

PRESS, RADIO AND TELEVISION CONFERENCE GIVEN
BY THE RIGHT HONOURABLE SIR ROBERT MENZIES,
PRIME MINISTER, IN CANBERRA ON SUNDAY, JULY 14,
1963 at 3 p.m.

MR. J.B. COMMINS
 PRESIDENT OF
 PARLIAMENTARY
 PRESS GALLERY

Welcome home, Sir Robert, and we congratulate you on your installation in the Order of the Thistle. Now to some little more mundane things Sir. You spoke in fairly general terms yesterday. Could you give us something more specific on your talks with Mr. MacMillan and President Kennedy?

PRIME MINISTER :

I was wondering what procedure would suit you. What I had in mind was that I might perhaps make some observations of my own on some of these matters, and then there will be questions that some of you would like to put and it is always conceivable, of course, that I might be able to answer some of them. But, I think it might be helpful, if I said something in a general way. It has all been pretty hurried, because I had a total of twelve days in London, somewhat interrupted by certain domestic events - not on my part, but on the part of other people three days in Scotland. I had a day in Ottawa and two days in Washington, with before that, the better part of the day in Virginia at Charlottesville. I think, however, that the main matters that I had discussions about can be put fairly briefly. My main talks in the United Kingdom were with the Prime Minister, Mr. Macmillan, with the Lord Home, with Mr. Sandys and with Mr. Butler. The principal things that I discussed with them had relation in South-East Asia, in particular Malaysia and the developments of that new Federation. I also had some talks about Southern Rhodesia, about which there are some very important discussions taking place, and about the possibility of a nuclear test ban which is now the subject of discussions in Moscow with Lord Hailsham representing the United Kingdom, and Mr. Averell Harriman representing the President of the United States. I might perhaps take these in some order.

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As far as Malaysia is concerned, this idea has been actively supported by the United Kingdom, supported by us as a matter of principle quite clearly, and supported by the United States as a matter of principle; the one reservation being made by the United States to the effect that any defensive arrangement in relation to Malaysia seems to the United States to be essentially a Commonwealth matter at this stage.

I was very relieved to find that an agreement was made when I was on my way home, between the Tunku and Mr. Lee Kuan Yew, the Prime Minister of Singapore, about the financial aspects of the Federation, because as no doubt it is well known that one of the advantages from the point of view of Singapore in becoming an integer in the new Federation is that, financially, speaking in terms of tariff policy and so on, there should be in the short run, at any rate, in the not so long run, some form of customs union between the various members of the Federation. At one stage, it looked as if this might give rise to great difficulty, but these difficulties have apparently now been resolved so that with the exception of Brunei, the constituents in the Federation have now come together and have made an agreement. This, I think is of tremendous importance.

It was thought for some time that the Government of Indonesia decided not to pursue what I believe is called the policy of "confrontation" on this matter - in other words, a public attitude of criticism and even of hostility, and there^{fore}, I regret to notice that Dr. Soekarno has apparently renewed his public criticism of the idea and is now promoting the idea of self-determination and plebiscites, all of which sounds a little odd, when one remembers that the public statements that have been made of late about West New Guinea have appeared to exhibit an intention not to have a plebiscite and not to have self-determination. This is all very odd. We would need to have a good deal of clarification on it, I think. In any event, the positive achievement in relation to Malaysia is, I think, very important. So far as Southern Rhodesia is concerned, we perhaps in Australia have not followed this matter as closely as we might have. Southern Rhodesia has been, as a self-governing colony, associated in a sense with the Commonwealth for a very long time. I first manifested myself in a Prime Ministers' Conference when I wasn't a Prime Minister, but was acting as delegate for Mr. Lyons, and that was

