

3/21, 3/22/79

We continue to assume that all parts required for the 1979 model year (through August 1, 1979) are now on order. We caution them that the acquisition of raw materials from our European operations for the manufacture of the disc brake linings require 90 day lead-time, which would mean that material ordered now would not arrive in time to allow us to ship additional quantities of parts prior to August 1. They state that all parts are on order.

On February 8th, Marge Beaver sent to Delco-Moraine a listing of Delco-Moraine parts that we had in our inventory. These consisted of rivets, sensors, steel backs, etc. This has been continually reviewed by Delco-Moraine and the writer suggests that it be updated as of the end of March.

* A general discussion was held with Messrs. Kick and Alvi. It was noted that the Delco-Moraine staff will return from Europe the end of this week. They continue to pursue the setting up of and development of a friction material manufacturing operation on the continent. Hopefully some announcement will be made on this within the next 30 days. Mr. Alvi stated that he would be spending the next two weeks in Europe, visiting ten separate potential customer locations. Delco-Moraine has been active in Europe, is active, and is becoming more active in the very near future.

Non-asbestos linings continue to be worked on for both disc brakes and drum brakes. It is the intent that all passenger cars manufactured by GM will utilize non-asbestos brake linings by the 1984 model year. The Delco-Moraine materials have been designed as integrally molded to the shoe and all tooling requests (\$122,000,000) have been made so that the Delco process is unique and once tooled cannot be manufactured by any other people, in particular, the Inland Division. Inland's approach has been with utilizing their present manufacturing equipment and processes with the parts being designed so they can be drilled and riveted as is the case today. Alvi reports that approvals have been received from the divisions for the Delco-Moraine material and process. There appears to be some conflict here, in view of the fact that the writer recently heard that 1982 F-car for Chevrolet and Pontiac will utilize an Inland material. This selection was made on the basis of performance. A point of interest, of the \$122,000,000 worth of equipment and tooling requested above, it was mentioned that the corporation had approved \$10,000,000. No speculation as to what this does to the Delco-Moraine program.

Earle

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