



PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

SPEECH BY THE PRIME MINISTER
ALP DINNER - SYDNEY
3 DECEMBER 1986

MR PRESIDENT, THE PREMIERS OF NEW SOUTH WALES AND WESTERN AUSTRALIA,
DISTINGUISHED GUESTS, LADIES AND GENTLEMEN.

THIS IS THE LAST OF THIS YEAR'S ROUND OF DINNERS UNDER THE AUSPICES OF
THE NEW SOUTH WALES LABOR PARTY. SOMETIMES, IT SEEMS ALMOST AS IF WE
HAVE BEEN EATING OUR WAY THROUGH THE CALENDAR TOGETHER.

BUT BEFORE YOU GET TOO RELAXED ABOUT THIS BEING THE FINALE, I HAVE TO WARN
YOU THAT YOU MAY BE ASKED TO MEET A GREATER CHALLENGE NEXT YEAR.

BECAUSE, AS PREMIER UNSWORTH HAS POINTED OUT, 1987 IS THE LAST FULL
YEAR BEFORE THE CRUCIAL YEAR OF 1988.

BOTH OUR GOVERNMENTS WILL BE FACING CRUCIAL ELECTIONS.

AND THE PARTY, AT ALL LEVELS, WILL BE MOUNTING A MASSIVE EFFORT.

AND THAT MEANS WAR - WAR TO THE LAST KNIFE - AND FORK.

BUT I DO THANK YOU ALL FOR THE SUPPORT YOU HAVE GIVEN BY YOUR PRESENCE AT
THESE FUNCTIONS; AND THANK YOU IN ANTICIPATION FOR YOUR CONTINUED
SUPPORT AND PARTICIPATION IN THE VITAL YEAR AHEAD.

THERE CAN BE NO DOUBT THAT THE YEAR NOW DRAWING TO ITS CLOSE HAS BEEN,
FOR AUSTRALIA, ONE OF THE MOST DIFFICULT AND TURBULENT SINCE THE WAR

I SHALL DEAL LATER WITH OUR ECONOMIC PERFORMANCE AND OUR ECONOMIC PROSPECTS, BUT FIRST I WANT TO DEAL BRIEFLY WITH SOME OF THE POLITICAL ASPECTS OF OUR PRESENT SITUATION.

I WANT TO EXAMINE THE CENTRAL FACT OF AUSTRALIAN POLITICAL LIFE, AS IT HAS EMERGED AT THE END OF 1986.

AND IT IS THIS:

AT THE END OF A PERIOD OF ALMOST UNPRECEDENTED ECONOMIC DIFFICULTY, IN THE AFTERMATH OF A BUDGET OF UNAVOIDABLE BUT UNPALATABLE RIGOUR AND STRINGENCY, THE GOVERNMENT'S SUPPORT REMAINS FUNDAMENTALLY SOLID AND STRONG.

THIS WOULD BE REMARKABLE FOR ANY GOVERNMENT IN MID-TERM.

IT IS DOUBLY REMARKABLE FOR A GOVERNMENT SUCH AS OURS, IN TIMES SUCH AS THESE.

WE HAD THE CHOICE BETWEEN TEMPORARY POPULARITY OR THE TOUGH MEASURES AND TOUGH DECISIONS NEEDED TO PLACE THE AUSTRALIAN ECONOMY ON FIRM FOUNDATIONS FOR THE FUTURE.

FOR US - IN THIS GOVERNMENT - THAT WAS REALLY NO CHOICE AT ALL. WE CHOSE THE CORRECT COURSE, THE COURAGEOUS COURSE, THE TOUGH COURSE. WE COULD DO NO OTHER IF WE WERE TO FULFILL OUR OBLIGATIONS AND RESPONSIBILITIES TO THE AUSTRALIAN PEOPLE - THE WHOLE COMMUNITY - AND CARRY OUT THE TASK WITH WHICH THEY HAVE ENTRUSTED US.

