



## PRIME MINISTER

CHECK AGAINST DELIVERY

EMBARGOED UNTIL DELIVERY

**SPEECH BY THE PRIME MINISTER  
ADELAIDE BY-ELECTION CAMPAIGN LAUNCH  
ADELAIDE - 18 JANUARY 1988**

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Friends,

Six months ago, the Australian people made an historic choice.

In the Federal election campaign last winter, the Australian people were asked to determine the direction in which the Australian nation would travel for the final years of this century and beyond.

They were presented with a choice between the starkest possible alternatives.

It was a choice about whether the real issues facing the country would be addressed or whether they would be ignored.

It was a choice between the continued capacity of a Labor Government to steer the economy through difficult times, and the equally obvious but diametrically opposite capacity of the conservative opposition to jeopardise our economic recovery, and to throw away all the hard work and all the sacrifices that you the community had made to achieve that recovery.

The campaign was a choice between the continued capacity of the Labor Government to spread the burden of adjustment fairly and help protect the least well off members of our community, and the proven unfairness and myopic lack of compassion of the conservatives.

So when the Australian people delivered their verdict in the ballot box on 11 July they delivered it in the most forthright of terms.

They renounced the Alice in Wonderland arithmetic of our conservative opponents.

They refused the illusory bribe of tax cuts.

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They repudiated the politics of division and weakness and instability which then and now hold sway in today's conservative parties.

It is scarcely possible to overestimate the significance of that decision on 11 July.

For by calling on the Labor Party to continue in office, by giving us our historic Third Term, the Australian people, quite simply, rewrote the nation's political and economic agenda.

Never again, I believe, will a political party be able, with any credible hope of success, to go to the Australian people with voodoo economic promises that neither add up nor address the realities of the economic challenges facing our country.

My friends,

I remind you of all this today because we are here to launch a new campaign - a campaign to elect a person who can continue to give the people of Adelaide a strong voice in Government in Canberra.

There are many local issues of importance in this campaign and I know Don Farrell and his team of campaign staff are dealing with them day by day in their campaign activities.

But the Adelaide by-election is also important from the national point of view.

For the stark contrast which the Government and Opposition are presenting to Adelaide voters today is the same stark contrast confronting the nation last July.

And the questions which the Australian people as a whole decided so decisively on 11 July are the same questions facing the voters of Adelaide on 6 February.

Those questions are: which political party is best equipped to manage the economy fairly and with compassion in these times of economic difficulty; and which political leadership can win the necessary cooperation in the community to meet those challenges?

Those questions were decided decisively in our favour last July - and since then nothing has happened to disprove or question the accuracy of the verdict the Australian people made at the ballot box.

Indeed, events since the election have only confirmed their judgement.

Since the election the Labor Government has brought down the balanced Budget.

We have kept our promise to introduce a new program of assistance to Australia's low income families.

We argued for a \$6.50 wage increase at the National Wage Case - a vital step in the maintenance of the Accord and a stark contrast to the miserable performance of the Liberals who in 19 of the last 21 wage cases have argued for no wage rise at all for Australian workers.

We have maintained our commitment to the environment. We have nominated the tropical rainforests of North-East Queensland for World Heritage Listing. And I was delighted that late last year the World Heritage Committee accepted our nominations of Uluru and Kakadu Stage II for World Listing.

The Liberals, you remember, were so concerned for the environment during the election campaign that they wanted to abolish the Commonwealth's departmental responsibilities for the environment.

As for the economic policies the Liberals advocated in the election campaign - policies which we described at the time as dangerous and shortsighted - they have indeed been exposed as such by events since 11 July.

Could it be seriously argued that an experiment of the magnitude the Liberals were proposing - an unprecedented upheaval in fiscal policy and a massive trauma to the social fabric of the nation - could have been conducted in the uncertain world economic conditions represented by the stock market crash?

Could John Howard's extraordinary plan to rotate his front bench with his back bench have provided the stability and certainty which government must provide?

And could the spectacular collapse of the Federal pretensions of Joh Bjelke-Petersen have added to that stability?

You will not find me quoting Senator John Stone very frequently - at least, not quoting him approvingly - but I can only support his recent verdict that the conservatives had shown in the July campaign that they were not ready for government.

I would add: they are still not ready for Government.

Let me take you to the clearest recent demonstration of that - a demonstration provided by John Howard himself.

I refer to the speech John Howard delivered earlier this month to a convention of Young Liberals in Sydney.

It was a speech which bore the portentous title "The Liberal Vision - 1988" - a title which suggests that the 1988 version of the Opposition's policies might at least have been improved in the light of the failures of their 1987 model.

