

AUSTRALIA CLUB ADDRESS  
GIVEN BY THE PRIME MINISTER, MR. JOHN GORTON,  
AT THE DORCHESTER HOTEL, LONDON

17 JANUARY 1969

Your Royal Highness, the other Lords who were mentioned by the Toastmaster, Your Excellencies, Ladies and Gentlemen:-

May I first express the great pleasure and the great lifting in the heart I feel at being in this room with such a distinguished company, who have come together, as I believe, to demonstrate affection and support for the country which I lead.

It is indeed a demonstration to warm the heart of any Australian. But though I come from half a world away, yet I do not stand here completely as a stranger. As you, Mr. Minister, have said, some formative years were spent in this country during the course of my education at a college called Brasenose which was then not noted for learning in any way at all. But nevertheless judging from the alumni - if I may use a word borrowed from my American wife - it does seem to have thrown up a large number of people leading in a large number of fields, in spite of the fact that so much of their time was spent either rowing or playing hockey or engaging in some other enjoyable and agreeable activity.

I was much struck, talking of this kind of agreeable activity, by the typical British understatement you made, Mr. Minister, when you said you had thought of Australians as people who just played cricket. I seem to remember in the course of the years that they played it reasonably well. Brasenose was not my only early life experience in the United Kingdom. With a typical politician's desire to make the best of both worlds I engaged in labouring activities. Indeed the present Lord Tweedsmuir and I shipped as deckhands on a trawler out of hull and worked our way around the Farao Islands and back, although at that stage, Sir, it was not absolutely essential for us to have a union ticket. But we did learn much of this country in that time, and indeed, to know more perhaps because of that study of history in which I was engaged at this great university.

It became clear to me, as it must to anyone who studies history, that it is the British people over the centuries who have internally and externally engaged in struggle aimed always at seeking to destroy arbitrary power wherever it may raise its head; who have sought to give to the individuals - who alone are the riches of any country - the right fully to participate in the decisions that their country makes. And from the time of Cromwell or before, through the Napoleonic wars, through the wars when at any time absolute and arbitrary power sought to conquer Europe (which then was the significant world) it was Britain who stood as the bulwark against that idea, and this we can never forget. Nor can we forget, as Australians, that for nearly two hundred years, we lived in that faraway country completely under the protection of the British Navy. We had no need to defend ourselves

except occasionally when we raised trained bands because it was thought that Russia might invade us at the time of the Crimean War or something of that kind - history has a habit of repeating itself. And yet the trust, the faith, the protection, was in the British people and the British Navy. When the calls came in South Africa, or in the First World War or in the Second, then naturally we repaid, or sought to repay, that which had been so generously given to us. And on the whole, I think one can say the books are reasonably fairly balanced.

We will, I think, as you suggested, Mr. Minister, take more part in the region in which we live, provide more in the way of defence for the stability of the regions in which we live. Indeed we have little choice, but this is not unreasonable and this is not something at which I, at any rate, intend to cavill. For we do still revere and we do still uphold those same institutions of parliamentary democracy, that same reverence for the rule of law which this country has brought into the world, which you helped us for so long to retain and which I know should they be threatened in our own country from some source outside, we could look to you and the British people to assist us to retain.

So you spoke of the development of Australia, of the excitement of Australia, of the future of Australia. I would like for a little while myself to say some words on what I see as a brash, a growing, an exciting, and exhilarating country; perhaps one of the most exciting and exhilarating countries in the world, just getting off the launching pad in a way. Thirty years ago we had a population of 7 million: today we have a population of 12 million - in thirty years we will have a population of 28 million. And thirty years in the life of a nation is but the blinking of an eyelid and then having attained the population we will go on as I believe to 50, 60, 70 million and be a real power in the world. It will be a power I hope that will always be exercised for good and always be exercised in conjunction with the British Government of the United Kingdom itself.

