

"AUSTRALIA 1980"

AUSTRALIAN FINANCE CONFERENCE SEMINAR

Wentworth Hotel, Sydney, N. S. W.

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SPEECH BY THE PRIME MINISTER, MR JOHN GORTON

Mr Chairman and Gentlemen :

I have really come here tonight because I believe that the objectives of this Seminar and the calibre of the people who are attending it are in both cases so great they should be recognised on a national basis.

There are a number of things which I think should be said even though they may be already in your minds, and probably they are or you would not have come together to discuss what our nation will be like in 1980.

This morning the Treasurer spoke to you of the progress we have made over the last decade. Now let us think of the progress possible for us between now and 1980. What sort of a nation could we then be? What sort of a place in the world would we then fill? What sort of a potential still remaining before us could we have achieved in the decade from now onwards?

These are most significant questions, and ones to which you, academics, public servants, businessmen and ordinary Australians in every walk of life must direct their minds. This is a duty because.... how long ago - 25 years or more ago - great numbers of Australians and men from Britain and the United States gave up their lives in order to ensure that we and other nations who are like-minded would have a foundation on which to build the future, the foundation being the interplay of freedom in a community and the use of freedom in a community. And they secured that foundation, but a foundation is not a building.

Without a sure foundation, you cannot have an enduring structure. But the foundation having been achieved, it is now necessary and essential that the enduring structure should be built on it, for those who gained the foundation and for those who will come after us. This, I think, is the problem to which you are directing your minds. You cannot, of course, provide a building without great effort and thought and planning. And I presume that the effort and the thought and the planning, and the directions they should take, are what were in your minds when you decided you would have this seminar.

Well, what could Australia be like in 1980? Let us look at the material possibilities. There has been, in the years just recently past, an explosion in Australia. We have an opportunity which,

I think, no other nation in the world has within its grasp.

Not so many years ago we were thought to be poor in natural resources, to be growers of wool, or growers of cattle or producers of cricketers or tennis players, and not a nation with the immense potential as such countries as the United States. Yet, in those few years we have - and let me here quote what may be wearisome but nevertheless true statistics - we have discovered oil fields which, by 1980 and before, will be producing some two-thirds of the oil requirements of this nation. Yet we must discover more because we will not be able indefinitely, from the oil fields so far discovered, to produce all the requirements we need in the future. Indeed, perhaps 11, 12 or 14 years will see the present discoveries needing to be augmented.

We have discovered natural gas in almost unlimited quantities, which will be fed in not only to the domestic hearths of this country but into the industrial complexes, to provide a cheap and reliable source of industrial energy. We have discovered iron ore in mountains, and the amount of iron ore in them seems to be illimitable while the quality appears to be unmatched from any other iron ore sources in the world. And from these mineral sources alone, long before the period to which you are looking, something like one billion dollars a year of export income will be coming into this nation.

We have more than one-third of the world's known deposits of bauxite to make alumina and aluminium - and I mean to make alumina and eventually aluminium. Our bauxite output will rise from about one million tons, which is our present output, to ten million tons in 1972. Production of coal for export will double. Nickel discoveries will add to the future that lies so close within our grasp, and we are likely to be one of the great exporters of nickel in the world. And phosphate, copper and other minerals which have been discovered will follow.

This is no credit to us. These things were there. But they have been discovered and what has been done to exploit their discovery has been of some credit to us, though you, better than anyone else, will know how much more can be done to make it of yet more credit and of yet more benefit to the nation in which we live.

In addition to these natural resources, primary products have added to our glimpses of the future, so too has our industrial secondary development. But there is very much more to be done.

What in 1980 will our numbers be? They will be 15 million, a 25 per cent increase on the numbers now living in Australia. And what will an increase of 25 per cent in our population enable Australia in 1980 to do?

It is up to you, and to us all, to see that the best possible uses of these material opportunities are made. And then what would we want our nation to do?

Well, I believe that you would want, and the Australians of 1980 would want, to see that we took our place in the region in which we live as the technological leader of that region, as the manufacturing leader of that region. We would want to be a nation which provided to the greatest extent possible commensurate with our own requirements, technological assistance, aid of all kinds to the economies of the countries in our region and, if necessary, military assistance, to provide that security without which economic progress is probably impossible. That is why we have - as one decision we have had to make - indicated that we were in and of the region in which we live, economically, politically and militarily, and have provided an earnest and a visible instance that Australia is there and is going to be there to the utmost of its capacity now, and I believe in 1980, if we are wanted.

Further, we would want to see that such material progress as comes to us from the great opportunities that are within our grasp are spread more evenly amongst our population. I don't mean by that, any more than the Treasurer meant this morning, that those who contribute most because of their brain power or organising power or luck or whatever it may be, should not be rewarded most. But I do say that if there is great material prosperity to come to us, as I believe there is, then it is wrong, it is unsupportable that there should be people who are bankrupted by illness or who are unable in their old age, having borne the heat and burden of the day, not to have a comfortable life, and a life without worrying whether there is enough money to buy enough to eat. This is one of the things that I believe we must be working for in 1980, indeed before that if possible.

But if this nation is to be what you men of vision, and Australians of vision want it to be and believe they can make it, then material prosperity is there, and the spreading of that material prosperity is possible and the taking of our place in the world is possible. All these things depend on the thought and the effort and the devotion and the leadership of all of us in this room and of Australians outside who, as I believe, have themselves perhaps an unformulated but certainly a sincere vision of what they want the future of their country to be.

What is going to happen though if we do develop as quickly as we can, what is going to happen about the ownership of Australia in 1980, and of the various enterprises in Australia in 1980?

