

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

Speech given by the Prime Minister, Mr. Harold Holt, to the American-Australian Association at the River Club, New York.

5th July, 1966.

Thank you very much, Mr. President Heymanson, and greetings again Governor Dewey, other distinguished guests and gentlemen.

I don't suppose there are many places around the world where an Australian public figure can feel more at home than he does when he comes into this room. You have reminded me that I have had not only many free meals here Randal, but very pleasant ones and to come back to you after a number of years in which I have been Finance Minister of the Commonwealth and be able to say to you, despite all, that they elected the old so-and-so unanimously Prime Minister of Australia is a matter of great satisfaction to me.

Randal, your presence in this chair is a further reflection of the warm-heartedness and friendship for Australia of the American people. We are out-numbered, I imagine to the order of at least seven, if not 10 to one, in this company today by citizens of the United States. But that did not prevent them recognising the wonderful work you have done in support of that great man who laid so much of the basis of the co-operation which has come to Australia from this organisation - Floyd Blair.

They did not hesitate to look to you for the succession when Floyd passed on - and I repeat here publicly the congratulations which I sent you privately at the time and I say what a gracious gesture it was on the part of those whose numbers were justified in maintaining an American in the chair, that they recognised your own devotion to the purpose which this organisation can so usefully serve.

Now you are all busy men and you don't want to hear a lot of introductory comment from me but I shall tell you what I have in mind to do in the time at our disposal. I gather it is a little more elastic than usual because you are all expected to be on holiday in any event. It is not only flattering to find you coming along in such good number but reflective of the growing sobriety, temperance and tolerance of the people of this great democracy that so many of you are here in good shape and apparently having come through the July 4 week-end almost unscarred. But we couldn't help in the date arrangement because I was hemmed in by the opening of SEATO last Monday (June 27) and I have to be back in Australia for Budget discussions which we will be having in our Cabinet in little more than a week's time, with London ahead of me in between. It is rather reflective of the shrinking world in which we live.

Earlier in the year, I remember having answered questions in the House of Representatives up to 11.15 one morning and the next morning I was talking to our troops in Saigon. It is actually a shorter distance from Darwin to Saigon than it is from Brisbane to Perth. Your Dean Rusk was out with us at the SEATO Conference. The next time I looked him up he was talking to some group, I think, in Korea. Anyhow he was around that area of the world - and although on the map there seem to be great distances between us, we are all these days remarkably close to each other. But even so, it is useful to have the word from those who have come from the spot.

I am not going to talk a lot about Australia because you have had in recent times two people who have, I am sure, spoken in quite enthusiastic order of my country. Sir Henry Bolte, the Premier of Victoria, is always capable of stating with enthusiasm the prospects for his own State and indeed for the nation as a whole.

We have a fellow who has succeeded quite remarkably in representing three countries at once with the same devotion. That is a chap named Clark who speaks with the same enthusiasm for the United States, for Australia and for Texas, all of whom he represents very ably indeed. So you don't want too much about Australia but let me just say these few things quickly in passing.

we have just had the first major drought for just on 20 years. People had almost begun to forget what occurred when you had a drought. In other areas it is something of a rarity in these more recent years but this one was a quite serious drought, particularly in New South Wales and Victoria. On our latest assessment the sheep population had fallen from 170 million to 157 million in the whole of Australia - a drop of about 8 per cent which means that New South Wales caught it a good deal harder than that. The cattle population of that State, which is not one of the great cattle areas of Australia, dropped by just on 25 per cent.

Now that all sounds pretty serious - but the matter worth recording for you is that we have just closed our 1965-66 fiscal year and I think our export receipts are within a "Coo-ee" on just the wrong side. But they are very close to being on the right side of the record export receipts that we have ever gained. That was in a quite fabulous year, 1963/64, when everything seemed to go right. If we can just about touch that figure in a drought-affected year, with rural income down very considerably, that demonstrates how the diversification of the Australian economy has taken a lot of the fluctuation out of our economic affairs.

We hardly felt these fluctuations, employment remained high all the time, there was a little dampening of customer demand, particularly where, say, farm equipment was to be sold and that radiated out to the consumer area generally. Right through it all, employment was sustained at what you would regard, I'm sure, as an over-full employment level, which has become pretty well standard with us in good times - something just over one per cent of registrations of the work force.

