

Curtailment of Natural Gas

Curtailment of natural gas supply would have seriously reduced our production levels at Cleveland and Mt. Braddock had we not implemented a propane installation cost at Cleveland and utilized more fuel oil at Mt. Braddock. These moves did not restrict our production capabilities, but did increase our utilities costs by approximately \$300,000. At present the purchase of gas in Texas to transport to Mt. Braddock and purchase of additional natural gas in Ohio are under investigation.

OSHA/EPA Requirements

The three major problems areas, namely asbestos, effluents and dust had been tackled during 1975 by the reduction of asbestos, but to date still not totally asbestos free, and the installation of a water reclaim and bulk silica handling systems.

- Major Projects Undertaken in 1975

Due to the sales and profit decline a people and expenditure reduction program was implemented in order to minimize the profit shortfall, Cleveland Plant being the most significant contributor by reducing headcount, expenses and material losses.

Cuyahoga Pattern Division was established in July by acquiring the people and assets of Cuyahoga Pattern Company to protect our cheap source of tooling.

Work is underway to complete the Mt. Braddock expansion plans to facilitate Garnex and Desulfex production.

The Old New Mexico Fluorspar Company defaulted on the agreement for purchase of the Greenleaf mine and resulted in Foseco repossessing the mine. A two-month option to purchase has been granted to the British Mining Company. It is hoped that the property will be sold by year end.

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