There are two things which are in a sense conflicting, which we must have in our minds when we think of this problem. Firstly, it is utterly impossible for us as a nation to develop as quickly as we must, to bring in as many immigrants as we must, to provide the industrial muscles we must, unless there is a strong inflow of overseas capital. From our own resources we cannot generate enough to do all that we need to do in the time available.

And yet, that having been said, and that being essential, it is also necessary to seek to see that by 1980, the inflow of this capital - which I reiterate still must come - has not come in

such a way that there has not been an opportunity for Australians fully to participate in the growth which this capital makes possible. There are a number of facets of this problem, of this difficulty of steering between Scylla and Charybdis.

One of them, of course, concerns the question of takeovers by overseas companies of Australian companies. As far as I am concerned, if there is an inefficient Australian company which would benefit from an infusion of capital, from an infusion of technological know-how, from an infusion of management, then the provision of 50 per cent, or even 60 per cent of overseas capital to see that that company became efficient would not in any be repugnant to me. But if there were an efficient Australian company, if there were a company which was operating with good management, good technological application, and there sought to be a raid on that company by people with a long spoon who could afford to buy it out at high prices and wait for growth to repay in five, ten or twelve years' time without dividends in the meantime, then I would not think it was in Australia's interests that, in such cases, that should happen.

There are questions of development capital required which are quite different from what I have been speaking about so far. We have made it clear, as a government, that we would like to see, that we wish to see, that when development capital comes to Australia to exploit some hitherto unused resource, to open up some area of the country, that it would provide an opportunity for some Australian participation on the ground floor. This is not a matter for legislation. This is not a matter for something rigidly written in a bill. These are ad hoc decisions in almost every case. But I think that if a government makes it clear that it would like this to happen, then this does have an effect on responsible overseas companies who are thinking about coming to this nation and developing some area of it.

It does have and has had an effect on really responsible overseas companies in their decisions as to the amount of equity they would be prepared to offer - and I use the word "offer" and I will later say why I use the word "offer" to Australians. I have no doubt that this is already happening.

Then there is the question of an overseas company which having, to our benefit - and don't let us ever forget this - to our benefit as well as to their own, having carried on some development which needs to employ new funds for further development, and which seeks to raise a proportion of those new funds inside this country (and funds raised inside this country are not overseas capital - and I am speaking of funds raised on fixed interest) Surely, again without legislation to bring down rigid rules for this, surely it is not unreasonable to suggest that if such a company wishes to raise fixed interest money inside Australia, whatever proportion it may be of the total new funds proposed to be used, that the attitude of a government towards an approach to raise such fixed interest capital inside Australia

would be influenced by the amount of equity such a company was prepared to offer to Australian shareholders. This indeed is what we have been saying.

It may well be - and I would not deny it - that so much capital is required for the development of Australia and for new funds to continue the development of Australia that the money markets of Australia and the savings of Australians could not meet the requirements of x per cent of equity. I think it likely that they could not. That is why I use the word "offer", because what is important to me is that in such cases people are prepared to allow Australians to enter with equity such companies if Australians are prepared to take up the offer. But if they are not prepared to take it up, as for good reason they were not prepared to take it up in Gove, or if because of existing economic circumstances in any particular year it is thought that a float could not be filled if it were offered, then at least the offer has been made. If Australians cannot accept it, then that is no reason why the development should not go on.

But if we are thinking of Australia in 1980, it is as well to have in mind not the legislative compulsions which people talk about because there are so many different circumstances in any particular application. But it is as well, I think, for those who come to us from overseas to know that they won't be disadvantaged, but to know what it is that Australians would like them to do and, one hopes, to be prepared to enter into some kind of partnership with Australians so that by 1980, we will be able to be in greater or lesser degree partners, and not merely the subject of investment.

Of course we are partners in some degree already as all of you will know, because we get 45 per cent of any profits that any overseas company makes! But nevertheless, that having been said, it is still not unpleasant to think that there would be a partnership, there would be an opportunity for Australian participation, depending on the circumstances and the amount and the economic climate at any particular time. Well, we'll see by 1980 how it has worked out.

Then we want, I think, in the nation that we all envisage, more than just these material advantages. There must be some conception of the philosophy that the nation wants to live by. I would hope that by 1980 we would have been able to develop a system of education which would provide us with the scientific graduates and the technological people from the Colleges of Advanced Education and from the universities who will be able to give industry what it wants. They would be people who would be able, as technologists, to advance the boundaries of knowledge in technology in industry, and be able as technicians to understand those advances and to service the requirements of the latest machines and techniques.

We would want to see that each individual in this nation would have an opportunity to choose the type of work which fulfils him, whatever it may be, whether it is producing television shows or whether it is out on the new frontiers driving bulldozers. Whatever it may be, in whatever field - whether it is as a teacher, actor, politician or businessman - people should be able to choose the type of occupation which will give them some belief that what they are doing is not only being done for themselves but is also contributing to the nation of which they are a part. To give this opportunity is part of what I mean by the philosophy a nation lives by. And I would hope by then, and I believe by then, there would be no individual in Australia whose first loyalty, whose first thoughts, whose first devotion was not to the nation in which he lives, rather than to the part of the nation in which he lives.

But much sooner than that, we will have what we have only had before perhaps in wartime, and that is a sense of unity of purpose, a sense of delight in victory, whether that victory occurs in the West or in Bass Strait or at Weipa or in Gladstone or in Groote Eylandt. Each individual will have a feeling of satisfaction at the efforts he or she is contributing to the growth of a great nation. This is the nation of which you have a vision, and which, God willing, could by 1980 be an example to the rest of the nations of the world and which, after 1980, will continue to unfold the story of Australia Unlimited.
