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Federal Govt to help Woodsreef

Oct 25 '78

The Federal Government has reversed its decision not to assist Woodsreef Mines Ltd and will offer the ailing NSW asbestos miner a loan of up to $1.4 million.

The about-face by Cabinet follows a decision by the Commercial Bank of Australia Ltd to contribute towards keeping the company going. The CBA has put about $19 million into Woodsreef since the Barraba mine began operations in 1972.

The NSW Government has also agreed to advance the company $2 million and to waive royalty payments up to the end of 1979.

The Federal Government's offer was announced in Canberra last night by the Minister for Trade and Resources, Mr Anthony.

"The Government reviewed its decision not to provide assistance following provision by the company of further information relating to its market prospects and other matters, and following the indication by the bank that it was willing to make a contribution," Mr Anthony said.

"Discussions on the terms of the arrangements are continuing."

The Federal Government's original decision not to assist the Barraba mine was in line with a recommendation from the Industries Assistance Commission in August.

Woodsreef, which is 58 per cent-owned by Woodsreef Minerals Ltd of Canada, applied for $4.8 million worth of short-term assistance after the CBA bank had refused to continue providing finance.

The company lost $5.2 million in the nine months to July 31 but its managing director, Mr H. H. Robinson, claimed that it could be breaking even by mid next year despite the decline of the Canadian dollar. (Asbestos is sold internationally in Canadian dollars.)

However, the IAC recommended against the Government giving aid, implying that the company's problems would not be solved by short-term assistance.

Woodsreef employs about 450 people at the Barraba project, but the company asserted that if the mine closed about 1,100 jobs would be eliminated.

US dollar rallies against yen

The US dollar recovered from its low point of 181 yen on Monday to close at 182.25 yen yesterday on the Tokyo foreign exchange.

But the value of the Australian dollar measured against currencies of its major trading partners continued to slip. Its trade-weighted index was 82.9 yesterday (83.0 previously).

The US dollar opened in Tokyo at 181.50 yen and edged up in cautious trading during the day.

It was also firmer at the start of trading in London rising to 1.8144-54 against the West German D-mark from Monday's close of 1.8057-72 and 1.5340-70 against the Swiss franc (1.5235-45).

The middle rate for the Australian dollar in terms of the US dollar rose to [illegible]

[illegible] receives next Friday, led the banks with an 18c jump to $7.68, while the ANZ rose 15c to $3.[illegible], the CBC [illegible] to $1.90 and the National [illegible] to $2.67.

Industrial leader BHP finished significantly ahead with an 8c gain to $8.24, after dropping as low as $8.08 during trading, and CSR also reversed its recent downturn with a 9c improvement to $3.25.

Certain coal stocks including Bellambi, Coal and Allied and Oakbridge crept ahead along with leaders ACI, AGC, ICI, Lend Lease, BMI and James Hardie which finished 10 higher at $3.90. Among the miners a slight easing of copper, tin, lead and zinc prices on the overnight London Metals Exchange failed to dampen enthusiasm.

MIM rose 4c to $2.40, Western Mining gained 4c to $1.70 and diamond leader CRA managed a 2c rise to $3.40. Diamond hopefuls Carr Boyd, Cliffminex, Cultus, Magnet, North West Mining and Western Queen also improved.

THE BANK of NSW has received permission to open a branch operation in Singapore.

Mr R. J. White, the bank's chief general manager, said the new branch would incorporate an Asian currency unit, which would facilitate access to the Asian dollar market in Singapore.

[illegible] group is [illegible] in a one- [illegible] 70c a share. [illegible] reported [illegible] the issue would raise $[illegible]

Mr Anthony, said last night.

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Govt reverses Barraba decision

THE Federal Government will offer a loan of up to $1.4 million to assist in maintaining operations of the Chrysotile Corporation Ltd asbestos mine at Barraba, in northern NSW.

The offer is based on the willingness of the NSW Government and the Commercial Bank of Australia also to contribute toward keeping the company in operation, the Deputy Prime Minister, Mr Anthony, said last night.

"The Government [illegible] viewed its decision not to provide assistance, announced on October 12, following provision by the company of further information relating to its market prospects and other matters, and following the indication by the bank that it was willing to make a contribution," Mr Anthony said.

"The decision announced on October 12 was based on a recommendation by the Industries Assistance Commission against giving short-term assistance to the production of asbestos in Australia.

"The NSW Government has offered to waive royalty payments to the end of 1979 and to advance up to $2 million to assist the company over that period.

Finucane

WOODSIDE Petroleum's Regional Endeavour drillship has now moved to the site of the Finucane No 1 well on the North West Shelf.

The well is now at 458m and is testing sub-sea equipment prior to drilling ahead.

METO