

BHP gets go-ahead to buy NZ Steel

By MIKE TAYLOR
National Affairs Writer

The Trade Practices Commission has given the go-ahead to BHP Ltd buying out New Zealand Steel on the basis that BHP has accepted a 5 per cent reduction in tariffs on flat steel products.

The chairman of the commission, Alan Fels, sought yesterday to justify the TPC allowing BHP a stronger role in the market on the basis of the increased competition which would flow from the lower tariffs.

He said the tariff on flat steel products had been reduced from 10 per cent to 5 per cent, and this reduction would offset TPC concerns about BHP's dominance in the market.

"We felt BHP's purchase of New Zealand Steel would enhance its market position unless there is increased exposure to other foreign competition," Professor Fels said.

The TPC's decision represents a reversal of its 1989 position when it opposed the acquisition of 31 per cent of New Zealand Steel by BHP on the basis of market dominance by BHP. That decision was later overturned by the Federal Court.

The TPC agreed to the tariff reduction trade-off after BHP sought to buy out the remaining shares in New Zealand Steel earlier this year.

"The tariff reductions should open up the domestic market to imports of flat steel and ensure that BHP, as Australia's only producer of these products remains competitive," Professor Fels said.

BHP was already a major shareholder in New Zealand Steel and indicated late last year that it wanted to obtain the remaining 69 per cent holding in the company.

Professor Fels said BHP's interest in taking up the remaining

shares in New Zealand Steel had prompted inquiries by the TPC and that those inquiries had indicated matters of serious concern in terms of competition in the market.

"[Steel importers] were of the view that imports were the only real element of competition in the market," Professor Fels said.

"There were also concerns that, post-acquisition, New Zealand Steel might discontinue exports to Australia," he said.

Professor Fels said the TPC had subsequently reached agreement whereby BHP undertook to protect the independence of New Zealand Steel and that, since then, New Zealand Steel exports to Australia had increased.

"The Commission met with members of the Australian Steel Association and discussed their views on the proposed takeover, but the TPC was satisfied that the reduction in tariffs would serve to stimulate competition by way of imports," he said.

Professor Fels said BHP had been agreeable to the tariff reduction in the circumstances.

"The decision by the Federal Government to reduce tariffs on flat steel products will mean increased competition in the domestic steel industry and lead to lower steel prices," he said.

"This in turn will mean cost savings for domestic steel users and for ordinary consumers as the products affected by the tariff reductions are used in the automotive, white goods and construction industries," Professor Fels said.

He said there might also be benefits in increased employment opportunities for these industries further down the track.

"The commission will look closely at BHP conduct in the domestic market, particularly in regard to its policy to steel imports," Professor Fels said.

Outsiders help Cambodians escape in Sydney

Four Cambodian boat people being detained in Sydney have escaped.

A spokesman for the Department of Immigration said four detainees had escaped at the weekend through a hole cut in the wire grille covering a drain at the Westbridge centre, Sydney.

"It certainly involved somebody outside the centre," the spokesman said. "Somebody assisted in the escape of all four."

The escape brings to 15 the number of people — all of them Cambodians — who have escaped from the centre in the past two years.

According to the department, three of the earlier 11 returned voluntarily.

Another 11 Cambodians escaped from the Melbourne Enterprise migrant hostel. Four returned.

Enterprise is no longer used, after the Cambodians detained there were moved to Sydney last year.

Westbridge was designed to cater for immigrants arriving to settle in Australia up to 30 years ago.

The spokesman said the department was concerned about another escape.

"The long-term answer is going to be a much more secure area," he said. "We are using a facility that was never designed to be secure."

The department understood one of

the four escapers was among the 37 Cambodians who had been denied refugee status and who were told last week they would be deported.

The Minister for Immigration, Gerry Hand, has rejected calls for his intervention to allow the Cambodians to stay until it becomes clear how events will unfold under the United Nations peace-keeping force and interim administration in Cambodia.

