

**JOHN McEWEN**  
**HIS STORY**

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*by John McEwen*

*Foreword by Sir John Crawford*

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SIR JOHN McEWEN

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# AUTOBIOGRAPHY OF SIR JOHN McEWEN, P.C., GCMG, CH

## FOREWORD

This is the work of a quietly proud and confident – albeit sometimes diffident – man. The manuscript is derived directly and faithfully from the transcript of his orally recorded history.<sup>1</sup> The person responsible for the manuscript is Dr. Robert V. Jackson, Senior Lecturer in the Department of Economic History, The Faculties, Australian National University. Sir John often expressed to me his gratitude for Dr. Jackson’s efforts. Apart from one or two small additions taken directly from the apes, I have not varied Dr. Jackson’s text. Dr. Jackson’s own account of his approach in preparing the manuscript follows this Foreword.

That text truly reflects the “McEwen views” on politics, his reaction to many people, and the mainsprings of his somewhat restless ambitions in the political arena. Indeed he took very seriously the words of his grandmother, spoken to him as a boy. He recalls them early in the recorded interview. She clearly emphasised “to me (John McEwen) that whatever I finished up doing I should endeavour to be at the top. If you go into the Army, become a General. If you go into politics, become a Prime Minister.” He took the advice seriously and worked hard and ambitiously. He became a great man and was so recognised in Britain and, in the context of his portfolio, in European capitals and in Washington. His Country Party affiliations frustrated his Prime Ministerial ambitions. He did, in fact, under tragic circumstances (the death of Mr. Holt) become Prime Minister for a short period pending Mr. Gorton’s selection by “due process’ in the Liberal Party (see Chapter 9).

McEwen often discussed his dilemma with me. He was intensely loyal to the County Party and to the coalition with the larger Liberal party. Had he switched – as many had wished he would – there is no doubt in my mind that he would have been Prime Minister. I know that the temptation was great. To me his resistance was a tribute not only to his loyalty to the Party he so largely built, but also to his strength of will.

John McEwen was a very tense man – undoubtedly a factor in the dermatitis that was to become in later years a constant affliction. He was over conscious at times of being a self-taught and self-made man, deprived of the advantages of the education so evident in his senior colleague in Government, R.G. Menzies. Much of this tenseness was, in fact, unnecessary for McEwen was better read than most realised and possessed a phenomenal memory for material relevant to his interests. He could enjoy good stories and his laugh was genuine and rewarding to the teller. There were times when I and others had to break tension with a story designed to do just that. He played a reasonable game of billiards – but sadly made quite inadequate use of this skill. This left only the farm as a recreational outlet – which it was. It had the added advantage of being a profitable interest – the certain and publicly evident test of a successful farmer. This he clearly was: his pride in this achievement was well justified. He refers (Chapter 10) to it as one of the burdens to be disposed of when he turned 75. Certainly he had management problems not of his own making and which were not easily solvable. This was a great pity for he was in fact sacrificing an interest which could have provided a much-needed saviour to life in his remaining years. There was no replacement for it in the city to stimulate his still keen and agile mind.

As a Minister he accepted the classical relationship with his officials. He took full responsibility for decisions he made as Minister. He did sometimes reject Departmental advice, but unlike other Ministers I have known, he did not seek to blame his officers when he made a mistake nor, indeed, when their advice was proven wrong. His account of international negotiations is a fair one: he did decide policy. He has, I am sure unintentionally, understated the amount of good policy advice he received: his Departmental heads and senior officials were advisers as well as administrators. Once decided upon policies, he spent much time in discussion and in drafting statements in terms which suited his literary and speaking style. Again in negotiations he knew well what he wanted and what his fall back positions were. In this sense (as in many other senses) he was a good Minister to work with. He would listen to advice but expected it to be well considered. Being his Permanent Head or a senior official in his Department was no sinecure. One had to be on top of the subject in order to comment usefully let alone hold any chance of persuading the Minister to follow this or that alternative course of action. He was not the Minister often caricatured in television shows. He quickly wrote off any officer ill-prepared to discuss matters with him.

John McEwen was a good negotiator and he reveals his approach in this book. As I have just implied, his was not a solo effort, nor does he claim this. It is fair to comment, however, that his thoroughness in preparing for negotiations often caught the other side by surprise. United Kingdom Ministers quickly learned that it was not sufficient to rely on their senior officials for advice “on the run”: for under these conditions McEwen had them indeed “on the run”. In effect a distinct improvement in the level of performance of the members of the UK ministerial team in 1956 occurred after they realised the quality of the Australian Minister. It is fair to say that, were it not for the intervention of Prime Minister Menzies, the terms of the new Trade Agreement with the UK signed early in 1957, would (and quite fairly) have been tougher for the United Kingdom than in fact they were. (Specifically the margin of tariff preference granted on goods imported from the UK would have been less than that finally accepted by McEwen).

It is not unfair to state that the fifties and early sixties were the 10-15 years of his greatest achievement. In these the very substantial revision of the Ottawa Agreement and the primary negotiations of a Commercial Treaty with Japan were outstanding. But he did much more: he established contact with industry and commerce as well as with his primary electorate at large (the rural producers) through consultative machinery that proved effective politically as well as in shaping legislation through constructive advice. The wool industry’s effective marketing machinery owes a great deal to him – as do the Wheat Board, meat industry, et al. On the industrial side the developments were probably less acceptable to him. The Tariff Board and its successor, Industries Assistance Commission, developed a rather less generous protectionist attitude that he thought justifiable. And yet he recognised in later years that the growing complexity of the economy demanded rather more careful assessment of the tariff structure; in short, that there were costs (often affecting export industries) to be assessed as well as possible gains (e.g. to employment) to be recorded.

It would be easy for people not closely associated with John McEwen to accept the common appellation “Black Jack”. In the sense that he was a tough and demanding Minister (and doubtless he drove hard bargains in his farming and political life alike) the term had some relevance. Even his personality could, and often did, give the impression of dourness. As already indicated no official could serve as an adviser on the basis of sloppy and ill thought out advice. Nevertheless once mutual trust was established he was a fine and humane Minister with whom to work and a very good



companion on the overseas journeys which were essential in his portfolio. An “achieving” Minister is a boon to any senior official anxious to be constructive in government: in the Department of Commerce and Agriculture, and in the Trade Department my senior colleagues and I certainly realised this. We also realised that at all times he wanted the truth as we saw it. As a result I know the Departments could and did gain in strength and stature as they helped an able Minister make his mark in Cabinet, in the nation and in the wider world in which our work involved us.

I am delighted that Lady McEwen has decided to make the McEwen memoirs available. I know many people will be grateful. It is also my hope that a sympathetic academic will pick up the challenge to do a full biographical study. It should be done soon – for there are many still around, in and outside the political world, who could contribute personal material and commentary of great value to that study.

J. G. Crawford  
December, 1982

[1] Recorded for the National Library in October/November 1974. His interviewer, appointed by the National Library, was Mr. Ray Aitchinson then associated with the Australian Chamber of Commerce?. [Last word "Commerce" not in original text]

# **NOTE BY**

## **DR. R.V. JACKSON**

In November 1974 the National Library of Australia interviewed Sir John McEwen as part of its project in oral history. Tapes of the interview are now in the Library on restricted access. Some time later Sir John began to write the story of his life, using much of the material transcribed from the National Library tapes and re-arranged as a first-person narrative. In October 1976 I agreed to help to get what Sir John had written into book form. My function has been mainly an editorial one in which I made suggestions about the structure of chapters and helped to redraft the manuscript. The text is basically in McEwen's own words, though I have sometimes supplied linking sentences. Wherever this has been the case, the precise form of words had Sir John's explicit approval.

The book is not intended to be a history of federal politics during the long period of McEwen's involvement. It is essentially a personal record of public events. Sir John has pointed out in conversation that, in politics as in other fields, 'the spectator sees more of the game'. This may be true, but it is also true that players see much that outsiders miss and the players' perspective is a valuable part of the historical record. It is important that we know what our political leaders think about major issues and how they themselves view their political career. The personal recollections gathered together in this book are those of a man whose thoughts and actions have affected significantly the course of Australian history. As such, they are of immediate interest to Australians as well as being an history document for the future.

# CHAPTER 1

## MY LIFE BEFORE I ENTERED POLITICS

I was born in Chiltern, Victoria, on the 29th March, 1900. My father was a pharmaceutical chemist who had come to Australia from the North of Ireland – from Armagh, where his father was a Presbyterian minister. My mother, whose maiden name was Porter, had an Australian background. She came from the Victorian country town of Wangaratta. Her mother had been born in about 1860 at what she always spoke of as Yass-Canberra. My maternal grandmother's maiden name was Cook and it is interesting that her father – my great-grandfather, Christopher Cook, who had been born in Yorkshire in 1801 or 1802 – claimed to be a blood relative, though not a descendant, of Captain Cook.

My mother died when I was about eighteen months old. My father and I then went to live in the residential provision at the back of his chemist shop, leaving empty the big house he had built when he married my mother. My little sister, Amy, who was then only a couple of months old, was taken to live with my grandmother in Wangaratta.

Of course, I have no memory of my mother, but I still have fairly clear recollections of my father, who was a very well-spoken man. He had gone to the Dublin University. I can remember my father bringing me to Melbourne – I suppose I must have been six or seven when we came down – and he carried a rolled umbrella with him. A cable-tram would stop for us when my father held up his umbrella. The cable-tram always stopped at both sides of a crossing: things were very much slower in those days. Horse-drawn vehicles were still common.

Whilst I remember Melbourne as being slower than it has become, I have a vivid memory of Chiltern being a very busy, bustling town, sleepy though it is now. Chiltern was never a big place – there were a dozen or so shops at the most – but, being a mining town, it was always full of life. People worked a six day week then. There were four or five hotels which opened from six in the morning until eleven at night. And in the mining community there was a tremendous bustle and business. For instance, on Saturday night, which was the night for shopping, a vehicle could not possibly get down the main street which was entirely crowded with people. That is my memory of Chiltern in 1907.

My father died when I was seven. I was then taken over by my maternal grandmother, who was herself a widow. She had a boarding house at Wangaratta and it was there that I went to live. My younger sister, Amy, and two of my mother's sisters also lived with us. The boarding house was a fairly big one, having a dozen or fifteen long-term boarders. These were bank clerks and so on, unmarried people who worked in the town. Wangaratta was quite a sizeable place. It was mainly an agricultural centre and so the community was more stable than in Chiltern, where miners came and went.

The loss of my mother never perturbed me, because it happened when I was so very young. I did miss my father, though, and after he died we were always living in pretty frugal circumstances. My grandmother's boarding house had to give her a livelihood and provide for bringing us up. Despite being poor, I had a happy enough childhood.

My grandmother, who was a person of considerable character, influenced the way I thought and some of my attitudes in later life. I have often thought of this and one thing constantly comes back to mind. My grandmother did not try to shape my career but she did continually emphasise to me that,

whatever I finished up doing, I should endeavour to be at the top. Her words are still in my mind: “If you go into the Church, become an Archbishop. If you go into the Army, become a General. If you go into politics, become a Prime Minister.” I have no doubt that this – said to me at the age of eleven or twelve or thirteen, in very formative years – helped to mould my outlook on life.

In 1912 my grandmother moved from Wangaratta to Melbourne with her two daughters and myself and my sister. We went first to Dandenong, where one of my mother’s sisters had a dressmaking establishment. Later, when she sold that and got employment in Melbourne, we moved into Balwyn.

The year after we moved from Wangaratta I left the state school and took a job at thirteen years of age with Rocke Tompsitt and Company, the wholesale druggists and chemists with whom my father had done business. At school I had enjoyed sports – cricket and football – but I never claimed to be a champion. In the scholastic field I had taken a great interest in history and had possessed some aptitude, I think, for mathematics. I have since come to feel that my interest in history was really an interest in politics, for history is the political life of a nation and the relationship between nations. So, I had an interest in history, an interest in geography, an interest in mathematics. I think I had an interest in good English. I do not think any teachers had an influence on my thinking or on the way I developed my studies.

I went to work at the age of thirteen simply because I realised that we were so hard up that it was time that I began to keep myself. I paid board to my grandmother as soon as I started work. At that time, just before the First World War, the basic wage of an adult was 42/- a week. I seemed to fit in quite well at 15/- a week.

When I took my first job we were still living at Dandenong, which was about twenty miles out and not really part of Melbourne at all. I had to catch the steam train each day to Flinders Street Station, which was not far from Rocke Tompsitt’s. This made it awkward because my hours did not fit in with the train times. There was a train that got in at twenty to nine, but that was too late for me as I was supposed to start work at eight-thirty. The one before that got in at about half past seven, so I had to catch a train at half past six and then hang around the city for an hour before going to work. The same thing happened in the afternoon. I left work at half past five, which was just too late to catch a train, and had to wait for nearly an hour at Flinders Street. I would not get to Dandenong until well after seven o’clock and many a time I would fall asleep in the train on the way home.

Fortunately, this situation did not last too long. One day I was just standing outside the front door of the business waiting for it to be opened when the man in charge at that point asked me what I was doing there so early. After I had explained he spoke to the boss, who said that it would be all right if I did not come to work until twenty to nine. I think the same thing happened a little later with the afternoon train.

At Rocke Tompsitt’s I went first on to the telephone switchboard for a short period. Then I moved to what they called the drug room where all the bulk chemicals were kept. I had been there a bit less than a year when I became ill and had to leave the job. When I was ready to work again, after a couple months, I got a job with the Kiwi Polish Company. However, Rocke Tompsitt came to me with an offer of a pound a week to go back. Needless to say, I took the offer and went to work at Rocke Tompsitt’s again.

When I left school I was very conscious of the fact that my education was not good enough. I was

determined to improve myself. A man whom we knew as Paddy Hassett conducted a night school in Chapel Street, Prahran, and it was in preparation for whatever career I set out to engage on that I went to Paddy Hassett's. There I advanced my education to the point of acquiring an elementary knowledge of Latin, French and trigonometry.

After some time at night school, I passed an examination for the Commonwealth Public Service that was then called Clerical Public Service. I became a junior clerk in the Commonwealth Crown Solicitor's office in 1915, although I could not be made a permanent public servant until I turned sixteen years of age. My age of course, runs with the years, I having been born in 1900. In this job at the Crown Solicitor's office my immediate boss was Mr. Fred Whitlam, who was Gough's father. He was a man of great character and ability, ably supported by his wife. There is a further coincidence here. During World War II my second wife served in the Northern Territory as a wireless operator and, on her discharge, she entered the Commonwealth Public Service in the Crown Law office in Adelaide. Later she transferred to Canberra, where she also worked under Fred Whitlam. It seems to me to be a rather remarkable coincidence that both I and my wife, at different times, have worked with Gough Whitlam's father.

Soon after getting into the public service I decided I wanted to be a professional soldier. I studied hard with the view of passing the examination which would have taken me into Duntroon, the newly opened officer training college in Canberra. At this period Australia was, of course, at war. One of the main political questions of the day was whether conscription should be introduced to raise troops for service overseas. Referendums were held in 1916 and 1917 to try and resolve the question. On both occasions, the proposal to send conscripts overseas was narrowly defeated. I remember the anti-conscription campaign of 1917 quite clearly. I can remember some of the street meetings, some of the personalities. There was tremendous heat in the campaign which communicated itself throughout the community.

It quickly became apparent to me that if I did get into Duntroon I would see nothing of the war, for the Duntroon course lasted four years. I dropped the idea of officer training and enlisted in the AIF in 1918. I had been a very keen cadet, getting commissioned rank in the Senior Cadets just before I was eighteen, and so I was ahead of most of the newcomers who had little or no military training. I was soon trained and ready for action. But by this time the war was over – in fact, my detachment was due to go in the very next batch of reinforcements when the war finished.

After being discharged from the Army, one thing bore in on me – whatever my life was to be, I wanted to be free of a boss. I could have gone back to the Commonwealth Public Service, but turned my back on this to strike out on my own. Having been in the AIF, I was eligible to be a soldier settler. At this time the government tried to remote rural settlement by giving to ex-soldiers small blocks of land and some assistance with establishment expenses. This was the opportunity I needed to have a go at being my own boss. But I did not burn all my bridges. I was on my soldier settler block for some months on leave without pay before eventually resigning from the public service.

Picking on farming without any prior experience was pretty tough. When I first applied for a soldier settlement block I had an interview and, of course, it came through pretty clear clearly that I had done no farming at all. Now the soldier settler authorities distinguished an experienced man from and inexperienced man by giving him a qualification certificate. So, after the interview, I went away and got a job on a farm. I worked in the Western District, in Gippsland and finally in the Goulburn Valley, close to where I eventually established my own farm. After six months, aged nineteen, I went back to

the authorities for a further interview and was granted a qualifying certificate as an experienced farmer!

I was working in Tongala at the time. About fifteen miles away a big area was being opened up for soldier settlement at Stanhope. I believe that it was the second largest area for soldier settlers in Victoria after the First World War. Most of the settler blocks turned out to be too small to be profitable, but I had an instinct to avoid a very small block. Some of the blocks had as few as forty or fifty acres of land. I went for one on eighty-six acres with an old house on it. It suited me to get a place with a building and more acres than the general average for the district.

Although I had got my soldier settlement block, I had practically no money. To raise some money to get started on the farm I went to work on the wharves. Here, an earlier experience came in handy. When I was still a clerk in the Commonwealth Crown Solicitor's office, during the First War, there was a big wharf strike. The government appealed for volunteers to man the wharves. Along with many others, I volunteered and spent several weeks on the waterfront. Later, those who had worked as volunteers became entitled to be members of a volunteers union which operated side by side with the original Wharf Labourers Union. To stand a chance of getting work on the wharves after the war you needed to be in one or other of these unions. But I had never bothered to join the volunteers union. So I got a friend of mine who had worked as a volunteer and who had joined the new union to let me use his name – and I worked on the wharf, being 'picked up' in the name of another man whose name I will not recount.

Being on the wharves taught me a lot about living with men, especially as there were members of two conflicting unions working side by side. This two-union situation prevailed until Eddie Ward, as Minister for National Service, de-registered the volunteers union and disentitled its members in 1941. I think that working against this background helped me to understand the reaction of men to certain circumstances and certain views. At the time, though, the main advantage was that being on what was for those days a high wage, with an awful lot of overtime, allowed me to accumulate some money – pathetically little as I look back on it. We worked very hard indeed. I remember one week in which I had a shift of twenty hours, followed by a shift of twenty-four hours and a shift of twenty-eight hours. It was not light work, it was hard work; but I must have been pretty robust to take it up. Anyway, I made a few pounds and they helped me to get on to the farm block.

The whole district around Stanhope was a dairying area and so I began as a dairy farmer. I lived alone in the first place. Then a chap, a single man like myself, took up the adjoining block and because I had a building on my place we arranged that we should live together in the house and share the domestic duties. It was pretty a rough and ready life. I began farming during a drought and a plague of rabbits. This matched the fact that there was no butcher in the town. So I lived on rabbits. For more than a year I had no other meat. It was economical and convenient, but I have never eaten rabbit from that day to this!

The soldier settlement area had been a big sheep station. There were practically no subdivision fences on the old station and the government did not do anything about fencing off the individual blocks. They just gave you the corner pegs and so you had to start off by fencing. Then, it being an irrigation place, you next had to prepare and sow suitable crops. All this meant, of course, that it was probably a couple of years before you could actually start dairying. To get myself a bit of income in the that time I took a team of horses and worked out for other people, doing contract ploughing, preparing land for

irrigation and so on.

I saw little social life as a soldier settler but, looking back on it, I am not conscious that it was hard. Things that would be hard in your more mature period of life are taken in the stride when you are in your teens or early twenties. Loneliness, working on my block all day with nobody to talk to, never troubled me. I was always an avid reader. When bedtime came I lit the kerosene lamp and did my reading. Mostly I read books on history and finance. My great favourite was to read history. I read Australian history and British history and world history generally.

When I was twenty I met the woman who was to become my first wife, Ann McLeod. Her father, John McLeod, was one of the early farmers in Tongala and her mother's people were very early settlers. We married when I was twenty-one. My wife was about my own age. Being a country girl and experienced on the land, she was a great help to me. The McLeod family also were always willing to help out with the loan of a horse or two, or of an implement. Other than that, I sought no assistance from my wife's family. They did not help to finance me at all.

Difficult times soon fell upon us. When I first bought a herd of dairy cows the price of butter-fat was as high as 2/9d a pound. As soon as I was married the price of butter-fat fell to 1/3d a pound. Later it came down to 6d or 7d a pound. By this time I knew what being hard-up really meant. But we struggled through it.

Although things were hard, I managed to develop my farm pretty completely. In 1926 I sold it and got £1,000 clear, the first real money I had ever had. I bought a nearby farm from a soldier settler who was about to walk off it, and another farm as well. I went out of dairying into sheep. By the time of the depression, soldier settlers were walking off their properties all over the place. I used to lease abandoned blocks from the government. The depression was pretty tough for me. But I was not in the position of a man who had lost his job. At all times. I had at least a home and some income.

I suppose I survived on determination to succeed. Nothing more than that. I would never claim that I worked harder than other farmers, because that would be a reflection on the other fellows which I do not think they are due for. But I think I had a clear view of what I was trying to do, and I stuck at it. One thing I am quite clear on is that I was never distracted from my planning for the farm by going for amusements. For instance, I would not go to a race meeting or even a sports meeting for fun. I worked seven days a week and worked while it was daylight.

My early farm experience formed the basis of a lot of my later views as leader of the Country Party. It gave me the intimate working knowledge of farm problems that is essential if one is to formulate and administer rural policy. I never supported any other political party. I became a financial member of the Country Party at the age of nineteen and my allegiance has always been there.

Almost from the beginning, I became involved with the problems of soldier settlement in my own district. It was an irrigation area, that recurringly, did not have enough irrigation water. The settlers did not have enough land or enough capital. All of these things were within the authority of the government: to give us more land, to give us more capital, to give us more water and so on. I joined with other soldier settlers in making representations to the government. Although I was younger than almost all of them, my fellow settlers accepted me as a spokesman and leader. I suppose that in any sphere of public life - whether it is agitation or Parliamentary life - a clear mind and a certain fluency or lucidity of expression bring one recognition. I believe I had a clear mind on the particular problems

that we were facing. I think I had a fair degree of lucidity of expression. Generally, I am sure that even at that age I had, if I may say it modestly, strength of character.

It seemed that some of our problems could be solved by the combined action of the settlers. For example, very early on I led a campaign to establish a co-operative dairy factory in our area. At the age of twenty-one I was chairman of directors of the new company. I was also the largest shareholder, having invested the princely sum of £25 in the venture.

The solution to some of our other troubles lay more directly within the power of the government itself. When the soldier settlement schemes were started, the government was too parsimonious in its approach. First of all, the area of land allocated to each settler was too small. People in general did not realise this at first. For instance, there was no competition for the larger block I selected. Second, because all ex-soldiers were eligible to take up land it followed that most of them were not men with the capital. So the government had to advance some capital to meet their establishment expenses. When I first started, a soldier settler was allowed to draw up to £625 from the government. This was not nearly enough. With it he was supposed to fence his block in and do the essential subdivision fencing, build himself a house and sheds and buy a herd of cows, a team of horses and the necessary implements. The whole thing was, of course, ludicrous. Simply getting a start was a major problem facing the soldier settler. It was on issues such as this that we made representations to the government. Because of our agitations, the £625 limit on the amount of government finance was raised to £1000.

The desire to follow a political career gradually crystallised in the early 1930s. I realised that the problems of the soldier settler had to be resolved – if they were to be resolved at all – at the level of government. Soldier settlement was conducted entirely by the State Government. So this threw my interest into the area of state politics. I decided to have a go at getting into the Victorian Parliament. I made this decision alone. It was not influenced by my wife, who was always content to let my judgment go in the shaping of my own career, just as I was willing to let her judgment go in the management of the house.

The election came along in 1932. The local member belonged to the then-called Nationalist Party and I was asked to stand against him with about three or four weeks' notice of the election. I was then a member of the Central Council of the Victorian Country Party. I agreed to stand, with no expectation whatever of winning but to strike a blow for the party in that area. I did not win, but I did very much better than was expected of me – so well that we won the seat by the sitting Nationalist member promptly joining the Country party.

Soon after, I turned my attention to the federal political sphere which was to occupy the rest of my public life.



# CHAPTER 2

## MY EARLY YEARS IN POLITICS

In the general election of September 1934 I stood for – and won – the federal seat of Echuca. My experience must have been unique. I was a soldier settler on a small block one day, a member of the Federal Parliament the next and within three years I had tied in a vote for deputy leader of the Federal Parliamentary Country Party and had become a federal cabinet minister.

