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TELNO 612
OF 050800Z SEPTEMBER 85
INFO IMMEDIATE WELLINGTON (FOR PS/MR STANLEY)
INFO SAVING SYDNEY, PERTH, BRISBANE, MELBOURNE (ACTIONED)

RESIGNATION OF MR PEACOCK AS LEADER OF THE AUSTRALIAN LIBERAL PARTY

1. SUMMARY. MR PEACOCK, ATTEMPTING TO AVERT THE POSSIBILITY OF A DIRECT LEADERSHIP CHALLENGE FROM HIS DEPUTY MR HOWARD, CALLED A BALLOT OF LIBERAL PARTY PARLIAMENTARIANS ON 5 SEPTEMBER FOR THE DEPUTY'S POSITION. CONTRARY TO EXPECTATIONS MR HOWARD HELD HIS POSITION, AND MR PEACOCK PROMPTLY RESIGNED AS LEADER OF THE PARTY. IN THE BALLOT WHICH FOLLOWED, MR HOWARD WAS ELECTED LEADER BY A LARGE MAJORITY.

2. THERE HAS BEEN SPECULATION FOR SOME MONTHS, MOSTLY FUELLED BY THE PRESS, THAT MR HOWARD, UNTIL TODAY DEPUTY LEADER OF THE LIBERAL PARTY, INTENDED TO MOUNT A CHALLENGE TO HIS LEADER MR PEACOCK. MR HOWARD HAS ALWAYS REFUSED TO GIVE CATEGORICAL ASSURANCES THAT HE WOULD NEVER UNDER ANY CIRCUMSTANCES CHALLENGE MR PEACOCK, ALTHOUGH HE HAS ALWAYS SAID THAT HE HAS BEEN LOYAL TO MR PEACOCK AND WAS NOT PLOTTING AGAINST HIM.

3. AS RECENTLY AS A FEW WEEKS AGO, MR PEACOCK SAID IN A TV INTERVIEW THAT HE ACCEPTED MR HOWARD'S POSITION AND DID NOT FEEL THAT HIS DEPUTY WAS THREATENING HIM. HOWEVER, RUMOURS BEGAN TO SPREAD AGAIN OVER THE WEEKEND OF 30/31 AUGUST, AND MR PEACOCK RECALLED MR HOWARD ON 3 SEPTEMBER FROM HOLIDAY TO A SHADOW CABINET MEETING AT WHICH HE DEMANDED MR HOWARD GIVE AN UNQUALIFIED ASSURANCE OF SUPPORT. MR HOWARD CONTINUED TO REFUSE TO RULE OUT THE POSSIBILITY OF A CHALLENGE AT SOME TIME IN THE FUTURE, ON THE GROUNDS THAT IT WOULD BE DISHONEST OF HIM TO MAKE SUCH AN UNQUALIFIED STATEMENT AND THAT IT WAS UNREASONABLE TO ASK HIM TO MAKE IT. MR PEACOCK THEREFORE CALLED FOR A BALLOT FOR THE DEPUTY LEADERSHIP AND PUT UP ANOTHER CANDIDATE, MR JOHN MOORE, CHAIRMAN OF THE LIBERAL PARTY IN QUEENSLAND, TO OPPOSE MR HOWARD. HE MADE IT CLEAR THAT HE COULD NO LONGER ACCEPT MR HOWARD AS HIS DEPUTY. MR HOWARD IN TURN SAID THAT HE WOULD RUN FOR RE-ELECTION TO THE DEPUTY'S POST. IF NOT ELECTED HE WOULD GO TO THE BACKBENCHES: IF RE-ELECTED HE WOULD SUPPORT MR PEACOCK AS BEFORE.

