



**PRIME MINISTER**

Press Statement No. 528

1 July 1975

DR CAIRNS

Yesterday I was shown a letter in the following terms:-

"SECRET  
(CREST)

TREASURER

Parliament House,  
Canberra 2600.

March 7, 1975.

Alco International Pty. Ltd.,  
6 Southam Court,  
BULLEEN, Vic. 3105

Attention: Mr George Harris

Dear Sir,

The Australian Government is interested in exploring available loan funds from overseas. In the event of a successful negotiation which may be introduced or arranged by you, and provided the interest rate for a term loan does not exceed 8% per annum in total, we would be prepared to pay a once only brokerage fee of 2½% deducted at the source to you and/or your nominees. We would need to be satisfied about the sources of the funds and the size of the loan would have to be appropriate to our needs.

Yours sincerely,

(Signed) J.F. CAIRNS

SECRET"

On the face of it this letter is inconsistent with a reply which Dr Cairns gave in the House of Representatives on 4 June 1975 (Hansard, p.3294):-

"OVERSEAS LOAN

Mr LYNCH - I ask the Treasurer: Did he, in a letter dated on or about 5 March, offer a commission of 2½ per cent on any loan money arranged by the recipient of the letter or his company?

Dr J.F. CAIRNS - The answer is no. At no stage did I offer a commission of 2½% or any other amount or give any authority whatever to any person to do anything other than make inquiries.

Mr Malcolm Fraser - No brokerage fee?

Dr J.F. CAIRNS - No brokerage fee. Would the honourable member like to ask more questions?"

I have asked Dr Cairns to give me a written explanation of the discrepancy tomorrow.

I have also told Dr Cairns that Mr Phillip Cairns' reported activities concerning housing projects in the Melbourne metropolitan area would make it possible for him to make a profit from his position on Dr Cairns' staff.

As I stated in evidence to the Joint Parliamentary Committee on the Pecuniary Interests of Members of the Parliament, I regard it as improper for ministerial staff to put themselves, or allow themselves to be put, in such a position. I have therefore asked Dr Cairns to give me a written explanation of this matter also tomorrow.

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