A highlight of my introduction to parliamentary life was the political manoeuvring that surrounded the formation of the Lyons-Page coalition government after the 1934 elections. To understand the situation in 1934 you need to go back to the previous election in 1931. Then, with the country in the depths of depression, the Scullin Labor government was voted out in a landslide. During the 1931 election campaign the conservative parties – the Country party and the United Australia party – had worked in close concert. It was taken for granted that, if Labor were defeated, there would be a coalition government. However, as always happens when there is a swing away from Labor, the UAP (later to be the Liberal Party) enjoyed more of the swing than the Country Party, which has a more stable body of support. The swing in 1931 was so huge that the UAP got a majority in its own right. Joe Lyons, the leader of the UAP, offered the Country Party so small a representation in Cabinet that Earle Page, the Country Party leader, felt that to accept would be to give away the party's negotiating strength for very little reward. So the Country Party stayed out of the Lyons government.

The 1934 elections came along and, as expected, when the swing went modestly against the conservative side, the UAP lost more than the Country party. In fact, the Country party actually increased its number of seats by one. The UAP lost its absolute majority and there was an immediate offer of a coalition. Page persuaded our party, I think correctly, that this still gave us too little influence in Cabinet to warrant losing our independence. The offer was rejected.

The next move involved, of all things, the Melbourne Cup. It was Victoria's centenary year and the Duke of Gloucester had come out to head up many of the important functions. Among these was the presentation of the Melbourne Cup, due to run shortly after Parliament assembled. When Parliament met, Page – as I learned later, went into conference with Jack Beasley, who was then leader of the Lang Labor Party, a faction of the Labor Party made up of members from New South Wales. Beasley was a brilliant debater and schemer. There is scope for scheming in politics, at all levels, and Beasley was one of the best – a strategist if you like a more polite term.

In those days, it was usual for the Prime Minister to move each week the 'the House at its rising adjourn until Tuesday of next week'. This was a completely routine matter that is now unnecessary because of a change in Standing Orders. On this occasion, it was necessary to substitute Wednesday for Tuesday to allow members to attend the Duke of Gloucester's Melbourne Cup. When Lyons came in and innocently moved this most routine motion, Page hopped up in a simulated rage and said how dreadful it was the Parliament should be adjourned for an extra day so that uninterrupted attention could be given to a horse race in Melbourne. He had never heard anything more outrageous, disregarding the plight of the farmers and the unemployed, and so on and so on. Beasley immediately got up, supported Page strongly in this and went off on his own line as well. This put poor Jim Scullin, who was officially Leader of the Opposition, in an embarrassing position, for the Opposition had been

stolen by the Country Party and the Lang Labor Party. As the issue represented a challenge to the Government, Scullin had no option but to get up and trail in.

So, at that moment, Lyons was confronted with the fact that he, as Prime Minister, had moved a routine motion that he obviously could not carry – the three parties were going to vote against him. This was a stunning situation, foreseen only by Page and Beasley. Debate on the motion, as I remember it, went on for a very long time while people thought through the consequences of what was happening. Frank Brennan, a Labor member of the day, later recounted the peregrinations of the various party emissaries running on the floor of the House and through the basement corridors of Parliament while the debate was going on and they were trying to fix up what really could be done.

We succeeded in getting an adjournment of the debate carried and went on to other business. Lyons sent for Page and practically said “Well Doc., what’s your price?” Page's price was the position of Deputy Prime Minister and the Commerce portfolio for himself, plus one other full portfolio and two assistant ministerships for his party. The whole Cabinet had only twelve members at this stage, with several so-called Honorary Ministers who were unpaid. Page was asking for representation in the government that was more or less in line with the relative strength of the UAP and the Country Party in the House. The original offer by Lyons had been much less than this.

Well, Page and Lyons composed their differences and Lyons thereupon walked into the House and moved an amendment that Parliament should adjourn, not until the next Wednesday, but for three weeks. With absolute cynicism this motion was carried. So, we were not only free to go to the horse race but had three weeks to put together a new government. These were my first days in Parliament and I was starting to learn from the word go.

The main political figures at the time I first got into Parliament were Joe Lyons, Earle Page and Jim Scullin. Lyons had been a prominent member of Scullin’s Labor government, but had resigned early in 1931, when a split occurred in the Labor Party. He joined the Nationalists and led them, under the name of the United Australia Party, to victory in the 1931 elections. Lyons was Prime Minister from then until his death in 1939. I found him a most pleasant and honest man. He was able to acquit himself in Parliamentary debate very well indeed.

Earle Page was leader of the Country Party. He was an able and industrious man, but he was determined to do what he wanted to do. He did not, except in a most passing way, consult his party members. Page would get his way by doing it first and then letting the decision come out later, even in party matters. It was this aspect of Page’s character that led him to be dropped as leader of the party in due course. By the time I came to Parliament in 1934 Page had already lost the support of a good section – not a majority, but a pretty important section – of his party. He was, however, an immensely imaginative man and there are many things in the Statute Book today that are to be attributed to Page’s imagination, industry and determination.

I knew Scullin pretty well when he was Leader of the Opposition. In the early days when there were no aeroplanes and before even the Spirit of Progress was on the run between Melbourne and Sydney, it was not easy to get home for a weekend, so it was quite common to stay over the weekend in Canberra. Scullin asked me to go and play bowls and I became quite a friend of his. We would exchange our political philosophies. However, you cannot be half-way in politics. When the chips are down you cannot cast a half-way vote. Despite the difference in our views, I liked Scullin and respected him.

Canberra was so small in those days that everybody knew each other, though whether they were friends was perhaps another matter. The population was only about seven thousand and nearly all of these were public servants or people attached to Parliament. There were very few buildings apart from Parliament House, the Hotel Canberra and a number of other hotels or hostels where we stayed when Parliament was in session. Nearly all the public service departments were still in Melbourne at this stage, a fact that made communications between ministers and their departments fairly awkward. Ministers either had to use the telephone a lot or had to bring the Permanent Head up to Canberra, which was not very desirable but which was done to a certain extent. Looking back, it was clearly inefficient to have your ministers so isolated from their departments, but this was accepted as a fact of life and people did what they could with it.

Constant travelling to and from Canberra was a bit of a strain because the journey was so slow. There was no special train to Canberra for the politicians, just a carriage on the Sydney train that was dropped off in Goulburn at some ungodly hour of the morning. It would lie there for an hour or two before being hooked on to a train that was going to Cooma. Our carriage would be dropped off at Queanbeyan. The journey was slow and tiresome and nobody would want to do it double on weekends unless it was necessary. Nevertheless, I do not think that I would have been many times more than two weeks on end in Canberra, for I would frequently have to be back in my electorate for some function or other or to attend to my own business.

My first impression of Federal Parliament was a rather terrifying feeling that every word which one uttered was taken down in *Hansard* and could be called in evidence against one. For a short period I was very timid about speaking or even asking a question in the House. I got over that.

In my very first speech in Parliament I dealt with some of the problems facing the wheat industry. But my perspective was wider than this, for I saw how the troubles of the wheat farmers were related to the overall problem of economic depression in Australia in the early 1930's. Some extracts from my speech will show how, from the very beginning of my Parliamentary career, I was concerned with finding a solution to our national problems.

“As a new member I have been impressed by the time that has been devoted to the problem of unemployment ... That is as it should be. But I have been impressed also by the fact that most of the suggestions have been only towards the temporary relief of unemployment and not towards a solution of this our most serious trouble ... We should try to discover the basic facts upon which our national economy is founded and search there for the root causes of the very serious problem of unemployment. Those who examine the economic structure of our nation discover the basic economic fact that we are a debtor nation ... Not only have we to face the heavy obligations overseas consequent upon past borrowings, but we have also to bear in mind that as a community desirous of living under modern conditions, we must continue to import large quantities of such commodities as rubber, oil and cotton, which we cannot produce in sufficient quantities in Australia to supply all our needs ... The only way to meet these commitments is to export goods which we can sell in the markets of the world... We must, therefore, rely upon our primary producing industries ... It is general knowledge today that those engaged in our great exporting industries are operating at a loss ... We must not overlook the basic fact that, whilst we can provide by grants of money for the relief of unemployment, there can be no permanent solution of this problem until the essential exporting industries have been established once more on a satisfactory footing.”

During the course of this speech I also developed a line of thinking that I was to come back to again and again in future years:

“It is quite logical for persons engaged in our export industries to say that ... the same measure of protection as is enjoyed by other industries should also be enjoyed by them ... We have a properly constituted tribunal which wage-earners can approach in order that they may receive reasonable wages for their labour. The arbitration system is one of which I approve. The manufacturers engaged in secondary production can also approach the Tariff Board for higher protective duties, but unfortunately those engaged in essential primary industries have no tribunal to which they can appeal in order to secure a reasonable return for their labour. Protection to the wheat-growers in this respect is long overdue.”

I pointed to the position under which wheat was sold for local consumption at the Liverpool parity – that is, the value of the day in Britain less the cost getting it there. I argued that because the price there could be, and generally was, quite low, there was no reason why Australian consumers, who were protected by wage awards and tariffs, should not pay a higher, but fair, price.

Some time later I approached Mr. Menzies, who was then Attorney-General, and asked whether legislation could provide for an automatically variable excise duty on flour for home consumption. Menzies said there was no impediment to this and I then painted out a proposal for providing greater returns to the farmer. After broader discussions, it was eventually agreed that 5/2d was a reasonable price for wheat before gristing into flour for home consumption. I suggested that each week a local excise tax on flour for home consumption should be levied at a rate covering the difference between the Liverpool price and 5/2d. This would stabilise the price paid by Australian flour and bread consumers. I proposed that this excise revenue should be paid to the Wheat Board to go towards the pool realisations on all our wheat. This was a first step towards a wheat industry stabilisation plan. There was a Wheat Board in those days, but its functions were much more limited than in later years.

I must have made an impression in my first years in politics, because in 1937 a bloc of the party asked me to stand for the deputy leadership. Being young and ambitious, I agreed. There was no contest for the leadership and Page was re-elected unopposed. When the election for deputy leader came along I was nominated along with Page’s man, H.V.C. Thorby. Then an interesting thing happened. Doug Anthony’s father, Mr. Larry Anthony, who had just won a seat in the House, stood up. “Well. I don’t know Thorby and I don’t know McEwen,” he said, “and I think it would be wrong for my vote to be a factor in deciding who should be deputy leader when I don’t know either of these people, so I will not record my vote.” When the vote was taken the scrutineers announced a tie between Thorby and me. Page then had a whispered conversation with the scrutineers, who went back and asked Larry Anthony to come out and speak to them. He did and he voted. There was a recount and Thorby won by one vote.

# CHAPTER 3

## IN CABINET – AND OUT OF THE COUNTRY PARTY

A week after the elections for the Country Party leadership I was appointed Minister for the Interior in the Lyons-Page government. This led to me being expelled from the Victorian Country Party, because the people controlling the Victorian party were opposed to the idea of composite or coalition governments. This was partly because in Victoria the party was more radical than in other states. At the time the Country Party was being formed – during the First World War – many of its members would have been people who had graduated into farming from being miners, from being share farmers or from being people employed on farms – people whose natural affiliation would have been with the Labor party. They carried this sense of identity with Labor into their membership of the Country Party. At the same time, the more stable and well-off farmers also saw the Country Party as their political party.

There was always tension between these two groups – the established farmers and those who had come across from the Labor ranks or whose fathers had been labor. A big percentage of people have their politics born in them, a very great number. In this situation, it is not surprising there was a split in the Victorian Party. In 1926 A.A. Dunstan and several other Parliamentarians left the party to form the Country Progressive Party. The two Country Parties – one much more radical than the other – operated side by side for some years. Finally in 1930, the two parties came together again as the United Australia Party.

These events occurred before I took an active part in party politics. I had been a financial member of the Victorian Country Party right through this period, but I was never directly involved in these tensions, except for the carry-over that occurred after I had become a Central Councillor and, later, a Parliamentarian. The radical elements in the party opposed composite governments because they did not want to join with the political opponents of the Labor party, to which they still felt some allegiance. In addition, there were people who thought the Country Party should remain independent and do no more than seek to sit on the cross benches, on the notion that if you had the balance of power, you could control what the government did. Of course, that could not be, except on very limited occasions.

Out of this situation came the so-called Pledge, which was a rule of the Victorian party but never a rule of any other Country Party in Australia. The Pledge provided that Victorian Country Party members of Parliament should not join a composite government without the consent of the Central Council. It was never, in my memory, suggested that the Pledge should apply to federal members, but only to members of the Victorian State Parliament. It would have been a ludicrous thing to have had federal members from six states all asking different state executives could they please join a composite government, some of them getting approval, and some of them not getting approval. The idea was too ridiculous. So I treated it, as I still consider it should have been treated, as a rule that applied to state politics but not to federal politics.

Nevertheless, I was expelled from the Victorian Country Party shortly after the 1937 elections for accepting the post of Minister for the Interior. I believe there was much more to this than simply the question of the Pledge. The state party had elected as its Chief President a man named Hocking who

wanted to control everything the party did. Hocking was widely accepted as a dictator, but not by me and I was always a problem for him. A campaign was mounted to try and blow me out of politics. But I was never out in the cold because my supporters formed another party, which was called the Liberal-Country Party, and this was strong enough to keep me going until the two parties came together again. I think there would have been one person in the Liberal-Country for every two people in the main Victorian Country Party. During this period I particularly valued the friendship and support of Lieutenant-Colonel L.R.D. Stahle, who had been in France in the first War and was later to serve with distinction in Malaya in the Second War. Stahle was also prominent and respected in the Melbourne business community. When the Liberal-Country Party was formed in 1938 he became Honorary Secretary and Honorary Treasurer of the new party.

My experience so far had not been a very good preparation for a man to carry on the office of Minister of the Crown. I tried to make up for this by working hard as a minister – I worked, more often than not, until midnight. In my day the Department of the Interior had much wider responsibilities than was later the case. This was because, when the depression was at its depth, a number of departments had been closed down and their functions pushed into the Interior Department. At this time the Department administered Canberra just as if it were the government of the ACT. It administered the Northern Territory in a similar fashion. The whole of the Works Department was incorporated in Interior. In addition, Interior covered the operation of the Commonwealth Railways, of the electoral system, was in charge of immigration and naturalisation, of all geological matters, such as the search for oil, and maybe of other functions that are now looked after by other departments. The Interior, then, was a great field of responsibility and, of course, a huge field in which to gain political and administrative experience.

From the first I believed – as I still believe – in the need for and the benefit of consulting with one's advisors when making up one's mind. This avoids acting on the basis of prejudice and ensures mature consideration of policy. I think this is why I got on well with all the departments I administered. My first Permanent Head was Joe Carrodus, Secretary of the Department of the Interior. Carrodus was a devoted public servant and we got on well together.

Of course, there is always the possibility of friction between the bureaucracy and politicians. However, the only persistent case of bureaucracy frustrating or delaying decisions made by ministers was the recurring obstruction indulged in by Treasury. Generally, Treasury has an inherent opposition to any proposal that involves the expenditure of money. In my day it lacked a wider perception of what needed to be done for the good of the country.

The immigration functions of Interior allowed me to take policy initiatives that were, I believe, for the good of Australia. When Scullin was Prime Minister he closed down assisted migration from Britain because of the extent of local unemployment. It was clear to me, though, that the Australian population should be increased through the encouragement of the acceptable immigrants. When I first entered Parliament, the Australian population was about seven million and Australia was the only continent occupied entirely by one national group. I argued that it would be unacceptable, in world affairs, if we sought to own and occupy a whole continent with so few people. But it was equally clear that it would be quite wrong to attract migrants to the country unless jobs were available on arrival. This linked up with the ideas I was to develop concerning tariff protection. By far the greatest base for employment is in the industries enjoying tariff protection and in the tertiary activities that serve these protected industries, their direct employees and their families. Therefore, I have consistently argued

that the manufacturing industries should have adequate tariffs to protect their capacity to sustain employment which is basic to any policy of substantial immigration.

I re-opened assisted immigration from Britain in 1938 and indeed, made the first ever deal with a foreign country – Holland, in this case – to have migrants coming to Australia. In a statement to Parliament, I laid down the principles that ought to guide migration policy. Long afterwards, in the late 1940's, when Arthur Calwell was Minister for Immigration in the Chifley Labor government, he read in Parliament a statement of principles for migration policy. When he had finished Calwell said: "This is not my statement. This is John McEwen's statement when he was Minister for the Interior." It gave me some satisfaction.

Still speaking of immigration, I found that Carrodus was coming to me repeatedly in the late 1930's saying, "this is an application for a three months or six months entry permit for a Japanese." Carrodus would say that the Japanese was a mineral surveyor, or a metallurgist, or a mining expert, or something like this. Finally I asked, "What is behind this? Why are these Japanese coming here?" Probing it, I found that some Australian interests in Western Australia, who had the leases for the Yampi Sound iron-ore deposits, had negotiated for a British syndicate to take over the leases. The British in turn had arranged for the Nippon Iron and Steel Company to purchase the product of the leases for the life of the ore body.

This immediately smelt to me like the Japanese getting too big a foothold in a remote part of Australia – a greater foothold than I thought was good. Yampi Sound was one of only two extensive iron-ore deposits then known in Australia (the other one being Iron Knob in South Australia). I went to Lyons to say that we should block the Japanese from coming in and getting hold of what was then the biggest known iron-ore deposit in Australia. We could do this by saying – as I thought to be the case – that it was doubtful whether we had enough iron-ore for our own purposes, in the long term, to warrant our selling this. Lyons agreed.

As already mentioned, I had a foot in so many interests in those remarkable days as Minister for the Interior. I called in my Geological Advisor, a Dr. Woolnough. In my innocence, I told Woolnough what our attitude was and asked him to give me a report that would substantiate the fact that there were doubts about the adequacy of our iron-ore resources. I said that, if he would do this, I would use his report to block the Japanese purchase of the Yampi Sound ore body.

Woolnough, who was a little Englishman of great character, rebelled at once and said, if I recall his words correctly, that I was seeking to make use of him for my own political convenience. He would not dream of putting himself in such a position. I was rather taken aback at this and did not proceed with the discussion immediately. Eventually, Woolnough talked himself around to the point where he told me that, in fact, he also doubted whether we had enough iron-ore for our long-term needs. He gave me a report which stated that, in bearing in mind the expansion of our own iron and steel industry, our own reserves would be sufficient for only two generations. The report said that unless supplies were conserved we would be a net importer of iron-ore by that time.

We decided to suspend the Japanese operation, placed an embargo on all iron-ore exports and set in train an inquiry into the size and adequacy of our iron-ore deposits. The states immediately got on their high horse and said mining was nothing to do with the federal government and that we had to get out of the way. We settled this by asking the states to conduct the investigation, on the understanding that we would meet the cost. I think it cost us about £150,000 for the government of Western Australia

to be told the limits of Yampi Sound and other known iron-ore resources.

The ban on iron-ore exports was technically an overall embargo, but since no one else was interested to buy from us it in fact applied only to the Japanese. Curiously, then, I was the motivating figure in the imposition of an embargo on the export of iron ore to Japan which stood right through until the first iron-ore discoveries of post-war times. Japan, of course, became the biggest buyer of our newly discovered ore, a move which had my approval because it fitted nicely with the new directions in trade policy that I was implementing as Minister for Trade in the 1950s and 1960s.

There is one thing, though, that I have never felt easy about. This is that the Broken Hill Proprietary, which came to own the Yampi Sound leases, was forbidden an export permit until such time as other interested parties – largely American and British companies – had made a satisfactory contract with the Japanese. This was very unfair to an Australian company. It is something I do not understand and would never condone.

I have already mentioned that as minister for the Interior I was responsible for administering the Northern Territory. In 1938 I went in this capacity with a party to tour the Territory for about eleven weeks. As dusk came on we used to stop the cars and pitch our sleeping bags for the night. One evening, when we were just about to camp, a small aeroplane flew overhead in the growing darkness and landed a distance away. We sent a truck over to find out what it was and back it came with a chap called Eddie Connellan, with whom I have since become very friendly. Connellan and I sat up around the campfire till midnight, discussing his ambition to establish an airline to service the Northern Territory. At that time there was only one service between Darwin and Adelaide. I liked Connellan and everything he stood for.

I gave Connellan my support and eventually I was able to get the Department of the Interior – these are laughable figures – to give him £500 a year to run certain air services, the Postmaster-General's Department to give him £500 a year to carry mail and the Department of Civil Aviation to give him £500 a year subsidy. Then I negotiated with the Australian Inland Mission to get him £1000 a year to have an aircraft stationed at Alice Springs to do aerial service work.

So, with a guaranteed income of £2500 a year, Connellan Airways was established. The miracle is that Connellan has sustained his operations ever since. Now, of course, he has a remarkable record. I think he has sixteen or seventeen aircraft of various sizes. His services land on makeshift airstrips on station properties. I remember landing with him once at a place out north-west of Alice Springs – the advice was to land between the beer cartons! Connellan has never had an accident involving a passenger, though there have been one or two incidents involving employees of his own airline. I think that never in all these years to have injured a passenger is a phenomenal record, considering the area he services.

My first period as a cabinet minister came to an end in 1939, when the Country Party withdrew from the coalition with the UAP. Lyons, who had been ill for some time, died early in April. Page became Prime Minister while the UAP decided on a new leader. The logical successor to Lyons was R.G. Menzies. However, Page made it clear that the Country Party would not join a composite government led by Menzies, with whom he had already had a number of political differences. When, in due course, Menzies was in fact elected to the leadership of the UAP, Page immediately resigned as Prime Minister to make way for him – and took the whole Country Party out of the coalition government. In a vindictive speech to Parliament, Page made a deliberate attack on Menzies as a person. This speech was widely resented in the Country Party because it was believed that Page had given the Party an



undertaking that he would not attack Menzies in this way. The one man Page had in collusion with him was Archie Cameron, who was shortly to take over as County Party leader. Cameron even claimed to have furnished Page with some of the points he had used in the speech.

Menzies was now faced with the task of conducting a government that could not command a majority in parliament in its own right. At any time the Country Party could have combined with the Labor Party to defeat the government on the floor of the House. In the following months there was a great tension between the Country Party and the UAP, especially over what was to be done about the wheat industry, which was then in a very difficult position. It is hard to realise now how dominating the wheat issue was at the end of the 1930s. At the time, though, it was quite clear that the fate of the government depended on its attitude to wheat.

The people who had earlier expelled me from the Victorian Country Party used this situation to try and destroy me politically. In August 1939 they convened a meeting at Numurkah, the main wheat town in my electorate. All the speeches were on the failure of the government to do what necessary for the wheat industry. Farmers were unhappy about the prices they were getting. The lower that wheat prices went on international markets, the lower went the price of wheat for local consumption. The Country Party wanted to establish a guaranteed price for wheat related to the general circumstances of the Australian economy. The UAP was against this proposal though some of its members, like Phil McBride and George McLeay, were sympathetic to the line we were taking.

Then, in the midst of this great meeting of some five hundred wheat farmers I, as the local member, was put on the spot by being asked whether I would vote out the Menzies government if it did not do what we wanted to fix up wheat. I stood up and said, that while I was conscious of the tremendous importance of wheat and would always be trying to better the circumstances of the industry, another issue was at that time much more important, and that was the security of the country. I said I thought that we would know within a matter of weeks whether there was going to be another war or not. If we voted the government out, Australia could be without a government when a world war occurred. I said that in no circumstances would I vote the government out while I feared that my vote might contribute to Australia being left without a government in the crisis of war.

Half the audience cheered me loudly and half of them hooted me strongly. It was about fifty-fifty, but I had taken my stand in what my opponents hoped was to be the end of my political career. War did come within a matter of weeks. There are a thousand interesting events in the sort of life I have lived, but this was one that not only affected my career but could also have affected the Australian nation.

After the meeting, though, many people were still determined to bring down the Menzies government. On 1st September, 1939 there was a meeting in Melbourne of all the Country Party organisations from the various states, the State Parliamentary Parties and the Federal Parliamentary Country Party. The meeting was chaired by A.E. Hocking, the Chief President of the Victorian Country Party, and attended by Albert Dunstan, the Premier of Victoria. Dunstan and Hocking had both backed my earlier expulsion from the Victorian Country Party. Page and I were present. There were many other Country Party personalities, from all states.

Page saw this as a wonderful opportunity to defeat his enemy, Menzies. The issue crystallised at the meeting was whether the assembled County Party organisations ought to require the federal Parliamentarians to vote out the Menzies government because of its failure to do the proper thing by the wheat industry. I disagreed completely with the timing of this move, for the reasons I had given at

Numurkah, but the sense of the meeting was overwhelming. It was a foregone conclusion that the federal members would be instructed to vote against the government. I should qualify the word 'instructed', because we never submitted ourselves to instructions from outside, but this was to be so powerful a request that it could scarcely have been rejected.

The meeting went on from the morning until about four o'clock, or some such time, when it adjourned for afternoon tea. All that remained was the formality of going back to vote this overwhelming request to the Federal Parliamentary Party. While we were taking tea, the Melbourne Herald came out on the street, carrying the headline – "Hitler Bombs Warsaw". This put a totally new complexion on things. Page, with whom I was having my cup of tea, said: "John, there will be a coalition by midnight." I cannot remember my reply but I, too, thought it highly probable that Menzies would invite us into a coalition at once.

