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FM CANBERRA 290006Z APR 81

TO ROUTINE FCO

TELEGRAM NUMBER 193 OF 29 APRIL

INFO WASHINGTON WELLINGTON

MY TELNO 186 : RESIGNATION OF MR PEACOCK

1. ON PARLIAMENT'S RETURN YESTERDAY AFTER THE EASTER BREAK, MR PEACOCK MADE THE STATEMENT FORESHADOWED WHEN HE RESIGNED ON 15 APRIL. THE GENERAL REACTION TODAY IS THAT THE EVENT WAS AN ANTICLIMAX, REFLECTING DIFFERENCES OF STYLE AND PERSONALITY RATHER THAN THE SUBSTANCE OF POLICY, AND THE DEBATE HAS NOW MOVED INTO A SEMANTIC DISCUSSION OF WHETHER MR PEACOCK DID OR DID NOT EFFECTIVELY THREATEN TO RESIGN OVER THE POL POT ISSUE ON THE EVE OF THE ANNOUNCEMENT OF LAST OCTOBER'S ELECTION.

2. MR PEACOCK'S 55-MINUTE SPEECH BROKE NO NEW GROUND, BUT ESSENTIALLY FLESHED OUT HIS EARLIER ALLEGATIONS AGAINST MR FRASER'S PRIME MINISTERIAL STYLE. DENYING EXPLICITLY THAT HE WAS MAKING ANY BID FOR THE LEADERSHIP HIMSELF, HE CRITICISED MR FRASER FOR DEGRADING THE SYSTEM OF CABINET GOVERNMENT, IN PARTICULAR BY HIS USE OF A CO-ORDINATING COMMITTEE SUPERIMPOSED ON CABINET ITSELF, HIS CONSISTENT PRACTICE OF LOBBYING MINISTERS BEFORE CABINET DISCUSSED ISSUES, HIS USE OF AD HOC COMMITTEES TO MAKE DECISIONS WHICH SHOULD PROPERLY BELONG TO CABINET ITSELF, AND HIS DUPLICATION OF MINISTERS' OWN DEPARTMENTS IN HIS RELIANCE ON THE PRIME MINISTER'S DEPARTMENT - QUOTE WHICH SETS PUBLIC SERVANT AGAINST PUBLIC SERVANT UNQUOTE. MR PEACOCK DWELT AT SOME LENGTH ON HIS DIFFERENCES WITH THE REST OF CABINET OVER DERECOGNITION OF POL POT: IN PARTICULAR, HE CLAIMED THAT HE DID NOT QUOTE THREATEN TO RESIGN UNQUOTE SHORTLY BEFORE THE 1980 ELECTION UNLESS THE RECOGNITION POLICY WERE CHANGED, BUT RATHER HAD AGREED THAT IF IT WERE NOT, HE WOULD KEEP SILENCE ON THE ISSUE DURING THE CAMPAIGN, AND DECLINE TO ACCEPT ANY PORTFOLIO AFTER THE ELECTION.

3. IN A REPLY OF ALMOST EQUAL LENGTH, MR FRASER COUNTERED MR PEACOCK'S ALLEGATIONS. HE ASSERTED THAT IF ANYTHING HIS STYLE OF GOVERNMENT TOOK MORE ACCOUNT OF INDIVIDUAL MINISTERS' VIEWS THAN HAD ITS PREDECESSORS, THAT SOME 90 PER CENT OF MATTERS COMING

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TO CABINET DID NOT PASS THROUGH THE CO-ORDINATING COMMITTEE AT ALL, AND INDEED THAT MR PEACOCK'S PROPOSALS HAD BEEN ACCEPTED IN SOME 90 PER CENT OF THE SUBMISSIONS HE HAD PUT TO CABINET: QUOTE THIS RECORD DOES NOT SUGGEST A MINISTER WHOSE AUTHORITY IS BEING UNDERMINED UNQUOTE. MR FRASER EXPRESSED PUZZLEMENT AND SADNESS THAT IN ALL HIS YEARS AS A MINISTER AND SHADOW MINISTER, MR PEACOCK HAD NEVER RAISED DIRECTLY WITH THE PRIME MINISTER OR HIS COLLEAGUES THE ALLEGATIONS HE HAD NOW MADE PUBLICLY IN AN IRREVOCABLE LETTER OF RESIGNATION.

4. MR NIXON, MINISTER FOR PRIMARY INDUSTRY, WHO WAS INVOLVED IN THE PRE-ELECTION DISCUSSIONS QUOTED BY MR PEACOCK, LATER YESTERDAY CONTRADICTED THE LATTER'S VERSION OF THEM, AND CONTRADICTIONS CONTINUE TO FLY TODAY. THE BARRY SIMON INCIDENT SEEMS TO HAVE BEEN OVERTAKEN AND FORGOTTEN.

5. COMMENT WILL FOLLOW.

MASON

[THIS TELEGRAM WAS NOT ADVANCED]
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