



PRIME MINISTER

CHECK AGAINST DELIVERY.

EXTRACTS FROM AN ADDRESS BY THE PRIME MINISTER,
MR BOB HAWKE, AT THE BRUCE BY-ELECTION CAMPAIGN LAUNCH,
SUNDAY 15 MAY, 1983

THE PEOPLE OF BRUCE HAVE BEEN CALLED TO VOTE IN A
BY-ELECTION AT A CRUCIAL POINT IN AUSTRALIAN HISTORY.
IT IS JUST TEN WEEKS SINCE THE PEOPLE OF AUSTRALIA VOTED
TO END THE SEVEN DIVISIVE YEARS OF LIBERAL GOVERNMENT,
AND ENTRUSTED TO A NEW LABOR GOVERNMENT THE TASK OF
BRINGING AUSTRALIA TOGETHER.

THE PEOPLE OF AUSTRALIA TEN WEEKS AGO DEMONSTRATED THAT
VERY CLEARLY THAT THEY BELIEVED ONLY A NEW GOVERNMENT, WITH
FAITH IN THE AUSTRALIAN PEOPLE AND ALL ITS PARTS, COULD
RESTORE OUR NATION'S DEPLETED FORTUNES.

WE KNEW THAT WE FACED A HUGE TASK IN RESTORING NATIONAL
CONFIDENCE AND PROSPERITY. WE KNEW THAT AUSTRALIA'S RATE
OF INFLATION WAS TWICE AS HIGH AS OTHER HIGH-INCOME COUNTRIES,
AND THAT UNEMPLOYMENT WAS RISING MORE RAPIDLY THAN IN EUROPE
OR NORTH AMERICA. WE KNEW THAT THE CONFRONTATION WHICH
HAD MARKED THE RELATIONS OF AUSTRALIAN GOVERNMENTS, BUSINESS
AND UNIONS WITH EACH OTHER WAS DEEPLY INGRAINED AND WOULD
BE DIFFICULT TO CHANGE.

RECOGNISING HOW SERIOUS WERE OUR INFLATION AND UNEMPLOYMENT PROBLEMS, AND HOW WEAK THE ECONOMY, WE KNEW THAT THERE WAS A LONG HARD ROAD AHEAD. KNOWING THIS, DURING THE RECENT GENERAL ELECTION CAMPAIGN I ASKED THE AUSTRALIAN PEOPLE TO APPLY TO NATIONAL ECONOMIC RECOVERY THE SAME UNITY OF PURPOSE, THE SAME EFFORT, THE SAME COMMITMENT TO AUSTRALIA, THAT THEY GAVE TO THE PRESERVATION OF AUSTRALIA'S NATIONAL SECURITY IN WARTIME UNDER PRIME MINISTER CURTIN.

MY GOVERNMENT KNEW THAT THERE WAS NO ALTERNATIVE TO UNITED EFFORT OVER MANY YEARS. WE DID NOT SEEK TO AVOID THIS EFFORT. WE WELCOMED THE RESPONSIBILITY THAT THE AUSTRALIAN PEOPLE CONFERRED ON US ON MARCH 5.

WITHIN A DAY OF TAKING OFFICE, WE WERE INFORMED BY THE AUSTRALIAN TREASURY, THE MAIN OFFICIAL ADVISERS TO THE GOVERNMENT ON ECONOMIC POLICY, THAT SEVEN YEARS OF LIBERAL GOVERNMENT HAD LEFT AUSTRALIA IN A MUCH MORE DIFFICULT ECONOMIC SITUATION THAN WE, OR THE AUSTRALIAN PEOPLE, HAD EVER BEEN TOLD. THE LIBERAL GOVERNMENT - THE GOVERNMENT OF MR. FRASER, MR. PEACOCK AND MR. HOWARD, HAD DELIBERATELY LIED TO THE AUSTRALIAN PEOPLE ABOUT THE SIZE OF THE BUDGET DEFICIT.

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THE PREVIOUS GOVERNMENT HAD KNOWN, PRIOR TO THE ELECTION, THAT NEXT YEAR'S BUDGET DEFICIT WOULD, IF THERE WERE NO CHANGES IN ANY OF THE LIBERAL GOVERNMENT'S POLICIES, BE NINE BILLION DOLLARS OR MORE. AND YET THE PREVIOUS GOVERNMENT IN ITS LAST DAYS TOLD THE AUSTRALIAN PEOPLE THAT, UNDER ITS POLICIES, THE DEFICIT WOULD BE ONLY SIX BILLION DOLLARS.

