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**Title:**  
Speech: Chrysler expansion announcement

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SPEECH BY THE PREMIER, 1/11/76  
CHRYSLER EXPANSION ANNOUNCEMENT

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Mr. Webber, Mr. Prime Minister, Mr. Doyle, Mr. Sone, Ladies and Gentlemen :

I'm glad the Prime Minister, on this visit, has been able to bring some good news to South Australia and I am sure we all appreciate the importance he obviously places on today's announcement.

South Australia certainly realises the significance of the plans which Chrysler has outlined this morning, because our State plays a major role in the Australian motor vehicle industry.

Almost 30 percent of South Australia's manufacturing industry workforce is involved in car making, either directly in the Chrysler and GMH plants or in the component and service industries. Chrysler alone employs more than 7,000 South Australians and many more thousands of jobs rely on the components and services needed for Lonsdale.

This year Chrysler will pay almost \$55 million in wages and salaries in South Australia and will spend another \$31.5 million within the State on materials and other necessities.

Those figures are a very significant influence on the State economy, and the South Australian Government has a clear responsibility to work with the industry and to be completely familiar with its performance and problems.

That responsibility is accepted and welcomed by the industry, and successive Governments in South Australia have developed close working relationships with the many facets of the motor industry within the State.

The resources of the State - financial, technical and human - have been made available to manufacturers and suppliers. The Housing Trust has built and extended factories for several companies - the Trust built the Lonsdale plant for Chrysler and has worked on several extensions to the original facilities - and many other forms of Government technical and financial assistance have been made readily available to the industry.

We have done that because we, as a Government, know that South Australians expect us to take an active role in assisting and developing our industries. The people of the State expect that the community's resources should be used to further industrial development and to ensure security of employment.

They are not used to the idea that Government should avoid playing its part in the organisation of industry, especially of large manufacturing industry which affects the lives of many people in the community.

South Australians expect their Government to bring together the needs and expectations of the community - both in financial and quality of life terms - with the requirements of industry. In this State, people realise that Government cannot be static or blinkered with ideological rigidity.

That approach has worked very well for South Australia, and the motor industry has benefitted considerably as a result. In the case of the expansion which Chrysler has announced today, it is typical of the manner in which the industry and the Government work together.

Chrysler has developed those plans in consultation with the State Government following on the motor vehicle industry plans which were put to the previous Federal Government by South Australia after the I.A.C. report on the industry.

Manufacturers, trade unions and the Government worked out a viable long term programme for the industry which included rationalisation of our resources as a necessary condition for the future growth of car making in Australia. The 85 percent local content requirement and the efficient development of small car manufacture were the main features of a strategy which would have ensured that the Australian industry built a range of vehicles, especially particularly small cars, that were competitive in both product and price.

Lonsdale was to play a major part in that rationalisation, but as a result of decisions made earlier this year, Lonsdale's role has changed. Not diminished, but altered, as Ian Webber will quickly point out.

Lonsdale will go ahead to develop a major new complex, and will once again justify the faith which Chrysler has many times shown in its South Australian facilities.

The size and long term significance of the decisions announced today will make Lonsdale the leader in four cylinder engineering and manufacturing.

The Astron engine will be on the road next year and its introduction, combined with the total programme of model development, quality control improvement and upgrading of plant will give Chrysler a substantial edge in the market and will add greatly to the industry's workforce in South Australia. We expect more than 1,000 jobs will be created over the next four years.

South Australia is already a major vehicle industry complex in Australia, and the expansion and developments announced by Chrysler will put our State further ahead in car making.

Chrysler's plans are ambitious and achievable and the State Government is very pleased to have played a part with Chrysler in mapping out an exciting future for the company's operations in South Australia.

I'm looking forward to continuing our close partnership and watching Chrysler expand in our State and throughout Australia.

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