The other thing that was interesting out of it was the balance of payments. We had thought when we brought the Budget down last year that they would show a substantial reduction by the end of the fiscal year. Some commentators put the figure as high as about dollars Australian 400 million but we thought in the Treasury it could be up to dollars Australian 200 million. The result, thanks to a strongly sustained capital inflow, plus this good export experience and some drop in the level of imports, is that we have been able to keep our reserves just about where they were 12 months ago, and that means in a very comfortable position for us.

Now the drought has left open the opportunity for a much larger acreage for wheat this year. The land is rested and the farmer looking for a quick cash crop in order to retrieve some of his losses is turning to wheat for which there is a very strong demand around the world. The acreage under wheat is expected to rise from 16.9 to about 20.7 million acres.

Now I don't want to say anything very much more about the Australian situation other than perhaps a word on capital inflow. Some of you may have been concerned about this when restraints were recommended in the United States and more recently when a programme of monetary restraint was indicated by the Government of the United Kingdom. I have always held the view myself that, provided the bait is strong enough or attractive enough, the capital will come to the bait. There are so many of you in this room that will know from the activities of your own organisations that the bait is still a very attractive one.

Capital inflow has, in point of fact, been at a record level through the 12 months just under review. It is continuing quite strongly and indeed as some of these projects have come into fruition and as the quite exciting story that will be told of them around the world makes itself more widely known, I believe that this capital investment will tend to increase rather than diminish.

The reflection of that which may interest you is to be found in the Immigration inquiries we are receiving. We never looked to this country because it is a very prosperous country and opportunities abound here, but we are now receiving through our New York office and through our San Francisco office, immigration inquiries at the rate of 1000 a week each in those two offices. Quite considerably in excess of what we have known previously.

Now I don't want anyone to interpret this as an indictment of the Administration. I assure you it is nothing of the sort. It is reflective of this growing appreciation that here, in this vast continent the size of your own if you put Alaska temporarily to one side, in this vast continent with just under 12 million people and with so much developing and happening of promise for the future there is an exciting opportunity for the kind of frontier experience, of getting in on the ground floor of national development that you have known through so much of your history. We welcome this development. Indeed, when I get back, I'll be asked what our Administrative arrangements are. I know it must be straining the present resources of the two Consulates-General and, once the inquiries begin, we certainly don't want to lose the interest of those

who have been attracted by this possibility. I can't imagine, other than our own people from the British Isles, any people that would more readily and agreeably fit into the Australian scene than the enterprising migrant from this country.

Now we haven't been relying entirely on your capital inflow because 90 per cent of fixed capital investment has come from our own resources. We withhold 28 per cent of our gross national product from current consumption for fixed capital investment - that is only surpassed by Japan. Your own figure is, I think, 17 per cent and the United Kingdom about 15 per cent. So we are doing something for ourselves but the remaining 10 per cent is quite critical because it is in that area that you get the large projects, the new developments, new skills, new enterprises and we welcome that flow continuing.

However, that is not what I came here principally to talk about to you today because we share the concern and the sense of importance that so many thoughtful people in this country have about the situation in Viet Nam.

This importance and public interest is reflected in the amount of attention given to it by all the news media and public discussions. Because of the nature of modern reporting and the episodic narrative account of day-to-day developments the resulting picture in South Viet Nam is, I believe, incomplete and indeed misleading. I had the first experience of spending some time there just a few months ago, and what I found on arrival was so different from what I had imagined in my own mind from what I had been reading day to day, that a misleading impression must be held in the minds of a great many people and where discussion is critical of the administration policy.

These days it is very much easier for public figures, and I don't say this disparagingly, I'm one myself, to get the public attention by criticism than by commendation. Good news is no news, in the minds of some of those who are looking to attract a public interest.

The result is that very few people, even if they know a good deal about the grimmer side of the war in Viet Nam, have any awareness firstly of the positive, constructive and helpful things that are going on there affecting the general community and far less of the amazing developments which have been occurring in the surrounding area of South-East Asia under the shield and security of the American presence in South Viet Nam.

But that is a story which I've been trying to speak of since I came here to the United States. It wasn't that I had in mind to talk about principally when I came, but encountering this atmosphere - this apparent unawareness of what your presence in South East Asia has meant to people like ourselves who live in that area - I felt it was time that somebody had something to say about it and it is very hard to get something recorded about it.

If I were wanting to get some notice taken of me in some sections of the press of this country, I'd buy a six-foot piece of canvas or calico and print something abusive about your more prominent people and go and hold it somewhere. Now that would almost assure me of front page presentation in the most august journals of this democracy.

