

September 1, 1941

THE ASBESTOS PROGRAMPLAINTIFF'S
EXHIBIT

TM-1840

Estimated U. S. Consumption (tons)

	<u>Canadian</u>	<u>Amosite</u>	<u>Blue</u>	<u>Chrysotile</u>
1941	225,000	11,000	4,000	5,500
1942	250,000	14,000	5,000	10,000
1943	275,000	15,000	5,000	10,000

Percent for Military Requirements
(Direct or Indirect)

1941	50	75	75	75
1942	75	100	100	100
1943	75	100	100	100

Estimated Domestic Production

	<u>Chrysotile*</u>	<u>Blue</u>	<u>Amosite</u>
1941	25,000	0	0
1942	35,000	0	0
1943	40,000	0	0

Present Stocks (July 31, 1941)

	<u>Canadian</u>	<u>Amosite</u>	<u>Blue</u>	<u>African</u> <u>Chrysotile (Stocks 11, 12)</u>
Industry	Ample*	3629	2351	3000
Government*	0	0	200	0
Total	*	3629	2551	3000

*Not Available.

Present Government Purchasing Program

	<u>Rhodesian</u> <u>Chrysotile</u>	<u>Amosite</u>	<u>Blue</u> <u>Fiber</u>	<u>Total</u>
To be purchased	4,500	10,000	10,700	25,200
Purchased or contracted for to date	—	—	1,550	1,550
Balance	4,500	10,000	9,150	23,650

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*-With the exception of small amounts this represents non-strategic grades, including other forms of asbestos such as anthophyllite, actinolite, etc., principally of length and quality suitable only for paper, shingles, cement, etc.

1. Purchases of Government stockpile for 3-year emergency of the following grades of asbestos, or material similar to or having properties equal to the trade-named grades indicated.

<u>Chrysotile</u>	<u>Short Tons</u>	<u>Total</u>
C & G #1	900	
C & G #2	<u>3,650</u>	4,550
 <u>Amosite</u>		
B1	1,000	
B3 or D3	<u>15,000</u>	16,000
 <u>Blue Fiber</u>		
A	100	
C	100	
MS	<u>10,000</u>	10,200
Total Asbestos		30,750

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Explanation

	Rhodesian Chrysotile	<u>Short Fiber</u>		
		<u>Amosite</u>	<u>1 1/2" Fiber</u>	<u>Total</u>
Estimated 3-year requirements	28,500	40,000	14,000	82,500
Savings by substitution of Canadian fibers	<u>24,000</u>	<u>24,000</u>	<u>3,500</u>	<u>51,500</u>
Net Requirements	4,500	16,000	10,500	31,000
Estimated 1-year Production (domestic) 1/	0	0	0	0
Proposed Stockpile	<u>4,500</u>	<u>16,000</u>	<u>10,500</u>	<u>31,000</u>
Acquired or contracted for by Gov't 8-31-41	<u>0</u>	<u>0</u>	<u>1,400</u>	<u>1,400</u>
To be acquired:	4,500	16,000	9,100	39,600

1/ Maximum of 1,000 tons per year of spinnable chrysotile may be obtained from Arizona mines under emergency conditions, but at very high prices. Small production now under way and further development under study by Bureau of Mines and United States Geological Survey.

Present Position

	Long Fiber Rhodesian Chrysotile or Equivalent	Amosite	Silica Fiber	Total
Stocks held by industry as of 7-30-41	561	2,725	2,500	3,786
Stocks held by Government as of 7-30-41	0	0	200	200
Assured domestic production (per month)	0	0	0	0
Average monthly consumption 1st half 1941	225	575	130	930
Number of months supply	2	5	7	

2. Method of Obtaining Stockpile.

(a) Rhodesian Chrysotile:

Principal producer is Turner & Newell, Ltd., of England. Manufacturers have contracted for virtually all available chrysotile through 1942, and some for 1943.

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advised that output cannot be increased to any appreciable extent due to lack of labor. Only solution seems to be to have one or two large users purchase available fiber which will then be allocated by the Government. See "Prices, Tariffs, etc."

(b) Amosite and Blue Fibers

Principal producer is Cape Asbestos Ltd., having offices in New York, who inform us that approximately 14,000 tons of amosite and 5,000 tons of blue fiber will be available to industry in 1942. On the basis of manufacturers' commitments it appears that little or none will be available for Government stockpiling. See "Prices, Tariffs, etc."

(c) General:

Shipping - Effective liaison has been established between principal importers and shipping authorities in Washington to assure shipping space at required intervals.

Exploration, Development & Processing - Arizona can produce small amounts of high grade chrysotile, but at high prices. The question of purchasing some of this for stockpiling purposes is presently under consideration. A Geological Survey is about to be made to determine the extent and value of these mines.

Conservation - It is recommended that industry be requested to take immediate steps to substitute Canadian fibers for South African varieties wherever possible. The Advisory Committee on Non-Metallurgical Minerals Group has been asked to submit a report covering conservation and substitution.

Priorities - No priority control is contemplated at the present inasmuch as manufacturers appear to be experiencing no fiber shortage. It may, however, be necessary to put amosite fiber under priority control unless the present difficulties between the importers and manufacturers over the distribution of this critical type can be overcome. This question is under careful study and will be decided in the immediate future.

Specifications - Not necessary for raw materials. If acute shortages develop for any of these grades it

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may be necessary to revise specifications of finished products to permit utilization of Canadian fibers or other substitute materials.

Larger allocation to Government stockpile - See "Prices, Tariffs, etc."

Prices, Tariffs, etc. - Careful consideration has been given to the establishment of a central purchasing agency which would contract for adequate amounts of fiber to take care of industry and create an emergency stockpile. Due to the difficulties involved regarding grades and types of fiber it has been decided to use this plan only as a last resort. Since industry is taking all available grades of blue, chrysotile and amosite fibers, it may become necessary to offer increased prices to the African mines in order to bring out the necessary production. If such a step is found to be expedient it is recommended that one or two of the large consumers would make long term contracts and turn the fiber over to the Government stockpile.

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