

"FOUR CORNERS"

TELEVISION INTERVIEW WITH THE PRIME MINISTER,
MR. HAROLD HOLT ON A.B.C. TELEVISION NETWORK



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Interviewer : Mr. Robert Moore

MR. MOORE: Eighteen months ago Mr. Holt became Prime Minister. And just a few days ago he returned from his fifth series of meetings with President Johnson and his third meeting with Mr. Wilson. Well in mid-term, so to speak, Four Corners looks back over the first eighteen months of Mr. Holt's office and examines his policies at home and abroad.

Prime Minister, I think if one was tempted to give a label, however brief, to your period of office it's very tempting to call you a "foreign affairs" Prime Minister. Now what's your comment on that?

PRIME MINISTER: Well, I've never lost sight of the importance of the home front. No politician, certainly one who's been there as long as I have, can afford to do that unless people are finding themselves doing well through the economy, their social progress. They don't want the kind of government that can't give them these things. But my interest in foreign affairs I think has been overlooked by people who have seen me through seven years as Treasurer and have ignored the fact that I've been the first Australian to chair at least four significant international gatherings - the only Australian in respect of three of those.

MOORE: Well, certainly, Sir, since you came to office you've probably done more in the foreign affairs field and had more newspaper publicity about your doings in the foreign affairs field than any Prime Minister we've had.

P.M. Yes, well some of that is explained by the need to make direct personal contact with leaders like President Johnson and Prime Minister Harold Wilson, and also what seemed to me to be Australia's increasing involvement in Asia made it necessary that I should spend a lot of time early in my period of office in some of these countries of such importance to us.

MOORE: I wonder, Sir, if I could get straight into that then now. It seems to me that although in some ways you've merely carried forward trends that were there before you came to the office of Prime Minister, what has happened since you've been Prime Minister is what one might call a firming of our priorities, and I would like to look at these. And the four priorities of our foreign policy that I'd like to look at in order are: our relations with the United States, with Britain, with the Commonwealth, and lastly in your own special interests so far, in Asia. Now, I wonder if we could look first of all at our relationships with the United States. It's been often stated by you and your Ministers that this is a corner-stone of our foreign policy, and, in fact, in the last election a great deal was said about this, and what has been mentioned repeatedly, and I'm sure you're sick of it, but I'd like to bring it up just again, is your phrase "All the way with LBJ". Now some of your critics have said that this meant a total commitment to the United States, but you've gone on to point out that you restricted this to America's policy in Vietnam. Now what I would like to ask you is, how far do we go with the United States, just how committed are we?

P.M. Well, first I think we realise how much we have in common in our international objectives. We believe in much the same sort of society, world order, as the United States of America. The United States has taken an increasing interest itself in the South East Asian and Pacific region and in the Asian region generally, much more so than earlier in its own history. Our association with the United States in, say SEATO, in ANZUS, these are powerful elements in Australia's own security. Now quite rightly, as you say, I have used the phrase "All the way with LBJ" in relation to our involvement in Vietnam, because frankly I believe Australia has an even greater stake in the outcome in Vietnam than has the United States.

MOORE: Sir, sorry. Outside Vietnam how far do we go with LBJ?

P.M.: Well, where our interests are in line one with the other, and in most things they are in line one with the other, that's an entirely realistic appreciation. But there are some directions. For example, we differ from them in that we've recognised Outer Mongolia. We have diplomatic relations with Cambodia. In fact, we represent American interests in Cambodia, and Cambodian interests in South Vietnam, which makes us a pretty good bridge around that area.

MOORE: Do you see any, sorry, any division in American policy and Australian policy towards Communist China, say?

P.M. I think not. We've had the same general attitude in relation to the recognition of Communist China. That doesn't mean our minds are closed to this possibility, but it does mean that the conditions have to be right, and there has to be an acceptance by China of certain international obligations, certain international codes of conduct. There also has to be, of course, an arrangement which will assure the future of Taiwan. But I don't think there's all that difference anyhow in the attitude of our two governments.

MOORE: On the question of our trading with Communist China, say, is that a serious.....

