

OPENING OF NATIONAL EXPORT WEEK

CANBERRA, A. C. T.



11 OCTOBER 1968

Speech by the Prime Minister, Mr John Gorton

This is a week of the year which means something to every Australian. It is one week in the year when, I think, all of us here, Federal and State representatives, primary producers, manufacturers, miners, businessmen agree on one thing. We need to "export to prosper" and we need to develop if we are to achieve what is within our grasp in national development.

For that reason, I am glad to be honoured to be asked to be present today and to have the opportunity of supporting you and all those who have so energetically and enthusiastically organised this National Export Week.

What Sir Charles has said has been to the point. He has been perhaps, I think, a little chilling, a little difficult in his assessment of the future, but that is all to the good. Let us accept what he has said as a warning of what could happen, not necessarily as a warning of what will happen, but what could happen if we become backsliders in the export drive.

I agree entirely that Australia needs to do more in exports and that the greatest danger we face is, as has been pointed out, complacency. If complacency is an offspring of the success so far achieved, then let us strangle her offspring at birth.

The whole purpose of National Export Week is to make the nation more export-minded, to convince producers and manufacturers that there are great benefits, direct and indirect, to be won from increased export activity. I believe in this nation we have the will and the capacity to do more. I think we have the will and the capacity to succeed.

I want to say a little about the Federal Government's role in this task. There is a lot we can do and indeed have done, but there are also limits to the Government's role because we live in, and believe in, a free enterprise society. Governments can lead by example, by facilitation, by co-operation and by giving incentives of one kind and another. But with industry itself - primary or secondary - lies the final response.

At national level, the Federal Government has a duty to create, by the sensible use of the powers it has, the right climate for stability and growth, a climate which will allow development at home and an opportunity for access to world markets on reasonably competitive terms. It has to do this in full co-operation with State Governments.

Today the Australian economy is fundamentally sound, and the base on which we can build an increased export effort is there and is expanding. The problems which arise are, I think, only short term problems, providing we accept the challenge that is inherent in this National Export Week.

There are always incipient dangers in any expanding economy. We can't control the weather - not yet anyway - and this can have a great effect on export incomes and on production. We have no, or little - I think perhaps the proper word is "no" Government control over wage structures and wage levels. We have to compete in overseas markets where the national self-interest of countries which provide those markets inevitably takes precedence over the fortunes of the foreign trader which in this case would be us. We need more people and we need more capital.

None of this is a new phenomenon, nor have we been slow in recognising our problems. The very existence of the Export Development Council is evidence of a recognition by the Government and by industry of these problems which I have set out. And may I say that I think the Council has done a splendid job for a good many years now as an adviser to the Commonwealth Government on exports.

The picture I see is this. If our export effort just paddles along, then we are creating problems for ourselves and doing that with our eyes open, and not achieving all that may lie within our grasp. When the terms of trade (as you have pointed out) broadly are against us, we cannot afford to be casual about those balances of payments or to depend too heavily on capital inflow to offset what we are losing on current account. I do hope nobody will assume that that sentence means that I don't want as much capital inflow as I can possibly get.

We have to earn more foreign exchange, and the best, the safest, the most secure way in the long term is to build up an expanding export programme. In that we can be sure of paying our import bills. In that way we can develop our home industries by giving them new outlets for their products.

I look forward in our national planning to what Australia will be in the year 2,000, and I believe the 70's here in Australia will usher in for us a thirty-year period of quite remarkable change and of extraordinary opportunity for growth, but we have to get moving now to be "with it".

By the end of this century, if all goes well, we could be a nation of around 28 million people. To achieve that, though, we need to sustain our birthrate and to develop our migration intake on the lines of present planning. If we do, this figure of 28 million is a reasonable figure for which to aim.

But this will mean a continuous pressure on our resources. We will continue to need overseas capital, but insofar as you are successful, we will be less dependent upon it. Our economy is vulnerable if we become too dependent on it, and our solvency could be at risk because of factors entirely beyond our own control. The best insurance policy, the only valid, long term safeguard is that sustained export effort which I believe this Council is dedicated to achieve.

The 70's will bring us not only the population of which I have spoken and indeed, these things, many of them will come before the seventies. The 70's will bring us the jumbo jets and supersonic airliners; it will turn friends into next-door neighbours in terms of time. Perhaps man will land on the moon, and what may result from that, even in terms of industry, can only be guessed at. Perhaps nothing, perhaps a great deal. These are all part

of the drama of our age. They are going to affect us in ways we can't measure now, but one thing is certain. They will draw us deeper than ever into the international community, where the current for freer trade between nations has been flowing quite strongly for some time past.

The Australian exporter will acquire a new status and a new significance. He must be ready to respond, not only to the rising demands of the large, recognised markets of the world, but to the emerging markets which will be there as the developing nations of Asia establish viable economies and, like us, become hungry for imports. Some forty per cent of our exports now go to Asia, but as you said, Japan takes the greatest share. But there will be opportunities among the others as their resources increase, as their security is established, and I hope and believe that the members of this Council will recognise those opportunities as they arise and will work to take advantage of them for their industries' benefit and for the benefit of the nation.

