

The Great Debate: Bob Hawke, Prime Minister (ALP) and Andrew Peacock, Opposition Leader (LP)

Moderator: Ken Randall, President of the National Press Club

Panel: Michelle Grattan (The Age), Robert Haupt (Channel 9), Richard Carleton (ABC), Peter Bowers (Sydney Morning Herald), Laurie Oakes (Channel 10), and Ken Begg (Channel 7)

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Ken Randall: Welcome to the National Press Club and this first in national election campaign coverage; this face-to-face encounter between the Prime Minister Bob Hawke and the Leader of the Opposition Mr. Andrew Peacock.

We've agreed on a few basic ground rules tonight to keep things moving; and the main one is that Mr. Hawke and Mr. Peacock, in that order, will make a brief opening statement. We will then move to questions; we will move around the panel, the answers will be two minutes and the person who was not asked the question will have one minute to respond; with some room for follow-up questions. In the end we will move to summing up statements, which again will be three minutes each. So we'll start, as I said, with Mr. Hawke.

Mr. Hawke: "Thank you Ken. I put the case tonight on behalf of the Government with an already impressive record, on behalf of a Ministry recognised as Australia's most talented since the war. A team that has successfully set about the job of rescuing Australia from its worst economic crisis in almost 50 years.

Our policies have enabled Australia to take full advantage of the breaking of the drought and the improved international economic situation. So much so that we now have the fastest growing economy in the world.

Already under our administration inflation has been halved, we have created 270,000 new jobs, interest rates have been reduced, the housing industry is booming, we have been able to make a substantial tax reduction, strikes have been reduced to the lowest level for 16 years, Medicare has been introduced to give cover for all Australians and we have guaranteed funding for both the public and private sector of education and ended the divisiveness of the State aid debate.

We have given pensioners their first over-indexation increase for eight years and we have made a significant start in the great fight against poverty, social injustice and inequality of

opportunity. We have eliminated much of the confrontation and bitterness that was tearing our society apart just 20 months ago.

We have restored cooperation and national purpose to Australian political and industrial life. We have restored competence to government in Australia and we have provided the basis for Australians to regain their pride and optimism in the nation's achievements.

In short, I believe I am entitled to say to you on behalf of my team that we have done a good job and during our next three years we will continue to build on the gains already made. Our highest priority will be to create even more employment, particularly for our young people. And by continuing with the job that we have begun together by working together, we can build and develop an Australia with greater opportunities of all Australians.

By contrast, our opponents present to the people a program of only division and destruction. Their policies on indirect taxes and wages will generate a rapid return to the scourge of double-digit inflation; a soaring inflation that will lead to an increase in interest rates. Their promise to abolish the Arbitration Commission will unleash industrial confrontation and a return to the disputes that did so much to harm our society in the past. And their commitment to change Medicare three times and then to abolish it would mean a return to their well-known health care chaos.

Australia needs a government with a constructive and coherent program. The knocking and the negativism, the smear and the scare of the Opposition is no alternative.

On December the first, people will have the opportunity of comparing the policies, the performances and the talent of the Government and the Opposition and I am confident that the Government will earn and overwhelmingly favourable comparison on each of those three counts".

Randall: [Thank you Mr. Hawke. M]

Mr. Peacock: "Well thank you Mr. Randall and good evening. I remind you what tonight is all about. It is about your future and your country's future; it is not about the past. On Saturday, make the decision, not Mr. Hawke or myself. You have a right, indeed a fundamental right, to know just what's ahead.

And frankly, throughout this campaign you have not been told by Labor just what they plan for the next three years. I have said it before and I will say it again; we have told you what we will do and we have told you what we won't do. We have set out programs in every field of governmental activity, be it education, housing, industrial relations, the economy, taxation ...we've told you. We have given a vision of the future.

For example, in taxation. For those of you with children, I know the extra costs that you are facing so we have implemented an income-splitting program to assist families with children. As a start we treat each partner as part of a team. You share the work so your

income can be divided for tax purposes. And the result? Less tax. Where both parents work or in the case of single parents working, we will meet the cost of childcare expenses by way of rebate.

For those of you who are pensioners, you know how you have been hurt and confused by Labor. Well, we won't do that to you. And furthermore, we will abolish the cruel assets test. And for those of you who are in superannuation schemes, you have worked hard for your super and with us you will keep it. We will take away Labor's extra tax on superannuation and take it back to what it was — a tax of five per cent. And with us there will be no capital gains tax, or death duties or gift duties.

We can do these things because our economic policy ensures that we will spend less. If governments spend more they need to tax more and this Labor Government is the biggest spending, highest taxing government in Australia's peacetime history. Well, we will reduce expenditure, get the deficit down and lower taxation. And we can do all three because we will get government off the back of business. Whether that business be city or country, small or large, we will ensure reinvestment again; and reinvestment ensures jobs.

Unemployment, of course, is usually discussed in statistics, but unemployment is multidimensional. You just don't lose your job — you run the risk of losing your home and your family and further traumas that few commentators seem to comprehend. Well, ours is people-oriented. Labor asks you to put Australia first. Well, that is fine. We're saying put Australians first.

Randall: Thank you both. That brings us to the questions phase...

Michelle Grattan: Mr. Hawke, you mentioned in your opening your desire in your second term to create more employment for young people. And I'd like to start on that issue because youth unemployment seems to have become quite a submerged issue in this election campaign. You have promised to hold a tax summit. Wouldn't it be more appropriate or equally appropriate to hold a summit on youth unemployment to discuss what measures could be urgently implemented?

Hawke: Well we are continually, Michelle, talking to the appropriate sectors in the community on the whole question of employment. That followed from the summit and then the creation of the Economic Planning Advisory Council. So we are in constant consultation both formally and informally in this area.

We have done a great deal already. We have reduced the level of youth unemployment, but I know that there is more to be done. And we have increased by 48 per cent the budget allocations for youth employment and training programs and we are now awaiting on a report from Peter Kirby who is looking at a whole range of programs affecting youth.

And once we get that we will move on the basis of that report to do whatever is necessary to improve the situation currently existing. What we have done is to stop the massive explosion in unemployment generally and youth unemployment in particular; and we will continue to improve the situation.

Now we see in the period ahead a delivery of the promise that I made on behalf of the people of Australia; and that is that we would create half a million new jobs in the first three years. We are ahead of target on that and the young people are going to benefit from it, but we will continue to talk with them, with the young people themselves as well as those whose decisions will affect this issue.

Peacock: I'd like to exercise my right here... because I don't believe the Government has done anything to reverse the problem of youth unemployment. They have in fact talked about unemployment and talked about jobs but there hasn't been any action. Now the real requirement for unemployment if you're to get people back into the workforce, quite apart from the jobs being created, is to train people. Our emphasis in our program, whether it is described as our work program or education bank, in which we guarantee everyone 15 years of programs, of education, is the heavy emphasis on education itself.

There is another more fundamental element: Mr. Hawke talks a lot about encouraging people to stay at school but he does nothing about it. The gap between the unemployment benefit and TEAS, the tertiary education allowance, is growing all the time. We are the only ones making the commitment to bring TEAS closer to the unemployment benefit and eliminate that incentive.

Laurie Oakes: I'd like to ask Mr. Peacock, not so much about something that's been raised in the campaign but something that hasn't. Mr. Peacock in your September 1981 budget speech — given when you were in exile from the Fraser ministry and therefore speaking for yourself and no one else — you advocated means testing of virtually all benefits. You specified dependent-spouse rebates, family allowances and home savings grants; you said a start could be made by making all assistance to families and individuals income related. And then you said this, you said [inaudible] decisions will demand a good deal of courage from Government leaders. So since there was no mention of any of this in the policy speech I'd like to know do you lack the courage to make those decisions or do you lack the courage to tell voters that that's what you stand for?