4. THE BALLOT OF 70 LIBERAL PARLIAMENTARIANS WAS HELD TODAY (5 SEPTEMBER). DETAILS ARE NOT YET CLEAR, BUT ACCORDING TO ABC NEWS REPORTS MR HOWARD, CONTRARY TO MOST EXPECTATIONS, DEFEATED

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PS/Andy Yang
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4. THE BALLOT OF 70 LIBERAL PARLIAMENTARIANS WAS HELD TODAY (5 SEPTEMBER). DETAILS ARE NOT YET CLEAR, BUT ACCORDING TO ABC NEWS REPORTS MR HOWARD, CONTRARY TO MOST EXPECTATIONS, DEFEATED MR MOORE IN THE CONTEST FOR THE POSITION OF DEPUTY LEADER (VOTING WAS 38-31). MR PEACOCK, SEEING THIS AS A VOTE OF NO CONFIDENCE IN HIM, RESIGNED THE LEADERSHIP. A BALLOT FOR THE LEADERSHIP ENSUED WHICH MR HOWARD WON OVERWHELMINGLY BY 57 VOTES TO 6 FOR HIS ONLY OPPONENT, MR JIM CARLTON. IN A SECOND BALLOT FOR THE DEPUTY LEADERSHIP, MR NIEL BROWN (SHADOW ATTORNEY-GENERAL) CAME THROUGH FROM THE BACK OF A FIELD OF 12 CANDIDATES. WE UNDERSTAND THAT MR HOWARD HAS ACCEPTED AN OFFER FROM MR PEACOCK TO SERVE UNDER HIM THOUGH IT IS NOT YET CLEAR IN WHAT CAPACITY MR PEACOCK WILL SERVE (IT COULD WELL BE SHADOW MINISTER FOR FOREIGN AFFAIRS).

5. COMMENT: IT IS TO THE PARTY'S ADVANTAGE THAT THE LEADERSHIP ISSUE HAS NOT BEEN ALLOWED TO DRAG ON UNTIL SHORTLY BEFORE THE NEXT ELECTION. THE OUTCOME IS I BELIEVE A GOOD ONE FOR THE LIBERAL PARTY, AND WILL INCREASINGLY BE SEEN AS SUCH. BY BRINGING THE ISSUE TO A HEAD, MR PEACOCK HAD ALMOST GUARANTEED A WEAKENING OF HIS OWN POSITION AS LEADER HAD HE REMAINED. EITHER HE WOULD HAVE HAD AS HIS DEPUTY A MAN WHOSE RIVALRY HE WAS SEEN TO FEAR, WHOM HE HAD TRIED AND FAILED TO REMOVE, AND WHO CONSTANTLY OUTPERFORMED HIM IN PUBLIC; OR (IF MR HOWARD HAD LOST THE ELECTION AS DEPUTY LEADER), MR PEACOCK WOULD HAVE HAD HIM SITTING DISCONTENTED ON THE BACKBENCHES, FROM WHERE HE COULD HAVE MOUNTED A CHALLENGE TO MR PEACOCK'S LEADERSHIP AT SOME POINT IN THE FUTURE WITHOUT LAYING HIMSELF OPEN TO CHARGES OF DISLOYALTY. AS IT IS, MR HOWARD WILL CERTAINLY PROVE TO BE A MORE FORMIDABLE OPPONENT FOR MR HAWKE AND MR KEATING ON ECONOMIC ISSUES, WHICH ARE LIKELY TO BE THE KEY TO THE NEXT ELECTION, THAN MR PEACOCK HAS BEEN. IT REMAINS TO BE SEEN TO WHAT EXTENT MR HOWARD, WHO IS RIGHT WING ON MANY ISSUES AND A LEADING ECONOMIC 'DRY', WILL USE HIS LEADERSHIP TO SWING PARTY POLICY STILL FURTHER HIS WAY, AND HOW HE RECONSTRUCTS THE SHADOW CABINET. IT HAS OFTEN BEEN SAID THAT MR HOWARD HAS LITTLE APPEAL TO THE ORDINARY VOTER, BUT I AM NOT SURE THAT THIS IS ANY LONGER TRUE. IN THE PAST MONTHS HE HAS INCREASINGLY COME ACROSS NOT ONLY AS A MAN OF CONVICTIONS, BUT ALSO AS CAPABLE OF CONVINCING OTHERS.

CULLIMORE