

## 16. A New Home

Fraser won the December 1975 election with a swing of 7.5 per cent, surpassing Whitlam's effort in 1969 and bested only by the 7.9 per cent swing John Curtin achieved in 1943. Labor representation in the House of Representatives crashed from 66 seats to 36. Fraser was anything but a popular prime minister in the gallery—most believing he came to power, if not by a conspiracy between the Governor-General and Fraser, at least by highly dubious constitutional means.

Given widespread community concern at the Whitlam sacking, the size of Fraser's win was unexpected. This was a misjudgment by the gallery, including the author. Fraser owed his landslide win to a majority of voters taking note that the umpire, Kerr, declared Whitlam unfit to govern. The gallery believed Fraser had soiled his reputation and, if he had been patient, he would have won legitimately at the general election expected in late 1977, or early 1978. The experienced frontbench team he had behind him—most having been ministers in the McMahon Government—was of considerable assistance to Fraser in the election campaign. Labor was in for a long period of turmoil and tears.

The Country Party went through a series of name changes: National Country Party from May 1975; National Party of Australia in 1982; and in October 2003, simply The Nationals. For much of the postwar period until 1983, The Nationals had a powerful group of ministers, headed for much of the time by John McEwen. In the Fraser Cabinet, Doug Anthony was Deputy Prime Minister, with other Nationals ministers being Ian Sinclair and Peter Nixon (the latter close to Fraser). Phil Lynch was Treasurer—a reward for his work in keeping the loans scandal going. John Howard, elected to the house only in May 1974, made it to the shadow ministry in March 1975, and in the Fraser ministry was in the junior portfolio of Business and Consumer Affairs. He was widely regarded in the gallery—and by the author—as the leading nerd in the Liberal Party, with a limited political future. Howard, a Methodist from the western suburbs of Sydney, remained living at home until he was thirty-two, and was dismissed as just another bore from the Young Liberals. How wrong we were.

What we should have realised was that Howard had the patronage of John Carrick, who, as State Secretary, ran the Liberal Party in New South Wales, and Sir Frank Packer. Following McMahon's failure, Howard was groomed as the heir to McMahon's position as the up-and-coming federal MP destined for the top job in Canberra. Carrick, a member of the Sydney University Regiment, was selected in World War II for Sparrow Force—a 1400-man unit assigned to resist the Japanese advance on Timor. The Japanese landed thousands of troops by parachute and the Australian force was overwhelmed. Captain (later Sir John) Carrick was sent to Changi Prison in Singapore and survived about a year on

the Thai–Burma railway. Of medium height, lean and sharp-featured, Carrick was elected to the Senate in 1971 and became a senior minister in the Fraser Government. On an official visit to Tokyo, he was congratulated on his ability to speak Japanese by a Japanese minister, who asked where he had learned the language. ‘I was a guest of the Emperor’ was Carrick’s response.

After a land scandal, Phil Lynch was stood down and Howard’s career skyrocketed. Fraser decided to give him the Treasury portfolio in November 1977—an extraordinary promotion for someone who had been in Parliament only a mere three years and had limited ministerial experience. (Lynch was later cleared by an inquiry and returned to the ministry, although not to his former role as Treasurer.) Part of the deal Fraser did with Kerr was that, on being sworn in as Prime Minister, he would maintain a stopgap ministry until after the 1975 election, exactly the same shadow ministry he led, and this included Don Chipp.

Fraser dumped Chipp from the ministry after the election and Chipp reacted by forming the Australian Democrats, which after the 1980 election held the balance of power in the Senate. The Democrats’ gradual decline began in 1999 when Democrat leader, Meg Lees, supported Howard’s goods and services tax (GST) on condition that food be excluded. The rank and file of her party was opposed to the GST. The 2007 election marked the end for the Democrats, when they failed to elect any senators. The Australian Greens replaced them as the balance-of-power party.

I knew Fraser well after he entered Parliament in 1955 as the Liberal MP for the western Victorian seat of Wannon. He owned ‘Nareen’, a large property in the Western District of Victoria, and it was no surprise he had more affinity with the Country Party than with the Liberals. I was stringing for the Stock and Land group of farm papers and was interested in Fraser’s struggle—unsuccessful in the end—to keep wool sales in Portland, in his electorate. At the time, there were wool auctions in many country centres—most long since gone.

His colleagues and most in the gallery regarded Fraser as an aloof, cold country squire with no interest other than the pursuit of power. *Sydney Morning Herald* political journalist Peter Bowers wrote that Fraser’s visage bore a remarkable resemblance to the mysterious Easter Island statues. Cartoonists leaped on the idea as presenting them with just the right caricature of the Prime Minister. His apparent aloofness and difficulty meeting people was a reflection of an innate shyness, but he overcame his shyness with his ruthless ambition to climb the greasy pole of politics. Fraser, far more than Menzies, tended to want to get his own way in Cabinet, and interfered more in other ministers’ portfolios than any Liberal prime minister before him.

I paid regular calls on Walter Ives, head of the Department of Primary Industry, when the department was housed in what were called the woolsheds: temporary, wooden, single-storey buildings in Barton, demolished long ago. Ives was a big fellow with a distinguished mien and a sharp sense of humour and he was a keen political judge and a wine buff. Ives agreed with many in the gallery and a number of Liberal ministers that Fraser, the farmer, was closer to Doug Anthony and Peter Nixon than to Liberal ministers and thus belonged in the National Party. Most of my contact with Ives was when deputy National leader, Ian Sinclair, was his minister. Fraser infuriated the head of the department by phoning officers, such as division heads, not only going over Ives' head, but Sinclair's too.

Ives was appalled by Sinclair's notorious lack of punctuality. Turning up late was the norm for Sinclair. He would be 15 or more minutes late for meetings of the Agricultural Ministers' Council—federal and State ministers for agriculture—and would not have read the agenda, let alone the papers his department had carefully prepared for him. Doug Anthony, rather than Sinclair, took over the leadership of the National Party from McEwen because 'Black Jack' supported Anthony.

McEwen was angered by Sinclair's habitual lateness at the weekly meetings of National Party ministers—a few hours before Cabinet—to discuss the Cabinet agenda, which was supplied in advance so they could plan tactics. A story went around—possibly apocryphal—of Sinclair climbing into a Commonwealth car outside Parliament House, running late for his flight and urging the driver to get him to the airport with all possible speed. On the way the driver asked Sinclair whether he had played sport before entering politics. Sinclair replied he had played rugby for Sydney University. 'Well', inquired the driver, 'who went on for you up to half time?' Despite this weakness, Sinclair was a capable minister and a smart politician and the best of the Nationals' ministers, including McEwen, as a performer in the house.

An article in the *Australian Financial Review* by Andre Morony,<sup>1</sup> a former Treasury officer, revealed another example of Fraser's insistence on being informed of important issues in the portfolios of other ministers. The Reserve Bank was not at that time fully independent and the Government set interest rates after consultation with Treasury and the Reserve. According to Morony, in 1982, the Cabinet agreed, after considerable hesitation, to an auction system for the sale of short-term government bonds. With an auction system, the market would, if left alone, set the rates.

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1 10 December 2007.