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back in 1935. Two years before that, Sir Godfrey Huggins as the Prime Minister of Southern Rhodesia had been present. There is some disposition, I think, in Southern Rhodesia, in some minds there, to believe that that means that Southern Rhodesia has been a member of the Commonwealth for the whole of that period of time. This of course is not right. In effect first of all, through Sir Godfrey Huggins, and later on through Sir Roy Welensky, first Southern Rhodesia and then the Federation have been present at Prime Ministers' meetings - in effect as observers - as very welcome observers because in particular there is a very old association between Great Britain and Southern Rhodesia and with the European population in Southern Rhodesia. But the fact is that at present, Southern Rhodesia, assuming the final determination of the Federation, is not a member of the Commonwealth; it is only as an independent nation that a nation can be a member of the Commonwealth, and therefore after independence, the question will arise as to whether Southern Rhodesia becomes a member of the Commonwealth or not and that will, of course, depend primarily on the views of the Prime Ministers in the Commonwealth as it now stands and we are now quite a numerous brood. I don't know that this is very clearly understood. Certain conversations I had with representatives of Southern Rhodesia rather suggested that it was not, but the effect of it all is that if Southern Rhodesia, the Federation being dissolved, is to become a member of the Commonwealth, then there will need to be some satisfying of the minds of existing Commonwealth countries as to the nature of the franchise in Southern Rhodesia and the prospect, that within a measurable time there will be in effect a majority in the Legislative Assembly, or whatever it may be called, representing the indigencous inhabitants. Of course, this is a problem which gives rise to a good deal of emotion as well as a good deal of rational argument. All I need say is that Mr. Butler, who has been specially charged with the negotiations, has made proposals, the nature of which I am not at liberty to disclose, but which seem to me to be reasonable proposals and a substantial step in the ultimate direction. How far that has been acceptable, I don't know. Something may have happened on my way home that I am not aware of. But from the point of view of the Commonwealth itself, it is, I think

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important that Southern Rhodesia should be a member of it. It has an historic association with the Commonwealth which one would be extremely sorry to lose and from the point of Southern Rhodesia itself, there seems to me to be great importances in the relationship that she achieves with the Commonwealth. Her largest export industry, for example, is tobacco which at present enjoys Commonwealth preferences and I can't see much advantage to Southern Rhodesia in being outside the Commonwealth. I don't detect any great desire on the part of their representatives to join up with the Union of South Africa, nor can I see any advantages for them in being an entirely separate, independent nation, unassociated with the Union on the South, unassociated with the Commonwealth in general. In other words, this is the crucial period, I think, in the history of Southern Rhodesia. It has been attracting a great deal of attention in London, very naturally, and Mr. Butler is very seriously devoting his great talents to this problem.

The other matter that came under discussion there, was the problem of the test ban. Now, the Prime Minister of Great Britain and the President of the United States and, for that matter, my own Government, attach importance to securing a test ban as a first practical measure in a programme of disarmament. Much more practical than some other matters that have been raised, because assuming goodwill and assuming a willingness to expose activities to some reasonable inspection, there would not seem to be insuperable difficulties about an international agreement that further tests will cease. I don't want to begin to offer any views as to what the French attitude to this matter might be because General De Gaulle has rather taken a line of his own, but I think that everybody will agree that in the first instance, agreement between the Soviet Union and Great Britain and the United States of America on the banning of further nuclear tests would be a matter of great encouragement to the world and a very powerful step in the direction of reducing tension and reducing competition. I don't undertake to say what is going to happen to the bulk of these talks, but I am bound to say that both in London and Washington, I felt there was an atmosphere, not of despair on this matter, but what I will call restrained optimism. And one of the things that may very well affect this is that there is

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undoubtedly a very deep gulf between Chinese Communists and the Communists of the Soviet Union. This is not a mere matter of words; as we all know from reading the news from day to day there are very big differences. I think myself that the Soviet Union- it seems odd when one looks back a few years - the Soviet Union feels that the aggressive quality of Chinese Communism is something that is to be resisted. The Soviet Union itself has been, I think, rather more willing to negotiate than it was in the past and I attach great importance in this connection to the remarkable performance of President Kennedy over the Cuba matter - a performance which I think has undoubtedly given a check to aggressiveness on the part of the Soviet Union and produced a state of mind in which we may well hope to have agreement on such matters as the test ban. And that attitude on the part of the Soviet Union, of course, can very well be affected by this increasing friction between the Soviet Union and Communist China - a certain feeling of apprehension about the large Communist neighbour. And that is why this seems to be the right time for the Western powers to pursue their negotiations with Mr. Khrushchev and to pursue them in the atmosphere that an agreement is possible on this and perhaps other matters, provided there is a realistic state of mind and provided, of course, that there is some goodwill and a desire for peace. The President of the United States and the Secretary of State, Mr. Rusk, both, if I may say so, seem to me to have grown in authority in the handling of the international affairs.

