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IN THE COURT OF COMMON PLEAS OF ALLEGHENY COUNTY, PENNSYLVANIA

CIVIL DIVISION

ANTHONY A BARBER, et al.,
Plaintiffs,
v.
PITTSBURGH CORNING CORPORATION, et al.,
Defendants,
v.
COMMONWEALTH OF PENNSYLVANIA, et al.,
Additional Defendants.

LOUISE CAULKINS, GLADYS A HASKINS,
Plaintiffs,
v.
PITTSBURGH CORNING CORPORATION, et al.,
Defendants.

DARLENE SMITH, Executrix of the Estate of Raymond D Smith, Deceasec,
Plaintiff,
v.
PITTSBURGH CORNING CORPORATION, et al.,
Defendants.

G.D. Nos. 79-21544, 81-20381, 81-20383.

Deposition of Mr ANTHONY JOHN WYNDHAM OWSTON, produced, sworn and examined the 22nd day of August 1984 at the offices of Messrs Linklater & Paine, 59-67 Gresham Street, London, England.

Marion Thompson, deputising for Walter H Clark of 24 Chancery Lane, London, WC2A 1LS, England, acted as reporter.

on behalf of Anglo American of South Africa (North America) Inc. -- did I get that right?

A I think so, yes.

MISS JACOBY: Either Inc. or Ltd.

MR McGRANN: -- did you conduct any business on behalf of Charter while you were in the United States?

A No, I can't recall it. I may have done. We were an office that was available to anybody in the broader group. I hope it is understood as to what we mean by the broader group. I mean it is Anglo, Minorco, or whatever it may be.

Q Why don't you give us the parameters of that broader group?

A It is any company that is effectively within the overall control of the Anglo American Corporation. We were there as a representative office, and I am quite sure there would have been occasions when something would have been asked, of a very trivial nature, just getting an annual report for somebody or something like that. I can't recall anything we did that was important to the business of Charter. Almost everything was important to the business of Anglo American.

Q Let me go back to what you were talking about, before I go on, about the broader group. Could you list for me what you consider to be the companies which would be contained within that broader group?

MR POLAK: Now or then?

MR McGRANN: Let us start with then, and then we will move

W. H. CLARK
COURT REPORTER

on to now.

A Then, the Anglo American Corporation, De Beers and Charter Consolidated were the three essential companies, and the significant point about Charter was that it was outside South Africa and therefore it was the base by which I think they hoped that they would develop their international business, i.e. external to South Africa. Since then, a number of things have changed. They have established a very large holding company in Bermuda, Minorco, which now actually conrols their interest in Charter.

Q Whose interest, Anglo American's?

A Well, it is Anglo and De Beers. I can't answer who actually controls. If you ask me who controls Anglo American? Is it De Beers or Anglo American? I don't know the answer to that. I think Minorco is undoubtedly the new constituent in what I would regard as the broader group, and the Anglo American end of it through Minorco in North America is something that I am simply not aware of these days. It is a territory unto itself. They have also developed a major business in Brazil which we don't participate in.

Q What is the name of that business?

A Ambraz is the name by which I know it, but it may have a fuller corporate name.

Q So you would consider today that the major constituent companies of the broader group would be Minorco, Anglo American, De Beers and Ambraz?

A I think that is right.

Q Is there anything else that you can think of within that broader group?

A Obviously inside South Africa there are dozens of subsidiaries in all kinds of activities. I am very far removed from it, so I am really not the person to answer those questions. The only other area we have not touched on is Australia, where the Anglo American have got an exploration activity which has cost a great deal of money over the years. I think that is it.

Q Each of these companies that you have been mentioning as members of the broder group would have considerably numbers of subsidaries of their own, would they not, much as Charter does?

MISS JACOBY: If you know.

A I just don't know. I can speak for Charter, obviously. I can't speak for Ambraz. I can't give you the answer.

MR McGRANN: Well,through the course of your career you have been at least with Charter and Anglo American at different times. Is that correct?

A Yes.

Q Isn't it true from your personal knowledge of your employment with those two companies that each had a considerable number of subsidaries in which the business was internally run?

A Yes.

Q I take it what you are saying is you are not sure whether De Beers, Minorco and Ambraz are run the same.

way. Is that right?

A Yes.

Q If I can focus your attention back to the 1966-69 period again, could you tell me what the principal interests of Anglo American were in the United States at that time?

A The outstanding interest was the Hudson Bay mining and smelting investment which was bought from the Witney trustees and ultimately was transferred to Canada, but at the time I went out there it was still the New York based investment because it was acquired from the Witney family. While I was there there was a very long negotiation for the acquisition of what added up to a controlling interest in Englehard Minerals and Chemicals. That had started as a private transaction between the two individuals Charlie Englehard and Harry Oppenheimer on a personal basis but it had reached, by the time I got to New York, a point where they were bringing the public companies into it. That took up a fair amount of my time. Apart from that, as I said earlier, it was very much a Jack-of-all-trades job. You did what you were told, and it could be important or it could be meaningless. I couldn't predict what it would be from day to day. There were a very great number of people passing through the office on general business for the group. One would help them if one could.