NEVERTHELESS, IT REMAINS A REMARKABLE FACT THAT AFTER ALL THIS, DESPITE ALL THIS, OUR SUPPORT STILL STANDS SO HIGH - SOLID IN ITSELF, AND EXTREMELY REASSURING IN RELATION TO THAT OF OUR POLITICAL OPPONENTS.

AND I SUGGEST, LADIES AND GENTLEMEN, THAT THE REASONS FOR THIS CAN BE EASILY IDENTIFIED.

AND THAT IS SOMETHING BEYOND THE DETAILS OF OUR GOVERNMENT'S PERFORMANCE AND THE SPECIFIC POLICIES WE ARE EFFECTING.

IT CAN BE SUMMED UP IN ONE WORD - STABILITY.

AND THE ALTERNATIVE OFFERED BY OUR OPPONENTS CAN EQUALLY BE SUMMED UP IN ONE WORD - THE EXACT OPPOSITE, INSTABILITY - NOT ONLY THE GROSS INSTABILITY OF ITS LEADERSHIP, BUT THE EVEN GROSSER INSTABILITY, THE DISRUPTION AND DISHARMONY WHICH IS ALL THAT IS OFFERED BY WHAT THEY ARE PEDDLING AROUND THE COUNTRY.

I WANT TO DRAW YOUR ATTENTION TO A QUITE REMARKABLE TRUTH ABOUT OUR GOVERNMENT - SOMETHING THAT HAS NEVER BEEN EQUALLED IN THE HISTORY OF THE FEDERATION.

WE ARE NEARING THE END OF OUR FOURTH YEAR IN OFFICE.

YET THE MINISTRY REMAINS INTACT. ITS PERSONNEL REMAINS UNCHANGED.

IT HAS BEEN A REMARKABLE PERFORMANCE - AND AS I SAY, ONE WITHOUT PARALLEL IN FEDERAL HISTORY.

BY CONTRAST, THE FRASER GOVERNMENT IN ITS FIRST FOUR YEARS SUFFERED NO LESS THAN NINE MINISTERIAL SACKINGS, RESIGNATIONS AND DEFECTIONS. AND THAT INSTABILITY IN GOVERNMENT HAS CARRIED THROUGH INTO THEIR YEARS IN OPPOSITION.

LOOK AT THE PICTURE OF THE LIBERAL PARTY AROUND AUSTRALIA.

IN WESTERN AUSTRALIA, THEY HAVE JUST BRUTALLY DUMPED THEIR LEADER.

IN VICTORIA, SCARCELY A MONTH PASSES WITHOUT ANOTHER LEADERSHIP CHALLENGE OR MOVE FOR A CHALLENGE. AND MY INFORMATION IS THAT THERE WILL BE ANOTHER CHALLENGE BEFORE THIS MONTH IS OUT.

IN QUEENSLAND THEY ARE PAYING A BITTER PRICE FOR THEIR YEARS OF WEAKNESS, INCOMPETENCE AND LACK OF PRINCIPLE.

IN NEW SOUTH WALES, AN OPPOSITION DEEPLY DIVIDED, DEVOID OF TRUE LEADERSHIP, THE MOST NEGATIVE OPPOSITION IN LIVING MEMORY.

IN SOUTH AUSTRALIA, THEY SEEM TO HAVE SUNK WITHOUT TRACE.

BUT ABOVE ALL, IN THE FEDERAL SPHERE, THE OPPOSITION PRESENTS A PICTURE OF DIVISION AND DISUNITY AND DISARRAY, NOT EQUALLED AMONG THE CONSERVATIVE RANKS SINCE THE COLLAPSE OF THE U.A.P. IN THE EARLY 1940s.

AND THEN, THE TERM "UNITED AUSTRALIA PARTY" WAS JUST AS GREAT A MISNOMER AS THE TERM "LIBERAL" IS FOR THIS LOT TODAY, WHEN THE NEW RIGHT AND THE OLD REACTION IS EVERYWHERE IN THE ASCENDANT. AND THAT IS THE REALLY IMPORTANT POINT.

