

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

News Conference given by the Prime Minister, Mr.
Harold Holt, at the Waldorf-Astoria Hotel,
New York.

5th July, 1966.

MR. HOLT: Ladies and Gentlemen, I am not proposing to make any special statements of policy. When this gathering was mooted and we were discussing the arrangements in Canberra it was thought that it might provide a useful round-up opportunity, particularly for our own Australian press and for any others sufficiently interested to come along. I am largely in your hands and I think that would be the best way to go about our business if I could turn it over to you for any queries you might wish to put to me.

Following are the questions then put to the Prime Minister and his replies:-

Q. what likelihood is there of any immediate increase in the number of Australian troops to Viet Nam?

MR. HOLT: The Australian situation is that Australia is represented as you may know at a number of different points in South East Asia. We are in Malaysia. We are in Ubon in Thailand. We are in both West Malaysia and Borneo. At the time when the task force component was worked out that fitted in with the phasing which had been decided for the buildup of our own regular forces. We need many of the regular army people for use in training the expansion of our military forces. So far as we have decided the matter, that is the Australian contribution, and there is no proposal before me that this should be increased.

Q. Will Australians be released from Malaysia for service in Viet Nam?

MR. HOLT: Service in Malaysia and South Viet Nam is, of course, rotational - it's not just the one group of fellows - they have to be rotated after their tour of duty.

Q. Might some of those serving be transferred to Viet Nam?

MR. HOLT: You mean those in Australia?

Q. No, sir, those released from Malaysia - might they be transferred to Viet Nam?

MR. HOLT: We have yet to see how soon they can be released because I do not regard the issue there as being settled sufficiently for us to make any significant transfer of forces, but we are going ahead with our normal movements there subject to further discussions which might arise as the position clarifies itself.

Q. What is the Australian Government's attitude towards the bombing of Hanoi and Haiphong?

MR. HOLT: We made it quite clear that we accepted the judgment that this was a military necessity - I immediately spoke to that effect in Washington and since then my colleagues in Canberra have confirmed that view.

Q. Earlier today you appeared to criticise the handling of news of the war in Viet Nam. Would you amplify this please?

MR. HOLT: All Administrations get their share of criticism. No, I was pointing to the unfortunate consequences I saw of inadequate presentations. No one objects to criticism provided it is balanced in the complete coverage of news presentation but it has seemed to me that the emphasis in the daily reporting here is understandably on the more dramatic, episodic events. There has been very little presentation of the more constructive side of activities in South Viet Nam itself. From my own knowledge of them and as I was informed while in South Viet Nam, all the military forces there are including in their programmes civic action, rural development and village policies. All these are aimed at assisting the villagers. More significant is the growth of co-operation among the various countries of South East Asia which have felt the communist threat either, as in the case of South Korea, in resisting actual aggression or, as in the Thailand of today, responding to the pressures which might produce infiltration or disturbance inside that country. We have been strengthened and given time in which to build our economies, and build our defences as a result of the American participation in South Viet Nam. This, I think, has been inadequately recognised so far.

Q. We understand you have invited President Johnson to visit Australia. Can you tell us his reply?

MR. HOLT: I get the impression he would like to do this but he has not been able to indicate anything specific to me. The invitation is open and he would be welcome at any time.

Q. Do you consider the bombing of installations in Hanoi and Haiphong dangerous?

MR. HOLT: I do not look on it as seriously as you seem to imply because I think it is a natural consequence if you are involved in operations of war. Of all installations I would have thought them one of the most obvious targets if you were to inhibit the activities of your enemy. This plan of action was very carefully thought out and very carefully rehearsed in order to cause the minimum damage to the civilian community. The consideration which the United States has shown in these military operations goes beyond anything we knew in the second world war where there were programmes of mass bombing of civilian communities designed either to discourage or destroy substantial elements of the civilian population. I think your own government has conducted itself with restraint, having regard to the extent of its involvement in the issue there.

Q. It is reported that 112 Conservatives in the British Parliament have signed a motion officially deploring Prime Minister Wilson's criticism of the Hanoi-Haiphong bombing calling it an abandonment of the U.S. - and I quote here - "detrimental to the safety of American, Australian and New Zealand troops." Do you wish to comment?

MR. HOLT: No, I do not. I am looking forward to my talks with the Prime Minister. I am quite certain that that is the most satisfactory way of getting a clear indication of his own views. He has his problems and I shall be interested to hear from him what he can tell me about the British position.

Q. There are reports that I believe have been published in Australia that Australian ground troops are going to be sent to Thailand. Can you tell us anything of this?

MR. HOLT: I am not able to comment on this. There are always in existence military plans directed at contingencies and I am not prepared to comment on any particular situation. If we were to make a statement on a matter of that sort - it would be as a consequence of a Cabinet discussion and I am not here at this time to make policy statements for the government.

