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FUTURE BLUE ASBESTOS REQUIREMENTS
OF CERTAIN-TEED PRODUCTS CORPORATION

Following my meeting with Mr. Wood of Central Asbestos Co. Ltd. on 30th May, the subject was discussed further with Messrs. Gatewood and Miltz of Certain-teed Products Corporation in London on 16th and 17th June. Mr. Wood was present for discussions on the second day. A brief meeting also took place with Dr. R. Gaze, Chairman of Cape Asbestos Fibres Ltd., on 17th June.

In my preliminary discussions with Messrs. Gatewood and Miltz it became clear that their consumption of Blue (and indeed Chrysotile) is currently at a low level and they believe that this may continue in 1976. They put their Blue requirement for next year within the 3,100/3,800 metric ton bracket and think that it may be about 3,500 metric tons; this compares with the reduced 1975 contract tonnage of 3,400 tonnes (they originally ordered 4,300 tonnes).

In this general context they were quite happy to go along with our proposal to divert BT/AD to Gefco and for them to receive a corresponding tonnage of ML.6 additional to that which forms the basis of their direct contract. Surprisingly little was said about the price discrepancy between BT/AD and ML.6, perhaps because I warned them that BT/AD was now seriously underpriced and there would have to be an adjustment relative to other Blue fibre grades at the beginning of 1976.

Mr. Miltz enquired whether it would be possible to carry-over 500 tonnes of the 1975 BT/AD contract into 1976. I thought that this would be difficult and we certainly could not guarantee that the price would remain unaltered. It was finally agreed that we would try to defer this tonnage until December or as late in the year as was practicable.

Discussions with Mr. Wood present

Mr. Wood reported that, although there had been little contact between General Mining officials and Mr. Chubb, the proposition was of interest to them. It was stressed, however, that any increase in the supply of pressure-packed ML.6 to Certain-teed would necessitate an extra pressure packer which would involve capital expenditure and some initial delay.

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He thought, however, that the arrangement, if adopted soon, could come into operation some time during the first quarter of 1976. Mr. Wood added that there was not a great deal of enthusiasm for the proposed arrangement but they would go along with it to assist Certain-teed as a valued and established customer. I suggested that the proposition could have real value to Gefco, particularly if the Blue market were to collapse in some important areas since in that case they would be "sitting tenants" for the Certain-teed business, when BT/AD production terminated in 1978.

Mr. Wood said that it was almost certain that they would introduce the BT/AD diverted to them into their own grades and not sell it separately. He stressed that it would be quite impossible in the foreseeable future to make more ML.6 available to Certain-teed without the intended diversion of BT/AD to them.

It was confirmed that all Central's sales would have to be routed through their selling agents, Special Asbestos Company. There could be no question of the ML.6 supplied in lieu of BT/AD being treated in any other way. I said that this was acceptable to us and Certain-teed also agreed.

It also emerged that neither Central nor Certain-teed liked the idea of Central being the only supplier of Blue asbestos to Certain-teed and a second supplier would have to be introduced. In this context Mr. Wood stated that the only suitable second source was the Cape Group and, when I suggested SAAT as an attractive possibility, he affirmed strongly that they would be unreliable long-term suppliers to Certain-teed. Although this point was noted by Messrs. Gatewood and Miltz, it was agreed that we should find out if SAAT would be interested in becoming a second supplier. (In a private conversation later Mr. Wood confirmed his view about SAAT, claiming that they only sold a small part of their own production not required by the Eternit Group plus any tonnages which they were able to buy on a spot basis from other producers, including Gefco. He said that their deliveries in U.S.A. were notoriously unreliable.)

It was agreed that the BT/AD/ML.6 proposition should be actively pursued. Mr. Miltz asked when a decision might be made as to its acceptability; Mr. Wood and I expressed the hope that a decision could be reached within a month or so. It was agreed, however, that the new arrangements could not take effect until the beginning of 1976.

Packaging and Shipping Problems

Mr. Gatewood stressed the great advantages of tightly compressed units for the optimum utilisation of their limited storage space. He greatly welcomed the moves of Central to pressure-pack and then bale their fibre, thus reducing very considerably its bulk.



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Additional urgency has been provided to this whole topic by the recent decision of the Federal Maritime Commission that all asbestos, Blue or White, imported into U.S.A. should be in containers; maximum utilisation of the expensive container space would be of prime importance.

Some time ago T.A.F.Ltd. suggested to Certain-teed the possibility of shipping Blue fibres to their Southern plants through Tampico in Mexico to avoid the growing complications of shipping through U.S. ports. This has been taken up actively by Certain-teed in association with Special Asbestos Company; an executive of the latter has recently visited Tampico and they seem optimistic that a satisfactory service could be arranged for loose bags or pallets. They are appointing a shipping agent in Tampico to supervise the unloading from vessels and loading on to rail cars. Mr. Miltz was of the opinion that Tampico could serve all their plants with the probable exception of Ambler where they would still import through Philadelphia in containers. On this basis 75/80% of Certain-teed's Blue requirements would be shipped through Tampico, and I believe that Central are shipping 100 tonnes ML.6 shortly as a trial. I counselled the Certain-teed and Central representatives not to depend too much on Tampico, suggesting that U.S. port workers might well take steps to block this diversion but at the same time it does represent an interesting and less costly method of shipping, even if it is short term. If we continue shipping BT/AD to Certain-teed, we should consider this point carefully.

Discussions with Cape Asbestos Fibres Ltd.

A brief meeting took place in the late afternoon with Dr. Gaze, Chairman of Cape Asbestos Fibres Ltd. No reference was made to the BT/AD diversion proposition and we merely discussed the possibility of Cape becoming a second supplier of Blue fibre to Certain-teed when BT/AD was withdrawn. Dr. Gaze expressed considerable interest and said that, while they were fully committed for the rest of 1975, they would be happy to consider a bulk trial of, say, 50/100 tonnes for shipment in 1976 with the likelihood of bigger tonnages in subsequent years. Mr. Miltz accepted the proposal for a trial and Dr. Gaze will arrange for a quotation to be submitted to them through Mr. G. Morgan of North American Asbestos Corporation.

Dr. Gaze said that all their Crocidolite production is pressure-packed and that the cubic measurements are approximately 80 cu. ft. per tonne. They are also experimenting with baling techniques to reduce the bulk further for effective containerisation. He made the point that, after baling of Crocidolite bags, great care would have to be used in cutting the metal strapping.

There was some discussion about Amosite for use in pipe production. Certain-teed have never been enthusiastic



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about this but I suggested that they ought to review the situation against the admittedly unlikely prospect of Blue asbestos being banned in U.S.A. Messrs. Gatewood and Miltz said that they would consider the matter, although no specific proposal was made for a trial.

M. F. HOWE

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