

from the Press Office

SUMMARY OF "P.M."

Mr. Murdoch has made a shock takeover bid for the Herald and Weekly Times Group, which if successful would make Mr. Murdoch's company News Limited the most powerful media organisation in Australia. The Opposition has called for intervention by the Federal Government until a full enquiry is conducted into media ownership. Jane Singleton reports from Sydney.

Question: How much of Herald and Weekly Times does Mr. Murdoch already own?

Singleton:

It is very hard to give an exact figure but from ringing around the stock brokers this afternoon about 30% that is of a total \$126 million bid.

Question:

What does he own already in terms of newspapers, radio and T.V. outlets and what will he gain from the Herald and Weekly Times?

Singleton:

Well of course he has got the Australian and in Sydney the Daily Telegraph and the Daily Mirror. There is the Truth and a number of Sunday papers. If he is successful he will add about a dozen metropolitan dailies and the big ones are the Herald and Sun News Pictorial in Melbourne, the Courier Mail and the Telegraph in Brisbane, the Australian and the Daily News in Perth and the Mercury in Hobart. He will get an amazing nine radio stations to add to his existing four but it is in television he will have to do some rationalising. He is at present negotiating to sell his Channel 9, that's NWS in Adelaide and that leaves him with only Channel 10 in Sydney but according to the Secretary of the Australian Broadcasting Tribunal, Mr. Connelly, he may only own two under the Broadcasting and Television Act. Now the Herald and Weekly Times brings him four so he would have to sell off three of them and reports at the moment suggest he would keep Channel 7 in Melbourne and sell off the rest.

Question:

How has Herald and Weekly Times itself reacted?

Singleton:

Well very early today they instructed their shareholders not to sell, directly after the announcement was made on the floor of the Stock Exchange in Melbourne.

Question:

And the Stock Exchange of course has reflected what they thought of the situation.

Singleton:

Yes they went up very quickly, Herald and Weekly Times shares went up to about \$3.78 by lunchtime, they stabilised a bit lower by the end of trading today and of course News Limited went down a bit.

Question:

And Mr. Murdoch in fact told (inaud.) New Limited has offered \$4 a share for Herald and Weekly Times shares. Has Mr. Murdoch himself commented at all?

Singleton:

Yes, he's said that it is a life time dream of his to control the Herald and Weekly Times but he does say that in some ways it was an unrealised dream, a subconscious dream. But he has said that he is confident of getting the 50 percent and that he has got enough money to complete the raid.

Question:

And typically perhaps of his character he walked unannounced to the Herald and Weekly Times building this morning to tell them his plans to take them over. Any sign that the Herald and Weekly Times intend to fight back?

Singleton:

Yes indeed. From reliable sources we have learnt that Herald and Weekly Times Directors plan to make a counter offer which may defeat Mr. Murdoch's bid very soundly.

Question:

And I suppose it wouldn't be surprising if the Melbourne establishment took a degree of exception to a takeover to the Herald and Weekly Times?

Singleton:

They might indeed.

To look at some of the implications of the takeover bid Peter Jefferson is speaking to Dr. Patricia Edgar, Senior Lecturer in the Media Centre at the School of Education, Latrobe University, who tomorrow launches her new book 'The Politics of the Press'.

Interviewer:

Well Dr. Edgar what is your reaction? Is it a healthy sign for Australia?

Edgar:

No I think it is quite staggering. I was stunned. I think it is most unhealthy prognosis.

Interviewer:

If it went through what would sort of power would Mr. Murdoch have?

Edgar:

Well if you look at the control which already exists with the Herald and Weekly Times, which is a monopoly in Perth, Brisbane, Hobart - you add this to the control that Mr. Murdoch has already got through his papers and you have vested within one man enormous amount of potential power to manipulate the public through the press. Now of course day to day the paper comes out it's pretty much the same but when you get to elections, to political events, power broking, it becomes much more significant.

Interviewer:

Can one man manipulate the press like that? Given that he is in control of it can he really manipulate the press?

Edgar:

Well it's a matter of speculation but you look at what happened in South Australia and you look at the enormous change in public opinion and the fact that one government went out which wasn't expected to and a lot of that has been credited to the role which Mr. Murdoch's paper played in South Australia.

Interviewer:

How would he use this power if he got it?

