Circulation: CEB/DEB

PLAINTIFF'S EXHIBIT CT-100

CERTAIN-TEED PRODUCTS CORPORATION

Notes on Discussions in Ardmore
28th January, 1964

Present: Mr. M. Meyer
Mr. M. S. Davies
Mr. R. L. Lanz
Mr. J. J. Durkin
Mr. M. F. Howe

1. The current demand for A-C pipes is running at a high level. If it is maintained, Certain-teed will require a further 1,000 tons of C&G fibres in the proportion of their initial order. I said that there would be no difficulty about C&G/3 but we might be somewhat short in the case of C&G/4 and C&G/5. I asked them to confirm their additional requirements as soon as possible and Mr. Lanz said that they should be able to let us have details by about April.

   They will also probably require an additional 500 tons of Crocidolite fibre. If at all possible, they want to take this in TA/X but, if necessary, we could probably persuade them to take a further 100 tons or so of Griqualand S3.

2. Mr. Lanz has agreed to their taking 500 tons of Griqualand S3 instead of some tonnage of TA/X in their initial requirement. I told them that the price had been reduced from £72. 0. 0d. to £70. 0. 0d. f.o.b. They are clearly not keen to take this grade and hope very much that the additional 500 tons which they will most probably require, can be TA/X.

3. It would appear that their stocks of C&G grades are running rather low and I suggested that they should consider bringing forward some of their deliveries to avoid a serious shortage. Mr. Durkin said that he would look into this but doubted whether it would be necessary.

4. Mr. Lanz is of the opinion that, while we are supplying latest production of C&G/5, we are still supplying the old-type C&G/3 and C&G/4; he reminded me that we promised to let them have latest production during the Manchester discussions. I said that we would look into this. He said that a recent consignment of C&G/3 had borne the following code marks:-

   392; 402; 412; 422; 432;

   He felt that this indicated that production went back to 1962, and I was asked to let them know the significance of the code numbers so that they would be able to identify production dates in futur[illegible] It was also suggested that the bags of C&G/3 were poorly tied and broke in transit. The consignment in question was on the s.s. "MEREE LLOYD" and was unloaded at San [illegible]ancisco.

228 - 1426

There was also an unusual complaint about contamination of fibre in the same consignment - about 100 bags were soaked with rum! I gather that they are reporting this to the shipping company.

5. Mr. Meyer said that they were very pleased with the progress now being made with A-C pipes. They believed that they were increasing their share of the total A-C pipe market in U.S.A., while he thought that A-C pipes were now gaining a larger share of the total pipe market. They believed that further plants will be necessary in the future to meet the growing demand.

6. Mr. Meyer enquired of Mr. Durkin what where the current arrangements for payment. Mr. Durkin said that they arranged for payment on the 18th day of the month after shipment; this had been regarded as a reasonable mid-way point between the date of shipment from Lourenco Marques and date of arrival at their plant. Mr. Meyer appealed to us to grant them a slightly longer time for payment, claiming that they were at present hard pressed to cover the financial requirements of their plant developments. It was agreed that Mr. Durkin would calculate the average time taken for shipments to arrive at the plant during 1963, to see whether a slightly later payment date would be equitable. When he has done this he will write to T.A.F.Ltd. giving their proposals in respect of new terms.

7. Mr. Meyer stressed the importance of A-C pipe manufacture to Certain-teed, since it was the one product of any importance which was not related to the U.S. building industry. It was therefore a valuable hedge against any recession in that industry. He said that they were always interested in developing new products of which we might hear, particularly if they were also outside the building field. They are seriously contemplating the erection of plants in certain South American and Central American countries and also on the island of Okinawa. They would probably instal pipe plants in any such countries, and I gathered Mr. Lanz was seriously interested in the possibility of using a machine capable of producing both pipe and sheets.

Mr. Lanz also told me that they are considering an extruded A-C material which would be used in the construction of prefabricated houses. This appears to be in the very early stages and in any case I was told that this development would only call for very short Canadian fibres.

8. Mr. Meyer gave me a copy of a report which Mr. Hutchcroft had recently prepared on the use of asbestos fibres in road building. I am passing a copy to Mr. F. P. Smith.

M. P. HOVE

MPH/AV
3. 2.64

PAP - HS(2)

Circulated to:
MFH/CEB/DEB/DNH

F44-46

TURNERS ASBESTOS FIBRES LIMITED

Meeting with Mr. R. L. Lanz and Mr. M. S. Davis
of Certain-teed Products Corporation
in Manchester on 24th April 1964

1. Certain-teed's stocks of African grades have recently been much depleted by (a) high production, due to buoyant demand, and (b) delays in transit from Africa to the U.S. West Coast and Gulf ports. Demand is expected to remain buoyant and Certain-teed not only need more fibre this year but also will increase their recently given long-term estimate, at least for 1965.