The Treasurer, John Howard, delegated his power to Treasury officials to accept or reject bids to Treasury and it was understood that whatever the interest rate—except in exceptional market circumstances—it would be accepted. Morony claimed a senior Treasury official, to whom he gave the fictitious name ‘Kevin’, received a copy of a letter from Fraser to Howard for his action. The Fraser letter stated all tenders had to be referred to the Prime Minister for approval. ‘Kevin’ declared this would wreck the auction system and that ‘those bastards’ (in Fraser’s department) had put him up to it. Kevin decided to ‘lose’ the letter, threw it in his safe and forgot about it. Fraser was not acting in any way unlawfully and was perfectly entitled to issue his instruction to Howard. Had Kevin’s defiance of a direct instruction from the Prime Minister been discovered, he should have been sacked out of hand.

David Barnett, an experienced journalist, opened the first permanent Australian Associated Press (AAP) office in the gallery. When Fraser failed in his first challenge to the then Opposition Leader, Bill Snedden, Barnett sought out Tony Staley, one of Fraser’s principal supporters, and said something along the lines of ‘Bad luck, mate, better luck next time and I hope you pull it off’. When the second attempt succeeded, Tony Eggleton, then running Fraser’s office (and soon to run the Liberal Party’s Canberra headquarters as Federal Secretary), decided that Barnett should be press secretary to the new Opposition Leader, and Fraser agreed.

The ‘doorstop’ interview was well understood overseas when Fraser became Prime Minister, but not in Australia. Journos (and particularly radio and TV reporters) would await the arrival or departure of politicians from their offices or conferences, or wherever they might be, to ask questions. Politicians could either stop briefly or simply give a ‘no comment’ and walk on. Barnett put the idea to Fraser that the gallery could doorstep him each morning, prior to him entering his office through a door on the eastern side of Parliament House. Barnett told the author that Fraser initially did not like the idea but finally agreed.

Importantly, as well as introducing the doorstep, Barnett began the now standard practice of providing a transcript of the doorstops to the gallery. Morning-paper journalists disliked the doorstep and were not prepared to come into the office before 8 am on most days, but at least the transcript gave them everything that had been said. The doorstep—now simply known as ‘the doors’—has long been a standard procedure, with TV and radio journalists stationed outside the entrances to both the house and the Senate to record ‘grabs’ from various politicians on the issues of the morning.

It began to dawn on the gallery towards the end of his occupancy of the Lodge that Fraser was by no means the snooty, old-fashioned Tory whose only mission

was to keep Labor out of office. The author asked Barnett why the gallery, including myself, was so surprised by Fraser's record: the saviour of Fraser Island; an environmentalist; champion of multiculturalism; a key player in the overturning of white colonial rule in Rhodesia; a fierce opponent of apartheid in South Africa; not to mention his tireless opposition, in retirement, to the central tenets of John Winston Howard. Barnett's observation was that it illustrated 'the great depth of superficiality of the Canberra press gallery'. 'They looked at this bloke', Barnett continued, 'they considered his background, and they allocated him to a pigeonhole'.

Barnett's point is well taken, although I believe the gallery never forgave Fraser for his role in the dismissal of Whitlam. Barnett was later to become a worshipper of Howard. Fraser and Howard detested one another after Fraser supported Peacock as Liberal leader after Fraser lost the 1983 election. Barnett, then a casual journalist and farmer, was one of the exclusive group Howard invited to a Sydney Harbour cruise with US President George Bush when he visited Australia. With his wife, Pru Goward, Barnett wrote an authorised Howard biography that could hardly be described as searching.

Barnett believes Fraser's biggest mistake was not to move on deregulation of the economy. According to Barnett, Fraser 'got pissed off with all of this. I mean nobody said when he was there that you should deregulate the economy, you should free up the interest rates, you should reduce tariffs, you should abolish the Arbitration Commission; everybody said the opposite.' The author disagrees; there were proponents of deregulation and low tariffs in the Fraser Government—notably, Phil Lynch and John Howard. When Lynch was Treasurer, the Industries Assistance Commission recommended sweeping reductions in protection for the textiles, clothing and footwear (TCF) industries. Fraser balked; TCF was deeply embedded in the Australian economy.

It was not just a city industry in Labor-held electorates; far from it. More than 80 per cent of federal electorates had at least one TCF establishment. In some regional areas, it was the most significant employer and an important employer of migrant women. Lynch told me that in one long Cabinet discussion about what to do about protection cuts, Fraser asked, 'But what about Marshall [Baillieu]?' As well as being a member of one of Victoria's best-known and wealthiest families, Marshall Baillieu was the Liberal member for La Trobe, an electorate where TCF was an important employer. Lynch thought this reaction of Fraser's was pathetic, but nevertheless Fraser prevailed and the recommendations of the commission were greatly watered down—much to the relief of the majority of members of the house.

In all my years reporting Parliament, I have only had two parliamentarians I would describe as mates: Mick Young and Ian Macphie. There are dozens of MPs

who were acquaintances and many with whom I have had a warm professional relationship and admired. But Young and Macphee were my only close friends among them. It is not a good idea for political journalists to become too close to politicians. My own experience is that it does, even subconsciously, steer you away from areas where you would have to publish critical material against them.

Yet, neither Young nor Macphee gave me any great scoops—nor did I look for them. Young resigned from the Hawke Cabinet in February 1988, disgusted with allegations he had not followed rules on handling campaign donations during the 1987 election. He was later cleared of any wrongdoing. Apart from his friendship with Young, Hawke valued his shrewd political brain and pleaded with him, to no avail, not to resign. Young gave up drinking at this time and started a successful career as a political lobbyist.

Macphee was targeted by the Liberal Party right, with the support of Howard, and, like Young, was a loss to his party when David Kemp defeated him in preselection for the seat of Goldstein. Kemp went on to enjoy promotion under Prime Minister Howard. The editorial in the Australian Communist Party's newspaper, *The Guardian*, of 10 May 1989 is a fair summing up:

Macphee's successful opponent [Kemp] is an advocate of extreme right wing policies and his pre-selection is a victory for those who are pushing the Liberal Party to a more and more hard right position. Ian Macphee was the most consistent of the small 'l' Liberal members and his defeat is a calculated attack on the policies and values he has upheld. John Howard, by failing to support him during the course of the ballot, underlines his real support for the extreme right wing.

A lawyer, Macphee was educated at Sydney University and the University of Hawai'i and, before entering Parliament, was director of the Victorian Chamber of Manufactures and as such, a friend of Australian industry. Both he and Young served as Immigration Minister (Macphee in the Fraser Government and Young in the Hawke Government). Mick told me he thought the immigration portfolio was the most difficult of all. 'Wherever you go someone is tugging at your sleeve begging you to intervene and let relatives into Australia.' Both Macphee and Young had the advantage of John Menadue as Secretary of the Immigration Department. The three were champions of multiculturalism and of a strong immigration program, as were Whitlam and Fraser. This was enough for Howard to become an enemy of Macphee and, even more so, Macphee was a card-carrying member of the 'industrial relations club'—a group despised by Howard.

