

OPENING OF E. R. SQUIBB & SONS' PLANT

NOBLE PARK, VICTORIA



Speech by the Prime Minister, Mr. Harold Holt

8TH MAY, 1967

Mr. Gardiner... and may I take this opportunity of welcoming home to Australia the Ambassador for the United States, Mr. Edward Clark. He has two homes, one in Texas and one here in Australia and we permit him temporarily to serve as Ambassador from the United States to this country. I feel we ought to be paying him the money. If every overseas ambassador gave us as good service both inside Australia and when he goes abroad on his various occasions, then our foreign influence would be very much greater than it is. But we welcome him back. He is sporting his daily-renewed Texas rose. I think he must have had an injection of some Squibb hormone or something to keep it going or else they have shown him how to preserve these things indefinitely. However, Ed, good friend, welcome back to Australia. And welcome, also, Mr. Chairman of the Board, Mr. John McCloy.

There are various reasons, most of which will emerge as I speak to you, why I find it a personal pleasure to be here this afternoon, but I would be putting right at the top of the list the renewal of my acquaintance and my friendship with the very distinguished man - not just a distinguished American but a distinguished world citizen - in the person of the Chairman of your Board.

If any of you have found the opportunity - and those of you who haven't I hope will take it - of studying the curriculum vitae of this remarkable man, you will wonder how much could have been crammed with such distinction into the period of one lifetime. He tells us he is getting on but even in the time he spent getting on, it amazes me that so many notable posts could have been discharged with such ability and with such general acclaim as have been occupied by the Chairman of the Board.

And when he talks about getting on, again he is a very good advertisement for Squibb products if that is the way he puts it regarding himself. He looks a very fit and vigorous specimen after having journeyed across the Pacific and come to join us here today. Mr. McCloy, on this your first visit to Australia, I am delighted as its Prime Minister to welcome you here. I hope it will be the first of several occasions, and we applaud all that you have been doing for the satisfaction not just of one President of the United States from one side of politics but for all the Presidents who have occupied that post during your maturity and from all sides of politics. What you have had to say, while I am warmed by your generous references to myself - doesn't prompt the things which I feel in me to say regarding your own contribution to a better world.

You mentioned that you had been talking to my former leader, Sir Robert Menzies, and that he couldn't find very much that was quotable to say about me. I served with him, of course, in the Parliament for, I think, it was thirty years, or just on thirtynone years, and for thirty of those years he kept referring to me at "young Harold". Eventually he got accustomed to the idea that it was about time that I took over and that I wasn't quite as young as he might be presenting me in that particular form.

I accept what you say about the reference I made to the United States. I can't claim to have coined the phrase, but in the circumstances of the Viet Nam involvement, I was very glad to adopt this for Australia. I am entirely unrepentant about it and so far as the Viet Nam issue is concerned, we are there together to see this thing through. Now, when you suggest that through Bob Menzies, I might say "all the way with Squibb", well I haven't made a bad beginning but I am very conscious of the fact that not very far from here are some very close friends of mine, the Nicholas family, and one has to be diplomatic about these things.

Another very good reason for my being with you is the subject of health. I suppose there is no topic about which human beings converse more frequently or in which they are more interested individually, and this is to be noted in the ordinary salutations with which we greet each other or the way in which we indulge together on convivial occasions. You raise a glass and you say "Good Health!" Or perhaps that is not quite so fashionable as it was because thanks to companies like your own, most of us enjoy far better health than earlier generations and people tend to say rather than "Good Health!" these days, "Good Luck!", or if you happen to live in a country regarded as healthy and lucky, you are just as likely to get "Bottoms Up!". Then, occasionally, we fluctuate in these matters and someone says to you, "Well, how are you" or "How do you do". There have been mornings when I have replied, "Well, don't ask me or I will tell you".

But what a remarkable change has come over the business, the pleasure of living as a result of the work of men such as the founder of this great organisation whose material evidence of success is to be found as an example in this fine building here today.

