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PRIME MINISTER

STATEMENT FROM THE OFFICE OF THE PRIME MINISTER

FAIRFAX

The Prime Minister has never given Mr Black any promise to support an increase to 35 per cent in his holding of John Fairfax Limited.

During a meeting in November last year Mr Black made clear his preference to achieve the highest possible stake in Fairfax. In this context he indicated he would prefer 35 per cent rather than 25 per cent.

The Prime Minister made it clear to Mr Black that while the Government could not, of course, prevent him from making further applications to increase his holding, 25 per cent would be the maximum achievable level.

This was borne out in the Cabinet decision of April 20 this year, when the ceiling was set at 25 per cent, and when the Treasurer announced that no further increase would be countenanced. This remains Government policy.

The stark difference between the positions of Mr Keating and Dr Hewson is that the Keating Government has not at any time contemplated allowing foreign interests to gain majority ownership of Fairfax (that is, a shareholding of 50 per cent or more), while Dr Hewson is reported by Mr Black to have said he was "very relaxed about what our (Black's) level of ownership would be."

CANBERRA
November 25 1993