EXHIBIT
CSR - 790

1/9/75

Mr. I.G. Burgess

[illegible]

A young woman aged [illegible] years has apparently developed mesothelioma and it seems that this condition is being related back to her residence at Wittenoom as a child while her father was working for A.B.A. Limited. She has a three months old child.

She lived for ten years at Wittenoom from 1948-1958 and was 10 months old when she went there in 1948.

The fact of mesothelioma has apparently been established through sending tissue samples to the U.K. and the [illegible]. The U.K. has confirmed the diagnosis.

The information came to CSR through a private telephone call from the [illegible] Commissioner of Public Health (Dr. [illegible] McNulty) to Perth Manager, Mr. C.A. Leith. Dr. McNulty told Mr. Leith that the woman's husband is seeking compensation for his wife although he realises that she has no entitlement to workers compensation.

Mr. Leith contacted this office and also mentioned the matter to the Company's solicitors in Perth, Robinson Cox and also to the manager of United Insurance. In the event that any claim against CSR eventuates, United Insurance will be handling it under the Company's public risk policy.

Steps that have been taken so far in Sydney are set out below:

1. Sly & Russell

CSR's solicitors, Sly & Russell have been asked to express an opinion on the general aspects of the Company's liability in such a matter as this. They have said that it would be preferable to arrange for this opinion to be obtained from W.A. solicitors and have agreed that they will contact CSR's Perth solicitors Robinson Cox. It will be open to Robinson Cox to seek counsel's advice if they feel this is necessary.

Sly & Russell are aware and are informing Robinson Cox that the present form of A.B.A. Limited is Midalco Pty. Ltd. It seems that in a strictly legal sense CSR Limited has no liability (unless it wished to assume the liability of its subsidiary A.B.A. Limited), however, Midalco would have a liability. This point is not entirely clear as it seems

that the claimant could seek contribution from the parent company if the offending arm ... had gone out of existence altogether.

It was thought necessary to have Sly & Russell in the matter even though the brief to Robinson Cox could have been delivered by Mr. Leith. It may be necessary for interpretation of points and the delays and costs involved may have been substantial without Sly & Russell.

Dr. P.J. Smythe attended a briefing session with Sly & Russell on 10th September, 1975.

2. United Insurance

Contact has been made with Mr. Brandon of United. He volunteered that it would be a matter for his company if a claim eventuated. I asked if he wished to be associated with the briefing of solicitors for an opinion on liability, but he said he was prepared to accept the opinion that Sly & Russell obtained.

I undertook to keep him fully informed and to supply a copy of the legal opinion.

Mr. Brandon gave access to one of their files, being a claim from a Wunderlich Rosehill employee whose wife died as a result of asbestosis allegedly contracted when washing her husbands overalls. Whilst this case is not directly on the Perth matter it has a bearing on it and with Mr. Brandon's approval a copy of the file was given to Sly & Russell.

Comments on Liability

The discussions with Sly & Russell have indicated that there is no clear cut liability. There is no doubt that a company that deals with dangerous materials has a duty of care to people living in the neighbourhood. This has been clearly established in the courts. However, this duty of care can only be invoked where the company is aware of the hazard. It can be truly stated and substantiated that ... had no knowledge until the mid-1960's that mesothelioma resulted from asbestos.

In addition, there is the complication of the transfer of liability from one company to the other.

Sly & Russell are fully aware of these matters and the legal opinion eventually obtained will deal with them.

If a claim eventuates

At the present time we are seeking Counsel opinion only on liability in general. If a claim eventuates it will be necessary to obtain a more detailed and more specific opinion. At that time, United Insurance will no doubt wish to intervene and may even wish to take over the entire handling of the matter.

N.U.I.
11th September, 1975.

C 3439