



## PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
AND WA PREMIER CARMEN LAWRENCE,  
DOORSTOP, JANUARY 31 1992.

(PARTIAL TRANSCRIPT)

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PM: I have had a most enjoyable discussion with the Premier, I say she has very positive and optimistic view of the future and we have had very useful talks.

Premier: We did yes, We are all very pleased that Mr Keating fairly understood the importance of Western Australians economy to a national recovery. We're export oriented, we're strong and we need the tax consensus and infrastructure development to make this recovery really go.

J: Mr Keating, the increase in rural crisis, what can they expect from the economic statement?

PM: Well they've been in crisis because of international market prices and conditions largely which the economic statement cannot change. But we will be considering carefully the interests of rural Australia and you will have to wait and see.

J: Mr Keating just how much impact will today's talks have on your forthcoming statements?

PM: Well I find every time one takes the trouble to listen what people have to say, you invariably find something new or a number of new thoughts come from it. That's happened in again today, and it is very useful. Each of the States have a different complexion about them, obviously there is a great difference between Western Australia and Victoria, which is a largely manufacturing state. Western Australia is a primary export state, it has different interests and therefore different concerns and frankly you don't pick them up in written submissions you pick them up in

conversation. That's why I had this conversation with the Premier this morning, and also the one with the business community which we both had later.

J: Then what do you understand to be our particular problem here in the West?

PM: Well they are problems of competitiveness, maintenance of competitiveness and opportunity as well as continuing to develop Western Australia in a way in which it has been developing itself now for a long period of time, because it has taken up opportunities which come along, and be in a position to do so.

J: ... the spending proposal which ..... what commitments have you given to ....What ones are you actually going to give?

PM: We are not about to announce things here and now to the media. But there is a proper process of consultation between the Commonwealth Government and the State Government and we will draw these things together on a national basis for the statement. So the communications we have had with the Premier and her Government, and that which we will have between now and statement time will allow us to fabricate a statement which I think will have a very clear and good national complexion to it.

J: Can you tell us the day of the statement?

PM: No I can't.

J: Mr Keating, the National Railway Authority is just about to begin operation. How will it effect rail state operations in Western Australia?

PM: Well I think, Western Australia does have an opportunity in land-bridging freight into the eastern states and it can be an important part of the service sector of Western Australia. But it will never be that competitive if the rail system in general is not competitive. But it is beyond Western Australia and that's an important issue not just for Western Australia but for the rest of the country.

J: Did Western Australians shopping list.....

PM: Well, I have to say, as the Premier, that she definitely provides with an extensive shopping list, that's quite a number of things sensibly were common to the things which were said to us by other Heads of Government around Australia.

- PREMIER: The important thing was in the infrastructure in the capital works program is that we provided a list of opportunities. We haven't suggested for one moment that they should be all attended to, but they are ready to go and there are some other ideas that we can obviously develop jointly which can have important effects on industry competitively particularly.
- J: Mr Keating, the Premier's view is that the economy should, the national economy should ... the program of infrastructure expanding is that ...?
- PM: Well that's obviously part of our view. That some of the things which we can do in the short term for activity, ought to be things which have a longer term productive focus about them and the extent that the Premier nominates infrastructure projects, she is right.
- J: Are you getting a different message from the business community here?
- PM: No.
- J: ...Was there a back down on the wage tax ...?
- PM: Oh no, lets understand. Look this is all a generated by Dr Hewson who claims himself to be a Professor of Economics, and if Dr Hewson doesn't understand yet the difference between nominal wage outcomes and real wage outcomes, that is the rate of wage increase is less inflation and the fact that this year inflation is lower than forecast and that there is an unexpected increase in real wages, if you can't understand that, the simple point. he must of escaped a very large part of his economic training.
- J: Mr Keating the ...
- PM: Well, I don't think you understand it either. Do you?
- J: What will you tell workers?
- PM: I'm just trying to make this point. We are talking about the current year's wages. The current years wage increases forecast in the 1991 Budget. They are of the order of four to four and a half per cent. But inflation happily is at one and a half, so therefore there is a real increase in there of two plus percentage points on the current year but on the future year, the Government has not decided that in can support a wage increase before the National Wage Case. That's the point. But that's not new matter.

- J: Mr Keating .... the Australian dollar ...
- PM: Pal listen, I have been asked questions about exchange rates by the best of them.
- J: Mr Keating our State Government seems very keen for the Irons Marino project to go ahead. How keen is the Federal Government ..?
- PM: I think it will an important part of Australians national infrastructure and an important addition to mining capacity in Australia.
- J: Do you think Mr Hawke will leave the Labor Party ...that will cause a by-election surely?
- PM: Well, I was asked that by a lady this morning.
- J: Wouldn't it be, do you think Mr Hawke should stay?
- PM: Well, I was asked by a lady on the radio, just check the transcript the answer is there.
- J: Dr Hewson .. on the flag...Do you ... (inaudible)
- PM: I don't think it is a matter of timetabling it, but I made my position, well I was asked about it, I gave a view about it.
- J: Do you have any personal preferences for the flag. Do you see it changing Australian ....
- PM: Do I see it changing in the immediate term? No.

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