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PRIME MINISTER

TRANSCRIPT OF DOORSTOP, GAZEBO RAMADA HOTEL, SYDNEY, 25
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E & O E - PROOF ONLY

JOURNALIST: Retail trade figures came out today, .5% last month and .6% over the past three months. Are you happy with that?

PM: Well I wouldn't say I'm in a state of euphoria. I'm reasonably neutral about the figures in the sense they don't of themselves suggest an excessive level of demand but then the economy is running strongly and the indicators are a little bit inconsistent in that respect. I mean for instance if you look at motor vehicle sales they are high and as housing activity is still high, the retail sales figures are consistent with an economy which is operating at a reasonably acceptable level of activity where as in fact we're running a bit too strong.

JOURNALIST: Is there any need to tighten monetary policy any further?

PM: No I am content at this stage with the way in which it's playing its role in the management of the economy. I mean the most important set of statistics that's on the horizon now is the CPI figures for the December quarter, which will be coming out at the end of the month, they'll be very important. But I just want to repeat what I've said consistently. That whenever any particular set of statistics come out and people say, "oh you're to do something in particular now". I simply say look we've been in office for nearly six years and our record shows that we watch and monitor the economy and we make the decisions that are necessary to keep up responsible economic management. Nothing's going to change on that. We will continue to watch and do those things that are necessary to keep the economy moving at the level which is consistent with handling the major problem of the Australian economy which is the external account. We can't have the Australian economy operating at too high a level of activity which is going to be sucking in imports at too high a level and imposing further strains on the external account. That's the major task that we've got.

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JOURNALIST: On the industrial relations front, are you at all concerned with the position adopted by Justice Staples in respect of the new Commission.

PM: Well I don't want to really comment on that. I mean I can understand Mr Justice Staples' position. It's been a problem though for successive governments of both political persuasions and so I can understand his concern but it's been a problem there that has been recognised by all governments and I don't want to say anything more about that.

JOURNALIST: But would you support his inclusion in the new Industrial Relations Commission or not?

PM: Well we've made the decision on that haven't we. We didn't include him.

JOURNALIST: He's going?

PM: Well that's the decision, yes.

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