I saw a picture the other day, a front page picture of Dean Rusk addressing the National Press Club in Canberra and behind were a little band, I think of six or eight young people from the Australian National University. I had seen them around quite a bit. I think they were there when Hubert Humphery came: They were there at the time when Sir Robert Menzies opened the National Library and I was there to help him along, and there they were standing in the background with this same little banner.

And if they were to conduct a public hall meeting with the views they were wanting to express on the banners, they wouldn't fill the first couple of rows, but they will get more notice taken of them by some sections of the press than by a spokesman for your country or for mine when we choose to discuss these matters quite soberly. So let's get a more balanced view, not merely of what is happening day by day but of the total situation there.

I've read the criticism - as a public man I'm not unaccustomed nor resentful of criticism - but I find no alternative programme presented to that which has commended itself to three successive Presidents in your country and to two successive Prime Ministers in mine - and one of those Prime Ministers - a man who had been there for 16 years - and knew something of what the world was about.

I don't know how far in this company, gentlemen, it is necessary to talk about the situation there. Surely amongst the intelligent people I see around me, one doesn't have to argue the case about whether this is a civil war or whether this forms part of an organised communist penetration. The story that the Ky government can't run the place properly, and that South Viet Nam can't look after itself, completely overlooks the fact that for six years after Geneva there was very good progress made in that country, of a positive kind, and it was only when the national product had increased about 20 per cent while North Viet Nam's had fallen 10 per cent that you found this switch in tactics and the present campaign of aggression, subversion and infiltration developing from the north.

Now these things are surely clearly perceived by people today. Surely it is equally well perceived that unless there is a substantial force, whether it be the United States in company with allies, or a grouping, as I believe it should be, of those powers that you in unparalleled generosity helped to place on their feet in Europe after their period of trial had passed - whichever way it is handled, quite clearly, unless there is that strength in Asia, then you can hand Asia over to the Chinese communists and proceed to deal with a very much smaller and narrower world of the future.

But who in his senses would turn his back on half of mankind - 1½ billion people East of Suez with their population growing, not only assisted by their natural fertility but by the fact that their public health measures are now keeping alive many people who would have died either from famine or disease at earlier points of time. We can't ignore, no matter how indifferent we may choose to be, the fact that there is going to be a population explosion there. That there is likely to be doubling of that 1½ billion by the end of this century and, if we are wise, we will try to help the people of the area through their problems, we will try to help them take advantage of what modern technology can accomplish.

I can say as one coming from the area that they are anxious to do more for themselves. How much do you read about it? Who knows of the recent developments in relation to the Asian Development Bank for example - a billion dollars becoming available for assistance through the area with this country putting up a couple of hundred million dollars, Japan a couple of hundred million, even my small country 85 million dollars towards that fund.

Who hears about the meeting of ASPAC? The meeting of ASPAC at Seoul a few weeks ago was no doubt briefly reported but the significance of this gathering of nine Asian countries was not brought out. Yet most of the countries represented at Seoul not so very long ago were engaged, as we were, with Japan in conflict. This conflict threatened to destroy my own country and theirs. Our trade with Japan today is four and a half times what it was in the early 1950's. Now you may turn to the project of the Mekong Valley, the Indus Waters Projects, the positive programme which the military forces in each of these countries and in South Viet Nam in particular include now as part of their regular programmes - of civic action, of rural development, of village security and village development - these are now accepted as part of the necessary programmes of military forces in every part of this area.

Would we have had the quite dramatic re-orientation of Indonesian policy if there had not been the growing realisation around Asia that the United States was firmly resolved to stay there in Asia, resist communist aggression where it found it, and assist the countries of the area to live co-operatively and with growing prosperity and security in the years ahead?

We have seen countries like Thailand emerge and prove most helpful in the recent negotiations with Indonesia.

I know that you feel very lonely in this country at times, particularly as criticisms are spread from one area or another, but there are 34 countries giving aid in one form or another in South Viet Nam. Some are giving military aid, others material aid. I would hope that in Europe there would be a more faithful recognition of what is being done out there.

I read a fine speech by former Premier Spaak the other day in which he paid his own tribute to American presence there and chided his fellow Europeans that they were not doing more to help.

Now I just want to add one thought - or series of thoughts - before I conclude what I have to say. This relates to the search for peace. I believe that there is nobody more genuinely dedicated to the search for peace than the President of this country. I have talked with him, I have read his statements and I have heard what he has to say. There is no doubt in my mind that he is genuinely dedicated to peace, just as he is completely firm in his resolution that he is not going to turn his back on Asia and leave the chaos, the destruction which would flow from victory for Chinese communism there.

