



PRIME MINISTER

FOR MEDIA

24 SEPTEMBER 1982

MR HAYDEN'S ALLEGATIONS AGAINST MR J.B. REID

A copy of Mr O'Reilly's letter to Mr Reid has been released.

Mr O'Reilly makes it clear that when the companies were sold they had no unsatisfied income tax liabilities up to the time at which Mr Reid ceased to have any connection with them. In other words, tax due had been paid.

Mr O'Reilly also made it clear that Mr Reid was only a trustee for a family unrelated to him and not in any sense a direct beneficiary from the sale of the companies.

He has also advised that Mr Reid will have no responsibilities under the special recoupment legislation the Treasurer introduced into the Parliament last night. That means that the operations were not bottom of the harbour operations. That was what that legislation was designed to catch. Bottom of the harbour operations were ones in which companies were sold with current tax liabilities which had not been paid and the companies were then put in a position in which they could not pay tax.

That is not Mr Reid's case.

On the facts set out in Mr O'Reilly's letter, it is clear that Mr Hayden's accusations are scurrilous in the extreme.

Mr Hayden has used privilege of Parliament to give him immunity against laws designed to protect people from cowardly and unjustified allegations. In the years that I have been in the Parliament I have not yet seen such a despicable display of character assassination.

With Mr Hayden, no decent Australian is free from the risk of character assassination. Mr Hayden would not make these attacks outside the Parliament.

Mr Hayden is more interested in destroying the character of decent Australians than he is in pursuing important issues of positive Government.

Australians will judge accordingly.