

ESCAMBIA CHEMICAL CORPORATION
INTEROFFICE MEMORANDUM

ESCAMBIA CHEMICAL CORP.
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To: Mr. H. F. Roderick

Copies: March 1, 1965 ▲

From: H. L. Harwell

Date: Messrs. J. M. Martin

V. J. Grande

J. J. Dorsey ✓

Re: VCM Procurement
B. F. Goodrich

Mr. E. B. Osborne, whom we visited recently in Cleveland called me a few days ago to make the following offer on VCM.

B. F. Goodrich can and plans to expand their monomer production and would be interested in supplying our requirements at the estimated rate of 50-100 million pounds per year at an over-the-fence f.o.b. Calvert City price of 5.25-5.5 cents per pound. He anticipates that they could accommodate us in this range in approximately one year after negotiations are completed and such an offer is contingent on the signing of a long-term contract. The reason why there is a spread in price is that their economics need to be refined and they further need to assess the competitive pressures in the market.

Further, they are in a position to supply us with 15-20 acres of land adjacent to their Calvert City plant which they would be willing to sell at a price in the range of \$1,500 per acre. Utilities would be available to us and also such other plant services that a satellite operation like this might require. I told Mr. Osborne that we were pleased with his offer and were delighted to consider it, along with others which we have received. Naturally, the problem of getting monomer from Calvert City to Pensacola is a bit awkward. On the other hand, it appears that we have at least one place to go if we want to get into business in the north.

Further, Mr. Martin and I believe that there are some auxiliary advantages to gain in being very close to and working with a major in the industry like B. F. Goodrich. As a customer of theirs, we certainly can lean on them for marketing information and possibly occasional help in the area of technology. Incidentally, Mr. Osborne also told me that Goodrich is going ahead with a chlorine plant which was confirmed to me the other day by one of my friends at Carbide.

H. L. Harwell

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