

# SUNDAY Tasmanian

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## Costello and Howard's leadership pact

# SECRET DEAL



Oranges at half-time should be replaced with lollies, says the Australian Institute of Sport. But six-year-old Huw Graham, of Taroona, tucked into the traditional fruit snack yesterday. Report: Page 3 Picture: TONY PALMER



**BODY LANGUAGE:** Peter Costello and John Howard in parliament.

By **GLENN MILNE**

JOHN Howard gave an undertaking to Peter Costello that he would hand over the prime minister's job after two terms, an independent witness to their agreement says.

The *Sunday Tasmanian* can reveal that at that meeting in December 1994 between Mr Costello and Mr Howard, there was at least one other person present.

That person was then Opposition environment spokesman Ian McLachlan. At the time, Mr McLachlan was a staunch Howard loyalist.

But he has since told key Liberal figures, and one of Australia's most respected businessmen, that there was no question the Prime Minister had clearly indicated to Mr Costello at the meeting that he would only serve two terms.

Mr McLachlan took notes at the time, which he has carried in his wallet for more than 10 years. Those notes specifically refer to the word "undertaking" as a description of Mr Howard's promise to Mr Costello.

Mr McLachlan confirmed the story when it was put to him that Mr Howard had given such an undertaking.

"The essence of what you have described to me about what hap-

**"The essence of what you have described . . happened in that meeting is accurate"**

Ian McLachlan

pened in that meeting is accurate," Mr McLachlan said, declining to elaborate further.

"I have told certain people about that meeting and that has been relayed to you."

Sources close to Mr McLachlan said that as a result of the revelations he would be "going to Antarctica for the weekend" to escape the fallout.

Mr Costello was also contacted and had the same claims put to him. He declined to comment.

Mr McLachlan is widely regarded as one of the most honourable figures in modern politics.

Despite his loyalty to Mr Howard, he is said by colleagues to be

Continued Page 4  
 Milne comment: Page 20

**WIN** TWO NIGHTS AT PIPERS BROOK Sunday 6

**MOVIE TICKETS** Sunday 8

**AFL PASSES** PAGE 71

# Turnbull backs PM to fight election

By **JIM DICKINS**

**AMBITIOUS** Liberal MP Malcolm Turnbull yesterday backed Prime Minister John Howard to remain leader until after the next election.

The Member for Wentworth and Secretary to the Prime Minister said Mr Howard was at the height of his political abilities and capable of leading the Liberal Party for "a very long time".

"He's in peak physical con-

dition [and] full of enthusiasm," Mr Turnbull said.

Responding to comments by Mr Howard's former chief of staff Grahame Morris that Mr Howard would decide his future by November, Mr Turnbull said his retirement plans were entirely up to him.

"The Prime Minister will obviously make a decision — when he makes that decision is a matter for him," he said.

However, Mr Turnbull conceded the sensitive leadership issue needed to be resolved soon as preparations

begin for a federal election due late next year.

"The element of timing needs to be taken into account," he said.

"Whether the timing Grahame Morris mentioned is the right one, I don't know."

Meanwhile, former prime minister Gough Whitlam yesterday said Mr Howard's age should not be an issue while he was in office.

Mr Howard turns 67 next month.

Mr Whitlam, who celebrates his 90th birthday on

Tuesday, said the current leader's age should have no bearing on his ability to do the job.

"It was not in my case," he said at a birthday lunch in Sydney yesterday. "I don't think that the age is a disqualification, obviously."

Former prime minister Paul Keating, who also attended yesterday's reunion of Whitlam ministers to mark Mr Whitlam's birthday, refused to be drawn into the debate about when Mr Howard should step down.



**PRAISE:** Malcolm Turnbull says John Howard at peak.

## quick news

### Coal deal prompts concern

AUSTRALIAN taxpayers are likely to foot the bill for a Federal Government proposal to offer North Korea cheap coal, the Opposition says.

Prime Minister John Howard last week said he would guarantee the rogue state secure energy supplies if it resumed peace talks and ceased its nuclear program.

