## VISIT TO US, CANADA AND UK



## OTTAWA, CANADA

## PRESS CONFERENCE GIVEN BY THE PRIME MINISTER, MR. HAROLD HOLT

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PRIME MINISTER: Thank you, Mr. Chairman, and good morning, ladies and gentlemen of the Press and others whom I see here.

First, may I say what a pleasure it is to be back in Ottawa. You mention my Parliamentary experience. It was in that capacity I was here fifteen years ago as the Chairman of the Commonwealth Parliamentary Conference and as I entered into the Parliament building this morning, I had some nostalgic recollections of the very interesting, fruitful talks we had there then. I have in my office in Canberra a nice big group picture of your Parliament building, with the representatives of so many Commonwealth Parliamentarians shown in it.

You have asked me if I would go over the ground that I had covered in discussion with the Prime Minister and members of his Cabinet. You will be aware, ofcourse, that the Prime Minister and I have had other opportunities of talking at very much greater length than was possible this morning, and it can be assumed that we covered just about all the topics that a Canadian and Australian Prime Minister would wish to canvass together, most of them of a rather serious and official sort, but other matters as well -- and I shall say a word or two about points of detail before I conclude.

This morning I had an opportunity first of having a talk with him and Mr. Martin before I saw the Cabinet in relation to the Middle East crisis, and it was very useful to have the up-to-the-minute information which was reaching them. Later there was some discussion on this inside the Cabinet. There are two good reasons why I will not be going into detail on this: first of all, it is not for me to discuss confidential Cabinet-room discussions -- I would not be invited to many more if I did -- but the second reason is that the Prime Minister has I understand already made some public comment and I do not think that he would object to my saying that he intends to make a statement to the House when it meets this afternoon.

What I would add is that naturally we are all deeply concerned by these dramatic developments. Those, who have been close to the discussions, from the United States, the UK, this country, and other interested countries, had not anticipated that events would move so rapidly, and before there had been prospect for some definitive United Nations decision.

But there they are; they have moved. There are conflicting accounts as to what has occurred. In these situations it is usual to find each side saying that the other started the fighting first, and it may be some time before the facts can be sufficiently sorted out for us to come to any judgment on that.

There was not time in all the circumstances for me to discuss in any very great detail in the Cabinet the full range of matters which I would have liked to cover, but there are three in particular which I can mention.

The British intentions East of Suez have, as you will be aware, concerned my own Government, that of the United States, New Zealand, Malaysia, Singapore and other governments in the area. What may not be so widely known is that around the arc which runs from South Korea, Japan, Taiwan,

South Vietnam itself, the Philippines, Thailand, and of course Australia and New Zealand under the ANZUS Pact, there are security arrangements which the United States has entered into in the countries I have mentioned.

The one area which has been regarded as a Commonwealth and primarily British responsibility is the Malaysia-Singapore area and it is a matter of obvious concern to the United States and ourselves if the British were so to reduce their military presence in that area as to cease to have effectiveness for our joint purposes. However, this is a matter on which Mr. Wilson has assured me no final decisions will be taken at least until I have had an opportunity of discussing the matter with him in London in a few days' time. I am sure this will have featured in his discussions not only with the President but with the representatives of other interested countries.

I say no more on that at this moment because the two matters which I felt were more directly of interest and concern to Canada were these: Canada and Australia have been leading members of the Commonwealth, the old Commonwealth and the new Commonwealth. I have been a Commonwealth man all my life, hoping to see this great concept of a multi-racial association made to work effectively. I could never see how unless this could be accomplished, we could have a United Nations working effectively. If those of us who have so much in common interest are not able to co-operate in a constructive way, it is hard to see how the United Nations, with all its divergencies of interests and national cross-currents, could succeed in doing so.

But over recent years, we have been concerned to find that there has been less emphasis on Commonwealth co-operation. Meetings are tending to become less frequent: it is unlikely, I gather, that they are meeting this year, and with the United Kingdom seeking entry into the European Economic Community there may be a reluctance to meet too early at a time when problems arising from that will be concerning so many countries of the Commonwealth. It was through the meetings of the Commonwealth that Australia and Canada were able to maintain a fairly close contact with each other.