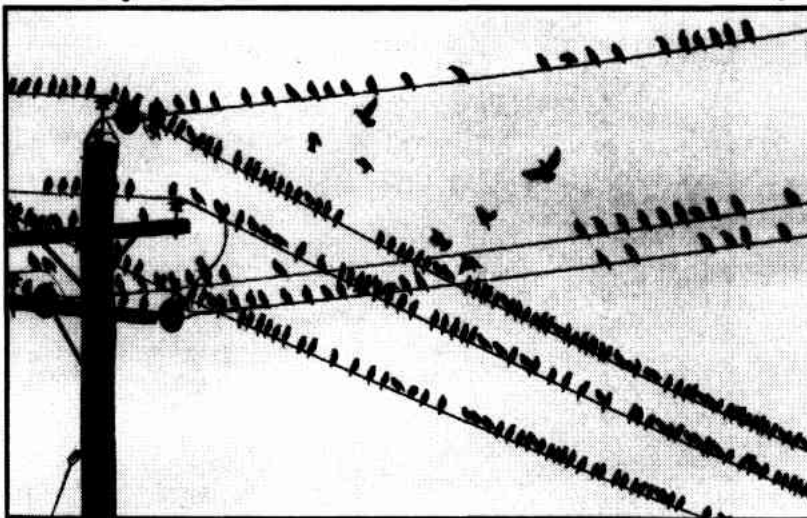
Lawyers representing the Cambodians succeeded last week in gaining a court order to prevent deportation.

The Federal Court will hear argument today on behalf of the Cambodians, challenging the department's refusal of their applications.

Mr Hand's office declined to comment on the weekend escape.

The office referred all inquiries about it to the department.

Sorry . . . all the lines are busy



Picture: ANDREW CAMPBELL

This large flock of birds settled on telephone lines off Isabella Drive yesterday.

Preselection rows strain Coalition

A series of preselection rows that is straining Coalition unity and putting pressure on the Leader of the National Party, Tim Fischer, looks like ending with the political partners opposing each other in three federal seats in southern NSW at the next election.

A meeting of National Party MPs in Sydney yesterday made no significant progress in resolving the fight over who will run in the seats of Gilmore, Hume and Riverina.

Mr Fischer said the "informal" meeting was never intended to solve the row which started when the three seats were changed in the recent NSW redistribution.

More than half Riverina, held by National Whip Noel Hicks, now takes in what was Liberal frontbencher Wal Fife's seat of Hume.

In turn, the new Hume now includes the heartland of Gilmore, held by National frontbencher John Sharp.

Mr Fife wants to move into Riverina, but Mr Hicks won't budge.

And Mr Sharp wants to move from Gilmore into the new Hume.

Coalition sources said Mr Fischer and the Leader of the Opposition, John Hewson, had believed there was agreement — despite the reservations of Mr Sharp and Mr Fife — for the three to stay in their old seats.

Mr Fischer had stiffened his support for Mr Hicks to stay in Riverina, after being criticised earlier for not fighting hard enough for his colleague, and in turn increased pressure on Mr Sharp to stay in Gilmore.

In return, the federal Liberal leadership would press Mr Fife to stay in Hume.

As part of the deal, Mr Sharp was given reason to believe that he could have Hume after Mr Fife, 62, retired.

However, the sources said the arrangement is now in danger of collapsing, mainly because Mr Sharp is continuing to fight for his right to stand in Hume.

Mr Sharp argues that most of his old seat is now in Hume, where the Nationals have 37 branches compared with one in the new Gilmore, which stretches to the retirement belt south of Wollongong.

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Witness says Polyukhovich killed his parents

ADELAIDE: A witness told the war crimes hearing yesterday that his father had 17 bullet wounds in his chest and his mother had head and chest wounds after Ivan Polyukhovich shot them in Ukraine in 1943.

Ukraine witness Ivan Dmitrievich Turuk told the Adelaide Magistrates Court he was an 11-year-old boy when his parents and three others were killed near the village of Brodnitsa in March, 1943.

Mr Turuk said he was one of seven people in the group when they were initially led out at gunpoint from a nearby hut.

When the shooting started, Mr Turuk said he went to ground and later crawled away into bushes, suffering only scratches to his hip.

Later that day, the bodies of his parents were brought into a hut.

Mr Turuk made an in-court identification of the defendant yesterday.

"As I entered the room I saw Ivan Timofeyevich Polyukhovich . . . I see," he told the court.