P.M. Well that is, that is a significant point of difference. I've said in America that at some time there has to be an accommodation with China. It's unrealistic to imagine the world going on indefinitely with seven hundred million people kept as it were in coventry, but.....and trade, diplomatic exchanges, cultural exchanges, the exchanges for sporting events, the visits by journalists and things of this sort can all help to build bridges but nothing more effectively so than trade.

MOORE. Do you find that American leaders use this same kind of language when they talk about China, about the need for closer experience of each other and.....?

P.M. I find they do privately, but the official policy of the Government, up to the present time, has not favoured trade. But I think there is a trend anyhow in that direction.

MOORE. Now, Sir, I wonder if we could look at the other side of our relations with the United States, the economic relations between the two countries? Now it's being suggested that in so far as it appears that the United States Government is bartering their tobacco for our wool in the tariff question that the United States Government is not as sympathetic economically towards us as it might be in view of our overall alliance. What's your comment on this?

P.M. Well, once you get to trading questions you find domestic politics having a very big influence on the decisions of

the government. I pointed out quite vigorously in the United States, as I have here, that Australia is a very big purchaser of American goods, I believe the most rapidly growing market that the United States has. I pointed out on my last visit that we buy \$68 per capita in value of American goods, and they buy less than \$2 per capita of Australian goods, and there's a very heavy balance of trade in their favour. I'm sure that in the President we have a friend who wishes to be helpful in these trade directions, but he, of course, has to look to a Senate, and a Senate in which the smaller states, the rural producing states, have just as much voting strength as say New York State or the State of California. And to the extent that he can be helpful, I'm sure he will and that his administration could be helpful.

MOORE. Well, could I look at the, what I imagine are somewhat similar problems for yourself in Australia? How do you, or is there a need for you, to weigh up the desires of the Australian tobacco grower against the Australian woolgrower? Is this a real problem for you?

P.M. Well, every primary industry is a real problem for us. I've been pointing this out in England on their Common Market application. It may be that it represents a small percentage relative of trade, but in a vast continent where you have scattered communities, some dependent almost entirely on a particular form of production, you can't treat any form of production as unessential. Certainly it's essential to those people, essential to the balanced development of the continent. So we pointed out in America, where it is the one country in the world industrialised that imposes a substantial duty on raw wool. But tobacco in certain districts of Australia is of importance to us. But even so we've been prepared to move a good way on tobacco to come to a deal with them.

MOORE. Good. Now the last point I'd like to deal with in this area is our military purchases from the United States. The Christian Science Monitor this week suggested that the Australian Government was in danger of losing control of its overall budget, the argument being that such a substantial part of our overall budget is devoted to defence purchases from the United States, which in a way are dependent on the cost structure of the United States over which you have no control. Now, what's your comment on this?

P.M. I think this is a passing phase. You see we've doubled the defence vote and in the course of that there's been a very heavy equipping programme, particularly for such things as aircraft, destroyers, submarines which we're getting from the U.K., and there is this phase as we build up the equipment of the Services. But once we've managed to acquire these things and we're spreading the payments out over a long period of years, then I think there will be less pressure on us, certainly on our overseas purchases. It may interest you to know that Australian purchases for defence doubled in the last twelve months. We are looking more to our home market for such things as we can produce here.

MOORE. But in the American purchase, Sir, are you worried at all about the apparent rising costs, and the fact that the costs have never seemed to be identifiable in the F111 and the Charles Adams destroyers?

P.M. Well, of course it troubles us, but we can understand the difficulty that any country which is an initiator of a particular defence weapon finds in stating at all precisely the cost which will have to be paid. The United Kingdom is in the same position as

we are, and we are still satisfied that we are acquiring the best fighting aircraft in the world.

MOORE. Now, Sir, I'd like to move on to our relations with the United Kingdom, with Britain. At this stage what is your assessment of Britain's intentions East of Suez?

