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PLAINTIFF'S
EXHIBIT
CT-123

CERTAIN-TEED PRODUCTS CORPORATION

Notes on General Discussions
London - 16th/17th June 1975

Present: Mr. W. E. Gatewood
Mr. R. W. Miltz
Mr. M. F. Howe

1. Review Meeting

Mr. Gatewood referred to the useful review meeting which took place in Valley Forge last June when Messrs. Christian and Smith were also present. It had then been agreed that a similar meeting should take place in 1975 and he hoped that this could be arranged. I said that I expected to be in Canada in the late summer or autumn and we agreed that a meeting should then take place either in Valley Forge or in Montreal.

2. Market Situation and Future Fibre Requirements

The pressure pipe market was said still to be very dull, although they were hopeful that signs of recovery would appear soon. It was quite apparent that no fibre shortages now operate for 1975 and a tentative forecast of their requirements for 1976 is 32,000/35,000 tons of Chrysotile and 3,100/3,800 tonnes of Blue. These figures are markedly lower than the forecast earlier in the year, although Mr. Miltz stressed that, should business revive, these estimates might be raised. They will be carrying out their normal fibre review in August.

Mr. Gatewood explained that the present concentration on large diameter pipes was producing some production bottle-necks which resulted in lower fibre consumption. He added that recent fibre price increases were causing them to consider lower fibre contents and the utilisation of shorter fibres. For economic reasons they were also reducing the

Blue proportion in their total mix, although they realise that this might have to be reversed if future supplies of Cassiar fibre (particularly CT) are reduced. They are alarmed at the closure of the Clinton Mine and still hope that the decision might be reversed.

I mentioned their long-term requirements which in our recent Chrysotile exercise had been placed at 44,000 tons in 1976, rising to 47,000 tons in 1979. Mr. Gatewood thought that, in the light of current prospects, these figures were on the high side and suggested that we should perhaps reduce them by 3,000 tons in each year, from 1977 onwards.

3. Midlothian MC-200

We discussed Midlothian MC-200 and I mentioned the encouraging results obtained by TAC in their works trials. Certain-teed are expecting a car load of the grade from United Asbestos shortly and they will carry out tests as soon as possible. I mentioned the desirability of opening up the fibre to the maximum extent in order to obtain the best reinforcement characteristics, and the good filtration properties which undoubtedly will be of interest to Certain-teed.

We agreed that for the present it would be prudent for us to carry on separate negotiations with United Asbestos but to keep in very close touch on the subject.

4. Pacific Asbestos

Mr. Gatewood said that there had been no recent developments about the Pacific Asbestos Mine and believed now that it was unlikely to be re-opened.

5. Russian Fibres

They have been impressed by the consistency of shipments during 1975 and Mr. Gatewood confirmed that the most promising results were coming from P5. I gathered that in their negotiations in Moscow they had agreed on prices which would give the same delivered price as would apply to equivalent Quebec grades, although I am not sure how they made comparisons between the Russian and Quebec grades. It is interesting, however, that the Russians apparently did accept this approach as a basis for agreeing prices.

Mr. Gatewood mentioned that Soyuspromexport representatives may be visiting U.S.A. to negotiate the 1976 contract and that this would probably replace their intended visit to Moscow. He also referred to test data on Russian fibres supplied to them by Johns-Manville and promised to let us have a sight of this.

6. Chinese Fibre

I mentioned the present position and agreed to keep them informed of our progress. Mr. Gatewood said that, according to information he had, the Chinese were prepared to be flexible on price. This view is contrary to that expressed by Mr. Tolson but, if correct, could make the prospects for Chinese fibre a little better.

7. Payment Terms

Recently I had written to Mr. Timpe about their not complying with the terms that had been agreed at the beginning of 1975. Mr. Miltz said that Mr. Timpe had mentioned the subject to him and was investigating why they were not keeping to the arrangements made.

M. F. HOWE

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