

PRIVATE NO. 50

SYDNEY.

12th November, 1946.

The Manager,
Australian Blue Asbestos Ltd.,
WITTENOOM.

Dear Sir,

GENERAL PROGRESS. We consider we have now reached a stage in our negotiations with the W.A. Government when we can proceed on the assumption that we will eventually receive the full support we have requested. This means in effect that we will go ahead on our twelve months' programme and then review the matter again when that time has elapsed. In view of this we can now advise you of our decisions on a number of matters.

Mine Manager. We have engaged a Mine Manager for Wittenoom and we expect him to report for duty in Sydney about 1st December. He is Derrick Humphreys, at present Inspector of Mines at Broken Hill.

Mr. Humphreys will have full charge of all mining operations at Wittenoom. He will correspond direct with the Managing Director and will also forward a weekly report to him but such correspondence and reports will be forwarded through you. He will have the right to hire or dismiss his own men subject, of course, to over-riding considerations of policy.

As far as supplies for the mine are concerned it will probably be best if the Mine Manager requisitions on your store for materials and the supplies will then either be delivered from store or purchased by the store for the Mine in the ordinary way.

Diesel Locomotive (349) It will be in order for you to proceed with the building of an additional diesel locomotive and you should forward an estimated cost as soon as possible so that a Capital Expenditure Form for this unit may be approved.

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Battery Locomotive. Mr. Bowdler considered you should have a second battery for your locomotive to enable it to operate on a two shift basis. If you agree you should proceed to purchase a battery.

New Equipment. Apart from the additional locomotive and battery mentioned above, we do not propose to commence purchasing new equipment, particularly for the mine, until the new Mine Manager is in a position to give his opinion on what additional plant is desirable or necessary. Probably Mr. Humphreys will be in this position after having spent say a month at Witteboom and we can then set out to plan, in detail, our plant requirements to give us the production capacity and the production costs that we require.

Stores and Spare Parts. As you know our programme for the next twelve months allows for the stocking at Witteboom of twelve months' supplies of stores and spare parts. This purchasing programme can be commenced immediately in respect of plant and equipment that we have now. No provision can yet be made for the new equipment we may purchase, of course.

The quantity of supplies and spares required should be assessed on the basis that we want twelve months' stock on hand allowing for mining at the rate of 3000 tons fibre per annum.

Labour. Our aim is to operate two full shifts in the mine, working all available places to get maximum production and you may proceed to engage labour accordingly. We imagine that you will not have engaged enough men to operate two shifts before Mr. Humphreys arrives and hence the question of an additional shift supervisor in the mine will probably not arise before Mr. Humphreys takes over.

The mill, of course, will operate whatever hours are necessary to keep up with mine output but for some time at least, this should mean only one shift operation.

W.A.B.A. Assets. As you know we hold an option for three months over the assets of W.A.B.A. Ltd. We would like you to assess the value to us of the plant and equipment owned by W.A.B.A. in Vampire Gorge and in Walters Gorge and advise us as soon as possible. We should also be glad to have your idea of the value to us of obtaining the W.A.B.A. leases.

Plant for Ledges. If we exercise our option to purchase the W.A.B.A. assets it appears that we could work the ledges in Walters Gorge on a reasonable basis from a cost point of view. To do so, however, we believe an additional bulldozer will

be necessary and in view of your past comments we think we should purchase a larger model than the one now at Wittenoom. Our idea would be to purchase a D7 Caterpillar tractor fitted with bulldozer equipment and we would ask if you agree with this. If we are to obtain such plant can you purchase it from Western Australia or do you consider it best for us to buy the unit here and ship it over ourselves?

Yampire Gorge. If we take over the leases of N.A.B.A. it should be practicable to mine at Yampire also to do a certain amount of ledge stripping. We have advised a Mr. Redmond that if we decide to operate at Yampire, he will be appointed Mine Manager at Yampire and will be in full charge of mining operations there. Although he will not receive as high a salary as Mr. Humphreys in other respects his position at Yampire will be identical with that of Mr. Humphreys at Wittenoom.

Whether we work both mine and ledges and what equipment we may need if we do work the ledges we will leave for decision until Mr. Redmond has taken up his position and has reported to us.

Staff. Generally we consider all staff necessary for A.B.A. Ltd. should be obtained by you directly and not by endeavouring to obtain C.S.R. Co. Ltd. staff. This does not apply to key jobs such as Chief Engineer and Accountant of course.

We should be glad of your views, in due course, as to what additional staff is needed for our programme but you have already mentioned a surveyor, an electrician and a draughtsman and we will leave you to engage suitable men. In addition, we feel you probably want a good man in Perth (probably with engineering training) to purchase plant and material, arrange for shipping space etc. and if you agree to this we suggest you endeavour to locate a suitable man.

In view of our programme a really good storeman at Wittenoom appears very necessary also.

Mine Layout. Although we have had discussions with Mr. Bowdler since his return we have not yet received his report and we will wait until we receive this before commenting fully on proposed mine layouts. In the meantime, of course, you will proceed with the general layout already agreed to and also with any modifications suggested by Mr. Bowdler to you whilst he was at Wittenoom.

Yours faithfully,

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Managing Director.