F.M. Well, you asked first about our relations. I just want to make it clear that our relations with the United Kingdom fundamentally remain unaltered, they're basic. They're a relationship of kinship, of mutual interest and regard, and those relations remain fundamentally unaltered. But if the U.K. enters the Common Market that must affect the emphasis it places on its dealings with the rest of the Commonwealth, and if it removes its military presence substantially East of Suez. That must have some bearing, too, on the degree of intimacy of the relationship and the closeness of our cooperation together. So that when you ask me now what my assessment is of their intentions there is no doubt that Britain intends a substantial withdrawal of forces phased over a period of years. One of the question marks has been whether it will retain a presence, and I don't want to go too deeply into the outcome of my own discussions in the United Kingdom and they're taking Cabinet decisions on those matters over the next week or so. But I like to think that the United Kingdom will retain a presence in the Singapore/Malaysian area and that there will be continuing co-operation between Australia, New Zealand, and other Commonwealth forces with the United Kingdom there.

MOORE. Sir, assuming that a presence in some form does remain there, but on the other hand that there is a substantial reduction of forces, what should be the policy of the Australian Government? I mean, would we be tempted to try to fill the vacuum so created in terms of manpower and equipment or is there some alternative policy completely for us?

F.M. Yes. Well first, perhaps we should make it clear in relation to the reduction of forces that there was a big build-up of British forces to meet the confrontation issue, and everybody knew that after confrontation there would be a run down. The question is to what degree, and how soon that run down occurs. Now Australia and New Zealand would naturally expect that as they grow in population and economic strength they will be playing an increasing part in contributing to the security of the area. But the details of this have yet to be worked out. Clearly they can't be worked out until we know firmly what the British intentions are.

MOORE. How soon would you expect to know firmly enough to make a decision?

F.M. Well, I'd expect us to know their broad intentions within a matter of weeks.

MOORE. Before our Budget?

F.M. Yes, but I wouldn't say that it would have a bearing on the forthcoming Budget because there's no intention on the part of the United Kingdom, on anybody's part in their Government so far as I can discover, to run their forces down so rapidly that we have to have a dramatic change. I would hope to see a review say 1970, 71 of their position. I think it's unwise to commit yourself too far ahead in this changing world.

MOORE. Sir, this week both Tun Abdul Razak and Lee Kuan Yew have called for Australia and New Zealand to have discussions with Malaysia and Singapore in an endeavour to, I think, build up some consortium of forces to replace an eventual British withdrawal. How seriously does your Government take this possibility?

P.M. We look to a growing contribution by the countries of the area themselves to their own security and I think they accept this. At the same time Australia and New Zealand would form part, I would believe, of any general security arrangement made in relation to the area, just as I would imagine the United States would, and other countries who have indicated support around the area in the past. But we can't be precise on the details of this. I've already said we would expect to have to make a growing contribution to security in the area as a whole. But in Asia at this time there's a meeting of ASPAC, nine countries are represented there, and they all have an interest in the security of the area.

MOORE. Sir, now I'd like to turn rather more briefly to our relations with the Commonwealth, the British Commonwealth. You were reported as saying that at the Prime Ministers' Conference last year you were disappointed that so much more time was given up to Rhodesia than to Vietnam, and you went on to give your reasons why. Now this could be looked at in one of two ways. Either we're out of step with the Commonwealth, or the Commonwealth is out of step with us. Now which is it?

P.M. Well, we had an eight day conference scheduled. Six days, the first six days, were devoted entirely to Rhodesia. It wasn't just the disproportion of time to Vietnam, it was the disproportion of time to the affairs of the remaining nine tenths of human kind, and this is where I made my protest. I said, having regard to the time available to us, we ought to be turning to some of these other questions, including Vietnam, which wasn't merely of interest to Australia. After all, Malaya, Malaysia, Singapore were also represented there, and the United Kingdom has an interest, although not militarily involved, in the outcome.

MOORE. Well, in view of this obvious difference within the Commonwealth as to the priorities of Rhodesia and Vietnam, last year anyway, in view of this and the possibility that this could continue, will you in fact attend another Prime Ministers' Conference?

P.M. Yes I'm.....I've been a Commonwealth man all my public life. I do hold the view that the modern Commonwealth is likely to have less emphasis in our planning and policy making in the future than the old Commonwealth did in the past, where we were able to come together pretty closely on matters of policy. But the concept of a multi-racial Commonwealth is worth preserving. After all, if we can't cooperate usefully and constructively for peaceful purposes at any rate, then what prospect is there for the United Nations?

