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PRIME MINISTER

TRANSCRIPT OF THE PRIME MINISTER, THE HON P J KEATING, MP INTERVIEW WITH FRAN KELLY, ABC AM PROGRAM 26 NOVEMBER 1993

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FK: Prime Minister, this latest account from Conrad Black makes you look bad, doesn't it?

PM: No, it doesn't at all. The 35 per cent that he mentioned was mentioned in the meeting, but mentioned by him. And as you made quite obviously clear in the conversation with Dr Hewson, the Government then considered this, that conversation took place in 1992. In April 1993 the Treasurer put a statement out saying the Government had considered Mr Black's requests, the Government agreed to the Telegraph increasing its share holding in Fairfax among the 15 per cent to 25 per cent, and he finished it with a sentence saying the Government will not countenance further increases in the permitted level of foreign involvement in mass circulation newspapers.

FK: You confirmed last week in Seattle that it was 25 per cent ownership you had been discussing as relying on balanced coverage. Mr Black now says that condition was applied to consideration of 35 per cent.

PM: Mr Black wants to buy up to ~~100 per cent~~, up to ~~100 per cent~~ of John Fairfax and Sons.

FK: He said that you said you might be disposed to consider such an application if there was evidence that the company was encouraging professional standards.

PM: That is not right, and as a consequence what proves it not to be right was four months later when the Government considered this it said 25 per cent and no more. But let's make this very clear, Mr Black does want to own majority control of John Fairfax and Sons, and that's what he told me the Leader of the Opposition had promised him. He said on the Sunday program, Business Sunday, a week or two ago, he said, "I wrote in my book about Dr Hewson's position which was that this was not an issue with him, and he in an agreed phraseology" - that's where he and Hewson

had agreed to what to say - "was very relaxed about our level of ownership would be, in the event that he won the election". In other words, Hewson said to him, "you can have control, I am very relaxed about the level, I won't nominate any particular level, you buy what you want."

FK: That's not the same as saying Dr Hewson said he would ... 100 per cent. Mr Black said himself that no ceiling was ever mentioned by Dr Hewson.

PM: The ceiling is not the point, it is control. "I wrote in my book that this was not an issue with him, "in other words it was not an issue that John Fairfax and Sons newspapers, The Age, Sydney Morning Herald, The Financial Review, should pass to the control of a foreign person. Now, the Government wouldn't let it pass to the control of a foreign person, John Hewson was going to let it pass the control of a foreign person by going beyond 50 per cent which gave Mr Black a majority of the stock. And then, with all the hypocrisy in the world, John Hewson is on your program this morning and running around radios and television a week ago talking about me when the Government has had a Cabinet discussion, decided on 25 per cent, put out a statement saying no more than 25 per cent, he has offered 50 per cent up to 100 per cent, unlimited, and now he is backsliding on a Senate Committee because he knows if he goes he will need to purjure himself when questioned under oath about whether he offered control of John Fairfax and Sons to Conrad Black.

FK: Aren't you going too far though, by saying that he has offered 50 per cent, 100 per cent, unlimited, when in fact both Dr Hewson and Conrad Black agree that no ceiling was ever mentioned in their conversations. No percentage at all.

PM: The percentage was clear control, do you understand? He was saying it was not an issue with him, and he says today in his letter, Mr Black, that the Opposition had not expressed a preference for any specific ceiling on such ownership. In other words, no limit. Do you understand the connotation of no limit?

FK: Well John Hewson has called you an unmitigated liar. And isn't it true that you have said that you would consider 25 per cent, Conrad Black now, today says, you promised to support 25 per cent. That is quite a difference, isn't it? Promise to considering, or promising to support.

PM: ...liar on a dozen times every day. He has got no control of himself on radio, in the Parliament, anywhere else. One of the things he said was, we lied about the tax cuts. They were delivered last week. People got their tax cuts last week. He will go on radio and say anything. Look, let me just make this clear, Mr Black mentioned 35 per cent, he mentioned control of John Fairfax and Son which is over 50 per cent, and he told me that he could buy up to 100 per cent on the say-so, with the agreement of

John Hewson, but he didn't need 100 per cent, something over 50 per cent would be enough for him.

FK: Conrad Black told you that?

PM: He told me that.