BECAUSE THE OPPOSITION'S DISUNITY IS NOT JUST A MATTER OF THEIR LEADERSHIP - OR LACK OF IT.

WHEN THEY CHANGE THEIR LEADERSHIP YET AGAIN - AND I SAY WHEN, NOT IF - NOTHING BASIC WILL BE SOLVED.

THE PROBLEM IS NOT JUST ONE OF PERSONNEL. IT GOES FAR DEEPER. THEIR LACK OF REAL LEADERSHIP AT BOTH THE STATE AND FEDERAL LEVELS ONLY REFLECTS A DEEPER MALAISE. THEIR NEGATIVISM REFLECTS THEIR LACK OF DIRECTION.

THEIR TOTAL LACK OF DIRECTION.

THEY HAVE NO IDEA WHERE THEY WANT TO GO AS A PARTY AND THEY CERTAINLY HAVE NO IDEA OF WHERE THEY WANT TO GO FOR THE NATION.

THEY HAVE SUCCUMBED TO THE SIREN SONGS OF THE SO-CALLED NEW RIGHT.

AS BARRIE UNSWORTH HAS SAID, THE NEW RIGHT IS JUST THE OLD REACTION - THE SAME SORT OF IDEAS THAT PRODUCED IN AUSTRALIA THE FREE FOR ALL OF AVARICE AND GREED IN THE 1920s, AND IN THE END, THE CATASTROPHE OF THE 1930s.

AND THIS IS BECOMING CLEARER BY THE DAY TO THE PEOPLE OF AUSTRALIA. I AM GLAD TO SAY THAT THE TRUTH IS BEING REALISED BY THE TRADITIONAL SUPPORTERS OF THE OPPOSITION IN THE BUSINESS COMMUNITY.

ONLY LAST MONTH, THE DIRECTOR OF THE INDUSTRIAL COUNCIL OF THE CONFEDERATION OF AUSTRALIAN INDUSTRY, MR DAVID NOLAN, PRODUCED A REPORT ON THE OPPOSITION'S INDUSTRIAL RELATIONS PROPOSALS. HE ENTITLES HIS PAPER "ESCAPIST FANTASIES".

AND MR NOLAN WROTE:

"THEY ADVOCATE MASSIVE CHANGE WITH ITS COMMENSURATE RISK OF MASSIVE DISLOCATION, WITHOUT PROVIDING ANY CLEAR IDEA AS TO HOW THIS CHANGE WILL BE BROUGHT ABOUT NOR ANY EVIDENCE THAT IT WILL IN THE END BE BETTER FOR EMPLOYERS"

"THE LIKELIHOOD", THE CAI SAYS, "IS THAT TO ATTEMPT THE CHANGES OUR WOULD-BE REFORMERS URGE WOULD PLUNGE EMPLOYERS INTO AN INDUSTRIAL MORASS OF UNKNOWN DEPTH."

AS THE MONTHS GO BY, THE NEGATIVISM AND DESTRUCTIVENESS OF THE OPPOSITION WILL BECOME MORE AND MORE MANIFEST.

BUT LET ME MAKE THIS VERY CLEAR.

CONFIDENT AS I AM OF OUR VINDICATION AND OUR VICTORY, WE DO NOT SEEK VICTORY BY DEFAULT - THROUGH THE FAILINGS AND WEAKNESSES OF OUR OPPONENTS. THAT WAS NOT HOW WE WON IN 1983.

THAT IS NOT HOW WE WON AGAIN IN 1984.

AND THE VICTORY WHICH IS TO COME WILL BE BASED ON OUR POSITIVENESS AND OUR POSITIVE VISION FOR THE FUTURE OF AUSTRALIA.