Edgar:

It is a potential power. Mr. Murdoch has a reputation for being active as a newspaper man and he doesn't claim to be disinterested and so it's a question of that many newspapers in one country being in the control of one person who may wish to put his support in any direction, it doesn't matter which party it is.

Interviewer:

Would he try and make and break governments? You've cited one case. But would he try and do it on a federal level?

Edgar:

Well he certainly has a reputation for doing that and that was (inaud.) the 75 election and again I repeat South Australia. But this would be the highest concentration of press ownership in any Western country.

Interviewer:

What do you think is really going on for Mr. Murdoch? What do you think he is really trying to do? Is it a case of simply increasing his power? Does he want more money? What's in it for him? What's the underlying play in this whole deal?

Edgar:

I couldn't possibly speculate on Mr. Murdoch's personal motives but it is certainly possible that there are other interested parties involved. There has been speculation that Mr. Holmes a Court is interested in the West Australian which is a Herald and Weekly Times paper. There is also speculation that he is interested in Channel 7 Perth and so it may be that this whole thing is part of a much wider deal.

Interviewer:

Involving perhaps the Ansett takeover?

Edgar:

It could be. The whole scenario is yet to be played out. (end)

The Federal Opposition has called for an enquiry before the takeover goes through. Geoff Duncan spoke to Mr. Staley.

Question:

Mr. Staley how disturbed is the Government at this potential takeover?

Mr. Staley:

Well I'd emphasise that these matters are for the Broadcasting Tribunal and the law of this land provides that there are quite stringent controls of the ownership of radio and television in Australia. And these controls are administered by the Broadcasting Tribunal and they have been well known for a long time. And I must say I haven't heard any particular suggestions of any (inaud.) coming from the Opposition or from anyone about how they ought to be altered either now or in the future.

Question:

Well of course as you know they are asking for a freeze - that there should be an enquiry to examine the whole operation at the moment.

Mr. Staley:

Yes. But I'd emphasise that neither when they were in government did they act in this respect nor subsequently have they developed any policy to suggest how the actual how the actual ownership and control provisions could be changed, bearing in mind the fact that Commonwealth Government is not by the Constitution given power over press matters. Now that means that we can't place controls, as I am advised on press ownership and of course that has its good side, because it does mean that governments don't get into the business of censoring the press, and I think all Australians regard that as a great thing in a democracy. And it seems to me that you don't alter the rules of the game when the ruckmen are in the air.

Question:

But in terms of philosophy would the Government concede that it is a bad thing to have too much concentration of media power?

Mr. Staley:

Well we do. And what we've done of course over the years, over many years, is we've acted, and in recent decisions. We've acted so as to further diversify media ownership in Australia. And what I am saying is that there are vacuous calls being made now in areas where we do not have the constitutional power to act. And Mr. Murdoch, as I understand it, has made it quite plain that if his bid is successful, and goodness knows whether it will be or not, that if his bid is successful then he will live within those quite stringent controls as they relate to radio and television in Australia where we do have the power to act, have acted, and will continue to act, and of course, in particular cases, the Broadcasting Tribunal will decide whether those quite stringent provisions are lived up to in practice.

Interviewer:

To get back to what you said earlier. Does that mean the Government is philosophically opposed to a move of this type?

Mr. Staley:

No. I am not going to argue that we're philosophically opposed. I'm not going to comment on things that are for private enterprise and the free market where we do not have the constitutional power to act. It seems to me to be quite foolish for me to develop some sort of position where we do not in fact have the power to act.

Interviewer:

How satisfied are you that the Tribunal itself has both the teeth and the fortitude to resist such a move.

Mr. Staley:

I believe the Tribunal has shown in its decisions that it's a responsible body prepared to act in accordance with its powers when it's called upon to do so.

Interviewer:

But given that general Government opposition philosophically to the idea of the concentration of too much media power - would you be surprised if the Tribunal did uphold the takeover?

Mr. Staley:

Well that is for the Tribunal to judge and I make it quite plain that I am not going to comment on run in an area which is absolutely and ultimately the responsibility of the Tribunal.

Interviewer:

Given that this an issue with major implications, do you think that the Government would be wise to institute some sort of an enquiry as Senator Ryan has suggested?

Mr. Staley:

I have said already that I believe that this whole question is a

very complex one. It's a very important one. I don't believe you take decisions on the run and I haven't heard frankly many constructive suggestions about how to handle it. I am prepared when we look at a major review of the Broadcasting Act, to consider whether it would be wise, at that stage, after proper and mature consideration to undertake some particular enquiry into the ownership and control provisions.

