



PRIME MINISTER

**TRANSCRIPT OF INTERVIEW WITH THE PRIME MINISTER, THE HON.
P J KEATING, M.P.
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J: So, how do you respond to Conrad Black, Prime Minister?

PM: Well, I responded very well to the last sentence of his piece where he said, "It will be the Prime Minister's accusers who will end up in trouble here." That's what he said. See, the clear point in all of this... there are only two simple points in this: the first, that the Government has limited Mr Black's ownership of John Fairfax and Sons to 25 percent, and it did so four months after these conversations. The other key point is that Mr Black has said that Dr Hewson promised him unlimited stock in John Fairfax and Sons, that he would remove restraints on ownership. So, therefore, it is the Government which has said 25 percent and no further; it is the Opposition who said, "You can have it. A foreigner can take control of our major broadsheet newspapers." It's therefore Dr Hewson who has the explaining to do and that's why he's now backsliding on the Senate committee.

J: But how do you explain the discrepancy between your version of the conversation and Mr Black's?

PM: Well, I explain it by the statement. The Cabinet considered the Treasurer's submission for 25 percent and put out a statement in April saying the Cabinet considered the foreign investment questions of ownership of mass circulation newspapers and decided that the maximum should be 25 percent.

J: Was there any discussion at all of 35 percent?

PM: Yes. From Mr Black.

J: In Cabinet?

PM: No, no. Not in Cabinet, no, no. Mr Black comes into Australia about every four months, seeks to see me and, I'm sure, the Leader of the Opposition and

others and it's about, basically, getting his stock up. Now, John Hewson offered him 100 percent. In fact, I attended a lunch of Fairfax executives where Mr Mulholland was the host - and where there was Mike Stekete, Ross Gittens and others - before Christmas. And I told that lunch that Mr Black had told me that John Hewson would let him go to 100 percent.

Now, if John Hewson doesn't appear before a Senate Committee, if Senator Alston can't persuade Senator Kernot to remove the reference to him, Dr Hewson, in the terms of reference, the likelihood is that Dr Hewson won't appear. And if he doesn't appear it will be because he would fear needing to perjure himself before the committee where Mr Black has said he's quite happy to appear.

J: Why do you think Mr Black is claiming that you offered to consider 35 percent, then?

PM: Well, I don't know and people have fuzzy recollections of these conversations. I mean, I've been Prime Minister for nearly two years and Treasurer for nine. I've collected conversations with media proprietors like other people collect stamps. I remember them very well. And I know exactly what I say - and what I said I'd consider we did consider, and the Government considered it with complete probity at Cabinet level, on a submission by the Treasurer, made a decision and announced it.

J: Prime Minister, yesterday you were able to use Mr Black's words to devastating effect against Dr Hewson. Doesn't today's development make Mr Black, at best, an unreliable witness?

PM: No, no. He said, let me read the part from his book. Mr Black said, "The Leader of the Opposition had already promised that if he was elected that he would remove restraints on our ownership." See, when Dr Hewson says to you, "We didn't nominate any particular level," he must think you are complete fools. By not nominating a level he has told Mr Black there is no level. In other words it's an unconditional decision to let Mr Black go to whatever control he wishes of John Fairfax and Sons. Now, the Government's position is on the record and clear. So there can be no debate about this. We're at 25 percent, Dr Hewson's up to 100 percent with no specific limit. He said he was quite relaxed - remember Mr Black said, "In agreed phraseology," he and Dr Hewson agreed what they'd say after the meeting and the term was 'quite relaxed' - the Leader of the Opposition was quite relaxed.

You see, the context you've got to see all of this in is before the last election where the Leader of the Opposition arrogantly believed he was already Prime Minister - and he's sitting in court receiving foreign visitors, including Mr Black - and swanning around the business community just seeing who he would entertain or who would entertain him. And Mr Black has said, "Look, we want control of John Fairfax and Sons and we want you to comply in that," and he has said, "Look, I'm very relaxed about that. There's no upper limit as far as I'm concerned." Now, when Mr Black saw me he said, "Dr Hewson's

offered us virtually unlimited control of the stock," and I said, "What, up to 100 percent?" He said, "Well, up to 100 percent but I don't need 100 percent. Just over 50 percent will be enough for me, to get control. Now, what about the Government?" And I said, "Well, just hang on, just step back here. The Government's got national interest questions and we've always taken the view that these papers should be controlled by Australians. Now, I accept the fact that you've got difficulties running the papers at 14.9 percent and we'll consider a request for 25 percent." I mean, the Government's position has been conducted with complete probity whereas Dr Hewson has basically, has just obviously said, to a foreigner, "Look, you can have control of the Age and the Sydney Morning Herald and I'm very relaxed about it."

J: So, you're asking people to believe what Conrad Black says about Dr Hewson but not believe what he says about you?

PM: No, but I ask you to believe what he also says about me. He says the Prime Minister's accusers will find, in the end, they are the ones in difficulty.

J: Have Mr Black's comments been unhelpful? His comments published this morning?

PM: I'm sure they're not unhelpful to you.

Ends.