Q. Are you going to discuss with Prime Minister Wilson the question of sending British troops to Viet Nam?

MR. HOLT: I am not going to speculate on the area of discussion with Mr. Wilson. I do not think he would appreciate it and I would not appreciate it if somebody did that to me.

Q. Not long ago the press here was subject to a different criticism of the Viet Nam coverage by the National Students Association. It sent three of its members to Viet Nam on a three weeks inspection trip. When they returned they were concerned about the social and other effects of the American presence there.

MR. HOLT: Well the first thing that struck me when I went to South Viet Nam was how different the spectacle and the atmosphere were from what I would have believed to be the case from the day-to-day reporting of the episodes. For example - in Saigon itself - a city of more than 2 million people - the citizens go about their occasions seemingly unperturbed or undisturbed by the fact that this is a theatre close to military operations and subject itself to some terrorist incidents. Quite obviously you could not have something on the scale of American participation with a country of Viet Nam's limited size without there being some impact on community life. With an army force of this kind you get pressures on the price level and goods tend to become scarce in some directions. There are frictions that build up between some members of the local community and those of the military force even if it is only the friction of the fellow who does not like to see his girl with a GI when he thinks she should be with him. We had a very welcome presence of Americans in Australia during the years of the second world war but it created a few social problems. These things are inevitable but I did not myself find any atmosphere of resentment to this although there are political difficulties which have been well advertised.

The experience I had was one of appreciation for the American presence. Although political difficulties existed I did not encounter any atmosphere of anybody wanting to support the communists. They were agreed that the communists had to be resisted and the major part the Americans were playing in producing this result was welcomed.

Q. You have referred to the inadequate presentation by the American press of the Viet Nam war news..would you say the same criticism applied to the Australian press?

Mr. HOLT: It was not a general reference - I said that in some directions I found this to be the case. I am not a newspaper man and I never have been, but I have had enough to do with them over 30 years of public life to have a fair idea of what they regard as good copy and what they do not. As I said a little earlier in the day at lunch - good news tends to be no news in the eyes of people who want to present the news in a way attractive to the readership. But that should not stand in the way of thoughtful, intelligent members of the community setting about getting the complete picture. Now I think the Europeans have not caught on to what is emerging in Asia. I think one of the great exciting stories of history is what is going to happen there over the next 30 to 40 years and the basis of friendship which is emerging among the countries which have felt themselves threatened by communist expansion. This is leading to co-operative efforts, to economic arrangements, which, taken together, are likely to have some stimulating effect throughout Asia as a whole. That is why I put the point a little earlier today that thoughtful and intelligent Chinese seeing these things happen have got to make up their minds whether they modify their policy so as to be part of this process of economic growth or whether they are going to remain isolated from it and indeed even regard it as hostile. We may be not far from some critical judgment from that quarter. They must be thinking hard about it.

Q. Are the restrictions on the outflow of capital.....
(inaudible)?

MR. HOLT: Well, fortunately up till now the volume of capital inflow has been well sustained. On the last figures I saw it looked as though the fiscal year just concluded would have embraced a record capital inflow to the country. At the time I brought in the budget last year as Treasurer we thought there could be a decline as much as dollars Australian 200 million in our reserves and some commentators were putting the figure at dollars Australian 400 million and higher - in the end result we got to about a break-even point. The latest figures might even show us to be up a little on the year. I think the figures I saw were for June 6 or 8 but they are the latest figures I have as of now. It was directly a product of an improved export return despite a drought affected year and the strength of capital inflow. I said earlier today that in my experience - if the bait is sufficiently attractive (I won't say the fish come to the bait, but) investment capital comes to the attraction. I would confidently expect this capital inflow to be sustained because we are finding a growing interest. As I mentioned earlier today, even some of your own people are wanting to come and settle with us.

Undoubtedly the interest arising out of some of these major projects is capturing the imagination of people who have inherited an American pioneer tradition.

Q. (Inaudible) ... About European aid for South-East Asia.

MR. HOLT: I do not think that Western Europe generally is giving the assistance it should. There are some 34 countries - that was the last count I had, giving material aid of one kind or another to South Vietnam. Some, of course, are providing military aid, but it is broadly true to say that I think the major effort has been left to the United States of America and if the United States of America were not doing the job, I do not think Western Europe could afford to neglect it. In other words, if we were using the blunt language to which Australians are sometimes alleged to be given - it could be said that Western Europe is in effect "coasting" on the United States of America in South-East Asia.

Q. Coasting?

MR. HOLT: Coasting, yes. A sort of word that comes from Wild Colonial Boy.

Q. Britain is going to reduce its forces East of Suez within the next few years - what plans are you making to fill this gap?

MR. HOLT: I think Mr. Wilson made his Government's position clear on that. The forces were built up to meet the confrontation situation in Malaysia. In Mr. Healey's defence paper and in subsequent statements the British Government has made it clear that there would be some reduction of forces once the confrontation issue was disposed of. I am not stating these matters in any way that has not already been indicated by a spokesman for the United Kingdom Government.

