



TO: J. Munder

GENERAL OFFICE

SUBJECT:

DATE: 10/21/80

Dear Joe:

I have been sent a copy of your call report of 11 September regarding Pure Asphalt and I'd like to comment.

The Celotex Corporation is a wholly owned subsidiary of Jim Walter Corporation as is Carey Canada; even though technically Carey is a subsidiary of Celotex it in fact has no management relationship whatsoever with Celotex. Both Celotex and Carey are independent profit centers and the policies and business relationships for each are strictly independent.

For example, Carey must compete with other asbestos mines for Celotex' business and the decision is made strictly on quality, service, and price. Carey doesn't sell to Celotex at a lower price than it does to other large purchasers.

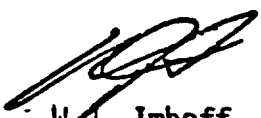
Management of Jim Walter Corporation will not become involved in the day to day problems such as the one you refer to in your memo. My view is that you must compete for business with other mines on the basis of quality, price, service and salesmanship. Celotex has its business to run and we will not attempt to influence their pricing and marketing policies.

My advice is that you continue to inform your "complaining" customers that Celotex is just another customer of Carey's. As you could not influence Lucas' or Pure's pricing policy versus its affect on Celotex you also cannot influence Celotex as to its affect on others.

As to the incentive program, we did not adhere to the written program for FY1980 and the program for FY1981 is being completely revised; however, not for your reasons.

Keep plugging away, Joe, you're doing fine.

Best regards,



W.J. Imhoff

WJI/ad

c: Mr. M. Prus