Peacock: No, no lack of courage at all Laurie. It's a question of foresight and also understanding what's required today. And when I made that speech — and I could very well make it again today — because what I mentioned, and you'll see the words there, no mention of assets testing, and I know this has been raised by you and others before, a specific mention of income in relation to means testing. Well the incomes test remains.

It's the asset test under us that goes.

And I think you've got to recognise that the major contributing factor to the rise in welfare spending today was through the massive increase in payment of unemployment benefits. People attack the elderly constantly and say that you've got to impose further tests on the elderly to get the welfare [vote??] down. The major impetus through as I've said, comes from unemployment benefits and the skyrocketing of payments in that area; another reason why we've in fact got to reduce unemployment, [?because?] the reasons I spoke of earlier, this is a subsidiary of.

The incomes test remains with us, the assets test doesn't. I regard it as costly — \$55 million this year — intrusive and absolutely unfair. And the firmest commitment has been made to get rid of Labor's assets test; it will be one of the first things we'll do. And we'll shred all the information that they've demanded from people because I don't want to know the value of their possessions and nobody else needs to know the value of people's possessions in our country — bureaucrats or government.

So the short answer to your question is the incomes test will remain so that it is means-oriented; there is no need for an assets test.

Oakes: Just to follow that up if I could. There is no incomes test at the moment on this like dependent-spouse rebates and family allowances; yet that's what you were advocating in 1981.

Peacock: I was advocating an examination of all these areas. The general thrust of the question is in regard to means testing. We've not undertaken to increase [??? inaudible] we've been criticised for it; either the spouse rebate or family allowances, because we chose to give our relief through the tax mechanism, which Labor has not done by advancing towards income-splitting and thereby giving a relief and a choice to families, should they want it. So as far as I'm concerned the choices with families, that's the way to do it. And the proposition we're putting forward, as so far as means tested welfare is concerned — the incomes test remains. It's that rotten assets test that goes.

Hawke: Yes I'd like quickly to make some comments. First of all the statements that were made by Mr. Peacock here in the house went beyond income testing. His Shadow Treasurer Mr. Howard has made it quite clear that he approves of the principle of the assets test and he has not denied that. Neither has Mr. Elliot, the leading figure in the Liberal Party, but more importantly the Federal Council of the Liberal Party has also by resolution indicated its support. It's quite clear that the leading figures and the organisation support the assets test; and you can no more believe them on this than you could in 1977 when they gave you a fistful of dollars.

But I must, very quickly of course also Ken, comment upon the remarkable observation

of Andrew's about the impact of unemployment benefits in this area. Of course, under the government of which he was part, unemployment skyrocketed to record levels and the bill for unemployment benefits increased enormously. Out of the result of the policies of our government, that in fact, we've brought unemployment down. The level of unemployment benefits has been in seasonally adjusted terms, reduced; the number of recipients from 730 000 in 1983 down to just over 600 000 now.

Under Mr. Peacock's policies the level unemployment benefits went up like that in terms of recipients; under us we've brought them down and it's remarkable that he should be entering into that area of observation.

Robert Haupt: My question is for Mr. Peacock. Mr. Peacock, one of the painful lessons we've learned over the past 10 years is that a Government must control inflation. Now Mr. Hawke's Government has a wages agreement with the unions. You are saying bury the accord, abolish the Arbitration Commission and put wages into the free market, which strikes me as an invitation for the unions to raid the cookie jar. How are you going to control inflation, apart from the oldest way of all — creating a recession?

Peacock: Well of course, you talk about a wages explosion. The real wages explosion occurred in 1981-82 and you had the centralised wage fixing system in place then. Those who attack us by saying inflation will be rampant — because we are going to take the best element of conciliation and the best element of arbitration and put it together — overlook that fact. Secondly, the tribunal will determine a minimum wage and anything entered over and above that will be by way of contract. And you know what a contract is: it's enforceable, not to be broken.

Now ask anyone whether in fact they believe that the real rate of inflation is down at the present moment. There is housewife after housewife or male single parent who has to shop in supermarkets every day and they know the price rises. I don't have to convince them that in fact, in terms of say, real interest rates or real rates of inflation, that it's not moving.

As far as I'm concerned, I'm also concerned that the bodies such as VCM and the Institute of Economic Research, who say that unquestionably under Labor inflation will rise, are correct. The reason being that the Prime Minister gave no undertaking in his policy speech of expenditure restraint; he did not address the question of deficit; nor did he give any undertaking that the overall rate of taxation would be down. He only talked in terms of the Commonwealth rate and overlooked any element of passing it to the States. Now he has been criticised for his off-the-cuff and on-the-run remarks so substantially throughout this campaign that I needn't dwell on it — but unless you are prepared to attack expenditure, because, as I've said earlier, the more a Government spends, the more it's going to tax.

Unless you're prepared to attack the deficit, then inflation will unquestionably rise. And let's not buy this myth that inflation will rise if you have an element of conciliation as well as arbitration in your wage-fixing process. It's quite the reverse.

Hawke: Ah, Ken, three points: Mr. Peacock is wrong, wrong, wrong. He said the centralised wage system was operating in 1981-82. On 31 July 1981, the Arbitration Commission abolished the centralised system of fixing wages. That was on the 31st of July 1981. So, that for the whole of the 1981-82, there was no centralised wage system.

In the result we had a 16 per cent wage explosion because there was no centralised wage system, the system Mr. Peacock wants us to return to. So, he's wrong on that in saying that it was operating.

Second, he is now saying the inflation figures are cooked. Well, I leave the people to judge that. The official figures are here. We have more than halved the inflation rate. And he refers to the Victorian Chamber of Manufactures. Well, thank you Andrew because in this morning's 'Sun', we have this observation from Mr. Brian Powell, executive director of your VCM, that you're quoting with authority. He blasted the Liberal Party. He said in respect of the Food Preservers Union, which is trying to destroy the Arbitration system, he said they had behaved destructively during a nine-week strike. He said the Food Preservers Union 'are a group looking to the overthrow of the industrial system as it stands' — our ordered system under the Arbitration Commission. And he said this: "They ought to join the Liberal Party. They ought to join Mr. Howard. He seems to want to overthrow the ordered system of industrial relations".

Your source, the Victorian Chamber of Manufactures, is damning you for wanting to destroy the arbitration system — and they are right.

Peacock: *[interrupting out of turn]* Well I've got to go back to this element of my being wrong, wrong, wrong, because in fact I'm right right right. *[protests from the panel and the audience]* Well I'll just add this — when Mr. Hawke talks in terms of a conciliation and arbitration commission...

Randall: You did agree on the proceedings and...

Peacock: Oh, well, I'll add it in later then. Ok? He's conveniently overlooking decisions.

Richard Carlton: Ken, thank you. Mr Hawke I would like to draw your attention to an article in this morning's Australian newspaper, written by Mr Justice McClelland who was, as we all know, a Minister in Mr Whitlam's Government and he describes himself in the article as a surrogate father to Paul Landa, the late Attorney-General from NSW. And he says of Mr Landa; "Mr Landa had come to regard politics in this state — NSW — politics in this state with disgust. Almost his last words to me were, I want out." Now I suggest to you, Mr Hawke, that you don't have to be a political genius to conclude that the disgust referred to there is disgust of corruption that appears to pervade NSW affairs.

How much worse do matters have to become in that State before you choose to involve yourself?

