

Extract from opening address to the annual conference of the Australian Country Party (N.S.W.) June 23, at Wagga by the Rt. Hon. J. McEwen, Acting Prime Minister, Minister for Trade and Industry, Leader of the Australian Country Party :

VIETNAM

There is controversy as to whether Australian troops should be in South Vietnam.

This is a free, independent country recognised by the United Nations.

Australia had hoped that the United Nations would be an organisation capable and willing to protect free countries - at least small free countries.

We will work towards the United Nations becoming such an Authority, but at this stage we have to face the fact that it has no such power or will at present.

Today the United Nations is unable, and many of its member States unwilling, to protect South Vietnam from falling victim to the Communists of North Vietnam and Communist China.

The United States is not engaged in South Vietnam to protect American soil or American interests.

She is there to defend the freedom of a small nation - freedom from domination by Communism.

For Australia, far more so than for the United States, this is not just a conflict of ideologies.

Vietnam is the only fighting front in the world today where the forces of freedom are actually fighting the Communists.

Every Australian must note that this, the only fighting front, is dangerously close to our front door.

Some assert that this is a war which can't be won.

The argument goes that even if the United States wants to persevere in this struggle, Australia should not become militarily involved.

To me, this line of argument ignores the plain, hard facts of our defence situation.

There are too many episodes of recent history, to justify any confidence that any country with a small population can safely work on the principle that if we mind our own business, the rest of the world will let us dwell in peace.

Incident after incident shows this to be a completely unreal and dangerous approach to our defence and security.

Nor can a country with our limited population and present resources, geographically situated as we are, realistically think that we can, by our own endeavours, take care of all contingencies which might arise, involving our security.

In an age when weapons and military equipment require great resources, and highly-developed technology, only the greatest of industrial powers, can also be really independent military powers in their own right.

Unable to depend on the United Nations, what is the course of safety to us?

There is only one. The creation and maintenance of alliances with powerful and reliable friends.

This must be the simple basis of our approach to defence.

We have formed alliances.

Of course, with Britain, and New Zealand, with whom we have a long and proud history of standing together in military affairs, for better or for worse.

And also with the greatest military and industrial power there is - - the United States.

The United States, under ANZUS, is pledged to defend us - - to safeguard our security.

But like any alliance, ours with the United States must also be a two-way alliance, for better or for worse.

You can't make alliances, you certainly can't keep them, if you are going to take the view that:

"We want to be looked after in any event, but we'll pick and choose when we'll support our partner. We won't support him unless we are sure he's going to win."

This is the answer to those who say we should not be in Vietnam because they think that in the circumstances the United States can't win a clear-cut victory in that troubled country.

To merit the ANZUS Treaty commitment of the United States, vital to Australia not just for today or tomorrow, but for years, perhaps generations in the future, Australia must support our great and powerful ally in the task she has assumed, of preventing further encroachment by the Communists in South East Asia.

This is a struggle which could affect the safety, even the survival, of our own country.

If Vietnam falls, what are the prospects for peace, and for freedom, in Laos, in Thailand, in Malaysia?

What are the prospects for Australia, 11 million people holding an immense country, with tremendous resources only now beginning to be exploited,

A country in Australia's position cannot afford the luxury of doing only what is comfortable; doing only that which does not involve risks.

Our conduct today must ensure we merit the unhesitating support of our allies when their support is needed.

Of course, we detest war, but not so much as we detest the thought of loss of our freedom to Communism.

Of course, we would work with the British and Americans to restore peace.

But I mean peace which preserves the freedom of South Vietnam -- not a peace which leads to Communist victory by Treaty.

As I said before, Vietnam is the only fighting front in the world today where the forces of freedom are actually fighting the Communists.

Every Australian must note that this, the only fighting front, is dangerously close to our front door.

Australia helped the British, New Zealanders and Malayans to stamp out the Communist terrorists in Malaya.

Today they are finished there.

We put them out by fighting them -- not by signing a treaty with them.

Communism is here in Australia. I believe that never before have Australians had such real ground to recognise the danger to our freedom from Communism.

The Country Party was the first, and for a time, the ONLY political Party in Australia declaring that Communism should be banned.

Let us again lead the fight against this pernicious menace.

