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CABLES, **TELEGRAMS**

BOX 4976, G.P.O., SYDNEY

EW/Ps

27th July 1959

PERSONAL

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LINES)

The Rt.Hen.R.G.Menzies, C.H.,P.C., Prime Minister of Australia, Parliament House, Camberra, A.C.T.

Dear Mr.Menzies:

I found after our conversation last Thursday, that I was not quite sure which aspects of our talk on Australia House you required me to put in writing. Therefore, I think the most satisfactory thing is for me to summarise the matters we discussed apart from the investment idea, which will be the subject of a separate letter.

First, I explained that we are organising a United Kingdom branch of the company. Present plans are that this will be maded up by Bob Nelson, former editor of the Melbeurne Argus, who is now with the London Daily Mirrer and who will come to Australia for training in our methods before returning to set up the operation next January.

Our operating staff will be Australian, and will be men with previous experience in Fleet Street.

In Leadon, a few weeks ago, I approached Sir Eric Harrison and told him that I would be anxious to take over part of the existing Australian promotion in the U.K. and would like to be considered for any new promotional work in that area. I explained that all this work is currently being handled by F.J.Lyons & Co., and I believe that an Australian team could probably do the work more effectively than it is being done at present. The basis for this statement was that our company would use men of equal skill and experience to these used by Lyons, but they would have the important advantage of first-hand knowledge of Australian industrial and marketing conditions. I also pointed out that our organisation is already engaged in preparing material for the Department of Trade which is channelled through to London for exploitation by Lyons.

SYDNEY AND AT Min & Dept. Trade GROSVENOR **HOUSE** 15 GROSVENOR STREET Min & Dept. Int. -MELBOURNE BRISBANE ADELAIDE CANBERRA PERTH NEW ZEALAND

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The High Commissioner told me that he supported, in principle, the idea that we should be given an opportunity to undertake some of this work. He suggested that I should talk with Department of Trade and other officers at Australia House.

My first contact at this level was with Mr.Ballantyne, Trade Promotion Officer, who told me he was perfectly contented with the present arrangement and would not be prepared to see it "upset" in the way I proposed. He went on to say that he was not a public servant, being a business man engaged to supervise promotion of Australian products in the U.K. and that he was not subject to orders from the High Commissioner or anybody else. He added that the High Commissioner had been showing a disposition to meddle in publicity matters, and that he, Ballantyne, was not going to accept such a situation.

Following the interview with Ballantyne, I went to Mr. Searcy of Trade who was courteous and reasonably co-operative, saying that Ballantyne did nothave the final say on a matter of this kind. Trade officers seemed to be perplexed about responsibilities and authority. This appeared to stem from the fact that no one was sure of the role Mr. Warwick Smith was to play in Trade affairs at Australia House.

Discussions with the News and Information Bureau officers on this matter were futile. The officers concerned maintained that trade promotion was entirely the prerogative of the Trade people, and had nothing whatever to do with News and Information. Similarly, I was informed that Immigration publicity was closed to me, because this was controlled directly from Canberra.

Before leaving London, I had a further talk with Sir Eric and told him something of the local politics and lack of liaison among the various sections in Australia House. I also saw F.J.Lyons and told him frankly what my plans were. Naturally enough, he was very concerned at the idea of competition and reports reaching me from London since I left there indicate he has been active in taking steps to protect his interest, both in Commonwealth work and the promotion of Victoria and Premier Bolte. I have no desire to take Mr.Bolte's work from him, but I am still anxious to receive some of the Commonwealth work.

The second matter I raised with you concerned the News and Information Bureau outposts. I submitted that from my own observations of these units during visits to Europe and America, I am certain the Commonwealth is not getting good value for its expenditure. I suggested, as an alternative, that the task of disseminating Australia news and information in overseas countries, could be handled more efficiently by private enterprise, and at less cost. Part of the problem, as I see it, is that N.I.B. personnel overseas have no real incentive to work hard, produce creative ideas, or to extend and improve the propaganda issued from their offices. Under private enterprise, with a system of tight local

supervision, this whole service could be re-invigorated. I would welcome an opportunity to set up such a system and operate it for the Commonwealth.

The third matter we discussed concerned the damage State Premiers and State missions going overseas are doing to Commonwealth prestige. I instance occasions when prominent commercial people in America referred to visits by "Prime Minister Bolte", and how I have been asked, on many occasions, which of the States I represented. made the point that no one State has sufficient resources to provide a budget of the dimensions needed to make an impact on a market as large as the U.S.A. and that the sensible thing seemed to be that a committee should be formed on which all States would be represented, together with the Commonwealth. All these small resources could be put behind a single campaign run under Commonwealth supervision and of a size that could make the desired impact. The important thing appears to be that current American interest in the Commonwealth should be developed on a Commonwealth basis -- arguments about which State should have access to interested industries can be sorted out after interest has been aroused.

You might be interested in the following figures just published by the U.S.Department of Justice on Australian expenditure in the U.S.A. during 1958:-

Australian news and information	 \$ 131,901.63
Australian broadcasting	 39,900.00
Australian national tourism	 47,602.29
Victoria promotion	 43,303.29
	g 262,707.21

This expenditure should ensure wide impact. It is not doing so, for obvious reasons.

Needless to say, I am anxious to pursue these matters further, and would be happy to make myself available for further discussion at any time. I expect to visit America and Europe again at the end of the year.

With thanks for your courtesy and with best regards.

Yours sincerely,

ERIC WHITE