St. Louis - General Office

January 21, 1969

AROCLOR - CHOWDHURY

H. S. Bergen - HBERG
P. G. Benignus - PBENI

→ LR
xerox to
C. Reid / P. Sam.

E. Greene - EGREE
St. Louis

Naturally, we would wish to discourage any Chowdhury interest in the manufacture of Aroclor. The proposed plant of 5000 tons is basically not an economically attractive proposal. The market is much smaller than this, the economics of biphenyl would be adverse, and there are a number of large, efficient world producers. In addition, as you know, the Indian industry is now favored with low prices for their Aroclor.

The key must be the attitude of the Indian government and we need background on their views before deciding on a course of action. Is the government activity supporting them, do they really want to underwrite the cost of an uneconomical, low producing plant, how would biphenyl be handled, what would happen to duties, etc? I don't see where the country would gain, as compared to their present position, and feel we need to both find out their views and simultaneously sell them on not undertaking this.

Don A. Olson

DAO/mms

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