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RUMOURS ABOUT PROPOSED INDUSTRIAL
DEVELOPMENT CORPORATION



Statement by the Prime Minister, Mr. John Gorton

It is necessary to dispose of some of the wild stories and mistaken rumours which are circulating concerning the proposed Industrial Development Corporation.

An official, detailed statement will be made at the appropriate time by the Government, and prior to that any observations on the details of the proposal can be nothing but speculation.

However, there are certain matters which should be made clear. These are -

- . It is not intended that the Corporation should have the status of a bank or that any loans it negotiated would be guaranteed by the Commonwealth.
- . It is not intended that the Corporation should work under the jurisdiction or subject to the direction or influence of any Commonwealth Department. It would be an institution established by the Government by statute and be entirely free of any influence other than that set out in the statute creating it. It is intended that its directorate should include non-Government persons of top business experience.
- . It would in no way diminish capital inflow from overseas. Its objective would be, on the exercise of a business judgement, and when an Australian enterprise desired it, to substitute fixed interest borrowing abroad for some of the overseas money at present supplied in return for a surrender of Australian equity. Any internal borrowing would be kept to an absolute minimum and would be subject to the agreement of the Reserve Bank.
- . It would in no way conflict with the functions of the States or in any way affect their freedom in industry matters.

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Its function is to tap those sources of overseas funds from which overseas companies at present borrow for investment in Australia. If it does this, and thereby helps to assure that a greater proportion of Australian development remains in Australian hands, its objectives should commend themselves to all who do not think attempts to maximise Australian ownership are positively bad.

CANBERRA

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