It was revealed in evidence today that 6 or 7 other witnesses apart from the key Crown witness, Mr. Nakos, had been promised indemnity to testify in the so-called Social Security fraud case. Detective Chief Inspector Thomas today was cross-examined on the relationship between the Commonwealth Police and the Government over payment of a reward to Nakos. Christopher Sweeney was at the court for PM. The original police investigation into the fraud has involved two Government departments as well as the Commonwealth Police and from evidence produced in court today it is clear that there was considerable rivalry and distrust between them. Notes were taken of telephone calls down to the exact minute. Records were carefully filed of all conversations with other departments and at times there were investigations within investigations. The result was that subpoenaed documents, like those produced today, have disclosed details of how other enquiries were going and in the process provided a wealth of damaging information for the Defence. The most politically important is a confidential minute used as the basis of the cross-examination of Thomas, the man who organised the investigation and led the arrests of over 180 people from the Greek community in April last year. The document was from the headquarters of the Commonwealth Police to the N.S.W. Division and was intended as a note on progress so far. It was written by Thomas, but scrawled on the top in the handwriting of the Assistant Commissioner were the words "Mr. Corrigan has again been in touch with the informant's solicitor - why hasn't Sydney reported this yet please." The significance of this lies in the position of Mr. Corrigan, First Secretary of the Department of Social Security. The note indicates that Mr. Corrigan had been in discussion with the solicitor for the Chief Prosecution witness and self-confessed police informer, Nakos after November 3rd while Commonwealth Police were still discussing with the same solicitor, the question of a possible payment of up to \$200,000. When asked today Thomas said that he's been not aware at the time that top civil servants had been in contact with the solicitor. The significance of the note lies in replies to questions last week by Senator Guilfoyle and her Director General, Mr. Lannigan whose involvement with the whole case was again raised prominently in court today. Marcus Einfeld took Thomas point by point over statements made in Parliament on the question of the involvement of the Department of Social Security. Asking whether he'd ever been told by Mr. Lannigan or Mr. Corrigan that their Department did not want to be part of negotiations over the reward to the police informer, Thomas said that he'd never been told this - not in those words. He also said that he could not agree with the assertion that the Department had wanted nothing to do with negotiations for the reward. During the cross-examination the question of the roles of Minister of Social Security and her civil servants was obvious but unspoken. Lawyers and the Magistrate himself referred many times to what they called 'that other place'. The Crown raised objections on a number of occasions on the grounds that the evidence in court might reflect on what was happening in Parliament. The whole issue of the reward payment has now become

embroiled in just who was conducting negotiations at what time - police, Mr. Corrigan or Mr. Lannigan. In answer to other questions though Thomas also disclosed today that six or seven other witnesses had now been promised an indemnity if they testified in the case. He said that these witnesses were now under police protection and I quote 'might well be in holiday resorts'. None of them has so far given evidence but the disclosure caused a considerable stir following the revelation ten days ago that the chief witness, Mr. Nakos, was in fact a police informer who had received a pardon from the Governor-General.

There were ugly scenes in Federal Parliament today during a censure motion against the Government over the Social Security fraud case. Members of the Opposition clashed heatedly with the former Attorney General Mr. Ellicott. Geoff Duncan reported.

Allegations that a number of Queensland politicians are involved with known dealers in illicit drugs surfaced in the Queensland Parliament today. Mr. Casey said he had spoken to an agent of the Federal Narcotics Bureau who had confirmed that a number of Government members were named in Bureau files as having connections with people in the drug smuggling world. Mr. Casey said that he had learnt that the Narcotics Bureau in Sydney had a taped record of an interview with a notorious international drug runner which referred by name to a senior members of the Queensland Coalition Government. Peter Cave reported. The Opposition is demanding that Queensland set up its own Royal Commission into illicit drugs.

In Sydney today the High Court finished hearing submissions in a major challenge of the Federal Government's 1976 Aboriginal Land Rights legislation. The action was brought by the Northern Territory Government which has asked the High Court to set aside a ruling by Aboriginal Land Rights Commissioner, Mr. Justice Toohey, that he could hear a claim for the transfer of a lease over Utopia Station to freehold Aboriginal ownership. Kerry Wheel reported.