

H. S. BERGEN - ST. LOUIS

FEBRUARY 9, 1970

P. G. BENIGNUS
P. MARSH - BRUSSELS
D. A. OLSON

YOUR MEMO 11/30/69 AROCLOR EXPORT
YOUR MEMO 2/2/70 AROCLOR 1242 CERTIFICATION

J. R. DURLAND - TOKYO

In your December 30 memorandum, you request our assistance in moving approximately 200 tons of Aroclor for export to help reduce your costs.

We have two ideas on this subject, one of which is well underway.

The first one is with regard to sales to India. By working through Mindia (Dr. S. P. Adarkar and V. L. Narayan) and acting in a coordinated fashion, I think that we can get all of Heavy Electrical's business as well as many of the other customers there. The selling prices and marketing in India is indeed peculiar because it depends upon what type of funds are available. As I understand it, when Japanese funds are available or when they want to buy from the lowest priced source in rupees, they then turn to Japan and the prices then work out somewhere around 17 or 18 $\frac{1}{2}$ pound. We certainly will utilize MNK for this sort of pricing and business. The other part of the market is when they have AID funds for U.S. material or Pounds Sterling for U.K. material, in which case they will have to buy from the U.S. or U.K. regardless of price. We are currently making a bid at Heavy Electricals for all of their business and we intend to get this for overall Monsanto one way or the other. We will ship to them according to what funds they have and what competitive prices we have to meet. Likewise, we will use this same approach at other accounts and we do intend to be aggressive in India because we are going ahead with a letter of intent to put up a plant in India, hopefully, in 1972 or 73 and we want the market well indoctrinated with the Monsanto name and quality of material.

The other thought is with regard to Red China and here we have had some discussions with our Law Department and attached is some correspondence which Don Olson received from Fred Whiting on this subject. As I interpret this, if you were to use biphenyl from either Japan or from the U.K. (Monsanto) you could chlorinate and supply Aroclor direct to Red China from MNK. I would suggest that you proceed

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to investigate further along these lines through MOFEL organization's Horace Ishijima or Katayama and Joe Culver.

With regard to Russia and the eastern Block, we are currently selling material over there from the U.K. As requirements grow or if there is an opportunity we will certainly keep your source in mind.

Attention Peter Marsh: please keep this under consideration.

With regard to Australia, at the moment we prefer to keep this from U.S. sources or U.K. sources because of quality problems and some involvement with a product called Pyranol P-2. Prodelac has recently taken some business from us in Australia on some sort of a combination arrangement and since we do have our own marketing people right there in Australia, we like to continue to follow this. If the pricing gets too rough, however, we will certainly keep your low freight costs in mind.

I hope we are successful in getting some short range business at HEL in India. Perhaps we will hear a favorable word on this in the near future.

Best regards,

HOWARD S. BERGEN

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Attachment

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