

DATE: September 1, 1976

TO: Toronto 244 - T. MacLennan
FROM: Toronto 255 - D. N. Salisbury
SUBJECT: ASBESTOS FIBRE - SUPPLY

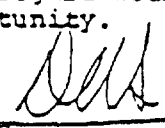
PLAINTIFF'S
EXHIBIT
GF-1853

On August 26th, 1976, Mr. Marshall Blackhurst, of Canadian Johns-Manville, phoned to inform me that effective December 31st, 1976, Canadian Johns-Manville are discontinuing sale of asbestos floats to the construction products industry for the purpose of manufacturing joint compound. This policy decision was made by Johns-Manville on a corporate basis and applies to all of North America. Canadian Johns-Manville originally wanted to discontinue the sale of asbestos floats effective September 30th, 1976. We argued strongly that this date did not provide sufficient time for us to develop alternate sources of asbestos and/or to make the transition to non-asbestos joint compound. After reconsidering, Mr. Blackhurst agreed to a revised date of December 31st, 1976.

Mr. Blackhurst was adamant that this decision by Canadian Johns-Manville was irrevocable.

Our experience in Canada with other types of asbestos fibre, from producers other than Canadian Johns-Manville, has not been very satisfactory. The only asbestos which has been given serious consideration is No. 7RF66 from Carey International. This fibre was tested by our Hagersville Plant approximately 2 years ago and found to be satisfactory, but only at higher usage levels. We have contacted Carey International and have been informed that they have no intention of discontinuing the sale of asbestos fibre to the building materials industry. Since we understand that they are currently supplying Domtar and Westroc Industries, and since they represent the best alternative at the present time, it is important that we evaluate their ability to provide continuity of supply to Canadian Gypsum.

We would suggest that production trials be scheduled at Montreal and Hagersville for the Carey product as soon as it is practical. In order that we may have meaningful discussions with Carey International regarding future supply, it is important that we have an up-to-date sales forecast for 1977. Your cooperation in this regard would be very much appreciated at your earliest opportunity.


DNS/zc

cc: Toronto 244 - A. Desvaux
cc: Toronto 255 - C. R. Tymchyshen
cc: Hagersville 66 - H. Kebl
cc: Montreal 24 - R. Cyr
cc: Calgary 59 - Bill Tong

cc: E. Mavnard - Chicago Research
cc: Chicago Research - K. R. Larsen

RECEIVE

SEP 03 1976

CANADIAN GYPSUM COMPANY, LIMITED

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TAB 41