FK: Prime Minister, can I just clear this one thing up? Did you say to Conrad Black that you would consider 25 per cent, or as he says did you say you would promise to support it?

PM: Meetings with Mr Black, Mr Black wants to get control of John Fairfax and Sons, he swans into Australia about every three months and each time he comes, every three or four months he seeks to see me and no doubt he seeks to see the Leader of the Opposition and other people. And all the game is about is whether he can lift his limits above 50 per cent, so that he can control of John Fairfax and Sons. Now, I made it quite clear, I said look, Mr Black, just understand this, that where you're from in Canada the interests of Canada strategically are covered largely by the plurality of the United States, and the general side for the US population and its defences and foreign affairs and strategic interests. This is not true of Australia. Australia doesn't have 230 million people bordering it. Its broadsheet newspapers must keep a peculiarly Australian attitude. They must be controlled by Australians. And that's why he always stumbles with me, because I said to him you're a Canadian who lives in London, you are not an Australian, and the Government is not going to pass control of John Fairfax and Sons to you. John Hewson couldn't care less about Australia's national interests. You have got to go back to these months just before the last election, the arrogance with which Dr Hewson was strutting around the Sydney business community and all of the high spots of Sydney and Melbourne saying he had the election in the bag. Black came in to see him: look don't worry, we don't have any hangups about levels of ownership, we don't have this economic nationalism nonsense which the Labor Party goes on about, we are very relaxed about what level you want, there is no particular ceiling from us, tell us what you want, you can have it.

FK: With all due respect, Prime Minister, isn't the issue now for you and people of Australia and your Caucus whether you promised Conrad Black to support him in his bid for 25 per cent, promised that support and then indicated that you would then later consider 35 per cent.

PM: Let me just put the hypothetical. If you were right, I broke the promise, didn't I? Because when the statement came out in April, on April the 20th it was 25 per cent, after a full Cabinet discussion. The fact is I never told Conrad Black that I would consider his 35 per cent, he wanted 35 per cent, he wanted 50 per cent, he wants 50 per cent plus, he wants whatever number gives him complete certainty, and he particularly wanted them because he thought John Fairfax and Sons were cheap. Now, the

fact is the Government has considered this, the real issue is this, will Dr Hewson now appear before the inquiry which he has fostered by the Liberals in the Senate, because the Democrats want to write a line into the terms of reference that the questions about my discussions with Mr Black should also be questioned about the Leader of the Opposition discussions with Mr Black. Now, when you put that question to him, he says he wasn't debating these things, it was done by somebody else. What you will find is, if Dr Hewson mentions, in the terms of reference by the Democrats, which he should be, he won't appear. And he won't appear because he knows that under oath Mr Black is going to testify that Dr Hewson was prepared to pass control of John Fairfax and Sons to him, and Dr Hewson will either have to perjure himself or confirm the fact that he was prepared to pass the control of John Fairfax and Sons over to Conrad Blacks telegraph interests. Now, key question.

FK: PM, just briefly on another matter, will you apologise to Malaysian Prime Minister, Dr Mahatir?

PM: Don't ask me these things. Can I just say, on the program yesterday you also had Kerry Stokes on there. There was a question put to him, I don't know whether it was by you - it said Conrad Black said Mr Keating has not compromised the integrity of his office. Do you agree with that assessment? He said: I certainly do not - in other words, he's suggesting I compromised the integrity of my office. Look, the Leader of the Opposition uses the word 'liar' about 100 times every day. I let him run his silly race. But Mr Stokes is a different person, he's got a very big and loose mouth - and let me use your program to tell him I'll put a very big writ in it, if he keeps speaking in these terms. The Government acted with complete probity on this. It was considered by the full Cabinet on a submission by the Treasurer, and a decision was announced and it was announced with the line: the Govt will not countenance further increases in the permitted level of foreign involvement in mass circulation newspapers. Let me make quite clear again, I believe that the *Sydney Morning Herald* and *The Age* in particular are the premier broadsheets in this country and I don't believe they should be majority foreign-owned. That's the difference between John Hewson and me - he believes they should. Basically in a conversation where he didn't give a tinker's cuss for Australia's national interests, he decided simply to slip them away to Black because he thought it would shore him up in the election campaign.

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