Hawke: Well, Mr Carleton you don't have to be a genius to come to the conclusion that it is distasteful in the extreme to use the alleged words, the purported words, of a dead man to support a political case. [groans, applause] I am simply saying this, Richard, that as far as my Federal Government is concerned, I and my colleagues have at all times taken those steps which are necessary in regard to any information that has come before us — which could be relevant to the question of the operation, an obedience to, or retraction of, the laws federally, or where it involves the States — to refer it to the State. In every respect that has been done and there is no issue to which one can point to which suggests that that has not been done.

I simply say this in regard to NSW, that I believe that the Premier and the Government of NSW have taken all action which is necessary in regard to any situation that has arisen there, and clearly on the last occasion when the people of NSW in this year had the opportunity of making their judgement, they gave Mr Wran and his Government an overwhelming endorsement.

Peacock: I would simply say this, that there is no need to introduce the words of anyone that has died tragically. As we know, there is something rotten in the State of NSW and those who live in the State or have spent any time there share the concern that many of us do. And the words of Mr Hawke do not override any other words that have been printed or stated about the degree of corruption in that state. And I would simply remind the Australian people that he was prepared to stand foursquare with Mr Wran on this issue and others. And I can see him standing with Mr Wran till after this election. [Applause]

Ken Begg: Mr. Peacock — I would like to ask you whether in fact you can substantiate that claim that things are rotten in New South Wales; particularly given your earlier statement under privilege in the Parliament that the Prime Minister was a crook?

Peacock: Yes, I think there's a great deal of evidence about the rumours in NSW. I'm constrained to one extent today and that is because of the pending prosecution of one particular man. I first raised this matter in the Parliament itself.

My deeper concern goes even beyond NSW and I speak dispassionately about the lack of follow-through on the Costigan report. Now Mr. Costigan has already complained that he didn't have sufficient powers; that he pleaded with the government to give him sufficient power to fully investigate what he has described in far more graphic terms than I am prepared to tonight. And the reality is if the government was serious about dealing with organised crime they would have picked up the elements in my private member's bill which give the new authority, the National Crime Authority, real teeth.

Now at the present moment can't, of its own volition, hold any public hearings. It cannot, of its own volition, subpoena documents. It cannot, of its own volition, subpoena people. It is, in many respects, a toothless tiger. I think those occupy positions on the National Crime Authority are men of integrity but they require power to be able to follow through the seedy ??? side of our society which through Costigan, in both the published and unpublished documents is shown to be now deep-seated.

I agree with the government, and I agree with Mr Hawke, in the way in which he handled the receipt of the Costigan report and I was grateful to the government for making all of the documents available and I've no complaints with that at all. I have complaints as I look down the line because I believe that the cancer has to be eradicated; it's people's lives we're talking about here. The National Crime Authority could control it and investigate it properly — it hasn't the powers to adequately do so.

Begg: Mr. Peacock – do you have specific evidence? Let's go back — a lot of smear, a lot of innuendo. Do you have, as leader of the Opposition, any specific evidence to substantiate your claim that the politics of NSW are rotten?

Peacock: Well, yes, I do indeed. I think that I need only point to elements in Costigan itself. I am not going to go beyond that and I am certainly not going to comment on documents that were given to me as privileged documents.

Hawke: We have had a repeat here, Ken, of what happened in the Parliament: allegations, smears, but when the opportunity is given — no proof, and Mr. Peacock shouldn't do what he had just done and say; 'Well I've got some evidence but it's in the confidential volumes'.

Now he knows that I have seen the confidential documents and let me say this: that on 15th of November, Premier Neville Wran telexed me and asked me in the light of some allegations that were being thrown around by the conservatives, was there anything in the confidential volumes of the Costigan report which reflected on any members of his Ministry.

I referred that to the Attorney-General and on 16th of November I was able to reply to the Premier of NSW on the advice of the Attorney-General that there was nothing in the confidential volumes of the Costigan report which involved any adverse comment or finding by Commissioner Costigan as to illegal activities or improper conduct on the part of any Minister in the Wran Government. Now that's has been put to the Premier of NSW on the basis of that report and Mr. Peacock knows it to be the truth.

Just let me make two or three other points very quickly. [murmurs about the rules and the time] Well, Ok.

Peter Bowers: To Mr. Peacock: I want to remind you of a couple of charges you made

very specifically and very loudly and very repeatedly in the House of Representatives on 13 September. You said this referring to the Prime Minister: "This little crook" is being slowly judged for what he is, a perverter of the law of this country, and one who associates with criminals and takes his orders from those who direct those criminals". Australia goes to the electorate on Saturday and the gravamen of the charges stands today. Now before the people of Australia, do you substantiate those charges against the Prime Minister or do you withdraw them?

Peacock: On reflection I feel a little crook, too, but I have taken the medicine without a whimpering, that's that. [Applause]

Bowers: Do they stand, Mr. Peacock, or do you withdraw them?

Peacock: Well Mr. Bowers, if you read all through that Hansard, which you conveniently didn't, which is a singular feature of your articles, of course which we enjoy, but at the same time you don't always paint the full picture. Had you painted the full picture, you would have read what transpired thereafter. If you wanted to hand it over to me you could but I'll remind you that in fact a member of the Australian Labor Party stood up, found the term objectionable and requested the term be withdrawn, and I withdrew it. That to me is the end of it.

Bowers: You withdrew the reference to the little crook; you didn't withdraw the references that he was a big crook and in fact you went out [laughter].

Peacock: I think you are getting yourself into a lot of trouble, Mr. Bowers.

Bowers: You did not withdraw that; now do you withdraw or substantiate?

Peacock: If you read on and saw that reference, you would have seen that reference was withdrawn also, Mr. Bowers. I think you are suffering from selective amnesia and you have caught it from the Prime Minister. [Applause and laughter]

Hawke: Ken, I don't want to spend much time on that except to say that Mr. Bowers has been maligned, and Mr. Peacock knows full well there was only a withdrawal in regard to that first part and the rest of it remains on the record. Whether he withdraws it or not is a matter for him to decide. But could I just on that basis, as we're talking about crooks and so on, just make the point that in regards to how we deal with crime in this country.

Mr. Peacock is now talking about the inadequacy of the provisions for the National Crime Authority. His commitment to and interest in this subject can be judged by the fact that when this matter was before the Parliament, he did not make a contribution, he did not speak. This is how much he interest he had in the subject.

Randall: Peter, I think that we've...oh you...ok

Bowers: I'd like to go immediately to Mr. Hawke. Perhaps you would be good enough to

clear up the mystery of the money in the bag which disappeared from your room in the Boulevard Hotel on February 21 1982.

Hawke: This is evening it up.

Bowers: Why were you carrying the sum of \$1000 in US currency?

Hawke: Mr. Bowers, I have made it quite clear when this matter has been raised before that when the robbery took place, I immediately reported it to the police. Now that is not consistent with some suggestion that I have any ??? I fully reported it; that matter has been before the police.

And I am not going to be party to an increasing tendency in this country that all that has to be done is make an accusation against someone that they were engaged in something improper, and then you reverse the total tradition of this country, that once the accusation is made you have got to prove yourself innocent. That isn't something I am going to be party to. It has started to permeate the way politics are being conducted in this country, and doing an enormous disservice to the fabric of justice and decency in this country.

Of course the implication of that is that if someone has on them a sum of money then they have to explain it. The only reason in this case is that it was a sum of money that was stolen, I then had to account for that some of money. Now if you happen to have \$5000; 4000; 3000; 2000 in you pocket... can I just say

Bowers: Getting close...

