

MEMORANDUM TO FILE

RE: Jack Fallon

FROM: McNeill Smith

DATE: February 26, 1973

I spent all day Saturday, February 24, with Jack Fallon. I met Dick Stohr about 7:10 a.m., and we picked up Fallon and talked through breakfast and then talked all day long, and I caught the plane at 7:00 p.m., having left Fallon at about 6:00 p.m.

(1) Jack seems to be a good man. He is not the fastest person in his thinking. I know he was mystified and hurt by the way he was side-tracked in August, 1971, and given work which was not very worthy in his eyes and not very happy for him so that in effect he was permitted to look elsewhere for work, which he did.

(2) He was not sales manager but for a very short period of time (1969-1971).

(3) When he instituted the policy of restricting sales of Therminol so as not to sell them to food cooking applications after July 31, 1970, he definitely had in mind human food cooking applications. He thought these were not a big or profitable line of business for Monsanto and he thought that the sales ought to be pushed in heavy items, like ore handling. As a secondary reason, he also considered the possibility of leakage into human food. Although he had never had brought to his attention but two such cases of leakage into human food (Mrs. Pauls and Jiffy Foods--check this against the transcript) and although in both instances the customer recognized the problem of adulteration and did not ship the goods so that no human being was hurt and no human being so far as he knows ingested any of the food, he thought it was not a good thing for Monsanto to be selling a product that did have some environmental questions about it to human food cooking applications. *Jack also indicated that he had some knowledge of the Japan rice oil incident.*

(4) He did not consider the policy as restricting sales to operations that were making fertilizer or animal feed. When in the spring of 1971 he heard about Commodity Pasteurizing he first thought it was some kind of commodity edible by human beings and the pasteurizing name made him think it might be some kind of human food pasteurizing operation. When he found out it was fish meal in May, 1971 (about May 14) his first thought was that

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it was a food additive (that is a human food additive) and therefore that the plant ought to shut down. He is not certain that he knew that the food was going into animal feed. Had it been fertilizer he would have given it no thought at all and would have gone ahead and sold the Therminol.

(5) At one point in his statement to me on Saturday, he talked about the policy being in the process of changing in May, 1971, as a result of the discovery of Commodity Pasteurizing as a customer. We will need to explore this further with Mr. Fallon before his deposition. He firmly held to the position that there was no policy restricting sales except for human food applications. There was no restriction on sales to processors of feed ingredients for animal feed.

(6) Jack's knowledge within the trade and within the company is not very far reaching. I see no point in trying to fill him with a lot of other possible information which he didn't know about at the time he was with the company. I think he should be refreshed before he testifies with plenty of opportunity to look at all of the documents that he signed that he may be asked about.

(7) He is still convinced that there was some effort ~~to~~ to get someone to go through the files and destroy papers. However, when I pressed him on this for names and dates, he could not remember anything: No one ever told him to destroy anything; he never heard anyone give instructions to someone else to destroy any papers. He says that Roder came to him and told him that he had been picked as the one to be responsible for "this" or "it" and it was very hard to find out what Fallon was talking about when he talked about "this" or "it" and I gathered that what he thought was that somebody was trying to get someone to go through the files and weed out or destroy papers which he described as papers that might be injudicious or questionable. However, he was perfectly clear and adamant that he had told Roder not to destroy anything and that if someone told him to go through the files and collect items, that was all right, but under no circumstances to destroy any papers, and he thinks that order was carried out. This, of course, is fine from our standpoint. I can't conceive of anybody in a case of any kind, but especially in one like this, giving any instructions to destroy papers and especially delegating it to someone who had no idea what might be relevant or irrelevant and what might be prejudicial or not prejudicial, questionable or not questionable.

(8) We need, however, to get Fallon thoroughly satisfied on this point because it is like an obsession with him or a cross hanging around his neck, and we certainly don't want him to get on the stand and try to confess to something that never occurred.