When Macphee became Minister for Employment and Industrial Relations in the last Fraser Government, it gave Howard even more reason to get him out



of Parliament. Also targeted by the Liberal right were other moderate Liberals such as Senator Peter Baume and Senator Chris Puplick. The treatment of these moderates sits awkwardly with the repeated claims by Howard that the Liberal Party was a 'broad church'. It was broad only if an MP was a Howard supporter, or if moderates crossed over to him, as did Robert Hill and Amanda Vanstone and, most notably of all, Phillip Ruddock.

At least in the Fraser years there was a place for the moderates as well as those on the right, even the mad right. Macphee was far more in the Menzies tradition than Howard and, like Menzies, believed in the arbitration system. Macphee also believed the path to growth, productivity improvement and a better life was through encouraging cooperation between capital and labour—a view that was anathema to the right. It is no accident the Macphee's view of the world is widely shared in Europe (particularly in Scandinavia) and has been the foundation of the success of many European nations.

A brain clot killed Don Whittington in 1977, and was a blow to me, not only emotionally, but I had to review how to carry on without him. He was my tutor, friend and partner and, like his wife, Helen, all who knew him well were shocked. Don was survived by Helen (nee Scott) and two sons and a daughter from his first marriage. Don met Helen when she was on the staff of Bill Snedden, one of Don's best contacts in the Liberal Party. Mick Young made certain Don's death was recorded by making a short statement in the house regretting his passing. Following Don's death, I went into partnership with Bob Freeden, a friend of Don's who had worked on the *Northern Territory News* after Don and Eric White founded the paper. Bob published a number of newsletters from Sydney and when he retired I bought out his half of *Inside Canberra*.

My son was also named Robin, as was my father—which in retrospect was probably not a good idea—and, like me, answered to Rob, while my father was known as Bob or Bobby. My son joined me in the press gallery, providing a news service for Sydney radio station 2CH. He did all the news work without my assistance and I did the easy part: a couple of minutes' commentary for drive time. I would sign off 'this is Rob Chalmers' and decided he would sign off as 'Rob Chalmers junior'. If I rang Gough Whitlam—then out of politics—I would generally open with, 'It's Rob Chalmers, Gough'. The great man knew who I was but inquired 'Senior or junior?' Rob and I continued with the 2CH news service for some 10 years until the station put its own staff in the press gallery.

With insufficient capital and staff, I made the mistake of expanding my business and, in addition to *Inside Canberra*, published newsletters on primary industry, the stock market, transport, defence and state politics as well as *The Guide to Federal Parliament* with biographical and contact information about every MP and senator. Some of these I wrote and edited; some were written and edited

by part-time writers. Ken Randall and I were joint publishers of *The House Magazine*, published each week the Parliament was sitting; it was an unashamed copy of the successful magazine of the same name at Westminster. Designed to appeal to backbenchers, each issue had a front-page caricature, or sometimes a photo, of a backbencher with a sympathetic and light-hearted profile inside.

Ed Rollgejser, our clever artist, drew the page-one sketches of MPs, based on their hobby or favourite sport. Joggers would be in running gear, or, if tennis players, they would be in a tennis setting. This idea was popular with MPs and they were keen to be featured. Ken and I wrote the various articles, and my second wife, Jenny Hutchison, provided the bulk of the magazine. This was a detailed listing of progress of legislation and the details of the business of both chambers, plus reports on activities of parliamentary committees. All MPs and the departments of the Parliament received the magazine free, with revenue coming from business subscribers and advertising.

I handled the hairiest job of chasing up advertising. Qantas was a regular advertiser, yet paid not with cash but international air tickets, which you cannot eat. We could take advantage of free flights but Ken and I strained our bank balances with travelling expenses overseas. A few subjects were so dull it was hard to do a lively sketch and profile, but most MPs are interesting, with diverse interests. Koomarri, our printer, was a charity assisting handicapped people in Canberra to find work and our association with Koomarri went on for several decades. In the end, the competition from the Internet—providing much information for free that was the basis of *The House Magazine*—was too much and we ceased publication.

The Malcolm Fraser story is also the story of the failure of Bill Hayden, the Hamlet of postwar politics. After initially spurning the leadership of the Labor Party after the defeat of Whitlam in 1975, Hayden's chance of reaching the top was snatched from him eight years later. Like us all, Hayden had his strengths and weaknesses: he was one of the Whitlam Government's most successful ministers (Social Security Minister and later Treasurer; as well as Foreign Minister in the Hawke Government) and then Governor-General. He could not handle the toughest job in politics, Opposition Leader, and this was what prevented him being elected Prime Minister. Like Howard, Hayden was deeply suspicious of many around him. I knew Hayden on a professional basis when he entered Parliament in 1961 as the MP for Oxley, Queensland. Mick Young resigned as ALP National Secretary in 1973 and was parked in Whitlam's office as a political adviser until he could take over as the MP for Port Adelaide at the following election.

At one stage, when Hayden was away from Canberra with the Parliament not sitting, he occupied Hayden's unit at Swinger Hill, where I lived with Mick



for a few weeks. Defeated by Fraser in 1975, Whitlam offered the leadership to Hayden—the obvious candidate—and he refused. Hayden, according to his press secretary, Alan Ramsey, was deeply worried about finding himself unemployed. He did not stand for election to the Labor front bench and departed the political scene (although not resigning from Parliament) to get a law degree. Hayden mustered up enough courage to return to politics when Kim Beazley sr resigned in disgust at the Whitlam leadership, and Hayden was elected to the front bench vacancy. Fatally for Labor (and this was as much the fault of Caucus as Whitlam), the 1977 election came around on 10 December with Whitlam still leader.

He managed a tiny swing of 1.1 per cent to Labor—not nearly enough, given the swing of 7.4 per cent to the Coalition in the 1975 election.<sup>2</sup> Hayden finally challenged Whitlam for the leadership and narrowly lost, with 30 votes to Whitlam's 32. Within a fortnight, Whitlam resigned the leadership and Hayden became leader by 36 votes to 28 over Lionel Bowen.

Hayden was not a convincing political leader and made a serious error when he fell out with one of his greatest and most influential supporters, Mick Young. At the time, Young had two shadow roles, Employment and Industrial Relations, and also occupied the key role of Leader of Opposition Business in the house; Hayden relieved him of the last. Alan Ramsey said in the chapter on Hayden in *True Believers* it was because of 'one too many of Mick's long lunches and dissatisfaction of what was not happening in the development of employment policy'. Nobody else had noticed this policy failure (if indeed there was one). As for the long lunches, Young was an important Labor identity who had played a key role in Labor's historic 1972 victory.

Young found long lunches with a wide variety of friends in business, unions, public relations and advertising were a means of discovering what was going on, not to get pissed. Hayden could have done with some long lunches himself but lacked Young's easygoing Irish charm. Young was popular and well known in the gallery and throughout the Labor Party. Young complained he had learned of his demotion as leader of the house not directly from Hayden, but from 'a journalist'—namely, me. Hayden claimed he had told Young a few days earlier, but I had the story in *Inside Canberra* before Hayden told Young. I got the tip from my former *Daily Mirror* colleague Tony Ferguson, who was then handling media relations at John Curtin House, the ALP federal secretariat.

