

PRESS CONFERENCE GIVEN BY THE PRIME MINISTER,
SIR ROBERT MENZIES, AT THE AUSTRALIAN EMBASSY,
WASHINGTON, U.S.A. ON 9TH JUNE, 1965.

PRIME MINISTER : I had a very interesting experience last night. Just as I was about to go out to dinner with the Secretary of State, the President rang me up and asked me to come to breakfast. It reminded me of the first time I ever was invited to have breakfast and have a talk was by Stanley Baldwin many years ago. What he wanted to see me about was what he had referred to initially earlier and that was the appointment of an Ambassador to Australia. He has got his mind settled on an Ambassador and it's not for me, of course, to announce the name of his Ambassador but he has got his mind fixed on it and they will be taking the steps necessary to secure the usual agreement in the next few days, and I think we may anticipate an announcement say in a week.

Q. There is some technicality here, isn't there?
(Then followed a brief discussion between the Prime Minister and the correspondents dealing with the United States procedure in that after the President announces his intention to nominate an Ambassador the Senate has the responsibility to approve the nomination. This was not clear on the recording.)

Q. Well, all this means is that it could be brought to announcement within a few days, couldn't it?

P.M. Yes, he could announce his nomination. Well, I think as soon as he gets the "all clear" from Canberra he will make that announcement at once. He knows a good long time has elapsed since the previous Ambassador left. It was clearly on his mind because it was the first thing he mentioned when I went in to see him at the White House.

Q. What time did you have breakfast, Sir?

P.M. 8.30. I'm a night worker myself. I don't get on too well with conversation at breakfast.

Q. How long did you stay, Sir?

P.M. For about an hour and a quarter.

Q. How did you like the bacon and eggs, Sir?

P.M. Well, it's exactly what we had.

Q. The President's favourite?

P.M. Is it? Well, my breakfast normally consists of a glass of orange juice and one piece of toast. However, it was very interesting.

Q. Was anybody else present or just you and the President?

P.M. There were four other people but two of them weren't concerned but the other two I think might have had some interest in this problem.

Q. Sir, I take it the President did, of course, give you the name of the new Ambassador.

P.M. Oh, yes, I know who it is.

Q. Is it a career diplomat, can you tell us that?

P.M. Oh, no, you mustn't ask me that now. I think it is his right to make his own announcement. And I think it will be well received.

Q. Would you give us a run-down on your visit, Sir?

P.M. Yes, I think I could in some sort of fashion. Apart from this matter of the diplomat, my talks with the President have been almost entirely on Vietnam and the problems that are associated with it. He gave me the opportunity yesterday morning of having three-quarters of an hour with Maxwell Taylor who, of course, is fresh from the scene and he gave me a singularly lucid account both of the military and political problems in South Vietnam and filled in a lot of detail and some background that I hadn't fully understood before. It will be very useful from our point of view to have the benefit of his observations. On both fields, both the political and the military, there is no doubt that the next couple of months will not be easy because of the wet - the monsoons - and in that period the Viet Cong will no doubt be making extra efforts. But I found no lack of either confidence or resoluteness, either with General Maxwell Taylor or with the President himself or with Mr. Dean Rusk or with Mr. McNamara - I saw them all. I have had very useful discussions with Dean Rusk about a variety of matters that we're concerned about with the State Department. I don't say that we broke any particularly new ground but we brought each other up to date in the thinking of our own countries. I had a good talk yesterday afternoon with Mr. McNamara. He was able to give me a satisfactory report on the..... what I used to call the TFX.... what's it called now? - F111 - in which he sees no reason to believe that there will be any delay in delivery. As you know, we postponed the date for a year in which we were to get ours because, quite obviously, with the new aircraft of a highly sophisticated kind like this there will be teething troubles and we thought, and rightly, that it was better to have those attended to in the place where the plane is manufactured and where it is designed rather than in Australia because they would have far more facilities and the job could be done in a much smaller time. So we decided we would take the fully vetted machine even though that meant waiting twelve months for it. But I believe we'll get it on the date.

Q. Sir, there has been considerable excitement by the statement yesterday of the role of the United States Forces in Vietnam.

P.M. Yes, I heard about that. I don't understand it.

