

PLAINTIFF'S
EXHIBIT
WV-03938

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10195.00



AUSTRALIAN BLUE ASBESTOS LIMITED

MANAGING AGENTS
THE COLONIAL SUGAR REFINING COMPANY LIMITED
17 O'Connell St., Sydney, Australia

ADDRESS ALL LETTERS
BOX 488 G.P.O.
SYDNEY, AUSTRALIA
CARLOS, SUGAR, SYDNEY

NINE & MILL
WITTENBERG ROAD
WESTERN AUSTRALIA

591007.001
P.No.86.
7th October, 1959.

The Director,
Australian Blue Asbestos Ltd.,
PERTH.

Dear Sir,

COSTS. Please prepare an estimate of the cost into store at Pt. Samson for rates of 14,000 t.p.s. and 17,000 t.p.s. compared to the present rate. The estimates should show the costs dissected as in the half yearly mining and milling accounts i.e. labour charges, stores, power, management, depreciation etc.

Consideration should be given to the method of operating the plant to achieve minimum cost at these rates. With the installed plant capacity it should be possible to produce 14,000 t.p. running two shifts per day. This seems likely to be more economical than running two treatment lines three shifts per day.

Please let us have these estimates as soon as possible.

PRODUCTION. Mr. Broadhurst recommends reducing the current production rate to 320 t.p.w. following his discussions with Johns-Manville in New York. We agree that you should do so immediately and avoid accumulating stock at Fremantle. Please advise us how you intend to reduce the rate bearing in mind that we will very likely be operating at this lower rate for a considerable time and wish to achieve the lowest possible cost for this rate.

There may be some rate a little more or less

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The Director,
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PERTH.

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than 320 t.p.w. which is more economical from the production cost point of view. If so, you should recommend this for our consideration.

7?
400 t.p.w. end
mid November
320 t.p.w.
Please advise us of the total stock of fibre you expect to have on hand at the end of December if the rate is 320 t.p.w. for the rest of the year.

RECOVERY. It is more important than ever when operating at this lower rate that the production staff achieve the highest possible recovery. There is no justification for sacrificing recovery to get a higher rate when we have excess capacity.

LABOUR. Engagement of labour and development planning should be reviewed immediately on the assumption that sales for 1960 may not exceed 16,000 tons.

GENERAL. We are agreeable to your sending a copy of this letter to the Manager, Wittenoom, if you wish.

Yours faithfully,

Malcolm King

pro Managing Director

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