

T. & C. 44/3694.

5th October, 1944

Dear Sir,

I have no doubt that you are aware of the desire of the Government to establish the motor vehicle manufacturing industry in Australia including the manufacture of the chassis and the engine.

Following consideration by a special Sub-Committee of Ministers of various major aspects of the matter including a re-examination of measures proposed by the previous Government to achieve a similar objective, Full Cabinet recently approved of recommendations of the special Sub-Committee in the following terms—

1. The Motor Vehicle Agreement be repealed.
2. The Motor Engine Bounty Act be repealed.
3. All interested parties be invited to submit proposals for the consideration of the Government.
4. When considering the proposals received, the question of utilising Government factories for the production of component parts on a scale adequate for the maintenance of the factories as efficient units for future defence production should be examined.
5. If satisfactory proposals are not received as a result of the invitation to interested parties, the Government should set up a Corporation to manufacture a complete car.
6. With a view to decentralisation financial assistance be given to enable freight equalisation to be effected.

The purpose of this letter is to inform you (as one who has previously shown interest in this matter) of the objectives and most recent decision of the Government, and to ascertain whether you are interested in the matter of submitting manufacturing proposals to the Government for consideration. In the latter event, I am directed to invite you to submit proposals to me in such detail as you find it possible or convenient. All information will be treated as strictly confidential and will be submitted to the Cabinet by my Minister.

I should welcome an early acknowledgment of this letter together with an indication of whether you contemplate the submission of proposals at a later date.

Yours faithfully,
(Signed) J. J. KENNEDY,
Comptroller-General.