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The following is the text of a Press Statement issued in London and Geneva:

BRITISH PROPOSAL TO APPLY FOR MEMBERSHIP OF EUROPEAN COMMON MARKET

(Statement by the Rt. Hon. John McEwen, Deputy Prime Minister and Minister for Trade and Industry)

Commenting on Mr. Wilson's announcement that Britain proposed to lodge an application for membership of the European Common Market, Mr. McEwen, the Deputy Prime Minister of Australia and Minister for Trade and Industry, said today: "I accept as a declaration made in good faith the often-repeated words of Mr. Wilson and the British Prime Ministers who preceded him that essential Commonwealth interests will be safeguarded but I, with all other Australians, must wait with real anxiety to learn what arrangements the British Government believes it can achieve which would avoid seriously affecting the course of trade between Australia and Britain.

"It is obvious", Mr. McEwen went on, "that if Britain enters the European Common Market, there will be most important economic consequences for trade - both ways - between Britain and Australia.

"Australia is Britain's second largest export market.

"Last financial year Britain's exports to Australia totalled $A750 million.

"Britain's special position in the Australian market has been created and protected by preference in Australia's tariffs on imports.

"Of the $A750 million worth imported by Australia from Britain, as much as 90 per cent received preferential treatment in the Australian tariff.

"That is to say 90 per cent of British exports were enabled to enter Australia at lower rates of duty than applied to imports of the same products from other countries."
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"In many cases duties paid by other overseas countries were 15 per cent higher than paid on British products.

"It was not uncommon for the rate of duty paid by other suppliers to be as much as 30 per cent higher than the rate on British goods.

"Britain therefore has a very big stake in the Australian market.

"Australia also has a big stake in the British market. Last year Australia's exports to Britain totalled $475 million. More than 65 per cent of Australia's exports are receiving preferences and these exports have been growing.

"Last year some 80 per cent of Australia's export income from butter, 65 per cent of income from canned fruits and 50 per cent from sugar was earned from sales to Britain.

"Of Australia's total earnings from exports of apples and pears and dried vine fruit, 50 per cent came from sales to Britain as did 30 per cent of our total export income from beef and veal.

"The development of most of these industries, obviously geared to supply the British market, has been based upon contractual arrangements with the British which have stood virtually unchanged since 1931.

"The Australian Government attaches the greatest importance to the achievement of some means of sustaining such industries and their dependent communities.

"In 1962, when an application by Britain to join the European Common Market was under consideration, the Prime Minister of Australia, Sir Robert Menzies, said, 'We are not going to wander away from these industries. No industry like dried fruits or canned fruits need suppose for one moment that we are just going to dump it under those circumstances.'

"British Prime Ministers have stated on many important occasions over the last few years that British entry into the Common Market is conditional on the safeguarding of essential Commonwealth interests."
"Mr. Wilson has repeatedly stated that Britain is ready to enter the European Economic Community, provided essential British and Commonwealth interests are safeguarded.

"Just how these essential Commonwealth interests will be safeguarded has not been indicated.

"When previous negotiations between Britain and the European Economic Community for British entry broke down, only two proposals had been produced - a phasing out of preferences and international commodity agreements covering the big bulk commodities.

"The phasing out of preferences on Australian exports to Britain offers little comfort to Australian export industries which have built up the greater part of their total export trade on the basis of contractual arrangements defining their right of entry to the British market.

"It is true that Australian total trade has diversified. However, for example, a good sale of iron ore to Japan does not help the Dairy Industry if that industry loses the market that is so predominantly important.

"The other proposal was for a number of international commodity agreements. In 1962, during the exploratory negotiations on Britain joining the E.E.C., a communique issued by the parties to the negotiations stated that the changed circumstances of exporters of bulk foodstuffs and raw materials which would occur if the Community were substantially enlarged, could and should be safeguarded by a number of world commodity agreements."

Mr. McEwen said, "Because the Kennedy Round is in train and because countries which would benefit from commodity agreements have offered to pay in tariff concessions for those benefits, there could never be a better time than now to negotiate world commodity arrangements.

"Because it is Britain's intention now to take a step which would so disrupt the traditional pattern of bulk commodity trade, no country is more obligated than Britain to press now for world commodity agreements.

"The objective to be aimed at is clear."
"Less than a year ago, at a Conference of Trade Ministers convened by Mr. Wilson, the British Government agreed to support world commodity agreements which would assure remunerative prices to efficient producers.

"Someone has to take the initiative and no country is better fitted to take the initiative than Britain as an historic world trader in the bulk commodities.

"G.A.T.T. recognises that trading arrangements such as common markets and free trade areas have a place in world trading, but only provided that the opportunities for world trade are increased by the new trading arrangements.

"If the formation of a new association or enlargement of an existing association leads to a diminution of trading opportunities, then this is clearly contrary to the purpose of the G.A.T.T.

"Nothing could restrict world trading opportunities more than if Britain, the world's major food importer, were to move inside the same wall of protective devices as currently surrounds the Common Market.

"If these protective devices were not modified on Britain's entry, then trade between member countries of the enlarged Common Market would be freed, but at the same time, the rest of the world would be cut off from its traditional and greatest food outlet", Mr. McEwen said.

Canberra, A.C.T.  
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