

WELLINGTON

STATE LUNCHEON

28 March 1968

Speech by the Prime Minister, Mr. John Gorton

Mr. Prime Minister, The Deputy Leader of the Opposition, and Distinguished Guests:

The first thing that I would wish to say to you and to those of you who have come along to this lunch is to thank you for the honour you have done me and to thank you for the opportunity of having met you and your Cabinet and now having met, even if vicariously, such a representative section of New Zealand opinion. I do not know, Sir, whether there are in fact representatives of the South Island present, but there is one thing I think I should make clear and that is that although on this occasion my visit is unhappily confined, on past occasions I have been to the South Island and have travelled from Christchurch on the way to regions further south, where I had, at McMurdo Sound, happy associations with the New Zealanders stationed there - so it is not a completely terra incognita to me as far as that is concerned.

You were very kind in your remarks to me. There are one or two things, before I launch in to what I really have to say of serious moment to you, which unfortunately I cannot answer. You asked me how many Rugby matches somebody had won. I do not know. You see, I am an Australian Rules player myself. I share with you entirely, Mr. Deputy Leader of the Opposition, the feeling that this visit is too short, but while it is unfortunate that one cannot have enough of a good thing, at least it is highly fortunate that one can have some part of a good thing, and that is what you are giving to me.

This, Sir, is the first time on which I have spoken to a gathering outside of my own country as the Prime Minister of Australia, and because of that I think you will agree it would be natural if I were rather nervous. In fact, to let you into a secret, if you have not discovered it already, I am rather nervous. But I can say this - I am not as nervous as I would be if I were speaking to a gathering anywhere but in New Zealand, or to any other than New Zealanders. It is really - and this sustains me - no new thing for an Australian to find himself in company with New Zealanders. Indeed, it is in keeping with what has happened over the last half century and more. Australians and New Zealanders have had common goals in the harsh arbitrament of war - on Gallipoli, in France, in Greece, in Crete, in the northern deserts of Africa, in Korea, in Malaya, and now in Vietnam - and during that time, and I believe that this is true, those common goals in war which were attained when the militant Fascism and Nazism of Germany were overthrown, which were attained when the military invasion of South Korea by Communism was overthrown, which were attained when terrorism was prevented and destroyed in Malaya, have forged a link between our peoples which is enduring and which will, for as far in the future as I can see, endure.

But we have now before us goals in peace. We have now before us goals which beckon us to try together to make the most use of that opportunity which together, and together with other nations, has been won in war. It is of this that I want to speak to you, but before I do, let me just say this. There has been much speculation in newspapers and by individuals

on both sides of the Tasman as to whether there should or should not be some form of political unity, and indeed the Deputy Leader of the Opposition mentioned this, between our countries; some kind of arrangement by which each one, I suppose, of our nations - I have never seen it spelt out - should give up some of the sovereignty it possesses, some of the national identity it cherishes. I have no chance of seeing what in some unforeseen future might occur - and I speak of an unforeseen future. Whenever, if ever that kind of thing occurs, it can only occur by the nations and the individuals in the nations of New Zealand and Australia saying so. But this I say - to talk about that now, to worry about that now, to raise the questions which are involved in that now, is, I would have thought, not only irrelevant but tending to be damaging, because it can lead to suspicion; it can lead to resentment; it can lead to impediments in the gaining of goals which are quite clear before us and which do not require this kind of solution in order for those goals to be attained.

So let us put that on one side. Let us put it out of our minds, and let us reconsider what can be done by us both as we are, with our sovereignty, without worrying about these future things; these matters which can be achieved by you and us, bearing in mind that both of us are relatively technically advanced nations, relatively wealthy nations, relatively isolated nations as far as the European origins from which we come are concerned - let me put to you what it is that I see as the closer co-operation for a common end.

Let me first talk to you about co-operation for a common economic advancement and for the enhancement of trade and employment opportunities and increased populations between our countries. There was originated not so long ago - I think in January 1966 - the New Zealand/Australia Free Trade Agreement. Before that time, of course, we had one of those elements which are claimed to be so significant as a result in Europe of the creation of the Common Market, because we had taken for granted the opportunity for New Zealanders to travel to Australia, to work in Australia, to live in Australia; the opportunity for Australians to travel to New Zealand, to work in New Zealand, to live in New Zealand - and this interplay of a work force was one of the great benefits claimed for the European Common Market in Europe. We have had it, and have taken it for granted. Not only have we taken it for granted, but we have discovered that those New Zealanders who come to Australia and who do live there and work there have to a highly disproportionate extent attained the highest offices in our country, and run such things as the Snowy Mountains Authority, which is one of our greatest developments. I do not think we have done quite so well over here, but this is something of significance, which we have.

This New Zealand/Australia Free Trade Agreement was reached on top of that, and I sometimes think that because that Agreement has not resulted in an immediate and dramatic change in the balance of payments situation between the two countries, and because there are, as there will always be in such Agreements, some areas of exacerbation, that we could tend to write down the benefit of the Agreement already and the ultimate benefit to both of our nations. This was not intended as an Agreement which overnight would alter things dramatically. It was intended as an Agreement which, as the years passed and as duties were progressively reduced - for the most part over a period of eight years for matters stated in the Treaty - would tend to free trade between our two nations, would tend to help redress the balance of trade between our two nations - and this, I think,

it already shows not only promise of doing but I think some performance in doing, though, as the Deputy Leader of the Opposition pointed out, we are four times the size of New Zealand and you would expect some disparity in trade figures between a nation four times the size of another.