What I have been putting to your Prime Minister and to his Cabinet colleagues (and I am very glad to say that they have responded in a very positive way to this) is that Australia and Canada must try to meet together more often at a governmental level and perhaps even in other ways, that we must get to know each other better, get to know more about what goes on inside our respective countries. One of your Ministers is coming out, I gather, to us in July and I welcome that, but I have also urged the Prime Minister to make a visit which will be only the second visit ever made, as I recall it, by a Canadian Prime Minister to Australia. He has assured me that he would hope to do this, and perhaps towards the end of the year this will be found possible for him.

We have two countries growing in economic strength, growing in influence throughout the world. We have a special relationship, each of us, with the United States and the United Kingdom. Canada, which has developed a considerable influence through the United Nations and in particular areas of the world such as the Caribbean and in the continent of Africa, and Australia, which is developing a growing influence in the Southeast Asian and Pacific area, together I think can contribute very valuably to international policy-making of the future and can contribute valuably, both of us being quite liberal aid-givers, to the economic programmes of the countries where our assistance is given. And so it makes good sense that we should not only get closer to each other, but consult much more frequently with each other.

I have a vision of a Canada and an Australia at the end of this century, when your population will by then almost certainly have doubled and ours will have doubled; and with the skills and the energies of our people, the enterprise we demonstrate in our countries, I feel that together we would be a significant factor in the consideration of international problems. So the more we can understand why the other adopts a certain line of policy, the more we can harmonize our policies on these international questions, the better it will be for this process in the future.

There is the other good reason which I have also canvassed with the Prime Minister and his colleagues. I believe that there is a substantial Canadian self-interest in taking a much more active interest in what is going on in Asia and the Pacific. By the end of the century certainly there will be more than 60 per cent of the world's population in which we broadly term Asia. I think that if you take East of Suez now, there is probably three-fifths of human kind to be found in that area of the world, and most of the countries are countries unlike those of Africa, even unlike to a degree the countries of South America, and countries which have thousands of years of civilization behind them, and skills which have accumulated, but they have never been able to exploit their skills or their rich resources because of the turbulence which has been a feature of life on the mainland of Asia.

Now as different countries, and I speak of those particularly around the arc that I have mentioned, are able to bring communism under check, and are able to develop a greater degree of cooperation with other countries in the area and countries such as my own, the economic progress has been quite striking. In both Taiwan and Korea, they have developed two of the highest rates of increase of gross national product to be found anywhere in the world.

It may interest you to know that Australia, which had a negligible trade with Japan in the years after the second world war has now developed its trade with Japan to a point where Japan has become the largest purchaser in value of Australian exports, outstripping even the United Kingdom. The growth of our trade East of Suez has moved from about 15 per cent in the early 1950's to 40 per cent of our total export trade, and this export trade is a very much greater volume of course than it was in those earlier years.

Now, Japan has evidenced, as have the two countries I have just mentioned, a very remarkable growth rate and there is a rising curve still in these countries. There are other countries which have the potential but which have not yet taken off in quite the same way. I can illustrate that for you by these figures: India has a population about 42 times that of Australia. It has a value of gross national product only double that of Australia. Indonesia has a population 9 times that of Australia, but it has a value of gross national production only one-third that of my country, and yet beyond argument it is a country vastly rich in resources and now that it has a more stable administration and is disposed to be more cooperative with the countries of the western world, there is some reasonable prospect that growth can develop much more rapidly.

And so I say that Canada which has its own Pacific border and from British Columbia looks out across the Pacific, should, in its own interest, I believe, be taking an increasing activity and increasing interest in the affairs of the area.

This is not in any way directed to the short-term problems that we have, for example, in Vietnam. Your position there is well understood, but I would hope that, taking the longer view and with these favourable developments which can be pointed to in so many countries, we would find a growing Canadian interest and through that interest a growing Australia-Canadian cooperation.

Again I find your Prime Minister and his colleagues very receptive to this point of view, and indicating that they themselves see the value in pursuing their general courses along these lines, while not of course neglecting their historic and traditional contacts with the United States and with the countries of Europe.

