

Australia Dossier by Allen Douglas

Queen's crony cleans up

The government has allowed BAC media baron Kerry Packer to take over the nation's largest newspaper group.

On March 12, the Australian Broadcasting Authority (ABA), the nation's media regulator, shocked the country by clearing media baron Kerry Packer of violating cross-media ownership rules, in the face of clear evidence to the contrary. The decision, made under his threat of a lawsuit, allows Packer, a key figure in the British-American-Commonwealth (BAC) financial oligarchy and a playmate of Queen Elizabeth II, to take over Australia's largest media group, John Fairfax Holdings, the proprietor of the *Sydney Morning Herald*, the *Melbourne Age*, and the *Australian Financial Review*, among others.

The ABA began an investigation of Packer in May 1998, when Brian Powers, the longtime CEO of Packer's main company, suddenly resigned, and within hours, joined the board of Fairfax. Australia's media laws stipulate that no one may control a major newspaper and television station in the same city; since Packer owns the country's largest TV station, Sydney's Channel 9, and Fairfax owns the *Sydney Morning Herald*, there was *prima facie* evidence that Packer, through Powers, was breaking the law. Indeed, it was publicly reported that Packer sent Powers to Fairfax with a \$12 million loan, and instructions to become chairman or deputy chairman. Powers did become chairman; that triggered the investigation.

To stop Packer's takeover, the ABA had to prove that 1) Powers had control over Fairfax, and that 2) Powers and Packer were "associates." In an interim report, the ABA found that the two were financial partners in numerous ventures; that Packer had hired

Powers as a "consultant"; and that he continued to pay the lease on Powers's house and golf club memberships even after Powers moved to Fairfax—in short, they were clearly "associates." After Packer and Powers threatened to sue the ABA, the panel then concluded, preposterously, that Powers didn't really control Fairfax, and that therefore they did not need to make a finding whether the two were "associates."

Though outraging many, the decision surprised no one, because: 1) Packer is worth an estimated \$5 billion, and has immense political clout, and 2) Prime Minister John Howard "owed him one." In 1995, with a national election coming up, Packer, on his own Channel 9 TV, gave a lengthy endorsement of Liberal Party leader John Howard for the next prime minister. Shortly after defeating Labor in March 1996, Howard called for a change in media laws that would have given Packer control over Fairfax, which he had long coveted. An uproar by backbenchers prevented that change, which has now been granted via the ABA decision.

The ABA's decision that "2 plus 2 does not equal 4," was all the more scorned, because of what every Australian knows: Packer is a bully who dominates all those around him, and thus the idea that Powers would not be acting for him at Fairfax is absurd. What is less well known, is Packer's important role within the BAC cabal currently driving the world toward financial collapse, and possibly, world war. Packer shares the Queen's box at Ascot on racing day, and is an intimate of some of the dirtiest members of the

Crown's financial oligarchy. These include World Bank boss, Australian-born Sir James Wolfensohn, Packer's main financial adviser and business partner since the 1960s; Wolfensohn's mentor, UN Undersecretary Sir Maurice Strong of Canada; BAC media baron Conrad Black (Canada), owner of the London *Daily Telegraph* and some 250 other newspapers globally, with whom Packer was a partner when Black briefly took over the Fairfax group in the mid-1990s; and Sir Jacob Rothschild (Britain), with whom he once attempted a \$30 billion takeover of British American Tobacco.

But, there is something else which every Australian knows, which has really fueled the disgust at the government's capitulation: Packer was named by an early 1980s royal commission, chaired by Francis S. Costigan, as the "Mr. Big" in organized crime in the country. The investigatory commission was convinced that Packer was involved in pornography, tax evasion, drugs, corporate fraud, money laundering, and murder. Packer fought the commission at every turn; crucial documents disappeared, and Packer launched waves of legal actions and other delaying tactics. Even so, his activities filled three volumes of the Costigan commission's final report, volumes never made public. In 1983, a new government under Labor Prime Minister Bob Hawke came to power. Hawke declared that Packer was a "close personal friend," and a "great Australian," and shut down the commission. Packer later hired Hawke as a "media consultant."

Nor is the media the only place BAC kingpin Packer is consolidating control. On March 4, he took over Melbourne's Crown Casino, the largest in the southern hemisphere, and one whose gaming chips have surfaced in police investigations of drug-money-laundering schemes.