

PRIME MINISTER INTERVIEWED BY STEVEN FOX, ASSOCIATED PRESS,  
LOS ANGELES

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Question

After I dictated to my office I was standing next to several of the gentlemen who attended the lunch at (inaudible) and one of them said one of the problems about investing in Australia is that there is a lot of labour strikes. Is that correct?

Prime Minister

There are a lot of strikes; in the last international figures I saw somewhat less than in the United States on a per capita basis.

Question

Do they tend to be more wild-cat though and more disruptive therefore?

Prime Minister

No. They are generally over wages or ...

Question

But I think that is predictable.

Prime Minister

It might be less predictable if you do not know the scene. You have got to study the industrial relations scene and a great deal depends upon the management of particular corporations. If somebody had said that, then I wish he had asked me a question

Question

I noticed there was an absence of questions at the end (about strikes).

Prime Minister

It has not stopped a great many corporations investing and making good profits.

Question

California is very heavily in aerospace and of course resource materials too. Some of the gentlemen here work for oil companies. Do you think Californian companies have taken as much advantage of opportunities in Australia as they might?

Prime Minister

I think United States companies as a whole have taken a good slice of the opportunities that have been going. Over the last 20 or

Prime Minister (continued)

30 years many United States' corporations have been skilfull, through their own judgement, in getting into areas where they have made high profits, good profits. There have been one or two difficult years in Australia as they know and we know. That is behind us. There are many more opportunities for the future, but there might be more competition for those opportunities because I think there will be greater European interest, much greater German interest, and greater interest in investment from Japan. One or two Californian companies may have been inhibited in the past by Californian environmental rules, which had got in the way of investment in Australia - not from anything that was going to happen at the Australian end, what might have been happening at this end. You might take longer to get through the environmental maze than we would in investment decisions in Australia.

Question

I am not quite clear on how our rules would affect their decision to ..

Prime Minister

Well, if you want to buy natural gas from Australia and you have got to get permission to ship it to California, for example, you need to have environmental approval to put up gas tanks on the Californian coast.

Question

What areas would you think would be the most promising for U.S. companies in Australia. Obviously minerals -

Prime Minister

Minerals, resource areas. But I would hope a much greater degree of processing in Australia, because we can provide by world standards, cheap electricity based on coal. As oil prices rise further, I would believe it is going to make much more economic sense to conduct processing in Australia.

Question

Could you give me some specific examples of what you mean?

Prime Minister

Well, the development of the aluminium smelting industry in Australia is a classic example. It has \$4 billion worth of investment in that area going into Australia at the moment.

ASSOCIATED PRESS INTERVIEW

- 3 -

Question

So do you mean processing of raw materials primarily -

Prime Minister

Yes.

Question

For that manufacturing?

Prime Minister

Manufacturing also. Our manufacturing industry is pretty cost competitive at the moment. It is able to get in and compete in a large number of markets right around the world. If people make a good product that is well designed and well produced, that does open up opportunities for Australian manufacturing, not just to supply the Australian market. I think the objective ought to be, when manufacturing takes place in Australia, to do it on a basis of exports as well. For example, the motor industry is starting to get into worldwide production.

Question

Unemployment in Australia now is about 5½ per cent, or 6?

Prime Minister

This is the seasonal peak at the moment. Between 5½ and 6.

.../4

Question

Is there an opportunity there for American workers, to immigrate?

Prime Minister

Skilled workers, yes.

Question

What trades would that be?

Prime Minister

I think through most of the skilled trades: through the metal trades. There would be opportunities in some of the remoter parts with resource development that is undertaken. With the North West Shelf very likely to get under way there could be a considerable need for people. Our Labour Department keeps a current list of skills that are in short supply in Australia. It is modified, and changed. It is monitored. It is hard to get into Australia, obviously, if there are unemployed Australians who could or want to fill the vacancies. But on the other hand, we do not want projects held up because of a shortage of skilled labour.

Question

Is there much protectionist sentiment in Australia?

Prime Minister

I think less than in many other countries, but there is protectionism in Australia. I gave the answer downstairs. No. In broad terms the level of protection is less than it was.

Question

How long ago? Less than 10 years, or -

Prime Minister

There has been a fairly steady movement I think. Certainly less than 10 years ago, yes. We have not gone into all the new protective devices and sophisticated protective devices, so a straight-out comparison on tariff levels gives a very unreal view of protection in Australia.

Question

Parkinson (Sir Nicholas Parkinson) spoke recently of what he called the damage to the constituency that Australia has in the United States. Could you expand on what he was talking about.

Prime Minister

I did not hear the speech, and I have not read the speech, but he might have been referring to the fact that very large numbers

Prime Minister (continued)

of United States' servicemen were in or went through Australia during the war. As time passes they get a little older. There was a group of people who got to like Australia during those times who had an affection for Australia out of their own personal experiences. Whether that is what the Ambassador was referring to or not I am not sure, but that seems to me to make sense.

Question

He made reference to efforts to rebuild that constituency, or to strengthen ties between our two countries. What efforts are you making ..

Prime Minister

I think the natural relationship tends to keep Australia and the United States reasonably close together. Also, events over the last three or four months are likely to bring the two countries closer together because we have very similar views about a number of present concerns. That is likely to lead to a similarity of policy in a number of areas, and also make more relevant for example long standing associations such as the ANZUS defence alliance. When there are no international worries these things can go into the background, but in the current climate they are much more likely to come to the fore. I have already said that we are prepared to co-operate with the United States, to undertake greater patrolling and surveillance in the Indian Ocean for example. The practical associations, whether they are out of defence or through business co-operation, business investment, the normal interchange between our peoples, these are the things that add to the strength of a broad relationship. The much cheaper air fares that are now between this country and mine are encouraging a much higher level of tourism, I think in both directions.

Question

Is there anything you would single out as one main, or primary barrier to increased economic relations, commercial relations. If there was one problem (inaud) what would that be?

Prime Minister

I do not think there is any one problem of that kind. The sort of thing that would help us most is running the economy well, tightly, keeping inflation lower than many others. That attracts business investment to Australia, I would imagine, in an increasing number of areas. Now that can be lost very quickly if an economy is mis-managed, if inflation runs riot. Some of those people at lunch would have mentioned American concerns that left Australia in the '54, '55 period, but those who have stayed are very glad. I think many others are now starting to think of involvement in Australia, because again, the fact that we have large quantities of many minerals and resources and a plentiful

Prime Minister (continued)

supply of certain forms of energy in Australia, is going to mean that there will be increasing investment opportunities open in this decade.

Question

For technology primarily, or capital in technology (inaud)?

Prime Minister

Oh, both. A country like Australia needs foreign capital. Our own capital market is too small. We cannot provide for the kind of developments that are taking place, that could take place. We could not find all the capital ourselves. A number of the projects are just too big.

Mr. MacKellar (Minister for Health)

Just one thing on immigration. You mentioned specifically skilled workers. Not only skilled workers, as the Prime Minister has said, but we are also anxious to bring to Australia if we can, a thing we call entrepreneurs - those with capital to invest, bring new technology to Australia, set up businesses in Australia, which will provide employment opportunities within Australia, so there is a broad range of approach to the question of immigration.

Question

Are there any fields you can identify as being -

Mr. MacKellar

It depends. Each application is assessed on its individual merits, but it is a flexible approach. Hopefully, there would be some people in the U.S., quite a number of people in the U.S., who would respond to that sort of challenge.

Question

Have your laws been changed recently to make it more easy for a small business to come into Australia?

Mr. MacKellar

We have brought in new immigration guidelines recently, yes, which does emphasise amongst others, this category.