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PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING MP
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PM: Today we have seen the National Accounts come and I have said that they are a beautiful set of numbers, and they are because they prove the recovery is sustainable. It's not me claiming the recovery is sustainable - they prove the recovery is sustainable through low inflation, low wages growth, high investment growth and a slowing in GDP. The economy is slowing just as we hoped it would, and the interest rates effect of last year are working just as the Government had hoped. So why they are good numbers is because they hold the promise of Australia having a low inflation, sustainable long-run recovery, and they give the lie to all the doomsaying that John Howard and Peter Costello and all the others have gone on with. The proof in economic policy, as always, is in the eating. And today's statisticians National Accounts mean that the doomsaying by the Opposition has been just that - doomsaying and entirely wrong. Now more work still needs to be done, and that is why the Government will bring down a Budget which will enhance Australian savings and play a further role in fiscal policy in just getting a further little slowing there in the economy to make this entirely sustainable. But wages growth of 1.6% over the year is a phenomenal figure - It means that all Australians are pulling their weight in making sure we keep low inflation, and on the broadest measure of inflation - the broadest measure - inflation is less than 1% for the year, and that is coupled with 5% growth and 21% investment growth. I have never seen numbers like this in my political life. But, the promise is that they will get better, and they will get better as we do more work on the Budget, and we bring the recovery home through the 1990s. The Government thought that the September quarter accounts were unrepresentative of the state of the economy, and the December quarter accounts proves the point.

J: Mr Keating, what do you make of Mr Fraser's comments that no matter what is in the Budget, there still might be interest rate rises?

PM: He was substantially mis-represented there. If you read the speech - and I invite you to read it - what he said was one can never say, at any stage, that interest rates won't rise. But what these numbers today reveal, is that the likelihood of interest rates rising, after these numbers today - and the Budget - are much, much less likely. Thank you.

ends.