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PLAINTIFF'S EXHIBIT WV-03906

PLAINTIFF'S EXHIBIT 10/6/2000

28th August, 1963.

The Hon. The Minister for Industrial
Development,
Treasury Building,
St. George's Terrace,
PERTH.

Dear Sir,

We would like to express our appreciation for the opportunity yesterday of discussing with members of your Department of Industrial Development some of the forms of assistance which could greatly benefit our mining operation at Wittenoom.

As an outcome of the above we would ask that you give favourable consideration to increasing the drilling subsidy by £15,000. per annum for the balance of the subsidy period. The following facts are submitted to substantiate our request.

World marketing of asbestos fibre has deteriorated considerably over the past eighteen months due largely to the devaluation of the Canadian dollar, and, as a result, it has forced the blue fibres into closer competition with the various grades of white asbestos. The loss of the American market (5,000 tons in 1962) is a typical example of this.

Throughout the year we have adopted a very progressive sales campaign beginning with a visit by Mr. Broadhurst to both North and South America, England and Europe, followed by a survey of Africa as a joint venture with your Department under the guidance of Mr. Lyons, and finally, the writer is scheduled to visit Pakistan, India and the Asian countries in October.

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The Hon. The Minister for
Industrial Development, PERTH. 28/8/63

From a production aspect we have embarked upon a vigorous field investigation programme aimed at delineating the better zones of fibre enrichment to assist out cost structure and so enable us to meet this market challenge.

To implement this investigation we have engaged the services of a competent Geologist, Mr. Zani, and currently have two waggon drills engaged full time on field drilling.

In November, 1962, The Premier, The Honourable David Brand, gave favourable consideration to our request for a drilling subsidy over two years of 75% of the total drilling costs incurred with the maximum amount not to exceed £30,000. in any one year. The break down of the amounts are as follows:-

January, 1963	- June, 1963	£15,000
June, 1963	- June, 1964	£30,000
June, 1964	- December, 1964	£15,000.

In view of the increased urgency of this drilling information we have had no alternative but to increase the drilling rate and consequently the costs incurred have increased proportionately. With the volume of drilling (8,000 to 10,000 feet per annum) involved, we would greatly appreciate your favourable consideration to our request for a further increase in the subsidy of £15,000. per annum over the balance of the term of the original subsidy.

That is:-

June, 1963	- June, 1964	£45,000 (Currently £30,000)
June, 1964	- December, 1964	£22,500 (Currently £15,000)

Yours faithfully,
For AUSTRALIAN BLUE ASBESTOS PTY. LTD.

General Superintendent.