Edward Squibbs' own story is a romance in itself. He established his first production laboratory as so many people living in a free enterprise society find it necessary to do, on borrowed money, shortly after he had left the Navy. He did this in 1858, and shortly afterwards, the laboratory was completely destroyed by fire and he was, I understand, permanently disfigured as a consequence of it. But such was his courage, such was his enterprise, such was his determination that he was quickly back in operation and by the end of 1859, he was there in business again.

And it is a very long history for a pharmaceutical organisation to spread over more than a century of active and successful development. But it was not just that he was successful in producing things that were of value to people, to help them and make them feel better. He had a keen sense of public service, of devotion to the health of the people, and somehow he felt responsible for the ethics of the industry.

The high standard of ethics which the pharmaceutical industry feels it desirable to employ dates back really, I think it could be fairly claimed, to this man. Certainly he was one of the great moulders of a fine tradition. He was dedicated to the health of mankind. He launched a new era in pharmacy, and I don't think it is stretching it too much to say, when you speak in terms of human well-being and happiness, he launched a new era in human fulfilment and enjoyment. He gave his personal attention to his products. In the early stages, he used to personally sign the bottles or containers that carried his products, and his signature was synonymous with the quality of his products. And without wishing to give an advertising spiel to those now produced by the Squibb organisation, again it can be fairly said that these high standards have been maintained.

In doing a little research about him, I came across the official opinion expressed of him by the Committee of Revision of the United States Pharmacopoeia - and I think this was some time after his death, but that is immaterial. I quote this passage : 'Dr. Squibb had the unique distinction of possessing a sound knowledge of medicine, an innate fondness for chemical research, an extraordinary grasp of pharmacy and of the scientists' ideal - love of truth. He could always be found opposing any course which tended to weaken the cause of righteousness or ethics.' And that is a fine tradition for this company to have inherited. It is a fine thing that it should be maintained.

It is difficult for a modern user of drugs to understand the significance of Dr. Squibbs' crusade because national laws protect the life and health of the people against adulterated drugs, there are now legal standards for pharmaceutical production, false and extravagant claims are outlawed, reputable drug manufacturers police their own production facilities and impose their own high standards. And what a contrast this is from the dark ages of patent medicines, old wives' remedies, adulterated compounds and mysterious potions. The presence of my colleague, the Minister for Immigration reminds me, Mr. McCloy, that he was the Minister, then Attorney-General, who introduced the restrictive practices legislation which also, no doubt, serves as some sort of protection in this field.

Now, when I say it is difficult for us to realise what these things mean to us - because we tend to take them for granted as available for whatever ailment or malady, temporary or otherwise, afflicts us, my mind goes back to just a few personal experiences. I lost my own mother when I was a boy from a bout of pneumonia. A few years later some M & B tablets would probably have saved her life and perhaps prolonged it to this time. Later, Winston Churchill, you will recall, was stricken more than once with pneumonia, and we remember how he used to talk about the way the M & B tablets saved his life. And I remember a distinguished Australian statesman, the late Sir Earle Page, who also from time to time had bouts of pneumonia, and thanks to these modern specifics, was able to remain in health and survive until a very ripe old age.

Well, these days I am told even M & B - I hope no disservice to the firm - has been superseded or at least there are others which are turned to rather more readily, penicillin being regarded as a very effective remedy for this purpose. And you have only to think about.....again I turn to another personal experience. As a boarder at a preparatory school here, Wesley, when thanks to some tainted milk, we got, several of us, a bout of typhoid. In those days, the cure for typhoid, as far as I can recall it, was a course of starvation. You could only take very soft foods or fluids. I was in bed, I remember, for six weeks and I had a very mild dose - well, mild compared with others. A friend of mine, also a boarder with me at the preparatory school, now Senator Turnbull.....I say "a friend of mine" although he votes against me far more often than he votes for me.....he had a bout which lasted three months. Now today you get one of what they call the broad spectrum antibiotics, and in a matter of a comparatively short time, you are able to control the symptoms and able to have a very much shorter period of convalescence.

