

PRIME MINISTER'S VISIT TO U.S. AND U.K.



Press Conference given by the Prime Minister, Mr. Harold Holt
on arrival at San Francisco Airport.

28th June, 1966.

MR. HOLT: Well, gentlemen, perhaps you will indicate to me first what you have in mind as an operation...you want to hear something.....

Q. Anything you would like to say first?

MR. HOLT: Well I don't have any major policy statement. If you like, I could say why I am here and what I intend to do and matters of that sort. I am, of course, a fairly frequent visitor to the United States. This is my seventeenth consecutive year of government on the liberal side and so over those years I have been a very frequent visitor to you. As Minister for Finance, for example, I have been coming to Washington most Septembers for the meetings of the International Bank and Monetary Fund. But this is the first visit I make as the Head of the Australian Government, having succeeded Sir Robert Menzies in that position in January of this year. It's been a very crowded year including a visit to South Viet Nam and other South East Asian countries and I think that aspect provides some interest in the talks that I'll be having with the President and with the Prime Minister of the United Kingdom. I think I'm the only non-Asian Head of Government to have visited South Viet Nam since the hostilities began and I have some impressions and I'm sure I'll be very interested to hear what their views are on events there also. You will probably be aware that I've been meeting several of the leading figures from the area in recent days because yesterday morning I formally opened the S.E.A.T.O. Conference in Canberra and in the weekend leading up to that Opening, I've been talking to the Foreign Ministers as they've arrived - The Prime Minister of New Zealand, Mr. Holyoake, the Secretary of State, Dean Rusk, and Mr. Michael Stewart, the foreign Secretary of the United Kingdom, and of course others from the Asian or South East Asian area who are represented at the S.E.A.T.O. Conference. We feel that SEATO got away to a very good start. This has been a good year from the point of view of SEATO. I think there have been some very hopeful developments emerging through the year and I shall be discussing those and in particular the view as we see it from down under. But this will be done in more detail in the speeches I shall be making to the National Press Club in Washington on Thursday and to a meeting of the American-Australian Association and in other places where I shall be speaking. Principally, I've come on this particular journey which won't last much more than a fortnight, in order to have direct contact with the President and with the Prime Minister of the United Kingdom. They've both been kind enough to invite me to have these talks with them and indeed from the time I took office each of them invited me to maintain with them the intimate consultation which they had been in the practice of conducting with Sir Robert Menzies while he was Prime Minister, and these communications have proceeded between us.

MR. HOLT: (Cont'd)

But of course there is no effective substitute for the personal contacts which can come between man and man and I gather that your President in particular is a National Leader who likes to be able to size up the people with whom he is dealing. Well in the words of that charming song from ' "The King And I" ' - ' "Getting to Know You, Getting to Know All About You" ' - This is what I hope we shall be doing together. I shall only have a couple of days in Washington but arrangements have been made for me to see Mr. McNamara, Mr. George Ball, Mr. Averell Harriman. I'll be meeting old friends again in Mr. Connor and Mr. Fowler. I used to see both of those in my earlier capacity as Finance Minister and then I shall move on to New York where I have some engagements as well - some talks with Mr. David Rockefeller, the talk to the American-Australian Association, Mayor Lindsay is giving a dinner for me I understand in New York, and so it will be quite a crowded programme before I go on then to London. And much the same order of compression, concentration will obtain in London. I shall be passing back across the west coast home-ward bound to Australia in about a fortnight's time.

We have, of course, very many things in common. My own talks on this occasion - while Australia doesn't lack general interest in what is going on around the rest of the world, my own talks on this occasion will be concentrated on the area east of Suez and in particular South East Asia and notably of course Viet Nam, Indonesia, and the most recent developments in relation to that. But I came looking hopefully to the period ahead. I think that events are going much more hopefully for us in Viet Nam. I think that over recent years there have been remarkable advances in the other countries of South East Asia which have been able to progress and build their defences under the shield of SEATO and under the general protection which the United States in particular has maintained in that area of the world. Indeed I think, gentlemen, you would be doing a service to your own country as well as to those who read about these things elsewhere if the positive side of what we are actually achieving in that area of the world could be more prominently displayed. There are grim episodes, of course, and these are reported regularly, but the more positive constructive achievements, less spectacular perhaps and spread over a much longer period of time, don't seem to get the same attention. But out of it all is building a stronger and more secure, more stable area capable of resisting aggression and capable also of going on with the more positive and constructive economic, social and political changes necessary in order to produce the better world/^{order} in Asia that is the aspiration of all the countries in the SEATO Organisation.

Perhaps having said that you might like to put a question or two to me.

Q. I'll start the ball rolling, Mr. Prime Minister. With further weakening of Britain's position with the dragging out of the shipping strike, is she not likely sooner rather than later to have to reduce her commitments east of Suez. Will you discuss this and the possibility of new U.S. bases?

MR. HOLT: While I'm not able to say with any authority what the economic effects to Britain will be from this shipping strike and of course it depends of the length of the strike to some degree, but the British people are a resilient and strong people, I don't regard the shipping strike as a fact which would materially affect future British policy. I think what is likely to affect British policy is much more importantly in the minds of the British Government and its lawmakers on the question of armed forces east of Suez. Mr. Wilson has been quite specific on this. As to the future of British forces following some abatement of confrontation requirements is a matter which is less certain in our minds and this is a matter on which he may be able to illuminate my own awareness rather more usefully than is the situation at the moment.

Q. Mr. Prime Minister, you mentioned you were going to give the down under views on Viet Nam to President Johnson. Could you be a little more specific?

