



PRIME MINISTER

12 JUNE 1974

Press Statement No. 266

SCREENING OF FOREIGN INVESTMENT PROPOSALS

In his 29 April Policy Speech the Prime Minister said that the Government would proceed with the further definition of guidelines for foreign investment in Australia and would extend the present systems of surveillance into a general screening process under the co-ordination of the Treasurer.

Mr Whitlam today announced the establishment of new machinery as part of the development of more extensive systems of surveillance by the Government of foreign investment in Australia.

A new interdepartmental committee is to be established to examine and provide advice on foreign investment proposals which come under notice through the exchange control mechanism and do not involve the takeover of Australian businesses.

The new committee will report to the Treasurer and will comprise representatives of the Treasury, the Department of the Prime Minister and Cabinet, the Department of Overseas Trade, the Department of Minerals and Energy, the Department Manufacturing Industry and the Reserve Bank. Representatives of other departments will be co-opted to the committee as appropriate in the examination of particular proposals.

The new committee will thus parallel and complement the existing Committee on Foreign Takeovers. Like that committee, its functions will be purely advisory.

The establishment of the new committee will not affect the existing procedures under which applications for exchange control approval for individual foreign investment proposals are processed through the Reserve Bank.

Mr Whitlam added that, in addition to reporting on foreign investment proposals arising through the exchange control mechanism, the new committee will be asked to bring forward, for the Government's consideration, detailed proposals for the screening of foreign investment activities which do not involve exchange control approvals - for example, investment proposals which would be financed by foreign interests from funds available to them from Australian sources.

"For the AAA to urge greater spending on roads demonstrates that it is living in the past.

"All the beautiful-looking freeways in the world won't stop cities from finally choking in atmospheric pollution and 'seizing' in the streets from vehicle congestion. Sydney and Melbourne have been recording heavier-than-ever atmospheric pollution figures recently and fast, comfortable and economical public transport is the only alternative to the disaster that befell Los Angeles.

"There, the building of more and more freeways simply encouraged greater use of cars until the point was reached where Los Angeles achieved doubtful fame for the size and density of its smog problem which brought with it respiratory and other complaints on a large scale.

"Now, the city is turning away from the freeway, and the automobile, and reverting to urban public transport. In this it is doing what most major cities of the world had done already.

"Simply pouring out money for roads is outdated. If we had unlimited funds for them we would be pointing our cities down the same road to disaster as Los Angeles." Mr Jones added.

CANBERRA

12 JUNE 1974

AUSTRALIAN GOVERNMENT
Second Whitlam Ministry

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| 6. | Minister for Foreign Affairs | SENATOR THE HON. DCN WILLESEE |
| 7. | Treasurer | THE HON. FRANK CREAN, M.P. |
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| 19. | Minister for Housing and
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| 20. Minister for Transport | THE HON. C.K. JONES, M.P. |
| 21. Minister for Health | THE HON. D.N. EVERINGHAM, M.P. |
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| 24. Minister for the Environment and Conservation | THE HON. MOSS CASS, M.P. |
| 25. Minister for Aboriginal Affairs | SENATOR THE HON. J.L. CAVANAGH |
| 26. Minister for Science, Minister Assisting the Minister for Foreign Affairs in Matters Relating to Papua New Guinea and Minister Assisting the Minister for Defence | THE HON. W.L. MORRISON, M.P. |
| 27. Minister for Tourism and Recreation and Vice-President of the Executive Council. | THE HON. F.E. STEWART, M.P. |

JUNE 11, 1974.

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