There has been an "explosion" in Australia just recently and I am going to weary you with some statistics to indicate the extent of this "explosion". Not so many years ago we were thought to be poor in natural resources and to be growers of wool, growers of cattle, growers of cricketers, growers of people who sometimes unjustly criticise the United Kingdom, but not richly endowed in those dry, arid, inland areas which make up so much of our continent. Yet now our known oil fields will be producing about 70 per cent of our own requirements for crude petroleum by 1970 - just two years on. Only a fraction of what is there to be discovered is I am sure, as yet, discovered.

We have at the same time discovered supplies of natural gas for industry in our great cities, and this will be available in those cities - Melbourne, Brisbane - probably by the end of this year. Our iron ore mountains seem to be illimitable and made of a grade unmatched elsewhere. By 1970 we will be exporting 35 million tons of iron ore every year and by that stage or '71 or '72 these minerals, nickel as well, will be producing one billion dollars a year of export income for our country.

We have more than a third of the world's known deposits of bauxite, to make alumina and aluminium and the output will rise from about a million tons which is the present output to 10 million tons in 1972. Production of coal for export will double. Nickel discoveries, in which I think quite a number of people in the United Kingdom have done reasonably well, will add to this future which lies so close within our grasp. Phosphate, copper, other minerals have been discovered and will follow.

This is no credit to us. I do not tell this to this distinguished company in the suggestion that it is something that resounds to Australian individual's own credit; I say it because I want to indicate that there is in my belief an illimitable future, that there will be a doubling in our economy every thirteen years, and that those who are interested should get in on the ground floor, as some already have, to take full advantage of the opportunities which are there in such great abundance. Not opportunities merely for Australia. Because if it is true that this economic development is possible - and I am sure it is - and if it is true that this economic development in its turn will enable the influx of population which we so require - and I'm sure that too is true - then this vision of a nation in twenty, thirty years will be of advantage not just to us, but to us and to that England which will be tied to us forever in general approaches to the world's requirements and the world's problems.

I did read in one of the distinguished papers of this country this morning, a leading article suggesting that we regarded the United Kingdom as a quarry for taking people and population. Well, I suppose in a sense we do. But it will be to both of our advantages, and indeed it will be different from what was originally said when the settlers first came to Australia, because we will be able to say with full truth - "True patriots they, for be it understood, they left their country of our country's good."

But what we - I must pause here - all the things which I have said will take place. The speed with which they take place will naturally depend upon the amount of capital flowing in to enable such development. And this is the more true because on current account, on what we sell to other countries and what we buy from other countries, we don't do so well. The United States places difficulties in the way of us selling meat and wool and other products, and there are murmurings of some entry into some kind of association by Great Britain which might cut down on the prospects of selling our own primary products. And so the current account does need to be balanced by inflow of capital. Inflow of capital, which will go to a country as stable as any country in the world, and be able to be invested in enterprises which will return to those who so invest - an interest as great, I think, as they could receive anywhere. We want this, and we want it urgently. But we want it, in some respects, on our own terms.

Up until very recently it has seemed to me that the posture of Australia in seeking overseas capital has been the posture of a puppy lying on its back with all legs in the air and its stomach exposed, and saying, "Please, please, please, give us capital. Tickle my tummy - on any conditions", and this is being re-examined for those who seek and wish to take the risks and the advantages that are offered, by bringing in capital for new development, then we are delighted, and we are receptive for that capital. But we do say - and I go no further than to say that we do say - that we would be happy if in such cases when some new great development were to take place, and capital from here were to come to help it, and there was an opportunity - I say only an opportunity - offered for some equity participation by Australians in that new development. Should they care not to take it up, that is their business, that is their loss. Should they wish to take it up at some later stage, after the risks have been taken and have been successfully overcome, then they must expect to take it up at a premium, because somebody else has taken the risks. But initially, it would please us if in such cases an opportunity were given to get in on the ground floor.