2. Apart from those grades now in use, Asbestos Corporation and Lake grades 6 and 7 are of interest to Certain-teed for production of low-pressure pipes, and Mr. Lanz asks Mr. Howe to consider T.A.F.'s attitude to this situation, bearing in mind that to be economic such grades should not cost Certain-teed more than 4½ cents per lb. delivered or about £32 per short ton (freight from Africa to C.i.f. U.S. Atlantic ports is $25.25, plus $9.75 to San Francisco). Mr. Lanz knows RAD/Y but doubts if it will suit; Cassiar AY is interesting and still under trial, but what appeals to him are certain Asbestos Corporation 6's (particularly Normandy EX-349) of which the list price is Can.$86.00 F.o.c. Mines. Cassiar AD is too dear. Mr. Lanz asked about "C&G/6" and I said samples of a new type of Shabanie Shorts would be sent to him soon.

3. As Mr. Lanz was clearly concerned about stock cover I said we were studying the long-term bids already made and welcomed the increased demand; in view of inevitable fluctuations in mine output it would be an advantage from our point of view if Certain-teed would consider other grades than C&G but so far this year I said output of C&G grades was up. Mr. Lanz said he was not necessarily against HVL grades and had a good recollection of VRA before it was split into VRA/G and VRA/X. Of Blue he said the order remained (1) TA/X, (2) TA/L, (3) Gefco S, but he would be interested to re-examine BT/AD.

4. In view of current heavy demand for both C&G/4 and HVL/4, I did not dwell on these but offered for 1964 another 500 tons of C&G/3 and 1,000 tons C&G/5. Mr. Lanz was rather critical of C&G/3, suggesting it contained too much longs and shorts and not enough middle; I said we were improving it for A-C manufacture by segregating the spinning fibre elements and stressed that we must keep to the principle of supplying "across the board". Mr. Lanz will arrange for orders to be sent to us by May 18th and these will include 10 tons of HVL/5 for trial; the 1,000 tons of C&G/5 are to be shipped in June, July and August (which I said should be possible), but there was some reluctance about C&G/3 and I wonder if the real problem here (although it was not discussed) is not price, bearing in mind that Certain-teed pay more for C&G/3 than for Cassiar AK and, although Certain-teed are taking more C&G/3 than any Eternit Company, that they are paying substantially more than the Eternit normal price, viz.

Certain-teed	3,220 tons	£73. 8. 0d.
Uralita	2,000 "	£63. 2. 6d. (net)
Eternit, A.G. Berlin	2,000 "	

recently been much depleted by (a) high production, due to buoyant demand, and (b) delays in transit from Africa to the U.S. West Coast and Gulf ports. Demand is expected to remain buoyant and Certain-teed not only need more fibre this year but also will increase their recently given long-term estimate, at least for 1965.

2. Apart from these grades now in use, Asbestos Corporation and Lake grades 6 and 7 are of interest to Certain-teed for production of low-pressure pipes, and Mr. Lanz asks Mr. Howe to consider T.A.P.'s attitude to this situation, bearing in mind that to be economic such grades should not cost Certain-teed more than 4½ cents per lb. delivered or about £32 per short ton (freight from Africa to C.i.f. U.S. Atlantic ports is $25.25, plus $9.75 to San Francisco). Mr. Lanz knows RAD/Y but doubts if it will suit; Cassiar AY is interesting and still under trial, but what appeals to him are certain Asbestos Corporation 6's (particularly Normandy EX-349) of which the list price is Can.$86.00 F.o.c. Mines. Cassiar AD is too dear. Mr. Lanz asked about "C&G/6" and I said samples of a new type of Shabanie Shorts would be sent to him soon.

3. As Mr. Lanz was clearly concerned about stock cover I said we were studying the long-term bids already made and welcomed the increased demand; in view of inevitable fluctuations in mine output it would be an advantage from our point of view if Certain-teed would consider other grades than C&G but so far this year I said output of C&G grades was up. Mr. Lanz said he was not necessarily against HVL grades and had a good recollection of VRA before it was split into VRA/G and VRA/K. Of Blue he said the order remained (1) TA/K, (2) TA/L, (3) Gefco S, but he would be interested to re-examine BT/AD.

4. In view of current heavy demand for both C&G/4 and HVL/4, I did not dwell on these but offered for 1964 another 500 tons of C&G/3 and 1,000 tons C&G/5. Mr. Lanz was rather critical of C&G/3, suggesting it contained too much longs and shorts and not enough middle; I said we were improving it for A-C manufacture by segregating the spinning fibre elements and stressed that we must keep to the principle of supplying "across the board". Mr. Lanz will arrange for orders to be sent to us by May 18th and these will include 10 tons of HVL/5 for trial; the 1,000 tons of C&G/5 are to be shipped in June, July and August (which I said should be possible), but there was some reluctance about C&G/3 and I wonder if the real problem here (although it was not discussed) is not price, bearing in mind that Certain-teed pay more for C&G/3 than for Cassiar AK and, although Certain-teed are taking more C&G/3 than any Eternit Company, that they are paying substantially more than the Eternit normal price, viz.

Certain-teed	3,220 tons	£74. 8. 0d.
Uralita	2,000 "	£63. 2. 6d.(net)
Eternit, A.G. Berlin	2,000 "	
(all other Eternit Co's are taking less than 1,000 tons)		

DEB/MCH
27.4.64

D. E. BUCKLEY.