Q. Is that the Australian role? Or some new idea that the Australians will be there to fight if necessary?

P.M. It never occurred to me to the contrary. I don't think that the 1st Battalion of the Regular Army would thank you very much if they were cast for the role of onlookers. I always thought this matter was simple enough. I don't know why there should be thought to be much novelty about it. We send our troops in. They are under the command of an Australian soldier

P.M.
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who, as usual in these circumstances, will have of course a direct line of communication back to the Australian Government in case he wants to bring anything to our attention. But the Australian Battalion will be associated with American units under what might be described as a brigade formation which in its turn will be under the command of an American. I don't think either the United States or Australia anticipates that they are going to conduct completely independent campaigns; the notion rather is that they will be associated with Vietnamese forces and be in position to lend them assistance where that assistance is necessary. And, of course, there is good sense in that. We are there to help to defend South Vietnam and therefore of course, must work in the closest co-operation with the local forces and the local authorities.

Q. Related to that, Sir, now that Australia is playing a more active role in Vietnam, will we be consulted by the Americans on policy for the future of the area?

P.M. Oh yes. Oh yes. We have a very close association with them. I discussed with Dean Rusk, for example, whether there was any way in which it was necessary to improve the exchange of information, or the exchange of ideas. Neither of us could think of one but if there is any blockage anywhere it will undoubtedly be removed, but I don't say there is any blockage. Our Commanding Officer on the spot is fully informed about military activities. On the political side, our own Ambassador is closely in touch with the American Ambassador and, of course, with the Prime Minister so that we get a good run of information there and as between the Department here and in Australia there is a completely frank exchange of information. So there will be no complaint on my side that there will be any failure of consultation or advance information. We'll get all that.

Q. Sir, does this extend to Indonesia/Malaysia as well as to Vietnam?

P.M. No. No. I'm talking about Vietnam because the Americans have no forces in Malaysia. We have, under a different obligation. You see, we regard our participation in South Vietnam as essentially a SEATO exercise from our point of view. The reason for that is quite clear, for the Treaty itself - in the American view and in the Australian view these were both announced a long time ago - imposes obligations that are several as well as joint. It is for that reason that South Vietnam being one of the protocol countries under the South-East Asian Treaty, we regard it as an essential ingredient - an invitation from the Government of South Vietnam - because that is provided for in the Treaty and, of course, we had that and we are there.

Q. Sir, the other members of SEATO obviously do not view the situation in the same light.

P.M. Well, I think there is some reason to believe.... For example France believes that the obligations are joint and not several - therefore there has to be unanimity, therefore, in effect, somebody has a veto. That's a view that we reject. But we don't comment on what others do. - the other parties in the SEATO Treaty, it's for them, and if we

P.M. (Contd.) regarded ourselves as having a several obligation, well, we grasp it by the wheel and act under it, and we have. If some other country has a different view, well, it makes its own judgment.

Q. Sir, what of General Taylor's hopes for the future?

P.M. Oh, well I think that I might safely say, without becoming General Taylor's spokesman, that he's got a realistic view of the immediate difficulties but an optimistic view about the ultimate result.

Q. An optimistic view?

P.M. Yes.

Q. Sir, can you tell us anything about your talks with Mr. Connor yesterday?

P.M. Yes, we had a sort of run-down particularly on the question of the financial policy. I was able to give him the text of what Mr. Holt had said, publicly indicating the policy step by step of the Australian Government on these matters and Mr. Connor found this very satisfactory. His approach to our problems is quite a sympathetic one, quite a helpful one, and we ourselves, of course, found out from the American companies in Australia, the major people - I think there were about 74 to whom I addressed a letter and we had full and frank information from I think 73 out of 74, so it's a pretty good reaction and the broad effect of it was that we were able to conclude that the impact of the new policy on investment passing into Australia will not be as severe as it was first thought either possible or likely. In short, I think we've got a good working mutual understanding with him and with his Department. We had some little anxiety - well not little - about the development of these big iron ore deposits in the West and the bauxite deposits in the North, each of which involved massive amounts of money and on which arrangements, largely through a banking consortium, had been arrived at. We had a little doubt at the moment as to whether they might continue but they've been completely approved, so there is no hitch on that side. That's very important for us.

Q. Sir, can you tell us a little bit more of your talks with Secretary of State Rusk. I understand you discussed not only Vietnam but also Malaysia, Red China, Indonesia.

P.M. Yes.

Q. Would you care to give us something on these points?

P.M. I don't think so.

Q. Sir, the President is being troubled at the moment by a local group of intellectuals who are opposed to his Vietnamese policy. What would be the public reaction in Australia, Sir, in general, to our troops being in Vietnam?