THE IMPORTANT THING IS NOT TO DWELL UPON OR WHINGE ABOUT THE UNPRECEDENTED DIFFICULTIES OF THE TASK WE FACE THIS YEAR AND WILL CONTINUE TO FACE IN THE YEAR TO COME.

THE REALLY IMPORTANT THING IS THE WAY IN WHICH WE, AS A COMMUNITY, AS A NATION, AS A PEOPLE AND AS A GOVERNMENT ARE ABLE TO MEASURE UP TO THOSE DIFFICULTIES.

IT IS PRECISELY BECAUSE 1986 WAS SUCH A TREMENDOUSLY DIFFICULT YEAR THAT IT ALSO DESERVES TO GO DOWN AS OUR BEST AND FINEST YEAR.

I AM CERTAINLY PROUD OF OUR ECONOMIC ACHIEVEMENTS IN THE FIRST THREE YEARS, NOT JUST THE CREATION OF 670,000 NEW JOBS BUT THE IMPLEMENTATION OF THE VAST NATIONAL TASK OF ECONOMIC RECONSTRUCTION AND REGENERATION. BUT THE TASK IN THOSE YEARS, GREAT AS IT WAS, WAS NOT AS DIFFICULT AS THIS HAS BEEN.

AND THAT IS WHY I DESCRIBE 1986 AS OUR PROUDEST YEAR, OUR BEST YEAR — SO FAR.

1986 WAS THE YEAR IN WHICH THE TRANS-ATLANTIC AGRICULTURAL TRADE WAR TURNED WHITE-HOT - AT THE EXPENSE OF AUSTRALIAN FARMERS.

IT WAS THE YEAR IN WHICH OPEC'S DISCIPLINE FINALLY CRACKED AND OIL PRICES PLUMMETED TO THEIR LOWEST LEVELS IN 13 YEARS - BRINGING PRICES OF RELATED COMMODITIES IMPORTANT TO AUSTRALIA DOWN WITH THEM.

IT WAS THE YEAR IN WHICH THE GREAT INTERNATIONAL CURRENCY BATTLE BEING WAGED BETWEEN THE UNITED STATES AND JAPAN MOVED SHARPLY FURTHER AGAINST JAPANESE PRODUCERS - TURNING THE SCREWS STILL TIGHTER ON OUR EXPORTERS OF COAL AND IRON ORE.

THESE, AND OTHER INTERNATIONAL FORCES TOGETHER PRODUCED A SHARP FALL IN AUSTRALIA'S TERMS OF TRADE, AFTER AN ALREADY BAD YEAR IN 1985. THE LOSS TO OUR GNP WAS \$6 BILLION.

NO ECONOMY COULD EMERGE UNSCATHED FROM SUCH A BATTERING.

AND NO RESPONSIBLE GOVERNMENT COULD STEP ASIDE AND AVOID THE NEED FOR TOUGH DECISIONS IMPOSED UPON A COUNTRY AND AN ECONOMY SUCH AS OURS BY SO MASSIVE A LOSS OF NATIONAL INCOME.

AS A GOVERNMENT WE ACCEPTED THE UNPALATABLE BUT NECESSARY DISCIPLINES IN WAGE FIXING, MONETARY POLICY AND IN THE BUDGET.

MOST IMPORTANTLY OF ALL, WITH A DETERMINATION UNMATCHED IN AUSTRALIA'S PEACE-TIME HISTORY, WE SET ABOUT THE TASK OF REORIENTING THE NATION'S ECONOMIC INSTITUTIONS AND FOSTERING THE GROWTH OF DYNAMIC, OUTWARD-LOOKING INDUSTRIES WHICH CAN TAKE ON THE WORLD'S BEST AND WIN.

BUT LET ME EMPHASISE THAT THIS HAS NOT BEEN A TASK WE SET ABOUT, ONLY IN 1986.