Hawke: Getting close, 2000. Now, Peter Bowers, tell me where you got that \$2000 from? Now is that the situation we're getting into where people have to justify the amounts of money they have on them and particularly, if it's stolen? If there's anything improper about my position I certainly would have not gone to the police as I did and reported it.

Bowers: I'm not suggesting there is anything improper about...

Hawke: No but you are suggesting, Peter, that I have to justify a position that I'm in because I have a particular amount of money, that I have to prove myself innocent of something. I am not going to be party to that.

The Opposition in this country has smeared a whole range of people and then those people have had to prove themselves innocent. And I've seen your writing condemning that, this position — that's now been reversed — of people being innocent until proven guilty. You have rightly said that the right thing in this country is that people are innocent until proven guilty. You've condemned this perversion and I'm not going to play any part of it. [Applause]

Bowers: Can I just make two quick points, Mr. Moderator, because the Prime Minister invited them. Two quick points. The first is that you'd be the last Prime Minister that

needs to be told that as Prime Minister you're required to answer very private and at times very private details that private citizens do not have to answer. And the second one is, it is very unusual, I suggest, to carry around \$1000 dollars in US currency bills. Now there may well be a perfectly innocent explanation; I merely invited you to give it.

Hawke: Thank you.

Begg: Mr. Peacock, in the last two weeks we have seen some extraordinary candour from Ian Sinclair about his personal life. Your party is campaigning on the subject of family. I would like to ask you about the candour and I'd also like to ask you about Mr. Sinclair's claim that Labor was somehow responsible for AIDS. [Laughter] I wonder if that was a test of your leadership, that we should have been slapped down firmly for both these suggestions?

Peacock: Well I, I don't think that Ian would want me to shed any tears over him or his name being brought into the discussion tonight. He can well answer that himself. So far as the question of AIDS is concerned, I made my view perfectly clear, and I think the overwhelming majority of Australians would agree with me.

In addressing what transpired a couple of weeks ago — I was moved by the tragedy that occurred and I did not regard it as part of the election or to be brought in any partisan way whatsoever. I'm not going to play any politics over it tonight.

This is a tragedy that has to be fixed and rectified. The Government on this occasion did the right thing in calling State and Federal Health Ministers together and planning for the future. As far as I am concerned, this is where the matter ought to lie, other than looking for administrative as well as policy measures that ought to be adopted. [Applause]

Hawke: I welcome Mr. Peacock's approach on this. I simply observe, the people of Australia will make their own judgment about the person who is the subject of the question and who would be the Deputy Prime Minister of this country. They will make their judgment about him.

Carlton: Mr. Hawke, I would like to question you if I may about Mr. Justice Murphy. On the evidence so far, a committee of the Senate has decided three to one that Mr. Justice Murphy has acted in a manner that had a tendency to pervert the course of justice. How long will you allow the reputation of the High Court be sullied while this matter remains unresolved?

Hawke: Richard, there is a very important question of principle involved here, let me

make it quite clear, and that is the division of function between the executive and the judiciary. What has happened is that a committee of the Senate has made its finding and the right course of action will be followed. That report of the Committee will go to the Senate, and when it is considered it may call for action by the other house of Parliament.

As far as the Government is concerned, we have the Director of Public Prosecutions who has been set up independently under legislation to consider what course of action ought to be taken. Mr. Temby is assessing material from the Committee of the Senate and when and whether — to the Government or to the public — Mr. Temby makes a statement is a matter properly under the law for decision by Mr. Temby, and we will not be interfering with the legislation that provides he should make that judgment; nor should we be interfering with the processes of the Parliament.

Peacock: I'd like to say that I get the distinct impression that Mr. Hawke is not only embarrassed on this issue, but is in fact not telling it as it ought to be. You can draw your own conclusions as to why.

I don't think it's good enough in this situation for the government to be hiding behind the DPP. The DPP may well be looking at the matter and there may be action that has to be taken down the line.

But under our constitution it is the Parliament that has to deal with a judge of the High Court and there needs therefore no more mere rhetoric about the Senate looking at the matter and maybe some further action down the line. The Senate Committee has made its recommendation; the Parliament is the one under the Constitution that has to make this decision. We all live under the rule of law, it must be seen through. When we are elected next Saturday, when Parliament resumes, the matter will be put before both the House of Representatives and the Senate; and there will be no buck-shoving [??] on the issue.
[Applause]

Haupt: Mr. Hawke, Australians, I think, are fed up with early elections. At the moment, only the Senate has a fixed term and you've got a referendum to abolish that. Wouldn't it be better and more honest to extend the fixed term to the House of Representatives as you once promised? Might I invite you here tonight to honour that pledge and to commit yourself now to a full three-year term, which would end on December 5th 1987. And if Mr. Peacock in return renewed his promise to guarantee you supply, we might well be on the road to making early elections a thing of the past. Will you do it?

Hawke: Well, I welcome the question. Let me say these things, Robert.

The early election that's being held now is because of the decision of Mr. Fraser to put the elections out of kilter in March last year, and so we had to have a half-term election by about April of next year. We're saving about \$19 million by having the House of

Representative and the half-Senate together. We will certainly, after 1 December, go the full three years.

Now let me go to the question of a further referendum. We are putting the referendum for simultaneous elections and of course if that is passed, as I hope and believe it will be, that will mean that there will be a far less likelihood, then, of early elections being called. And I hope, therefore, that people will pass that. They should, because Mr Peacock and the Opposition supported it in the Parliament. They've had a late change of mind for purposes of political advantage, but they supported it in the Parliament and I hope the people will now.

Now because of the complexity of referendum holding in this country we've decided we would just have the two referendums now; the one for simultaneous elections and the question of the transfer of power. I believe that in our next Government we'll give consideration to a referendum to provide for fixed term. But the people of Australia can be certain that now we've fixed up the elections, got them into kilter again, this next Parliament will go for its full three years.

Haupt: ...So, the next election is on December 5, 1987?

Hawke: Well, approximately then, it will be three years. Well, I mean would you kick up if it was December 12?

Haupt: No.

Hawke: Good, well, then okay.

Peacock: Well, I remind you in the last election that Mr Hawke said 'with my period in government the Parliaments will run their full term'. Now I don't know how he can make any new promises because we are still in the midst of the 86 election in 84 and he hasn't finished breaking the last ones yet.

The fact is, he says he has gone to the election early to save money. You know that he legislated; he put it forward, for more politicians. We have 36 more politicians being elected on this occasion. I opposed it, my party opposed it. The cost of this measure is \$45 million — infinitely more than he alleges he is saving by calling the 86 election in 84. He broke his word last time. I'd ask you to double-check what he said tonight.

Oakes: Mr. Hawke, you've told voters in effect, they're not going to know anything about your plans for the tax system in time for the election; they won't have any details of your proposal till after the white paper is circulated and the taxation summit's held early next year.

That being the case wouldn't it be prudent for people casting their vote next Saturday to do so on the assumption that they're likely to be hit by capital gains taxes, wealth taxes, death duties and so on. In other words, since you're saying to the electorate we can't tell you what's going to happen about tax; aren't they entitled to assume the worst and vote

accordingly?

Hawke: No they're not Laurie. And I believe that the people of Australia, on this central issue of tax, will look at the record of the two parties. They will see that the Opposition Party in this election have not told the electorate what they're going to do. You don't know anything in detail about the income-splitting proposal and they've got internal contradictions between the Liberals and the national Party on it; and very specifically, on the question on increases of indirect taxation they have given no indication of the level, the measures that will be done to increase indirect tax. They are the one group in this election who have not given a commitment, as I have done, that there will be no increase in the overall burden of taxation. We've given that commitment, they have not.