Q What would be the business of the Hudson Bay Mining investment?

A I would say mining and smelting. It operated a

RECROSS EXAMINATION by MR McGRANN

Q How could you evaluate the Cape investment of Central Mining witbout analysis of its subsidaries in 1965?

A Because Cape had a market quotation. It was that superficial. We were simply asked to look at the basic concept of putting these companies together, and as far as Cape was concerned it was straightforward; you just took the market price.

Q All you did was take the quoted market price?

A Yes, nothing further, and that was the same with all the other assets. It was that rudimentary.

(A short recess was taken)

CROSS EXAMINATION by MISS JACOBY

Q Mr Owston, in your testimony you spoke about the broader group. Could you give us a background description of the involvement of Anglo American in mining syndicates over the years?

A That is about the toughest question I have had to answer all day. I think the answer to your question is that the South African mining industry has always been on a syndicate basis. They have spread the risk by getting together, even if they don't like one another, to open a new mine, and that has been transported around the world in the activities of the Anglo American Corporation. They have taken stakes in almost all the continents that I can think of, not necessarily with a view to control but simply spreading risk in the belief that something is going to come up trumps one day. Certainly, so far as Charter Consolidated is concerned, they have been a partner in most of the exploration activities we do. We run it ourselves, but they would take, for example, in Spain a quarter of the total cost; they take half of what is going on in Yorkshire, Cleveland. They have not been involved in Cornwall -- how wise they are -- and there is a pattern right across the whole scene.

Q What you call a partnership -- am I right? -- between Charter and Anglo American?

A There is a partnership in Cleveland, which is a 50:50 partnership. There is a partnership in Spain, which is 75:25.

Q Any others?

A I can't think of any others.

Q At the time Charter was formed, were there more or fewer partnerships than those?

A There would have been more. Don't ask me how many, please, but there would have been more. I mean, Charter at that point in 1965 was very much to be the international arm of the Anglo American Corporation, and for various reasons that I don't think we need dwell on here that role has dissolved. Minorco now effectively performs that role.

Q Are there any other respects besides these partnerships we have been talking about in which the relationship between Anglo American Corporation and Charter has changed over the years during which you have been associated with those entities?

A Yes, I would think that 1979 was a watershed in the sense that every five or so years they throw all the cards up in the air and we get a new deal. Undoubtedly in 1979 with the divestiture by Charter of its strategic holdings in Anglo American, De Beers and Anglo American Investment Trust, which in turn has an interest in De Beers, I think that was a very major step, and I think that since then it is absolutely clear to me, anyway, sitting on the board and the executive committee, that Anglo American interest, interference, whichever word you want to use, in the activities of Charter is minimal. I am not saying they don't care, but what they are effectively saying is "You run your own show". That is a great departure, because I think prior to that it was clearer. You can see that evidence by the chief executive. The chief executives prior to 1979 have all been South Africans. I am not saying that is good or it is bad, but Mr Clarke is entirely English and is doing his own thing, so I think it is a very different ballgame.
Q Are there any employees today of Anglo American at 40 Holborn Viaduct?
A I don't think so.
Q Is it a fair statement to say, to summarise your testimony this morning about 40 Holborn Viaduct and Anglo American, that 40 Holborn Viaduct is only a registered office for Anglo American?
MR McGRANN: I object to the form of the question.
A Yes, I think that is fair.

MISS JACOBY: Does Anglo American pay a fee to Charter for the services which you testified Charter renders to it?

A Yes, it does.

Q I believe it is unclear from your earlier testimony: do you know what percentage of Rand Mines CMF owned in 1965?

A I don't know the answer to that.

Q Do you know whether Charter owns any interest in Rand Mines today?

A I don't think they own anything at the moment

MISS JACOBY: I have no further questions.

FURTHER REDIRECT EXAMINATION by MR PETRAMALO

Q What was the motivation for the divestiture and the watershed in 1979?

A The straight answer is I don't know, because it was way above my head.

Q What have you heard?

A I think -- or can I put it this way, my speculation would be --

MR POLAK: Don't speculate.

A Well, I don't know is the answer.

MR PETRAMALO: Well, go ahead and speculate.

MR POLAK: No, there are to be no guesses here.

MR PETRAMALO: Why not?

MR POLAK: Because we don't guess on the record.

MR PETRAMALO: The scope of the inquiry is anything that might lead to the discovery of admissible evidence, and