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PRIME MINISTER

STATEMENT BY THE PRIME MINISTER ON FOREIGN INVESTMENT IN AUSTRALIA, AT THE BROOK CLUB, NEW YORK - 29 JULY 1976

The Prime Minister said tonight in New York that his discussions here had indicated a strong endorsement by leading American financiers and businessmen of Australia's policy of seeking local equity participation in foreign investment where possible. He said that there had been no questioning of the Government's approach in this area.

The Prime Minister was speaking after a dinner at the Brook Club in New York attended by top U.S. business leaders. A list of those attending the dinner follows:

GUESTS

Mr C.F. Barber	Chairman, Asarco Inc.
Mr Henry Ford II	Chairman, Ford Motor Co.
Mr C.C. Garvin	Chairman, Exxon Corporation
Mr John D. Harper	Chairman, Alcoa
Mr Alfred Hayes	Chairman, Morgan Stanley International
Sir Randal Heymanson, C.B.E.	Chairman, American Australian Association
Mr R. Jones	Chairman, General Electric Co.
Mr Frank Milliken	President, Kennecott Copper Corporation
Mr Sydney Morrell	Chairman, Sydney Morrell and Co. Inc.
Mr Rupert Murdoch	Chairman, News America Inc.
Mr Robert Norris	President, National Foreign Trade Council
Mr Ellmore Patterson	Chairman, Morgan Guaranty Trust Company
Mr David P. Reynolds	Chairman, Reynolds Metals Company
Mr Benno Schmidt	Managing Partner, J.H. Whitney and Co.
Mr Thomas J. Smith	President, Farrell Lines Inc.
Hon. Phillips Talbot	President, The Asia Society
Mr Paul A. Volcker	President, Federal Reserve Bank
Mr Rawleigh Warner	Chairman, Mobil Oil Corporation
Mr Walter Wriston	Chairman, City Bank

and Senior Australian Government Officials.

Mr Fraser said that he had explained that the Australian Government welcomed overseas investment. The Government saw an important and increased role for foreign capital in the development of Australia's resources. Its attitude was significantly different, in this respect, to that of the preceding Government.

The Prime Minister said that he had confirmed that major development projects would not be held up solely on the ground that Australian equity was unavailable to meet a particular proportion of total capital. The foreign investment guidelines providing for Australian equity participation were being administered flexibly.

These guidelines were being applied in the interests of the overall development of the Australian economy. It was unrealistic to suppose that development of major resource projects could proceed without the injection of significant foreign capital.

The Prime Minister said that he had outlined recent measures taken by the Government to restore balance in the Australian economy and, most importantly, to reduce inflation. There was still a good way to go: but the Government was determined to bring inflation under control and to restore business confidence. The Prime Minister said that he had indicated his firm conviction that the forthcoming budget would play an important role here.

The Prime Minister said that his discussions in the United States suggested an increased flow of American capital to Australia. Investors were realising the need for early decisions to be taken to meet looming supply problems. The strengthening world economic recovery suggested the possibility of early constraints on capacity to meet resource needs.

As a resource rich country, Australia, the Prime Minister said, was in a position to take advantage of the potential increase in investment needs. The Government's policy was clear. It was now up to foreign investors to take advantage of the opportunities that offered.