



AUSTRALIAN BLUE ASBESTOS LIMITED

PERTH, WESTERN AUSTRALIA

MANAGING AGENTS
THE COLONIAL SUGAR REFINING COMPANY LIMITED
1-7 O'Connell St., SYDNEY, AUSTRALIA

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590304.001

MINES & MILLS
WITTENOOM GORGE
WESTERN AUSTRALIA

No. P.72
4th March, 1959.

The Director,
Australian Blue Asbestos Ltd.,
PERTH.

Dear Sir,

PRODUCTION. S.42. Your forecast of the production and stock position has confirmed our concern rather than relieved it. We do not agree that it is safe to use Samson as a base stock for supplying Fremantle in view of the past unreliability of the State shipping service. Further we consider that we would be taking an unnecessary risk in allowing the Samson stock to get down to 100 tons with nil stock at Fremantle.

Production may well be reduced below your estimate during the next few months because of inadequate drying and cleaning capacity and it is unlikely that your estimate can be improved on to any worth while extent.

As regards Johns-Manville it may be that they will not be "inconvenienced" by our not supplying the full 3000 tons asked for during the first half of this year. However we do not consider it a safe assumption without first getting their agreement. In any case of course we are anxious to sell them fibre and do not wish to discourage them or give them the impression we are unable to supply or are meeting other peoples orders rather than theirs. More particularly when we have milling capacity available to produce the fibre. It is worth recalling that the only reason J.M. became really interested in buying Wittenoom fibre was because Cape did not live up to their delivery promises.

Under the circumstances we consider you must of necessity plan to produce at least 600 tons at Wittenoom working as economically as possible. We should like to have your assurance that the ore production programme will enable this to be done in view of the fact that ore supplies have been limiting production over recent months.

Yours faithfully,

[Signature]
Pro Managing Director.