P.M. Very favourable, overwhelmingly favourable. As a matter of fact, curiously enough, my political opponents as recently as last February produced a statement of policy which completely upheld the American presence in South Vietnam. But since then they have been a little browbeaten by what you call intellectuals and a certain amount of philosophical doubt has entered into their attitude. We really got to the point in course of

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discussion in the House of it being necessary to point out that it was a strange doctrine that it was quite right and proper for Americans to be engaged in South Vietnam but quite wrong and improper for Australians to be engaged. It looked to me rather like leaving everything to the United States. We all know that the United States is getting a little browned off about being the world's gendarme and that's why they attach great significance to what we can do to show the flag and show our co-operation, even though intrinsically it may be small. It has a symbolic value here which is far beyond the numbers, but I think, I am sure, it has given great encouragement to the President, for the very reason that you mention. I had to make a speech at the White House and it's a real business trying to remember what you said but I think one or two of the philosophic doubters were present. In fact I know they were. And I fell back in consequence on Shakespeare who said, "And thus the native hue of resolution is sicklied o'er with the pale cast of thought" and that resolution is the operative word.

Q. Do you expect to be troubled, Sir, if that's the right word, by the same kind of intellectuals, if that's the right word, in Australia?

P.M. No, I'm accustomed to them. The more people I succeed in putting into universities in Australia - and I have had a fairly big hand in all that - the more intellectuals there are, or aspiring intellectuals. But if the Government proceeded by purely intellectual processes, the country would fall into a grave state of disrepair.

Q. Sir, do you think the Australian and American people will have to be prepared for some reverses in Vietnam in the next couple of months?

P.M. Yes. It stands to reason that in this monsoon season where there is a great deal of cloud and rain and therefore air activity is limited or inhibited and the guerrilla boys have all the benefits of mobility and working under cover, we must expect to have some reverses and what we have to do is not to get them out of proportion because under these circumstances there will be reverses, but if they're matched in the broad by a progress over all, then they have to be taken and seen in their proper degree. But I am sure that in the next two months we'll from time to time read about some successful attack by Viet Cong on some battalion or some formation there. That is in the nature of a war against the concealed enemy. We had it, you remember, at one stage in North Malaya. It took a long time to clean up.

Q. Sir, could you give us an appraisal of the Indonesian/Australian situation, the relation between the two countries and what your hopes may be?

P.M. Well, we've throughout made it clear to Indonesia that we have every desire to be friendly with a large neighbour of that kind, very close to us, with a great deal of interest in common, and that there is one matter alone on which we completely depart from them and that is on "confrontation" - the policy towards Malaysia - and on that we have, of course, not only offered our views but we have committed forces. That was under a declaration I made on behalf of the Government some time ago which was made not under formal obligation but unilaterally that we would be prepared to

P.M.
(Contd.)

associate ourselves with British Forces in helping to defend the territorial integrity and political independence - I think those were the words - of Malaysia. And that's understood. Every now and again it produces some extravagant speeches but I think one must learn to live with extravagant speeches. They don't disturb us unduly.

Q. Sir, do you feel that the ANZUS arrangement is satisfactory?

P.M.

I do. I do, completely. By the way, somebody told me this morning that I'm supposed to have described the Australian battalion as the first batch or some such phrase. Certainly a phrase I never used or thought of. The broad inference was that we'll keep piling in more forces now. I think it is proper to say that in all these discussions nobody has asked for more. There has been no kind of pressure put on. On the contrary they understand very well the nature of our defence build-up and the fact that this takes time bringing in the new compulsory service people and getting them trained and getting them equipped and organised. This is not done overnight and they have a very accurate idea of the military strength we possess and the military strength that we aim at achieving over this period. But certainly we haven't reached a stage at which we have to give consideration or they have to suggest further forces. After all, the battalion has barely just arrived or is arriving. Early days to be talking about what happens thereafter. So I have given no hint publicly or privately about expanded forces. No inference is to be drawn from that one way or another because who am I to know how the circumstances will develop in the next year or two years. We are pretty fully stretched at present not only in terms of manpower but in the terms of the Budget. I think it is becoming pretty clear that this year's Budget which we will begin to discuss when I get back home will find a further increase in the Defence Vote - by something in the order of £80M. or £90M. which in our Budget, of course, is a very substantial item.- coming as it does or as it will at a time when the Loan market is a little weak and when, therefore, the Commonwealth support for the Loan programmes which have just been arranged with the States may turn out to be quite substantial on the Budget itself. Last year we had a very lush Loan market. This year we can't expect it to be as good and this means that you may find yourself having to support or supplement the Loan market with X millions out of the Budget. I wouldn't like to say how much but it very probably would be substantial; and at a time when the Loan market is a bit weak, there is a disposition for the redemption obligations to grow because fewer people convert and that again is a Budget item. It comes into the cash position. So that we have a large Budget problem and apart from that, as I've said, of course there is the manpower problem.