Q. (Inaudible) ... About United Kingdom contribution in South-East Asia.

MR. HOLT: The United Kingdom, as is well known to the United States, has played a large part in maintaining stability in South-East Asia. Great Britain had substantial forces there - even at the pre-confrontation level they were substantial. It maintains the Naval Base in Singapore and it has permanent establishments at Butterworth and elsewhere. It has Naval Units, Air Force Units and so on. The British decision was to expand, I think it was £S2m. a year in that area, or that formed part of its planning. I think that figure is right, but I am drawing on my own recollection ... I think this was after all what part of the argument was about in the recent debate in the Labor Party rooms.

Q. Also inaudible on United Kingdom aid.

MR. HOLT: Well, Britain is quite obviously making a substantial contribution not only in military sense but in international aid in various forms. There is a United Kingdom contribution, for example, to the Asian Development Bank.

I think of countries of Western Europe - I am not going to specify them- that were given the substantial American assistance that enabled them to get back on their feet economically after the second world war, and which I believe are not now carrying their share of the tremendous tasks ahead in helping to solve the problems facing what amounts to one - half of the human race at the present time...and which will grow into a bigger proportion in the years ahead.

Q. Are there any avenues for peace in Vietnam which to your way of thinking have not yet been explored?

MR. HOLT: First of all I believe that the United States Government has pursued every avenue that has come to its thinking. There have been attempts by a variety of people in a variety of ways and none of them have so far produced even the slightest encouragement that a negotiation is likely to occur. As Minister for Labour, I had many years negotiating with communist-led unions and I have watched since the time of the Berlin Airlift and before, the way in which communists conduct themselves. You sometimes find, you know, that even when you are in what seems to be a complete impasse that when they come to their decision that it is time to do something about it without regard to logic or to consistency or what has been said previously, you can get a sudden and quite dramatic switch in the position which had been formerly taken up. If the communists come to the conclusion that they are backing a loser by pursuing their present lines of policy then I do not think they would be too much troubled by what had been said previously in changing their policy.

Q. Are you optimistic for the immediate future?

MR. HOLT: I am always optimistic - No, I am not expressing any early optimism about this. I say it is unpredictable really but on the way that trends are developing I would say it was becoming increasingly costly to the future of the communist world to persist with the belligerent and non-co-operative attitude, that's all. I say that measuring the pluses and minuses, I think there is an accumulating evidence that the debits are outweighing whatever credits they feel that they might be gaining from it. I mean the situation in Africa, the situation in Asia, the spectacle of the free world going more rapidly ahead with economic development - all these, I think, are factors which must be making the communist leadership think hard about where they are going.

Q. I would like to get back to press coverage...you left the impression that outside of the European press that there is no intelligent, thoughtful reporting. Is that what your impression is?

MR. HOLT: Not from the press generally. I thought in Washington we had a good coverage from the press and the points I was trying to make about the significant developments in South East Asia were well taken up there. We had, I thought, a reasonable press coverage in San Francisco but it has not been so easy to get that story across in New York. As I mentioned earlier today I have seen several stories in which space has been given to the banner holders without much space being given to those who are trying to point up the encouraging or positive developments in South East Asia.

MR. EGGLETON: Mr. Rayment - would you like to put your question again please. I do not think the Prime Minister quite got the point you were trying to bring out - about the coverage of the news in Viet Nam.

MR. RAYMENT: (New York Times) Did I take it that you said you regarded the European press as having a sounder approach to the Viet Nam war coverage?

MR. HOLT: Oh, No, No, I'm not putting that, I think probably there is less space given in the European press to what I call the positive and constructive aspects of what is happening, not only in Viet Nam - one of my criticisms is that too much concentration is being given to what's happening in Viet Nam to the exclusion or comparative exclusion of these quite significant developments. What happened the other day in Seoul was a very significant development with nine countries getting together there from around the area running from South Korea, Taiwan, the Philippines, Thailand and Australia, New Zealand, Japan, Malaysia - this is all sufficiently novel, I think, to be newsworthy. The Asian Development Bank itself - this is a product of Asian initiative, not the United States, and the bulk of the capital is being subscribed from within Asia. The Japanese providing or undertaking to provide - a hundred million dollars or credits for South Korea is a significant development. If these things could be interpreted as being products whether intentionally or otherwise of United States help in strengthening South East Asia, then the public, I think, would begin to realise that out of the complex, difficult, costly and rather confusing business going on in South Viet Nam - there are dividends accruing in other directions. If you were not in South Viet Nam we would not be able to go ahead the way that we are. I feel it should bring encouragement to the people of this country to know that they are not just spending their money and the cost of lives fruitlessly. These things are producing a strengthening of the whole Asian position. I think they will have some considerable impact on the way the world moves ahead.