MOORE. Do you feel there is enough for us to have in common to make up for the obvious disagreement over the importance of Vietnam and all that means?

P.M. Yes, and I do know that the countries of Africa, in particular, and some of the newer Commonwealth countries attach great importance to their membership of it.

MOORE. Good, Sir. Now I'd like to move on to Asia if I could briefly again first? You've suggested that in talking about Asia, and you visited ten countries there, that it's a mistake to see Asia as a unity. That in a sense, it's merely a geographical expression. That

there are as, in fact, as many Asias as there are countries and as many Asian opinions as there are countries. This would suggest that in turn we should have not so much an Asian policy but a number of Asian policies directed towards specific countries. Now your critics suggest, though that on the whole we have only one, and that is that our Asian policy is our Vietnam policy. What's your comment on that?

P.M. Well, first of all, we do have a number of policies in relation to individual countries. I didn't mean we have different policies for the same country. But our policy with Cambodia, which is neutral and tends to the Socialist camp; with Laos, which is neutral but tends to the Western camp that is a very different line of policy, say, to what we have in Taiwan, what we have in Korea, certainly to what we have in Vietnam. But all of these countries have marked dissimilarities, even of physical appearance, certainly of policy attitudes. This is why I've stressed that we've got to get ourselves into the frame of mind that there are greater differences of policy, of physical appearance, of general mental and social attitude to be found there than there are in Europe, for example. We just don't think of the Europeans as the same sort of people.

MOORE. Could I put this argument another way then? I think what is often suggested by your critics is that our policies are much better defined towards the smaller, perhaps more vulnerable and dependent countries in the area than our policies are defined towards the bigger boys - Japan and Indonesia and so on. The argument goes on to say, well, the reason why we take so specific an interest in the smaller dependent countries is because it suits our Vietnam policy, and the argument then goes on to say that it's about time that we took a more detailed policy towards Japan and Indonesia.

P.M. Well, of course, we do have very detailed policies with Japan, but these are principally on the trade side because Japan hasn't been involved in defence or military preparation over recent years. But Vietnam looms so large for us, not merely because we're helping to safeguard a small country which is under aggressive attack or terrorism, subversion and matters of that sort. This is important, but it's not the fundamental thing about the Vietnam conflict. What is fundamental there is the shape of Asia, indeed the shape of the free world for the future. If you were to have a Communist domain, not necessarily a Chinese Communist domain, but a Communist domain, as we very well might have had if we hadn't intervened in Korea and then followed that up by the intervention in Vietnam. If you'd had that right down through South-East Asia from China southwards, and perhaps even penetrating as I'm sure it would have if the checks hadn't been applied, into Indonesia, then it would have been a very different kind of world with which we'd be dealing in the years to come. What we are doing here by these policies is allow independent countries to develop their resources, to gain economic growth, to co-operate. I mentioned ASPAC, there was a shining example. ECAFE, the Asian Development Bank. In a variety of ways the countries of Asia are co-operating in a manner they've never done through the centuries.

MOORE. This week, Sir, Mr. Cabot Lodge was reported as saying that United States troops could be in Vietnam for another 25 years. Do you think Australian troops should be?

P.M. Well, a lot of people speculate. Some say it's all going to be over in 2 years, some say another thing. I don't think anybody can say with firmness because it's not merely a military result which will determine this. I've maintained all along that

a military result will not be sufficient of itself. It would leave the way open for a continuing guerilla campaign of the sort we had to face in Malaysia.

MOORE. But is the figure of 20 or 25 more years a ridiculous one, do you think?

P.M. I would certainly hope it was quite unrealistic. But I do remember that it took us 15 years to clean up the situation in Malaysia and that was far less extensive, much less complex. On the other hand, the forces involved were very much smaller than is the case in Vietnam. No, I think the North Vietnamese will find the cost too heavy much earlier than that, and quite apart from the military results obtained, there will be a realisation at some point of time, and who can say when, when they decide the game is not worth the candle.