But the policies of folly with which the Liberals entered the campaign - the policies which the Australian people repudiated on 11 July - are still basically on their policy books.

Mr Howard's speech explicitly endorsed those failed policies of the last campaign.

Let me quote him. He said "The theme of providing greater incentives through the tax system, through the industrial relations system and in other areas was the dominant theme of the Liberal Party's campaign in the July election. I do not resile from it. I do not apologise for it."

In other words he does not resile from the illusory tax bribe which he offered in July - with all its faulty arithmetic.

Nor does he resile from the necessary implications of the tax bribe - the devastation of the social programs which he would have slashed to finance the tax cuts.

As usual he has not specified what programs he would cut or what recipients of Government assistance would be victimised.

But it has become clear since 11 July that the Liberals would seek to cut Government spending by a massive total of some \$11 billion.

To cap off his speech Mr Howard said the Liberals would not release their new policies until they have concluded their policy review process - in August.

Which means in the meantime they want Adelaide voters to take them on trust - to forget the \$11 billion in proposed cuts - to ignore the voodoo element of his economic policies.

All Mr Howard offered are what he called the four great Liberal values: freedom, fairness, incentive and excellence.

Those are the values by which he said he will judge new policies.

Where does that leave the voters of Adelaide?

It leaves them with "a rhetorical reiteration of vague goals".

And that is not my conclusion but a comment from the Financial Review's editorial on the speech.

The editorial continued that the speech was "a rerun of the past two election campaigns during which the difficulty of a timely translation of grand phrases into practical policies proved to be beyond the capabilities of the Liberal leadership."

The simple fact is that Mr Howard still has no new policy to flesh out those bare bones of meaningless rhetoric.

At heart John Howard still has no answer to the real issue of the economic challenge confronting Australia.

This Government has told the truth about our economic difficulties. We have not sought to hide the scale of the sacrifices which were and are needed to solve those difficulties.

We said that no society could sustain the assault on its national income that Australia has suffered through the collapse in the terms of trade without making real and difficult domestic adjustments.

What the Labor Government has done is take the right decisions which equip Australia to cope with the international trading problems and take advantage of what new opportunities will arise.

And we have done that with the cooperation and understanding of the whole community - and not least with the men and women who make up Australia's trade union movement.

But Mr Howard resorted to bluster and deception when he describes Australia's economic situation.

He suggested every "red blooded Australian nationalist should seethe with rage" at what he claims is Australia's "financial enslavement .... to the rest of the world" - as though he, or anyone else, could ensure Australian economic prosperity in isolation from the opportunities and challenges presented by the world's markets.

Nowhere in Mr Howard's speech was there any acknowledgement of Labor's achievements in winding back the Budget deficit from the scandalous \$10 billion which was in prospect when the Liberals left office in 1983.

We have progressively and responsibly cut back that deficit to the point where, in the September Budget, Paul Keating was able to announce the Budget had been restored virtually to balance. And it is already clear that we will exceed this - the current Budget will be in surplus.

Interest rates are falling. Bank mortgage rates have now fallen to around 14 per cent.

But Mr Howard did not acknowledge that - nor did he mention that industrial disputation has been more than halved in our time in office.

Nowhere in Mr Howard's speech was there any acknowledgement of Labor's job creation achievement which has created 900,000 new jobs since 1983.

Nowhere did he recognise that under Labor, Australia is at last facing up to the massive task of economic reconstruction which was evaded and neglected for so many years by Liberal Governments.

As I said during the election campaign, the task of structural adjustment is one of our highest priorities for our Third Term, bringing reforms to our domestic infrastructure and putting strategies in place for the export-earning industries of the future.

When Labor came to office our schools were retaining to Year 12 just over a third of the nation's school children.

As a result of our policies, children are staying longer at school, acquiring the skills and abilities which will fit them better to find satisfying and constructive employment in adult life.

More than half our children are now staying on to Year 12 and by the early 1990s we aim to have that proportion up to two thirds.

This is a major social reform - but it had no place in Mr Howard's Liberal "Vision" of 1988.

And nowhere in that "Vision" is there a recognition of the steadily improving position of elderly pensioners.

When Labor came to office, the pension was 22.7 per cent of Average Weekly Earnings - now it is 24.8 per cent.

The standard rate of pension has increased by 8.2 per cent in real terms under Labor - compared with a fall of 2.5 per cent over the 7 years of the previous Government.

I put the question to the Liberals campaigning in Adelaide - how does your leader's empty talk about freedom and fairness compare with that tangible, delivered, paid for proof of my Government's concern for the elderly members of our community?