And I believe that in looking at taxes the best thing to do is to look at history. In 1977, you can see both — whether you can trust them on whether the tax cuts they've given will stick or not, and you'll remember that they gave the fistful of dollars and then grabbed them back. But I would ask the people of Australia to look at the disclosed liberal philosophy about tax cuts. In 1977 under the tax cuts which they did give, they gave an average weekly earner a tax cut of \$3.54. How much did they give the Prime Minister? 17 ½ times that — \$62.42 to the Prime Minister and \$3.54 to the average weekly earner.

Under our tax cuts we gave \$7.60 to the average weekly earner and \$2.70 to the Prime Minister; about 2 ½ times more to the average weekly earner than to the Prime Minister. So you don't have to be theoretical if you want to know the difference between Labor and the Liberals and National Party on their principles of taxation. That's the principles — they are all in favour of looking after your Prime Ministers, your high-income people and giving very little to the average person. Ours is the opposite of that; we will bring in a fair system which means that the workers of this country will not be unfairly burdened by having more of their earnings taken away by taxes. We make that commitment about no increase in the burden — they do not. [Applause]

Peacock: Well again he's wrong; because not only have we given a commitment not to increase the level of taxation, we've gone further and said that we will work to lower taxation as a percentage of the GDP.

Secondly, we spell out precisely what we'll do. Mr. Hawke says, oh we'll have a conference or a summit — suggested to him by a Perth radio announcer. And I've said before we'll be having so many summits we'll have to erect [inaudible] up there in Canberra, we're coming up every day of the week.

You do not know at what rate he's going to bring in capital gains, or death duties, or gift duties — you know that it's certain. With us, however, we say not only what we'll do — we'll give family tax relief, we'll introduce income splitting, treat the family as part of a team, divide the income for tax purposes, get less tax — we also give the child-care rebate.

We're aiming that relief at the family who are making their contribution in bringing children up.

And we go on and say we will not impose a capital gains tax, we will not impose death duties; and we will not impose what goes inevitably with death duties, ah, gift duties.

You do not get that assurance and you have no certainty other than this talkfest. I know that very few people out there really believe that they are going to be invited to Canberra to give their view on taxation should Mr. Hawke be returned to government.

Grattan: Continuing on tax Mr. Peacock, you've said that you've spelled out precisely what you'll do. Nevertheless it seems to me that you and Mr. Sinclair have been saying rather different things at different points on taxation. Will you undertake, irrespective of the budgetary situation to implement Mr. Sinclair's promise of at least \$8 a week tax cuts for single income families in the first Coalition Budget, and undertake, as Mr. Sinclair has, that none of this will be clawed back by increased indirect taxes?

Peacock: I give the firmest assurance, in the following terms as I have throughout this campaign, that we are going to introduce income splitting in our first Budget. Now we have got to assess at what level, dependent on the budgetary circumstances we inherit.

I go on to say; now Mr. Sinclair would like to aim for it in our first Budget. I've said that I need to know the budgetary circumstances. Maybe I'm right on that; maybe I'm not as great an optimist as Mr. Sinclair. But the fact is that if you were to introduce it at the level, the illustrative level, the example that we have given up to \$18,000, you would get a tax saving of \$8.

Now what I find interesting when I hear Mr. Hawke throughout this campaign criticize income-splitting; he's done it on two occasions that I'm aware of and have here, I remind him when he had the opportunity to give his views on tax reform, and a range of areas, it was before the Asprey Committee, when he was president of the ACTU. And in 1974 the ACTU under his imperialist presidency recommended for fairness and equity the introduction of income-splitting. So it renders the attacks he is making on our programs more than hollow, to put it mildly, and the reason he is doing it is because he has no coherent program himself. If we were to introduce income-splitting at the level of around \$18,000, it would give that degree of relief that Mr. Sinclair is talking of — and I hope that we'll be able to do it.

Grattan: So should the voters believe you or Mr. Sinclair?

Peacock: They can believe both, because I would be aiming for just that. But I want to as — in this very hall; almost to the day — Mr. Hawke last year said in fact he needed to check the budgetary situation. And it's a fair point because in fact he's increased spending in the budget by 6%; but in the first quarter the spending is out and their projections are up by 500%. Spending has increased in the first quarter of this financial year by 9% ipso

facto the caveat that we have put down; if he was able to give us his correct figures at the correct moment, we might be able to speak with a degree of definitiveness.

Hawke: Oh, very briefly, this must be the highlight of the debate. Mr. Peacock says you can believe both Mr. Sinclair and Mr. Peacock when they are saying contradictory things. So that's indicative of the quality of the campaign.

The second I would take is merely to say Ken is that everyone around this table who knows anything economics and working out a Budget knows that you just can't take the first quarter of the operation of the Budget and extrapolate that to the whole year because, Robert, you know that, anyone who knows anything about the budget, the point is that over the whole year — well, I just go to you Robert because I suppose you'd be recognised as the major economist around the table [laughter] yeah. You'd know that it's the whole year's operations in which you make the judgment and we have in fact been the first government now for eight years which has brought its Budget projections in on target. We did that and we'll do it again.

Bowers: I would like to put this question to both of you gentlemen. Suppose I were to tell you that I was going to vote for neither of you; this time I'm voting for the Nuclear Disarmament Party. And I'm voting for the NDP despite the fact they're wet behind the ears politically and their policy — in terms of the real world of super-power politics — is unobtainable.

But I'm still going to vote for them because I believe the survival of humanity as we know it today is involved in the whole nuclear-arms question. And my vote will put you both on notice for not doing enough at home and in the international arena to mobilise public opinion. Now what do you say to that? And what do you say to my family? And what do you say to my kids who really are going to vote for the NDP? [Laughter] Mr Hawke first.

Hawke: I would say that I can understand the interest and concern of people on the basic issue the Nuclear Disarmament Party is talking about. But I would say — and I think here Andrew and I would probably be at one — that ultimately it's only governments that can act and make decisions and that's why I would say that that vote is wasted.

I respect the integrity of those concerned but they cannot achieve anything and I point with pride to the record of our Government in this area. I point to the fact that, not merely that we have appointed an Ambassador for Disarmament, but we have substantially increased the resources in the arms-control and disarmament branch of the Foreign Affairs Department. We have moved to establish an independent Peace Research Institute at the ANU; and in the international forums where these things are decided we have — without great flourish or drama — we've gone on working hard to try and achieve the resumption of bilateral talks between the superpowers in regard to nuclear arsenals.

We have moved to try and stop the extension of the arms race into outer space. We have tried to get a new convention to ban chemical weapons. We are working on trying to get as many people involved in the review of the non-proliferation treaty next year. And in our own area we have worked to get a nuclear-free South Pacific zone which stopped the export of uranium to France.

These things we have done; we have done it, as I say, not demonstrably and going out and shouting and doing all these sorts of things. But under Bill Hayden's Foreign Ministership these things have been done and I would say to you Peter and your children to recognise the fact that hard, effective, slogging work by the Australian Government has been recognised by the record vote that we got recently in the Security Council vote.

So that's the sort of thing I'd say: that it's governments that can do these things and we have a record of which the people of Australia, I think, can be proud.

Peacock: Well, the one point of agreement I have with Mr Hawke is when he says that only governments can act in this area. And that's why, in fact, I know how drawn you are to the principles that have been enunciated by the NDP. But you have got to recognise that in fact they can't govern, therefore they can't have the purchase or the leverage on a matter which I think concerns the overwhelming majority of Australians.

