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TURNERS ASBESTOS FIBRES LIMITED

F44-48
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TURNER & NEWALL LIMITED

MFH/VFW

Wednesday,
24th Septem
1975.

Mr. R. W. Miltz,
Certain-teed Products Corporation,
P.O. Box 860,
Valley Forge,
Pennsylvania 19482,
U.S.A.

PLAINTIFF'S EXHIBIT CT-126

Dear Bill,

First of all may I say what a pleasure it was to meet you and Tom again in Montreal. There is no doubt that we covered a lot of useful ground but a number of decisions must still await the provision of firm fibre availabilities in 1976. Perhaps I should confirm some of the more important points which were discussed:-

1. It was very good of you to work out so promptly your anticipated requirements for the years 1976/1980. The figures will provide very useful information for us when we set about comparing total availabilities and total requirements in the years ahead. I took note of the fact that the totals provided represented your anticipated consumption figures and that they might be increased somewhat if there were a marked revival in pipe demand.

2. I regret to say that I am still awaiting news about our ideas involving the Crocidolite grades BT/AD and ML.6. For the present I feel that we should assume that both grades will be supplied to you in 1976 and, as the anticipated availability is likely to be greater than your stated requirements of 3,800 short tons, I feel that your interests would best be served by your taking 1,800 tonnes of ML.6 and the balance (about 1,650 tonnes) in BT/AD. I shall hope to have a word about this with Ken Wood before he makes his autumn visit to you.

3. As to the supply of Chrysotile grades in 1976, it is not possible to make any firm decisions until the precise Cassiar tonnage has been made

known. If, as Jack Christian reported, the 1976 tonnage offered to you is in the region of 30,000 short tons, you will certainly have a problem as to how much of this can be accepted, while meeting the obligations and offers in respect of Asbestos Corporation, Bell, Johns-Manville and Russian tonnages. We were all of the opinion that various steps might be taken whereby some of these latter tonnages might be diverted elsewhere but, even then, I should imagine that some surplus would exist which you might choose to put into inventory, bearing in mind Jack Christian's comment about the likely availability of Cassiar fibres after the closure of the Clinton Mine. I feel that you would be very well advised to take all, or as much as possible, of the Cassiar fibre offered to you.

4. We are seeking the views of our legal advisers about the draft agreement presented by Asbestos Corporation and, no doubt, you are doing the same. There is no doubt that some sections of the draft agreement are quite unacceptable in their present form and would have to be modified if we were to sign. In addition we are far from enthusiastic about a 10-year agreement and it is probable that we shall press for a 5-year agreement as was contemplated (and in your case signed) at the end of last year. I am not sure what your present feelings are about a 5-year versus a 10-year term but if you still favour the former, it would, no doubt, be mutually advantageous if we co-ordinated our respective arguments. It might also be very useful if we exchanged views on our objections to the wording of the latest Asbestos Corporation draft.

5. I had a very interesting visit to the Midlothian Mine of United Asbestos and was quite impressed with what I saw. They were currently encountering teething troubles but these were only to be expected and they seemed confident that the mill and mine would be functioning properly by early October. They have scaled down their forecasted production in 1975 - 5,000 tons agains the original 30,000 tons - but still believe that their production next year will amount to 70,000 tons of MC-200. They would have no objection to your and our requirements being merged into one bid.

Contd.

As no doubt many of these points will be of interest to Tom as well as to you, I have sent a copy of this letter to him.

Looking forward to seeing you again and with all good wishes,

Yours very sincerely,

Michael

c.c. Mr. T. A. Dougherty
Mr. W.J.W. Smith