FROM DAY ONE - FROM MARCH 1983 - WE RECOGNISED THAT THE ONLY PATH WHICH COULD GUARANTEE THE FUTURE PROSPERITY, STABILITY AND COMPETITIVENESS OF THE AUSTRALIAN ECONOMY WAS TO OPEN OURSELVES TO THE OPPORTUNITIES AND THE PRESSURES OF A DEREGULATED TRADING AND FINANCIAL ENVIRONMENT.

SO OVER THE PAST THREE AND A HALF YEARS WE HAVE SET OURSELVES THE TASK OF REFORMING AND RESTRUCTURING AUSTRALIA'S ECONOMIC INSTITUTIONS AND THE FRAMEWORK WITHIN WHICH THEY OPERATE.

AS WE DRAW NEAR TO THE CLOSE OF 1986, WE HAVE REAL CAUSE FOR PRIDE THAT THESE GREAT TASKS OF REFORM WE SET OURSELVES HAVE BEGUN TO BEAR FRUIT.

AND THE BEST CAUSE FOR OPTIMISM - CERTAINLY AT THIS STAGE - A CAUTIOUS, CAREFUL OPTIMISM - LIES WITH THE PEOPLE THEMSELVES -

- THE NEW DETERMINATION TO LOOK CRITICALLY AT THE WAY WE HAVE DONE THINGS IN THE PAST, SO AS TO FIND WAYS OF DOING THEM BETTER;
-
- THE NEW WILLINGNESS TO SEIZE OPPORTUNITIES AND MAKE THE MOST OF THEM FOR AUSTRALIA; AND
- THE NEW RECOGNITION THAT ALL OF US - BUSINESS, GOVERNMENTS, WAGE EARNERS - HAVE TO DO WITH LESS, FOR A TIME, IN ORDER TO SPREAD FAIRLY THE BURDEN OF ADJUSTMENT NOW AND TO SET THE BEST BASIS FOR SECURE ECONOMIC GROWTH.

AND THAT IS WHY I SAY TONIGHT AS I HAVE BEEN SAYING AROUND AUSTRALIA IN THE LAST MONTH, THAT WE CAN ENTER 1987 WITH CAUTIOUS OPTIMISM.

THE FOUNDATIONS HAVE BEEN LAID OVER THE PAST THREE AND A HALF YEARS. NOW WITH THE SHARP REALIGNMENT OF THE CURRENCY, WE ARE ABLE TO EMERGE FROM A PERIOD OF TURBULENCE INTO A PERIOD OF RENEWED COMPETITIVENESS. BARRING UNFORESEEN EXTERNAL FACTORS, AND, I MUST STRESS, GIVEN CONTINUED RESTRAINT, AUSTRALIA CAN RESTORE ITS LONG TERM ECONOMIC STABILITY AND PROSPERITY.

THERE IS ONE LAST POINT I MUST EMPHASISE.

IT IS CRUCIAL TO OUR PROSPECTS AT THE NEXT ELECTIONS - BOTH NATIONALLY AND HERE IN NEW SOUTH WALES.

I HEAR IT ASSERTED, FROM TIME TO TIME, THAT, IN OUR PREOCCUPATION WITH THE GREAT PROBLEMS OF ECONOMIC MANAGEMENT, THE GOVERNMENT HAS NEGLECTED ITS TRADITIONAL BASE OF LABOR SUPPORT.

I REJECT THAT ASSERTION IN ITS ENTIRETY.

IT IS TRUE THAT OUR CENTRAL PRIORITY, THIS YEAR AND NEXT YEAR, WILL BE TO GET THE ECONOMIC SOLUTIONS RIGHT. IT IS TRUE THAT IN SETTING ABOUT THIS TASK, WE GIVE THE HIGHEST PRIORITY TO MAINTAINING THE HEALTH AND BUILDING ANEW THE STRENGTH OF THE PRIVATE SECTOR.

AND THIS IS THE WHOLE POINT. OUR PRIORITIES ARE NOT CONTRADICTORY. THEY ARE COMPLEMENTARY.

