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PRIME MINISTER

MACQUARIE NETWORK WEEKLY BROADCAST
BY THE PRIME MINISTER, THE RT. HON.
WILLIAM McMAHON, CH, MP.

FOREIGN TAKEOVERS

UNEMPLOYMENT

5 OCTOBER 1972

Interviewer: Paul Lynch

- Q. Prime Minister, last week you spoke to us about your plans to control foreign takeovers. What has happened in the week since then?
- PM: Immediately after I made the statement, I gave directions to my Department to prepare a bill relating to the creation of an independent authority to vet takeover proposals for Australian companies. The bill has been completed now, and I put the final touches on it yesterday with the technical experts, and I very much hope I will be able to introduce it into the House in the coming week. In other words, the newspaper reports that you have read that the bill won't be put on the table of the House are wrong. And what we will do is to have this independent authority that will have guidelines set down, and unless it can be proved that the takeover is in the public interest, then a recommendation can be made by the independent authority, submitted to the Government and it is up to the Government to make up its mind what it will do. But it will be an independent authority with people outside the Government analysing the facts and making representations to the Government about them.
- Q. Prime Minister, have you received any representations from foreign interests at all about your proposals to affect the way they can invest in Australia since you first announced this last week?
- PM: No, I have not had any. But I have read comments in the newspapers and those comments seem to indicate that they were accepted by the international corporations. In any event, it doesn't matter whether they are accepted or not. The simple fact is that they are going into law. We are going to protect Australia's interests.

Q. Prime Minister, when would you hope that this authority could be set up and could pass on foreign takeovers and also inflow of capital investment?

PM: Very soon, but the time factor is not of a great amount of importance for these reasons - that I did say in my statement to the House that we would have an interim authority comprised of civil servants within the Commonwealth Government, and they will act in the same way as the independent authority will act when it is created. So already we have got the Departmental authorities working. They can make recommendations either to me or to the Cabinet and we will decide what action should be taken either to prevent or to permit foreign takeovers. All in all, it is going to be a very difficult project for the so-called international conglomerates to get their hands on Australian companies. They will have to submit very strict proof that it is in Australia's national interest to permit it to happen.

Q. Do you consider this in any sense interim legislation, or do you feel that it is so tight and so clear-cut that it will make future guidelines under any government for foreign takeover proposals?

PM: At least it is the outline of what my Government will follow in the future. We may refine it a bit but the essentials are there. What a government of a different texture would do, I don't know, but they will find it very difficult to get away from our decisions. And in any event, I believe we will be there to administer it.

Q. Turning to another matter, Prime Minister - unemployment. In a matter of a few days, the September unemployment figures will come out. There has been a certain amount of discontent in the Press and elsewhere about the fact that the previous set of unemployment figures showed higher unemployment. Do you have anything to say about that?

PM: Well, there are two things that have to be said. The first one is, without any doubt at all that there was a reduction in unemployment in the month before last. In fact, there was a drop of about 4,500. But we also have what I regard as a somewhat complicated system called seasonally adjusted figures. Now those seasonally adjusted figures over-emphasise the degree of unemployment and even the Government Statistician warns whenever he issues the figures that they must not be taken as definitive. They are only there for the purpose of scientific analysis and they must not take the place of scientific analysis, and if you do, you are bound to be wrong. So that puts the matter in perspective. There will be, I believe, and I have talked to my colleague, the Minister for Labour and National Service about this, there will be a quite substantial reduction in unemployment for the month of September and that will be published quite soon. It will be, I believe, a bigger reduction than normally takes place. I am looking forward - with a little bit of anxiety - but nonetheless with, I believe, a great deal of confidence that when the figures come out, even those who want to misrepresent them will be hard put to do so.

Q. Prime Minister, thank you very much.