The move to defeat the government was, of course, abandoned. It was clear to everyone that, now war had actually broke out between Germany and Poland, Britain and Australia would inevitably be drawn into the conflict. The stand I had taken at Numurkah was seen to be fully justified. It was unthinkable that we should now try and bring down the government. But if the meeting had been held a month earlier, our federal members would have been under great pressure to vote against the government and we would have been in the middle of a general election when war was declared.

# CHAPTER 4

## AUSTRALIA AT WAR

On the day war was declared I was on the farm at Stanhope. I remember Menzies coming on the radio: "It is my melancholy duty to inform the nation, etc., etc., that we are now at war." This was shattering, especially from a Prime Minister in whom the Country Party lacked confidence. Parliament and the country had to get to grips with an entirely new situation.

As soon as war broke out, Page wrote to the Prime Minister to recommend the formation of a national government made up of people from each of the major parties. Menzies replied that this was out of the question because Labor would have none of it. Menzies left open the question of a coalition with the Country Party but made it clear in a series of exchanges that Page himself would not be welcome in cabinet. On 8th September, just five days after the beginning of the war, Page announced that he would resign as leader of the Country Party, supposedly because his presence was a barrier to any agreement that might be made with the UAP on the formation of a composite government. In addition, Page's position as leader had been made impossible by the amount of resentment within the Country Party that followed his speech attacking Menzies.

An election for the party leadership was held the following week. There were two candidates – Archie Cameron and myself. Before the election could be held we needed to decide who was eligible to vote. This was a contentious issue because four members of the Parliamentary Country Party – Arthur Fadden, B.H. Corser, A.O. Badman and Tom Collins – had refused to sit with the party after Page had attacked and refused to serve with Menzies. The four said they would not return while Page was leader. Now that Page had resigned, the question was whether the dissident members should be allowed to vote in the election for his successor. I put it to the party that we should not have the election until the four men had been invited to come into the party meeting. Page and Cameron opposed this strongly and the question was resolved in the negative by one vote. I have no doubt that this decision cost me the party leadership. In the election Page threw his support behind Cameron, who won by only two votes. The barred members were all strong supporters of mine and, had they been allowed to vote, I would have won the election. I thought at the time that I had a majority of one vote, even without these men, otherwise I might have resisted more strongly the move to keep them out of the party meeting. In the event, it turned out that I did not have the majority at all and Cameron became leader.

By November the four dissident members were back in the party room, so the invidious situation existed in which I had the support of a majority of the party but Cameron was the official leader. It is fair to say, though, that I was at this time *de facto* leader of the Country Party. I remember on one occasion in the House – I do not recall the specific issue – Cameron stated what he claimed was Country Party policy. I stood up and said that it was not a policy of the Country Party at all. At that it just rested. Cameron did not pursue the matter further either inside or outside the House.

Despite the change in party leadership, the Country Party did not rejoin the Menzies government until March 1940, six months after Page had resigned as leader. In the meantime our absence from the government adversely affected Australia's primary export industries because the UAP proved to be singularly inept at commercial negotiation. One example was the handling of bulk wool sales to

Britain. As soon as war broke out, Britain decided to bulk-buy her food and certain of her raw materials requirements from the dominions and colonies. At that time wool was in the middle of a price slump. In spite of this, and in spite of the fact that the war itself was bound to bring severe inflationary pressure, the UAP undertook to sell for the duration of the war the whole of the exportable wool clip to Britain at the then market price of 13.44 pence Australian per pound (greasy, ex-store). Later, when the Labor party was in power, Curtin managed to negotiate a fractional increase to 15.25 pence a pound, which was still selling our wool much too cheaply.

One small saving grace of the original agreement was the provision that, if Britain should resell any of our wool at a higher price, half the profit should go to Australia. Eventually, Australia received £92 million from this source for distribution to growers. Unfortunately, this sum did not become available until the great boom in wool prices of 1951-2, when woolgrowers generally were in the very highest tax brackets. Then the woolgrowers' organisations insisted, stupidly in my view, on being paid straight away. The result was that most of the money went straight back to the government in income tax. If growers had been content to spread the payments over other years, when wool prices were lower and the growers were in lower tax brackets, more of the money would have stayed in the industry.

When Menzies eventually invited the Country Party to join the government in 1940 I was made Minister for External Affairs, much to my surprise. I was young for so responsible a post and had not at that time been out of Australia. But I did have clear ideas about foreign relationships. I had always had a consciousness of foreign affairs, even before I was in Parliament, and this would have come out in my speeches and general demeanour. Also, I think my appointment was an indication that Menzies knew I was a man he could work with, a man he could trust.

Another indication of Menzies' attitude to me was that he would sometimes consult me on matters that were not within my portfolio. For example, one day Menzies described to me a proposal to appoint a Director-General of Information and a Director-General of Munitions Production. I approved strongly of this wartime approach. I also approved of Menzies' suggestion that Keith Murdoch, the most prominent and most active publisher in Australia, should fill the Information post. Menzies then said that he was thinking of Mr. L. Harnett, the Managing Director of General Motors Australia, for the position of Director-General of Munitions Production. I argued against this, saying that the most experienced man in the engineering field in Australia was Mr. Essington Lewis, Chairman of Directors and Managing Director of Broken Hill Pty. Ltd. After some discussion, Menzies accepted my suggestion and Lewis was appointed to the post.

The war in Europe was going badly at this stage. When the fall of France appeared to me to be imminent – as Minister for External Affairs I was, of course, in possession of all the known facts – I arranged to see Murdoch. I told him that in my judgment France would be out of the war within a fortnight and that there was nothing appearing in our press to prepare the Australian people for such a catastrophe. Murdoch, I found, had been about to leave for Sydney on the day of our interview. He immediately cancelled his trip and set about modifying our news presentation to prepare the public for the great shock that would be felt if, indeed, France did fall.

France was defeated, as I had predicted. This had important implications for Australia's security because of the number of French colonies in Indo-China and the Pacific. Some of the French colonies remained loyal to the French government-in-exile that was led by de Gaulle. Most of the colonies, however, allied themselves with the Vichy government, which was of course entirely subordinate to the German government.

Because of this situation the Japanese, who were close friends of the Germans though they had not yet entered the war, were allowed to use parts of French Indo-China to assemble great troop masses and establish ports and dumps and so on. This meant great danger to Australia in the event of Japan coming into the war. I was particularly worried about New Caledonia, which lay between us and the United States. New Caledonia had stayed with Vichy government and, if it followed the same course as Indo-China, we could wake up one day to find that a Japanese military base had been established there.

I decided we must try and replace the government of New Caledonia with one that was pro-de Gaulle. I discussed the idea with Colonel Hodgson, the Secretary of the Department of External Affairs. Hodgson, who had been a regular soldier, agreed with my views. He suggested that a man named Ballard might be useful in planning the exercise. Ballard was an Australian solicitor who lived in the New Hebrides under the Anglo-French condominium. As well as engaging in his private practice, Ballard was the Australian Government representative in the condominium. Ballard's fluent French and his understanding of French political thinking made him ideal for the job Hodgson and I had in mind. We decided to send Ballard to New Caledonia as a representative of the Australian government. The New Caledonians were pleased to get an Australian representative because they depended heavily on us for supplies of food and many other items. Ballard made good use of his time in New Caledonia, becoming familiar with the circumstances of the country, its government policies and its defence capability.

Our plans were soon ready. We would service a French voluntary expedition to take over New Caledonia. The expedition was to be led by a nominee of de Gaulle himself. We went to work and equipped the French volunteers, putting them on a chartered Norwegian cargo ship.

I arranged that the Australian cruiser Adelaide would just happen to put into Noumea on the same day as the cargo ship. There was a comparatively peaceful submission by the local authorities and we successfully established a government that was pro-de Gaulle, pro-Britain and pro-Australia. The remnants of the former government were taken on the Norwegian ship and left on a beach somewhere up near Saigon.

This was perhaps the most important thing I ever did. I did not consult cabinet about it at all. It was a matter of such high security that only Menzies and I were in on it. Cabinet leaks were always possible and in wartime the cabinet ministers themselves are security cleared at different levels. I believe that in wartime it is best not to know what you do not need to know. For instance, I never knew when a convoy of troops was about to leave Australia. There was no value in my knowing this and I just took the view that it was personally more secure for me not have this sort of information.

During my period as Minister for External Affairs, Australia was only just beginning to establish her independence in matters of foreign policy. At the time of Federation, Australia, like other dominions was seen simply as a part of the British Empire. The Empire was a political unit and Britain was its natural mouthpiece. Gradually this situation changed until by the 1930s Australia had begun to feel a need for greater independence. The Australian government did not sit down consciously and say we are going to have more separation from Britain, we will have our own Department of Foreign Affairs – the thing just drifted. If you took the early years of Federation there was no doubt that Britain spoke for all the Commonwealth countries, whilst later they had almost imperceptibly reached a situation of wanting more independence. I think that Canada led in this development. When we did put up our own

Department of External Affairs in the mid-1930s it was never seen as being in competition with the British Foreign Office. It was just that we now had our own mouthpiece instead of relying on Britain to say things for us.

When I took over as Minister for External Affairs, Australia was in the process of establishing its first formal diplomatic contacts outside the British Empire. In fact, R.G. Casey, my predecessor in the External Affairs portfolio, had gone off to Washington as our first Minister diplomatic only a couple of months earlier. At this time the Japanese were pressing me to accept a Japanese ambassador or minister in Australia. I took the view, however, that we did not want the Japanese to be the first people to have a foreign diplomatic representative in Australia. This view was shared by Menzies and, I think, by the rest of the government. It was felt that war with Japan could come at any time, that Japan would come in against us as soon as they felt it was to their advantage to do so. I equivocated with the Japanese until Casey was firmly ensconced in Washington and an exchange of ministers with the United States had been arranged.

When we did finally accept a Japanese diplomat with the rank of minister, we had to send a counterpart to Tokyo. I thought there was no career diplomat available who would be satisfactory. What we needed, it seemed to me, was someone with the sort of understanding of Australia's policies that only extensive cabinet experience could give. Page was a possibility, but I suggested to Menzies that Sir John Latham, who was then Chief Justice of Australia and had previously been many years in cabinet, would be ideal. I had no close personal relationships with Latham, but his talents and experience obviously suited him for the job. Menzies agreed and Latham was asked to step down temporarily from the High Court to go to Japan. I remember telling Latham in my interview with him that I felt sure the Japanese would come into the war if and when it suited them. I said I had little doubt that it would suit them soon enough and that what we wanted was as much time as we could get to become more prepared. After his return from Japan, Latham reminded me of this advice, saying that it had guided his diplomatic activities in Tokyo.

All this time, dissatisfaction with Cameron's leadership of the Country Party had been growing. I could have set about replacing Cameron and become leader myself without any difficulty, but I was not prepared to do this in the light of the war situation. After the general elections of September 1940, however, the normal course in the Country Party prevailed and all offices were declared vacant. I decided to stand and felt confident of capturing the leadership. Cameron had lost so much support by this stage that when nominations for the position for leader were called no one put his name forward. Cameron was thus confronted with the most embarrassing situation a leader could face – in the room containing all the members of his party there was not a single person willing to nominate him for re-election.

Eventually, Harry Gregory from Western Australia stood up and said that it would be quite wrong for the leader not to be in the ballot and that he was prepared to nominate Cameron pro-forma, provide it was understood that he was not necessarily giving Cameron his support. At this point, Cameron put on an act – which he was always quite capable of doing – and found fault with the conduct of some members of the party. In particular, he had a go at Henry Prowse, representing Forrest in Western Australia, who had wanted know whether Cameron would back the establishment of a wool selling centre at Albany, in Prowse's electorate. Cameron, taking umbrage at this and coining one of his magnificent phrases, said that he would not have a parish pump thrust into his hand as a weapon of war. He was resigning from the Country Party and was going off to join the Liberals. He could do this

because he was from South Australia. Years earlier there had been a merger of the Liberal and Country Parties in South Australia under the name of the Liberal and Country League. Members of the League who were elected to the federal Parliament were free, under the rules of the local organisation, to decide whether they sat with the Country Party or with the UAP. So Cameron was entirely within his rights to switch from one party to the other at any time. I was astonished, however, when Cameron was asked to stay and chair the rest of the meeting, even though he had announced his intention of leaving the party.

With Cameron out of contention I would have a clear run into the leadership but for the fact that Page made a bid to regain the position he had resigned in 1939. Shortly before the meeting there had been a formal reconciliation with Menzies, so that Page's way to cabinet office was now open again. This reconciliation was a case of Page and Menzies agreeing to put up with each other because of the war. The two men never liked each other. I genuinely believed that I would make a better leader than Page, who had already shown that he no longer enjoyed the following and support of the party. My de facto leadership of the party in the preceding two years had been partly a matter of personality. I had demonstrated my ability to put Country Party policies forward forcefully and to marshal support for them. I was a better public speaker than Page, who had a hesitant sort of manner. I would not suggest that I had a better brain than Page because I think he had a magnificent brain.

Page and I tied in the ballot for the leadership. It was suggested that we should follow what is, I understand, a Senate practice and adjourn the meeting for a short while. During the adjournment I tackled one of my supporters whom I thought had voted for Page. He never confessed to this but indicated that he would support me in the next ballot. We went back and again the result was a tie. I have always believed that during the adjournment I captured one of Page's votes whilst he must have captured one of mine.

To resolve the impasse, Joe Abbot from New South Wales suggested that we elect Arthur Fadden to the deputy leadership and install him as acting leader of the party. Then we could have another meeting in six or eight months and resolve the question of the leaders. Page and I both agreed to this and Fadden was elected unopposed. Fadden had been going to stand for the deputy leadership in any case. He was one of my strongest supporters.

Fadden's 'temporary' leadership was destined to last over seventeen years. It happened this way. The war situation had continued to deteriorate and Menzies had gone abroad, leaving Fadden as Acting Prime Minister. I was more concerned at this stage with the outcome of the war than with the internal politics of the party. So I went to Page and said that it was incredible that, in the depths of a desperate war, our Acting Prime Minister should be no more than a stopgap leader of his own party. I suggested that we should have a quick formal meeting and elect Fadden to the leadership. Page agreed and this was done. Fadden then consolidated his position so successfully that he remained leader of the Country Party until his retirement in 1958.

When Fadden was elected to the leadership I was asked to stand for election as deputy leader. I declined, for some reason that I cannot now recall. It was not until a year or so later that I accepted the office of deputy leader of the party.

After the 1940 general elections, the Menzies ministry was reconstructed. The government had lost three ministers and its Army Chief of Staff, killed in an air crash near Canberra in August, whilst a number of ministers had lost their seats in the election. I was asked to become Minister for Air, the

responsibilities of which were now much greater than they had been in peacetime. Jim Fairbairn, who had previously held the portfolio, was one of the people killed in the Canberra air crash.

As Minister for Air I inherited the Empire Air Scheme, which was part of the contingency plans that had been made by the British Air Ministry in the 1930s. The idea was that Britain and all the dominions and colonies should form an Empire Air Force capable of working as a unit. This plan was kept in the bottom drawer until war broke out. Then, at a conference held in Ottawa, Fairbairn committed Australia to participation in the scheme.

The Empire Air Training Scheme was still in the planning stage when I became Minister for Air in October 1940. In fact, the implementation of the scheme was done largely under my jurisdiction. The scheme was an immense success – and it had amusing repercussions for me long afterwards. I can still go to country towns in all states and some one will say, “We will never forget you Mr. McEwen, you gave us our aerodrome.” Actually, the provision of the aerodromes had been little to do with me, though they had been associated with the air training units I established during the war.

Although, overall, the Empire Air Training Scheme was successful, there were difficulties. In particular, relations were always strained with the Chief of the Air Staff, an Englishman name Sir Charles Burnett. He was an irascible, difficult chap and we did not see eye to eye on many occasions. There were great problems over money. Burnett wanted to spend amounts of money, apparently without a thought for where it was coming from, whilst I was the one who had to accept the responsibility for all expenditure associated with the scheme. I remember him taking a short-term lease on a boarding house in South Australia to accommodate one of the training units. Though we had not title to the premises or to any improvements, Burnett promptly advocated spending something like £150,000 on the boarding house. This was an example of his general attitude to wartime expenditure – nothing was to be allowed to stand in the way. I could not be as simple minded as this and on such issues there was always an air of tension between us.

My reservations about this sort of expenditure did not mean that I was not worried about air power. On the contrary, this was always a serious concern, even though we did not at this time realise the tremendous quality of the German Air Force or of their dive bombers. The general public knew even less about how well equipped the Germans were in the air. I can remember when the Australian forces were in Greece – it was about their first engagement – the Melbourne *Argus* ran an article advocating that the Wirraways should be sent to Greece to cover the ground troops. The Wirraway was a locally built plane that had only recently gone into production. The heading to the article was ‘Whirr away, Wirraway’. The *Argus*, like many people, thought that we were not making enough of a war effort, but this sort of suggestion did not help much. Of course, no one in authority ever entertained seriously the idea that the Wirraways should be sent to Greece. They would have been shot down like sitting ducks by the modern German fighters.

We committed Australian troops to Greece only after serious consideration. The British had promised that they would come to Greece’s aid – they were ancient allies - and Australia was asked to contribute by sending a division. I do not think that anyone expected the Greek campaign to end in victory. War involves not only trying to win battles but also winning allies and, what is sometimes more difficult, keeping old allies. The Greek campaign was undertaken to preserve the Allies’ united front and to honour the word of the British government. As it turned out, the Germans won the day, but an important part of the end result was that German military resources were diverted from operations elsewhere. And, if the combined British effort had not been mounted, the whole British



Alliance would have been branded as a group whose word could not be taken.

At this time I thought that Australia's future was in grave jeopardy. Had Britain been defeated, as seemed likely, Australia would have been thrown naked to the world. When the Japanese came into the war and reached New Guinea I was, of course, immensely concerned. But I realised from my military reading that the further away an army got from its base, the more difficult it was to sustain its strength. For this reason I never felt that Australia was in imminent danger of an actual invasion by the Japanese.

Cabinet as a whole was very worried indeed. It was so clear that our fate would depend on what happened to Britain that there was now only a minimum amount of scope for negotiation between Britain and Australia. We had cast in our lot and that was that.

In this desperate situation, a number of people began to feel that Menzies was failing to satisfy the public with the vigour of his conduct of the effort. Menzies had, I think too great a sensitivity to the expenditure of unusually large sums of money. He was reluctant to spend great amounts on things that were clearly proved to be necessary. For example, I remember his attitude towards the building of a repatriation hospital. At that time, Australian troops had been in so few engagements that there had not yet been a significant number of casualties. The War Cabinet wanted to build a preparatory repatriation hospital, knowing that before the war was over there would be casualties enough to fill it. But Menzies, still hoping that the spread of war might be contained, was very timid about the project. He was normally a cautious man. I remember him saying at one War Cabinet meeting that when the war was finished there would be no need for a Royal Commission to enquire into extravagant government spending, as there had been after the First World War. All of this showed, I think that Menzies never managed to adjust his thinking to the wartime situation.

During 1941 Menzies' reputation was slipping. He was not even holding the confidence of his own party. Eventually after a meeting with his UAP ministers, Menzies announced his intention of resigning to allow the government parties to choose a new Prime Minister. At a joint party meeting on 23rd August, Fadden was elected unopposed to the Prime Ministership.

The reasons for Menzies' fall have never been entirely clear to me. There was always antagonism from the Country Party over matters such as wheat, but it was not the Country Party that asked Menzies to stand down – it was the members of his own party. It is possible that Menzies was simply one of those people who are leaders in peace but not in war. Certainly, there was widespread dissatisfaction with his handling of the war effort and, in particular, with his unwillingness to commit money to war expenditure. I can suggest nothing else to explain why Menzies should have lost the confidence of the UAP at this time.

The numbers in the House of Representatives were too finely balanced for the Fadden government to survive for long. After the 1940 elections the UAP-Country Party coalition had managed to rule only with the support of two Independents. During the budget debate both Independents declared their intention of voting against the government. On 1st October, 1941, the traditional formal motion to reduce the first item in the Budget by £1 was carried and we were out of office. So began the only period in my Parliamentary career in which the Labor Party held the reins of power.

# CHAPTER 5

## OPPOSITION DAYS

Our first years in opposition saw what has widely been regarded as the disintegration of the United Australia Party. With Menzies gone from the leadership, the party turned to the past and chose Billy Hughes to replace him. Hughes was a colleague of mine in several governments, though he had some of his most rugged years in politics long before I entered parliament. He was an immensely amusing man with a tremendous sense of fun. We became very friendly and Hughes and his wife would spend many a Sunday in Canberra with us. Hughes had a great knowledge of politics, having been Prime Minister as long ago as the First World War, and had what I respect above all things – a tremendous feeling for his country. I recall the night in 1938 when, as we were sitting in cabinet, word came through that the Munich Pact had been signed. Billy Hughes cried openly, saying this would lead to the most terrible things. That is a good glimpse of his prescience. As far as I know, he did not try and get our government to do anything about it. He regarded it as *fait accompli*.

Although I had great respect for Hughes, I think his election as leader was a sign of the sheer weakness of the UAP. Someone in his seventies was obviously not the man to lead the party to political rejuvenation. It was not that the UAP lacked strong personalities. There was Menzies, of course, and also people like Percy Spender, who was able and strong. But there was no real unity between the leading figures of the party and there may have been some conflict of ambition. The only man capable of uniting the party was probably Casey, who was then out of the country serving as Australian Ambassador to the United States. I have no doubt that he would have been elected to the leadership had he been in Australia.

Casey was less rugged and less ruthless than Menzies, but I am sure he would have made a successful leader, for he was a man with a great breadth of vision and a great sense of purpose. He was at once very nationally minded and at the same time very conscious of affairs all around the world. His integrity was unassailable. In all my public life I have not known any man so completely dedicated to his responsibilities and to what he considered to be the national well-being. The only problem that Casey might have faced as leader was that some people in his party might have wanted to nudge him along at a faster rate. Casey was never Prime Minister but his achievements in both domestic issues and foreign policy were widely recognised. It was a tremendous acknowledgment of his worth when Winston Churchill, in the bleakest days of the war, asked Casey to become a member of the British War Cabinet and report from Cairo on all the British and Allied involvements in Egypt and further afield in the Middle East. Casey's later work in India, as Governor of Bengal, was constructive and contributed to a better relationship between the British government and the Indian authorities. The highest acknowledgement of his worth came when he was made a Member of the Order of the Garter. This eminent but numerically small Order had hitherto been confided to residents of the United Kingdom or foreign monarchs or Heads of State. I believe that Casey was the only non-Britisher who was not a Head of State to be taken into the Order of the Garter. In all his work Casey was magnificently supported by his wife, who was a person of great character and ability.

With Casey unavailable, I was not surprised when Menzies was eventually re-elected as leader, despite his earlier fall from grace. This was an indication of the strength of Menzies' capacity to endure being put out by the UAP and of his determination to succeed.

I do not agree that the UAP did actually disintegrate in these years. After Menzies was re-elected to the party leadership he set about building a new party, brick by brick. So what we saw was not the disintegration of the UAP but its conscious and deliberate replacement by the Liberal Party. The new party was more purely non-Labor than the old. From its inception the UAP had got some recruits from the Labor Party and it was led for years by a former Labor man in Joe Lyons. By the early 1940s, these Labor elements had either gone or been absorbed into the fabric of what is now the Liberal Party. There were no more recruits from the Labor side.

The newly formed Liberal Party was never seen by us as a threat to the Country Party, though we always saw it as a party that wished the Country Party did not exist. This was not basically a matter of policy differences between the parties. None of the Country Party policies that were adopted in government – and there were many of them – could have prevailed without the support of a substantial bloc in the Liberal Party or the UAP. Nor was this reluctant backing, for men like Phil McBride, Jim Fairbairn and George McLeay, for example, were very closely aligned with the Country Party.

Early in the life of the Curtin government the war was still going badly. The Japanese had reached New Guinea and even the Americans were falling before them. The Country Party was, of course, out of office but it did have representatives on the Advisory War Council. I was a member of the Council between 1941 and 1945. There passed through the War Cabinet and the War Council very many of the high-ranking leaders of Australia, of Britain and of America as well as of other countries, the Dutch in particular. But I felt there were two people who stood out above all others, because of sheer personality, lucidity of expression and an unshakeable belief in what they were advocating.

One was General Douglas MacArthur. I remember clearly his arrival in Australia. Parliament was not in session and neither Menzies nor Fadden in Canberra, so Curtin asked me to be there to meet MacArthur. In due course, MacArthur arrived with a General Sutherland and a General Marshall, having flown from the Philippines to somewhere on the north-west of Australia and then to Alice Springs and Canberra. He arrived wearing no Insignia at all but exuding confidence that, in the long run, the Americans would defeat the Japanese. MacArthur was a great actor but, actor or not, I think his confidence was always genuine. No set-back was ever treated as more than a passing incident. When we met him more formally the next day MacArthur had, in the words of the soldier, ‘all the fruit salad in the world’ on him, showing his Insignia of rank and all the honours that had come his way. It was a tremendous contrast to the day he arrived in a simple shirt that might have belonged to a boy scout.

