PRESS STATEMENT

August 6th, 1961

Today, I am going to talk about the United Kingdom, the Common Market and the Commonwealth.

Many people have been concerned that if the United Kingdom joins the Common Market the Commonwealth will not be the same. This is certainly true, but I think their fears are awakened because they think the Commonwealth as a whole will be weakened as a result of England joining. As opposed to this very strong arguments can be made to show that if England stands aloof from Europe her power will be reduced and her influence in the Councils of the world will gradually fade away. If this is true it can then be said that England can serve the Commonwealth as a whole by maintaining her own strength from membership with the Common Market.

It is idle to think that this move, if it is carried through, will not radically alter the Commonwealth. England will be closely allied economically, and to some degree politically, with Europe in a way that has not occurred before. Some re-organization of Australia's trade will be inevitable as a result of England joining, and the extent of that re-organization will depend upon the terms of entry that England may be able to negotiate. This will give impetus to trends that have been evident since the last war.

For example, from a defence point of view we no longer look to the United Kingdom as our saviour in time of need. If there was a world conflict the United Kingdom would be so busy in Europe that she would be able to offer us little assistance. If we were going to get assistance that would come in from the United States, and this is the reason why our defence has been allied with the United States, more closely than with that of the United Kingdom. Much of our equipment is now American, so that we would be able to use joint supply lines in time of need.

Quite apart from defence the United Kingdom now takes a smaller proportion of our export trade than she used to, and a larger share than ever before is absorbed by Pacific countries. This further lessens our dependance on traditional ties.

These are all matters that have come about because of changes in the balance of power and because of geography. We are not a European nation geographically and, ultimately, we must work out our own destiny in this part of the world.

There are other reasons why the old idea of imperial preference was built around England as an industrial country supplying the needs of the Commonwealth countries with the Commonwealth supplying cheap food to the British consumer was in the long run doomed to failure. Commonwealth countries like Australia and Canada have destroyed this policy by their own efforts to establish industrial self-sufficiency. In the industrial sphere we now manufacture many things that we once used to import. We have high tariffs against many goods that come in from the United Kingdom. Because of this policy, carried out
not only in Australia but in other members of the Commonwealth, the United Kingdom has not been able to find an outlet for her goods on a scale that she needs in this postwar era.

The United Kingdom's share of the world trade has been falling, and it has been falling because she has been bound to some extent to the Commonwealth countries by old imperial trade ties. This is a matter of evolution of our own growing up that has again resulted in some weakening of the traditional ties with the United Kingdom. If the United Kingdom finally joins the Common Market these moves that have been evident in the postwar years will be given new impetus and it will be a supreme task for British diplomacy to maintain a real meaning for the Commonwealth of Nations under these circumstances.

If the Commonwealth countries have to pay a price for the United Kingdom joining the Common Market, and we do not yet know how heavy that price may be, they should, at the same time, reap benefits from the United Kingdom joining. England joining the Market will create an economic unit of well over 200 million and possibly over 300 million people. This is a market that has been expanding more than any other in recent years. There will be keen competition inside it, but also the opportunity for expansion. The Common Market countries have also joined together in some kind of a Parliament which, at the present, has limited functions but which ultimately may have wider functions. It will tie countries like France, Germany and the United Kingdom together in a way that 20 years ago one would have thought to be quite impossible. This must be of great benefit to the Western Alliance. If the Common Market is a success then its members should be able to defend themselves and the cause of freedom would be well served. Europe, and consequently the world, has been vulnerable to attacks on its freedom in the past because the free countries of Europe have been divided and therefore weak in the defence of Europe. Prevention of this is one of the strong motivating terms between the points of the Common Market.

Through her membership the United Kingdom would be able to maintain her influence in Europe, and through association in Europe maintain her strength and ability to maintain the cause of freedom. This is very much the reason why I believe it is necessary the United Kingdom join.

But let us look at the picture if the United Kingdom does not join.

If she remains out of the market the Commonwealth of Nations will still be changed. England would lose most of her influence in Europe, her power would be greatly weakened, and the major part she plays in the Councils of the world would be taken by the Common Market countries. Economic progress in the Common Market countries would outstrip progress in the United Kingdom. Europe itself would be weaker and less able to defend itself.

We should remember that we don't serve our own interests well by requiring our strongest member to weaken herself on our
account, and that is what asking the United Kingdom to stay out of the Common Market would mean.

I would like to emphasise two other points. If there were only economic considerations involved I would oppose the United Kingdom's entry to the Common Market because I believe the price that Australia and other Members of the Commonwealth will have to pay would be too high. But the attraction is not only an economic one, it is a political one in which countries like the United Kingdom, France and Germany will be brought into close economic alignment leading to some political integration. If this is done properly and adequately and with full trust it must enormously strengthen Western Europe and the free institutions in Western Europe and weld countries together that have, in the past, fought each other bitterly. It could do much to dissolve the distrust between France and Germany which, with some cause, is still remembered by many Frenchmen. Distrust weakens the Western Alliance and weakens the cause of freedom.

Because of the great political benefits resulting from a successful Common Market Australia should not in the ultimate object to the United Kingdom entering the Common Market.

This talk assumes the success of the Common Market and further anything that is said about the United Kingdom's entry to the Common Market and its effect on Australia is hypothetical because we do not actually know how the United Kingdom negotiations with the Common Market countries will go. We do not know what terms, if any, the Common Market countries may offer. Thus, it is impossible to gauge accurately the effect on Australia and the amount of re-organization of Australia's overseas trade that would be necessary. I can only say that I think the amount of re-organization necessary will be considerable.