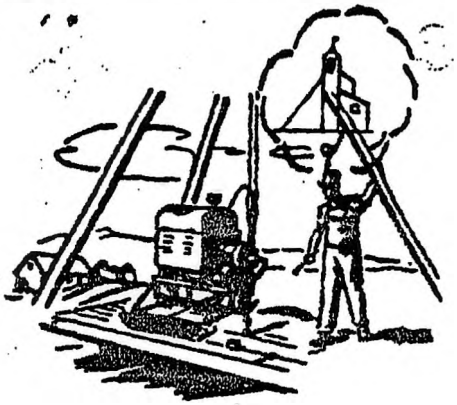
FILE NAME: Hedman (HED)

DATE: 1965 Dec 14

DOC#: HED002

DOCUMENT DESCRIPTION: Memo



REPLY TO ADDRESS MARKED X

MILL: 5 RAILWAY ST.
PHONE 170
MATHESON, ONT.

MI WARDEN TOWNSHIP, MATHESON, ONT.
PHONE 65, HOLTYRE, ONT.

HEDMAN MINES LIMITED

CHRYSOLITE ASBESTOS
P.O. BOX 590
TIMMINS, ONTARIO, CANADA

DIAL 264-0593

December 14, 1965

File
J-2-KM

United States Gypsum Company
300 West Adams St.
CHICAGO 6, Illinois, U.S.A.

Attention: Mr. M. L. Thornton
~~Dr. [illegible]~~
Mr. V. J. Kull

Gentlemen:

As you know, the industry increased the price of their asbestos on January 1, 1965 by $3.00 per ton and there is a further reported increase of 3½% scheduled for January 1966. This will make your cost of asbestos rather high compared to what you can buy it from Hedman.

It would be to your advantage to switch to Hedman asbestos now and help us increase our tonnage faster because as the tonnage increases to the degree we foresee in our operations we will be able to maintain our lower price and possibly reduce our price still further with your cooperation. As mentioned Hedman is the only company turning out low-cost short asbestos in Group 7 as a "Primary Product". Being a primary producer means that we can increase our output without the problems confronting your supplier which must keep markets in balance for the other 89 grades they produce to obtain the by-product you presently use.

At present there is a shortage of short asbestos by-products, such as you use from Quebec, due to the reduced sales of the longer, higher priced Primary Products upon which this one of many by-products depend. New large tonnage uses of low-cost short asbestos are quickly developing to the degree that it may be difficult for you to obtain your raw material, particularly a consistent product from one source without fear of shortages.

Your effort to help us increase our tonnage at this time will enable us to help you when you need it; and at the same time save your company considerable.

Is it possible for you to reformulate with Hedman Asbestos and produce a saving of $20.00 per ton of your finished material as per our letter of November 2, 1965, in additi on to further savings as a result of the lower cost of Hedman asbestos? People like the big Lincoln Electric Co. of Cleveland, Ohio have done so and have been using our material solely for about 2½ years with complete success, throughout their company. Their specifications are now designed around Hedman asbestos as are those of Hobart Bros.

Please let us know whether or not you can do anything for us.

Kindest wishes.

Yours sincerely,
HEDMAN MINES LIMITED

President & Managing Director

J.J.Mangan/nm

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