The Opposition parties took their strong stand in Parliament over the Connor/Cairns loans affair on two major grounds: it believes the Government had sought to circumvent the Constitution and deceive the public, and it believes that the Government has shown colossal ineptitude.

As the tale has unfolded, one has begun to wonder whether this Government which is trying to run Australia is able to run a raffle.

The former Treasurer Dr. Jim Cairns, now sacked altogether from the Ministry, has shown how disastrous it is for a Minister of the Crown to allow his friends to select themselves.

He and his Government have been caught up with motley businessmen, one of whom has now declared himself to be a perjurer.

Dr. Cairns wore, he told the Parliament, his heart on his sleeve.

He might have added that while Treasurer, the second most important portfolio in the Ministry, he was also cavalier with his common sense, which he threw out the window.

Dr. Cairns did however have a dream, which after a certain amount of initial display while Minister for Overseas trade, he was able to keep to himself.

That was to set the Australian Industries Development Corporation up as a major instrument in securing public ownership of private industry.

His Bill to expand the powers of this body, to enable it to raise funds in Australia as well as overseas, and to expand the range of its activities, went through Parliament late in the Autumn Session. But Dr. Cairns did not tell the public that his proposals for the AIDC involved raising hundreds of millions of dollars to buy out business firms made vulnerable by the Labor Government's own economic policies and by its own mismanagement.

Dr. Cairns kept the dimensions of this dream of a socialist Australia quite secret.

The Minister for Minerals and Energy, Mr. Connor, was also in pursuit of a dream, which was even more grandiose.
and even more secret, than that of Dr. Cairns.

Who knows how much Mr. Connor wanted to borrow: according to the documents which were given to the Parliament this last week, it could have been 2,000 million dollars, or 4,000 million dollars, or 8,000 million dollars.

He began chasing this money through the Indian money broker introduced to him by Mr. Clyde Cameron, in November last year, a month before the Executive Council gave its invalid authorisation, and he was talking to Mr. Khemlani about a loan of 4,000 million dollars in March, a month after the amount authorised had been halved to 2,000 million dollars.

Nor has he given up. Mr. Connor told Parliament he was still after funny money from the Arabs, although the Prime Minister told Parliament in May that the authorisation to Mr. Connor had been cancelled.

We have learned in the last few days that Mr. Connor wanted this fortune, more than three times as much as Australia's present total overseas debt, to build gas pipelines, uranium treatment plants, a factory to turn coal into petrol, and to electrify railways and deepen and construct harbours.

Who knew about all these schemes. Mr. Connor never told the Parliament and the people that this Wizard of Oz package was his goal in office.

He talked about Australian ownership, he talked about a deal with the Japanese to build a uranium enrichment plant.

He dazzled Parliament and the press each time he spoke with a rigmarole of statistics about gas reserves in the north west shelf or coal reserves in Queensland.

But, as with Dr. Cairns, Mr. Connor's dreams of a socialist Utopia were locked away, protected from public and Parliamentary discussion.

The people of Australia were never told that this was the way it was to happen, with Dr. Cairns and Mr. Connor sitting on top of the empire.

They were never invited to consider what would be gained for the nation, and whether sloganeering about multi-national corporations was being used as a smokescreen to conceal the old goal of socialism.

If they had, people might have asked themselves whether they preferred having the Americans owning a factory making breakfast food, or the Arabs holding a mortgage
over the whole nation into the indefinite future, and whether they wanted the Australian debt to be increased by 1,000 dollars per family.

These schemes would have been disastrous for Australia.

They would have destroyed the faith of the Western world in the economic stability of the nation, and the soundness of its government.

They would have driven out of the country the exploration companies which in the last few years have made Australia self reliant for much of its oil needs.

They would have destroyed the present basis of Australia's credit rating in international loan markets.

They would have slashed at job opportunities and prospects for individual Australians, as the Government became the Nation's major employer.

I do not believe the Cairns-Connor socialist fantasies would have been acceptable to Australians.

This country cannot be prosperous without foreign capital. It is better that the British and the Americans own some factories than that the Arabs own the Government through a debt that might never be repaid.

I believe this is the explanation for the actions of the Whitlam Government in trying to raise money through half-baked money brokers instead of proper banks.

I believe this is the reason why the schemes were not even put to Cabinet and why the Queen's representative in Australia was told at the Executive Council Meeting in December that the loans were for temporary purposes, thus enabling a breach of the Constitution.

The Whitlam Government has produced a conspiracy of deceit to conceal lunatic ambitions. In the process, their Government has been made a farce.

Economic Nationalism

All Australians want maximum Australian ownership of the Nation's industries and its resources.

However, we also acknowledge the difference between control, which must remain firmly Australian, and ownership.

Depending on the circumstances it may be necessary or desirable to permit partnership in ownership between Australian and overseas interests.
There is also an obligation on Australians to recognise that our country is rich in resources, while others, rich only in the energies and talents of their populations, are dependent on countries such as Australia for the raw materials which they manufacture and sell.

Japan is notable among these nations. I doubt that Mr. Connor's sloganeering has won much support from Australians but it appears to have had a disturbing and dangerous impact on relations with Japan, and their concepts of Australia as a reliable supplier.

In Government, we would pursue the goals of full Australian control and maximised Australian ownership, but in a rational manner that could be understood by our trading partners.
Library Digitised Collections

Author/s:
Fraser, Malcolm

Title:
Dr Cairns, Labor government

Date:
13 July 1975

Persistent Link:
http://hdl.handle.net/11343/40658

File Description:
Dr Cairns, Labor government

Terms and Conditions:
Copyright courtesy of Malcolm Fraser. Contact the University of Melbourne Archives for permission requests.