But let me put this to you. Over the last two years - and this is roughly the period of operation of the Treaty - whether entirely due to the Treaty or not I do not know, but over the period in which the Treaty has operated, our exports to New Zealand have fallen off - I think by some \$5 million or \$6 million. New Zealand's exports to Australia have increased, I think by between \$1 million or \$2 million, and this is a move towards what ultimately is suggested to be the result of this trade Treaty. Of course, each nation will, as the Treaty operates, seek to protect its own vital interests if they become disrupted, but still the Treaty was signed and so far this is an indication of what is flowing from it. It provided for a whole list of nominated products which over a period of eight years were to have duties progressively released; but again, as a symbol of hope in the way in which this Treaty is being approached by, I think, both of us, may I tell you this. There was the matter of - excuse me if I sound indelicate - undressed timber from New Zealand, which over a period of eight years was to have duties progressively reduced. There was an application that we, the Australian Government, should waive this and should at once say, "No, we will not reduce it over a period of eight years; we will immediately abolish all duties on undressed New Zealand timber coming to Australia." And only a week ago - it has not yet been announced in my own country - my own Government decided that as a result of that approach we would agree and we will abolish at once all duties on undressed New Zealand timber coming into Australia. A small thing, but an indication of the way in which this Treaty can work to our common and mutual advantage.

I have no doubt that over the period ahead there will still be difficulties. There will still be people in Australia saying, "You cannot bring blue peas in from New Zealand, or it will destroy something or other in Tasmania", and there will be people in New Zealand saying, "We have not really got a big enough market for our lamb or whatever it may be"; but these things can be ironed out, they can be a matter of discussion, and on the history of the Treaty, so far I believe there is room for great hope that we will not only have this ability for employment to move backwards and forwards, but for trade to be progressively freed to our common benefit, and for joint ventures of New Zealand and Australian capital to build in New Zealand or in Australia manufacturing processes such as Comalco, for example, is building in New Zealand to take advantage of power from your hydro-electricity capacity, providing employment here, profits for both of us, and, through profits, an opportunity for growth for both of us. You, Sir, spoke of the need to help nations in our region, and I too speak of the need to do that, and also, as far as possible, to protect ourselves as Britain goes, as I believe she will completely go, from this part of the world. That depends on growth, both in population and in economic resources, to carry out those tasks, and in so far as this Treaty helps - and I believe it does - so it will help both nations to attain what you would, I am sure, agree are significant goals.

In the field of defence itself lies another close area of co-operation, not of integration of our Armed Forces, not of a common commander, one star, for running the Armed Forces of both nations, though it may be at some stage if a Task Force is required for some particular purpose the best commander might be picked from whichever country can provide him - but rather the study in common by an Australian Defence Committee and a New Zealand Defence Committee of what each nation was going to require for the purposes of its defence over the next three years or whatever time it might be, so that as far as possible a compatibility of arms might be achieved, so that we would find, for example, that squadrons might be partly of New Zealand flights and partly of Australian flights, and could operate together with the same kind of aircraft and the same kind of ancillary equipment and same kind of ground control; so that we might see that if fleets at sea, comprising partly Australian and partly New Zealand vessels were put in convoy then the ammunition used was as far as possible the same, the signals used were as far as possible the same, and the compatibility was there.

I do not need to spell this out, but it must be clear that for any given expenditure of national resources on defence, if two countries are likely to co-operate in defence in the future as they have in the past - and I believe they will - then from that proportion of national resources so devoted, greater effectiveness can be gained if there is common study at the beginning of the kind of arms, the kind of logistics, the kind of spare parts which best will allow the integrated operation - and that is different - the integrated operation of forces from our two nations. And this we seek.

In our approach to foreign affairs there has been for some time past the closest co-operation which I think is possible between two countries, and this is whether it means an approach towards a problem of external affairs posed because of the present incoherent state of so much of the world, or whether it relates to assistance in the economic field to try by that way to turn an incoherent state of the world into a coherent state. These together, again, are things which we get. They are of great assistance. They do not require a surrender of sovereignty by anybody. They do require the abolition of suspicion and resentment in our own country or in yours. They do require not only that politicians should say these things and believe these things, as your politicians and ours say them and believe them, but they require also that those charged with the industrial management of a nation should believe those things and should, by getting together with their counterparts in Australia, and Australians getting together with their counterparts in New Zealand, translate the opportunities provided by political agreements reached into the practical terms which provide the employment and growth and economic strength we both require. I am happy to say, again, that there are signs enough that this already is operating, and I am confident that in the years ahead not only will we achieve these advanced goals I have spoken of - they are fairly easy - not only am I confident there is unlikely to be any rift between our approaches to foreign affairs, but I am confident that firms both here and in my own country will make their decisions and build their factories on the assessment of a market available to a firm here or a factory here; the Australian assessment of a firm or factory in Australia on the assessment of a market here.

If this happens, as I think it will, and is built on that goodwill already here, and is built on that experience already gained, and is built on those sacrifices already jointly shared, then I think that we have an opportunity and will be able to take advantage of that opportunity. Perhaps, if this is not going too far - but perhaps let me put it as a dreamer - to call in this regional new world into being to redress the balance of the old, as once was said about the calling of the United States into being - and when it is called into being, and when it redresses the balance of the old, it will, if it is properly done, remove many of the causes of dissension and lead to a happier and a better life, not only for us and the peoples under our care, but for the peoples in the region from whom geography and morality must ever prevent us from being separated. That is why I attach so much importance to this visit and to the Australians' and New Zealanders' continued efforts in peace in the Anzac tradition formed in war.

Thank you.