WHILE MY COLLEAGUES AND I WERE SURPRISED TO LEARN OF THE HUGE DEFICIT WHICH THE LIBERALS HAD CONCEALED, WE WERE NOT SURPRISED THAT THE LIBERALS HAD LIED IN AN ATTEMPT TO WIN AN ELECTION. IN THE LAST WEEK OF THE CAMPAIGN, IN ANSWER TO A QUESTION AT A PRESS CONFERENCE, I SAID THAT WE WOULD HAVE TO ADJUST THE WAY IN WHICH WE IMPLEMENTED OUR ELECTION PROMISES IF IT TURNED OUT THAT THE LIBERALS HAD LIED TO THE AUSTRALIAN PEOPLE ABOUT THE BUDGET DEFICIT.

I DID NOT KNOW THAT THEY HAD LIED, AND I HAD NO IDEA OF THE EXTENT TO WHICH THEY HAD LIED ABOUT THE BUDGET DEFICIT. ALL I KNEW WAS THAT LIBERAL LEADERS LIKE MR. FRASER, MR. HOWARD AND MR. PEACOCK HAD A BAD RECORD OF DECEIVING THE AUSTRALIAN PEOPLE WHENEVER IT SUITED THEM TO WIN VOTES.

THE LIBERAL'S DECEPTION OF THE AUSTRALIAN PEOPLE HAD BEGUN LONG BEFORE THE ELECTION CAMPAIGN IN FEBRUARY AND MARCH THIS YEAR. IT IS WELL KNOWN THAT THE LIBERAL PARTY WANTED AN ELECTION LAST SEPTEMBER. THE LIBERALS KNEW THAT UNEMPLOYMENT WOULD CONTINUE TO GROW RAPIDLY AND THE ECONOMY TO STAGNATE UNDER THEIR LEADERSHIP. THEY CALCULATED THAT THEY WERE MORE LIKELY TO WIN AN ELECTION THE EARLIER IT WAS HELD.

IN THE MONTHS LEADING UP TO SEPTEMBER, THE LIBERALS MADE PROMISES AND PASSED NEW LAWS TO INCREASE GOVERNMENT SPENDING AND REDUCE TAXES TO BUY VOTES IN THE ELECTION. BUT THE GREATER PART OF THIS APPARENT GENEROSITY WAS DESIGNED TO BE PAID FOR LATER. (I SAY APPARENT BECAUSE IT WOULD PROBABLY HAVE BEEN SNATCHED BACK AFTER THE ELECTION, LIKE THE FIST FULL OF DOLLARS IN 1977).

THEY PUT THEIR SPENDING SPREE ON TIME PAYMENT. THEY DIDN'T TELL THE AUSTRALIAN PEOPLE, WHO MUST FOOT THE BILL, THAT THEY HAD DONE SO. THE BILLS ARE ARRIVING NOW, AND MANY MORE BILLS ARE EXPECTED TO COME IN NEXT FINANCIAL YEAR.

THE FACT THAT THE BUDGET DEFICITS THAT COULD BE EXPECTED IN THE COMING YEARS UNDER LIBERAL POLICIES WERE SO MUCH LARGER THAN THE LIBERALS HAD EVER TOLD THE AUSTRALIAN PEOPLE OBVIOUSLY MADE OUR JOB MUCH HARDER. WE MUST REDUCE THE DEFICIT BELOW THE \$9.6 BILLION THAT WOULD RESULT FROM THE OLD LIBERAL POLICIES OR RISK INTEREST RATES REMAINING AT THE HIGH LEVELS THEY REACHED WHEN MR. PEACOCK'S DEPUTY, MR. HOWARD, WAS TREASURER.

AT THE SAME TIME, WE MUST START TO GET AUSTRALIA MOVING AGAIN, WITH OUR JOB CREATION AND HOUSING PROGRAMS.

WE MUST ALSO DO WHAT WE CAN TO PROTECT DISADVANTAGED AUSTRALIANS FROM THE DEVASTATING EFFECTS OF THE HUGE INCREASES IN UNEMPLOYMENT IN RECENT YEARS. IT WAS FOR THIS REASON THAT WE IMPLEMENTED OUR PROMISE TO GIVE A SMALL INCREASE IN UNEMPLOYMENT BENEFITS TO SOME OF THE MOST DISADVANTAGED AUSTRALIANS IN THE FIRST WEEKS AFTER THE NEW GOVERNMENT TOOK OFFICE.

AUSTRALIA'S WOUNDS CAN BE HEALED ONLY BY A LONG PERIOD OF ECONOMIC AND POLITICAL STABILITY AND STEADY ECONOMIC GROWTH. WE WILL ONLY ACHIEVE THIS IF AUSTRALIANS WORK TOGETHER FOR NATIONAL RECONSTRUCTION AND RECOVERY.

