



AIRMAIL.

ASBESTOS

AUSTRALIAN BLUE ASBESTOS LIMITED

89 ST. GEORGE'S TERRACE
PERTH
WESTERN AUSTRALIA

MINES & MILLS
WITTENOOM, W.A.

TELEGRAPHIC & CABLE ADDRESS
"BLUEASBESTOS" PERTH
G.P.O. BOX NO. 1201
TELEPHONES SA 5258
S 2238

PRIVATE - (No. P.72.
23rd January, 1958.

The Managing Director,
Australian Blue Asbestos Ltd.,
SYDNEY.

Dear Sir,

FIBRE SALES - Agency: Although final details have yet to be agreed on concerning shipments to ports beyond Singapore, the Blue Funnel Shipping Service have agreed to go into Pt. Samson to pick up fibre. The freight rate Pt. Samson/Singapore is the same as Fremantle/Singapore, viz. 192/- per short ton and the saving to us would be, therefore, at least £6.10. 0. per short ton.

Sales made on this basis at £100 f.o.b. and allowing commission at 4% gives a net return of £102.10. 0. per ton compared to £95 - £96 per ton for fibre sold to Europe and £98 for sales to Johns-Manville.

Unless Humes find our fibre much improved in comparison to African fibre, it seems doubtful if they will buy any quantity on existing price scales, as they can land grade "S" for approx. £102 per ton. As we cannot offer them a reduced price without upsetting our relationship with Cape Asbestos Co. and Central Asbestos Co., the only alternative seems to be to offer Humes an agency restricted to a few countries. We could consider extending this later if the expansion in the asbestos cement pipe business, envisaged by Humes should occur and if they are appointed technical advisers, as was claimed to be the probable arrangement.

We attach draft of a letter which it is suggested we send to Humes and we would appreciate your comments.

Regarding shipment to other ports, the trans-shipment rate suggested by Blue Funnel Co. was too high and they are considering the matter again.

The Managing Director,
SYDNEY.

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We are also negotiating with the Japanese Iino Company, who operate a service between Fremantle and Japan and they seem interested in making direct shipment Pt. Samson/Japan. They are also considering a rate Pt. Samson/Kobe/Los Angeles on a through Bill basis. As the current rate Fremantle/Los Angeles is 32.80 dollars, there appears to be some possibility of a saving on Johns-Manville West Coast tonnage.

Yours faithfully,



Director.

D R A F T.

Hume Industries (Far East) Ltd.

As shipments of blue asbestos could now be made direct from Pt. Samson to Singapore, we are, under these conditions, prepared to offer you an agency covering sales of our fibre to Singapore (including yourselves), Malaya, Burma and Indonesia. Price of our Grade 3 fibre for 1958 is £4100 per short ton, f.o.b. net weight, and we offer you a commission on a sliding scale basis, as follows :-

1st 1,000-tons	4%
2nd 1,000-tons	3%
Over 2,000-tons	2%

At present shipments of 100-tons minimum are required by the shipping company. *The freight rate from Pt. Samson to Singapore is 192/- per short ton*

Due to mill improvements carried out during the past six months, our fibre is now improved and we consider that it is much more economic to use than the shorter African Grade "S" and cheaper than Grade "A". A 2-lb. sample is being air-freighted and we would appreciate your comments, after testing.

We are not in a position to supply in 100-ton lots prior to July next.

Please let us know at your convenience whether you are interested in this proposition.

Yours faithfully,