

PLAINTIFF'S
EXHIBIT
WV-03900

430209.001
9th February 43.

The Commonwealth Actuary,
Capital Issues and Building Control
London Circuit, City,
CANBERRA, A.C.T.

Produced in Asbestos Personal
Injury Cases: Asbestos lead and
copied to Richard F. Scroggs

Dear Sir,

National Security (Capital Issues) Regulations.
Western Australian Asbestos Ltd.

Further to our telephone conversation of the 5th instant and referring to your letter of the same date (Ref. CL13194), I have to say that we contemplate producing at the rate of 1000-2000 tons spinning fibre and 3000 tons short length fibre per annum. The output is difficult to fix at this stage and will be governed largely by the quantity of shorts (asbestos-cement grade) that can be absorbed in established industries as long length fibre predominates in the W.A. deposit and, should the demand arise, even larger quantities than 2000 tons per annum of long fibre could be produced with a shorts production of 3000 tons.

In order to produce a high grade and well prepared product in accordance with the demands of the trade and of established manufacturing plants and processes, certain essential stages are necessary in the asbestos mill and an appreciable variation in the output of the mill would not mean any appreciable variation in the initial capital investment required in the milling plant. While we set a tentative output of say 1000 tons long and 3000 tons short fibre per annum, the success of the mill is not dependent on these quantities being at once absorbed and, on the other hand, larger quantities could be produced without extensive alterations to our equipment. The chief item of cost of production will be the mining and the output at this stage can, of course, be readily varied according to the demand.

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It is not anticipated in the first place that Australia's industry will be able to absorb all the long fibre and the surplus will be available for export. L. J. Hancock Asbestos Co. have informed us that they have enquiries for 180 tons crude (long fibre) per annum from Johns-Manville, New York, and for 1200 tons per annum (of which two thirds to be crudes) from Asbestos Ltd., New York. Such enquiries are of interest at present, however, chiefly in assisting to establish the economic basis of the proposed industry, and the chief products as far as war-time industry in Australia is concerned are: -

- (1) Spinning fibre for the manufacture of yarn, cord, cloth and packings.
- (2) Millboard.
- (3) Pipe and boiler coverings.
- (4) Asbestos-cement sheets.

In addition to established uses, we anticipate finding an outlet for a considerable quantity of long fibre for the lagging of all heated surfaces in the ship-building industry. Blue fibre is well suited for this purpose.

With regard to the attitude of Australian manufacturers of asbestos cement, we have been in close touch with Asbestos Products Ltd. in Sydney and have been informed that they are very satisfied with asbestos cement containing 30% of blue fibre and on the 15/10/42, Mr. MacDiarmid, manager of that Company, wrote as per copy of letter attached herewith.

The matter was referred to South African producers by cable on the 29/7/42 as to their experience with blue asbestos and on 31/7/42, they replied as follows: -

"Your twentyseventh first question if colour finished article immaterial up to hundred lbs. capeblue grades may be used to each hundred lbs. shingle fibre which may even be partially replaced by paper stock capeblue generally having greater tensile strength than shingle fibre or up to thirty lbs. Transvaalblue Grade 3 to each hundred lbs. chrysotile which must be at least shingle quality. Second question no but generally blue far less suitable moulding purposes than chrysotile compliments".

This opinion states that good quality blue can be mixed with chrysotile 100 parts: 100 parts and that up to

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20% of a lower grade of blue may be so used.

Blue fibre is suited particularly for flat sheets and Super-6 corrugated and not for moulding purposes but the two former uses constitute the major uses.

The attitude of Asbestos Products Ltd. to the use of blue fibre has been consistently favourable within the above mentioned limitations.

We have not been in direct touch with the other two companies concerned but understand that their attitude is less sympathetic because their established practice is based on the use of chrysotile only, and possibly because well milled Australian blue has not been available. We have, however, conducted a considerable amount of investigation and carried out numerous trials in our own test laboratory and have satisfied ourselves that satisfactory sheets can be made from blue fibre.

We are very satisfied with these results and, as we consider that any opposition to the use of blue fibre is more a matter of opposition to change of procedure in which satisfactory factory methods have been established, it is now proposed that should there be any reluctance on the part of existing manufacturers to absorb supplies of blue once we have placed a high grade and well prepared fibre on the market, to arrange for supplies of asbestos-cement sheets to be manufactured to our specification and to our account and risk.

Should the further step of additional manufacturing plant be required for this purpose, we have plans already completed for the installation of manufacturing plant for making flat sheets from blue fibre but it is not our intention to proceed with this at present unless requested to do so by the Directorate of Materials Supply. We have been informed by the latter Department that many enquiries already exist for blue fibre and that business in the past has been hampered by inadequate production and by inefficient milling methods which have resulted in an imperfectly prepared fibre being placed on the market. Our proposed plant and methods will overcome both these faults which have hindered the use of blue asbestos in the past, and we feel confident that if we accept the financial responsibility of proving its suitability for the purposes mentioned herein, we will be able to overcome any opposition to its use that may exist with some manufacturers at present.

As far as spinning is concerned, crocidolite can definitely be used for this work and, if existing manufacturers are unwilling to change over from imported chrysotile,

prepared to accept whatever responsibility or instal
whatever plant is necessary to ensure the utilisation of
blue fibre.

Generally speaking, we have satisfied ourselves
that blue fibre can be used for the purposes mentioned
and that there is no sound reason why the almost
unlimited supplies of blue fibre in Western Australia
should not be developed and used to replace a correspond-
ing quantity of imported chrysotile.

We have, moreover, considered these proposals
in conjunction with the production of chrysotile fibre
by Tasmanian Asbestos Proprietary Ltd. which has now been
registered in Tasmania, and it is hoped that the permissible
percentage of blue fibre will help to make up for any
deficiency in quantity that may be procurable from the
smaller Tasmanian field and so go a long way towards
establishing a future all-Australian industry.

Yours faithfully,

pro Acting General Manager.

Pro J. 10/11/55
In reply to J. 10/11/55
Copied to J. 10/11/55