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GRACE

CONSTRUCTION PRODUCTS DIVISION

T. L. L

JUL 11 1973

TO: T. L. Lyall

DATE: July 9, 1973

FROM: H. A. Brown

SUBJ: MK3 for Hitchins in New Zealand

cc: W. M. Kinch/N.Y.
R. M. Vining
B. R. Williams

Before Bill Kinch left for Europe, he discussed with Williams an inquiry from Hitchins regarding our supplying them a finished Monokote from the West Coast made with our standard MK3 formula. Bruce advised him that this would not be possible because we were discontinuing the production of MK3 as a result of the new EPA regulations.

Bill apparently had some further communication with either his people in New Zealand or with Hitchins and was very disturbed with the necessity for taking this position. He discussed it with me in Europe. He felt he had to give an immediate answer. His concern was twofold:

1.) He had made an effort to convince Hitchins that MK3 was a good formula and the one he should use. He had also previously told him that our non-asbestos formula was experimental and we were not ready to release it for general use. Switching his story at this point made our credibility go down even further when it was already at a very low point.

2.) It was all of our desires to have Hitchins accept our proposition of using MK3 without being a licensee and at least to not divulge the MK3 formula.

He felt by taking the position that we could not supply him any MK3 made our other two objectives less tenable. Furthermore, he seriously doubted that even though he had had an inquiry that it would actually result in a purchase.

After going through this discussion, I decided we were better off to give Hitchins a price and tell him that we could supply. I realize this can be a nuisance and it probably will not be for a great deal of material, but I believe it can be done, if we have to, even though we would rather not. In view of this being pending, I would like you to retain enough asbestos on the West Coast to enable us to make 1,500-2,000 bags if the inquiry does eventually result in an order. I asked Kinch to try to set some time limit with Hitchins in terms of our ability to supply.

done 8/11/73

HAB/cgr

PLAINTIFF'S EXHIBIT A-116.5

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