And if you turn to a scourge such as tuberculosis, you see what a dramatic change has come over the scene in that respect. All of us who travel at one time or another know the needle treatment which is mildly uncomfortable at the time but which protects us against what used to be the scourges of earlier generations of mankind. And these are just a few illustrations which one might mention of the way in which we have all been assisted and benefited by these great developments.

Now, I gather that included in these fields are such items as tranquillisers and the relief of hypertension. These have a special appeal, of course, for the politician who frequently needs a course of one or the other. But these are only a few of the ways in which our life has been made the pleasanter and the happier as the result of the work of men like Edward Squibb and those who have followed on him.

This has become a major area of Government activity as well, and you may be interested to have a few facts so far as the Commonwealth is concerned. We are concerned with the efficacy and quality, of course, of pharmaceutical products but our principal interest in the industry stems from our provision of pharmaceutical benefits. We are concerned with the safety, quality and the cost of drugs, and as the number of prescriptions increases, so do the dangers inherent in the toxic nature of many drugs. I am glad to report that in this country there is, so I am advised by our Department of Health, excellent co-operation with Squibb and other pharmaceutical manufacturers and much valuable work is being done through the Australian Drug Evaluation Committee, with which the Department of Health collaborates.

The Commonwealth's activity in the field of drug safety through its Therapeutic Substances Branch, through the National Biological Standards Laboratory, represents practical recognition of its concern for the safety of drugs being administered to the community. So many new drugs have been introduced that governments throughout the world have found it appropriate to establish in the form of legal standards, minimum requirements for drugs and biological products. We co-operate fully with other governments in maintaining desirable standards of safety and quality, our main agency for this being the National Biological Standards Laboratory. All new products are tested at the laboratory for purity and potency, and unless they conform, they are not listed in the drugs available under the Pharmaceutical Benefits Scheme. The Laboratory also carries out continuous sampling of drugs.

Now this is costing us at the present time about \$A92 million for payments made during 1965/66 to chemists for dispensing pharmaceutical benefits, thus making the pharmaceutical benefits the third largest expenditure of the Commonwealth Government on social services. Of the \$92 million paid by the Commonwealth Government to chemists, approximately \$57 million represented the cost of the drugs to the chemist, that is, their value at wholesale prices.

Now, another consideration which has attracted me here today is the way in which this enterprise represents, I believe, a shining example of the benefit of overseas investment and of enlightened approaches on the part of the management to the problem of overseas investment. The staff, I am informed, including the management of the firm, is an all-Australian staff. That does not mean that in this country there is any veto on the presence or the management or inclusion in substantial numbers in the staff of the nationals from whence the investment comes, but it is a reflection, I believe, of the faith that the management of Squibbs have in the Australian people, of their capacity that in this enterprise, expanding as it is, they have included an all-Australian staff.

The plant - and again this is a bull point so far as I am concerned - will produce not only for the Australian market but for export. The firm is engaging in basic research and no doubt is able to draw on the research of the parent company which in turn is a part of an enormous American organisation, Olin Mathieson. I notice, looking through the annual report of Olin Mathieson that they also manufacture Winchester rifles and perhaps, Mr. McCloy, it was a wise decision to have a separate chemical company

altogether, otherwise you might have had thrust on you the slogan - "Kill them or cure them".

We applaud this research because it is through this that productivity and efficiency develop and I have spoken earlier of the confidence which this investment demonstrates in the future of Australia by a well known and reputable firm from overseas, conscious not only of the opportunities in this country but seeing, I think, with a far-sightedness that the products of Australia in the future may prove readier of entry in some parts of this region in which we find ourselves than those from other countries, including the United States itself.