Australia, on my own public statements and those of my colleagues, firmly supports American policy in South Viet Nam and recognises the contribution America is making to the stability and security, strength and progress in South East Asia generally. We believe with your Administration that the search for peace must be genuine, persistent and imaginative.

The world cannot go on indefinitely with those in opposing camps regarding it as made up of goodies and baddies, the description reversing according to which side you happen to be locking. All countries contain intelligent men and women capable of a realistic assessment of their own national situation and, indeed, of an international situation.

The leaders of the communist world must be increasingly aware ~~that~~ these days that the hope for world wide response to communist propoganda and methods has failed to materialise. Indeed the past year has seen much significant movement in the other direction. Free world communities do not aggressively impose their ways of life and forms of government upon others but I think we need to give more attention to ways and means by which both the Iron and Bamboo Curtains can be made a little more penetrable and the interiors a little more accommodating.

I am encouraged to come to this view because surely it is galling to the leadership both in Russia and China, having made sufficient technological progress to put man and satellites into space with impressive accuracy and, in the case of China, to develop a bomb and be able to make MIG aircraft, to find that the masses both in Russia and in China are still seriously short of many things, including the foodstuffs that they require.

It would certainly be a boon to them if more of their industrial development could be directed to peaceful purposes and I certainly believe it would be a boon to mankind if this would also happen in the freedom-loving countries of the world.

It always rather saddens me that, whenever there is a serious discussion about peace prospects, the stock exchange of New York seems to take that amiss or in an unkindly fashion. Down go the stock exchange values. This does not read too well around the rest of the world. Surely it is possible for programmes to be available so that - and I'm sure a great deal of planning and thinking has been done on this by your own Administration - as peace prospects emerge (as we would hope they would at a not too distant point of time) we do have in all our democratic countries the programmes for an era of peace that will carry our people further along the road to the security and wellbeing to which we all aspire.

There are personal contacts at various levels ^{that} can help towards a better understanding of seemingly hostile viewpoints and aspirations. Trade is, of course, one of the major methods. I know this is a controversial subject but there is normally a mutuality of interests and of benefits from trade transactions. Personal contacts are established on a basis of friendly exchanges or co-operation. We have traded freely with Russia and China in respect of wheat and wool and we do not see that this is more inconsistent than the line we took with Indonesia when we had troops in Borneo meeting the confrontation challenge.

We were looking to the point of time, which we believed to be not too far removed, when enough sanity would be restored to Indonesian Counsels to have them wishing to co-operative with the countries which could mean so much to their own future and in an area of the world of great consequence to us.

Tourism - facilities for visits by journalists, encouragement of visits by cultural and scientific groups - these are minor ways to break the ice but there are a variety of other ways in which the ice can be thawed unless we are completely barren of hope or imagination. I do not think any of us can afford to become so rigidly imbedded in an attitude that there they are and here we are and never the twain shall meet.

I am sure it would be timely for China to review where its current policies may lead. I say this because at this point of time we are on the threshold I believe of a new Asia - growing in co-operation as it copes with this population explosion and China standing at a crossroad between a friendly and mutual beneficial association or a lonely path of persistent and hardening hostility.

When I go to London I shall be expressing something of the concern I felt in Australia, lest there be a reduction of British interests in that area of the world. We are not looking for massive British forces there but we are looking for a continuing interest in the problems of an area which, I think, not only forms part of one of the major upheavals in human history but an area, and with a body of people, that is shaping a new world order the limits of which can only be imagined. Modern technologies and a growing degree of co-operation can transform for hundreds of millions of people a future which, at the moment, is compounded of famine, of illiteracy, of poverty and of despair.

So we have a prospect which your own President sees quite clearly. We have welcomed his imaginative approach - and I do not say that only of your own President - it is the attitude of men of goodwill on both sides of politics in this country.

There has been nothing in human history to match the unparalleled generosity and vision which brought one of the turning points of history in the Marshall Plan for America to the world. I believe that your intervention in South Korea was another of the turning points in history. You have been following this up with enlightened policies in Asia or South-East Asia of which my own is one - which recognise this, which are appreciative of it, which feel grateful to the United States for what it has done and are determined to co-operate with it resolutely in resisting aggression, but helpfully and in a spirit of comradeship in the great constructive tasks which lie ahead for us all.
