

## Australia Dossier by Allen Douglas

### Billionaire consolidates press empire

*The much-investigated Kerry Packer is planning to buy up Australia's largest newspapers.*

According to Melbourne's *The Age* newspaper on Feb. 8, the Australian federal government is preparing legislation to allow multi-billionaire Kerry Packer to purchase the "crown jewel" of Australia's media, the 167-year-old John Fairfax Sons Ltd., which controls the largest papers in Sydney and Melbourne: the *Sydney Morning Herald*, *The Age*, and the *Australian Financial Review*. Packer owns the Channel Nine television station in Sydney, and had been trying to acquire Fairfax for years, but was stymied by cross-media ownership laws which forbade it.

Packer's personal net worth is estimated at Aus \$5.5 billion (U.S. \$4.1 billion), centered on the magazine and publishing empire he inherited from his father, Sir Frank Packer. Son Kerry became one of the elite of that new form of the British Empire, the Commonwealth. He counts among his closest associates: Lord Jacob Rothschild (son of alleged Soviet spy, the late Lord Victor Rothschild); Rothschild-in-law, billionaire Sir James Goldsmith; Conrad Black of the Hollinger Corp. press empire; and British gambling tsar John Aspinall. For many years, current World Bank head James Wolfensohn sat on the board of Packer's main holding company, while Maurice Strong, the de facto ruler of the United Nations (as "adviser" to UN Secretary General Kofi Annan), was a director of another key Packer vehicle, his CP International Holdings.

Packer himself can be seen in the Queen's private box during polo matches in England. Although nominally Australian, Packer's business empire is headquartered in Hongkong and the Bahamas, dirty money and tax

havens for the empire.

In the early 1980s, an Australian royal commission under Francis X. Costigan investigated Packer for possible involvement in pornography, tax evasion, drugs, corporate fraud, money laundering, and murder. The commission had been established in 1980, following, ironically, an exposé in Packer's own magazine, *The Bulletin*, about criminal activity on Australia's waterfront. Witnesses to the commission reported delivering cash sums of \$250,000 to Packer, personally.

Packer fought the commission at every turn: Crucial documents which Costigan subpoenaed mysteriously disappeared, and Packer launched legal actions and other delaying tactics. Nonetheless, Packer's activities filled volumes 8, 9, and 10 of Costigan's final report—volumes never made public.

However, when the Labor government under Bob Hawke came to power in 1983, Packer's fortunes looked up. Hawke's government shut down Costigan's investigation, and replaced it with an ineffectual National Crime Authority (NCA).

Under the NCA, nothing happened with Costigan's material. Finally, at the insistence of Prime Minister Hawke, Attorney General Lionel Bowen told Parliament in 1987 that Packer had been cleared, a statement from which even the NCA demurred. Hawke, who publicly stated that Packer was a "close personal friend" and a "very great Australian," was later hired by Packer as a "commentator."

No charges were ever brought against Packer. But if he were a drug

kingpin, the structure of his business empire would be particularly well suited for the job, because it is mainly cash. He currently controls Sydney's only legal casino, and holds a major share in Melbourne's Crown Casino as well. In 1991, a team from *The Sunday Age* travelled all over the world, looking into Packer's empire. On Sept. 8, they reported that the "single biggest trading item" of Packer's empire, "is money itself. Documents . . . show the company bought and sold currency to the value of \$5.2 billion during a six-month period in 1986-87. . . ."

"Packer's empire is a massive cash box, with vast sums of readily available funds flowing between companies," *The Age* continued. "Cash is also harder to track and trace. Kerry Packer is a master of minimizing his tax bill. Conspress [a Packer company] uses a variety of tax havens, but principally channels money to the Bahamas-based Consolidated Press International Holdings. The directors are Packer, his man in Hongkong, Chris Mackenzie, and James Wolfensohn."

Hongkong is a center for laundering the world's narcotics money, which, as the best-seller book *Dope, Inc.* showed, is run through the Hongkong and Shanghai Bank, and old British Far East shipping and trading companies, such as Jardine Matheson. Curiously, a former managing director of Jardine Matheson is now Packer's right-hand man, while, as of 1991, at least, a director of the HongShang sat on Consolidated Press's board, right next to Maurice Strong.

The current controller of Fairfax, Conrad Black, would seem to have been a placeholder for Packer: Packer was the senior partner in its Tourang consortium move on Fairfax several years ago, when negative publicity and the cross-media ownership law forced Packer to drop out.