I know one reads occasionally about internal politics in the United States. I don't profess to understand them very clearly.. There is always some friction. Well, we are not unfamiliar with that in our own country. But these two-very important for us and for the world -- seem to me, in the handling of the international matters, to have acquired increasing authority. It has been said in various quarters that there are reasons for dispute or matters for dispute between Mr. Macmillan and President Kennedy over some of the NATO problems. I think it proper to say that I found on both sides a very healthy personal friendly relationship between them. I think that it is quite clear that Mr. Macmillan and President Kennedy are in constant communication, always meet as friends, always discuss things with frankness and that any

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suggestion that there is some division between them that might be of immense importance ought to be rejected. I don't believe there will be with the agreement of either of them. They both want to continue their close association.

So that summing it all up, I would say that my general impression is one of some easing in Soviet Union-Western tension, particularly since Cuba; some stimulus to that increasing understanding arising from the differences, the Sino-Russian differences, and that as between the United States and the United Kingdom the relations are very good, very healthy, very constructive and that when they say, as they did after their last meeting that number one is the test ban they mean it and they both mean to do their best to achieve it.

I paid a hasty visit to Ottawa. I wanted to see Mr. Pearson who is an old friend of mine. He was a bit out of action because he had had a slight throat operation. So I went out to his country house and we had a couple of hours together. He has some problems of course. You will be astonished when I tell you that they chiefly relate to the Budget. Not altogether about the substance of the Budget, but to some extent about how it came to be prepared. Whether that is going to be a trouble that continues, I wouldn't like to judge. The Liberal Government there remains in office with the support of a couple of minority groups and as the minority groups, as far as I can judge, have both lost some seats at the last election, it may be thought that there will be a considerable anti-dissolution party in their ranks. However, that is not my business.

Well, now would anybody like to probe me a little on these things?

QUESTIONER: Sir, you mentioned the question of a Budget a few minutes ago. Here in Australia, Mr. McEwen has said he wants bolder economic policies for expansion. Mr. Holt has said he wants a Budget based on growth and prosperity. Would you like to give your views on it?

P.M. You find a material difference between these, do you?

Q. Not necessarily.

P.M. Well, I will know more about that when the Budget comes out. Let me remind you that when the Budget is produced it will be the Budget of the Government and therefore of everybody in it.

Q. Could you, Mr. Prime Minister, give us the timetable of the Budget preparations?

P.M. We start about the end of this week, I think, don't we? We have some interviews with these outside bodies in the next three days.

Q. That is before the Cabinet meetings?

P.M. Yes. We will have these first, and then we will get into the Budget discussions. I really ought to know. Somebody may know.....

MR. HOLT: Tuesday afternoon.

P.M. Well, there you are.

