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RECORD OF MAIN POINTS MADE BY PRIME MINISTER

AT NEW YORK TIMES LUNCHEON

HOSTED BY HARDING F. BASHOFF, EXECUTIVE VICE-PRESIDENT

FRIDAY, 29 OCTOBER 1971.

IMPACT OF CHINESE ENTRY INTO THE UNITED NATIONS.

The Prime Minister said in response to a question from the Editor (Mr Oakes) that he did not consider the impact on Australian policy of China's entry into the United Nations would be great. He also said that he did not think the fact that we had voted against the Albanian Resolution would have any particular effect on the way in which our relations with the P.R.C. would develop.

The Prime Minister said that the concrete advantages of China's membership of the United Nations, or indeed of diplomatic recognition of China, were still uncertain. For example, it had made little difference to the United Kingdom or, so far, to Canada.

The Prime Minister said it was important that China be drawn into the comity of nations, but we should not forget that China was still willing to assist revolutionary movements in the Asian region, including those on the Thai border.

Asked why so few of its major allies had supported the United States position on China, the Prime Minister said that the European countries, for example, were further away from the north Asian region. They tended to be self-centred and remote from the problem. Belgium had probably not supported us after saying it would because it was not consulted about the timing of the second Kissinger visit to Peking.

SINO-SOVIET RELATIONS.

The Prime Minister said the next few years would be a crucial period in which it would be necessary to find a new balance between the great powers - the United States, the Soviet Union, China, Japan and an integrated Europe - to ensure an enduring peace.

UNITED STATES AFTER VIET NAM.

There was some discussion as to whether or not the United States was turning isolationist and of the role which the United States might usefully seek to play in Asia in the future.

The Prime Minister said it was unlikely that the United States would get involved again in a land war in Asia. Its role should be to ensure sufficient financial assistance and aid to maintain the viability of the countries in the region. In Viet Nam and Cambodia, in particular, the United States should assist in providing adequate training of local forces as well as necessary air and naval support.

JAPAN.

Turning to Japan, the Prime Minister said that he wanted to emphasise the crucial importance of Japan. ~~American~~ policies had already damaged the Sato leadership. There was nobody who could replace him. Otherwise, he would probably have fallen by now. This was partly due to United States failure to handle its approach to Japan on major issues adequately.

It was important that in any American attempt to get a detente with China and the Soviet Union, Japan must not be forgotten.

The United States should not work in a way which would hinder Japan developing freer trade.

CHINA:

In answer to another question about changing attitudes to China, the Prime Minister said that Australia had moved away from the Dulles theories of containment and inactive anti-communism. Since last year we had been re-thinking the basis of our policy towards China. This was not because we had ceased to be antipathetic to communism, but we accepted the need to live with it on the basis of an accommodation. This accommodation, however, still needed to be backed by strength.

UNITED STATES INTERNAL SITUATION.

In response to another question, the Prime Minister said that it was true that the United States was going through something of a domestic trauma. However, he had no doubt that the problems giving rise to this would be overcome and the United States would continue to play a very important and active role in world affairs.

IMMIGRATION.

Asked by the Editor about our "exclusive" immigration policy, the Prime Minister said that this was a misleading phrase. Our immigration policy was restrictive, but it was not exclusive. Non-Europeans, including black Americans, could enter Australia for

permanent residence. Such application was judged on its merits. The criteria for such judgments were that the applicant would need to be able to fit into Australian society and that he would have skills which we needed in Australia. He said our policy had been considerably liberalised in 1966.

The Prime Minister added that we had actually been taking in too many migrants and he had had the intake reduced recently

BRITAIN AND THE E.E.C.

The Prime Minister said British entry into the E.E.C. must be accepted. However, the European countries conducted 40% of the world's trade and it would be essential to induce them to enter into freer trade. Europe would need to be outward looking and understand the value of increased world trade. The E.E.C. would need to take a global rather than a regional approach.

INTERNATIONAL MONETARY SITUATION.

In response to a question, the Prime Minister said that it was Australia's view that it was necessary to come to a quick accommodation on foreign exchange rates and the revaluation upwards of the Yen, Deutch Mark and gold. Continuing delay would be harmful. It seemed strange to him that the United States wanted SDA's, but was reluctant to agree to an increase in the price of gold.