooked. I am sure that there were a lot of people who, looking on at Tariff Board proceedings and seeing over a long term of years the devoted and talented work of Mr. Ferguson, would regard him superficially as the enemy of Australian manufacturing. And of course that is quite wrong. There may be a lot of people who think that Australian manufacturers, who have so great and increasing a part to play in national development, are to be regarded as the opponents of all imports of any kind from other countries. Both of these conceptions are grievously wrong. And it is all summed up in the expression in your own objectives about encouragement of reciprocal trade.

Now, Sir, you concern us - when I say "you" I am referring to the Association, bigoted fellows like yourself and others somewhat more broadminded whom I see around me - but you concern us - I do not mean you alarm us, but you interest us, you are our concern in at least two ways. And perhaps I might just state them almost categorically. First of all, without growing exports of British manufacturers from Great Britain and a correspondingly sound balance of trade and payments for Great Britain, Great Britain, either in or out of the Common Market, will have great difficulty in sustaining her economic and financial strength and with them her enormous significance in the whole modern world. We all realise this. We rather thrive on differences in Australia. I remember one time when Winston Churchill said about us in a speech of his, "Ah, in Australia they conduct their politics with a fine 18th century vigour." And that is quite true; we thrive on differences. I do not think I would have lived as long as I have without them.

But let us not so much enjoy our differences as to forget all the things that we have in common. And one of the things we all have in common here today is that Great Britain must be and remain and increasingly be a powerful community in this world.

I know that some clever fellow in some English newspaper will once more accuse me of being sentimental. All right, I am, I am. But this is more than sentiment. Every consideration, not only of sentiment, but of self-interest, requires that we in Australia, the old Dominion, should believe, and believe in our hearts and in our minds - that is even more important - that Great Britain must continue to be strong for the good of the world. And therefore Great Britain must manufacture and she must export. We realise that. Indeed, we know that in this modern and highly complex world, with challenges around every corner, a new challenge almost every month, trade with Great Britain for us in Australia remains essential. There are a few people in Great Britain - some of them highly placed - who have yet to learn the massive extent of the trade between this country and Great Britain. Some of them, indeed, have yet to remember or to be told that over a considerable time of years now, when our own secondary industry had been developing apace, Great Britain has had, in terms of commodities, a highly favourable balance of trade with this country. And we have found in Great Britain our greatest single market.

These things are not to be overlooked. New markets - yes, we need. Great Britain is searching for them. The whole strategic approach, as far as I understand it, of the Common Market negotiations was to develop new and enlarged markets for the products of British industry. And we ourselves cannot live on old markets. We may improve them, we may nurse them with jealous care, but we must develop new markets. Because this is a challenging world. The one thing that I want to say about that is that I hope that none of us will fail to remember that new markets are best when they are added to old markets and not when they are subtracted from them.

Now, Sir, there is another thing that I would like to say to you. Is there, as some people have thought, a necessary conflict between the British manufacturer and the Australian manufacturer? (I apologise for my terminology, because most of my life I have been explaining to people that we are British, but still these modern terms become very difficult. I remember a very distinguished British Minister once in Australia saying, "Would you think it wrong if we referred to ourselves as the British Government? It is so tiresome to say we are the U.K. Government. We will have to be calling ourselves the U.K.-ites like the Hittites and the Malachites, and this really will not do." I concede the point, this is purely for purposes of argument that I refer to the British and to the Australian.) But is there a necessary conflict? And of course the answer is obviously "no".

Perhaps the answer needs a little elaboration. And the first piece of elaboration is one at which I have already hinted. All the history of modern times in Australia has shown that the more we have become industrialised, the greater has been our appetite for import; that the more we produce ourselves and the more we raise our own standards of living in Australia, the greater is our capacity for buying the products of other countries. And, indeed, as I have said to you we have bought more from Great Britain, talking in terms of commodities, than Great Britain has found it possible to buy from us. But this is not to be judged on a merely bilateral basis. This is to be judged on a multilateral basis, when you consider the state of affairs in the world. And whenever we feel a little disturbed, if we do, about this kind of thing, the more we have to remember that over the last decade, for example, when

our manufactures have developed, when our imports have increased, when we have had some imbalance in commodity trade with Great Britain, we have at the same time been enjoying an enormous national growth. which is vital to us; we have had massive immigration, much of it from the Old Country; we have had growing employment and we have had an investment of overseas capital in Australia which some people appear to believe comes almost entirely from the United States, but which in fact has come mostly from Great Britain.