- Q. Sir, there seems to be some basic conflict between Mr. McEwen's views as expressed at Orange recently and the views and policies of the Government.
- P.M. I think it is very unkind of you as soon as I have returned and had a refreshing sleep to want me to go and read all the newspaper reports of what somebody has said and then begin to sit in judgment on them. You have to remember about the Cabinet that we are a composite Government; it is true. It works very satisfactorily we think, and has for a long time and this idea that there are two views is one that I reject. When the Budget is produced - let me repeat this - it will be the Budget of the Government. I directed a lot of time and energy some time earlier to explaining that it wasn't Mr. Holt's Budget, that it was mine and that it was the Budget of everybody else who was in the Cabinet. Ministers are human beings; they all have different views. They will come along and we will start off with ten different views about any particular item of the Budget. We will end up with one and that will be the view of the Government.
- Q. Sir, on that could you say whether or not you think the Budget should be more expansionary this time?
- P.M. I have no opinion on it at all. I have just received on my table a valuable mass of documents from the Treasurer which will enable me to study the facts and I have an old-fashioned prejudice in favour of understanding facts before I offer opinions.
- Q. Do you think that Mr. Khrushchev will lean more towards President Kennedy now that he is having so much trouble with Communist China? That there might be a chance of closer ties there?
- P.M. My own view, and it is only my own view, is that this friction with Communist China, this growing gulf - I have heard that word used - between them will tend to give Mr. Khrushchev a more amenable attitude - let's put it that way - in his relations with the West. In other words, if he has what he regards as rivals and potential opponents on one flank, he may be very much more disposed to think that a policy of live and let live with the rest of the world may suit him. And indeed a lot of his own people may increasingly think so.
- Q. Do you think that this policy has been well discussed in Communist Chinese circles? That they are worried about this possibility that he might lean more towards Western principles?
- P.M. Well, I can't speak for the Chinese. I don't know. Nor indeed can I speak for Mr. Khrushchev. My own view is that the differences between what we call for this purpose the Russians and the Chinese in the Communist world is a difference which does no harm with relations with the Western world, but may tend ultimately to improve them. At any rate to relax them, to take some of the tension out of the matter.
- Q. Sir, just coming back to the local scene again. There has been quite a lot of discussion as to whether there will be a redistribution this year and perhaps an early election.

P.M. Well, as soon as I know the answer to that question, I will announce it.

Q. Sir Robert, can you answer it to this extent - have you any timetable of when you will discuss redistribution with Mr. McEwen?

P.M. No, but it will have to be soon.

Q. Sir Robert, did you ask President Kennedy about a visit by him to Australia during the talks with him this time?

P.M. We had a general discussion about that matter, but I am not in a position at present to say anything.

Q. Sir Robert, in view of your impression that the tension is easing, does that make any difference to your Government's attitude to defence in view of the statement you made?

P.M. No. Look, a defence programme is not something that can fluctuate from day to day according to whether the weather signals are better or worse. You have to take a much longer view than that.

Q. But the sense of urgency is growing?

P.M. I still have a considerable sense of urgency about the whole problem, yes.

Q. There has been a lot of speculation, Sir Robert, while you were overseas about the prospect of an early Federal election. Do you have anything to say on this?

P.M. No, would you expect me to? I would have to abandon all claims to having any knowledge of political tactics wouldn't I, if I started to answer that kind of question. When it happens you will know.

Q. Sir Robert, there has also been - while you were away - a lot of discussion about the name "royal". Is there any chance that you may review the Cabinet decision and change that name?

P.M. Well, I would have to find out from my colleague the Treasurer if he... We had a discussion in the Cabinet on this matter and came out with our view. I notice a considerable amount of speculation as to who did it and who made the casting vote. I read all this with great interest. My favourite form of fiction.

Q. Would you allow a free vote of the Parliament on it?

P.M. I will say nothing about that at the present time.

Q. Do you like the name "royal" Sir?

P.M. Yes.

Q. Is it your name, Sir?

P.M. No. My name is Menzies. As a matter of fact, the most powerful argument in the world was - until it was answered - that the name ought to be "pound". I was most attracted by the idea myself - call it a new pound, just as the French

P.M. (Contd.) called it a new franc. The technical answers to that were tremendously powerful. All right in the case of France; you move a decimal point - two to the left - because you already had a decimal system, so the new franc was got not by altering the system but by an alteration of the decimal point. But a new pound based on the decimal currency, operating - what - for two years, side by side with an old pound (non-decimal), and in fact at twice the value would produce, so our experts advised us, and I accept it, the most intolerable confusion, because it will take a long time to change over the accounting machines, the cash registers, all this kind of thing, and the confusion between a pound of one breed and a pound of another, one being decimal and the other being non-decimal, was too much to contemplate. So I myself, if you are interested, withdrew my advocacy for the use of the word "pound" which would have otherwise suited me, my personal view, very well.