The other man of great strength of character and lucidity of expression was an Australian – General Thomas Blamey. In my view, Blamey has been greatly under-rated. I rank him very, very high as a man who knew where he was going and why he was going there. He showed an unflagging determination to push through his war-time plan.

At this stage of the war I was grateful that it was John Curtin who led the Australian Labor Party, for Curtin was a strong enough personality to overcome Labor’s traditional reluctance to become involved in wars fought by Britain and her allies. The Labor Party had never purported to be as close to Britain as we were. In fact, when they were in opposition in the 1930s, Labor spokesmen would say how disturbed they were at Australia’s closeness with Britain. I remember Frank Brennan, who was a prominent Labor Parliamentarian with a very Irish background, saying on one occasion the British fleet was the most evil thing in the world - those were his words. If Labor had been in government when war was declared by Britain I do not think Australia would have gone straight into the war,

though the Labor Party would certainly have lost any election on that issue.

This kind of thinking still prevailed in the Labor Party in 1941, when Curtin became Prime Minister. With Australia already in the war in partnership with Britain, Curtin had to decide whether he would go along with the historic attitude his party had taken since the conscription campaigns or whether he would just pick up the responsibilities of the Prime Minister of a country at war. He did the latter, showing a willingness to take on the people in his own party when he felt that the well-being of Australia required it. I think that Curtin was a very great man.

Labor leaders, and Labor members generally, are under great pressure to toe the party line, because the rules of the game make the party machine supreme. I will always maintain that a Labor leader who says “whatever the party decides is my policy” is giving evidence of a weakness that can be exploited. What you get is the uninformed dictating to the informed. You get the executive of the party organisation dictating to ministers who have the advantage not only of the superior qualities that have made them ministers but also – and more importantly – of access to advice from the whole hierarchy of the Public Service. Here you have the wisdom of the individual head of a department, backed by the whole tradition of the Public Service and the wide experience of government which inculcated into those who lead the Public Service. These advantages give the minister an opportunity for judgment superior to that of the man who just comes into the Caucus room and speaks to a point off the top of his head.

It is tremendously difficult for a Labor leader to withstand Caucus, but Curtin managed it, sometimes by going over the head of Caucus to the Federal Executive. This is the only way out for a Labor leader. It requires great ability, strength of character and a willingness to lay one’s own career on the line. John Curtin had those qualities. He was also very convincing in debate. Curtin was not a magnificent speechmaker, like Menzies, but he was nonetheless effective. When Menzies made an important speech, my reaction was always that he had revealed himself to be a splendid debater. My main impression was of the man, not his subject. On the other hand, when Curtin made an important speech my reaction was always to weigh his analysis of the subject matter.

In the following years the Allies’ fortunes improved steadily. The Japanese were turned back, the North African campaign was successful, the German invasion of Russia failed. Then came the landings in Normandy and the war was all but won. Curtin, however, did not live to see the final victory. He died in office early in July of 1945, barely six weeks before the end of the war in the Pacific.

Curtin’s successor as Prime Minister was Ben Chifley. With the change in the Prime Ministership just about coinciding with the end of the fighting, the new administration was taken up mainly with problems of reconversion to peace rather than with war. The great strength of the new government was Chifley himself. He was a man of integrity – education and character. His position as leader of the Labor Party was never under challenge, as Curtin’s had been, so that the Chifley government was Chifley.

When the war was over, it was the earnest ambition of the peoples of the Allied Nations that there should be an end to all wars. The United States and Britain led the constructive thinking on this, even before the fighting finished. It was decided to convene a conference of all like-minded nations in San Francisco to plan and establish a United Nations Organisation. The world body was to have rules to govern international relations in a way that would make it possible to settle international disputes and

tensions without war. The United Nations was to be a world forum where member countries could argue their cases openly. It was also hoped that principles could be established to help improve the social and economic circumstances of underprivileged people and nations.

The Australian delegation to the San Francisco conference was led nominally by Frank Forde, the Deputy Prime Minister. H.V. Evatt, who was both Attorney-General and Minister for External Affairs in the Curtin and Chifley governments, was deputy leader of the delegation. Forde and Evatt were surrounded by a bevy of advisors, of whom I was one.

There assembled many of the leading political figures of the Allied world. The American delegation was led by Stettinius, the Secretary of State. Eden, Atlee and Lord Cranbourne (later to be Lord Salisbury) were there from Britain. There was Bidault from France, Spaak from Belgium, Molotov and Gromyko from Russia and many others. It was a wonderful opportunity to rub shoulders with leading men from all over the world. I remember we sat behind the American delegation. Sitting within touching distance of me was Nelson Rockefeller, later to become the Vice-President of the United States.

Although the Australian delegation was supposed to be under Forde's leadership, there is no doubt that Evatt was our real leader. Evatt, who was an energetic and forceful man, was very successful at selling the delegation a line. In fact, he would usually simply come along and say we were going to do this or that, never asking whether anyone thought it was a good idea or not. Evatt's de facto leadership was never challenged, despite these high-handed methods.

Having got the support of his own followers, Evatt was determined to sell his proposals to foreigners. He saw the small, rather voiceless nations as his allies, not the big powers like the United States or Britain. Evatt went out and spoke through interpreters to the representatives of the smaller nations, forever explaining his ideas to them. As in all great conferences, more work was done in the lobby than in the conference itself.

Considering Australia's relative unimportance in world affairs, Evatt was amazingly successful in winning acceptance for his policies, which came out as Australian policies. He managed this despite a lack of personal charm. I have heard it said that Evatt could be charming when he wished. I would say that he could be ingratiating when he wished, which is rather different. Evatt's success at the conference was, however, widely recognised. On the strength of this recognition, he was later elected as the first President of the General Assembly of the United Nations.

One of the great things that Evatt propounded at the conference was the notion that the middle ranking powers had a significant role to play in world affairs. Previously, international power politics had been based on a division between a few great powers and a large number of minor nations, each with little economic or military significance. Now Evatt was arguing for the formal recognition of a third group – the middle ranking powers such as Australia. The conference's acceptance of this line of thinking provided the basis for much of Australia's scope for influencing the out of the negotiations.

Evatt's standing at the San Francisco conference reflected the clarity, and to some extent the originality, of his views on important matters. I think his greatest positive contribution was his effort to persuade nations that they should commit themselves to seeking full employment. This is a commonplace enough commitment today, but in those days it was revolutionary. Historically, most countries periodically had to put up with large slabs of unemployment, and in the main, this was seen

as having nothing to do with the government. The new idea was for governments to assume responsibility for combating unemployment and to make the maintenance of full employment a fundamental objective of policy. Evatt propounded this view with great force and was tremendously successful in gaining support for it.

On some matters, though, I think Evatt was mistaken. In particular, I think he was wrong to oppose the veto in the Security Council being reserved by each of the great powers. It seems to me that you cannot have the affairs and commitments of countries such as the United States, Soviet Russia, Britain or France being dictated by the Nicaraguas and other small nations. On this, Evatt did not get his way. It was agreed that a veto should be available to the great powers, for the kind of reason I have mentioned. In fact, I do not think that any other country at the conference supported Evatt's attitude to the veto. I am as clear today as I was then that, if there had been no provision for the veto in the Security Council, there would never have been a United Nations.

Whilst I would be the last to deny that Evatt was a dominating figure at the San Francisco conference, I also see him as having been, on occasions, slightly ridiculous, striving to take the leadership from Forde or to have Australia lead the conference instead of the great powers that had carried the main burden of the war. He was always very concerned about his own position. For instance, the conference had a steering committee made up of the leaders of the eleven most significant countries. Britain had only one member of the committee, as did America, the Soviet Union and France. Australia, however, had two members because Evatt had to be on the committee as well as Forde, the nominal leader of our delegation.

Another example of Evatt pushing himself forward had slightly comic results. Kaiser, the American industrialist, had a great shipyard at Richmond, just across the bay from San Francisco. Kaiser took it into his head to invite the wife of each delegation leader to launch one of his ships. Day after day ships were completed and launched. Mrs. Forde was to launch a ship and Evatt pressed that his wife should also have one to launch. The story went that Kaiser said, "Oh, well, if she wants a ship, she will have to wait another day or so until one is finished, but we must launch both Australian ships simultaneously." Kaiser was a diplomat as well as well as a shipbuilder. The invitations to the launchings went out, but as the events were to be simultaneous no one could attend both. Of course, almost everybody accepted the Forde invitations as a matter of protocol and perhaps for more personal reasons. Practically no one accepted the Evatt invitation, so poor Evatt had to whip up members of his staff and the External Affairs Department to provide an audience for Mary Alice launching her ship.

Relations between Evatt and Forde would have been indescribably difficult if Forde had been a very sensitive man. However, Forde took it all in his stride. He never raised any objections to Evatt's high-handed approach. Forde was not a strong enough personality to take Evatt on and beat him, or even want to take him on. Forde got his satisfaction simply from being the official leader of the Australian delegation.

The years I spent in opposition gave me an opportunity to judge what is needed in an opposition leader. More is required than the ability merely to interject at the right time and to exploit momentary weaknesses in the government. There are difficulties imposed by the fact that, in opposition, you are much less well informed than the members of the government, who have access to so much advice from the Public Service. Also, because opposition members are less over-burdened by this responsibility of government, it is easy to become loudmouthed and put forward unworkable proposals. It is essential for an opposition to have a biased understanding of the Constitution. There is

no point in advocating action that is unconstitutional, yet this is done so often in Parliament by opposition members who do not understand how the Australian Constitution works. Similarly, one needs a thorough understanding of Standing Orders to be effective. These attributes, plus strength of character, a certain quickness and a capacity for perceiving basic flaws in government proposals, are what make a good opposition leader.

No one outranked John Beasley as a leader in opposition. Menzies, of course, was very good and Scullin was no mean political opponent. In the Country Party, I think Fadden was effective in his own different and peculiar fashion. Unlike Menzies, whose strengths were his intellectual capacity and political acumen, Fadden made no claims to being highly intellectual. He was, however, very aware of what could and what could not be sold to people and how things could be sold. This made him a very able politician. On the Labor side, Arthur Calwell was a good, vigorous run-of-the-mill opposition leader. He was an honourable man. In all my experience, I never found Calwell diverting an inch from his given word – and this is a great thing to say of a politician. I also respected Calwell for the way he took on the Labor Party over immigration after the Second World War. Labor had been opposed to immigration, but Calwell wrestled with his party to get the migration programme accepted. Calwell showed himself to be a man of imagination, courage and industry. On the other hand, Gough Whitlam has never impressed me as an opposition leader. I have never found him profound. I think that sums it up.

By the late 1940's, our days in opposition were drawing to a close. Evatt was providing a useful target in the government. He was intelligent and imaginative and he possessed a great force which was very real, though hard to describe. Evatt was, however, becoming eccentric both in Parliament and in private. He had always had delusions of grandeur – this had been evident at the San Francisco conference – and now these were growing on him. In his later years, Evatt was quite erratic and unstable in character.

As well as this, the Chifley government presented us with a cause to fight them on – the issue of bank nationalisation. The proposal to nationalise the banking system had been Labor policy for some time and now Chifley was determined to implement it. This was the major reason for Labor losing office. The coalition parties were unhesitatingly united in opposing bank nationalisation. In the Country Party there were no second thoughts whatsoever. After a vigorous campaign, the coalition won in an election landslide in December 1949. We were back in office again.

# CHAPTER 6

## IN OFFICE AGAIN

It has been the unwritten right of the leader of the Country Party in a coalition government to choose his own portfolio. Fadden, because of his previous accounting experience and because of his own predilections, wanted to be Treasurer. Both Fadden and Menzies assumed that I would like to be Postmaster-General, a position that has traditionally been filled by one of the leading figures in the Country Party. I thought, however, that if Fadden was to be Treasurer the next most senior post to go to the Country Party ought to be one dealing with the farm industries at home and overseas. So I put it to Fadden that the best interests of the party required that I should get the Commerce and Agriculture portfolio, difficult as I knew this job would be. Neither Fadden nor Menzies raised any objections to this and, on the 19th December 1949, I was installed as Minister for Commerce and Agriculture in the new government.

I set about at once to see that I had good men to advise me. The Departmental Head, Edwin (later Sir Edwin) McCarthy, had been seconded to London as Deputy High Commissioner. The Acting Head was a man close to retiring age who had no aspirations to position permanently. It was soon agreed that McCarthy should be confirmed as Deputy High Commissioner in London, so a new Permanent Head was needed. Next in seniority in the Department's Hierarchy was a Mr. Tonkin, who had every justification for expecting to be appointed in McCarthy's place. In my view, however, quite the best man for the job was John Crawford, who was that that time Director of the Bureau of Agricultural Economics and not in the mainstream of candidates for promotion within the Department at all. From a personal point of view, the cruellest thing I have done in my political life was to have Crawford appointed over Tonkin's head as Secretary of the Department of Commerce and Agriculture. I have never regretted this decision, for Crawford was to disclose all that capacity which I imagined he possessed. He was a magnificent Public Servant.

Not very long after the elections, a major policy question arose over which there were differences of opinion within the government. Menzies and a group of people in the Liberal Party wanted to raise the exchange rate of the Australian Pound. Before the depression of the 1930s, the Australian Pound had always been worth the same as Sterling. Then in 1931, because of the difficulty Australia was experiencing in getting enough foreign exchange to meet its overseas commitments, our currency was depreciated until you had to pay £A125 to get £stg100. Menzies and his supporters thought that, now the depression and the disruptions of the war were over, our currency ought to get back to its true value in relation to Sterling. The Country Party fought this proposal very strongly on the grounds that the export industries would suffer. Our balance of payments was just not strong enough, in the long run, to stand this kind of exchange adjustment.

The political controversy over this question, which became known as the "Battle of the £", has often been depicted as a fight between the Country Party and the Liberals. This is not correct. The Country Party always took the initiative in the fight to resist the proposed change in the exchange rate, but there were a number of prominent and highly respected members of the Liberal Party on our side – most notably Phil McBride and Senator George McLeay. McBride, in particular, was a very able and clear thinking man who was always sympathetic to our cause. Whenever I was hammering a Country Party policy, I generally found that McBride was on my side. So it was not a case of the Country Party



fighting the Liberal Party as such, for the Liberals were not united at all. It was a case of the Country Party and a number of Liberals being opposed to a particular school of thought, both within the Liberal Party and in the general public.

In the end, we got our way and the Pound was not appreciated. This was fortune for Australia because, as it turned out, we had serious problems with our balance of payments through most of the 1950s. If Menzies had got his way, the balance of payments would have been much worse than it was and I have no doubt that Australia would soon have had to depreciate its currency again.

At this time Australia's primary industries were very much run down. Crawford and I worked to rejuvenate and rebuild these depressed industries. Primary producers needed government assistance because they operated in an economy where wage earners were protected by arbitration and manufacturers were protected by tariffs. In my view, some equivalent form of protection for primary industry was needed to ensure that efficient operation carried with it a reasonable prospect of profit. I also wanted to see some profitability and stability established, for efficient primary production involves long-term planning and investment.

With this philosophy and set of objectives in mind, I dealt with each major rural industry separately. In this, I never took the view of the previous Labor administration that the government always knew what was best for the industry concerned. I tried not to make decisions without consulting industry leaders, because I wanted to become familiar with their needs and aspirations. In conducting these negotiations, I had a clear philosophic attitude towards the ownership of the product of primary industry. It seemed to me that, while governments had to make rules and regulations, which sometimes involved the transfer of legal ownership of primary products to government bodies, the real ownership always remained with the producer. I never lost sight of the fact that we were dealing with other people's property. Therefore, I felt that any course of action taken by the government had to be capable of being justified to the producers themselves. My attitude to this was appreciated by the industries in question. And strange to say, this attitude was rather novel in my early days as Minister for Commerce and Agriculture. The previous Labor government, which had done a good deal to control primary products during the war, had always acted as if it was dealing with its own property. In my view, the government was dealing as a trustee for other people and had to be accountable to the real owners of the property it was handling.

One of my most important achievements was to bring the various sectors of primary industry closer to the government than they had been before. The earlier relationship between the government and the wheat growers or dairy farmers had been pretty much one in which the different parties simply shouted at each other, which is not a very profitable way of proceeding. I set out to show primary producers that the government was made up of human beings who were willing to listen to and be influenced by hearing the point of view of the man on the farm. As a result, I think I succeeded in establishing an unprecedented degree of confidence between the farm industries and the government.

This did not mean, of course, that relations were always happy with every one of the primary industry groups. One incident in which things did not turn out as we wanted occurred fairly soon after my appointment to the Commerce and Agriculture portfolio. The government was asked by the wool industry to establish a reserve price plan for wool. The major producer organisations - the Australian Woolgrowers' Council, which represented mainly the big grazing interests, and the Wool and Meat Producers' Federation, which represented the farmer interests in wool growing - both said they favoured such a plan, which was unusual because these organisations rarely saw eye to eye on

anything. After a great deal of study and consultation with Crawford, I decided to back the wool industry proposals on the understanding that they would only come into operation if a referendum of woolgrowers showed that a majority of individual producers wanted a reserve price scheme. Cabinet agreed to adopt the scheme under these conditions. The referendum was so organised, but before it could be held the Woolgrowers' Council did a complete somersault. Having asked for a reserve price scheme, and having helped to hammer out a plan acceptable to all parties, the Council suddenly decided that it did not like the idea after all. The referendum produced a heavy defeat for the reserve price proposals. Whether this sequence of events was amusing or pathetic I shall leave to some else to judge. It was certainly dismaying and I regard it as one of my many failures.

Consultation with the leaders of the various primary industries impressed on me the importance of having articulate spokesmen for particular interest groups. My practice was to invite special interests to come and state their case. In other words, when groups came to lobby it was on my initiative. I have no doubt that lobby groups are a legitimate means of trying to influence policy in primary industry, just as manufacturers' pressure groups or employees' pressure groups have a right to try and get political action on matters that affect them. By this time the clock had turned full circle, because I had started off myself as a primary industry representative putting whatever pressure I could in the 1930s.

I cannot recall any occasion on which pressure groups other than farm organisations directed themselves to the Country Party. Each of the political parties had long associations with various lobbies. I see nothing improper in this. On the contrary, it is only right that the views of organised interests in the community that are going to be affected by government policy should be heard by the people who are responsible for making the relevant policy decisions.

One sometimes hears allegations that some local organisations or perhaps some wealthy foreign company can have an undue influence upon a particular political party because it contributes heavily to party funds. It is true that every party needs funds over and above its membership subscriptions. Electioneering means spending a lot of money, especially since television came in. It is natural for interested business groups to contribute to the funds of a party or parties, which might be sympathetic to their point of view. But in my experience the people who try and raise party funds are not usually the same people who make policy decisions. I have never gone out asking for funds and I cannot recall any occasion on which someone wanted to talk to me about policy and funds in the same conversation. In any case, it has always been perfectly clear that I would never discuss policy and party funds at the same time. I do not think that there is a real danger of a party that is short of money coming under the influence of an organisation willing to provide it with funds, either now or in the future. Any party operating in this way would soon find its political creditability had been destroyed.

When conducting negotiations with primary industry, I sometimes found myself teaching industry leaders their own job. The political representatives of some parts of the primary sector were pretty ineffectual in the early days. When I first became Minister for Commerce and Agriculture the wool producers, for example, did not have leaders of quality who could really speak for the industry as a whole. Nor was the dairy industry well led at the producers' level. Between us, Crawford and I taught many industry representatives how to go about looking after their own interests, how to present their case in facts and figures.

On the other hand, a man like Sir John Teasdale, a leader in the wheat industry with a great knowledge of marketing, was an outstanding example of what an industry could produce in the way of an advocate

or spokesman. Similarly, the sugar industry was well led and, at the level of marketing and equalisation, the dairy industry had competent representatives.

Later, the wool and meat industries were to have a spokesman of world repute in Sir William Gunn. I first met Gunn in the very early 1950s and worked with him continuously over the years. I found him lucid and perceptive. Because of the interests he represented he sometimes had to take a point of view I could not accept, but I can recall no important personal difference of opinion with him. Gunn was a good man to work with and I would have liked to see him come into Parliament as a member of the Country Party. He would have been a great asset and a formative influence on policy in the party. Gunn became quite famous around the world as a spokesman for the wool and cattle industries, as well as for his activities in other fields. He was, for example, made a member of the Board of the Reserve Bank, on my initiative. Sir William Gunn backed many innovations in wool marketing and handling, which often put him years ahead of his confreres. Like other leaders, his own farsightedness sometimes meant that he was temporarily out of step with those whom he led. But, in a very positive way, Gunn looked after the interest of wool and meat, both at home and overseas. He is an absolutely first-class Australian.

Very early in my time as Minister for Commerce and Agriculture I made up my mind to develop what were called stabilisation plans for the primary industries. I aimed to secure for primary producers an adequate return for the part of their product sold on the Australian market and also to achieve greater stability in export markets. Returns on the home market were often higher than returns on exports because we could exert more influence on prices in Australia than on overseas prices. Under the sort of two-price arrangement that was common – with one price for the home market and a different price for the exports – it was necessary to devise a fair means of sharing out returns to individual farmers. You could not be sorting out which farmer's wheat, for example, was sold for export and which was sold for home consumption. Therefore we needed so-called 'equalisation' policies to try and give each farmer his proper share. Working out these equalisation policies took years, and a lot of torment, but the general system we developed has lasted ever since. I think that this has been one of my more substantial achievements.

Working to improve the lot of Australian primary producers meant that I had to spend a good deal of time and effort negotiating international commodity and marketing agreements. These were often of enormous benefit to Australian export producers. I remember in the early 1950s concluding an agreement under which Britain undertook to buy all our surplus beef and mutton for fifteen years, plus the year of negotiation of the agreement, at prices that were calculated according to a particular formula. At one time during the currency of the agreement, auction prices for steers and bullocks at Smithfield in London were an average of £7 a head lower than the prices payable under the formula I had negotiated. So the British government had to pay us an average subsidy of £7 per bullock, which was eventually passed on to the processor. Exporters knew what they could pay this much more for a bullock than they could get at auction and still come out on the right side. Every butcher in Australia had to compete with the exporter so that local market prices were lifted as well as export returns. And when you lift the Australian market price of fat stock this automatically increases the price for store stock and breeding stock. Thus the benefits were felt right through the cattle industry. I remember saying, without any contradiction, that the meat agreement had added at least £50 million to the value of the Australian beef industry. Having said this repeatedly, I was able to say that no one had ever challenged that figure. At the same time under the terms of the agreement, Australia had the right to search out other markets for our meat. So we had the best of both worlds, with a guaranteed market at

favourable prices in Britain for sixteen years, plus the opportunity to develop the market overseas.

The early 1950s was a period of such instability in export markets and in international relations that the pressures on me and on the members of my department were often very considerable. We sometimes had to act at thigh speed and with great determination. One important incident involved the Americans at the time of the Korean War. The American Ambassador came to my office by appointment, but without having given any indication of the matters he wanted to discuss. He pointed out that the United States was being drawn into the conflict between the North and South Koreans. I knew myself that in these circumstances Australia was also likely to become involved. The Ambassador then presented me with a formal diplomatic request to the Australian government which asked them to acquire compulsorily the whole of the wool clip with a view to allotting to America as such as needed for warlike purposes. At that stage it was not impossible that the Korean incident would flare into another world war and the Americans wanted to have enough wool in store or in the form of uniforms for a total mobilisation. Presumably the wool was to be sold to the United States at then market price, which was quite low. I was told that the Americans had already convened a meeting in London of the 28 nations that made up the major wool importers and exporters. The meeting would begin in a week's time.

I was determined to resist the takeover of the Australian wool clip just to suit America's convenience, particularly as there was no suggestion that other basic commodities such as copper, iron or steel should be acquired in the same way. I went to Menzies and suggested that Crawford and I should go to London forthwith to fight the American proposals. Within three days we were both on a plane to London, Crawford having his first great international negotiation as a Departmental Head and I having my first great international negotiation as a Minister of the Crown.

The negotiations lasted for six weeks. The Australian position was strongly supported by the New Zealand delegation led by Keith Holyoake, who was then Minister for Agriculture but was later to be Prime Minister. Throughout the negotiations, Crawford and I urged the Americans to get in and buy our wool while they could, for prices were already beginning to rise from their previous low level. The Americans never did this and, when they failed to persuade us to do as they wanted, they produced the biggest boom in wool prices that we have ever seen by rushing straight in and buying recklessly in the Australian market. I think my conduct of these negotiations enhanced my reputation in the wool industry, in the Country Party and in cabinet circles, for it showed that I was capable of perceiving a problem, capable of analysing it and capable of dealing with it.

