

LATELINE

Late night news & current affairs

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PM comments on leaked memo

The PM has broken his silence on the Shane Stone leaked memo tonight, saying that the party president and the Treasurer, Peter Costello, have his full support. However, Mr Howard's statement, delivered on his way into a function in Sydney, is unlikely to calm anger inside the party over the leak. National Party leader John Anderson says he has been ambushed. Meanwhile, Treasurer Peter Costello, who was singled out in the memo for the most savage treatment, has demanded a full explanation from Shane Stone.

Compere: Tony Jones

Reporter: Gillian Bradford

GILLIAN BRADFORD: John Howard is the one person who was supposed to read Shane Stone's letter.

But that personal note, filled with detailed criticism of the Government, has been passed outside the inner circle.

But the Prime Minister, in his first comments since the memo was leaked, is keeping his cool -- publicly at least.

JOHN HOWARD, PM: As for the personalities in this are concerned, I want to say that I have full confidence in Shane Stone as Federal President.

I have full confidence in Peter Costello.

GILLIAN BRADFORD: Peter Costello's anger is much closer to the surface.

He was halfway around the world when he found himself blamed for the Government's woes.

And Shane Stone is expecting a very, very cranky Treasurer to be calling him when he arrives home tomorrow.

PETER COSTELLO, TREASURER: And if you have any questions about it you'll have to ask Mr Shane Stone why he writes the things he does.

GILLIAN BRADFORD: That was mild compared with the fury of the Treasurer's supporters, who suspect someone may have leaked the memo to harm Mr Costello's political prospects.

BRUCE BAIRD, LIBERAL BACKBENCHER: It's a stupid thing to do -- write things like that on paper and send it off to the Prime Minister because having the memo leaked is very unhelpful and not very professional.

So as far as I'm concerned Mr Stone should consider his position.

JOE HOCKEY, FINANCIAL SERVICES MINISTER: There was certainly a

lack of political acumen in putting that sort of criticism in writing and obviously it being distributed to a broader audience.

GILLIAN BRADFORD: Mr Stone has no explanation for how this memo surfaced, but promises he too is baying for the blood of the person responsible.

SHANE STONE, LIBERAL PARTY PRESIDENT: It's an absolute disgrace that it's been leaked.

It's malicious in every sense of the word.

GILLIAN BRADFORD: If the leak was intended to damage Mr Costello, it's done that and a whole lot more.

The speculation on who would do this and why has caused friction within the party it can ill afford in election year.

The Treasurer has made it plain it's strained his relationship with the party president and it can't have helped things with the Prime Minister who failed to mention to his deputy the existence of such a memo.

Kim Beazley has been quick to re-hash Bob Hawke's line -- "If you can't govern yourselves, you can't govern the country."

Gillian Bradford, Lateline.