Fraser won the 18 October 1980 election partly because of Labor making a mess of policy on capital gains. A Caucus committee had been debating a wealth tax for some time, giving Fraser the opportunity to portray Labor as

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<sup>2</sup> These are estimates of the two-party preferred vote by Malcolm Mackerras. The actual swings were not available until the 1983 election.

preparing to introduce a capital gains tax. Hayden denied this, but all too late. Nevertheless, Hayden more than halved Fraser's majority, paving the way for the 1983 election win by his nemesis, Bob Hawke, who entered Parliament only in the 1980 election as the newly preselected member for the safe Labor seat of Wills. Hawke was not a standout performer in Parliament and appeared unable to get the hang of life as a parliamentarian. He obviously missed ordering people around and, most of all, his network of mates was of no particular help to him as an MP. Nevertheless, from then on Labor politics was all about when and if Hawke would displace Hayden.

Fraser forced the resignation of Phillip Lynch from his seat of Flinders over dodgy land deals, partly involving land with the intriguing name of Stumpy Gully. This was soon after the Watergate scandal brought down US President Richard Nixon, and Gough Whitlam might have been the first in the world to appropriate the suffix when he described the Lynch affair as 'Landgate'. Peter Reith won the Flinders by-election for the Liberals in December 1982 and later had a ministerial career full of controversy in the Howard Government. From then on Hayden was doomed and, as it turned out, so was Fraser. Mick Young supported the move against Hayden not in any sense to get even with his former friend. Mick told me he believed that Hawke, with all his faults, was the most popular public figure in Australia at the time and had a far better chance of winning the election than Hayden.

Peter Walsh rang me, asking, incredulously, if I thought Caucus could be foolish enough to dump Hayden for 'that fraud Hawke', and (wrongly) I said Hayden would survive. John Button, a rock-solid Hayden supporter, agreed that Hayden had to go to give Labor a chance at the next election. To ensure this, he went quietly. Button, together with Hawke and Lionel Bowen, sealed the final deal with Hayden, including a guarantee that Hayden's staff would be looked after and that Hayden would become Minister for Foreign Affairs. Hawke agreed to all of Hayden's demands, although Lionel Bowen, then Shadow Foreign Affairs Minister, did not find it at all agreeable. When Hawke came into office, Bowen received second prize: Deputy Prime Minister and Minister for Trade. Hayden decided he wanted another promotion—this time as Governor-General—and asked Hawke for the job.

Perhaps still burdened by a sense of guilt about replacing Hayden as ALP leader, Hawke obliged. With the retirement of Sir Ninian Stephen as Governor-General in February 1989, Hayden took up residence at Yarralumla and stayed there until a month before Howard won the 1996 election. A mere 15 days before Howard won the 1996 election, Sir William Deane, appointed by Keating, took up residence in Yarralumla as Governor-General, and he proved to be one of the most popular Queen's representatives since the war, but was not at all liked by

Howard. A senior bureaucrat close to Howard assured me Deane would not, as head of state, open the 2000 Sydney Olympics. I was assured Howard insisted this would be his role.

He was wrong and Deane declared the Games open, but Howard still got in on the act. At the opening ceremony, when the camera pulled away for a wide shot of the dais, there, a few metres behind the Governor-General, seated where it was assumed senior Olympic officials would be, were instead the smiling Howard and wife, Janette. At the Olympics, Howard's insatiable appetite for the TV cameras was obvious. Courtesy of the Seven Network (then with exclusive TV coverage of the Games and controlled by Kerry Stokes), Howard appeared nightly, prominent in the audience at events where Australia was likely to win gold. Stokes at the time was ingratiating himself with Howard as changes in the Government's TV policy were mooted.

On the morning of 3 February 1983, scoop artist Laurie Oakes put to breakfast radio the story that Fraser would call an election that day. Hayden had already made up his mind to resign the leadership in favour of Hawke, yet Fraser did not know this. He thought a bloody challenge from Hawke was still the likely outcome. Yet by mid-morning at a meeting of the Caucus executive in Brisbane, Hayden resigned. After the terms and conditions had been finalised, Hayden and Hawke found themselves alone in the meeting room. Paul Kelly wrote that, at this point, Hayden was overwhelmed by the events and broke down. Hawke wept with him.<sup>3</sup>

Shortly after, Fraser left for Yarralumla to seek from the Governor-General, Sir Ninian Stephen, a double dissolution of the Parliament for a 5 March election. This meant that all the senators, not half of them, would also face the electors. Fraser knew before he left that Hayden was in trouble, but believed Hayden would resist Hawke to the end. I remember waiting outside the Prime Minister's office in the government lobby with a big contingent from the gallery. A press conference had been called for 1 pm that day and everyone knew it was about the election.

Sir Ninian would not be rushed. He was having lunch with the Polish Ambassador and Fraser was sent off empty handed. The gallery was waiting expectantly outside his office but Fraser had nothing to tell us. Hayden had announced his intention to resign after Fraser left for Yarralumla. He had also made a now famous comment that 'even a drover's dog' could have won the election against Fraser. In the end, after Stephen had been punctilious about granting a double dissolution of both houses, Fraser held his press conference about 5 pm, after his hoped-for Caucus bloodbath had proved a chimera. He

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3 Kelly, Paul 1984, *The Hawke Ascendancy*, Angus & Robertson, North Ryde, NSW, p. 386.

had been ambushed by the ALP. Instead of facing Hayden, whom Fraser had defeated in the 1980 election, suddenly he was up against the most popular public figure in Australia.

In the last week of the March 1983 election campaign, Fraser and Opposition Leader, Bob Hawke, each separately addressed the National Press Club—a highlight of the campaign, and now an important tradition in Australian politics. I was President of the club and Fraser, as the guest of the club, had a pre-lunch drink in the boardroom. Like all prime ministers, Fraser found it incomprehensible that anyone could believe his political opponent would be a better prime minister than himself. He asked me if I thought ‘this fellow Hawke’ could beat him and when I replied I believed he would, he seemed surprised.

In the 1980s, I was lucky enough take a fortnight’s all-expenses-paid visit to Sweden with a press party organised by a mate, Matt O’Brien, who was then working with George Kerr in the Canberra office of International Public Relations. The RAAF was looking to replace the Dassault Mirage III jet fighter. Sweden was in the race with the Saab 37 Viggen (Thunderbolt), a single-seat, single-engine, short-medium-range fighter and attack aircraft. I realised Australia was being outperformed by countries such as Sweden.

With the Cold War still dominating world politics, Sweden, with about half Australia’s population, was far more advanced. The Cold War continued and the Russian ‘bear’ was nearby. Across the Gulf of Bothnia was Finland and beyond that the Soviet Union. Sweden designed and manufactured its own frontline military aircraft, had a defence force more capable than Australia’s and was a world leader in high-tech electronics and engineering. The men were handsome, the women gorgeous and every Swede I met spoke excellent English. It was a punishing trip, with our hosts from Saab entertaining us every night until late and then up early for the official part of the visit.

The Australian press party visited the Swedish Department of Defence, where a much smaller civilian staff than the Defence Department in Australia managed a far superior and better-equipped military. Parkinson’s Law was alive and well in Australia, but not, apparently, in Sweden. We visited the first Swedish Air Force squadron to be equipped with the latest Viggen. The commanding officer of the base and his deputy drove us around in two cars. It struck me then that it would be unimaginable for such an important officer of the RAAF to act as a driver for visitors. At the mess for drinks, the CO then explained that as it was Sunday, there was no staff on. Nevertheless, he looked after the drinks and took over bar duties. Again, this sort of behaviour would be unimaginable in the RAAF. I was beginning to understand how the Swedes could hold their own in a tough world. The RAAF shunned the Viggen and, predictably, chose the far more expensive F-18 Hornet from the United States.

