



PRIME MINISTER

E. & O. E. - PROOF ONLY

TRANSCRIPT OF PRIME MINISTER ON JOHN LAWS - 6 SEPTEMBER 1985

LAWS: ...

PM: very much the victim of his own lack of planning and lack of strategy though I don't in any sense say that now because of what I said yesterday. It's very hard to understand *really*, just how much *suffering* hurt he'll be *experiencing* so I don't want to add to it. But I think he would be the first to admit that his planning and handling of it were somewhat less than perfect.

LAWS: I agree with that and I'm quite sure that he is suffering a little today and I feel very sorry for him because obviously he trusted some people that couldn't be trusted.

PM: Yes, yes that's right.

LAWS: That must come as a nasty shock to a man who puts faith in others.

PM: Oh well, I have been saying for sometime, though I don't

know whether I have said it to you John, that a lot of time the media have talked about factional *differences* in the Labor Party but I really believe and know that the ideological splits and factions in the Liberal Party are very much deeper and that *was in large part what yesterday was about*.

LAWS: A lot of the newspaper reports are suggesting that it'll be a revitalised Opposition. Do you think it will be?

PM: I think the Opposition will probably be somewhat better organised under John Howard. I mean there's the same people there; you can't change the constituencies that he has got but I think it will be somewhat better organised but I look forward to that. It's a matter of, I think, pretty common consensus in the Gallery *to the most observant that we weren't faced with much of a* Parliamentary Opposition. I think they will be better organised now; that's good. I mean, it will mean that Ministers will be that much more on their toes.

LAWS: Yes. The front page of the Sun here says "Howard Challenge - Get Hawke Anywhere Anytime. I'll take Mr Hawke on any day. I'll take him on on the hustings, on television, anytime."

PM: Ah well, I can assure you that I'm amused by that. The interesting and basic fact which people have to recognise is that this is not something new; they've had Mr Howard before. They had him in charge of Australia's economy when it went into its worst recession ever. They don't have to speculate about Mr Howard's policies. They've had them in operation and it brought Australia to its knees and if Mr Howard wants to promise a return to the same, which is what he is doing, well that suits me fine. We'll deal with Mr Howard wherever. Having said that, I rang him up when he got the job and congratulated him because we have a good personal relationship. I have no reason to believe that won't continue, but it won't mean that it won't be on for young and all.

LAWS: Have you spoken to Mr Peacock?

PM: I did. I rang him. I got him when he was on the plane coming back to Melbourne last night; I got him on his return. I just felt in human terms for him and for his wife, Margaret. I know what they must've been going through and I just said to him (I mean I don't go into the details of the conversation) but I said look I don't want to be hypocritical about this but I just express my feelings for you and what you're going through and I think if you can't have these sort of decencies in politics it's a pretty rough old game.

LAWS: Yes, I agree with that. Do you think it's the end of the political line for Andrew Peacock?

PM: Ah, its obviously the end of the line as far as leadership is concerned; but no, I would think he still has a contribution to make to them. My hunch is that he would seek to get the Shadow Foreign Affairs portfolio; one in which he is comfortable, which he is best equipped. One of his great problems in leadership is that he really had no knowledge of or capacity really in the economic area and that was always a difficulty for Andrew whereas he had a long experience in the Foreign Affairs. I would tend to think that that's what he'd want to go back to and I would think he has, for the Liberals, a contribution to make there.

LAWS: What really was his undoing yesterday?