MOORE. Now, Sir, I'd like to come at last home to domestic affairs. It seems to me that this year, more than any other year, there is a crisis in at least the thinking about Commonwealth/State relations in Australia. That the federation is under more critical analysis than ever before, and there are some suggestions that in fact federation has broken down, in fact, in Australia. That the States are simply the financial agents, and none too efficient at that, of the Commonwealth. Now, how stands the federation.

P.M. Well, you're speaking a week after a Premiers' Conference, and the Loan Council meetings, and that's never really the best time to be calmly analysing the state of Commonwealth/State relations, because as you know we go through these motions each time and certain results occur. I've found some papers now which said we were too tight-fisted to begin with, and, when they've analysed what happened last week saying that the Commonwealth has provided too much money for the States. So that's a matter of judgment. But could I come really to the crux of what you're saying? I believe in a federal system. I believe that in a country as vast and sparsely settled as Australia you must have some decentralised activity of government, and rather than have this come through a bottleneck in Canberra, it's better that each State should have its own governmental administration. But there should be then close co-operation with the central administration, and far from the federation breaking down this is growing as I could point out in a number of specific instances.

MOORE. But isn't one of the charges made that in fact there is now a bottle-neck in Canberra, that it's just a matter of bad public administration to have one government collecting taxes and another government spending it? Who's responsible for what?

P.M. I don't think that creates the bottle-neck. Bottle-necks develop out of policy, not out of providing the funds for people. Each State can make its own policies. But there is this much point in what you're putting, that the electorate is demanding a much greater Commonwealth participation in matters which were formally purely matters within the constitutional province of the states. Health, education, and matters of that sort, which were primarily State matters are now regarded as being directly of interest for the Commonwealth. And, indeed, we're providing vast sums as you know in both these directions.

MOORE. But isn't part of the trouble too that the electorate or some elements of it, are wanting to know which government do they blame for either, as they regard, inadequate services or, on the other hand, increased taxes?

P.M. Well, in my experience they know which government to

blame. It's always the Commonwealth Government, because they say the Commonwealth Government's got the money and the State Governments aren't slow to point out to those who importune them that they can't provide the money because the Commonwealth won't give it to them. But I think thoughtful people appreciate that a Federal system is necessary in this continent. And it's up to us to make it work, and I would assure you that we do that in very many directions. There are conferences at the Ministerial level on a scale which never existed before in different departments of Government.

MOORE. Sir, now I wonder if we could turn to a brief account of your Parliamentary record since you've been Prime Minister? The first thing about it, of course, is the undoubted triumph at the last Federal election, your first election as Prime Minister, when you came back with a record majority, and that's an undoubted triumph in anyone's terms. On the other hand, since then some people are detecting some black clouds on the horizon, and I'd like to go very quickly through the three which normally stand out, and ask for your comments on them. First of all, the fact that you at present have a rebellious, to put it mildly, Senate. People are suggesting that this shows a loss of control by the Government over the Government's business. Your comment on that.

P.M. Well, first we have a minority in the Senate. We lost by death two Senators which we couldn't replace on the present electoral system. So we are in a minority in any event. Secondly, the Labor Party regiments it vote in the Senate. Our Senators try to behave as they think Senators should, and occasionally depart from the policies of Government. But taking in view the fact.....

MOORE. But you do have some rebellious Senators of your own?

P.M. Well, I don't know what your definition of rebellious is. There are one or two I think who interpret their independent role rather too liberally for themselves. But, generally speaking, the Senators support the Government, but leave to themselves the right to dissent where they think this is justified. If the Labor Senators would behave in the same spirit, the Senate would work much more along the lines that it was intended to work. But of course theirs is a regimented vote. But while you have the proportional basis of voting for the Senate there will always be a trouble for governments from an almost evenly divided Senate.

MOORE. You don't feel that it would have been possible for the Government to have negotiated a way through its problem in the Senate? I mean, is it the mere fact that you are in a minority or could you have with some more diplomacy, or finesse, or whatever the word is, achieved your end?

P.M. Well, there are not many matters of major moment that the Senate has prevented us from putting through. You've had the recent instance of the postal charges, but that raises other issues and I'm not surprised that Mr. Calwell got very angry at what he regarded as a breach of Labor practice and principle on this matter.