WE BEGAN THIS PROCESS AT THE NATIONAL ECONOMIC SUMMIT,
WHERE LEADERS OF AUSTRALIAN GOVERNMENTS, BUSINESS AND
UNIONS WERE ABLE TO REACH BROAD AGREEMENT ON THE NATURE
OF AUSTRALIA'S ECONOMIC PROBLEMS AND OF THE POLICIES
THAT WERE REQUIRED TO OVERCOME THEM.

SINCE THEN, WE HAVE BEEN LOOKING CAREFULLY AT A WIDE RANGE
OF GOVERNMENT EXPENDITURES, TO JUDGE WHETHER SOME SHOULD
BE REDUCED. THIS WILL ALLOW US TO IMPLEMENT SOME OF OUR
PROGRAMS WHICH ARE ESSENTIAL TO ECONOMIC RECOVERY, WHILE AT
THE SAME TIME REDUCING THE DEFICIT BELOW WHAT IT WOULD HAVE
BEEN UNDER LIBERAL POLICIES. BUT IN LINE WITH CONCLUSIONS
OF THE SUMMIT, WE ARE TAKING GREAT CARE TO SEE THAT NO
EXPENDITURES ARE REDUCED THAT WOULD ADVERSELY AFFECT
IMPOVERISHED AUSTRALIANS.

ALREADY THERE ARE SIGNS THAT THE AUSTRALIAN ECONOMY IS
RESPONDING FAVOURABLY TO OUR NEW APPROACH. THERE IS NOW
MORE OPTIMISM ABOUT THE FUTURE OF AUSTRALIA. OUR FOREIGN
RESERVES NOW STAND AT RECORD LEVELS. CAPITAL INFLOW
HAS BEEN HIGH. MANY INTEREST RATES HAVE BEEN FALLING.
WE KNOW, AND HAVE ALWAYS SAID, THAT IT IS A LONG ROAD
TO NATIONAL ECONOMIC RECOVERY. BUT THE EARLY SIGNS ARE
THAT WE ARE ON THE RIGHT TRACK.

THERE ARE MANY HAZARDS ALONG THE LONG ROAD TO ECONOMIC RECOVERY. WE AIM TO IDENTIFY THESE DANGERS WELL IN ADVANCE, SO THAT WE CAN AVOID THEM.

WE SEE A DANGER THAT RECOVERY NEXT YEAR WOULD BE KILLED BY RISING INTEREST RATES IF LIBERAL BUDGET POLICIES WERE ALLOWED TO CONTINUE. AS WAS AGREED AT THE SUMMIT, WE HOPE THAT ALL AUSTRALIANS, EXCEPT THE IMPOVERISHED, WILL ACCEPT THEIR SHARE OF THE RESTRAINT IN GOVERNMENT EXPENDITURE THAT WILL BE NECESSARY TO KEEP INTEREST RATES ON A DOWNWARD PATH AS ECONOMIC RECOVERY GETS UNDER WAY.

WE SEE A DANGER THAT RECOVERY NEXT YEAR WOULD BE KILLED BY EXCESSIVE WAGE INCREASES IF WE ALLOWED THE SORT OF FREE-FOR-ALL IN WAGES POLICY THAT WAS ENCOURAGED BY THE LIBERALS IN 1981 AND 1982. OUR PRICES AND INCOMES ACCORD IS DESIGNED TO AVOID THIS DANGER. MUCH BETTER THE CERTAINTY OF A SMALL WAGE INCREASE LATE THIS YEAR AND WAGE INDEXATION AFTER THAT, THAN AN ATTEMPT TO FREEZE WAGES COMPLETELY UNTIL THE FREEZE BREAKS DOWN IN INDUSTRIAL DISPUTES AND A NEW WAGE EXPLOSION.

THUS ALTHOUGH THE DECEPTION OF THE LIBERALS BEFORE THE ELECTION HAS MADE OUR TASK MUCH HARDER, I CAN REPORT SUBSTANTIAL PROGRESS TOWARDS NATIONAL RECONCILIATION, RECONSTRUCTION AND RECOVERY.

THIS BY-ELECTION GIVES THE PEOPLE OF BRUCE THE CHANCE TO ENCOURAGE THAT PROGRESS.

