



intracompany memo

PERSONAL

to	Mr. G. E. Wilson	location	Portland
from	E. B. Hollingsworth	location	Wilmington
subject	<u>ONE GALLON READY-MIX</u>	date	July 19, 1976

PLAINTIFF'S EXHIBIT

GP-1375

cc: Messrs. ~~C. W. Leland - Portland~~
O. E. Burch - Portland
D. C. Corkill - Portland

Your letter of July 16 to the Joint Cement Plants regarding one-gallon Ready-Mix was presumably directed (with accuracy) primarily to Eastern Operations. We have accordingly reviewed our procedure in order to prevent further instances of this nature. We have been unable to find any deviation from the formula procedures agreed upon between Research and Operations.

Our instructions regarding one-gallon Ready-Mix have been received solely from Research, with no indication that anything more important than normal instruction and guidance was involved. We therefore assumed that the program could be discussed with Research and that Research was free to agree or disagree with our suggestions. It is part of our formula procedures that any such disagreement is resolved in favor of Research.

We accordingly talked to Research pointing out the following factors:

1. We were committed to a sizeable quantity of 1 gal. cans with the asbestos warning on the label.
2. There would be some cost involved in securing the asbestos free stickers and applying them to the individual cans.
3. The asbestos free formula was more costly and would reduce our profit.

We recommended to Research that we be allowed to use the old formula until the asbestos cans were used up. In the meantime, we could get the required raw materials for the non-asbestos formula. I do not recall whether there was any enthusiasm for our position, but Research did agree to our suggestion.

As it is customary, we also contacted Sales with regard to our proposal. Dave Corkill joined Research in going along with the delay in producing non-asbestos 1 gallon.

We then advised Marietta and Milford to use up the remaining "asbestos" cans with the asbestos formula for 1 gallon. Akron was already on the non-asbestos one gallon cans and non-asbestos formula.

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Mr. Burch's TWX of July 16 to Bob Favero refers to "...our firm instructions from G. E. Wilson some 60 days ago...". We are unable to locate these instructions.

There is an element of surprise in your letter of July 16 and Mr. Burch's TWX of July 16. Everyone concerned was advised of this situation in the "Product Development" report from Research dated June 14, 1976.

The judgment exercised by Eastern Operations and the acquiescence of Research and Sales is subject to criticism. However, the plants were following ordinary procedures, as were Eastern Operations and Research.

We were more than a little disturbed by your letter of July 16, and would appreciate any further comments or instructions you may have.

EBH/mc

E. B. H.

