AIRMAIL.

[redacted]

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No. P.36.

23rd November, 1956.

The Managing Director,
Australian Blue Asbestos Ltd.,
SYDNEY, N.S.W.

Dear Sir,

FIBRE SALES: Unless something unforseen occurs between now and the end of the year, we will meet all our committments for 1956 on time, and will have approx. 1,000 short tons of fibre in stock, as at the end of December next, at the various points, viz., Wittenoom, Point Samson, Fremantle. From next year's production, a further 300 tons should be regarded as stock, to provide a safe working margin at all points.

Production rate is about on schedule, and it seems that a total output of 14,000 tons may be expected next year. This figure could be higher, but at this stage it would be safer to assume 14,000, and to sell not more than 13,000 tons as it is fairly certain that further orders will be received later next year. Possible buyers are - Japanese, Eternit, Dansk Eternit, Uralita, Humes, Siam Cement, Fulgurit (Germany) and Hardies.

Eternit Italy have placed an order for 2,000 tons, so the total now committed is as follows :-

Johns Manville -	8,000	short tons.
Cementifero (Italy)	1,100	" "
Uralita (Spain) -	500	" "
Asano Bussan (Japan)	600	" "
Eternit (Italy) -	2,000	" "
Gobath Cement (Tas.)	100	" "
Humes	25	" "
	12,325	short tons.

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The above excludes Asbestos Products and small test shipments, which will be made during the year.

Now that the Eternit order has been clarified, Minerals Fibres will no doubt press for acceptance of the outstanding quantity of 350 tons requested by Uralita. It is recommended, that this be held in abeyance, as there is a strong possibility that Fulgurit (Germany) will order 300 tons, and as this is in Carters territory, we would hardly refuse to supply, after criticising them somewhat strongly fo not selling fibre.

It would be surprising, if the Eternit group do not ask for a bigg allocation fairly early in 1957, but we will be in a better position to meet this decision when we know more of our production rate. It is essential that we continue to sell to Eternit, but the Japanese market is worth about £5. per ton more to us, while the Eternit price, including commission, gives us our lowest return. However, it would be good for future business, to let Eternit have some extra, at the appropiate time should they require it.

Any comments which you may have on the above, would be appreciated at an early date, and any information which you can give, regarding the discussions with Hardies, would help us in our future planning.

VISIT TO WITTENOOM: I propose going to Wittenoom on Thursday 29th, for a short visit.

ACCOUNTING: The average f.o.b. price for 1957 Sales will be approx. £98.3 per ton, but the Sales Expenses will fall , because of the reduced rates of commission. The current allowance for commission is £2.657 per short ton. On 1957 sales this figure will be about £.85 per ton.

It is suggested, that for the purpose of the four-weekly Profit and Loss a/c, the Sales value remains at £98 per short ton, but the allowance for Commission be reduced to £.85 per short ton.

Yours faithfully,
For AUSTRALIAN BLUE ASBESTOS LIMITED

Director.

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