Now the only other two matters I would like to mention -- and I will do this as briefly as I can: Last night it was my pleasure to present to the people of Canada as a centennial gesture two Australian pictures, one from our pioneering past - a picture of about 1850 by George Hamilton who was one of the very early settlers. It is quite a historic picture in a sense, and the mark of a good gift is that it hurts you a little to give it away, and it is a picture that we do not part with other than a degree of regret, but with a sense of pleasure that it is going to a very great friend in the Canadian people.

The other one is right at the other end of the time spectrum, in that it is the work of one of our most distinguished painters, Sir William Dobell. It is a painting which he was actually putting together for one of our Government galleries, and the paint was still wet on it when I snatched it from him. But I thought you had there a good Australian representation -- something out of the past, something from one of our very successful and more modern painters.

The other thing is, as you know, we have a pavilion at EXPO. It has proved very popular. The expectation of the percentage of visitors we would receive given to us by the EXPO authorities has been greatly exceeded, perhaps in the order of three times the percentage that was indicated to us. This has had one consequence which some of us politicians and others might not welcome: the talking chairs which record us and our views on certain Australian matters have had to be adjusted, so that the time of speech has been severely truncated. Well, perhaps you would wish that could happen here. But we have made it known - I did this last night - to your Prime Minister and I felt it was appropriate that this should be made known as from Government to Government - that Australia would wish this pavilion to remain with you, and I would look to the notable diplomatic skill of the Prime Minister to sort out as between his Government and others how it might best be employed in your country.

Well, thank you for hearing from me to that degree. Now, in the time that is available, I will be glad to make myself available to you.

- Q. Sir, have you any comment to make on the outbreak of war in the Middle East and Australia's views on that war?
- P.M. No. As I say, your Prime Minister has made some comment and will be commenting again in the House. I certainly would not want to make public comment on the matters we discussed together. I was given all the information, of a factual kind -- and it is still a little confused, understandably -- that was in the possession of your Government. I think I mentioned earlier that we were deeply concerned, as were all peace-loving countries, in a development of this kind, but until we can see what comes out of the Security Council, I do not know that there is a great deal that one can usefully add at this point of time.

Of course, we regret the outbreak of fighting; we would have hoped that the processes of conciliation, the good offices of the United Nations, could have been employed to find some solution of this matter. The Security Council has gone into recess, but the members are at call and I understand will be meeting again later this afternoon. But there, both the representatives of Egypt and of Israel have claimed that the fighting was initiated by the other and I am in no position to offer a judgment on that. It seems clear that there have been serious casualties already and much damage done to aircraft and military installations, and one particularly unfortunate development is that the three Indians in the United Nations force there have been killed.

But other than that I do not think I could usefully make a comment -- I have not had an opportunity of consulting my own Australian colleagues on these latest developments. We had indicated earlier of course that if there were to a be a declaration by maritime powers comparab to the one into which Australia entered some years ago, we would join in that declaration but that is the extent of positive action that we have been asked to consider at this point of time.

- Q. Mr. Prime Minister, you were quoted late last week to the effect that you were in favour of continued bombing of North Vietnam, perhaps intensified bombing, by the United States. How much escalation, how much bombing, Sir, and to what end?
- Well, I do not know that I talked about intensified bombing. I did talk P.M. about the bombing continuing, and it has been intensive bombing, particularly over the last several weeks when the weather has been good enough to enable it to be carried out the more effectively. But it does not seem to make sense to me that when you are resisting armed forces on the ground, and those armed forces are being supplied from North Vietnam, that you would leave the sources of supply immune from attack. We have supported the line which the Americans, I believe realistically, have adopted in this matter. I know there have been suggestions that if the bombing were to cease, Hanoi, the Viet Cong, would be disposed to enter into negotiations. I do not find any substantial evidence, any convincing evidence, of this at all, and I get as much information on it as most other heads of government, who are in the closest consultation with the United States on these matters, and with the Government of South Vietnam. I would take a lot of persuading that if Hanoi wished to negotiate -- had a will to negotiate -that it would not find some way, through the various diplomatic channels that are readily available, and through all the well-intentioned efforts made by representatives of other countries, to indicate a formula which without any loss of face to them could get negotiations moving. But on the contrary, every time there has been a lull either in the fighting or the bombing, full advantage has been taken of that by the forces in North Vietnam and the authorities there to build up their supplies, rush supplies which had clearly been inhibited from movement as a consequence of the bombing earlier, and in that way endanger South Vietnamese and American lives and the lives of our own people fighting there.