PART TWO

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After the Prime Minister had discussed the impact of the Defence build-up on Australia's Budget and resources, he commented further on United States' awareness of Australia's development problems)

PRIME MINISTER : After all, there is a great awareness here of the fact that the problem of growth of Australia and the development of resources is one of great importance to us and as we're an Ally, they want to see us growing stronger and that's quite right. And when their enterprises have gone into Australia they have been active and they have been profitable. Some of them export quite largely and the Americans are realistic enough to know that you can't just chop off the supply of capital without in the long run hindering the development of these very enterprises. So that there is a common interest - their enterprises want to succeed and we want them to succeed because we want the country to grow and our resources to develop.

Q. Sir, did you extend an invitation to President Johnson to visit Australia sometime in the future?

P.M. Look, there's no need to. He knows that. But if you want to know whether I said "When are you coming out, or what have you, no, no, there's no point in that. He would like very much to come to Australia and of course we would like him to come, but not a very good time, I think, to be asking people to come away. I'd like Mr. McNamara to come to Australia but Mr. McNamara has got a plate full at present. It doesn't make it very easy for him to get out of the country. But they are all friendly. They would like to go but we haven't got to the stage of sending them an invitation.

Q. I wasn't thinking in terms of a formal invitation.

P.M. It might be quite embarrassing, you see, because they might have to say "No". I do know the President's outlook on this matter and he would certainly like to come but I wouldn't have thought there was any chance this year.

Q. Sir, one other thing related to Vietnam. Since the announcement has been made, has it been possible to assess the reaction in Asia to Australia's decision in Vietnam?

P.M. I don't think it has really. We get vague general remarks, approval here, and silence there. There are people concerned with what's going on inside South Vietnam as to whether there might be some resistance on the part of the local inhabitants to outsiders coming in with forces, and on this I discussed the matter not only with Maxwell Taylor but through our own Ambassador and with senior military officers we sent up recently to look over the ground and they are all of the opinion that this is welcomed and that is very important. It is to avoid any resistances or resentments of that kind that the military arrangements involve the close association of American troops with troops of South Vietnam.

Q. Sir, reverting back to Mr. Connor again, I was wondering whether you discussed any trade barriers.

P.M. No, no, I didn't want to become involved myself in specific arguments about specific commodities because, well, this is not my field. I'm not the expert in this field. My colleague the Minister for Trade is. He and his people are constantly in negotiation with them. I think Dr. Westerman was here in the last few days. No. I don't horn in on that. I occasionally may offer a broad remark which perhaps registers somewhere but not in detail.

Q. Just back to Vietnam if we might for a minute, Sir. Was General Taylor able to assure you or make clear the views of the South Vietnamese themselves on this war? Are they still wholeheartedly behind it?

P.M. He thinks the morale is good. Yes. Of course the war will begin to build up when the Viet Cong morale falls, but of course, the Viet Cong morale we may assume will be pretty good during this wet season because of the reason we mentioned earlier. Every now and then they have a little bit of a coup.

Q. You mentioned earlier, Sir, that you couldn't foretell what might happen in the next few years, or something to that effect. I was wondering is it the opinion of General Taylor and others that this war might go on for some years?

P.M. No. I wouldn't put that view into his. They have to look at this thing as any other person would, step by step, as it develops. I think any estimate as to the length of this trouble will be affected by whether during the wet season the Viet Cong really do make what I'll call some permanent headway and on that he's both confident and resolute. After that, who knows?

Q. In other words, the next two months will be crucial?

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P.M. I think the next two months in a sense will be crucial but in any event will be difficult, and morale will have to be maintained and these, as I said earlier, any little setbacks that occur here and there will have to be seen in their proper proportion and not regarded as the writing on the wall. But I think the public morale is pretty good on these things. One mustn't expect too much unhappiness.
