



## PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP  
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J: .....

PM: Well that's a moot point. We can only be ambiguous about ourselves and how we represent ourselves for just so long.

J: Mr Keating, you have spoken about the flag now on a number of occasions, what action would you choose to change the flag?

PM: Well it's not a matter of what action I think the Government would wish to take. It's a matter of, on these matters, what feeling there is in the community, and that feeling being prompted, tested and thought about.

J: But mustn't you now do something about it? Doesn't it require a constitutional change or anything like that?

PM: No, we all understand the constitutional things, Michelle (Grattan).

J: You said not too long, is 2001 too long?

PM: Well let's wait and see.

J: Why won't you tell us how long?

PM: Well I have given you an answer.

J: How do you assess the community's feeling about this?

PM: Well I think it is changing, don't you? I mean, I think that it is changing, I think that it is important

to talk about these symbols and people are now thinking about them, that's good.

J: How do you know when the debate is ended, that it is time for a change?

PM: We all know, those of us who have got our fingers on the pulse know these things.

J: What will happen if the community want to keep the flag, will you be happy with that decision?

PM: I would be very surprised if in the long run that is their view.

J: Mr Keating, yesterday's big fall on the Tokyo stock market, what are the implications for Australia?

PM: There has been a correction in the Tokyo stock market now for quite a long time. The fact that it has dropped under 20,000 is probably not that remarkable, it has been hovering around there for quite a while, it has come off the very high prices of the late 1980s, and this is the reason why most countries are now in a recession. We had to come off this high spending, high credit growth, great speculation of the '80s. And as the stock market, the forces of the world deflate, come down, it's produced a recession world wide.

J: There are now major fears of a recession in Japan, given the Nikkei is at a 5 year low. What are the implications of that ....?

PM: I don't think there will be a significant recession for Japan, but certainly a slowing in growth, that will have an impact on Australia. But again, we are luckily in the fastest growing part of the world, which is now growing between 5 and 7 per cent most years. So while the world growth is slower, our part of the world is quite fast, Japan notwithstanding.

J: How great an impact on Australia is it likely to have? Could it in fact slow down our own recovery?

PM: Well it could have some impact on our raw material supplying industries, but again they have been diversifying their markets, and where once Japan was entirely critical to the extracting industries, it is still important, but we have the diversified substantially.

J: Is there any danger that it could put us back into a recession?

PM: No. The thing is we have been in recession, and we're in recession for largely the same reasons the United States, Canada, Britain, New Zealand, France and many other countries are, and that is that we couldn't come

off the high speculation of the '80s without a thud, without some skin off ourselves.

J: Conrad Black wants more than 15 per cent of Fairfax, would you let him do that?

PM: Look, we are not here to go round the world for sport.

J: Do you have any expectations for National Accounts?

PM: Well I don't say expectational things about the National Accounts. They are notoriously difficult to predict and now for this time, there will be for the first time three measures of national income. So that may change one's compacity to predict, whatever that compacity was. So we will wait and see this morning when it will all be revealed.

J: What are your thoughts on South Africa?

PM: Well it's not a matter of thought, it's a matter of what happens.

J: Mr Keating, if the GDP outcome is as expected, do you agree with some commentators who say that in fact it wouldn't be that Australia is in a recovery, because of the change in the way that they are going to calculate it?

PM: Well let's wait and see what happens. The Statistician is looking for what he thinks is a more reliable measure of product and growth and he is entitled to those interpretative changes. So we will see what today's figures reveal.

J: Do you think we need to accept more Japanese investment in order to ... trade?

PM: Two years ago our capital inflow was about 90 per cent debt and about 10 per cent equity, now it is about 80 per cent equity and 20 per cent debt. So it has changed dramatically and part of that change has been from Japan.

J: Do we need to accept more investment, though? Ralph Evans said ....

PM: Well we've just largely taken away a large component of the foreign investment policy for that simple point, to encourage more investment, we want to encourage more investment for Australia.

J: What if the Japanese don't invest here?

PM: Well others do, it is true that Japanese do and others do, and the fact is that's changed in character now enormously in two years. I mean it is a huge lift in equity.