Q. Sir, are you worried about trends in overseas investment in Australia?

P.M. I am not. No. I read the other day a statement made by Mr. Holt, the Treasurer, on this matter, answering something that had been said by some Opposition spokesman, and if I may say so, I thought it completely accurate. This doesn't mean that we deny the possibility of problems in the future, but it does mean that looking at the matter now, we see advantages which outweigh the disadvantages in the flow of capital into this country. And we would be pretty sorry for ourselves if it stopped tomorrow. There are two ways of stopping it dead. One is to prohibit it by some means or other, and the other is to attach such rigid conditions to it as to discourage it, and capital being a shy bird, it very easily flies away. We as a nation have no reason to complain if we receive a tremendous inflow of capital. Our development in Australia would have been less if we hadn't received this confidence and practicable working investment. You have always to keep two things in mind. One is that capital which merely comes in to buy something out - that is one kind of thing. That is the kind of thing we scrutinise very carefully. But capital, private capital which comes in to create an industry, to develop some product in Australia, to increase employment in Australia, this is of tremendous value to us. In past elections I have had a certain amount of fun addressing meetings at say, Ford in Geelong, and inviting the Labour voters standing in front of me to consider whether they are opposed to capital coming into Australia from overseas. In other words, whether they are opposed to the jobs they have.

Q. Did you encounter Mr. Hefron in his peregrinations in search of capital?

P.M. I didn't see him with the eye, but hear rumours of him with the ear. I didn't actually see him. Wait a moment, I am wrong. I think I said good-day to him in London at the Reception. I apologise.

Q. Has he achieved anything of any great moment at all?

P.M. I couldn't tell you that. All I know is that the Commonwealth representatives around the world have been doing their best and devoting a considerable amount of time to helping these State representatives. I heard very good reports in America of what Mr. Brand had been doing.

Q. Sir Robert, is it embarrassing for the Commonwealth representatives to have these State Premiers and officers moving around the world in apparent conflict?

P.M. Well, you see, that is a loaded question - "in apparent conflict." I think their experience is that when State representatives are going around the world their relations with the Commonwealth representatives are the most harmonious in the world. It is only up here that we get differences.

Q. Sir Robert, we are associated with the U.K./Malayan defence agreement through an unpublished exchange of letters. Can you give us some indication of what type of commitment in Malaysia is contemplated?

P.M. No I can't, because we have none at present. This is all a matter that has to be discussed. You say that we are associated. We are not. Great Britain has a defence agreement with Malaya and has indicated her willingness to extend it to Malaysia, that is to say when Malaysia comes into existence. It will not be very shortly. Our relations with Malaya on the defence side have been indirect, through the Commonwealth Brigade - the reserve. We have not, ourselves, had direct obligations to Malaya in that field, but we have come in on the side so to speak of Great Britain. Whether we should now make a defence agreement with Malaysia - a direct defence agreement in which obligations are accepted - is a matter which has yet to be discussed. I had some discussion about it in London. That is true. But as a Cabinet matter, this has yet to be discussed because up to now, Malaysia has been a concept and not a fact. Now that Malaysia becomes a fact, the time arises when we have to determine what we are prepared to do in that field and there are many aspects that have to be considered.

Q. Will it be in the near future, Sir, that discussion?

P.M. I don't know. I daresay we will be concentrating our minds on the Budget in the next week. Without undue delay.

Q. I am thinking, Sir, in relation to defence discussions that have been going on for some time at home here.

P.M. What defence?

Q. Our own defence policy. Would it be related to that?

P.M. Well, look, you are asking me to anticipate a problem. Suppose the Commonwealth Government said, "Well, we are prepared to make some agreement with Malaysia." Then the next question would be : "To what extent, in what form, through what arms." The next question would be : "Are they to be additional to what we already have or are they to represent a different disposition of the forces that we now have or will have under our programme?" These problems are not to be disposed of by a sweeping sentence, I assure you.