THE ALTERNATIVE IS A CONTINUATION OF THE CONFRONTATION AND DECEIT OF THE YEARS WHEN MR. FRASER, MR. HOWARD AND MR. PEACOCK WERE MEMBERS OF THE CABINET. MR. PEACOCK'S BEHAVIOUR IN THE PAST WEEK SHOWS THAT HE HAS LEARNIT NOTHING FROM THE AUSTRALIAN PEOPLE'S REJECTION OF CONFRONTATION AND DECEIT ON MARCH 5. LAST WEEK HE ABUSED THE PRIVILEGED POSITION OF LEADER OF THE OPPOSITION BY PARTICIPATING IN THE PUBLIC AIRING OF NATIONAL SECURITY MATTERS FOR THE NARROWEST OF PARTY POLITICAL MOTIVES. IN HIS SPEECH TO THE ELECTORS OF BRUCE LAST FRIDAY, MR. PEACOCK FAILED TO FACE UP TO THE IMPLICATIONS OF THE BUDGETARY MESS THAT THE LIBERALS CREATED BEFORE MARCH 5. HE DID NOT SAY A WORD ABOUT HOW HE WOULD PAY THE BILLS THAT ARE BEING PRESENTED FROM LAST YEAR'S LIBERAL SPENDING SPREE.

THIS WAS DISHONEST ENOUGH IN ITSELF. BUT HE WENT ON TO TELL A NUMBER OF CLEAR, SPECIFIC LIES ABOUT MY OWN VIEWS. MR. PEACOCK SAID THAT I BELIEVE THAT THE FAMILY ALLOWANCE SHOULD BE ABOLISHED. I HAVE NOT SAID OR WRITTEN OR THOUGHT THAT THE FAMILY ALLOWANCE SHOULD BE ABOLISHED.

MR. PEACOCK SAID THAT I BELIEVE THAT DEPENDANT SPOUSE
REBATES SHOULD BE ENDED.

THAT CLAIM IS NOT TRUE.

MR. PEACOCK SAID THAT I BELIEVE THAT STATE AID IN EDUCATION
SHOULD BE PHASED OUT. I HAVE NOT SAID OR WRITTEN OR THOUGHT
THAT STATE AID IN EDUCATION SHOULD BE PHASED OUT. MR. PEACOCK
SAID THAT I BELIEVE THAT FAMILIES SHOULD NO LONGER RECEIVE
ASSISTANCE WITH THEIR HOME LOAN REPAYMENTS. I HAVE NOT SAID
OR WRITTEN OR THOUGHT THAT FAMILIES SHOULD NO LONGER RECEIVE
ASSISTANCE WITH THEIR HOME LOAN REPAYMENTS.

THESE CLAIMS ARE SIMPLY LIES. TO TELL THESE LIES, MR. PEACOCK
MUST BE A DESPERATE MAN.

MANY OTHER STATEMENTS IN MR PEACOCK'S ADDRESS TO THE ELECTORS
OF BRUCE ARE SIMPLY LIES. MR. PEACOCK'S SPEECH TO THE PEOPLE
OF BRUCE CONTAINED AS MUCH DECEPTION AS THE CAMPAIGN MR. FRASER,
MR. ANTHONY, MR. HOWARD AND MR. PEACOCK PRESENTED TO THE
AUSTRALIAN PEOPLE EARLIER IN THE YEAR. HE HAS LEARNT NOTHING.

AUSTRALIA CANNOT AFFORD DECEPTION BY ITS POLITICAL LEADERS,
AUSTRALIA HAS HUGE ECONOMIC PROBLEMS. AUSTRALIA WILL NOT
OVERCOME ITS PROBLEMS UNLESS WE RECOGNISE THEM FOR WHAT THEY
ARE, AND CAREFULLY DEVELOP LONG-TERM PROGRAMS TO COMBAT THEM.

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MY GOVERNMENT DOES NOT WISH TO HIDE FROM AUSTRALIANS
THE HARD REALITY, THAT THE ACHIEVEMENT OF ECONOMIC
RECOVERY WILL REQUIRE RESTRAINT BY ALL AUSTRALIANS WHO
CAN AFFORD IT.

I AM ENCOURAGED BY THE WAY THAT AUSTRALIANS HAVE ACCEPTED
THE RESPONSIBILITY THAT THE NATION'S DIFFICULTIES PLACE
UPON US ALL. ON MAY 28, THE PEOPLE OF BRUCE WILL HAVE
THE CHANCE TO DEMONSTRATE THEIR COMMITMENT TO THE
NATIONAL RECONCILIATION, RECONSTRUCTION AND RECOVERY
THAT HAS BEGUN. IF YOU ACCEPT THAT CHANCE, AND ELECT
HEATHER O'CONNOR THE THE NATIONAL PARLIAMENT, YOU WILL HAVE
TOLD US ALL THAT AUSTRALIANS ARE EQUAL TO THE CHALLENGE
OF THE PRESENT CRISIS.

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