Whatever excitements the seventies bring, they won't submerge the hard facts of economic life - the business of meeting and paying international bills. We are, in this field, deeply committed to a costly Defence expansion programme and much of the defence "hardware" - which is the term, for some reason or other, usually applied to anything to do with defence - defence "hardware" has to be purchased abroad because it can't yet be made here. This has been taking, and it will continue to take, for some time yet, large bites from our foreign exchange resources.

It is essential spending, absolutely essential, but it is not income-producing in business terms. It is not developing, in terms of adding industrial rather than military muscles. It gives a dividend, of course, in the form of security to the nation and ability to discharge treaty obligations, and I suppose that without that, business could not prosper and exporters could not export, but those requirements being laid upon us are added reasons for increasing our earnings by exports from this country.

Sir Charles has given you figures which show we are making progress but that other nations, admittedly much bigger than ours - bigger in terms of population and bigger in terms of size of industries in many cases - has given you figures that other nations bigger than ours are doing better. I believe that we can do better and that is why my Government supports this National Export Week up to the hilt.

Our policy, in basic terms, is constant. We stand for economic growth, we stand for national security and we stand for full employment. We aim to maintain what we already have, and that is one of the highest living standards in the world. That is to say we aim to maintain that, provided the workers, the manufacturers of this country take advantage of the climate which has helped this situation to come about.

I think we are the thirteenth largest trading nation in the world today. I don't know that it matters a great deal how we rank, but I think we are. What matters more than how we rank is the contribution our trading makes to our balance of payments.

We have proved ourselves to be one of the world's most efficient producers of temperate farm products, and by a tariff policy of protection for economic and efficient industry, we have developed a sophisticated and diversified economy. I think it is hardly necessary to

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mention minerals, oil and gas because we read about them every day at breakfast.

Now all this provides exports and export potential. We have already penetrated, in some form or other, most of the recognised markets of the world, but there are still new ones to be found and there are still opportunities for stepping up sales in the markets we have. There is plenty of scope for Australian ingenuity and originality. Although we have displayed quite a lot already, the more we can display, the greater will be the success of the efforts you are making.

I know that some of you know, but did you all know that we export stainless steel cutlery, for example, to Sheffield, that we export tulip bulbs to Holland? Did you know we export spaghetti to Italy, ball bearings to the Ruhr and windscreen wiper blades to Iceland? Did you know we export cheque books to Bangkok? Our responsibility finishes though with providing the cheque books! We export waffle-making machinery to America, safari suits to Zambia and Irish stew to Scotland? I could go on, but I think these examples are enough of the ingenuity and the taking advantage of opportunity of which I have spoken.

The pattern of our trade has already changed significantly and it will continue to change. We have to adjust to that change and it is the individual exporters, the men in the field, who have ultimately to do the job.

So I appeal to you today under five headings -

1. Be adventurous
2. Aim for higher productivity
3. Improve your products - in such cases where it is possible for a product to be improved
4. Research your industries - and the Government is prepared to help research in industries.
5. Double your efforts.

I daresay you could well appeal to me under exactly the same headings, but well fair enough, let us both try.

You, Sir Charles, acknowledged the part the Government is playing in encouraging exports. This will go on, through the commercial services of the Department of Trade and Industry, through insurance facilities, export incentives of one kind and another and by research and development grants. These are constantly under review to meet changes as they occur, and I think, Sir, that you bring suggested changes to our notice without noticeable inhibition.

I would add that my Government has always looked sympathetically at proposals from industry designed to give Australian exporters a stronger competitive position overseas. It has also given leadership in negotiating commodity agreements and access to world markets under international trade arrangements. But I stress again at this point that this is where we hand over to you.

There is only one more thing I want to say and it concerns an export less tangible than the ones we have been talking about. It is the status of the Australian nation.

We have, I think, a reputation among the nations of the world for stability and responsible administration; we pay our bills and we honour our obligations.

This is an export commodity we must nourish carefully, just as carefully as we must watch the standard of the goods we produce to sell in the tough, competitive markets of the world. This again helps us to attract capital and market opportunities.

I believe we have the resources and the skills, and our people - you people - have the character and the integrity to be a really great nation. This is a period of building which in itself carries its own excitement.

We are one people, living in an area of change and opportunity. I am confident we can make our future secure and also make a significant contribution to the peace and stability of the Asian and Pacific environment in which we live.

This we can do, not only by our industry at home and the development of our own country, but as a trading nation sharing the export markets of the world on a fair, permanent and enlarging basis. This is your objective, this is the objective of those who are attending this Week, this is the Government's objective. May I express the hope that together we achieve those objectives for the good of us all.

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