

ETHYL GASOLINE CORPORATION

25 BROADWAY

INTER-OFFICE
CORRESPONDENCE

NEW YORK February 25, 1927.

Dr. Robert A. Kehoe,

Dear Dr. Kehoe:

I would like to discuss with you the various matters referred to in your letter of the 14th.

First, as to samples of ETHYL fluid which are being taken at mixing points for analysis.

You may know that the Indiana Company has presented claims against us amounting to approximately \$ 20,000. for alleged shortages in lead content of ETHYL fluid shipped to them during the past six months. Unfortunately some of these shortages are of value due in the first instance to the fact that several of the samples were taken from old fluid which had been stored at Dayton for upward of a year; secondly, and most important of all, certain samples were taken from 3-J mixture made at Deepwater, which contained acid in the dibromide which caused precipitation of lead to an appreciable extent after it had left Deepwater.

This latter gave us a great deal of trouble at the time and we have had a lot of powwows with the Dow people about the quality of the dibromide. Unfortunately the precipitation did not manifest itself seriously until after it had been mixed with tetraethyl lead and stood for some length of time. We did not know about this at first and it was only caught up after reports of appreciable precipitation at several mixing points of the Indiana Company.

I discussed this matter with them in Chicago during the early part of February and suggested that this Company would reimburse them for the expense involved in sending a chemist to the Deepwater plant to pass upon the quality of our product before it was loaded on cars. This, they absolutely refused to do on the ground that they suspected that the product was alright when it left Deepwater; that they were, of course, interested in its quality when it reached their mixing points and that they were not bound to accept it at place of origin, rather at point of delivery.

I have since then gone into the subject here with their chemist, Mr. Bob Wilson, who is of the opinion that the material they are now getting is the only clear ETHYL fluid which has been received at their mixing points. I told him that we knew that we had the dibromide acidity licked to the point of being able to tell it before it was mixed with tetraethyl lead at Deepwater. He is inclined to the same view and I believe is quite willing to

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reduce to a minimum the number of their chemists hereafter to be employed in taking samples and making analyses. However, I confess from my talk with him as well as in Chicago, that the Indiana Company will still insist upon keeping up a certain kind of check on us. I don't see how we can avoid their doing so if they are insistent and should still refuse to take delivery thru a chemist stationed at Deepwater, but if this should be their attitude then we also can insist - and should - upon the examination of their chemists and any others in their laboratory who have anything to do with the concentrated material. I think we can get them to see the advisability of limiting these to not more than one-half dozen men or boys at and including all points.

I expect to be in Chicago the early part of March for the purpose of reaching a definite understanding about these alleged shortages, the way of handling it in the future, etc., and I hope to be able to work out an arrangement which will be a decided improvement over present conditions.

Second, that in reference to the small mixing plants.

I heartily agree with you that a small plant is apt to give us a great deal more trouble than one of the size and importance of, say Atlantic. The small fellows are in most cases not well equipped to take care of business of this type. They are more apt to get into slovenly habits, etc. This, too, is a matter difficult to handle. We have more than once announced publicly and in print that it was our intention to make contracts for mixing with big and small refiners alike. One of the real knocks in the industry against us is that we have heretofore with few exceptions confined our contract relations with large concerns to the detriment of the small ones. It has even been said and confirmed by managers of small plants that if we refused to make it possible for them to mix ETHYL Gasoline they would be obliged to close their plants. This, of course, applies chiefly in those sections like western Pennsylvania where anti-knock fuels have such a strong hold. The customers of these small plants are not going to continue to buy their products from the small plants if they can't furnish them with ETHYL Gasoline. The larger companies use this weapon of having ETHYL Gasoline for sale to take away the other business from the smaller plants. The result is that the small fellow may well get squeezed to death if some arrangement for mixing cannot be worked out. There are many phases of this particular problem which need to be washed out and carefully handled before any decision should be reached by us closing down on the small plants. We can, and I think should, favor the larger mixing facility points where there are adequate facilities. It may be that in the course of time we will be able to develop even a better method of mixing at small points than that in vogue today. Then, too, it is obvious that we should keep the number of mixing stations down to as low a point as possible in the scale of number. If we do this it is apparent the more large stations we have the greater will be our facilities to distribute ETHYL Gasoline.

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We will bear in mind your suggestion of keeping down the number of small points as much as possible during this year but we ask you to please bear with us if we should from time to time make contracts with the little fellow here and there.

I think that our policy in regard to not discriminating might be carried out effectively by our rigid enforcement against the little fellow of each and every rule we have for mixing, and also the inclusion of installation even though substantial in order to carry this into effect.

Third, the shipment of small cans of ETHYL fluid for experimental or testing purposes.

Since August there has been shipped for such purposes the following:

Oakland Motor Car Company	8	
C. F. Kettering	4	
Union Oil - California	6	
Associated Oil - California	3	
Frank Elliott	48	
Automobile and motor boat racers (other than Frank Elliott)	12	
General Motors	<u>364</u>	
Total	445	Liter Cans

Frank Elliott is a race driver and employed by us to mix ETHYL fluid with gasoline for the automobile racers at the various tracks, and only he and the General Motors Corporation have received enough liter cans from us, as indicated, to be in position to pass out a few without our knowledge. It is certainly doubtful if Elliott has done this.

With reference to General Motors, all of these cans were shipped to Mr. Boyd at the Research Laboratories, Detroit, and were used other than the supply he now has on hand for the purpose of enabling the various units of General Motors to run very extensive valve and high compression tests over a period of months during the past Summer and Fall, in fact right up to now.

We have been extremely niggardly about allowing anybody to have these cans of concentrated fluid and in the few cases that we have passed them out directly to automobile and motor boat racers, we explained by letter in detail the dangers to be apprehended and in each case have gotten a letter from the recipient stating that he understands the dangers and assumes all liability and expressly releases us from any damage.

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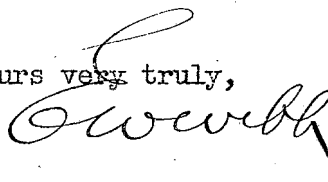
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I will be very glad when you are in New York to discuss these various matters further with you. Certainly all of them are of the utmost importance and I am glad that you called them to our attention.

I have been away a good deal of late and didn't hear about your operation until it was over and you were on the road to recovery. Am pleased to know you are progressing so well.

Kindest regards,

Yours very truly,

A handwritten signature in cursive script, appearing to read "R. A. Kehoe", written over the typed name "Robert A. Kehoe".

CH

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