



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



AUSTRALIAN BLUE ASBESTOS PTY. LIMITED

MANAGING AGENTS
THE COLONIAL SUGAR REFINING COMPANY LIMITED
170 COLLEGE ST., SYDNEY, AUSTRALIA

ADDRESS ALL LETTERS
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CABLES: SUGAR SYDNEY

MINES & MILLS
WITTENBERG GORGE
WESTERN AUSTRALIA

CHB;JAF

620117-004
P. No. 172.
17th January, 1962.

The General Superintendent,
Australian Blue Asbestos Pty. Ltd.,
PERTH.

Dear Sir,

FIBRE SALES. Mr. Thomas' Report on Markets.

We have read Mr. Thomas' report with interest and it is pleasing to note that the expansion in the asbestos cement industry in Eastern countries is continuing at a high level.

Regarding the formal appointment of Tokyo Tsusho Kaisha Ltd. as our agents in Japan, we agree that it may be advisable to take this step. We have always agreed however that Alliance Shippers & Industries Ltd. could also sell our fibre and it would seem preferable to adhere to this in any arrangement and we would appreciate your views before we take any action.

We are not clear on what the estimate of future markets is based but your figures would seem to be optimistic. In any number of asbestos cement factories we believe that our share of the market will not exceed 10% of the total fibre used. If this is correct the total increase in asbestos usage in Eastern Countries based on your figures would be at least 250,000 tons per annum by the end of 1965.

Although we have taken steps to have blue asbestos included in the new U.S. Barter Programme it is unlikely that we will make a deal unless we can be more or less assured of cheaper freights or savings in other directions. This decision could drastically affect the available market.

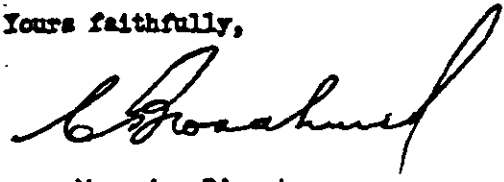
Regarding increased production it is unlikely that we would be prepared to provide capital for major expansion during the next two years unless there is a marked change in overall economic prospects. It will cost £250,000 to overcome the dust problem and to provide tailings disposal equipment. Other incidental work costing at least £100,000 will be necessary before any expansion programme can be undertaken. We believe, however, that mill efficiency and production rate can be improved and

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that development of suitable bulldozers for underground use could overcome a lot of our mining problems. During the next two years emphasis must be placed on improvements of this nature.

Yours faithfully,



pro Managing Director.

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