In the early 1950s, Australia faced a difficult situation internationally because of the nature of our exports and the nature of our domestic manufacturing sector. To understand this, you need to go back to the immediate post-war years, when the Americans were pushing to get international acceptance of a set of rules that would govern the way in which countries could set their tariffs. This American pressure led eventually to the signing of the General Agreement on Tariffs and Trade. Under GATT, member countries agreed not to discriminate in tariffs between other countries – if you gave a new tariff concession to one country you had to give it to everyone. The main good thing to come out of GATT was the acceptance of this non-discrimination rule. At its worst, trade discrimination is the sort of thing which leads to wars. Also, the big industrial countries – the United States and Britain – wanted to get tariffs on industrial goods reduced and GATT was seen as a place where across-the-board tariff cuts could be negotiated.

This emphasis on tariff reductions for industrial goods did not suit us at all, because a cut in tariffs

would have harmed our newly developing manufacturing sector. A very large part of Australian secondary industry needed tariff protection to survive and without some further growth in manufacturing there would not have been enough jobs for our growing workforce. So we asked for a review session of GATT to try and improve this position. After six months of negotiations in Geneva during 1953-54, there were some changes in the GATT rules that allowed Australia more tariff flexibility than the advanced industrial nations. The main battles in this area, however, were to be fought ten years later during the Kennedy Round of tariff negotiation.

The other difficulty with GATT was that it had no role to play with respect to the bulk agricultural commodities which were the basis of our export sector. The disposal of bulk products has always been a most difficult problem of international commodity policy. After the war, the industrial countries were determined to protect absolutely their domestic producers of agricultural commodities. They were also quite rugged in their determination to dispose of any surpluses they produced in competition with countries, like Australia, who lived by exporting these commodities. GATT did not cover the bulk primary products because GATT was basically a salvage operation. When GATT was set up there were proposals for an International Trade Organisation, which was going to provide rules for the protection of agricultural commodities as well as dealing with industrial tariffs. However, the ITO failed because it did not get through the American Congress – though like the League of Nations the United States had initiated the thing. So we were left with GATT, which was a quite unbalanced arrangement that threatened to damage our interests – we did not get much out of it because it did not cover our exports and there was the danger of having to conform to tariff cuts that would harm our industrial sector. In the review session of 1953-54, and later, we made little progress in getting GATT to help in dealing with bulk commodities. Because of this, we had to try and negotiate, quite separately from GATT, a number of international agreements to cover particular commodities, such as wheat and sugar. This presented us with some of our most difficult negotiating problems for the rest of the 1950s and during the 1960s.

# CHAPTER 7

## MINISTER FOR TRADE

In a reorganisation of ministries that was undertaken in January, 1956, I was appointed Minister for Trade. This was the cabinet post I was to stay in for the rest of my political career (though it was more later renamed Trade and Industry, a title which was a more accurate description of its functions and responsibilities). Trade was a new portfolio that was established because of problems that had been encountered in the management of import restrictions in the previous few years. The decision to set up the Trade Department was made, presumably by Menzies, without consulting me. It was said at the time that Treasury opposed the establishment of the new department. I do not recollect any Treasury opposition and, in my view, setting up a Department of Trade was really in Treasury's best interests.

In those days our overseas balance of payments was seriously adverse, for Australia was failing to earn as much as we needed to spend on imports and 'invisibles'. So import restrictions had been introduced. These were administered by the Department of Trade and Customs, but the latter did not work very systematically or effectively in this area. As I remember, cabinet would set an upper limit on the value of imports to be allowed in each year, say £800 million or some such figure. What bedevilled Treasury was the Department of Trade and Customs was never able to control the amount spent on imports each year to within £50 million of the set figure. It was obviously felt – by Menzies among others – that a combination of Crawford and myself would be able to do what Trade and Customs had been unable to manage, that is to keep imports within the prescribed limits. The Department of Trade was created to oversee the administration of import licences. The Department of Trade and Customs was renamed the Department of Customs and Excise and now had to apply the policies under our direction. The move was successful. Though the import arrangements were tremendously difficult to administer we were able, between Crawford's administration and my policy, to hit the nail right on the head. Year after year imports were controlled almost exactly to the prescribed level.

The new Department of Trade, of course, had a much wider set of functions than this. Apart from trade policy as such, it had a policy responsibility for the activities of the Department of Primary Industry as well as the Department of Customs and Excise. So Trade became the central policy department of a triumvirate that covered nearly all aspects of Australia's trade and her primary export industries.

Later, Trade's functions were widened still further with the setting up of an office of Secondary Industry in the department. It was after this that the department was renamed Trade and Industry in recognition of these increased responsibilities. When the office of Secondary Industry was established it never crossed our minds to create a separate department to look after manufacturing industry. But as the years went by there were people in Chambers of Manufactures and similar organisations who felt the primary industries were being looked after better than secondary industry. These people urged the establishment of a separate Department of Manufacturing Industry to remedy the situation. I always advised against this, taking the view that the amount of influence and authority I carried in cabinet was a great help to secondary industries whilst they came under the wing of the Trade Department. I argued that if a new department were established it would probably go to a junior minister with little influence in cabinet. I think that the correctness of this advice has been borne out by experience. A Department of Secondary Industry was eventually created some years ago and the move did not prove

to be successful.

Many of the people who wanted a Department of Secondary Industry used to argue that the rural industries were over-protected. This, I believe, could be dismissed as propaganda. The primary industries which set the pace on protection were dairying and wheat. The sugar industry operated quite separately. Meat and, until quite recently, wool had no particular form of protection or even a stabilisation plan. The dairymen and wheat growers each asked separately for a system that would guarantee them their cost of production plus a profit on sales in the home market. Later, the wheat growers also wanted a guarantee of a basic return on exports. I always fought the view that this was over-protection. What I did not argue publicly but did explain repeatedly to cabinet was that not everyone in an industry was in like circumstances. Returns were guaranteed on the basis of average production costs for an industry as a whole, but some farmers were more efficient and others were less efficient than average. So some men would be getting less than their cost of production for butter, for example, and the inevitable result has been that, as this has gone on for twenty or more years, the less efficient dairy farmers have been dropping out of the industry. At the same time the more efficient dairymen, who have been getting more than enough to cover their bare production costs, have been able to carry out improvements to their herds and equipment. Therefore that has been a constant increase in the efficiency of the more efficient dairy farmers. In the wheat industry, too, such things as bulk handling and better machinery have increased efficiency greatly.

Some political observers often claimed that the Country Party was indulging in pork barrel politics. This was annoying but I could not let it worry me. It does not seem to me that there can have been pork barreling when some farmers were so poor they had to drop out of the industry altogether. The journalists were indulging in pork barrel journalism, I suppose. They wrote what would catch the eye, whether it was misleading or not. For example, some people made a fuss about rural indebtedness being very high. But this did not signify anything to me. One borrows, if one can, when one is badly off, but then it is pretty hard to find a lender. On the other hand, when one is successful and expanding one borrows to expedite the expansion and lenders are not hard to come by. So to say that such and such an industry owes more now than it did ten years ago does not spell out anything in particular to me at all.

The establishment of an office of Secondary Industry within the Department of Trade was seen by some people as an attempt on my part to expand the influence of the Country Party into manufacturing industry. On this I would say that I saw clearly for many years the common interest of what I came to call the wealth-producing industries: primary industry, mining and manufacturing which to a raw material and, by work, added value in the factory. These industries need to be distinguished from the tertiary industries, from transport, education, entertainment and so on. I constantly pointed out that there was a communality of interest in the three great wealth-producing interests that had not previously been perceived. This point of view came to be largely accepted and, as a consequence, the Country Party did gain in prestige. There were those inside and outside the party who said that the next logical step was for the Country Party to put up candidates in the outer metropolitan areas and in the provincial cities. I resisted this view, arguing successfully that standing candidates in these areas would result in a direct conflict with the Liberal Party that would be fatal to the continuation of the coalition government.

My first years in the Trade portfolio were dominated by two great treaty negotiations. The first of these was a review of the Ottawa Agreement with the United Kingdom. This agreement had been made

in the depths of the depression of the 1930s. It provided for preferential access of British goods to Australia: British goods paid a lower rate of import duty than did goods from other countries. In return Australia and other Empire countries gained some limited preferential access to the British market. I have always viewed our trade with Britain as a natural one. Britain is a small island, heavily industrialised but short of food and raw materials. We, on the other hand, have much mineral wealth and can produce vast quantities of food and fibre. So it has always been natural for there to be a close trading relationship between the two countries and only natural for this trade to be covered by a treaty provision. The problem was that under the Ottawa Agreement trade between Britain and Australia had grown much more than our exports to Britain. Also, our overall balance of trade was now very adverse. We needed to expand our exports and reduce the value of our imports. In 1956 Cabinet authorised me to renegotiate the entire Ottawa Agreement to try and bring in more into balance. Menzies was about to set off for a Prime Minister's Conference in London. It was decided that Crawford and I should go with him and stay on in London after the Conference to see if we could get a review of Ottawa.

Menzies left Australia by sea and I flew, at his request, to Kuala Lumpur. I was accompanied by Crawford and my secretary, who was later to be my second wife. The Tunku had recently become Prime Minister and Menzies wanted my opinion of him. After meeting the Tunku, I concluded that Australia weighed very little in his mind. We then went to Colombo for negotiations and to join Menzies' ship, the *Arcadia*. Between Colombo and Suez, Menzies and I discussed the tactics and the lines of argument that we might employ in London.

At Suez I left the ship to fly to Britain. Menzies stayed on board to be honoured at Malta. Whilst driving to Cairo we went along the banks of the Suez Canal for some distance. To our surprise, my party and I were treated rudely at each passport point and there were a number of substantial avoidable delays. In Cairo it was clear that the atmosphere was pretty frigid for the British. Some time after I arrived in London, the Egyptians denounced the arrangements governing Suez and took over the Canal. I had been in the middle of a developing international crisis on the way to Cairo.

Britain and France took a stand on the issue, eventually sending troops into the region. During the crisis there was much confusion. Decisions were being made hurriedly and I felt that Britain was not as firmly led as she might have been. Sir Edwin McCarthy, who was then our Acting High Commissioner in London, came to me to say that the British officials in general had little idea of what was happening because so many policy decisions were being taken in the cabinet room by ministers on the phone to Washington. Everything was being done by the politicians, cabinet room to cabinet room on the telephone, and the British government's official advisers did not know what was going on. McCarthy came to me at the request of the British officials to ask if I would call on the British Foreign Secretary and get him to explain his government's policy attitudes. Menzies by this time had left London again and was staying in Washington for a few days before returning to Australia. Ostensibly, I was asking for information to allow me to report on the situation to the Australian government. But the real purpose was to allow McCarthy, who naturally accompanied me to the Foreign Office, to find out enough of what was happening to be able to tell the British officials what their own government's policy was. This may seem to have been an incredible state of affairs. Nevertheless, things did happen along these lines.

Menzies had an important role to play in the subsequent stages of the Suez crisis. He was asked to go to Cairo to negotiate with Nasser, the Egyptian leader. As everybody knows, these negotiations



achieved very little. But I do not think that Menzies was wrong to become involved at that stage. He was a skilled diplomat and negotiator who could take a reasonably neutral position. The confrontation was basically between Egypt and Britain. The United States was also very concerned in the midst of a presidential election. Menzies was chosen as an able man belonging to a government that was not directly involved in the crisis. The thinking was that he might be a good middleman. I think it was a tribute to Menzies that the British and the Americans agreed that he was the best man available to try and put the pieces together. The simple fact is that the pieces would not come together. I do not think this failure damaged Menzies' reputation. After all, you cannot win every negotiation.

The main purpose of my visit to London, of course, was the review of the Ottawa Agreement. The British were, however, very reluctant to renegotiate the treaty and for some time Crawford and I met nothing but intransigence. For five weeks we tried to get useful talks started but were told bluntly that our proposals left no scope for negotiation. Finally I said with equal bluntness that before I had left Australia cabinet had decided that we would sooner have no trade treaty at all than have one as unbalanced as the existing arrangements. There was no reply to that. The British ministers simply picked up one of my main points and began to negotiate.

Crawford and I were very clear that we needed a new agreement which reduced the amount of tariff preference given to British goods and which, at the same time, included an undertaking by Britain to take a specified quantity of Australian wheat each year. The wheat proposals encountered great resistance. I was told that British millers and bakers did not find Australian wheat acceptable for breadmaking. The British claimed that only hard Canadian wheat would do. I made the point that we seemed to be able to bake bread in Australia without having to import hard Canadian wheat and a heavy discussion ensued.

The negotiations were very protracted. August was approaching and I discovered that short of a crisis British ministers and their officials must have their August holidays. I returned to Australia and then went back to Britain six weeks later. We eventually succeed in getting a substantial revision in the terms of the Ottawa Agreement that incorporated the essential things Crawford and I wanted, including British agreement to take a certain amount of Australian wheat annually. These wheat provisions were especially valuable to the Australian industry in the following years. We had achieved what we had set out to do.

The second great international negotiation I was involved with in my first years as Minister for Trade was the creation of a trade treaty with Japan. The Japanese economy was discussed extensively within the Trade Department between John Crawford, Alan Westerman and myself. Westerman, like Crawford, was a magnificent advisor and negotiator. Their personalities were quite different – Crawford was a most careful man who was always considered in his thinking and in his words, while Westerman was a more flamboyant type. Together, they headed a great team of able and effective Public Servants. Between us, Crawford, Westerman and I identified Japan as a country closer in its complementary economic relations, closer to the British likeness than any other. Here was a small island country, densely populated, highly industrialised and short of domestically produced food and raw materials. Japan needed imported raw materials to process for export so that she could earn enough foreign exchange to pay her way in world trade. Australia could supply the products Japan needed. The circumstances that had made Britain and Australia such big customers for each other's products were being repeated with the Japanese. In addition, under the terms of the Peace Treaty, Australia was obliged to, make some move in favour of trade with Japan. We decided to have a go at

negotiating a trade treaty with Japan.

The negotiations were complicated by our obligations under the General Agreement on Tariffs and Trade. As a member country of GATT, we had undertaken not to give new trading concessions on a preferential basis. Existing trade preferences were allowed to stand but, under the GATT rules, you could not give a new concession to one country without also giving it to everyone else. Being bound by this situation, we had to look for products where Australia was fairly sure of being Japan's biggest overseas supplier and negotiate concession on these items. The obvious choices were wool and certain foodstuffs. We sounded the Japanese out on this and found that they saw some scope for mutual advantage in a trading agreement with Australia.

After lengthy discussions, Westerman and I went to Japan to conclude the first Japan-Australia trade treaty in 1957. The treaty was to last three years. A cardinal provision of the treaty was that Japan undertook not to put any duty on Australian wool without also putting a similar duty on any competing fibre. At that stage Japan was already a dominant buyer in the wool market and a large part of our thinking was directed towards devising a means of preserving that situation. The aim of this provision was, of course, to maintain the competitive position of wool against cotton and synthetics. In return for this concession, we offered to withdraw for a trial period our rights under Article XXXV of GATT. Under Article XXXV, Australia was entitled to discriminate against imports from Japan because the Japanese had not been among the original members of GATT. And in fact, we had inherited from the pre-war years a situation in which import duties were higher on Japanese goods than on goods from other countries. What we were offering, in effect, was an opportunity for Japan to trade in Australia on the same terms as anyone else outside the British Commonwealth. This was a concession that the Japanese valued highly, though it was to be for only three years in the first instance.

When I set out to convince the government and the Australian public that the Japanese could be trusted, I thought I was taking my political life in my hands. The whole country was still very aware of the bad treatment of Australian prisoners and of the threat that Japan had posed to Australia during the war. So I expected there to be great opposition to the idea of a trade treaty with the Japanese. However, I was prepared to put my career on the line because of the benefits that such a treaty could bring to Australia. At all times I was careful to describe the treaty as 'my' policy, not the government's policy. My friends knew that I was making sure that, if I were to fall on this, the government would not have to fall with me. In other words, I was willing to carry the political responsibility for the treaty on my own. As I remember, no one else was keen to share the burden of carrying it.

Public opinion, however, is not always correctly judged. It might have been expected that the Returned Soldiers' League would be bitterly opposed to granting trading concessions to our former enemies. But this was not the case. In the whole of Australia there was only one significant voice in the RSL raised against the Japanese trade treaty. In the remainder of the League, the attitude appeared to be that one war was over and that we had better try and start avoiding the germs of another one. This attitude seems to have been shared by the general public. There was, however, a good deal of opposition from the Parliamentary Labor Party. It is an interesting and a fair comment that the Labor Party of the day was so afraid of the effects of Japanese trade that every Labor vote in the Senate and in the House of Representatives was cast against the trade treaty. But times change and recently we saw the Whitlam government closing down a British motor car manufacturer in Australia and simultaneously negotiating with the Japanese to get them to start to make cars here – an incredible

about-face.

The greatest opposition to the Japanese treaty came from local Australian manufacturers, who were furious. They feared that the Japanese would put them out of business. So our manufacturers had to be assured that their existing protection was not going to be torn down. We did, in fact, have an understanding with the Japanese that, if the existence of an Australian industry was being threatened by Japanese competition, then Japan would exercise some voluntary control over her exports. I would go to the Japanese, very often at Prime Minister level, and say, "Look, you are wrecking our rayon industry at the prices you are selling at and it would be impossible to resist a new tariff on rayon if things go on like this. That would be no good to you and it is something I don't want. The simple solution is for you to quota your exports to Australia." The immediate answer would be, "We cannot quota, we have no power to quota." My retort to that was, "Well, you had better find a way to do it." And they always did find a way.

The new trade treaty proved to be very satisfactory. At the end of three years, we were able to say that our experience had shown that we had nothing to fear from Japanese trading methods or trading strength. Accordingly, when the treaty came up for renewal we were willing to renounce permanently our rights under Article XXXV of GATT to discriminate against Japanese goods. One of the things we wanted in return was a concession on meat exports to Japan. The Japanese, however, were not prepared to lift their restrictions on meat imports and I refused to renew the treaty. For something like six or eight months the treaty was carried on by an exchange of letters with no permanence at all.

During these months I kept a close eye on the Japanese economic and political situation. As in all my negotiations, I put as much effort into studying the self-interest of the other country as I did into identifying our own interests. This is the key to predicting what line the negotiations will take and allows you to make the most of your bargaining position. I was not surprised when, eventually, a former Japanese Ambassador to Australia who was taking part in the negotiations came to me and said, "Look, Mr. McEwen, I think the Japanese government might be persuaded to increase the beef import quota." I was able to say, quite lightheartedly, "I know you have to raise the import quota now. I know what your beef needs are and how the domestic price of beef has been soaring. The only way of controlling domestic beef prices is to import some cheaper beef. I am just not going to plead with you on that at all. I just know that, for reasons of your own, you have to give us what we want."

I remember the reaction of Alan Carmody – another of the team of extraordinarily able public servants who were in the Trade Department in those days – when I said this. Carmody nearly fell of his chair in surprise because, while we had discussed the matter previously, he had no idea that I would be so blunt. The Japanese, being more poker-faced than we were, took it in his stride. And Japan did increase its beef imports without gaining any new concessions from us. I renewed the trade treaty for a further period and it has been kept going ever since.

# CHAPTER 8

## LEADER OF THE COUNTRY PARTY

In March, 1958, Sir Arthur Fadden retired as leader of the Country Party. He had been a popular and, I think, quite a good leader, though a different type from myself. Fadden had a tremendous capacity for getting on with people and for getting people to work with him. He was a shrewd man generally and possessed a sound political instinct. In that sense he was a man who could command the loyalty of a party. Because of his private background in accountancy and financial matters, Fadden fitted in well at the Treasury. Fadden's retirement came as no surprise for his health had begun to suffer under the strain of office.

I was elected unopposed to the leadership of the Federal Parliamentary Country Party. There was no repetition of the close leadership battles of the past. I made it clear that I wanted to remain Minister for Trade because this post was the one most central to Country Party interests and policies. In addition, of course, I was now Deputy Prime Minister.

Much of my time and effort continued to be taken up by international negotiations of one kind or another. Perhaps the greatest single international conference I was involved in was the so-called Kennedy Round negotiations in GATT. These talks lasted, on and off, for about three years in the mid-1960's. On one occasion, at the climax of the Kennedy Round, there were no less than eleven hundred people – ministers, their advisors and their entourages – present at the talks. The negotiations had been held at the initiative of the late President Kennedy who had argued that world trade ought to be better organised for the benefit of all. In particular, Kennedy had wanted substantial cuts made in tariff barriers to trade. The basic proposal was that all countries should agree to a fifty per cent cut in tariff levels.

I think that many people do not understand how these great trade conferences proceed. People tend to think, for example, that decisions are made by a majority vote on particular questions. But this is not the case at all. In GATT, a decision can be made only when agreement is universal. There are not even speeches specifically in favour of or against particular proposals. What happens is that each country has a spokesman who participates in a first round of speeches. At this stage the leader of every delegation states the position of his government, its aspirations and its objections to certain lines of thought. When this round of speeches has been completed, and given that everyone accepts the ultimate need for universal agreement, there follows a process of whittling down demands and objections. This detailed negotiation takes place at the level of advisers rather than between delegation leaders. So, in Australia's case, either Crawford or Westerman would be coming to me to say, "at the meeting this afternoon so and so happened and what is our attitude to be tomorrow?" We would then confer and make a decision about the course we should try and take. Eventually, this process reduces both demands and objections until there is a chance of compromise agreement emerging.

In the case of the Kennedy Round it was clear that trade in agricultural commodities was not likely to benefit much from the proceedings. A great deal of world trade in farm products was already effectively conducted on a free trade basis, whilst other agricultural commodities were highly protected by non-tariff means. This meant that the Kennedy Round proposals represented a considerable threat to Australia's interests. Together with countries like New Zealand and South

Africa, as well as the underdeveloped countries, we stood to gain little from tariff reductions because our exports were largely of primary products and the main tariff cuts were going to be made on manufactured goods. At the same time, if we reduced tariffs on industrial products our domestic manufacturing sector would suffer. Hence we took the view that Australia ought not to be treated in the same manner as established industrial countries, who could be expected to gain extra export markets that would compensate them for any losses involved in exposing their domestic manufacturing sector to additional import competition.

The difficulties of the underdeveloped countries in this respect were quickly recognised at the conference. These countries argued that their only way to wealth was through the establishment of a strong industrial sector, which could not exist without high levels of tariff protection. Accordingly, the underdeveloped countries argued successfully that they ought to be exempt from having to implement any general tariff cuts agreed upon at the conference.

There was much more resistance to the idea of absolving countries like Australia from the requirements to reduce tariffs substantially. However, we stuck to our guns, repeatedly maintaining that we were determined not to cut our tariff levels by the prescribed fifty per cent. At a late stage in the conference, Westerman reported that general agreement had been reached to exempt Australia, New Zealand and South Africa from the fifty per cent tariff reduction. We gave an assurance that our tariff would be no higher than was necessary to sustain an industry, which was our standard approach to tariff policy in any case. It looked as though we had salvaged all we could from a potentially damaging situation. But last-minute difficulties were to renew the threat to Australia's interest.

The full conference gathered for what was to be the final session, which was supposed to be a mere formality. At the session a unanimous agreement would be recorded to endorse the detailed compromises that had been hammered out over the preceding three years. The session was due to begin at five o'clock in the afternoon. At two minutes to five, as I stood talking with a New Zealander, someone came along with the news that the European Common Market countries had recanted. They were not going to agree after all to our countries and South Africa being absolved from any obligations to cut tariffs. We had been stabbed in the back.

Immediately, I gathered together the New Zealand and South African representatives and went to the Conference President. We asked him not to convene the five o'clock meeting because of a late development that would make it impossible for us to agree to the conference resolutions. As universal agreement was the highest objective, the President naturally postponed the general session. We went at once into a back-room meeting to thrash the matter out with the delegates from Britain, the United States and the Common Market countries. I pointed out that the sudden about-face on the part of the Common Market people had put us in a position which we could not accept. The French representative explained that the change of mind had come out of a meeting that afternoon of the Council of Ministers, which was made up of a minister from each of the Common Market countries. Since these ministers had already left for home, we were told that the Council decision could not be reversed. I just said that the decision would have to be altered if they wanted Australia to remain in GATT.

The talks went on without a break until close to eleven o'clock at night. During that time we may have had a drink of water but there was no stopping for anything like food or even for a drink of tea. I continued to ask for the Council of Ministers to be reconvened. When it became clear that this would not be done I said that I would go into the final session of the conference, denounce what happened and announce that Australia was withdrawing from GATT altogether. This was a hell of a shock to the

Europeans who had not thought that we would go to these lengths. But they knew that I was in earnest.