RESERVES

A year ago Australia held reserves in foreign exchange of £854 million next week at the end of this financial year our reserves will have fallen to £680 million.

Having regard to all of the factors which influence Australia's balance of payments, it would not be an unreasonable guesstimate that in a year's time our reserves may have fallen by as much again.

This estimate pays some regard, but not an unduly pessimistic regard, to the U.S.A. & U.K. policies of minimising capital outflow.

So one of Australia's greatest needs will continue to be, to increase export earnings to pay for the imports of capital equipment and raw materials, which provides the muscles and sinews for the industry so essential for our growth.

This year Australia will buy no less than £1,400 million worth of imports, £500 million more than 5 years ago when imports were controlled at somewhere about £900 million a year.

There is nothing wrong with dipping into reserves to pay for these imports. That is what reserves are for.

But neither a business nor a country can go on living on its savings.

If Australia is to maintain continuously a high level of imports, then more and more foreign exchange, must be earned by our exports, by exporting more, by exporting different products, by getting better prices for our exports.

If prices had remained at the levels of 1963-64 on these 3 commodities alone, Australia would have earned an additional £135 million export income in the financial year now closing.

If prices of ALL export commodities had returned to the more reasonable levels of 1952-53, Australia's export income would have been £300 million higher this financial year.

There must be fought a constant battle to improve Australia's earnings from exports. More in quantity! better prices.

Australia has now entered a new phase of export of gigantic quantities of crude minerals - iron ore, coal, and bauxite.

It is a matter of great interest that, to date, these sales and prospects of sale are almost in their entirety to Japan. The historic Australia-Japan Trade Treaty of 1957 has transformed the trading relationship between Australia and Japan and, perhaps more important, transformed relationships between the governments and the people of our two countries. On all counts this is good beyond calculation.

However, I have said on earlier occasions that Australia is not to be exploited only as a quarry. It is time now for us to see a growing development of the sale of these raw materials after some processing.

WHEAT

Australia knows that historically wheat has been produced in surplus to the commercial market.

In recent years most of this surplus has been taken off the commercial market and disposed of on concessional terms to the needy countries.

Part of the Australian proposal now is to deal with wheat, surplus to commercial demand.

We concede that the country which produces wheat surplus to its commercial opportunities ought to be prepared to sell some of that wheat at less than the commercial price to the needy ought not to be the responsibility only of those countries which produce wheat in export quantities.

That, in short, all the more affluent countries - whether wheat exporters or wheat importers - should make a money contribution to a fund which would be used to buy surplus wheat at less than the going commercial price, and provide it on concessional terms to the needy.

That, in broad terms, is the Australian approach.

DROUGHT

It is proper that governments should concern themselves with the problems of drought. The industries affected by drought are essential to the national well-being, and much that could be done to alleviate the consequences of drought can be done only by governments.

In the livestock industries, drought is primarily a problem of feed and water, but in practical terms transport facilities and transport costs become a major part of the problem.

I am hopeful that the present drought may bring all Australian Governments collectively to face the fact that drought is a recurring phenomenon of the Australian environment. Not only does great personal hardship occur with tremendous suffering to livestock, but the whole economy of a country such as Australia is set back when a major drought occurs.

Clearly there is opportunity for more water conservation by governments and, in very many cases, need for more water conservation by the landowner.

It is quite practicable to-day to hold reserve stocks of grain for feed without the risks that applied in earlier times, of destruction by pests.

I believe there should be special consideration of credit policies to enable farmers to have better reserves of water and of fodder.

In drought transport needs to be adequate and inexpensive.

It is not easy to mitigate the consequences of drought for the grain grower, but the certainty that he will have recurring experiences of loss of production through drought - and indeed, recurring experiences of failure to be able to plant his crop in many districts through excess rain - must be sufficiently taken into account in assessing his costs for the purpose of stabilisation schemes.

Over the whole field of drought consideration, the assistance of the scientist and the extension worker must be fully invoked. Most important work in relation to the drought feeding of sheep has been done, but I very much doubt whether the result of this work has penetrated all sheepowners' understanding.

In a comprehensively organised approach to mitigation of drought consequences, I believe the Commonwealth Government would co-operate with State Governments.

This whole subject of drought is one on which the country voice must be heard.