



Johns-Manville

Internal Correspondence

To: D. H. Markusson

Date: Dec. 13, 1979

From: Barbara Diemer

Copies: Jeffrey L. Brown
Route Asbestos Health Attorneys and Litigation Assistants

Subject: RHODESIAN ASBESTOS OPERATIONS



Conversations with Noel Hendry (principally) and Keith Conn (to a lesser degree) yielded the following information relative to ownership in Rhodesian mining operations.

JM purchased 100% of Rhodesian Asbestos, Ltd. in approximately 1951. This consisted of three mines (one named Temeraire) and a mill approximately 25 miles west of Victoria. Production was begun in 1953. One of the mines was later abandoned. Only chrysotile fiber was mined there.

Most of the fiber was sold in Europe. However, at one time they became so desperate for sales that they prevailed upon the Pipe Division to use some of the fiber, and at that time, some was shipped to Pittsburg, CA.

The mines were sold in approximately 1956/57 to Turner-Newall, who now operate the same as Rhodesian and General Asbestos Corporation. They operate two mines, named Gaths and King. King fiber is transported to the mill for processing.

I have made a check of old Legal Department files and find nothing. Noel Hendry says that if any files still exist, they might be located at the offices of John Evly or J. R. M. Hutcheson in Canada.

When asked if Johns-Manville Corporation or Canadian Johns-Manville Corporation owned the mine, Hendry was not sure, but thought it was more likely that CJM would have owned the same.

Please let me know if you wish me to contact Canada for any further information.

bd

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MTC 001604



Johns-Manville

Internal Correspondence

To: Barbara Diemer - 2-18

Date: January 11, 1980

From: Jim Spangenberg - 3-22

Copies: Jeff Brown - 2-18

Subject: RHODESIAN ASBESTOS LTD.
YOUR LETTER DATED JANUARY 8, 1980

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According to our tax records, Rhodesian Asbestos Ltd. was owned by Canadian Johns-Manville Company Limited (CJM).

Information from our CJM tax return schedules first shows Rhodesian Asbestos Ltd. in 1952 as follows:

	<u>CDN DOLLARS</u>
1952	
Advances to Rhodesian Asbestos Ltd. (Company in formative stage)	\$ 480,118
1953	
1,927,647 Shares Rhodesian Asbestos Ltd - at cost	3,021,062
1954	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
1955	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
1956	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
Less Provision for Losses	1,651,000
	1,822,514
1957	
2,221,447 Shares Rhodesian Asbestos Ltd - at cost	3,473,514
Less Provision for Losses	1,651,000
	1,822,514

The investment does not appear on the 1958 tax return schedules as the shares were sold sometime in 1958 as evidenced by the following note on the CJM 1958 financial statements:

MTC 001605

"During 1958 a loss of approximately \$2,052,000 was realized on the sale of the investment in the partially owned unconsolidated subsidiary (Rhodesian Asbestos Limited). Of this loss, \$1,651,000 was provided for in 1956, and approximately \$374,000 has been charged to income in 1958."

The exact amount charged to income in 1958 was \$373,157. The total loss of \$2,024,157 (\$1,651,000 + \$373,159) was not permitted as a deduction for Canadian income tax purposes, in any year, since deductions were fully disallowed for capital losses on investment.

JJS/ds

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