



## PRIME MINISTER

FOR MEDIA

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### ALP PLAN TO BUY UP TO 50% OF BHP STEEL

The Labor Party's suggestion that they would solve the problems of BHP by putting taxpayers' funds into the company is an example of socialism at its worst.

Many European steel industries have been destroyed by government money being put into the corporations. As a consequence, they have failed to take the decisions necessary to make the industry efficient and competitive. Billions of dollars of taxpayers' funds have been lost, and it is not only the steel industry that has been uncompetitive, it is other industries that have had to pay much higher prices for steel, leading to less employment in downstream industries.

The suggestion that the injection of taxpayers' funds into BHP would solve the problems of Australia is a nonsense. It is for the BHP Board to set out the framework for the future. I have every confidence that they will be able to do so, and they will do much better if governments keep their sticky fingers out of it. Let the Board do its job without the kind of Government interference that would come from Government investment in the company.

I hope we will never see the day when Australian boards and directors would have any inclination to want to co-operate with that kind of Government intrusion. Governments have rarely if ever managed business affairs with high distinction, and the record of involvement in steel industries overseas is one of pure and utter disaster. I do not believe any taxpayers want to see any government investing their funds in BHP or any other company.

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