Fortunately, a solution to the deadlock was devised by the conference President, who was a Swiss Minister. The President suggested that, at an appropriate point in the final session, I should ask whether an interpretation excluding Australia, New Zealand and South Africa from the relevant provisions was a correct interpretation of the agreement. He said that he would rule in the affirmative and that his ruling would become part of the main GATT document. This solution appealed to me but I did not want to finalise it on the spot. I asked for time to write out the question I was to ask, together with the President's ruling and my reply to this ruling. If I could write all three statements, I was willing to abstain from denouncing the Common Market countries and Australia would not withdraw from GATT. Those present agreed to this.

So at the final conference session I asked my question, received the response I had previously written and had the President's ruling recorded as a conference decision. That was the end of the incident. Australia was not forced to reduce tariffs by fifty per cent and we were able to continue as a member of GATT.

This was the toughest confrontation of my career as a negotiator. The New Zealand minister had been unavoidably absent from the back-room meeting and South Africa had steered clear of the target area. Also, sadly, although the British had been present during the whole evening of the critical fight, they had not uttered one word to help us. So the responsibility for conducting the argument with the Common Market countries had fallen almost entirely on my shoulders. But I had got what was needed to protect Australia's interests. I had tied the matter up in a satisfactory way even though the Common Market ministers had been absent. There were no repercussions afterwards, though the meeting had been a very unpleasant one and I had been forced to be rude to the French that were present. I do not know what the Common Market countries thought of me but I left them in no doubt what I thought of them.

I have mentioned that the underdeveloped countries were granted almost automatically what Australia had to fight for in the Kennedy Round negotiations – exemption from the requirement to participate in the general tariff reduction that had been agreed upon. This treatment of the underdeveloped nations was a recognition of the special problems they face in trying to achieve rapid economic growth. I have always been very conscious of the need to protect the interests of the poorer nations and have never hesitated to speak up on their behalf, be it in GATT at Geneva, at a Trade and Economic conference in Montreal or a Sugar Conference or a full-scale UNCTAD Conference in New Delhi. During my time Australia would never be found demanding some concession from an underdeveloped country that ran counter to the latter's interest. We, of course, had trade problems of our own. Some of these were similar to the difficulties confronting the less developed countries, others arose from our special mid-way economic position between the rich industrial countries and the poor primary product exporters. Despite our problems, I think it is fair to say that Australia made a more genuinely constructive effort to help the less developed countries than did some of the older industrial nations who were really in a better position to help.

The industrial countries also took a pretty unsympathetic attitude towards Australia's trade policy problems. A clear example of this was provided by the negotiations surrounding Britain's attempts to enter the European Common Market in the 1960s. In 1961, when Britain was first thinking of joining the Common Market, the Secretary of State for Commonwealth Relations, Duncan Sandys, was sent to

Australia to explain British thinking on the matter. It was very clear to us that if Britain did in fact join the Common Market this could have a serious adverse effect on Australia's overseas trade. Australia had long-standing marketing arrangements with Britain that would be threatened unless special terms of entry could be negotiated to preserve our export sales in Britain. We pressed Sandys for an undertaking that the United Kingdom would not seek entry to the Common Market on terms that failed to protect Australia's trading position. Sandys told us that Britain would bear Australia's interests in mind and would do all in her power to protect these interests during the entry negotiations. But this assurance was far from being iron-clad and I now think that the British were doing little more than nod their heads at our proposals. They never committed themselves to anything as specific as a statement that they would not join the Market if they could not get the kind of terms we wanted. In retrospect, I am sure that the British understood better than we did how difficult these terms would be to secure.

Soon after the visit from Sandys I went to Britain and Europe with Westerman, intent on making a major effort to protect our existing markets in Britain. I aimed to find out how much we could ask for, with a reasonable hope of success, and to make sure that the governments participating in the British entry were fully aware of the nature of Australia's problems. In London I had extensive discussions with at least six cabinet ministers, including the Prime Minister. I then went in turn to France, Belgium, Holland, West Germany and Italy. In each of these countries I saw several ministers, one of whom was usually the Head of State – the French President, German Chancellor and so on. Later I also conferred with President Kennedy of the United States.

I pointed out repeatedly how Australian trade would suffer if Britain were allowed to join the Common Market without special provision being made for our protection. We had constructive suggestions to offer about how this provision might be made. One proposal, for example, was that each year Australia should be allowed to sell a specified quantity of particular products either in Britain or in the expanded market as a whole. This seemed a reasonable way of compensating us for the loss of exports that would otherwise result from British entry, especially as it would not have adversely affected the existing market opportunities of European primary producers.

These efforts were, however, largely in vain. I got a sympathetic hearing but no promises from the Dutch. In France I met with nothing but intransigence, presumably because French agriculture stood to gain so much from the privileged access to the British market that would result from British entry. It became increasingly clear that the existing members of the Common Market were determined to prevent Australia getting special treatment if Britain should succeed in joining the market. I also came to realise that the British were having so much trouble looking after their own interests in the negotiations that they were not going to complicate things further by trying very hard to defend Australia's position. In addition, the Americans were anxious to strengthen the Common Market by getting Britain into it. The United States wanted a strong coalition of the west European countries to stand as a bulwark against communism and to reduce the chances of another European war. With these important political objectives in mind, the Americans were unconcerned about any incidental damage to Australian trade that might result. So we were left without a friend in the world. I did meet people who acknowledged, for instance, something I never played on – Australia's contribution in the two world wars. Many people, including de Gaulle, spoke very admirably and benevolently about Australia, but these sentiments were never accompanied by promises of action.

We were never able to shake off the image of a rich country that was able to look after itself. This was

the essential element distinguishing Australia, South Africa and New Zealand from other primary product exporters, who were generally underdeveloped countries. The members of the Common Market were willing to give associate membership to some of the African countries that had traditional links with Europe. But no suggestion of a similar associate status for countries like Australia would be entertained. The Common Market countries did agree to make some short-term concessions to New Zealand, whose economy had been built principally around butter and lamb sales to Britain and whose market problems would have been more severe than ours if Britain did enter Europe. I never argued that we should get similar concessions simply because they had been extended to New Zealand, for I was sure that the European countries would then have withdrawn these proposed concessions from New Zealand as well. When I made it clear that this was the line I would be taking, the New Zealanders were very grateful. None of the negotiators I met overseas took account of the fact that Australia was isolated, that we did not fit naturally into any regional trade grouping and so were in danger of not belonging to a trade bloc anywhere. They could scarcely have been unconscious of this because it was my theme song the whole time. The attitude I encountered was that it was just too bad if a country as well off as Australia were left to fend for itself.

As it turned out, the British bid to enter the Common Market failed. The French, in particular were unwilling to concede the special terms that Britain sought for her own protection and the entry negotiations broke down in 1963. So, for the time being, Australia did not have to face the severe difficulties that we had feared. Despite repeated efforts, Britain was not to succeed in entering Europe for another ten years. By that time I had retired and Australia's trading pattern had developed in such a way as to reduce the extent of our dependence on the British market.

During the long series of international negotiations I conducted, I was able to assess the negotiating characteristics of the various nationalities. The British were never easy to deal with, for they were tremendously skilled and experienced negotiators – and very smooth. Whilst they always had their own interests to look after, they never laid their cards on the table. They never said, “Look here, John, we cannot agree on this because our position is so and so,” which is the line I would have taken. Instead they talked their way smoothly around a thing until finally it bore in on you that you were getting nowhere. Nothing would be explained so that you were left to judge for yourself what their reasons might be. The British would drive a hard bargain, often with an almost oriental disregard for the time being taken up by negotiations.

I always found it extremely awkward to deal with the French. They were stubborn and obstinate, but brilliantly able civil servants. The French were intensely skillful and very brittle negotiators. I never consciously made an enemy in my negotiating career, but I am sure that the French in particular must have regarded me as a difficult fellow. We rarely saw eye to eye on policy questions.

The Japanese were quite different. Businessmen going to Japan have complained that a lot of the time is usually wasted in getting a consensus from the Japanese before they would make a decision. That was not my experience, however, for I found the Japanese to be quite compatible negotiating partners. I did not strike problems in translation or in dealing with oriental attitudes and, in fact, the Japanese proved to be easier to negotiate with than were people like the French or Americans. I managed to establish a basis of total trust between myself and the Japanese with whom I had talks. Interestingly, I was able to get on such close terms with the Japanese that ultimately I would negotiate only with the Prime Minister himself. This happened with three successive Japanese Prime Ministers – Kishi, Ikeda and Sato. They were all very able men indeed, knowledgeable, understanding and absolutely



trustworthy. As Prime Minister, each could give undertakings without referring back to his government, although they were each meticulously careful to get the views of the relevant departments before committing themselves to anything. I, also, was authorised to commit the Australian government to a course of action so that negotiations between our two countries were not more protracted than was necessary.

On the other hand, I found it extremely difficult to negotiate with the Americans. They were – I hope the word will not be misunderstood – arrogant. The Americans were always tough and explicit, never smooth operators like the British. They simply said, "No, you cannot have it," or, "No, we will not do it." They never felt obliged to give reasons for their attitudes, feeling that the sheer strength of their own position was enough. It was quite brutal, in my opinion. I had the impression that the Americans' position was influenced by their farm bloc. Certainly, they were always very adamant where their domestic interests were concerned. Their own interest came first and I am bound to say that their Mexican and South American neighbours came next, before Australia, in matters like meat and sugar. I never had any cross words with the Americans on a personal level. I am speaking of their general negotiating techniques rather than of individual discussions or personalities.

On the whole, the Americans were very protective with regard to our primary product exports. During my time, they were the only major country with a tariff on Australian wool. This was not to protect their own wool producers, because they had only a fairly small sheep population which produced a quite different type of wool from ours. While I have no evidence of it at all, I have always suspected that the American duty on wool was designed to protect their man-made fibre industry. If the price of wool was pushed up by this import duty, then wool would not be able to compete as effectively with man-made fibres in the American market. We also had difficulty marketing Australian meat in the United States. The cattle bloc has had a powerful influence on the government and in Congress and, as a result, the Americans have had in all recent years a pretty solid quota restriction on beef imports. The total quantity allowed in the United States was allocated between the various beef exporting countries and I have always believed that, in harmony with the Monroe Doctrine, the American beef quotas were always weighted in favour of the South American and Central American states.

Australia was also adversely affected by the way in which the Americans sometimes disposed of their own bulk commodities in overseas markets. At a time when India was the biggest market for Australian wheat, the Americans practiced a policy of aid by virtually giving their wheat to the Indians. This, of course, had the effect of minimising the market available to Australia, I was never very conscious of the American farm vote being an influence in this matter. It was more of a do-good operation which ignored the needs of a country like Australia.

The Americans were quite unwilling to negotiate on matters like these. They simply stated their position and that was it. At the same time, the United States was unhappy about some aspects of our own trade policy. They never liked our adherence to a policy of Imperial Preference and worked through GATT to try and get the amount of preference reduced. Also, the Americans were irritated by our duty on tobacco leaf imports. Their tobacco leaf industry formed a powerful block in the Congress, which resented our efforts to sustain an Australian tobacco leaf industry by a combination of tariff and other means.

It has often been said that I emerged as a leader in the trade negotiations in the early years of the 1960s. I think I had been developing as a negotiator from the very first trade conference that I had attended in 1950 – the occasion on which the Americans had tried to get our government to acquire the

whole of the Australian wool clip to suit their convenience. I think that I came to be regarded as possibly the most skillful and experienced trade negotiator in the western world. I have no doubt that I had some native skills and I certainly had a lot of experience because I remained as negotiating minister over a period of some twenty years. But I also developed my own technique.

For instance, I recall leading the Australian delegation to a conference that had been called to negotiate a world agreement on sugar. I became very friendly with the Minister of Trade from Jamaica the island that was obviously going to be the leader of the former British sugar producing colonies in the West Indies. I also made it my business, and it was no trouble, to become quite friendly with the leader of the Cuban delegation, a man who spoke perfect English and for whom I had a respect which I think was mutual. At that time, Cuba was the biggest and Australia the second biggest exporter of sugar in the world. If our two countries could reach agreement we would obviously form a pretty powerful bloc, particularly if you added in the West Indies. That took care of the main sugar producers. Now one of the biggest importers of sugar was Japan and, as I have already mentioned, I had come to enjoy very close relations with the Japanese in the course of other negotiations. On one occasion, I had discovered something that had greatly threatened the interests of the Japanese and had been able to help them. I think this was borne in mind, so that, when it came to sugar, I asked for help from Japan and got it. At the end of a very difficult sugar negotiation, there was not much doubt that I was pretty much in control of proceedings, having the goodwill of the main producers and of an important sugar consumer. This was a demonstration of the way my skills and techniques were developing. I was getting on with the right people who could serve Australia's interests, with the Cubans, with the Jamaicans, with the Japanese – very much to the chagrin of the Americans.

A technique I often used was to release in advance an explanation of my attitude to a forthcoming trade negotiation. I knew very well that this news would go out on Radio Australia and be heard in other countries. The aim of this technique was to avoid a long haggling drag-out upon particular issues by committing myself firmly to a course of action before I left Australia. It meant that delegations from the other countries who were attending the conference in question knew that McEwen wanted so and so or did not want such and such and had publicly committed himself to taking a certain line.

Invariably, I stayed up very, very late at night trying to see all the moves that the other parties to a negotiation could make and thinking through my own counter to any moves that were contrary to our interests. This process of thinking things through in advance was essential to a successful negotiation.

I think that as a negotiator I managed to achieve, through hard work and foresight, as much as possible for Australia in the trade field. Whilst it is probably true that my conduct in Australia was in some ways more important, I think that in other ways these great overseas negotiations were the highlight of my career. And I am sure that my conduct overseas contributed enormously to Australia's economic prosperity.

In conducting these great international negotiations, I was lucky to have the help and support of a magnificent team of Public Servants in the Department of Trade. John Crawford was, of course, outstanding as head of the Department of Trade until 1960. Crawford is an extraordinarily talented man, clear thinking, calm and quiet. He has the capacity to impress his great force of character and personality on people the instant he walks into a room. During his time at Trade, Crawford worked himself into the ground. I could not think of calling him my lieutenant, for this would make him seem a secondary person. I had my level as Minister and Crawford had his own balancing level as Head of

Department. I regard our relationship very much as a working partnership, not as master and lieutenant arrangement. When Crawford resigned from the Department of Trade to pursue a distinguished academic and administrative career at the Australian National University, it was a great loss to the Public Service.

Crawford's successor as Head of the Department of Trade was also an extremely able man, Alan Westerman. He had been a high official in the Department earlier and was the obvious choice to take up Crawford's job. As I have mentioned, Westerman was a different person altogether from Crawford, but he was a magnificent adviser who was very easy to work with. Indeed, over the years Crawford, Westerman and I came to know each other's thinking so well that more than once I said that, if you put us into separate rooms and gave us the same problem, we would come up with the same answer. We lived very closely in each other's minds, knowing what we wanted for Australia and knowing how we ought to go about getting it.

Crawford and Westerman naturally had a good deal of discretion in conducting negotiations at their level – that is, negotiations between the senior government officials of each country involved. In all trade conferences and negotiations, parallel talks take place on one level between ministers and on another level between senior officials and advisers. But Crawford and Westerman never got into a deep negotiation without first clearing the matter with me. They never acted completely on their own and then told me about it later. We always had a close and harmonious working relationship.

Beneath Crawford and Westerman in the Department of Trade was an extraordinary team of Public Servants. Listing their names is itself sufficient to show the calibre of the Department to anyone who is familiar with the leading personnel of the Public Service: in addition to John Crawford and Alan Westerman, Jack Campbell, Alf Rattigan, Alan Carmody, Alf Maiden, Doug McKay, Eric McClintock, Jim Scully, Mal Summers, George Warwick-Smith, Paul Phillips, Neil Currie, Ray Livingstone, Bill Callaghan, Bill McKinnon and Jim Moroney all came out of our stable. These people have gone on to great things, mostly in other areas of the Public Service. Those who succeeded them in the Department of Trade have worked with the same diligence and have had the benefit of the way I had developed our modes of negotiation, but the strength of the old Trade Department has been tremendously whittled down. I think it is fair to say that the equivalent of six or more permanent heads have come from the team of Public Servants put together in the old Department of Commerce and Agriculture and in the Department of Trade. You cannot take what was numerically a small department, strip it of people of this calibre and leave the same talent behind.

Attendance at numerous overseas conferences and trade negotiations, involving long absences from home, was hard both on me and on the members of my staff. I know that it had an impact on my own private life and on my health. I also believe that, on occasion, my absence from Australia presented people with an opportunity to push through policy decisions that I would not have supported. One example of this was what happened to the Vernon Report. In 1963, the government set up a Committee of Economic Enquiry to investigate recent trends in the growth and structure of the Australian economy and in our balance of payments and to report on the implications of these trends for the achievement of the government's economic policy objectives. The Committee of Economic Enquiry was chaired by Sir James Vernon. Sir John Crawford acted as Vice-chairman and had a big part in the writing of the final Report. It took two years of thorough investigation before the Committee was ready to make its final recommendations. I thought that the Report they produced was a good, objective analysis of the Australian economy. But the Vernon Report contained policy implications

that were unpalatable to some people, particularly in the Treasury. It is my view that the Treasury, for reasons of its own, was determined to kill the Report. Menzies adopted the Treasury line. When the Report was introduced in Parliament, Menzies delivered a scathing attack on its policy recommendations. The Report was set aside and its main recommendations were not implemented. Now it so happened that the Vernon Report was tabled in Parliament the day after I left Australia on one of my frequent missions to GATT. Had I been present when the Report became available, I would certainly have pressed for the adoption of many of its policy suggestions. From my point of view, therefore, it was unfortunate that the Vernon Report was dealt with in my absence.

On the home front, one of the most important policy concerns of the 1960s was the tariff. Australia had long pursued a policy of protecting domestic manufacturing industry and the tariff had traditionally been the main protective device employed. In the 1950s, however, the need to adopt a system of import licensing to maintain our balance of payments position had made the protective effect of the tariff irrelevant, because import licenses had the incidental effect of giving high levels of protection to domestic industry. Australia's manufacturing sector expanded very rapidly in the 1950s behind this protective wall. With the abolition of import licensing during 1960-62, the question of the tariff once more became a central policy consideration because the tariff was once again the most important factor governing the level of protection to local manufacturing industry.

A major instrument of tariff policy was the Tariff Board, which was an independent body that had been set up in the 1920s to advise the government on the level of tariffs necessary to protect various industries. The Tariff Board is composed of a number of people with experience in or knowledge of manufacturing and commerce and a number of people having a similar familiarity with the primary industries. It is chaired by a person of broad experience who can maintain a balance between the various individual views. In certain circumstances, the government can require the Tariff Board to conduct an inquiry and to report upon the circumstances and needs of a particular industry. Beyond that, the Board is not subject to any government direction. In my day, I was always meticulously careful not to seek to give instructions where, in my view, I was not authorised to do so. My function as Minister for Trade was to decide when an industry was justified in having an inquiry made, in which case I would refer the matter to the Tariff Board and then would take no further part in proceedings until the Boards' report on the industry came back.

A Tariff Board report contained only advice to the government – it was not an instruction, not a decision. In my early days in Parliament, cabinet not infrequently rejected the advice of the Tariff Board. Because of this, the government became an object of attack from various sections of the community. It was my view that Tariff Board recommendations should be accepted wherever possible. I often told my cabinet colleagues that it was better not to try and change a Tariff Board report, even if they were not entirely happy with all its details, so long as they were reasonably happy with its basic conclusions. I thought it was important that the government be seen to be ready to accept, on most occasions, the objective, expert advice of an independent body like the Tariff Board.

The system of getting advice from an independent authority on the needs and circumstances of particular industries is, in my opinion, a good one. It allows the government to make better-informed decisions than many alternative systems would do. However, Tariff Board inquiries do take time, usually twelve or eighteen months and sometimes as long as three years. Obviously, there are circumstances in which the process of referring a matter to the Tariff Board for a report would produce unacceptable delays. What do you do, for instance, if conditions overseas change suddenly

and unpredictably in a way that seriously reduces the competitiveness of an Australian industry? It would be a strong industry indeed that could bear the pressure of disruptive foreign competition for the year or two that it took the Tariff Board to make a report. It seemed to me that there was a real need for a means whereby the government could secure expert advice quickly in cases where an Australian industry was in immediate danger.

Because of this, I suggested to Menzies that there should be some intermediate form of decision-making. My proposal was for the creation of a Special Advisory Authority whose duty would be to make a recommendation within thirty days of being asked what level of protection was necessary to reserve the structure of any particular industry that was under threat. Menzies agreed to this proposal and the thing went through cabinet without any trouble. For years Sir Frank Meere, who had immense experience in this field as Comptroller-General of Customs, was the Special Advisory Authority. His advice was an invaluable means of circumventing the delays involved in the usual Tariff Board procedures. In my view there are few things I did in my period as a minister more important than the establishment of the Special Advisory Authority as a means of giving quick protection and a measure of security to Australian industry. But I was careful to require that, should the government accept the advice of the Authority, the matter must forthwith be referred to the Tariff Board for a more normal inquiry. There was more than one occasion when the subsequent report of the Tariff Boards was adopted by the government, although I had very grave doubts about whether the recommended levels of protection would be sufficient to sustain the industry. And several times it transpired that, within months, it was necessary to refer the industry again to the Special Advisory Authority.

In the late 1960s the Tariff Board's view of its role began to change, for the worse in my opinion. This change in attitude can be traced back to 1963, when I chose Mr. G.A. Rattigan to succeed Sir Leslie Melville as Chairman. Rattigan's qualifications for the job were impeccable. He was very experienced in the tariff field and had shown himself to be a clear and perspective thinker in the past. Rattigan had been a senior officer in the old Department of Trade and Customs in the years before many of its policy functions were absorbed by the new Department of Trade in 1956. Subsequently, he had been Deputy Secretary of the Department of Trade, when I had worked with him and formed a high opinion of his abilities. From there Rattigan had gone to be Comptroller-General of Customs. So his experience had been extensive and it seemed to me at the time that Rattigan was the most appropriate man to take over as Chairman of the Tariff Board when Melville resigned. Not without some reluctance, Rattigan agreed to accept the appointment.

Rattigan's thinking appears to have changed very substantially after he became Chairman of the Tariff Board. As the head of an independent body, Rattigan was not obliged to carry out any policy that I might have laid down as Minister for Trade. It is my belief that Rattigan came to be influenced by other thinkers, especially a Mr. Boyer, a grazier who had been appointed to the Tariff Board because of his experience in the field of primary industry. Boyer, along with many graziers, had low-tariff views. He was also a very strong and determined personality. Gradually, Rattigan shifted from being basically uncommitted on the question of general tariff levels to a position in which he strongly favoured lower tariffs.

This certainly did not suit me, though it might have suited the hard core of grazing interests in the Country Party. It was my belief then – and still is now – that the whole of the Australian economy is protected in one way or another. It has to be once some protection has been given to certain sections of industry. You cannot logically protect one section and not protect other sections, given basically

similar circumstances. I never had any direct confrontation with Rattigan over the differences in our views on general tariff policy. In fact, after he had become Chairman I paid only one visit, on invitation, to the Tariff Board. So not only was there no confrontation, there was no personal contact. Inside cabinet, however, I would point out the disparity between Rattigan's views and my own on general policy questions and then leave it to cabinet to make a final decision on individual matters.

I think it is fair to say that Rattigan was moving from the idea that he should be an objective adviser to the government on specified limited questions to the ideas that the Tariff Board should become a policy maker over the broad area of Australian economic development as a whole. In my view, this was an incorrect interpretation of the Tariff Board's proper role. It was not the Board's function to make abroad economic judgments. Rattigan's job should have been to accept the overall tariff policy of the government as given and simply concentrate on advising the government of the circumstances of individual industries.

Rattigan was to persist in his new view of things, however, and after my retirement in 1971 and the change in government in 1972 he got much of his way. The Whitlam government moved quite openly towards an adoption of Rattigan's ideas. And I can remember Mr. Whitlam being quoted on one occasion as saying that he was a "Rattigan man".

My position as leader of the Country Party meant that I had often to travel widely within Australia, as well as going overseas to attend trade conferences and the like. This was particularly the case at election time. While the Liberal and Labor leaders could campaign mostly in the capital cities or in the major provincial centres, I had to spread my efforts all over the country areas where we had candidates standing.

The strain of travel was considerable. In 1966, for example, the Prime Minister opened the coalition's election campaign by giving the Government's policy speech in Canterbury Hall, Melbourne. Of course, I had to be present to support him and to move a vote of confidence. With my own campaign schedule due to begin the next day in Maryborough, Queensland, I was naturally anxious to get away from the meeting as soon as it had finished. But I had to stay until well after the meeting was over, for it is never easy to avoid a cup of tea or a drink after these affairs. When I did eventually get away, I had to catch a plane to take me the twelve hundred or so miles to Maryborough. After a street meeting there at midday, I began the constant round of motoring and flying from place to place, campaigning non-stop so as not to waste any of the short period available before the elections.