My friends,

Perhaps the most glaring omission of all in his speech, devoted as it was in part to the theme of fairness, was Mr Howard's failure to mention the great revolution which is taking place in Government assistance to families.

I promised during the election campaign that my Government would implement a Family Assistance program which would mean that by 1990 no Australian child need live in poverty.

Since our re-election we have acted speedily to implement that promise.

Low income Australian families are now eligible for up to \$22 per child per week - and more in the case of younger teenagers.

This Family Package is doing more to help make Australia a fairer society and a more compassionate society than any amount of rhetoric from Mr Howard about the Liberals' "Vision" for the future.

It is direct assistance, clearly targeted, and it is already paid for within the disciplines of Labor's balanced Budget.

Not as many families in Adelaide have yet applied for the new Family Assistance as we believe are entitled to.

So let me take this opportunity to encourage those of you who may be eligible for this assistance to apply for it - and to pass the word on to friends or work colleagues who may be eligible.

The new family program is an achievement of which I am proud - indeed it is an achievement of which all Labor supporters can be proud.

Because it has been put in place in fulfilment of our Party's deepest aspirations to help those members of the community who are in need.

Those aspirations have guided our work since 1983.

They will continue to guide our work throughout our Third Term.

They will continue to be our guiding lights through the difficult task of managing the economy in the years ahead.

We should not delude ourselves that Australia's economic problems are all solved or that all the tough decisions are behind us.

But that is why we should demand that whoever represents us in Parliament formulates and is prepared to implement policies to solve those problems.

And that is why I want Don Farrell to be the new Member for Adelaide.

It's not just that he has a capacity for hard work. It's not just that he has a close knowledge of living and working in Adelaide to take up where Chris Hurford left off in ensuring that Adelaide's interests are fully represented in caucus and in the Federal Parliament.

It is fundamentally that as a member of the Labor team in Government Don Farrell will be able to contribute to the great task of ensuring that Australia equips itself for the challenges and opportunities of the future.

My friends,

Last month, the President of the United States, Ronald Reagan and the Soviet Leader, Mikhail Gorbachev, signed an historic treaty in Washington.

It was a treaty to eliminate the entire class of intermediate nuclear weapons based in Europe and Asia - the first time in the history of nuclear arms control that a treaty had been signed which mentioned the word "elimination" in its title.

The conclusion of this treaty in a spirit of constructive frankness between the superpowers is a good omen for the whole world.

Considerable further work is being done as the basis for future agreements on further cuts in the arsenals, bringing the world closer to the goal of the abolition of nuclear weapons.

You will all know the recognised role which Australia has played in urging the superpowers to reach this agreement and in creating a climate conducive to arms control.

We are only a medium sized nation but we have used all the forums available to us to advance this goal.

I refer with pride to the comment of the Secretary-General of the UN Committee on Disarmament, Mr Komatina, who praised Australia's work and said that the goal of nuclear disarmament would be further advanced if more countries had followed Australia's lead.

What role would John Howard have been able to play if he had been Prime Minister during this period?

John Howard is an uncritical supporter of the US Star Wars program. He has jingoistically refused to see anything but danger in the changes currently underway in the Soviet Union. He has made it clear he prefers to operate in the black and white colors of the Cold War rather than the more subtle tones of this new era of superpower cooperation.

Like Liberals of the past, John Howard sees foreign policy purely as a screen for the projection of his conservative domestic political concerns.



Australia cannot afford such an attitude.

Friends,

Some commentators say that this is only a by-election and that therefore it provides an opportunity to cast a "protest" vote.

They are right - this by-election does give the voters of Adelaide the opportunity to protest - to protest against the continuing failure of the Liberals to fulfill their democratic role of providing a viable alternative government.

It gives them the chance to protest at the continuing failure of the Liberals to grapple with the central problems facing this country.

It gives them a chance to compare those Opposition failures with the continuing progress of steady reform, which we promised during the July campaign and which we have pursued since our re-election.

A majority of Liberal voters doesn't support John Howard. His Federal President, John Elliott, doesn't support him. His economic spokesman, Andrew Peacock, doesn't support him.

How can the voters of Adelaide support him?

So the election of Don Farrell as the Member for Adelaide will not only inject new talent into the Labor ranks.

It will also remind the Liberals that they will never make political headway in this nation while they operate in a policy vacuum without specifying what they would do if they were elected to office.

It will remind them they will never win the trust of the Australian people while they offer only weakness and instability at the leadership level.

And it will remind them that they can never convince the Australian people that talking about fairness is a substitute for doing something about it.

Meanwhile, my friends, we in the Labor Government will continue to provide the united, strong, stable and far-sighted leadership of this great country which the Australian people expect of us and which they fully deserve from us.

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