I was looking over the figures which some industrious member of my staff produced about our trade, because you know at a solemn gathering like this they do not think much of you unless you quote a few figures and I am not, as a rule, very much in favour of doing that. But I did notice that although there has been large importation into Australia, inevitably because, among others, our own manufacturers need them, of commodities of metals, metal manufactures, machines and machinery, I regretted to observe that over the last ten years the percentage of these things coming to us from Great Britain has fallen. Not our total imports of such matters - they have risen - but the percentage from British sources has fallen. And I found myself asking, impertinently you may say, whether this argued some lack of enterprise in the Old Country, because believe me we need an awful lot of enterprise here and Great Britain needs an awful lot of enterprise if, in this complex world, with all sorts of doubtful things and uncertain factors, never more uncertain than they are at present on the fringes of Europe, you need and we need a tremendous development of enterprise and of ingenuity.

I suppose that we are all, except on polling day, a little conservative. I can remember a time, not so very long ago when, if I encountered a British motorcar manufacturer in England, he took me on one side and lectured me in an almost fatherly manner on the wickedness of the very idea of Australia manufacturing a motor car. "Why don't you take what we give you, they are the best in the world." This is splendid, but it is no way to conquer a world market. And, of course, as the events have shown, they were wrong.

We are all a little disposed, are we not, to think that what we have made in the past and sold in the past ought to be good enough for the future. We in Australia look out on the enormous potential of the Asian market, the market of South West Pacific; but I suppose we are always tempted to say, "Well, what we make is so and so; why cannot we sell that?" Whereas the truth may be, and I am sure it is, that in all the business of manufacturing, whether it is here or in Great Britain, the constant search must be to see whether we can't produce something that these people who are so odd that they do not belong to our race or community would like to buy. And this is not just market research, this is actual research in productive techniques and in determining the matters to be produced.

Look, we have the job in front of us, a heavy job, a marvellous job if we can achieve it, a productive job, a job that will assure the powerful future of the Mother Country and support a rate of national growth in Australia that will be the wonder of our grandchildren. This is of tremendous importance. We must do what we can to develop our trade by developing our ideas and developing and diversifying our products.

The day has gone by for saying, "Well, we stand for this or this or this, come and get it and if you do not like it well, all the worse luck for you." I am sure that this is well in the minds of the members of this Association. I am sure that it is well in the minds of the manufacturers of Australia. Because if there are two things that are completely obvious to anybody, they are these, that it would be quite idle for British manufacturers to resist or resent the development of efficient Australian manufacturing, because that is essential to Australian growth. We can have no migration program without it. We can have no developmental program for the future without it. We cannot have full employment without it. It is essential to Australian growth that we should develop efficient Australian manufacturing. And I am sure that every man who represents Great Britain realises that to the full. Because, of course, unless Australia can grow and become stronger and more populous and more powerful, then our contribution to the Commonwealth of which Great Britain is the centre, will be correspondingly diminished. It is therefore essential that we should grow and be strong.

But equally, it would be a great mistake for Australian manufacturers to think in terms of a closed economy. I have struck a few troglodytes here and there who really seem to me to believe in a closed economy, but not too many. They are not represented here today. Because in reality, so far from having ideas of a closed economy, or a mere prohibition against the introduction into this country of the products of others, the real vision of our industrial future must be one in which our own manufacturers find their market, not only here, but abroad, and find their markets expanding. Because unless Australia, strategically as she is placed in the world's economy, can become a powerful supplier to other nations, then her future is cribbed, cabined and confined.

And therefore we have a mutuality, do we not, of interest here - the British manufacturers saying, "We recognise the tremendous importance of the development of sound manufacturing enterprise in Australia," and Australian manufacturing on its side saying, "Yes, we recognise that, but we also recognise that our ultimate responsibility to Australia is to cater, not only for a protected market at home, but for a highly competitive market abroad." When all these things work themselves out, we will find that, having begun by having differences, we have ended by finding a magnificent unity.

I am, of course, as any of my critics could tell you, getting a bit long in the tooth; I have been in office too long; I quite agree with that, I do not want it to be used against me, but I agree with anything you care to say on those matters. But one thing I am quite sure about and that is that I shall ultimately come to the end of my course much happier if I feel that we have evolved relationships between us which have assured, not only the growth and power of the greatest country in the world, but the growth and power of what to most of us here today is the dearest country in the world.