PM: Well, his undoing was a lack of systematic thinking through and planning. He understandably had concerns about the unpreparedness of Mr Howard to give him the degree of loyalty to which he thought he was entitled but then having made that first decision in the first part of the thinking process, that is, I want to get that loyalty, couldn't get it, then seemed to think that the only thing to do was to move for the demotion of Mr Howard from the Deputy Leadership but hadn't thought the mechanics of that through. He hadn't, in advance, thought well if Mr Howard won't agree to what I'm saying as I've then got to have a candidate against him, who is it going to be? He hadn't done all that thinking. And then, of course, when he got to the Party Room itself, on all the evidence,

he seems not to have made it clear to the members of his Caucus what was involved. Now, may I say that it's not only a reflection on, perhaps, his lack of strategic capacity but, being as charitable as one can and you know I've got enormous reserves of charity when it comes to talking about the Liberals, but they must be a pretty dumb crew if they didn't understand what it was about.

LAWS: That's right. That's the thing that I couldn't come to terms with. How he could walk out into it with his eyes open. Because he walked right into it.

PM: Well, he made the mistake. But then John you've really got to say that they must be a pretty dumb crew if they didn't understand that if they voted for John Howard to stay as the Deputy Leadership, it was a vote of no confidence in Andrew. But, nevertheless, he should have spelt it out.

LAWS: But don't you think it was perhaps a deliberate vote of no confidence in Andrew?

PM: No, on the evidence we have, John, that was not generally the case. I think for a lot of people who voted it was; yes, I agree with that but for some of them and, of course, you are talking in margins where three or four made the difference, there were at least that number who didn't realise what they'd done.

LAWS: Do you really think that he had no choice but to resign?

HAWKE: Well, no he did have another choice. Indeed when he left the Party Room with the other three leaders they made it clear to him that there was no necessity to resign. But I pay him tribute. There was no choice in the longer term. He could have held the leadership yesterday but a challenge would have been inevitable within a relatively short time and I think Andrew's judgement was, correctly, that that would happen and that if that was going to be the case it was in the best interests of the Party to go now, rather than later.

LAWS: Do you think the whole thing that brought it about - the request that John Howard should state categorically that he wouldn't challenge him - do you think that was necessary initially?

PM: Well, I think it probably could have been avoided. I mean, as John Howard said, it wasn't something that had been required of anyone else in the past to which Andrew probably would answer, yes, but no one else in the past has been sniping at the leader the way he had been. No, I think Andrew himself would agree that, with the benefit of hindsight, that it could have been handled differently and should have been from his point of view; but I still, John, then go to the point that what happened yesterday wasn't just about the personalities of Peacock and Howard. There is very deep and abiding ideological differences in the Liberal Party and they were reflected

in a very large measure in what happened yesterday and that's why no one should delude themselves that yesterday really settled the whole issue. It hasn't. The factionalism and the ideological differences in the Liberal Party are going to continue.

LAWS: The demand that Andrew Peacock wanted to place upon John Howard to me was extraordinary, I even thought it was unnecessary. Is it the sort of demand that you would ever place on anybody?

PM: I would never need to, John. I mean I could only talk about the realities. In Lionel Bowen I have a very competent and totally loyal and committed Deputy Leader, but I think really the view expressed by John Howard is, in this respect, adequate that you live or die on your performance and if you're performing well, you're not in danger, and it's really only if you've got some sort of apprehension about how you're performing and how troops are lining up, that you are going to start thinking like that I think.

LAWS: Yes. Mr Peacock was expressing publicly that he was very pleased with his own performance.

PM: Well, I suppose that it would be natural enough that he would. But I refrained yesterday and I don't really want to today to comment on his performance as Leader. I really think it's impossible for you or I to understand, John, just the trauma he and Margaret are going through. I don't think it's the time to.

LAWS: I know, I agree with that. I feel very sorry for him because I think to be publicly humiliated, and he was, is tough on anybody (Yeah, sure) and I do feel sorry for him today, but I think he is very fortunate to have the support of his wife, Margaret, who, I think, under these circumstances would be exceptionally supportive.

PM: There is no doubt about that.

LAWS: Okay. Well; it was good to talk to you. I hope we can talk to each other again soon.

PM: I hope so, John. All the best.

LAWS: Thank you very much. Bye. Prime Minister of Australia, Bob Hawke.