BECAUSE, WITHOUT AN EXPANDING PRIVATE SECTOR, THE TWO MOST FUNDAMENTAL OF ALL LABOR OBJECTIVES WILL BE SIMPLY UNACHIEVABLE.

AND WHAT ARE THOSE TWO FUNDAMENTAL OBJECTIVES

THE CREATION OF JOBS AND THE PROVISION OF THE COMMUNITY SERVICES - EDUCATION, HEALTH, WELFARE AND THE REST - WHICH CAN ONLY BE AS GOOD AND FAIR AS THE COMMUNITY ITSELF IS WILLING AND ABLE TO PAY FOR.

AND TO IMAGINE THAT THESE TWO BASIC LABOR OBJECTIVES CAN BE ACHIEVED WITHOUT THE NECESSARY FRAMEWORK OF A STRONG AND GROWING ECONOMY - AND IN PARTICULAR A STRONG AND GROWING PRIVATE SECTOR- IS, TO ADAPT DAVID NOLAN'S WORDS IN ANOTHER CONTEXT, JUST "ESCAPIST FANTASY".

LADIES AND GENTLEMEN

I HAVE SAID THAT WE CAN APPROACH THE COMING YEAR WITH CAUTIOUS OPTIMISM, AS FAR AS THE ECONOMY IS CONCERNED.

THERE ARE STILL TREMENDOUS DIFFICULTIES AHEAD - INDEED FOR A LONG TIME AHEAD. THERE WILL STILL BE THE NEED FOR TOUGH DECISIONS.

THERE WILL STILL BE A NEED FOR RESTRAINT.

THERE WILL STILL BE CALLS UPON THE STEADINESS AND STEADFASTNESS ON THE PART OF THE PEOPLE OF AUSTRALIA - NOT LEAST THOSE OF US WHO COMPRISE THE GREAT LABOR MOVEMENT OF AUSTRALIA.

BUT THERE ARE TWO THINGS IN WHICH MY CONFIDENCE IS NOT BOUNDED BY THE SORT OF CAUTIOUS OPTIMISM I SOUND, IN RESPECT OF PREDICTIONS ABOUT THE ECONOMY.

I HAVE NO INHIBITIONS, NO RESERVATIONS ABOUT THE CAPACITY OF THE AUSTRALIAN PEOPLE TO MAKE A SOUND, COMMON SENSE JUDGEMENT ABOUT THEIR GOVERNMENT, ABOUT THE ALTERNATIVE AND ABOUT THE FUTURE THEY WANT FOR THEMSELVES AND THEIR FAMILIES.

AND FROM THAT AUTOMATICALLY FLOWS MY SECOND GROUND FOR CONFIDENCE.

THEY ARE REALLY ONE AND THE SAME THING.

BECAUSE MY CONFIDENCE IN THE JUDGEMENT AND COMMON SENSE OF THE PEOPLE IS EXACTLY THE SAME AS MY CONFIDENCE IN WHAT THEIR JUDGEMENT AND THEIR VERDICT WILL BE, WHEN THEY COME TO EXERCISE THEIR CHOICE IN THE ELECTIONS.

1988 IS THE BICENTENARY YEAR.

THAT MAKES IT BY ANY STANDARD, A GREAT YEAR FOR AUSTRALIA.

BUT I AM ABSOLUTELY CONFIDENT THAT IT WILL BE MADE AN EVEN GREATER YEAR BY VIRTURE OF THE JUDGEMENT THAT THE PEOPLE OF NEW SOUTH WALES AND THE PEOPLE OF AUSTRALIA WILL MAKE AT THE NEXT ELECTIONS.

THE YEAR WE CELEBRATE THE PAST WILL BE THE YEAR WE WIN FOR THE FUTURE -
FOR THIS GREAT STATE, FOR THIS GREAT NATION, FOR THIS GREAT PEOPLE.