Opposition foreign affairs spokesman Kevin Rudd has demanded to know more detail about the initiative.

### Quake rocks national park

SOUTH Australia yesterday experienced a 4.0 magnitude earthquake in the Flinders Ranges — the biggest in the state this year.

The quake struck about 9am in a national park near Oraparinna, north of Adelaide, with residents up to 50km away feeling the tremor measuring 4.0 on the Richter Scale, seismologist David Love said.

### Families call for quick settlement

FAMILIES of 15 backpackers killed in a hostel fire in the Queensland town of Childers six years ago have called for a speedy settlement of their compensation claims.

Ten families are seeking damages from the Palace backpacker hostel's operators, the building's owner, the local council and the Queensland Government after a legal mediation process is finalised late this year.

### Swim star votes for motherhood

AUSTRALIAN marathon swimming queen Tammy van Wisse is expected to call it quits after her 35km swim from New York to New Jersey on July 21 and then embark on a new marathon career — motherhood.

Van Wisse has broken 11 Australian and world swim records.

## Secret Howard leadership pact exposed

From Page 1

a person who regards "a deal as a deal".

According to those familiar with the account of the December 1994 meeting with Mr Costello, Mr Howard said words to the effect: "I can't guarantee this to you Peter, but my intention is not to hang around forever. If I win, I'll serve two terms and then hand over to you."

Those who have heard versions of the conversation say it gave Mr Howard enough "wiggle room" to get out of a concrete commitment on the succession issue.

But for others present it represented a clear intent to



**NOTES:** Ian McLachlan recalls "undertaking".

hand over to Mr Costello well before now.

Mr Howard refused to respond to the story when it was read to him yesterday.

The explosive revelations will ignite Liberal leadership tensions. Mr Howard has consistently argued he has never given any signals to his Treasurer and anointed successor about when he might retire.

As late as last week, Mr Howard said: "There's no deal, understanding, whatever you like."

"If you are asking me is there a deal or an understanding, the answer to that is no. And I've said that before and Peter has said that before."

The increased scrutiny on the succession issue was sparked by comments from Mr Costello in the Solomon

Islands last week. He was pressed as to whether there was an "understanding between you and Mr Howard as to his [Mr Howard's] departure".

Mr Costello replied: "Look, these things have worked in the interests of the Australian people and the Liberal Party and the people concerned, and there is no point speculating on it."

Mr Costello's refusal to give a straight answer was interpreted as a clear signal that he believed there was such an "understanding".

To back that up it has been revealed that at least two senior Liberal figures say Mr McLachlan has recounted to

them his version of the December 1994 meeting.

The meeting occurred in the context of the crippled leadership of Alexander Downer. Mr Downer was approached by then party leaders and told he could not win the 1996 election and the only hope for the Liberals was John Howard.

Mr Costello was then deputy leader. In the event of Mr Downer standing down, Mr Costello agreed not to run against Mr Howard as leader to give him a clear shot at the PM's job. It was speculated that the price of Mr Costello's support was an early hand-over of the leadership from Mr Howard.

## Pedophile wants free flight

By **PAUL DYER**

A NOTORIOUS Brisbane pedophile recently freed from a Thai prison is coming home — and he wants Australian taxpayers to fly him back.

Foreign Minister Alexander Downer last night said Bradley Pendragon, 46, had applied for government assistance.

"He is seeking funding from the Federal Government to bring him back," he told News Ltd.

"I have no intention of using taxpayers' money to bring him back to Australia."

Pendragon was convicted of raping and beating three girls aged from eight

to 12 in October 1993. Last month he was released from Thailand's Klong Prem prison — one of 25,000 prisoners pardoned for Thai King Bhumibol's 60th royal anniversary celebrations.

He was due to serve another four years when pardoned.

Pendragon has been issued a deportation order by Thailand and is being kept in a holding facility while travel documents and an airline ticket home are arranged.

Child protection groups have slammed his release and warned Pendragon could reoffend.

They have called for constant monitoring if he does return.



**FREED:** Bradley Pendragon.

**PROSSERS**  
on the beach

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