Some of you have heard me talk about the fact that we occupy a very special place - and I am prompted to say this because Mr. McCloy's remarks took a broad range over the world scene - we occupy a special place in relation to Cambodia, which I have visited quite recently. You are aware, Mr. McCloy, as the Ambassador is, that the United States not having diplomatic relations with this country, Cambodia, Australia represents American interests in Cambodia, as indeed we represent Cambodian interests in South Viet Nam. I think I can claim that there are very few Heads of Government - and this is not something I claim for myself; it is reflective of the country - who could have visited the four countries I visited so recently. Some could get to two, some would have been acceptable in three; very few people would have been acceptable in the four. And I make that point because I think that it is wise for any vast organisation with an international distribution to include Australia as one of its distributing points. Ours is a friendly country, we are on friendly terms with our northern neighbours and from this point, export can be readily arranged.

Now we have tried to set a climate in this country encouraging to investment, producing for ourselves prosperity and full employment, rising standards of living and good prospects of expansion. We believe that responsible overseas investment in Australia is not only desirable but essential to supplement our own efforts to invest, and thereby maintain our rate of growth. Australia invests a high proportion of its gross national product. We are not waiting for other people to come and do the job for us.

The Chairman of the Board may be interested to know that of the total capital investment in this country between 85 per cent and 90 per cent. comes from Australian sources themselves, but we do value the extra 10 per cent to 15 per cent. that comes to us from overseas, with the know-how it brings, with the research that frequently accompanies it, with the skilled executive management that also frequently comes in the wake of the investment. And Australia invests a higher proportion of its gross national product than I think any other country in the world with the exception of Japan, more than one and a half times the proportion invested in the United States or in the United Kingdom.

So you will gather, Mr. McCloy, and I am saying this because he has got a very good entree to the President of the United States, and the sting is in the tail because 90 per cent. of investment in Australia has come from two sources - the United Kingdom and the United States of America. Both of those countries for economic reasons of their own and financial reasons of their own, have found it necessary to place some restraint on the movement of capital here. But I am sure, as you look at Australia and see its relationship, geographically and otherwise to the United States, to those countries of this region in which the United States has a profound interest,

it will strike you, as a man with your international experience, experience in international affairs, and in financial and legal affairs, that it should be a prime United States' interest to help to make this country strong, and we don't say that in any spirit of seeking some charity from others. We have never sought nor accepted a dollar of aid from the United States of America, but we do believe it to be a continuing United States' interest to see that Australia grows and that that growth is assisted by a steady flow of investment capital from the United States of America.

Now, over the last twelve months, largely as the result of the reasons I have mentioned, there has been some fall away - not falling away of interest as I am sure the Ambassador will confirm. His life is made hectic rather than busy, contending and coping with those who come from overseas seeking out opportunities in Australia or wondering what can be done here. And I hope that this appreciation of what Australia can mean to this region in which the United States is showing such a commendable interest - the South-East Asian and Pacific region and indeed of Asia generally, the whole area East of Suez in which are to be found three-fifths of mankind, that in this picture there will be seen quite clearly a place for a growing, strengthening Australia as a contributing factor to stability, to progress, to leadership in this area of the world.

Now that has got a little outside my charter. I was tempted to introduce it because you, Mr. McCloy, were kind enough to give us your own picture of Australia in a world setting. And I am looking forward greatly to seeing the President again in the first week of June, and I know that he has a deep affection for this country and he has a recognition of its importance in the directions that I have mentioned. I know that it is a product of his resolution, as it was of two American Presidents who preceded him, that America sees the necessity of building a better world order in the area of the world in which we find ourselves, and that is why we so wholeheartedly have aligned ourselves with you and why we are so determined to see these issues through with you. Our countries together, I think, can make a great contribution to strength, to stability, to progress and security in this area of the world, and this establishment, which shortly I will formally declare open, is itself tangible evidence of the way in which the best that comes from America can be married to what is good in Australia.

We encourage immigration of people and we find that we have been able to assimilate them readily, happily for ourselves and happily for them. Under enlightened leadership by overseas investors there can be the same happy marriage between capital from overseas, techniques, know-how and executive skills from overseas with the opportunities available here in Australia.

May Squibb play a significant and growing part in that co-operation and I wish you every success for your future.

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