I had always to go to Western Australia at least once and sometimes twice in a campaign, because the Liberal Party was forever trying to wrest our two Western Australian seats from us. When in Western Australia, it was my practice to address a final meeting somewhere within a hundred miles of Perth and then drive to the Perth airport to catch a midnight plane for Melbourne. In every campaign the Liberals would mount a vigorous attempt to unseat the Country Party member of Wimmera. So, after arriving in Melbourne on the overnight flight from Perth, I would need to catch another plane to Warracknabeal and drive from there to Horsham for an afternoon meeting. This would not be the end of it, for I would then travel making speeches at various other country towns in Victoria. I remember at the end of the campaign having a night meeting at St. Arnaud, then driving to Echuca to sleep before a lunchtime street meeting there the next day. It was exhausting.

The Liberals did not make it easy for us at election times, even though we were supposed to be their coalition partners. They consistently stood candidates in a number of Country Party seats, hoping to

strengthen their relative position in the coalition. I remember in the 1960s the Liberal party quite untruthfully and recklessly alleging that the Country Party was persistently obstructing any plans to develop an irrigation area on the Ord River in Western Australia. The fact is that the Country Party members of cabinet did not ever do anything to prevent the development of the Ord River scheme. I was unconvinced of the viability of the project, as were other Country Party ministers, but because the Liberals in cabinet and the Western Australian coalition government were strongly in favour of it, we did not oppose proposals to give federal financial support to the project. Eventually, the campaign against us on this matter became so strong that I was forced to point out publicly the Liberals outnumbered us three to one in the federal cabinet and, if they felt strongly enough, could have pushed through any decision they liked on any day they wanted. After this the Liberals dropped their campaign and no more was heard about our alleged opposition to the scheme.

I also believe that the Country Party often had to contend with unfair treatment from some sections of the media during federal election campaigns. A blatant example of this occurred in 1966, when I went to Western Australia to campaign on behalf of the two Country Party members whose seats were being threatened by the Liberals. When I arrived at Perth airport, I was met on the tarmac by an ABC representative with his recording machine. After being interviewed about my visit, I went straight to a press conference at the airport terminal. The conference was fully representative and included an ABC man. The press and commercial radio reported my arrival and the points I had made concerning the purpose of my visit, but the ABC, who had televised me at the press conference, made no reference at all to my presence in Perth. A little later in my visit, I spoke from a lorry to a gathering of about fifteen hundred people in Forrest Place. It was a good meeting and the ABC fellow was there again to televise proceedings. Once more, however, the ABC News made no mention of the meeting or even my presence in Perth, though the matter was reported commercially. In fact, the ABC did not say anything at all about my election tour during the whole visit.

I went back east to continue the campaign there. However reports from the west continued to indicate that there was great pressure on the two retiring Country Party members, so I decided to go to Western Australia a second time. On my arrival in Perth, I again held a full press conference at the airport. An ABC representative was present and asked some questions. Again, the press conference was reported in the commercial media but not on ABC television. I had another big meeting attended by well over a thousand people, with the ABC television cameras present and operating. Again, while the meeting and my policy statements were fully reported in the commercial press, the ABC refrained from mentioning my presence in Perth and, of course, did not display the television footage which they had themselves taken.

It seemed to me that the ABC had made a calculated decision to suppress any reference of my visit to Western Australia, though my position as leader of the Country Party and Deputy Prime Minister should have ensured substantial news coverage. I protested strongly at the treatment I had been given, sending telegrams to the Prime Minister, to the Chairman of the ABC and to the ABC's General Manager. I pointed out the unfairness of the suppression of news of my campaign in Western Australia, but never received any acknowledgement or reply. I also tackled the local man in charge of the ABC in Western Australia and, eventually, was told that my campaign had not represented "hard" news. This seemed strange, given the coverage I had received in the newspapers and on the commercial radio. I am bound to say, that, on the basis of this experience, I developed nothing but contempt for the alleged objectivity of the ABC. I considered raising the matter in Parliament but decided against it because I thought that to do so would be detrimental to the interests of the coalition

government.

I led the Country Party in five general election campaigns. The coalition government won all of them. Our only real scare was in 1961 when the election came in the middle of the worst economic recession that Australia had then experienced since the war. We survived that one by the narrowest possible margin, having a majority of only one in the House of Representatives after providing a Speaker. Otherwise, the government was never in danger and in 1966 we won in a landslide. No other Country Party leader has enjoyed what I experienced between 1958 and my retirement in 1971 – thirteen years and five general elections without once being out of government.



# CHAPTER 9

## END OF AN ERA

The second half of the 1960s and the early years of 1970s saw the ushering in of a new era in federal politics. The signal for the beginning of the end of the old era was the retirement from political life of Sir Robert Menzies in January 1966. Menzies had then been Prime Minister for longer than any other Australian – over sixteen years without a break since 1949 and more than eighteen years in all. Menzies was a dominating force who had imposed his personality on federal politics throughout his long period of office. He was undoubtedly a statesman, and like every statesman, possessed all the qualities of good politician. Menzies' great attributes were his intellectual capacity and his political acumen, as well as his considerable strength of purpose and character. Rather than try and select some single incident to illustrate Menzies' qualities, I would simply say that the totality of his career speaks for itself. Menzies was, of course, a brilliant speaker and debater. He was a very shrewd and ambitious politician. But, like everyone else, Menzies had his bad days. I was actually one of the members of cabinet when Menzies was asked to step down as Prime Minister in 1941 on the grounds that he was not holding the confidence of the people. So Menzies was not always perfect but, if you take his career as a whole, there is no doubt that he was – and is – a very great Australian, one of the first political leaders from this country to be known and respected right around the world.

I have sometimes been asked if Menzies was just lucky to be in charge of a Liberal-Country Party government for so long. I suppose that there was an element of luck in it, but I believe that Menzies did what I tried to do: he made his own luck. I started out in life by training myself to think that there is no such thing as luck, that you have to make your own opportunities and your own destiny. I know now, of course, that there is such a thing as luck after all and that it can have a tremendous influence on the events of man.

At all times I believe I had a good friendship with Menzies. This friendship was based on a mutual respect of each other's political competence rather than on social considerations. Menzies was always a social as well as a political personality, whilst I would never describe myself as being a social sort of person. On only one private occasion while I was leader of the Country Party did I have a really sharp disagreement with Menzies. The issue was whether the time was propitious for an election. We discussed this at a meeting in Menzies' office that took place at my initiative. I said that I would not be willing to go along with the proposals about an election which I believed Menzies to be contemplating and about which I had not been consulted. The discussion lasted some time but there was no personal antagonism or any hint of either of us losing his temper. The matter was purely a political one to be settled in political terms. The upshot of our discussion was that we decided not to hold an election then and I think the basis of our agreement was that preservation of the coalition was more important than the particular issue being discussed. No one knew that this difference of opinion had ever occurred and the incident was so unimportant to our personal relations that I cannot even remember the year that it happened.

Menzies was succeeded as Prime Minister by Harold Holt, who had been Deputy Leader of the Liberal Party and Treasurer for some time. Holt had obviously been groomed by Menzies as his successor and there was no one else in the Liberal party at that stage who looked likely to take over. Holt was a friendly and likeable man but his time as Prime Minister was to prove to be trying. He had inherited a

sound and stable government and after less than a year in office had won a record majority in the House of Representatives at the 1966 elections. Nevertheless, the next year brought the Liberals many serious political problems and there were some electoral reverses. I never had any difficulty working with Holt and felt that we were good friends. We had our political differences, of course, and I can remember sometimes making things difficult for Holt in a political issue. But we understood and trusted each other and when a difference did come along we generally had no trouble resolving it.

Holt was a strong and experienced swimmer who spent much of his spare time skin-diving. On Sunday 17 December 1967 he disappeared after going in to the water at Cheviot Beach, near Portsea in Victoria. On being told of Holt's disappearance, I went immediately to pass the news on to R.G. Casey, who was then Governor-General. Then I rang Mrs. Holt. I found that she had already had a vague and indeterminate message, but she had such confidence in Harold's ability in the sea that she was largely unperturbed when I spoke to her. Her confidence was to prove unfounded, for Holt was never seen again.

Holt's disappearance posed some problems for Casey. He had to decide almost immediately whom to commission as the new Prime Minister, for he could scarcely wait until the Liberal party had got around to electing a new leader. I appreciated Casey's difficulty. "If it turns out that Holt is drowned," I said, "you have to have a Prime Minister. I think that if you were to make one of the contenders from within the Liberal Party Prime Minister, even on a temporary basis, then you would give whoever you chose an absolutely unfair advantage in the leadership election. I would advise you make me Prime Minister until the Liberal party has made its own decision on the leadership. If you do that I will step aside and make way for their man." I said that I would not accept any limitation on my appointment, I would not accept a formal condition that I should step aside as soon as the Liberals had chosen their leader: people would just have to take my word for that. I argued, and Casey agreed, that it would be quite wrong for anyone to be made Prime Minister on the condition that under certain circumstances he would resign. My objection here was a question of principle and I raised the matter myself so that there should be no misunderstanding. Casey accepted my advice and I was commissioned as Prime Minister.

I immediately went on television to tell the Australian public that there would be no change in policies and no change in the ministry during the interregnum. I also told the public that once the Liberals had chosen a leader I would step aside and make room for him to be commissioned as Prime Minister.

It has been suggested that the Liberal Party could have chosen me to lead the coalition government instead of making its own leader Prime Minister. I think it is true that many people regarded me as the best man for the job and I was certainly the most experienced leader in the Australian Parliament at that time. The great difficulty, though, was that I belonged to the smaller party in the coalition. To become the permanent Prime Minister I should have had to leave the Country Party and join the Liberals. That was unthinkable. There was not the slightest possibility, in my opinion, that I would be asked to continue as Prime Minister whilst I was still in the Country Party. There were too many contenders eager for the Prime Ministership in the Liberal Party itself for this to happen. And even if the Liberals had been willing to say that I could be Prime Minister and remain a member of the Country Party, I think I should have refused the offer. To accept the Prime Ministership under such circumstances would have meant that I would have been beholden to the Liberals rather than to my own party. I do not think that such an arrangement could have worked very satisfactorily for very long. It is true that Fadden had been made Prime Minister after the fall of the Menzies government in

1941, but the circumstances then had been rather different and Fadden's government had in any case lasted only a few weeks.

An obvious candidate for Prime Minister in the Liberal ranks was Bill McMahon, who was already Treasurer and Deputy Leader of the Liberal Party. The prospect of having McMahon as Prime Minister troubled me, to say the least. McMahon was an able and hard working minister but during his time in cabinet he and I had often had very serious policy differences. Whilst these policy clashes were not in themselves sufficient to make McMahon unacceptable to the Country Party as a Prime Minister, McMahon had on many occasions handled our policy differences in a way that, let me say, I could not condone. I can remember that when there were discussions lasting longer than a single cabinet meeting, and when McMahon and I were on opposite sides of the fence, the press would often get a slanted version of my policy which had been leaked to discredit my views. McMahon consistently used his influence as Treasurer to oppose my policies. I thought on a number that he was attacking particular proposals simply because I was putting them forward and not on their merits. There were also incidents that aimed to sabotage me as leader of the Country Party and they seemed to be directed at me personally rather than at the Country Party as such. I remember trying to get the concept of the Australian Industry Development Corporation accepted in cabinet. McMahon did all he could to oppose this, even bringing in a bill which he thought, incorrectly, would make the Corporation unnecessary. At one stage a paper attacking the notion of the AIDC and arguing that this body would be used to further Country Party interests was circulated in cabinet. It was the only occasion in my time when such a document was unendorsed by any sponsor. It transpired that the document had been written by a Treasury official and that it was being circulated on McMahon's authority but not through the normal channel provided by the cabinet secretariat. I have no doubt that the document had been written and slanted expressly to suit McMahon's purposes. I attacked both McMahon and his paper and succeed in having the latter withdrawn.

McMahon seemed to me to be a threat to the coalition. He was one of those people in the Liberal Party who thought that they would be better off if there were no Country Party to contend with. I felt that, while I could work with Bill if he was merely a member of cabinet, there was no prospect of my being able to work fruitfully with him if he were Prime Minister.

I asked McMahon to come to see me in my office. Taking my control of the Country Party for granted, I said that my party would not serve in government if he were to become Prime Minister.

When news of my attitude became known, wild rumours of all sorts about my supposed reasons for refusing to accept McMahon as Prime Minister began to circulate. Many of these rumours were discreditable both to Bill and myself. At the time, though, I decided to keep quiet, being mindful of the damaging effects of Page's denunciation of Menzies in similar circumstances in 1939. I did say on many occasions, however, that McMahon was free to repeat what I had told him.

The words I had used to McMahon were very simple and direct. "Bill," I had said, "I will not serve under you because I don't trust you". I did not add a syllable to that. McMahon did not answer at all. He just sat looking at me and then left the room. He was quite at liberty to say in public what I had told him, but never did so.

With McMahon out of the running, the two strongest candidates for the Liberal Party leadership were Paul Hasluck and John Gorton. Hasluck was the more senior of the two, having been edged out by McMahon in the poll for the deputy leadership of the party that had been held after Menzies'

retirement almost two years earlier. Hasluck had considerable ministerial experience and I would have preferred him to Gorton as Prime Minister. I think that Hasluck had shown himself to be a man of integrity and complete stability of character. But he did not exercise great imagination in day-to-day matters and found the business of manoeuvring for support distasteful. I remember asking him shortly before the leadership election who his supporters were. "More importantly," I said, "who have you got working for you?" Hasluck replied that no one was actively campaigning for him though he thought he had good support. "Well," I said, "in my experience you don't win party elections that way – if you want to win you ought to get someone working for you straight away." But Hasluck would not accept this line of thought. Even with the great prize of the Prime Ministership at stake he was not prepared to ask anyone for help. Hasluck gave me the impression that he would win on his merits. There was no need to scheme or plan or to seek allies or helpers, for his own integrity and rightness ought to be enough. Perhaps if Hasluck had succeeded in becoming Prime Minister this characteristic would have been a weakness. Nevertheless, I consider he would have made a better Prime Minister than John Gorton. The first word I would use to describe Hasluck is that he was a stable team man. It is the last description I would think of applying to Gorton.

Three and a half weeks after Holt had disappeared, on the morning of 10 January 1968, the Liberals met to choose a new leader. I sat in my office waiting for the outcome of the election. At about half past twelve, John Gorton came to tell me that he had been elected leader. I would, as I have said, have preferred Hasluck as Prime Minister, but Gorton was the Liberal Party's choice and I was landed with him. I congratulated Gorton, as one would expect, and said that while I did not intend to remain in politics much longer – I was then aged 67 – I hoped and believed that we could work well together. I then added something like this: "I have been a long while in politics and will try to give you the benefit of the experience that you haven't had." Gorton froze visibly at the suggestion that he may not have had quite sufficient experience. It was true that he had been a minister for ten years, but he had never occupied one of the central policy making positions in government. The moment passed but I sensed that Gorton was not at all aware that he did lack an adequate experience of high office.

"Well, John," I went on, "I have said that I would step aside when your party chose a leader. When would you like me to do so?" Gorton rather astonished me by looking at his watch – it was then about a quarter to one – and saying, "Say, half past two." I did not demur at this. We both made ready to go to Government House, me carrying a letter of resignation and Gorton going to be sworn in as Prime Minister.

First, however, I had to call a cabinet meeting. There was little time as I had less than two hours left as Prime Minister. The problem was that Gorton was not at that stage a member of the House of Representatives. He had always been a Senator and, as I had pointed out to him, he could not continue to be a member of the Senate. Gorton would have to retire from the Senate and win a seat in the House of Representatives. This should present no problem because Holt's seat, which was very safe for the Liberals, was now vacant. While the election was being organised, however, Gorton would be Prime Minister without even being a member of the Australian Parliament. To my knowledge, this was unprecedented, though it was not unconstitutional for one can be a minister for up to three months and not be in either the House of Representatives or the Senate. So what was happening was constitutional, but I thought nevertheless that an unfortunate precedent was being established.

I called cabinet together and told them that I had congratulated Gorton and offered to work with him and so on. I then said that we had a problem. Whilst I did not want to magnify it, I felt that a decision

on the matter ought to be taken by cabinet as a whole rather than me alone. After pointing out that Gorton would be Prime Minister whilst not being a member of either House of Parliament, I said, "I do not approve of this but I do not propose to oppose it all. Can I take it that this situation has cabinet approval?" No one uttered a sound, so I said, "thank you, you all agree! It is now a cabinet decision." Gorton was there, of course, but no one spoke when I asked for views on the subject.

I do not think that I ever thought John Gorton was going to make a good Prime Minister. His inexperience in government was a factor influencing my judgment but I also felt that Gorton's personality was important here. Gorton could not bear to think that his ideas on anything might be wrong. He was too insistent upon his own supremacy and quite unconscious of the need to operate as a member of a team. There were almost daily examples of this attitude. I remember Gorton being interviewed on television at about the time he became Prime Minister. He was asked what he expected would happen if he had a certain point of view and cabinet happened to disagree with him. "I would expect cabinet to defer to the view of the Prime Minister," Gorton replied. This sort of thinking, of course, could not lead to smooth working at all.

Without wishing to make an issue of it, I also felt that Gorton did not consult me as often as he should have, though I did not have to remind him that his party was in government with the assistance of the Country Party. Gorton had a view of our relations that I had never encountered before, though it was consistent with his view of his own position as supreme leader of his party and of the government. Gorton thought that everything he wanted doing would be done. He also thought that everything I wanted doing should be done, so long as it did not conflict with his views. By taking this attitude I think that Gorton did, in fact, help Country Party interests. On occasions, he took my rights as a coalition partner further than either Menzies or Holt had done, further than I would have expected or felt to be correct. In short, if I wanted something Gorton was not opposed to, I should get it. I disapproved of this, believing that policy ought not to have been just what Gorton or I wanted but what cabinet decided.

Gorton was always willing to by-pass cabinet if he thought strongly enough about something. And in the matter of the pricing policy for Australian crude oil, for example, even I had no idea of what was happening until Gorton had made and received firm commitments in private discussions with BHP. There were times when Gorton and I together decided what our policy should be and told cabinet afterwards. This unprecedented procedure was followed for no other reason than that there should be no opportunity for the policy proposal in question to be misrepresented to the media.

Gorton had certain fixations. The development of atomic power was one and the offshore title to submerged land was another. It would have been a waste of anyone's time trying to argue with Gorton on these sorts of things. He just knew that he was right, that these policies were essential and his determination was beyond argument. Apart from these fixations, though, Gorton was amenable to persuasion by me.

Whilst there were no critical occasions on which Gorton and I opposed each other, I did need to exert pressure from time to time. This pressure was always political and logical. There were never threats, just force of argument and determination. It would have been quite foreign to my conduct as a coalition partner to put anyone in a position of "Take it or leave it." I hope that, in a way I cannot easily explain now, I managed to leave every situation fluid enough to allow for a graceful retreat. This is an art of politics that could do with being more widely practiced. I would lay my cards on the table but they would be the cards of argument and policy and politics, not the cards of confrontation.

You could not, for example, threaten to withdraw from the coalition on a daily basis. The fellow in the bush often seems to think that the Country Party is in complete control and can win any argument with the Liberals simply by threatening to pull out of the government. That is, of course, quite ridiculous. I do not think that Gorton respected many people in Parliament, but at least he respected me because he took notice of the arguments I put forward on a reasonable basis, so long as they did not touch his fixations.

It used to be rumoured during Gorton's term as Prime Minister that he drank too much and did not work hard enough. In my own relations with Gorton and in his conduct of public business I was never conscious that alcohol was a problem. And I would contest the idea that Gorton was not a worker. I do not know of any minister who studied his documents and papers more thoroughly than Gorton did. Keeping up with developments over the whole field of policy is always a problem for the Prime Minister or the Leader of a major political party. Other people have their own limited areas of concern but the Prime Minister and party leaders have overriding responsibilities. I was surprised, almost amazed, at the grasp that Gorton had of voluminous documents dealing not only with his own particular concerns but with the concerns of other ministers.

After the October 1969 federal election, when the government's majority was significantly reduced, it was clear that Gorton had fallen into disfavour and might be challenged for the leadership. When David Fairbairn announced that he would contest the leadership, an election became certain and it looked as if all the top Liberals would be drawn into the contest. At about this time I decided that it would be proper for me to tell McMahon that I would no longer refuse to serve under him if he were the coalition leader. The Liberal Party was by now very short of experienced and talented people. Hasluck had disappeared as a contender, having been made Governor-General. Apart from McMahon and Gorton himself, the rest of the field did not contain a serious candidate. There was Fairbairn, Chipp, Peacock and Fraser – a man for whom I have great respect but who was not at that stage a front-runner. In these circumstances it seemed wrong to continue to tell the Liberal Party that the most experienced man they had was ineligible. Also, as I was now so closer to retirement I did not have to contemplate having to work for long with McMahon as Prime Minister if he were successful in the leadership contest. So I invited McMahon to come to my house in Toorak, told him my line of thinking and said that he could be assured that I would not embargo him again. I added that if he succeeded there would be a number of points on which we would have to reach formal agreement. McMahon was jubilant.

In the event, Gorton was not unseated. When McMahon did eventually succeed to the Prime Ministership I had retired. McMahon did not impress the House or country with his strength of character, which is a fatal flaw in any leader or Prime Minister. As Treasurer, McMahon had always been very willing to accept the guidance of his Treasury advisers. This is not a characteristic I condemn at all, it is one I advocate, but there come times when political judgments have to be superimposed on technical advice. I often had to do this myself, as did Menzies and Fadden. I do not think that McMahon ever learned how and when to put his own political judgment on top of the technical advice given by Treasury. For any political leader this is a grave weakness and it was carried over into McMahon's term as Prime Minister.

Not one of the three Liberal Prime Ministers during 1966-72 came near to measuring up to Menzies. From my point of view, one of the greatest weaknesses of the post-Menzies Liberal governments was their failure to work as closely with the Country Party as Menzies had done. I think one reason why

the coalition government lasted as long as it did was the ability of Fadden and myself to work in partnership with Menzies without surrendering our influence. Menzies valued his relationship with the Country Party highly and I know that he counseled Holt to do all he could to protect the good relations between the coalition parties. But during Holt's time as Prime Minister there were already elements in the Liberal Party – not Holt himself – who sought to undermine the Country Party. After Holt's death these elements grew stronger and they seriously reduced the effectiveness of the Gorton government. By the time McMahon was Prime Minister the coalition had lost much of its cohesive identity and, increasingly, the Liberal Party tended to decide its own issues while the Country Party decided its own set of issues.

One of the main problems with the Liberal Party in these years was that it suffered from a lack of leadership potential. Towards the end of Sir Robert's long reign the party had really become the Menzies Party. While Menzies did not have a wealth of ministerial talent to choose from, he did not ever seem to try and build a strong party leadership with some depth to it. In his later years, Menzies was content to groom Holt as his successor and leave it at that. Earlier, in the first half of the 1950s, I know that Menzies would have liked me to follow him as Prime Minister. He urged me to get into line behind him. Menzies was never more explicit than this – “Get into line” he said – but I took him to mean that I should join the Liberal Party. Of course, I would never agree to this. Menzies came back to this point again and again over a period of about five years, but I could not contemplate leaving the Country Party for my own preferment. I never encouraged Menzies in his line of thinking and, eventually, he came to know my mind on the matter well enough.

I think that a position like the one the Liberal Party found itself in when Menzies retired its quite dangerous. I remember saying as much in 1966 when I was re-elected to the Country Party leadership after the federal elections. “The situation is,” I said, “that I am the Country Party. This is bloody well not safe and has got to be ended. The Country Party cannot depend on one man and be floundering if it loses that man. You have got to build up behind me more than we have done now.” At that stage the deputy leader was Charlie Adermann, who had been a party stalwart for many years. “With all respect to Charlie Adermann,” I went on, “he is several years older than I am and I do not think he should be the heir apparent when I am of an age where I might get a coronary or whatever and be gone tomorrow. I think you ought to elect a younger man as deputy leader and then build up a senior rank of younger members behind him. That expresses the attitude I had in relation to my own party and an attitude which I think should also have existed in the Liberal Party.

In preparation for my own retirement, I carefully selected adequate lieutenants. I was at pains over a period of ten years or so to arrange a line of succession behind me. This was not easy to do. There has always been an unwritten convention in political parties that the loyal workhorse is entitled to preferment when the day and the opportunity come. I had plenty of loyal workhorses but did not think they measured up to my idea of what was needed in the party leadership. I was quite tough and ruthless in passing over good men to put in people with greater potential, relying heavily on my own personal judgment of people's capabilities. In the contest for the deputy leadership the party did in fact vote between Doug Anthony and Ian Sinclair, the men I favoured. But at that stage these two were so obviously the most promising young men we had that I think the party's judgment was not unduly influenced by me. Gradually I came to the conclusion that Anthony was more ready to go into the fight than Sinclair. Later Peter Nixon came to the fore, and later still, Ralph Hunt, if these four people had been available at one point in time, I would not like to have had to judge between them. I regard the four of them as being pretty much on level.