I regard it as perhaps the most breathtaking decree of hypocrisy in this campaign for Mr Hawke to be critical of the NDP because it doesn't have any policies — that is to put it mildly. But I don't want to get into a "you did, you didn't" situation, but I say this: the extent to which the Government has been able to work in the disarmament committee of the United Nations is, and I'm going to put it bluntly, due to my own efforts and the previous Government's efforts.

It took us a considerable amount of time and effort and an indication of the purpose that we had in the field of disarmament to get Australia elected, when I was Foreign Minister, to that very committee. We had never seen that before. And we worked for a comprehensive test-ban treaty. We worked for a strengthening of the nuclear non-proliferation treaty, and we worked, not just for a freeze as this Government appears to be working for — by voting against the intention of the United States — but for mutual and balanced arms reductions.

And unless we come to our senses and recognise that the approach has to be on the basis, not of any formal unilateralism, but of mutual and balanced reductions, all the rhetoric in the world — that one side has achieved more than the other — won't count.

But I say this to you people: if you are in fact wanting to walk away from both of us and vote for the NDP, we've got the runs on the board. Our central purpose for nuclear disarmament is there and was recognised in our election to the very body which controls it in the UN.

Begg: Mr. Hawke, during the course of the campaign you said in Brisbane that you could guarantee that there'd be no recession in the next term of office, should you be successful on Saturday. I'm wondering given the state of the increasing deficit in the United States

and some uncertainty in that country about economic recovery, how you can justify it?

Hawke: What I'm saying Ken is this — that looking as far as we can in the period ahead at the international economy, and particularly the United States, I don't see recession coming there. I think there is a welcoming of the fact that the high levels of growth that are occurring in the United States and under those conditions, are coming back to a more sustainable and lengthy period of expansion.

What I'm concerned with saying is that the recession that was suffered by Australians in the period 1981-82 was a combination of what happened overseas and disastrously wrong internal economy policies under the previous government and what I'm guaranteeing is that the successful economic policies which have turned Australia round from recession to the fastest growing economy in the world — recognised internationally by the Conference Board in New York, recognised by Euro Money, as the outstanding and successful economy — because of those policies which we will continue, we can guarantee that there won't be added to any possible recessionary impact from overseas the explosively disastrous impact of bad internal economic policies.

We have got, to coin a phrase which has just been used, we've got economic runs on the board better than anyone else in the world now, with the cooperation of the Australian people. It's not just the government, it's the government in cooperation with the business community; with the trade unions; with an effective anti-inflationary policy and an effective growth policy.

I'm guaranteeing that those things will continue in a way which will mean substantial economic growth in Australia. And if there were to be, against our judgment, some slackening in activity in the US then it would be cushioned by the effective policies internally.

Peacock: Mr. Randall, I've just got to add very briefly that he made a case before, to the Australian people that he can guarantee no recession, not only in Australia but in the world — I think he's extending the degree of the undertakings that have been put before the Australian people ever; and the fact is that the Government has tied us already into increasing debt. Some 65.8% increase in debt by this government. You are now paying more in interest on debt than is being spent on education by the government.

And I've said before that if this government continues to spend in the way it does, it can only raise its money by increasing taxation — which is its desire, with capital gain taxes and death duties inevitable — because they've can't squeeze any more out by way of income tax at the present moment; and to borrow to a considerable extent and mortgage the future of our children.

Now we can't go on achieving record rate year after year with the sort of profligate approach that has been taken at the present moment. So not only would I take the

undertaking about no recessions, not even at face value, but I'd look even more closely at the figures which show we're entering very muddy waters. And it's not surprising that Mr. Hawke's own Minister for Industry and Commerce, and the leader of the Government in the Senate has said we have just a patchy recovery at the moment, and the budgetary situation under them will be extremely difficult in 1985-86.

Carlton: Mr. Peacock, I want to ask the same question that Laurie Oakes asked you a little earlier on this evening but put it to you a different way: how is it that you can be a Dry one day and a Wet the next? When you walked out on Malcolm Fraser, you looked for a constituency among the free traders in your party – the Dries – and there you embraced the needs-based social welfare. That is, if there are limited funds available for social welfare, then those funds should go to those most in need. The corollary to that, I suggest there is something faintly obscene in paying an old age pension to Sir William McMahon if it is at the expense of a truly needy person. Why have you turned those excellent principles on their head?

Peacock: They are still first class principles and I have not turned them on their head. And neither is Billy McMahon is not getting a pension because he doesn't get it under the incomes test. So Richard, I do wish you fellows would bring yourselves up to date.

Carlton: Mr. Peacock, wasn't he drawing the over 70s pension?

Peacock: With the imposition... yes, but of course, the over 70s pension was brought in by this Government. I've indicated that the incomes test that is there will remain and Sir William McMahon therefore doesn't get his pension and any millionaire ought not get their pension. Because as far as I'm concerned, what I've talked about is relating welfare to needs is correct. But I relate it on the basis of income.

Now I'm — you talked about obscenities then, in my espousal of getting rid of the assets test. Now I happen to believe that this country was developed over many generations by people believing that if they worked hard and put something aside they have a degree of independence in their retirement.

Our nation is not made up of millionaires. Australia is made up overwhelmingly of people in the centre if you like, middle income earners, finding it a battle generally trying to save for a rainy day when sometimes it's raining like hell in their lives and they battle on in the hope that they've got a degree of independence on their retirement.

Well I happen to believe that they shouldn't be penalised for that. Now the Government says bring in the assets test because we'll be able to redirect a great deal of expenditure to those pensioners in real need. Now what have they done? They've cost taxpayers \$55 million by the introduction of this assets test. Eventually when it makes a saving of around \$45 million, pensioners will get an average of 35 cents per week. It is not worth the inconvenience nor the cost to do it; but more important it cuts across generational

attitudes in this country that I think ought to be applauded, that people ought to be able to have some independence on their retirement and not be penalized for their hard work. [Applause]

Hawke: Yes, Mr. Randall, Mr. Peacock has condemned his own case out of his mouth. His words were, 'No millionaire ought to get the pension.' The very reason for having the assets test in addition to the income test is that millionaires and very wealthy pension recipients can so arrange their assets of very substantial value that they do in fact get the pension. Millionaires can get it and that's the point of the pension test.

Now the concern expressed by Mr. Peacock for the pensioners can be tested in this way: it was our Government which gave the first over-indexation increase to pensioners for eight years. They had the opportunity when they rearranged Medibank to compensate the pensioners; they refused to do it. We, on this occasion, by our increase of 2.50 for the single pensioners and 4.20 for the married couple did more than compensate for changes in the cost of living — we did what they refused to do in the seven years of their government.

And for the most needy of pensioners we've increased the rental allowance by 50%, we've increased the allowance for children by 40%. In fact, in this year we've allowed over 1 billion in the full financial year for increased social welfare payments.

This is how you judge your concern and the proper concern for that great body of the elderly people who we have a real concern for, the people who've handed this country on to us the way it is now and we're going to ensure that the overwhelming majority are going to be benefited.

And that means that only 40 000 out of 2.3 million will be affected by the assets test. That seems to me to be reasonable and certainly Mr. Howard, your Shadow Treasurer, agrees absolutely with me.

Haupt: Mr Hawke, by a very big majority, Australians regard the ANZUS Treaty as important to our defence. The treaty is under threat because our partners can't agree over nuclear ships. Now your Government has jumped into the arms debate between Washington and Moscow, yet you seem reluctant to intervene between Washington and Wellington where we have a much more direct, national stake in the outcome. Can the reasons for that be the divisions in your own party over nuclear policy?