British journalist, author, satirist, media personality, soldier-spy and later Christian convert Malcolm Muggeridge visited Australia in 1976. George Kerr accompanied him to the Snowy Mountains Hydro-Electric Scheme, where Muggeridge, on his portable typewriter, wrote an article for one of the British newspapers. Asked by Muggeridge to edit the piece, George found it a brilliant piece of writing with not a comma out of place. Muggeridge also told Kerr what he believed was the best joke he had heard in Australia, which goes like this: a shearer won the lottery and took his shearing mates to celebrate at the Bandywallop pub. A mate asked him, 'What are you going to do with your money, Jack?' 'Ah,' said Jack, 'I've never been to England, so I'll take a trip.' 'And what route will you take?' asked his mate. 'Oh,' said Jack, 'I'll take the missus. She stuck to me in the Depression.'

Almost no-one in Caucus admired or liked Bob Hawke when he came to power. He was regarded as arrogant, boastful, self-indulgent and a bad drunk. This was the near-unanimous view of friend and foe alike, yet he won four elections (1983, 1984, 1987 and 1990) and was one of Australia's best prime ministers. He chaired a talented Cabinet, achieving more in economic reform than any other government before or since. Despite this record, he suffered the ultimate humiliation—unique to him—of being sacked by Caucus after winning four elections.

Hawke was a bad drunk and, worse, refused to shout in turn. He was lousy. 'Wouldn't shout in a shark attack', in the bar-room vernacular of the time. Ian Macphee, when Director of the Victorian Chamber of Manufactures and as such a member of the 'industrial relations club'—as was Hawke as ACTU President—enjoyed the annual perk that was the meeting of the International Labour Organisation (ILO) in Switzerland. Delegates stayed at the best hotels in Geneva, all expenses paid. Macphee told me how the Australian ILO delegates decided to all meet in one of the popular bars and ambush Hawke. It was arranged everyone would be in the bar before Hawke was due and on his arrival he was to be greeted with the combined demand 'It's your shout, Bob'; finally, he had to shout.

Barry Cohen, later Environment Minister in the Hawke Government, played a round of golf at the Monash club in Sydney with Hawke when he was ACTU President. As they were about to depart the course, Cohen told Hawke how much he had to pay as his share of green fees, lunch and hire of the buggy. Hawke said, 'I don't pay'. Cohen insisted and finally extracted the money from him.<sup>4</sup> It was typical Hawke; he did not expect to pay for anything. As Prime Minister, he was automatically an honorary member of the Royal Canberra Golf Club (as were governors-general). Hawke exercised his rights with alacrity, often playing

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4 Conversation with Cohen.

early in the morning with his driver and Australian Federal Police bodyguard. Hawke did not even consider paying green fees for his guests, as club members were required to do.

Hawke fancied himself as an accomplished punter. He did not hesitate to phone prominent people in the racing game, such as trainers Ernie Smith and Colin Hayes and owner Jack Ingham, for their tips. Bookmakers found it hard to get him to pay his losses. A Hawke acquaintance says that around the Sydney betting community he was known as the 'Wonga Pigeon'—apparently a nervous bird that would not settle. Hawke was also a noted womaniser and sexist with it. At one stage, a Cabinet minister having an affair with a staffer—a particularly thin journalist—was the subject of gossip around the gallery. Hawke was greatly interested. 'I don't know what you see in her, mate. Every time you fuck her, she'd rattle,' he quipped, accompanied by that distinctive Hawke laugh.

Hawke's future second wife, Blanche d'Alpuget, in her insightful biography *Robert J. Hawke*, revealed what most Australians did not know: Hawke was a serial womaniser. His high opinion poll popularity rating rose even higher. For whatever reason, he was certainly attractive to women. Hawke was a prominent Labor figure at Gough Whitlam's triumphant 'It's Time' 1972 election campaign launch at the Blacktown Civic Centre, in Sydney's west. In the euphoria following the launch, women were literally flinging themselves at Hawke. (In what follows, I have drawn material from d'Alpuget's writings.)

Hawke's vanity was obvious. I was President of the National Press Club when Hawke was guest of honour at the club's annual charity day and hit off from the first tee for the TV cameras. It was a terrible shot, but that did not matter, the cameras were only shooting him on the tee, not tracking where the ball finished up. Nevertheless, he insisted on at least three more swings, until he hit a half-decent shot. Hawke was insensitive to the reaction of others to his words. As President of the ALP, he chaired a national conference in Perth, where it was apparent to all that he was bedding a female taxi driver. At 9 am one day, Hawke was at his place as chairman on the head table, obviously still the worse for liquor, and testy. In the presence of TV cameras and 300 or so delegates and observers in the hall, Hawke declared, 'Delegates, you'll have to stop wanking'.

Hawke's father, Clem, regarded Bob as 'his special son' and his mother, Ellie, thought he was her special baby. He was always the centre of attention, and competition between the parents later turned to rivalry for the boy's attention. A relative, d'Alpuget reports, believed Hawke could play his parents off against each other, learning when very young 'how agreeable it was to be a cynosure'. This, says d'Alpuget, could be the origin of his later success in seeking and gaining publicity.



Hawke ran an excellent election campaign in 1983 and it was no contest: Hawke, far and away the most popular public figure in the nation, against one of the most unpopular, Fraser. Bill Hayden and Labor made a mess of the issue of a capital gains tax in 1980. The Fraser message was that if Labor came to power, citizens should hide their money under the bed because Labor wanted to get its hand on their wealth.

In the 1983 campaign, Fraser tried a similar tack, declaring Labor could not be trusted with money. Hawke retorted that if Fraser meant the money should go under the bed again, this could not happen, since this was where the communists were—a reference to the continued efforts by the non-Labor parties to brand Labor as allied with communists. Fraser could not frighten voters in 1983, nor persuade them that Hawke could not be trusted. Seven years and three months after the dismissal of the Whitlam Government, Bob Hawke brought Labor back into power with a decisive win on 5 March 1983.

Hawke was well known to the gallery and disliked before his election victory. The consensus was he would not last as Prime Minister and at his core was a preening show pony. Again, this was a gallery misjudgment. Even after his resounding victory, Hawke's rival was seen as his Treasurer, Paul Keating, who was in good standing with the gallery. Keating had received a big laugh prior to Hawke's victory, referring to him as the 'silver bodgie' (a bodgie was an expression from the 1950s and 1960s meaning a young man with long hair and a love of pop music who chased girls and was generally a social pest).

Hawke's close relations with the Hungarian migrant tycoon Peter Abeles—known far and wide as 'the beast of Budapest', or simply 'the beast'—was a matter of abiding interest to the gallery and everyone in politics. Even as Prime Minister, Hawke rang Abeles every day and would do apparently anything for him. Speculation ranged from Abeles blackmailing Hawke to outright corruption. None of it was true. Once again, d'Alpuget has the answer: Hawke's desire for a father figure, nurtured by his devotion to his father. All of Hawke's real friends were much older than him.