How is it that the Country Party could find such men – four such attractive potential leaders – while the Liberals ran into so much difficulty? One difference between the parties is that we are all the time fighting to get something and the Liberal party is fighting more to defend something. You get greater vigour in the person who is campaigning and crusading to bring about a new state of affairs than you do in someone who is just defending the existing situation. I do not think the Liberal Party has a single base – there is no grass roots origin like the Country Party has. There are tremendous differences of opinion within the Liberal Party that are not often exposed to the public. For example, there are differences between those who believe in tariff protection for Australian industry and those who want to see the maximum amount of freedom of commerce, between those who favour commodity boards and those who think they are an abomination on the face of the earth. So, in the nature of things, there is a lack of cohesion in the Liberal Party which makes it hard for any leader to hold things together. I think the Liberal Party attracts the support of people who regard it as a party of great power, great history, great respect. These people want to be associated with such a party but they may have no common views on basic policy matters at all.

On 1 February 1971, I retired from politics. I was then approaching the age of 71. Doug Anthony took over as leader of the Country Party and has held the position ever since, which is a reflection both of his own ability and of the careful preparations I had made to create an orderly and stable line of succession. The contrast with the Liberals could hardly have been greater.

With my retirement, a particular political age was just about over. In y last years in politics I had been the sole survivor in the Country Party of those who had reached cabinet rank in the 1930s, of those on the non-Labor side of politics who were leaders in opposition for much of the 1940s and of those people who had led the country through the long period of Liberal-Country Party rule that had begun in 1940. The new crop of Country Party leaders were all men who had come to the fore in the 1960s and no one who was left in the Liberal Party leadership had achieved ministerial rank before the mid-1950s.



# CHAPTER 10

## REFLECTIONS IN RETIREMENT

I have never regretted retiring when I did. My life in politics had been long and very, very hard. I had spent years in Parliament, working in cabinet, heading government departments, conducting international negotiations and taking part in the interminable discussions and negotiations with Australia's primary producers. Latterly, there had also been the protracted and tiring arguments over the role of the tariff board and the amount of protection to be given to secondary industry. I felt that I had taken as much as I wanted to take and thought that, in any case, it was time that the younger men whom I had chosen and been able to put into cabinet were given their chance. So I retired very happily with no one that I ever heard of asking why old McEwen did not get. I managed to avoid that point.

Until 1975 I continued to manage my farm in the Goulburn Valley of Victoria. It was now quite a considerable operation with 1800 head of beef cattle and a bit under half its 3000 odd acres under irrigation. Seven married men lived on the premises. You know, 3000 acres is a pocket-handkerchief in some parts of Australia but it is a big place in the Stanhope district, where the average irrigation farm has not much more than 100 acres. This was a far cry from the 80 acre farm I had started out with in 1919 or the 211 acres this farm had contained when I bought it in 1929. The farm had been built up mainly in the 1930s and 1940s, fairly early in my political career. I realised then that, whilst I would never delegate the policy decision of the farm to anyone, I would need to employ a manager if I were to devote most of my energy to politics. And it was clear that if I was going to employ management the scale of operations would have to be large enough to warrant this. As the years passed, the character of my farm changed with the changing economic and market conditions. I went out of dairying and into sheep in 1925 and, after a good many years, out of sheep and into beef cattle. These were always my own decisions. In making them, I never had the use of any inside knowledge by virtue of my public office. Any relevant information that I had was always common knowledge to everyone in the industry.

When I got to the age of 75, I wanted to be free of all burdens. So I decided to sell the farm and go to live in a house that I had bought in 1956 but had occupied only infrequently. For the first time in my life I now have spare time, some time to myself, though I am still busy enough with my reading, with my correspondence and with meeting people, not to feel idle.

Looking back on my political career, I find it difficult to identify one enemy, though I have spent a lifetime fighting hard for the things I wanted and that I thought were good for Australia. In the cut and thrust of the House, of course, I crossed swords with many people, but it was always on an issue of the day and I never went to bed with a grievance. I do not think that I am quick tempered but once I have thought a thing through I am difficult to budge and I can be irritable on an issue. Broadly speaking, I was pretty composed in my conduct towards departmental officers and my fellow politicians and when I felt that I had been in the wrong I believe I was quick to apologise. There were, naturally enough, some people I did not like. However, I never nurtured a grievance and certainly never indulged in recriminations or that sort of thing.

Throughout my life in politics I had a constant battle to try and find enough time to think through the policy issues I had to deal with. The mechanics of Parliament, for example, so often imposed

pressures that it might have been tempting to ignore routine procedures and ‘divisions’ to be able to concentrate on other matters. I always felt, however, that I had a duty to Parliament and usually made sure of answering ‘divisions’ and so on. This and the great mass of things a cabinet minister has to face made it hard to get the time to sit down and really think out the problems before me.

With complex issues and so much official advice to digest, the great essential was always to identify the critically important points. Within my own field of operations I believe I had a very sure mind, but I tried not to hasten to a conclusion. I wanted to act with integrity and in a manner that was practicable. I wanted to be satisfied that, given all the circumstances, I was as right I could be.

I did a great deal of my critical thinking between going to bed and going to sleep or during aeroplane flights – it was normal for me to have a least two flights a week. I never attempted, however, to timetable my thinking and I believe that I thought rather intuitively. I did not find myself going through matters in the form of a consultation or a conversation, but simply grasping the facts and issues in a problem as if by intuition. Once the problem was revealed to me and I knew what was practicable then my intuitive thinking, combined with the experience and official advice I had, would allow me to reach a conclusion for action.

The ability to think clearly and concisely is essential in a political leader. This is not the same thing, however, as having an extensive formal education. These days a great and increasing emphasis is being placed on education and, as education embodies the results of all previous experience, this emphasis is very proper. Nevertheless, I strongly believe that education to a certain level, such as having a university degree, is too often taken as the sole test of a person’s competence. Education is a most useful basis for thinking, but education alone is no substitute for thinking.

The pressures of work told on me during my years in politics I would often work very long hours and the long absences from home, either interstate or overseas, had an impact on both my health and my private life. If I worked to midnight, which was my normal practice, then I would not get to my office before 9.30 the next morning, which I thought was fair enough. After all, I was concerned to get enough sleep to keep me in reasonable health. However, I did develop neuro-dermatitis because of the sheer nervous pressure of work. This has been with me for 25 years or more and I have never been able to shake it off. It is part of the penalty for the life I have led. For literally months at time I would be walking about Parliament House with my feet bleeding and bandaged. On other occasions the dermatitis would express itself in my head or in my body or hands. It made sleeping difficult. It was there all the time, though I had a strong enough constitution just to put up with it and carry on. It was a price I had to be willing to pay if I were to be a political leader.

In my years as a senior cabinet minister – that is, between the election for the Liberal-Country Party government in 1949 and my retirement in 1971 – my main policy responsibilities lay in the field of Australia’s international economic relations. I found myself holding very firm and clear views on questions such as Australian trade, the development of our primary product exports, tariffs and protection to secondary industry as well as related matters like immigration and foreign investment.

On these matters, I think I should begin by emphasising that Australia is a tremendously favoured country, with a huge land area and huge resources in relation to population. We are extremely fortunate to own this country and we have to take precautions to see that we go on owning it. My own view has always been that it would be ridiculous to think that Australia was safe in the long term unless we built up our population and built up our industries. So I have always wanted to make

Australia a powerful industrialised country as well as a major agricultural and mining country.

This basic attitude meant that I was bound to favour broadly protectionist policies aimed at developing our manufacturing sector. Some people have seen this as a strange sort of policy for a Country Party leader to be advocating and I know that my views were not supported by some sections of primary industry, especially the big graziers who were traditionally wedded to free trade. I rationalised my views – and that is not a word of convenience – by asking myself what there was in common between agriculture, mining and manufacturing. The answer I came up with was, as I have said earlier in this book, that these were the basic wealth-producing industries. The man on the land grew wool, wheat, butter or sugar: the miner produced copper, iron ore, lead, zinc or whatever: the manufacturer took raw materials in the factory and, by processing them, added wealth to the value of the product. As I saw it, this threw these three sectors of the economy into a common ground with common interests.

In addition, the strong immigration inflow that was encouraged by the government in the post-war period also meant that there was a need for protection to be given to manufacturing industry. If population was going to be built up, there had to be enough jobs to go round. But technological advances in agriculture and mining are continuing to result in a smaller proportion of the workforce being engaged in these particular areas of the economy. So manufacturing is the only wealth-producing sector with the potential to increase jobs in sufficient numbers. Clearly, the immigration program required an expansion in manufacturing that would not occur if Australian industry had to compete with producers in the highly industrialised countries.

Some people argue that the expansion of employment in the tertiary sector should be sufficient to cater for the migrant inflow and the natural increase in the Australian population, so that there is no need to build up manufacturing industry behind a protective wall. I have always taken the view, however, that while tertiary industry is tremendously important – whether it be transport, education or whatever – it simply could not exist if what I describe as the wealth-producing industries were not healthy enough to survive. All through my career I was involved with those industries which produced real wealth for the Australian economy. Other ministers looked after the tertiary industries. Since my retirement there has been a sad neglect of the wealth-producing industries whose interest I fought to protect. This was especially true in the period of the Whitlam government, when there was a desperate failure to be conscious of the interest and needs of the wealth-producing areas of the economy. The mining industry had no idea what government policy was from day to day. The rural industries, which had been supported by a variety of plans that had been carefully put together in my day, had these plans stripped away. Reckless tariff slashing exposed manufacturing industry to ruinous import competition. These policies and the government's reckless budgeting led to a cessation of foreign investment and resulted in high levels of unemployment. I do not think it possible, in the long run, to damage the wealth-producing industries like this and replace the employment thus lost by expanding the tertiary sector. I think this is impracticable and the problem created is exacerbated in a period of inflation.

For these reasons, I was convinced that we should pursue a policy of trying to protect secondary industry in Australia. The means of protection we came to rely on was the tariff. I believe that Australia is the only industrialised country that relies almost exclusively on tariffs for protection. Such things as embargoes, quotas and exchange control are widely resorted to in other countries. I really disagree with the concept of quotas. You may have, for example, one pair of shoes

manufactured locally that can be sold at \$15 and another pair of similar imported shoes – brought in under a quota – that can be sold at \$10. If you operate with a quota instead of a tariff, you get a price discrepancy that is either going to disorganise the local market or let someone make an undue profit.

One of the arguments being put forward these days is that the tariff will not work because the disparity between wage levels in low and high wage countries is becoming greater rather than smaller. It is said that in some less developed countries workers are paid so little that it is impossible for us to compete with them. In my earlier days, the point of view was widely taken that a comparison of the hourly wage bill paid by Australian industry and by overseas producers was the way to judge how much protection local manufacturing needed. In my experience, this is not a good test at all. The real test is not just the wages bill but the general cost level. We may pay much higher wages than they do in some other countries, but because they are not so up to date in their technology we may ultimately be able to produce at a lower price. Production costs must be judged in relation to all the factors that influence them, not forgetting that volume often has a great bearing on cost.

I did not ever find myself in conflict with the Country Party as a whole or with the Country Party members of cabinet because of my tariff policies. But I have no doubt that I was out of step with some of the grazing interests in the party. Graziers have traditionally been free trade in their attitude. The graziers would complain that tariffs raised their costs and argue that the export industries would be better off if there were no protection. They, and other low-tariff advocates, would often argue that so-called over-protection made Australian industries inefficient and fat behind the tariff walls. There are, of course, many free traders – though these are not the graziers – who would become fat if they were free to import from any corner of the world goods that they would sell in conflict with a similar local product. There is such a difference in profit prospects for different individuals and firms, between free trade and protection, that it is quite inevitable for bitter arguments to take place. There is always this kind of disputation when there is a conflict of economic interest.

All I could do in this situation was to explain my own thinking. And, as far as the party as a whole was concerned, my ideas were never broadly rejected. This is partly because there are few people more insistent on receiving protection than many rural producers. We debate protection for butter, cheese, meat, tobacco and so on. Indeed, one Australian farm industry – sugar – has been more completely protected than any other sector because of a complete embargo on imports. In these circumstances, I never had much difficulty justifying my policies in a total Country Party meeting. And even the wool industry, the absolute home of free trade ideas, has begun to come around and has been glad to accept some form of government protection through the operation of a floor price scheme.

I have never seen government intervention in these matters simply in terms of protecting industries producing solely for the home market. On the contrary, I have always taken the attitude that an industry which has export potential might also need some protection at the outset to enable it to get a firm grip on the domestic market. This is how Britain, the United States and other countries have developed industrially – they have been in control of their own substantial home market and then, on the basis of this, they have expanded into export production. I would like to think we had a similar attitude here, with the government using its power to ensure that potential export industries thrive on the basis of their secure position in the domestic market. To achieve this I would support government assistance in the form of tax concessions and subsidies as well as through whatever tariff protection was necessary.

It is true, of course, that there is a danger that a policy of protection might slip into being a policy of

over-protecting industry. I know that Sir John Crawford, who shared my instinct to protect Australian secondary industry, felt that there was a level of protection beyond which you may be supporting an inefficient industry. He did not approve of this. In general, I would agree, but it is also necessary to take account of things besides efficiency. There was one constant thought in my mind: we had a workforce to employ. I was never prepared to condone general policies that would strip away from existing industries, which were reasonably efficient in their own environment, the degree of protection they needed to sustain employment. You needed to see the whole picture, not just the efficiency side of things, before deciding whether an industry was worth protecting. I can remember, for example, one occasion when an inflow of copper imports jeopardised the existence of the Mount Lyell mines in Tasmania. Now, these mines are in a completely isolated area and no other industry is possible in the region. I took far-reaching steps to ensure the survival of the mines and protect the livelihood of the Mount Lyell community without being deterred by whatever other consequences there might have been. Australian industry is so real in its existence that it would be wrong – as Rattigan was trying to do from the late 1960s – to identify a particular existing industry as one not worth protecting and put it in a column of industries that are to be allowed to wither and disappear. I do not believe in this at all.

All of this implies that governments have a positive role to play in Australian economic development. I do not like, however, the idea of extensive government interference, of an overall five-year plan or whatever. What governments need to do is ensure that industry – whether in agriculture, mining or manufacturing – can predict what its own circumstances will be in the foreseeable future. The important thing is that an industry should be able to plan ahead with confidence. If this calls for a government announcement that it has a certain attitude or has made certain arrangements that will endure for a specified period, then I would support this degree of government initiative. But I would never approve of the grand concept the communist countries have of making up a five-year plan for the economy as a whole.

Much of Australia's industrial and mining development has depended on foreign investment. In my time the government's policy was usually to welcome foreign investment with open arms. However, I always had some reservations about this. I coined the term that we were living by selling of a bit of the farm each year. I wanted some sort of arrangement whereby we could go on our own course without having to sell off so much of our rights to foreigners. I was never against foreign investment as such but was sometimes concerned about its direction and its magnitude. My views on this were openly expressed and, I think, understood.

To turn to more general matters affecting Australian political life, I believe that we are fortunate to have a parliamentary system that works so well. It may have some drawbacks, but I would not like to see any major changes made. One of the big things in our system's favour is that there is no corruption in politics – I can honestly say that I have never heard a serious allegation of corruption in the public service or among federal politicians of any party. Every day that Parliament is in session, upwards of three-quarters of an hour is devoted to questioning ministers. There are questions from both sides of the House on any matter of public importance. I think it would be quite impossible to practice and conceal any corruption in the face of this procedure. Something like Watergate could not happen in Australia with our ministers having to be present to answer questions every day that parliament sits.

Nor do I think there is much scope in the Australian political system for politicians to use inside information for their own preferment. Most matters which are secret today become known publicly

within a very short time. So the man who has secret information today does not have long enough to take advantage of his position – it will be only a few weeks or, more likely, days before the matter is public knowledge. Therefore, I believe that there is no great opportunity for a minister to turn inside information to his business advantage.

On more technical matters, I have never been convinced of the benefits of extending the committee system in our parliament. Backbenchers have always complained about being unable to have much of a say about policy, but I do not believe that an extension of the committee system is the way to overcome this problem. My reasoning here is very simple. No committee, whether it is a committee of cabinet or of backbenchers or whatever, can operate effectively without having very full information and the very best technical advice. Ministers have this information and advice from the people in their respective departments. To be useful, a backbench committee needs to have the same sort of service. But it is just not practicable to have the senior officials of the relevant departments available both to their minister and to a series of a backbench committees. The thing would simply not work and for this reason I have never believed that it is right to try and involve backbenchers more in decision making by extending the committee system.

All of my political actions and decisions have had to be taken, of course, in the context of our federal system. The powers of the federal government are limited by the Constitution and this fact has sometimes put difficulties in the way of implementing policies that I believe were for the good of the Australian nation. But these difficulties need not be insuperable. One instance where considerable difficulties were eventually overcome was the case of our plans for a dairying stabilisation scheme. It was essential to the success of the scheme that the Commonwealth should be able to fix butter and cheese prices. However, the States had the constitutional power to frustrate any pricing arrangement we wanted to make, because each State was free to set up its own independent price-fixing authority. The States were very reluctant to hand over their rights in this matter to the Commonwealth, though some form of central control was obviously needed if the stabilisation scheme was to work properly. Finally, I had to say that while we wanted to give the dairy industry a stabilisation plan we could not do so unless the States passed over their price-fixing powers to us. Faced with the prospect of there being no stabilisation plan at all, the States eventually agreed to do as we wished. This is an example of the kind of problem the federal system occasionally put in our path. However, I am bound to say that I support the general notion that Australia is a federation, not a country in which a single central government ought to be supreme in everything. Under the Constitution, the States have their own area of authority and I have always wanted to respect this fact.

One of the great features of Australian political life in the post-war period was that the Liberal-Country Party coalition could rule uninterruptedly on the federal level for 23 years. This was a tremendous achievement. Our time in office was one of great stability and – I think it can be said – of political professionalism. At home we had a prosperous and stable economy with little unemployment, notwithstanding the large migrant inflow. Overseas, I am sure that Australia came to be regarded as a country which was reliable and predictable. In the field of international relations there is nothing more highly prized than being able to predict what another country will do. Australia had a political philosophy which was preached and known and which was lived up to. Some people around the world felt our philosophy was admirable. Others may have disagreed with our philosophy but at least they could be sure of what we thought and could work with us, knowing the basis of our political attitudes. This generated a great respect for Australia, a respect that was lost after the Labor government came to power. In my particular field, the Whitlam government fiddled around with the level of protection

reducing it and then increasing it and sometimes substituting quotas for tariffs. The government also had no very clear attitude on the exchange rate, which was altered a couple of times for no more than some passing purpose. I believe that the exchange rate, like the tariff, does not lend itself to passing manipulation – the expediency of the moment ought never to be allowed to affect such enduring and important factors in the economy. It is true that the world is changing, as it has changed throughout history, but change needs to take place in an orderly way. There has to be an element of gradualism, as distinct from taking sudden and far-reaching decisions on fundamental matters. I believe that during our long period in office the Liberal-Country Party government was able to adapt to change in a gradual and constructive way that avoided disruption to the economy and the nation as a whole.

I have often heard it said that 23 years is too long for any government to remain in office, no matter how good it is. The idea is that change in government is itself a desirable thing. I would disagree. When you are in government you have got an opposition which does not share your fundamental political ideas. It is often possible for the people in opposition to get public support for policies which disregard the realities of the situation and so create the impression that they would be a better government than the people in power. Those in government cannot do this. What a politician who is in power should aim at is to give satisfaction while never departing from his duty to maintain the economic and political integrity of his government. I believe that the Liberal party and the Country Party were able to do this successfully, presenting both the image and the reality of sound and stable government. We were a government to be respected at home and abroad and I think it was good for Australia that we managed to stay in power for as long as we did. I have always disagreed with much of the political philosophy of the Labor party and think that a Labor government is usually bad for the country. I have no objections to a government that I believe in prevailing for a long, long time, be it for 13, 23 or 33 years.

The world did not stand still whilst we were in power. There were perceptible shifts, for example, in the balance of international power which the government had to come to terms with. Britain has become much less important and the United States has taken many rebuffs in international affairs, particularly in Vietnam. All this has been something that Australia could not control and we had no option but to watch carefully and adapt ourselves to the changes that were taking place. In the case of Britain, there has been a significant deterioration in her international and economic strength. We adjusted to this by developing our trading relations with Japan – as Britain phased out of our international trading world, so Japan phased in. What could have been a devastating bump for us as British markets were lost was turned into something that was at least not ruinous. In the case of the United States, you have a country that came out of the war in such a fantastically powerful position that the Americans thought they represented the last word. They have learned the hard way – that countries like France can be quite intractable, that countries like the Soviet Union have to be respected – and they have made mistakes that have had to be lived down. But I think the United States is inherently responsible and honourable enough to adapt to the new elements in the world of today and I regard it as important – almost above all other things – that we maintain a working relationship with the United States. My feelings here is that if Australia were ever to be threatened there is only one nation in today's world that could come effectively to our aid and that is the United States. So, whilst we must not cringe to the Americans, we must continue to develop very close ties with them.

I am proud of the part that the Country Party had to play in the long period of coalition rule. In us, the Liberals had allies who were at all time loyal to the alliance. The Country Party has seen very clearly that there are no fundamental differences of policy or philosophy dividing the two coalition parties. I

wish I could say the same about the attitude of many people in the Liberal Party.

The fact is that there has always been a section of the Liberal Party that wishes the Country Party would disappear. This wish has been stronger in the party organisation than among the Liberal parliamentarians. Why the Liberals think this way, I do not really know. Perhaps it is a matter of the city not wishing to be influenced by the country or a simple human instinct against having to consult and perhaps defer to another group that is subordinate in numbers and strength. Perhaps it is a matter, as can be the case in politics, of there being more jobs around if you do not have to divide them up with another party. Perhaps there is a resentment at being made to conform occasionally to the Country Party desires instead of their own, through the need to take in to account the wishes of one's partners is characteristic of any alliance and the Liberals ought to understand and be willing to accept this.

I am sure that if the Country Party were to disappear, if its members were to join the Liberals, then another Country Party would crop up almost the next week. This is because the Country Party represents a distinct and identifiable set of economic and social interests that would want to make their voice heard. I am also certain that this new party would be a radical one. And, looking at the history of Australian politics, you could be sure that there would be many occasions on which its members would hold the balance of power in Parliament. If this were the case, the Liberals would find themselves in a much more difficult situation than they ever have done with the current Country Party as an ally.

Because of this, I think that these Liberals who would rather be without the Country Party are being damn silly not to accept us as a fact of life that will continue into the foreseeable future. The end result of their present attitude is that the high interests of the country can be overlooked in the pursuit of a fruitless contest with an ally. If the Liberal party would forget any desire to rule alone and treat the alliance with the Country Party in the same spirit as we have joined with them, the anti-Labor forces would be stronger and more enduring. All could then concentrate on the issues of the survival of the country and the uplifting of living standards.

Not all or even most Liberals have wanted to undermine the Country Party. Indeed, there have always been a number of people in the Liberal party, including some representatives of rural seats, who have supported strongly the basic policies of the Country Party. I have never seen any sign that the conservative element of the Liberal party wishes to join the Country Party, though from the late 1960s the growth of so-called 'small l' policies in the Liberal Party worried many conservative members. In my opinion the 'small l' policies are not broad enough in their appeal to form the basis of a sound and responsible government.

When I look back over my life in politics, I think that with hard work and devotion I managed to secure all that I wanted to for the various primary industries of Australia. However, legislation is not interminable – what has been done by one minister or one government can be undone by the next. I see this with great regret but I understand and can live with it. During my long involvement in public affairs I have had my problems, my hopes and my opportunities. And, by and large, I am pretty satisfied with my achievements in the arena of political operations and international negotiations. Nothing is perfect in the political field and I do not think that I should aspire to attain perfection, but as a man well on in years I can look back with a great deal of satisfaction on my career.

What of the future? We Australians have so much running for us that I am confident we shall continue



to grow and expand. Australia is one of the few countries in the world that is not only self-sufficient in food and important raw materials but has an export surplus in these things. We have a sophisticated workforce and a sophisticated field of management that enables us, in a highly competitive world, to continue to grow as a manufacturing country. It would be a great mistake if our manufacturing potential were to be neglected or underestimated. So, considering our self-sufficiency in food and materials, our capacity for industrial growth and our tremendous land area capable of absorbing additional population from around the world, I look forward with a high level of confidence to the future of Australia. I say this notwithstanding our high production costs in some industries and our experience of industrial unrest. We can compete in the matter of production cost, as our great steel industry and our great sugar industry show. In my lifetime the United States has had to cope with higher labour costs than we have and the American community has had to bear the costs of their high protectionist policies, yet I have seen America grow from strength to strength. Australia, too, can grow despite the extent of her burdens in this area. Looking back to my own era – to the time of my own political involvement – we had a period of great stability in government and great international respect. Looking forward into the future, I see no reason why Australia should not, in the long term, continue to enjoy these benefits.