Hawke: No, not at all. You can't make the analogy between talking to Washington and Moscow on this issue and the conference on currently between Washington and New Zealand. Now let me make the first point clear: the relationship between Washington and Australia is sounder than it has ever been, and that's acknowledged both by the President of the United States and the Secretary of State, George Shultz. They made that clear that they are perfectly satisfied with our relationship, so there is no danger there.

Now the problem is between the United States and New Zealand, and both parties want us to stay open, they're not inviting us to intervene and in fact they would condemn us if we did. We have indicated to New Zealand what our view is, we've indicated to the United States, and they believe that they are going to work it out between them.

But I repeat, the President of the United States and the Secretary, George Shultz, indicate their total satisfaction with the relationship between us, and we are not going to disrupt negotiations that are going on between them.

I simply say that we recognise the importance of the relationship between ourselves and the United States. We had the review in July last year and it was welcomed by the United States, and that protects Australian interests, but it is also done in a way in which we were able to have a totally real and constructive relationship with the United States. If we don't agree with them a particular issue we say so, and they respect us for it.

Haupt: But if they don't agree, do you want the States to intervene? Or will you just let the ANZUS Treaty collapse and have a bilateral treaty with the United States?

Hawke: No, you don't just let it collapse, Robert, but we won't until they have had their negotiations. They wanted to have it that way. If they reach a point, Robert, where they say, "Well look, it's come to the end of the road", and then the United States says to us and New Zealand says to us, "Well, you'll need in those circumstances to review the treaty and our bilateral relationships", then that's the time to do it, and that's the way they've indicated to us that they want it to be done. It is not for us to impose ourselves on top of the United States and New Zealand, on this issue.

Peacock: Well Mr Randall I understand the 'Gillies Report' is doing its own version of the debate tonight, but I think I was just listening to it, I really do. If you have a situation where the Secretary of State indicates that ANZUS could be at stake and all this Australian Government will do is say, "We will sit back and let you talk between the two of you", despite the fact that they proclaim that we are equal partners over ANZUS, then I believe they are being weak and compromising, to put it mildly.

I think the Secretary of State of the United States has been firm and uncompromising. I want it perfectly clear: I'm here to serve the interests of Australia. If I believe our long-term friends in New Zealand, no matter how close the ties are jeopardising my country's basic security arrangement—which they unquestionably are in the words of the Secretary of State himself—then I have to represent the Australian view. I'm not elected here just to be a good fellow across the nation. I am elected to look after Australia's interests and if New Zealand is going to continue to jeopardise, regrettably, the future of ANZUS, then I am prepared to say we would be prepared to enter into arrangements and negotiations with the United States because my duty is not to New Zealand; my duty is to Australia.
[Applause]

Oakes: Mr. Hawke, I want to ask you a question which I think is relevant to the election because of the discussion there has been about the proposed Bill of Rights, and because of

the use by people such as yourself of concepts of civil liberties and civil rights when they're talking about the Costigan Report, about allegations against the NSW Government and things like Peter Bowers question about the Boulevard robbery.

AAP's file a story today saying that an ASIO tap on the phone of National Times editor Brian Toohey, intercepted a call from Energy and Resources Minister, Peter Walsh in which the Minister was critical of Prime Minister Bob Hawke and Hawke later carpeted Senator Walsh about talking to Mr. Toohey. Now my sources confirm that there was in fact an ASIO phone tap on Brian Toohey's phone. They're talking about one other journalist whose phone was tapped. Now I'd like to ask you how extensive is this phone tapping? Is it only journalists who are the target or are other people being tapped in this way? Isn't it frighteningly Nixonian and will it stop?

Hawke: Well, ah, I don't comment on reports in that area and I don't intend to, but let me say this, I would be very surprised, Laurie if there was extensive taps on journalists... not only surprised but I would be totally amazed. And I don't believe it happens.

But let me say this in respect of that particular matter you raise; you talk about Senator Walsh. I simply want to say about Senator Walsh that I regard him as one of the outstandingly successful Ministers in my Government. I have not had Senator Walsh in my office to reprimand him on any issue and there has been no reason to because his performance, I believe, has been outstanding but in a sense more importantly than my judgment, that is the judgment of those in the industry with whom he deals.

Oakes: But didn't you authorise the tap on Brian Toohey's phone and on the phone of Bill Pinwill?

Hawke: I'm not making any comments on that [laughter]. And see, there we have the laughter because I will not make a comment in that area, immediately the assumption is that I'm guilty, that I've done it. Now that's what I was talking about before. I am not going to comment in that area and the fact that I'm not making that comment carries no implication one way or the other. [Applause]

Peacock: Mr. Randall, you can now see why a great many people are concerned with the duplicity in the statements of this government. In fact, Mr. Hawke did make a comment on this issue: he said he was surprised.

And as far as I'm concerned in this area it's not good enough to simply say you're surprised about the matter. Because this involved his famous aviator-cum-attorney-general, Senator Evans, who was elected to the parliament as the apotheosis of civil liberties; and has secret bill of rights referred to by Mr. Oakes in that question which has not seen the light of day in this election. Now it happens to go to the rights and the freedoms and the liberties of every person in this nation; and you are asked take it on trust, albeit that we understand it will override every Commonwealth law and State law

already existing.

Now, either you take an interest in this area or you don't; and if you proclaim yourself as a party that's interested in civil liberties, why won't you explain yourself more fully that you have on the Bill of Rights which, as I understand it, doesn't even give a guarantee to property ownership in this country. Property ownership, which is in the American bill of rights.

I happen to be opposed to a bill of rights because it doesn't give me any more freedom under the law that I have now; and from what I've heard, it may well restrict them. But as a citizen and not just leader of the Opposition I'm entitled to know during an election campaign; and surprise in this area is not enough.

Grattan: Mr. Peacock you've constantly maintained through this campaign and again tonight that you will win on Saturday. Will you give a commitment that if Saturday proves that you've been grossly in error you'll step aside to let someone else to have a go at the leadership; and if you won't how can you then credibly continue to bid for the Liberal leadership.

Peacock: The only credible situation at this stage is that the overwhelming majority of polls show a very significant return to us; return of support for us. As far as I'm concerned, I am in a race; I stated as the underdog. I think we have engaged in a campaign that has been clean and fair; and I'm going through until Saturday.

I intend having a long political career. I happen to believe that whilst the election result will be close that we will, in fact, win. So I'm not going to get into the area beyond Saturday at this stage, because I am firmly convinced, as I move around the country, the degree of support is becoming stronger and stronger every week. I said in this place only last week that if I had indicated to journalists, as firmly as I do now, that there was a possibility of us winning, they would have treated my remarks with derision some ten weeks ago. They recognise the degree of movement back.

Now I know that Mr. Hawke in answering the question, will speak with confidence about his own result. I similarly am very confident — you say in the polls — I similarly am very confident so far as the election is concerned. And, to the extent that I take any notice of the polls I'd say two things: they are showing a return of support to us; and there's a small suburb called Oatland in New South Wales that for years and years and years, despite the polls, has always been right. Check the results of Oatland; they've gone for us. [Applause]

Hawke: Mr. Randall, I don't want to get into the area of the problems of the Liberal Party and its leadership, that's for them to sort out after the election. But I must very briefly make a comment on Andrew's comment that he's fought it clean and fair. It's all

fear; it's fear that was in his last answer — because he's talking about this secret bill of rights. He's been going around the country saying there's a secret bill of rights and what the Labor Government is going to do, when it's returned, is to confiscate the right of private property.

Now that is; I mean it's so laughable as not to warrant any further comment other than the point: if that's a clean and fair campaign well then it's no wonder that the Financial Review on the 16th of November talked about the campaign adopted by Mr. Peacock as saying he's adopted the tired and rather contemptible tactic of trying to scare as many people as he could. He's preferred to campaign, they said, on fear and bribes.