George Rockey, a Hungarian migrant who together with Abeles built Thomas Nationwide Transport (TNT) into the largest transport company in Australia, treated Hawke like a son. Apart from Rockey's tailor attending to Hawke's suits, Rockey even chose Hawke's underwear. D'Alpuget writes: 'It seems as if, in his earliest years, an emotional stage was set and roles allotted to actors and that the play was performed again and again.'<sup>5</sup> Allowing Rockey to choose his underwear, I believe, reflected Hawke's extreme vanity and an obsession about his appearance. Throughout his life, he has given close attention to his hairstyle

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5 d'Alpuget, *Robert J. Hawke*, p. 9.

and, when he greyed, he at least looked distinguished. Hawke was sensitive about his height: he was not tall, about average height, yet he would claim to be tall and wore shoes with higher heels than standard.

Peter Abeles was a remarkable achiever. Born in 1924 in Budapest, he was, during the war, forced into the Hungarian Jewish labour battalion in the German Army. In 1947 he migrated to Australia with £4000 given to him by his father, and knocked about in various odd jobs, including selling paperback novels and clothing. His friend and fellow Hungarian George Rockey arrived in 1959 with £400 and they linked up. They bought a truck each but could not make a go of it until they hired professional drivers. They founded Alltrans in December of that year and, in 1954, they opened Sydney Coal Merchants.

In *Robert J. Hawke*, d'Alpuget<sup>6</sup> reveals that they began to encroach on the business of coal giant Sir Roderick Miller by undercutting his price. Abeles approached Miller for a price-fixing deal whereby he and Rockey would have one-third of the Sydney market. Miller responded by sending Sydney Coal Merchants and Alltrans broke by buying every mine supplying Abeles and Rockey. Only 14 years later, they bought out Miller and, moving in on TNT, by the 1970s, they had a global transport business.

Abeles was a big man, tall, hair brushed straight back, always smoking an expensive Havana cigar. His friendship with Hawke was hardly life-long; he did not meet Hawke until after the latter had attained the presidency of the ACTU on 10 September 1969. Abeles was obviously seeking influence within the trade union movement for his business enterprises. What stands out about Abeles' dubious business tactics was an aversion to competition. What he had proposed to Miller was later to become the criminal offence of cartel behaviour under the *Trade Practices Act*. Throughout his co-ownership of Ansett Airlines with Rupert Murdoch, Abeles' objective was to avoid competition. In March 1998, John Menadue, Chief Executive of the then government-owned Qantas (then without domestic routes), put to the Hawke Government the idea of a 'tricycle'.<sup>7</sup>

The scheme was to amalgamate Qantas, the government-owned domestic carrier Australian Airlines (formerly TAA) and the New Zealand Government-owned Air New Zealand. The NZ Government planned to privatise Air New Zealand and the Hawke Government was anxious to privatise Australian Airlines and Qantas. Menadue saw the tricycle proposal as facilitating privatisation, with a public float of the merged entity in the first quarter of 1989. The tricycle would be a stronger competitor in the Pacific against the US mega-carriers United and

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<sup>6</sup> Ibid., p. 236.

<sup>7</sup> Menadue, *Things You Learn Along the Way*, p. 268.

American Airlines. The Transport Minister, Gareth Evans, was enthusiastic, but Abeles and Murdoch were not. In the end, so many concessions were demanded on behalf of Ansett that Qantas abandoned the tricycle idea.

Yet oddly, in the end, Hawke delivered the blow that led ultimately to the collapse of Ansett: the dumping of the cosy two-airline policy, invented by Menzies, which gave the government airline, Australian Airlines, and the privately owned Ansett Airlines a duopoly over the domestic market. Senator Denham Henty, in 1964 Aviation Minister in the last Menzies Government, once delivered a notable malapropism in the Senate. Meaning to refer to the two-airline policy, he managed the 'two-line air policy'. It was much more than a two-line policy and was backed by an army of bureaucrats in the Civil Aviation Department.

These officials ruled that everything had to be the same on both airlines: fares were normally identical and schedules controlled. Regulations even ensured meals were the same. If one airline decided to offer a new style of sandwich, bureaucrats decided whether this was allowable under the regulations. Abeles and Murdoch fought hard to retain the two-airline policy but its death was inevitable. The only concession the joint owners received was the right of Ansett to operate on international routes. Ansett ventured into this entirely different and competitive market on a number of Asian routes, but could not compete with Qantas and other foreign airlines.

Hawke was transformed when he came to the prime ministership. His hedonism, wantonness and aggressiveness were shed. Like Curtin, and emulating his hero, John Curtin (who also had a serious problem with alcohol), he went off the grog and appeared to stick to it. But Hawke remained sensitive and emotional. During at least two press conferences I attended, the Australian Prime Minister broke down weeping, his eyes and nose gushing, a picture of desolation. One followed the slaughter of demonstrators in Tiananmen Square in Beijing in 1989; the other was when he poured his heart out about the drug problems with which his daughter Ros struggled.

His popularity with voters was such that he could get away with comments that, in later years, no politician could copy. Asked by a journalist if he knew the price of bread (or it might have been milk or butter), he said he had no idea and had never been inside a supermarket, ending the discussion with, 'Hazel does the shopping'. There were always people anxious to help him. Rockey and Abeles invariably could be relied on, while others organised his ascension to the presidency of the ACTU, his preselection for the safe seat of Wills, and his defeat of Hayden. As Prime Minister, he had excellent staff offering good advice, and he listened. His special knack for dealing with the media was instinctive.

Peter Barron was a key political adviser. I knew Barron well, from when he came to the gallery representing the afternoon Sydney *Sun*, before joining the *Daily Mirror* bureau. In 1975, he was in the Media Department when Jim Spigelman (later Chief Justice of New South Wales) was the permanent head and his minister was Senator Doug McClelland, father of Rudd Government minister Robert McClelland. Malcolm Fraser, on winning the 1975 election, abolished the Media Department and Barron was without a job, until Neville Wran, still in opposition, invited Barron to join his staff. The period with Wran led to Barron teaming up with Hawke. Barron and another political adviser and former State Secretary of the Victorian ALP, Bob Hogg, were blunt in advising Hawke and if he made a mistake, he was told in no uncertain terms that he had stuffed up.

For example, it was revealed in January 1985 that Hawke, without consulting his ministers, had in 1983 told US President Ronald Reagan he would adhere to the agreement the Fraser Government had entered into for assisting the United States to monitor test firings of the MX missile. The missile was designed to shoot down Soviet intercontinental ballistic missiles attacking the United States, and in testing, they would crash to earth in Australian waters. At this time, Labor was strongly supporting disarmament objectives and right across the party there were demands that Hawke withdraw his undertaking. Barron applied the pressure on Hawke, who agreed to withdraw his undertaking only days before his scheduled formal prime ministerial visit to the United States and a meeting with Reagan.

During Question Time, Barron sat in the advisers' box on the floor of the house and only metres from the Speaker's chair, from where he would pass Hawke quick notes of advice. Hawke enjoyed the theatrics of Question Time and had a high opinion of how well he handled the Opposition's questions. Answering one question, Hawke overcooked his reply and a note came from Barron: 'You're talking too much.' Hawke read the note, threw it on the ministerial table among his papers and quietened down for the rest of Question Time. A staffer, who picked up Hawke's papers and saw the Barron note, recounted this incident to me. It is hard to imagine any adviser having the authority and confidence to give such blunt advice to any other prime minister.

