

Australia Dossier by Lydia Cherry

Uproar over media buyout

A fight is building against Dope, Inc.'s takeover of the Australian Fairfax newspaper chain.

The fight over whether the Tourang consortium, composed of Conrad Black of the Hollinger Corp. and Australian billionaire Kerry Packer, will be allowed to buy up the Fairfax chain of newspapers has dominated Australia's media in recent weeks. The story took a dramatic turn on Nov. 4, when Packer was called before a parliamentary committee over the prospective buyout.

According to a source within *The Age*, a newspaper of the Fairfax chain in Melbourne, Packer became extremely testy when a Labor Party back-bencher, Jeannette McHugh, attempted to probe Packer on the findings of the Costigan Commission, a Royal Inquiry into organized crime and drugs that was known to have investigated him in the 1983-85 period. "You've got a hide to bring that up!" he reportedly snapped at her, in a manner that produced an abject apology on her part and closed down the line of questioning. "He got very angry when this was brought up, insisting the parliamentarian was quoting from a confidential report," the source said, noting that Packer had been generally "contemptuous of the parliamentarians who were questioning him" and that they in turn "were extremely deferential. I can't tell you how much he dominated that inquiry!"

The unspoken issue behind this takeover bid is Dope, Inc., the international drug cartel. Originally appointed to look into organized crime in Australian unions, the Costigan Commission rapidly zeroed in on the activities of both Packer and TNT transport magnate Sir Peter Abeles.

"The suspicion at the time was that Packer might have been involved in drug trafficking," according to the source at *The Age*. Although some information was made public from the extensive Costigan investigation, volume nine, which included the investigation of Packer, was never released.

"Mr. Costigan in fact came out very strongly in defense of *The Age*; we published a lot of Costigan's material," the source noted. "Mr. Packer hasn't forgiven us for that; he once said that anybody who ever wrote anything about this should 'watch out' if he was ever in a position to get at them."

Two of the country's former prime ministers have joined the battle against the takeover. Labor Party former Prime Minister Gough Whitlam and Liberal Party former Prime Minister Malcolm Fraser addressed a 1,000 person rally in Sydney. "If the Fairfax empire goes . . . to Tourang, then 90% of Australia's print media will be under foreign control," Fraser said. Alluding to the widespread suspicion that Packer had struck a deal with Prime Minister Bob Hawke to allow the takeover, Fraser added: "If there are deals, if there have been deals, they must tear up those deals."

Whitlam's opposition is not surprising, given that the drug lobby played a major role in the coup that ousted him from power in 1975. Whitlam's sister Freda Whitlam echoed his protests in an Oct. 12 letter to *The Age*. Though she never refers specifically to Dope Inc., only a few other details are needed to fill out the story.

"On Nov. 11, 1975, my brother, Gough Whitlam, the then prime minister, and the Labor government of Australia were toppled by a coup d'état. It was not called a coup—there were no tanks, planes, or paratroopers. They were not needed. All that was necessary was the signature of the governor general, Sir John Kerr. The forces that had mobilized against Labor were immensely powerful—the power elite in Australia and, many believe, in the United States. . . .

"Every coup aims to take over the newspapers and television stations of a country. Force of arms is then no longer needed, for, by controlling the media, they control by propaganda and by the emphasis and cover they give to events and views. . . . Today Australia is on the brink of what may have the effect of another coup with potentially disastrous long-term implications for this country.

"If Tourang is allowed to take it over, I believe it will mean two very rich, unelected men [Packer and media baron Rupert Murdoch] can run our society because of their media power. They can set the political agenda, can make or break governments and oppositions, can promote or disparage the prime minister and the leader of the opposition, can vilify any citizen and undermine any institution."

In 1975, as now, the long arm of Dope, Inc. intervened into the country's affairs. The coup that ousted Whitlam was coordinated by then-CIA head William Colby. Immediately after leaving the CIA, Colby became lawyer for the Australia-based Nugen Hand bank, later exposed as laundering billions of dollars of Golden Triangle heroin sales. Also, John Kerr, as documented in Jonathan Kwitney's book *Crimes of Patriots*, had been a paid agent of the CIA for many years.