The Financial Review is right in its assessment of the campaign, it hasn't been clean and fair; and the people will make their judgment. What the Liberal Party does afterwards is for them, not for me.

Randall: We can handle one quicker question and answer.

Bowers: I want to return to the issue raised by Mr. Oakes, in that same AAP story, Mr. Toohey, the editor of the National Times — and I concede that the National Times and the Sydney Morning Herald are from the same stable, which is the Fairfax stable — but Mr. Toohey is quoted as saying “I find it interesting that an Attorney-General who is such a stickler for the processes of natural justice in areas such as the Costigan commission should authorise a tap of my telephone while I am talking with my lawyers, about how to defend myself against a prosecution he is bringing against me in the High Court.” Mr. Hawke, doesn't what Mr. Toohey says get to the very heart of natural justice? Mr. Toohey is charging the Attorney-General with tapping his phone at a time Mr. Toohey was talking to his lawyers about his defense against an attack mounted; a case mounted by the Attorney-General himself. Now is this not worth investigating; this one issue: did the attorney-general have prior knowledge of the defense Mr. Toohey was to mount against the Government's action against him in the High Court.

Hawke: Mr. Toohey has made many charges in the past, many of which have been shown to be absolutely unsustainable. I'm certainly not in the business of pursuing every charge made by Mr. Toohey. I have nothing to add Peter to the answer that I gave before on this issue.

Peacock: Well I, I said before that I find it extraordinary —and the Prime Minister chose the answer to a different matter —to [inaudible] of a society's Bill of Rights. Now I would have thought, quite apart from phone tapping, the rights of individuals in this nation are ones that they espouse and ought be guarded very jealously.

Now if in fact there is a Bill of Rights around, over and above telephone tapping, it appears to me we ought to know what's involved in it. We don't know; all we're told is that the legislation is there. Now quite frankly, if Australian batsmen could stonewall like Mr. Hawke has tonight we would be unbeatable or even invincible as they say on television.

But you're getting an expression of surprise, no information, and I happen to believe that there are a lot of people out there who would like know the extent to which their civil liberties are going to be further constrained under this Government.

Haupt: I want to ask Mr. Peacock whether he'll take a leaf under Mr. Hawke's book. You'll recall that when Mr. Hawke became prime minister he looked after his magnificent leader, Gough Whitlam, with a job. Will you be doing the same for Malcolm Fraser if you come in on Saturday?

Peacock: I'm very fond of Malcolm but he's well and truly under his bed at the moment. But, in terms of any overseas appointments, I mean, some people look at Mr. Hawke and see a messiah but I look at him and I see the next ambassador to the UNESCO. [Laughter and applause]

Hawke: Well, all I can say — Malcolm's a very big man; he must have a very big bed because that's where he's put all his cash apparently so...

I've got nothing to add about Mr. Fraser other than to say, as I've said over a long period of time, there are many aspects of Mr. Fraser's approach to politics that I've had cause to express admiration for; and that's particularly in the area of his commitment to the rights of black people in Southern Africa and of Aborigines in this country. He's been continually totally principled on that, and it's a pity that those principles have to some extent been watered down by his successors. [Applause]

Randall: Well that's the end of the time available to us for questions. As I said there's now a summing up period; three minutes for each of our guests tonight. The first summing up shall be from Mr. Hawke.

Hawke: Well, thank you Ken, ladies and gentlemen. I want just to say one or two things very briefly.

Only 20 months ago, in February-March of 1983, when this country was not merely in economic crisis but this country was sorely divided — and my party, and my colleagues, promised that there was a better way for Australia. And that was to put aside the

artificial and indeed the created division and to come together, work together and if we did that — the unions, the employers, and governments — the representatives of the people of Australia in their various ways — came together we could create a more prosperous and a fairer Australia. And we've done that together and I thank the people of Australia, individually and through their organisations, for the way in which they have responded. They have, in fact, brought about a situation where, as I've said, where instead of being in recession we have the highest rate of growth in the world.

We've done that together and it's sensible, I say to the people of Australia, that we should do that so that where we've halved inflation we can keep inflation down. That we should reject the return that Mr. Peacock offers to the abolition of the centralized wage fixing system and the abolition of the Arbitration Commission because as Brian Powell says — of the VCM, quoted with approval by Mr. Peacock — that would mean the destruction of an orderly in this country. And that must mean a wages explosion far beyond the 16% wages explosion of 1981-82. And if you have the wages explosion that means we lose the interest rate reductions, the further ones that are coming. It means further increases in interest rates. It means more unemployment.

Those policies were tried by the Liberal-National Party in the past; and they proved disastrous. It's much better that we should now together adhere to those policies which have produced for Australai a situation where we're now internationally recognised as such an outstanding and successful economy.

I'm going to continue with my colleagues to take the people of Australia into our confidence; to share, with them, all the information that's available in the economic field; to draw upon their wisdom and experience and expertise so we can make the right decisions together. That's what we'll do in the tax deal

We've had too much of a hotchpotch in the past; 30 out of the last 35 years have been conservative government and they've given us a tax system which is unfair. Too many people pay too much and we've have this enormous tax avoidance industry which grew up under our opponents which mean that 100s of billions of dollars were in fact avoided in taxation. So together we'll go into a tax summit; the ordinary taxpayers will be represented there; and we'll get a system which is fair and equitable and simple to understand.

Peacock: Well Mr. Randall, I think the value of this debate has been shown by the nature of Mr. Hawke's answers tonight. He did not answer any of the key questions that were put to him; the message didn't alter. When you go through the explanation it remains as with his summation just then: the Labor Party wants your trust today and your taxes tomorrow.

And I've said tonight and throughout the campaign that I believe Australians have the right — a very fundamental right — to know what's ahead, over and above these summits, and talkfests and conferences. That's all that's being put to them.

There is no vision for a greater Australia; there is no blueprint for a greater reward for the efforts of individuals; there is no undertaking to look after those in need, to address the very elements of poverty in our community. It's all to be discussed down the line should they earn you trust on Saturday.

Now let me briefly recap our position. I have said what we will do and I have said what we won't do. We offer relief for families, with the most significant tax reform that's been made in the history of our nation, by way of both income splitting and with child care rebates. We offer relief to pensioners; relief to superannuates. We have an incomes policy which will bring about the creation of more jobs, because both our economic and our industrial relations policies are jobs policies; and we can set them out definitively, as we've done. The government simply asks for your trust.

I don't happen to think that death duties are fair and equitable. They attack even those on the lowest incomes with the lowliest of assets and their children suffer as a consequence by the confiscation of these funds. But when a Government is hell bent on attacking your savings and assets to fund their big-spending programs this sort of attack is inevitable. I happen to believe in an Australia where people can keep the rewards of their hard work.

We all love our country; I just expect to get a clearer blueprint of what's ahead than 'we're simply bringing Australia together'. That's a sentiment I will agree with but if Australia was being brought together you wouldn't have doctor set against patient; you wouldn't have government school set against private school and you wouldn't have trade union officials given the veto over Government policy.

What we all want it a fair and reasonable go from the government — and we undertake you'll get it and you can see clearly from our programs how you'll get it. [Applause]

Randall: Thank you Mr. Peacock, thank you Mr. Hawke. And our thanks to all members of the panel of questioners tonight. I hope you all had the chance to get the atmosphere of this occasion, which was bound to be historic, as we did here and find it as fascinating as we did. Thank you for joining us tonight and goodnight from the National Press Club in Canberra.

Source: Transcribed from original footage.