We do not look with complete and utter favour on overseas corporations, having started development in our own country, having brought capital from abroad to make that development possible, then seeking to raise debenture capital inside our own country in order to keep the process rolling. Well this is not overseas capital, this does not bring in with it a capacity for us to bring in more migrants. This does not bring the machinery or whatever it may be that true overseas capital provides. But being reasonable people, we are amenable to any suggestions that, should such a situation arise and should debenture capital be sought to be raised within Australia for purposes of some overseas company, we would look at that with sympathy, as long as it was coupled with the offer of equity to Australian shareholders at the same time.

You may have heard perhaps - I gather you have from reading the newspapers - some queries in some minds as to our attitude towards portfolio investment, as distinct from development investment. We are delighted to have portfolio investment, particularly if Mr. Smith, or Mr. Brown or Mr. Jones, wishing to take a flutter in Great Western, or in B. H. P. or some other of our great companies, wishes to buy two hundred shares, three hundred shares, five hundred shares - this is marvellous. We like it. We trust no impediment will ever be put in its way. And we realise that in the case of companies already established, that there are instances in which such Australian companies could with advantage to them and to Australia, be taken over. If there are inefficient companies, companies badly run, companies which need capital they cannot raise inside our country, companies which need an infusion of technical management, then it could well be of advantage to all that from abroad somebody who can provide the required capital and management skill and technology should be enabled to enter into and if necessary control and certainly have a very great influence on such a company. But we do believe that there are other companies, well run, well managed, sometimes under-valued on exchanges in relation to the assets they have, who can be subject to market raids, to offers of first come,

first served, to certain shareholders so that the whole company itself does not have a chance, all the shareholders do not have a chance to examine the offer that is made, and we do not have a chance to know who is buying the company. There was a specific instance of that not so long ago and we had to discover who was trying to buy one of our insurance companies, who was buying it and whether we thought that such a company should in such cases be taken over.

These are under examination, these last two matters at the moment. They will be worked out. But let there be no doubt in the minds of anybody in this room, but that we need, wish, welcome, investment capital, that there is stability of opportunity for those who have it to invest. And speaking for myself, in spite of what I am told from some quarters, I think that if we provide a stable government, and if we provide clear evidence that there is going to be a darn good return on any capital that is invested, then that capital is going to come to us and not be frightened off because of the sort of things that I have just now been saying.

We do not want, in twenty or thirty years, to have Americans, or French, or Swiss or British, owning the major companies in Australia, for a variety of reasons I do not need now to go into. But I had promised I would say something on this subject, tonight. I know it's dull. I know it's dry. Now 've said it. But when all is said and done, Sir, to come back to what you said at the beginning, all these things, really, are tools with which to build the future. The tools with which to make one potentially great nation realise that potential, so that it can in the future, in conjunction with an already great nation, make a far greater contribution and effect on the world, to the benefit of all of us.

And this is essential, I believe, if we are to keep in a world swinging down the grooves of change, those things of which you spoke and for which Britain stands. The avoidance of the knock on the door of the secret police at midnight; the avoidance of the fear of one man to speak his mind because he may be punished; the opportunity for a man to develop his own capacity to the top of his bent. And it's a charge laid on all of us to see that these things are kept. All of us - English, Australians, New Zealanders - all those of common stock and of these beliefs. A charge that was laid in 1939 and '45. And can I ask you, as you look at me, to try not to see me, if I make this point, but instead to see behind me, regiment on regiment of young men dead in '39 to '45, and try and hear them saying - burning in tanks and aeroplanes, drowning in submarines, shattered and broken by high explosive shells - we gave, for our full measure of devotion, that these things of what you spoke, and of which I am speaking, might continue.

And they will continue the better while we stay together, while we stay in conjunction, while we in Australia reach towards our destiny. While we convert the vision splendid, of the sunlit plains extended, into a reality which is now within our grasp. With our work, and your help, to our common effort, and for the protection of those things, we both, as I am sure, desire for our children.

Thank you.

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