Achieving fundamental change to Caucus's attitude to the power of a Labor Cabinet was one of Hawke's major achievements. With considerable support from ministers, including John Button and Gareth Evans, Caucus conceded the principle of collective Cabinet responsibility for its decisions by every member of Cabinet—something denied to Whitlam. In the Whitlam Government, Cabinet member Lionel Murphy exercised what he saw as his right to appeal to Caucus to overturn a Cabinet decision he had opposed. Caucus also agreed to Hawke's

demand for an inner Cabinet with junior ministers outside Cabinet. For the first time, Caucus effectively conceded that, indeed, all members of Caucus were not equal.

Whitlam had failed to gain the agreement of Caucus on an inner Cabinet and had an unwieldy Cabinet of 27 to deal with. Neal Blewett, Health Minister in the Hawke Government, contributed a chapter, 'The Hawke Cabinets', to *The Hawke Government, A Critical Retrospective* and summed up the Hawke approach to his Cabinet:

Cabinet ministers ruled over relatively autonomous fiefdoms, with the Prime Minister maintaining a strategic supervision and concentrating on a few high-priority issues, while leaving his ministers relatively free to develop and implement their policies. Only if a minister got into trouble or his policy antagonised his fellow minister, or of course, when he or she needed significant money, would the Prime Minister and Cabinet swing into action.<sup>8</sup>

This was remarkably similar to Menzies' style of chairing Cabinet. When the Hawke Government came to power, Whitlam's difficulty with public service mandarins resistant to change was in the minds of ministers. Labor had been out of power for eight years and the Public Service had settled back into the comfort of a Coalition government, although Malcolm Fraser had not been as easy, or reliant, on the Public Service as had Menzies, Holt, Gorton and McMahon. In December 1983 a white paper, *Reforming the Australian Public Service*, was published. This was hardly a hot news item, yet the reforms were among the considerable accomplishments of the Hawke Government.

Michael Delaney, formerly with the Public Service Board and private secretary to Prime Minister Whitlam, was in charge of the white paper project. Hawke had a mandate for public service reform and intended using it. The central aim of the white paper was to place ministers firmly in control of their departments. 'Permanent heads' of government departments were renamed 'heads' and were put on contracts.

A new concept, the Senior Executive Service (SES), was formed to replace the Second Division of the Public Service—the rank immediately below the department head. Outsiders could apply for public service positions, which were advertised, and the concept of promotions based on seniority was finally laid to rest. The Hawke Government aimed to rotate heads of departments every five years into another department. The Chairman of the Public Service Board was required to raise the rotation with departmental heads and their ministers

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<sup>8</sup> Ryan, Susan and Bramston, Troy (eds), *The Hawke Government: A critical retrospective*, Pluto Press Australia, North Melbourne, p. 76.

about possible placements and would report to the Prime Minister if necessary. Ministers were in a more powerful position: they could engage consultants to work on projects nominated by the minister; and these consultants could work in departments, with the agreement and supervision of the department head.

A significant change was to allow ministers and other MPs to employ their own staff under terms and conditions applying in the Public Service. Tenure would be at the discretion of ministers and MPs and would be related to the period a minister or MP held office. As a consequence, staff were vigorous partisan warriors, fighting behind the scenes for their bosses. The number of staff members was up to the Prime Minister. When the Parliament moved into the spacious permanent building on Capital Hill, staff numbers rocketed. Not surprisingly, although this was an extra burden carried by taxpayers, the Opposition agreed with most of the implementing legislation for the changes.

Prominent lawyer John Button, a small man, jockey-sized, neat and precise in his movements and his words, with sparkling eyes matching his impish humour, reinvigorated federal industry policy. The scholarly Race Mathews, Whitlam's chief of staff, introduced him to me at Button's Melbourne home during the 1972 election. Mathews contested and won the outer Melbourne seat of Casey, holding it until his defeat in 1975, and later had a successful career in State politics in Victoria and then in academia. Button entered the Senate at the 1974 double-dissolution election and went on to become one of longest-serving ministers in the Hawke/Keating Governments.

From the formation of the first Hawke Government until his resignation from the Senate immediately after the 1993 election, Button was Minister for Industry and did more for the Australian manufacturing industry than any minister in this portfolio before or since. In the face of resistance from unions and industrialists, he was responsible for industry plans for the vehicle, TCF and information technology (IT) industries, which saw them revive and succeed, despite a program of tariff cuts for all industries.

Because of union influence within the ALP and the unions' opposition to tariff cuts, Button was anything but the most popular figure in Caucus, yet he succeeded with the total support of Hawke, Keating and ACTU Secretary, Bill Kelty. Not that his relationship with all three of them was always harmonious. More than most ministers I have known, Button was direct and honest in public comments—often to the embarrassment and rage of his colleagues and Paul Keating in particular. Naturally, he was much liked by the media.

I knew Button well and in 1985 he phoned asking that I come to see him. When I walked into his office, he was at his desk writing away furiously, explaining it was a speech he was to give that night to a business group. I inquired why



he was writing the speech when he had staffers and people in his department to write speeches, or at least put together notes. Most ministers' speeches were written in this way, but not Button's. When he gave a speech—invariably first class and humorous—they were his words, not those of a speechwriter.

Putting down his pen, he explained he was considering appointing David Charles to the vacant position of head of his department. He understood I knew Charles and he wanted my opinion of him. Button said he was not prepared to just rely on the opinion of bureaucrats. I often had lunch with Charles, who was already a senior public servant with a successful career in the Commonwealth Public Service; our conversations were invariably about politics and policy issues. With an honours degree in economics (from Monash University) and having studied at the London School of Economics, Charles should have been what came to be described as an economic rationalist. The Treasury employed plenty of adherents to this dogma and opposed any sort of assistance for industry.

Charles did not agree. Although a supporter of lower tariffs, he was a pragmatist and was interested in anything that could assist the development of the Australian manufacturing industry. I assured Button I had the highest regard for Charles. Button was obviously pleased, telling me he had asked another mutual friend, Ian Grigg, of his opinion and Grigg had also endorsed Charles. Grigg was a former public servant and private secretary to Bill McMahon, and was CEO of the car industry lobby, the Federal Chamber of Automotive Industries. Charles was appointed secretary, although I never discovered whether our endorsement made a difference.

This must surely have been the only instance of a minister asking a journalist for advice about a senior public service appointment. John Button wrote the chapter on the history of industry policy in the Hawke Government in *The Hawke Government: A critical retrospective*, edited by Susan Ryan and Troy Bramston. The chapter details the fascinating story of the various plans, such as those for the car and TCF industries, Button was responsible for and the difficult negotiations involved. Yet nowhere in the essay does he refer to his feats in industry policy, or even the fact he was Industry Minister, instead referring to what 'the Government' had done.