But defence counsel Michael David, QC, objected vigorously, saying that Mr Turuk had only seen Polyukhovich once in his life, and had not seen him in almost 50 years.

Ivan Polyukhovich, a 75-year-old Adelaide pensioner, is charged with the murder of 24 people and with being knowingly involved in the slaughter of up to 850 Jews in Ukraine during World War II.

The hearing continues.

Work begins on \$20m ALP national headquarters

By HUGH LAMBERTON

Work has begun on the new \$20 million national headquarters for the Australian Labor Party in Barton.

Fencing went up around the site yesterday after final financial details were hammered out last week.

The ACT Minister for Environment, Land and Planning, Bill Wood, said the project was a significant and timely boost to the local construction industry.

The building will be opposite the National Press Club in National Circuit on what is now a makeshift car park.

Mr Wood said the ALP was required to fence off part of the site, habitat to the endangered moth, *synemon plana*.

"This will enable us to conduct studies that will assist us to determine a strategy to protect the moth if it is shown to be a rare species," he said.

He stressed that full market value had been paid for the lease, which had been granted directly to the party. The party's original lease, used for nearby John Curtin House, had been a concessional lease.

"The party has paid \$2.08 million for its new lease. The Government and I are pleased the ALP has chosen such a significant site for its new headquarters and we're satisfied that the architecture and design of the building will add to the status of this important part of Canberra."

The contract to build the headquarters, with a gross floor area of 7775 square metres, was given to Civil and Civic.

The National Capital Planning Authority and the ACT Planning Authority were involved as the land was within a designated area, which meant the NCPA exercised some control over it.

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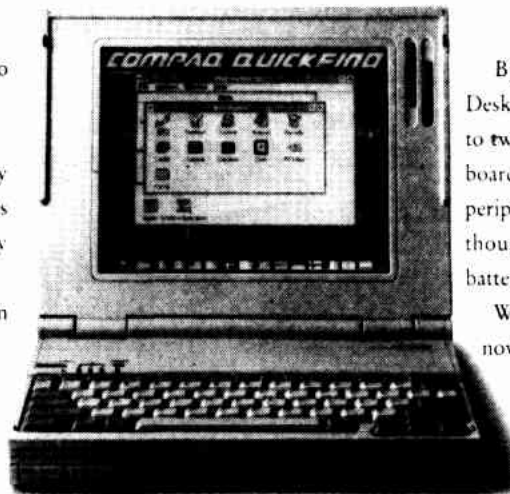
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Bond on trial

PERTH: The trial of former prominent businessman Alan Bond on a charge relating to the Rothwells merchant bank rescue will begin next month.

In a brief appearance in the Perth District Court yesterday, Bond said he would plead not guilty to dishonestly inducing another person to deal in securities.

The trial will begin on May 25. Bond is alleged to have induced another Perth businessman, Brian Coppin, to put money into the 1987 Rothwells rescue.

The prosecution claims Bond told Mr Coppin the rescue might fail unless he made a contribution, but he failed to mention he

would be taking a fee from the money raised.

Bond denies he or his companies received any fee.

It is alleged Bond claimed \$16 million from the \$370 million raised from the West Australian Government and business figures.

The charges against Bond arose from investigations by a Corporate Affairs Department Task Force established by the state Government in the wake of the McCusker Inquiry into Rothwells.

Also charged by the Task Force are former Rothwells chief Laurie Connell, former casino boss Dallas Dempster and Rothwells managing director Peter Lucas.

Cabbie reprimanded

A taxi driver with a blood alcohol reading of 0.1 was fined \$1000 and had his licence suspended for nine months in the ACT Magistrates Court yesterday.

Chief Magistrate Ron Cahill said people used taxis so they did not drive while over the limit. He granted Orjan Sjakvist a special licence so he could continue to drive taxis but banned him from consuming alcohol during the period of the special licence.

Sjakvist's solicitor told the court his client had had nothing to drink in the 21 hours before the test. Mr Cahill said it was not uncommon for people to appear before the court charged with exceeding the prescribed alcohol limit who had tested up to 0.2 in the morning.

He said people should not think they would be under the limit because they had had a sleep between drinking and driving. Taxi drivers had a special responsibility to make sure that they were under the limit imposed by their licence, which was 0.02.

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