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From the Private Secretary

15 February 1989

See Edh,

## PRIME MINISTER'S MEETING WITH THE PREMIER OF QUEENSLAND

The Prime Minister had a short talk this evening with the Premier of Queensland. Mr. Ahern was accompanied by the Australian Deputy High Commissioner.

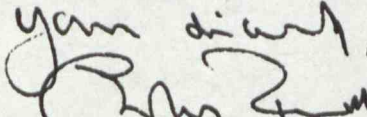
The Prime Minister recalled her visit to Brisbane for EXPO '88 and complimented Mr. Ahern on Queensland's rapid and impressive economic development.

Mr. Ahern spoke about the political situation in Australia. He expected Mr. Hawke to call Federal elections later this year. He also seemed to expect him to win following a tax cut. His own elections in Queensland would be difficult, but he was confident that a government committed to private enterprise would be returned. Mr. Greiner in New South Wales faced difficult problems in reversing the policies of previous Labour administrations but was doing well. Labour's victory in Western Australia had been largely a matter of Mr. Dowding's personality. This had been enough to cancel out the effects of a 25 per cent increase in taxes over the previous two years.

There was some discussion of the prospects for negotiations on agriculture in the GATT.

Mr. Ahern said he would welcome far more joint ventures between British and Australian firms in Queensland. There was a reaction against so much Japanese investment. Indeed half of all Japanese investment in Australia was in Queensland.

The Prime Minister spoke of her wish to keep Britain and Australia together. She attached great importance to Mr. Hawke's forthcoming visit. Australia was a foothold for democracy in the Pacific.

Yours sincerely,  
  
 (C.D. POWELL)

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 Foreign and Commonwealth Office.