MOORE. Sir, could I now turn to the Voyager debate, where it's sometimes been suggested that this showed that the Party had lost some of its control over its members, and you were reported as saying, admittedly only reported as saying, that you were led to say, that you would rather lead a solid Party of 20 than a rabble of 80. Now did you say anything like that?

P.M. This was not in relation to the Voyager matter. But I would say it was over that general period but not in relation to that, oh no.

MOORE. It was on the occasion though, wasn't it?

P.M. No, I didn't object at all to the line taken by our own members on the Voyager matter, and I think I can say quite fairly that on the morning on which I announced the Government's decisions to the House, we had a special Party meeting and I've never known the party more united than it was at that point of time. I was very happy with the atmosphere in the Party.

MOORE. That wasn't on the morning on which you were reported to have said.....

P.M. No. No.

MOORE. Well, now the Nexus Referendum and its defeat. Did you take this as a personal affront to your position as Prime Minister?

P.M. No more so than I took the nine to one vote for the Aborigines proposals as an overwhelming endorsement of the Government. No, people voted, I think the vote on the Nexus was not based on very solid information and revealed a prejudice against more politicians. That was the cry that was put up, although in substance it was likely to have just the reverse effect.

MOORE. You don't see it then as in any way a defeat for a Prime Minister that he can't carry a referendum in which he has the support of the Leader of the Opposition?

P.M. Well, a lot of Prime Ministers would feel themselves rebuffed if they took that attitude. There have been very few referendum proposals adopted through the history of the Federation, but we felt we had to give the public the opportunity of deciding this before we tackled the task of redistribution. The vital task because the electorates are so ill balanced even in the same State and in the same city areas.

MOORE. Now, Sir, could we turn very briefly to relations between the Coalition Parties. Now a lot of people a lot of things have been said recently and headlines made about an alleged rift within the Party and it's often suggested that the Liberal Party is out to get rid of the Country Party and rule in its own right. Now, what's in this?

P.M. Well, nothing as far as I'm concerned, because it's my own belief that as far ahead as I can see there should be in the interests of good government in Australia a coalition between the Liberal Party and the Country Party. I've made this quite clear to my colleagues and to Mr. McEwen. Mr. McEwen and I are old colleagues - we've been together in Parliament for more than thirty years. We've been in governments together for just on twenty years as fellow Ministers, and we can usually sort our way through our problems. But we're competitors for votes, let's face it, we're separate Parties, we're out to get the best of what we can for the electorate and they are, and they have a difficult problem in a period in which the urban growth is tending to outstrip the rural growth - of maintaining an identity, and I can understand some of the things that go on inside the Country Party.

MOORE. And inside the Liberal Party? Are there no tensions there?

P.M. Well, again we are competitors, and some Liberals of course, tend to take more extreme views of where we should stand in relation to the Country Party than others, but over the whole field,

relations are as good, and when you trace it back over the period of the coalition, I think remarkably good, and may I just conclude on that by saying I find in practice I have fewer problems arise in relations with the Country Party than I do with some of my colleagues in what is now a very large Liberal Party.

MOORE. Sir, at the beginning of this discussion I suggested that one might describe you as a "Foreign Affairs" Prime Minister. If it was put to you, how would you describe government Holt-style?

P.M. I don't think there should be a special emphasis placed on people's view as to foreign affairs or home affairs. I've said at the outset what happens on the home front is vital, and overwhelmingly important, but placed as Australia is, of course, so do our foreign policies become of great importance to us. But if you ask me what is my general approach.

MOORE. What is your style of government? How would you summarise it?

P.M. Well, I put it to President Johnson that I tried to be firm, fair, forthright and friendly, if you like - a fair deal Government. He told me that his objectives were progress, peace and prosperity. I said, "Well, let's marry them together, and we've got it made", and I would describe my own approach in those terms, and I think you avoid a great deal of the complexity of government when people accept you as being fair, and understand that you'll be firm and forthright, but also know that you'll be trying to be friendly.

MOORE. Prime Minister, thank you for giving us your time.

P.M. Thank you.