MR. HOLT: I don't think I should be conducting my conversation with President Johnson in Public before I've met him. I don't think he'd appreciate that. It might be more appropriate if I were to have some discussion on that afterwards and I will be seeing the Press Club the following day so to the extent that I feel I can talk I shall. But I would like to be able to bring to him this hopeful picture and brighter picture of the area as seen by those of us who live in it. And I would certainly be wishing to convey to him the appreciation of the Australian people for the greater security that we have felt, the ability to get on with our own job of developing a vast continent approximately the size of the United States of America - well if you leave Alaska out of it, but if you do that then the territorial dimension of the United States is roughly comparable with that of Australia. But you've got something over 200 million people I think, haven't you - almost - or you're getting along that way, and we have less than 12 so that we have great problems of development and at the same time we are trying to make an increasing contribution to defence in the area.

Q. Will Australia contribute more troops to Viet Nam?

MR. HOLT: There is no present intention nor on the statements which Dean Rusk has made since he arrived in Australia is it implied that that would be necessary. It was known at the time when we increased our last contribution, (we trebled the military force there to a task force) and this over a period in which we were trying to use regular troops at home for the training of National Servicemen and others, this with our commitments in Borneo, with a need to give some protection to Papua and New Guinea and matters of that sort, and with another restless, turbulent neighbour to our north, this was the contribution which they felt - or at least we suggested this contribution, and it was welcomed - it was not suggested that it was in any way inadequate.

Q. Will your Government make any changes in the policy toward Viet Nam as compared to that of Mr. Menzies?

MR. HOLT: No, we are resolutely behind the support for the United States and the people of South Viet Nam and this policy of course developed in the period that Sir Robert Menzies was Prime Minister. One of the interesting points about our situation there is that we have a coalition government and in two houses of Parliament and in the two parties we have a unanimous support for the Government's policy in Viet Nam and in relation to the programme of National Service by which we are supplementing our regular forces. Now I think that's a better batting average than can be claimed even in this country.

Q. Mr. Prime Minister, there has been some pressure to let foreign banks operate in Australia. Could this meet the need for investment capital? Is this likely to come about any time soon?

MR. HOLT: Well I don't know that it would meet the need because the need is very great and I don't think the banks themselves would be looking to channel money of the dimension that will be required for Australian development. It has been put to me from various countries that we should enable them to establish a branch of their bank in Australia. We have a problem there because we feel it is necessary for the Government and our Reserve Bank to maintain a general control over credit and we don't have that same control when the ownership is the hands of foreign bankers. Their national interest or their company interest doesn't always proceed along the same lines as our own but we have in several instances permitted them to establish a sort of representative office and some have done this - the Bank of Tokyo has done it, I think the first National City, the Chase Manhattan, but it's not a simple problem. We certainly need the development capital and there are other financial institutions on which this limitation does not apply - insurance offices and that kind of thing, investment groups, this is open to the American investor quite freely and indeed a good deal of investment is still flowing in to Australia from the United States.

Q. Is there any kind of a peace movement in Australia?

MR. HOLT: Oh, yes, we have the same sort of people that hold up banners and that kind of thing, but I would say that over recent months there has been, I think, a more general realisation of the need for the policies we are pursuing in Viet Nam. The greater sensitivity in Australia developed not so much on the issue of Viet Nam. I think our people are more sensitive and conscious to the Viet Nam issue even than the people in the United States because after all we are very much closer to it, indeed it's nearer from Darwin to Saigon than it is from, say, Brisbane to Perth, two capital cities inside our own continent. So this is something which we see as quite close to us and indeed since it constitutes an element in the total communist threat in that area of the world then we are even more sensitive I believe than the American people to its dangers. But where we did have quite a stir in Australia for some time was on the question of National Service for overseas military service. This has not happened in Australian history before other than in respect of a very limited area during the second world war and for a time there was quite a strong emotional reaction to this, but it has abated considerably

in recent times largely as a result of the reaction of the young men in the army themselves - the young national servicemen who didn't particularly want to be called up in the first instance but having gone in with the regular units and having proceeded to South Viet Nam, have conveyed back a recognition of the importance of what they're doing and the need to be there.

Q. Have you got dissent in the universities or not?

MR. HOLT: Well, in the universities you will get debate about it but you will get opposing groups in the debate. It is by no means an issue in which there is a majority view hostile to the policy in the universities. I would say that as of the moment there has been if not an acceptance, a willingness to accept the undertaking which the Government has given that this will be regarded as one of the vital issues at the forthcoming election. The Opposition has made it clear that it is opposed to this policy and I think most members of the public are now prepared to wait and see the issue fought out at that time.

Mr. Holt: - Well, I think that's just about enough from me for the time being.....

Q. How would a military withdrawal from Viet Nam affect Australia?

MR. HOLT: I think it would not only affect Australia very seriously, it would certainly affect every non-communist country in South East Asia. I mean let's face the matter quite realistically - some people talk about the Domino Theory in reverse, that we have been building up the strength of countries which earlier had been comparatively weak both in their defences and in their economics, and if that process can be sustained then those countries in turn will be making their own increasing contribution. You have a hopeful illustration of that in the meeting in Seoul - the so-called ASPAC Meeting - just a week or so ago. This is a hopeful sign. The Asian Development Bank is a hopeful sign of co-operation in the area. So we have got a long way to go but don't let's take too gloomy an overall picture of what is going on because in a lot of places we feel that much has been achieved.

Q. What do you think would be the effect ^{of} a negotiated peace in that area?

MR. HOLT: Well, it would depend on the outcome of the negotiations. If it merely applied a plaster for the time being and the wound was to open again shortly afterwards, then our last state would be worse than our first. But we support the efforts which the United States is making for a negotiated peace, quite genuinely and quite earnestly.

Thank you, gentlemen

Thank you, Mr. Prime Minister.