So I have been quite emphatic on this and this is the view of our Government, and I believe it is the view of the United States. And while the fighting continues and infiltration of men and material from the north persists, so I believe the bombing should persist.

- Q. Sir, what sort of form do you have specifically in mind when you speak of Canada taking a greater interest in Asian affairs, and whether or not Canada should do that? What was Australia's interest in Canada taking a greater interest there?
- Well, I thought I had indicated that a growing strength economically and in P.M. world influence of the two countries together was in the mutual interest of the two countries and could make an increasingly positive contribution to policy making in the world. In one sense, I might be arguing against the economic competitive position of my own country. I would be prepared to take that risk in the interest of the larger considerations that I have mentioned. I am not implying that Canada is not showing some interest in the affairs of the region; you were contributors to the Asian Development Bank and you give more liberally than most countries per head of population to aid programmes. But this is a matter of degree and I think your own ministerial representatives and the Prime Minister would acknowledge that traditionally and historically the emphasis has been on Canadian activity in Europe and in its relations with the United States. I am not arguing that there should be some dramatic reversal of the process. What I arm urging is that there be an increasing interest and participation in the affairs of the region. Just what form this would take and in what institutions is a matter for discussion but it is important that there should be the will to do this and, as I have

indicated, the reactions I have had from the Prime Minister and his colleagues reveal that they appreciate the importance of doing this.

- Q. Sir, do I take it that Australia is still satisfied with the conduct of the war in Vietnam and that your Government still intends as you stated in Washington last year to go "all the way with LBJ"?
- Well, if you do not mind applying that phrase to the Vietnam situation, I P.M. stick by it. We have given support to the United States in Vietnam. May I remind you that Australia was the first country to declare itself alongside the United States when communist aggression moved into North Korea, and I have just come back from a visit to South Korea and have found the Australian contribution made at that time greatly appreciated there. We were one of the first countries to declare ourselves in support of the United States in South Vietnam for very much the same reasons that brought us into the conflict in South Korea: the determination to resist communist aggression which threatened the integrity of a particular country but also threatened peace and stability throughout the area as a whole. It is our conviction that unless communist aggression can be checked in South Vietnam, then there is no country in the region which could regard itself as being secure. I read an interesting article by Mr. Drew Middleton, published in the New York Times a couple of days ago. He has been in all the countries of the region and with the exception of Pakistan, Cambodia and Burma, he found a ready acknowledgment and appreciation of the American presence and what it meant to the security of those countries. And I have seen with my own eyes what these countries have been able to do in building their economies, in strengthening their social and political position once the communist threat has been either resisted or brought under check.
- Q. Mr. Prime Minister, you mention the need to bring communism under check in your area. Do you think it can be done without an eventual clash with Red China?
- P.M. Yes, I think it can. First of all, I do not think that with the resources available to those who would be resisting China that China could secure a military victory, and at that point of time I think it would be difficult for it to secure a political victory. The Chinese are pretty realist-minded people -- the fact that they have limited their involvement in North Vietnam, despite the very obvious interests they have in that matter, I think is some confirmation of this. They are also a very patient people and they may think that they can secure their ends over a period of time without getting involved in serious military loss. But I have seen the strength that has developed in South Korea, in Taiwan, in both of which countries there are very substantial and well-trained, well-equipped military forces; and the growing strength of Thailand economically and Malaysia economically -- Malaysia and Thailand also both building up their domestic security forces. And I have seen the progress being made in my own country. Indonesia -- I very much doubt whether we would have had the favourable turn of events in Indonesia had it not been for the clear evidence that the communists were not going to win in South Vietnam.

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