Unbeknown to Andrew Peacock, the Liberal leader after Malcolm Fraser lost the 1983 election, Bob Hawke and National Party Leader, Doug Anthony, had come to a deal to expand the size of the House of Representatives from 123 (virtually unchanged since 1949) to 148. The National Party was running out of electorates it could reasonably win. Increasing the numbers in the house automatically required the necessary expansion of the Senate from 10 senators from each State to 12 (s. 24 of the Constitution says membership of the Lower

House shall 'as nearly as practicable' be twice the number of senators). The expansion of the Senate improved the National Party's chances of hanging on to its seats in the Upper House.

This presented a problem: where were the 25 additional MHRs to be housed? There was simply no room for additional offices for 25 more MHRs and the move to the permanent parliamentary building was five years away. The bureaucrats in Parliament House persuaded the Speaker, Harry Jenkins, and the President, Doug McClelland, that the press gallery should be moved out of Parliament House to offices at the nearby Hotel Canberra—a five-minute walk away.

In 1974, Tooheys Brewery's lease on the hotel expired and the Whitlam Property Minister, Fred Daly, and Tooheys could not come to an agreement on a new lease. The hotel closed operations and public servants were moved in: the bedrooms became offices. There would be no problem finding ample space in the former Hotel Canberra to accommodate the gallery. Peter Barron, Hawke's adviser, soon came to hear about this development and informed Hawke. Hawke went ballistic. Like all prime ministers, Hawke wanted the gallery close at hand and able to be whistled up at a moment's notice. Jenkins and McClelland were instructed to immediately drop this idea, or they would be out of a job when Caucus next met.

Here was a problem. There was no chance of Hawke allowing the gallery to be moved out of the building, yet no room existed for the new MPs. The answer was to build temporary, two-storey office space in the gardens on the house side connected by a covered walkway to the first floor of the Parliament, bridging the side road alongside the building. Each office, although 'temporary', was far roomier and more desirable than the cramped MPs' offices in the parliamentary building. Senior opposition MPs such as Ian Macphree moved into the new offices, leaving the cramped offices in the parliamentary building to new MPs. The press had once again demonstrated that, even in the Parliament itself, it had far more clout than backbench parliamentarians.

As the move to Parliament's permanent home on Capital Hill neared, the sense of anticipation throughout the old building was tinged with regret. The endless debates about what site should be selected for the permanent home were over, although the fate of the old building was still to be settled. To keep it, even if slimmed down to its 1927 dimensions, would clearly interfere with the view along the great 'central axis' designed by Burley Griffin, running from the permanent Parliament House to the top of Mt Ainslie, directly to the north. Many, including the author and former Clerk of the House, Norman Parkes, believed the old building should be demolished.

One idea was to demolish all but its façade and move it to one side, away from the central axis, as happened with the statue of King George V. In the end, it was decided to retain the building and clean up its rear—still in view from the front of the permanent Parliament House. There had been a proposal to build the permanent Parliament on the slight hill, Camp Hill, immediately behind the provisional building. If this had proceeded, the old building would have been demolished. Menzies' concept would have had the permanent Parliament built on the central axis, on the southern shore of Lake Burley Griffin. He envisaged the Prime Minister greeting Her Majesty for a royal occasion, when she stepped from the Royal Barge that carried her upstream from the Governor-General's residence at Yarralumla.

The final decisions for the permanent Parliament House were settled during the Fraser Government. The Hilton Hotel bombing on 13 February 1978 alarmed Fraser and he insisted that, for security reasons, ministers be accommodated in a separate wing on the southern end of the building, far removed from the front of the building where tourists and visitors entered. At one stage, it was proposed that the media would be barred from accessing the ministerial wing altogether, but when they got wind of this, the gallery kicked up such a fuss it was dropped. Members of the gallery have free access to the ministerial wing, which importantly also houses the Prime Minister's press office.

Thanks to Fraser, the Prime Minister's office has absolutely no outlook. On the western side of the building, particularly on the top floor, there are magnificent views of the Brindabella Mountains in the distance to the west, with the diplomatic area of Yarralumla in the foreground and the Woden Valley stretching away to the south. My gallery office has such a view. Yet the Prime Minister's office windows provide a view onto an enclosed, empty courtyard—a waste of space and used only for the Prime Minister's press conferences. There are many other areas in and around the building for press conferences.

The gallery owes a lot to Paul Keating. The Speaker, Bill Snedden (later Sir Billy), and the President of the Senate, Condor Laucke (later Sir Condor), co-chaired the joint select committee investigating the design of the new Parliament House and its report was to be vital to the final design agreed to by the Parliament. Snedden did not want the gallery in the building. The gallery had moved into the 1927 provisional Parliament House because there was nowhere else to go in the frontier town of Canberra and the ministers also had their permanent offices in the building. (It had originally been envisaged that ministers would work in their departments, but most of the departments were in Melbourne in the early years of the Parliament being in Canberra.)

Snedden's idea was for the media to erect a separate building accommodating the gallery nearby and linked to the permanent Parliament House by a walkway.

Like so many other politicians who have slid down the slippery pole, Snedden blamed the gallery for Fraser overthrowing him as Opposition Leader. Most politicians and particularly prime ministers or those who see themselves as prime ministers want the gallery in Parliament House.

Nobody was more confident of becoming Prime Minister than Paul Keating and nobody cultivated the gallery as keenly and successfully. He told me that when the key decision came before the committee on the question of gallery accommodation, Snedden was overseas. Keating lobbied joint chair Senator Laucke hard and warned him that if the gallery was not to be within the parliamentary building, the media proprietors would turn against the building and harness public opinion against building it. Hence the gallery now occupies the entire top floor of the Senate building on the western side. Canberra is unique in Westminster parliaments at least with both the Cabinet and the press gallery, complete with TV studios, accommodated in the parliamentary building.

As completion of the permanent Parliament House came closer, work slowed. The hundreds of union members working on the building would have to find work elsewhere. The unions had been able to bluff none other than the Chief Justice, Sir Garfield Barwick, over the building of the High Court. The Parliament decided that the High Court would come to the national capital and its new building would be on a key site in the parliamentary triangle, alongside the National Gallery on the southern shore of Lake Burley Griffin, near Kings Avenue Bridge. Architecturally, it balances the National Library to the west, which is also on the lake and close to Commonwealth Avenue Bridge.

The justices of the High Court were less than enthusiastic at the prospect of setting up in 'the bush capital', as Jack Lang described Canberra. Completion of the building drew near, with 26 May 1980 set for the official opening by the Queen. The unions adopted time-honoured go-slow tactics. It was feared the building might not be finished in time for the opening ceremony, unless the Government met union demands for more money. In a panic, Barwick pushed the Fraser Government to agree to unions' demands and the building was finished on time.

Similar demands for more money were made on the Hawke Government as the new Parliament House neared completion, and the threat of go-slow tactics was implicit. Again, it seemed the building might not be ready for the Queen to perform the opening ceremony on the appointed day of 9 May 1988.

The unions pressured Ralph Willis, Hawke's Industrial Relations Minister at the time, for more money. Willis told them bluntly he would not agree to the conditions they demanded and the Queen would open the building on the appointed day, whether or not it was finished. Willis won. Finally, the great

day came and the Queen opened the permanent Parliament House on 9 May 1988—exactly the same date in May that the first Parliament in Melbourne and the provisional Parliament in Canberra were opened. On this sunny autumn day, politics changed forever.