Monsanto

Wild life

FROM (NAME & LOCATION) H. S. BERGEN - ST. LOUIS

DATE : APRIL 2, 1970

SUBJECT : PCB - ELECTRICAL CUSTOMERS

REFERENCE : D.A.OLSON'S MEMO 4-1-70

TO : W. B. PAPAGEORGE

cc: P. G. BENIGNUS
D. A. OLSON
W. R. RICHARD
J. R. SAVAGE

In Don Olson's memo of April 1, he stated some policies which he was applying to the PCB electrical customers.

I agree with Don's three major points, however, I think some qualification will have to be made regarding paragraph 3 regarding working with customers on a non-profit basis. At this point of time, not knowing exactly what process work is required or what type of equipment or capital investment might be required, I think it is premature that we would do this on a "non-profit basis". We certainly will have to have some volume of pay-out on a capital investment and this will either have to be through increased Aroclor prices or sufficiently high reclamation costs. Certainly, if we do not do the reclamation somebody else in the industry will make a profit on incinerating or destroying it and regardless of how you look at it, the customers will have to pay the bill. All of our customers will pass this on to their customers, and in the final analysis eventually the consumer will be paying for this pollution control. I think we will see considerable emphasis by all chemical companies on the amount of money they will be spending on pollution control and that all companies will be raising prices based on this.

We cannot continue to invest people resources and equipment capital on pollution and reclamation without getting higher returns in our business.

H. S. BERGEN

ms

DSW 347957