[illegible]ore 3/3/64 General Sales

[illegible]r. [illegible]. McCaskill Johns-Manville Sales Agreement

C. E. Abbey - bc

cc: Messrs: Re: Freight Absorption
H. A. Powers - Ardmore
A. L. Meyer "
R. L. Smith ← THIS COPY FOR

Mr. Marian under the date of February 25th wrote to you and gave you the excess freight charges on Johns-Manville shipments from Bestwall Plants by plants versus the shipment from a competitive plant which he has stipulated as freight equalization. These figures were for the month of October 1963, and were in cents per cwt. I have shown here a tabulation by plant, in the second column the cents per cwt which Mr. Marian gave us, in the third column the % this charge per cwt represents to the F.O.B. mill price, and in the fourth column the average freight absorption by plants for the year 1963 at Bestwall excluding Johns-Manville and Barrett shipments.

Please notice that the J-M percentage is greater at Akron and at Sigurd, is almost twice what Bestwall's is at Blue Rapids, Grand Rapids, Brunswick, and New Orleans, and considerably over twice what Bestwall's is at Wilmington. J-M's absorption is only less than Bestwall's at Acme and Ft. Dodge. I figured J-M's on 1/2" board and Bestwall's figure is for board only (not plaster or lath). On the basis of freight absorption alone then, it is very obvious that Johns-Manville is giving out more money than does Bestwall, and the most obvious way they can improve their profit picture, and do it substantially, is to control their shipments such that they do not have as high a freight absorption. In the next several columns in the table, I have shown first, the % discount, then the dollars profit, the amount for 2% cash discount, the dollars freight absorption based on 1/2" board, the dollars profit on 1/2" board, the mill base price, and in the last column the percent profit on the mill base price from these figures. Notice that in the case of Bestwall Kansas and Ft. Dodge, it would appear they make more than 18%, in Brunswick and Acme, they make very close to 18%, but at Akron, Grand Rapids, New Orleans, Sigurd and Wilmington, the figure is considerably below 18%.

Remember as I pointed out to you, at first J-M's figures are in cents per cwt for October only, and that the figures in the table are based on 1/2" board only insofar as J-M is concerned, even though the cents per cwt is given as applicable to all boards.

PLAINTIFF'S EXHIBIT

GP-1733

3/3/64

SGP 0024471

Attachment to memo
of March 3, 1964
K. A. McCaskill

Plant	Freight Absorption			Discount to J-M		2% Cash Dis.	Fgt. Abs.	Dis. Less A & B	FOB Mill Base Price	J-M Prft. $FOB Mill
	J-M Cot. ¢/cwt	J-M $FOB Mill	B/W Bd.Only 1963	$FOB Mill	$	A	B			
Acme	.16	7.4	8.9	27	11.81	.875	3.24	7.70	43.75	17.6
Akron	.16½	7.6	5.2	19	8.31	.875	3.34	4.095	43.75	9.4
Blue Rapids	.10	4.4	2.6	28	12.95	.925	2.03	9.995	46.25	21.6
Brunswick	.18½	8.3	4.4	28	12.60	.90	3.75	7.95	45.00	17.7
Ft. Dodge	.12	5.6	5.9	26	11.37	.875	2.43	8.065	43.75	18.4
Grand Rapids	.21	9.7	4.9	25	10.93	.875	4.25	5.805	43.75	13.3
New Orleans	.09	4.0	2.4	21	9.56	.91	1.82	6.82	45.50	15.0
Sigurd	.24	11.1	7.2	27	11.81	.875	4.86	6.075	43.75	13.9
Wilmington	.13½	6.1	2.7	23	10.35	.90	2.73	6.72	45.00	14.9

SGP 0024472