Q. Did you have any discussions with President Kennedy on defence and trade that you can tell us about?

- P.M. No, I did not have any discussions on trade. My colleague had been there only a week or two before. He had had very full discussions and had had some very useful ones in all places and I didn't see any reason to duplicate them.
- Q. Did you discuss the question of the position of Australian New Guinea either with Kennedy or the U.N. administration?
- P.M. Well, I think that apart from reiterating the proposition - two propositions --- we didn't have any. The two propositions were first, to repeat what I had said in the House that the defence of Australian New Guinea and Papua was regarded by us in exactly the same way as the defence of our mainland and that any overt attack on it would be resisted in the same way; I repeated that. That is well understood. In the second place, of course, it is well understood and agreed that should such an event occur, ANZUS would operate and we would have the assistance of the United States of America. These are two things.... there is nothing new about them. I have said them time after time. They are worth repeating so that there will be no room for error in any other country.
- Q. Sir Robert, proposals have been reported for the Western air defence of India. Will Australia be associated with America and Britain in this regard?
- P.M. I wouldn't say anything about that at the present time. Certainly we have no obligation to do so. As to what discussions may have occurred as the result of some of these investigation teams I am not up to date. You may take it that we have entered into no new obligation in that field.
- Q. While you were in London did you discuss the possibility of any future Royal Visits - perhaps Princess Margaret?
- P.M. No, I didn't have a discussion about that. No, I think I will say that this has got nothing to do with Princess Margaret.
- Q. I was going to ask about the Queen Mother.....
- P.M. Yes, I know you were. Well, there is nothing I can say about that at present.
- Q. Sir Robert, in your discussions with the leaders of the world as Prime Minister of Australia, how did they feel there about Australia? What do they look on Australia as being? Why I said that question, I will explain it Sir. We have so many business leaders that come back and they seem to be preoccupied by the thought that Australia has to have more money to go in advance. Now, we know full and well that we are pretty well set up in Australia. Is this a question largely thought of overseas?
- P.M. I don't know what you mean by "pretty well set up".
- Q. We have a country here which is going ahead by leaps and bounds. We have so much to offer in Australia. Does it look to these world leaders - the men with whom you have discussed and talked to, that we will have to have all overseas capital to go ahead with our plans in the future or do they look on Australia as a land of opportunity or look on it as a land where things are just

P.M. I see. It would be a mistake to think that the relationship between us is that we are begging for help, so to speak, because we are not. They look on us as a strong country, as a friendly country. They look on us as a growing country. They think, particularly in their business fields that this is a land of opportunity and they are much more affected by the attraction that they feel towards the Australian opportunity than they are to any argumentative view that may be put, urging them or begging them or something of that kind. That is not our position. We are not regarded, in other words, as a sort of poor relation. On the contrary, we are looked upon both in the United States and in the United Kingdom as a pretty good relation, a relation that will someday be a rich relation, or as I think as Compton McKenzie said, a rich relative.

Q. Did President Kennedy ask us to assume any extra defence obligations in this part of the world?

P.M. No. I told President Kennedy about our recent expansion of the defence programme and the contingent addition to that which would arise on a Canberra replacement on which there is an evaluation team at this moment. I think they have reached America. I told him all about that. He was extremely interested in it but not any more than that.

Q. Sir Robert, is there any possibility of Australia being asked to conduct a fact-finding mission to Southern Rhodesia?

P.M. I think perhaps I would prefer to answer that by saying that there is no possibility that we will conduct one. I think I am right in saying that almost every Commonwealth country has been asked by the Government of Southern Rhodesia to send somebody, but that is not a proposal that attracts me at all. We are not settling the problem of Southern Rhodesia. We have got enough of our own. We are not going to be the people who have to advise as to who ought to have a vote in Southern Rhodesia. I have been concerned in this matter chiefly from a constitutional point of view as it affects the Commonwealth and quite frankly, I don't want to see Southern Rhodesia out of the Commonwealth. They are one of our old friends. But whether they are in the Commonwealth or not will depend, not upon us, our view, so much as what happens over the next few weeks in relation to their discussions with Mr. Butler and to their own decisions as to what, if anything, they are going to do about the franchise. But we have no ambitions to be busybodies, you know. Quite enough busybodies in the world without us joining their ranks.
