Monsanto

H. S. BERGEN - B2SL

ON (NAME & LOCATION)

TE

January 21, 1972

cc: W. R. Corey
T. L. Gossage
J. F. Stapleton - B2SA

IBJECT

PCB PROGRAM IMPLEMENTATION EUROPE/
TELEPHONE CONVERSATION TODAY WITH
JOHN MASON & PETER MARSH

FERENCE

F I L E

The following has recently occurred regarding the PCB policy implementation in Europe:

All area managers and field salesmen have recently met in Brussels. The exact and complete policy was laid down, point by point, with handouts and exact cutoff dates. Termination letters have been approved by the Legal Department in Brussels and letters were handed to the salesmen. They will be translated by the various area managers and approved by local legal counsel and mailed out mid-next week. Peter Marsh is writing us to define all of this in greater detail and will send along copies of the handouts.

I advised them of the decision in St. Louis yesterday to have the lawyers work out the German mines matter to the best possible situation for Monsanto. ATTENTION STAPLETON--this is an urgent matter and I assume you will handle this with Tony Claeys and Keith Fletcher.

Regarding dielectrics, the Monsanto UK lawyers are working on reviewing the need for a hold harmless letter and the laws in the UK relative to same. I advised Peter we now have officially until March 31 to resolve the whole dielectric matter.

They have taken a quick financial look at what they need to maintain a viable business out of the Newport Plant. Preliminary numbers indicate they need at least the UK business in dielectrics plus a large amount elsewhere such as Eastern Europe. Otherwise the investment will be unattractive. Peter mentioned they recently received a 600 ton order from Russia and we discussed briefly how we get a hold harmless letter in Russia...not to any avail.

With England joining the Common Market tariffs will be out by 1976 in the U.K. However, Peter feels a strong local preference will still secure Monsanto as a supplier there if we remain in business. We must, however, resolve sales to the other parts of the World out of the Newport Plant and get enough volume of business to keep this plant going.

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ATTENTION STAPLETON: What recommendations do you have on how we should consider sales to Russia?

With regard to warehouse stocks, they have identified every drum in stock in every warehouse. The salesmen have all been advised of this and told to sell as much as possible in January.

Peter estimates that with these new policies his budget is over stated by $1M if he can no longer sell the German mines. If we can continue to sell the German mines for this year, the budget is over stated by approximately $1/2M. (While we cut the budget we did not cut it drastically enough based on the latest policy implementation.)

Peter reported the salesmen, in general, were rather stunned at the situation but they have explicit instructions and will carry them out. There is considerable uneasiness among the salesmen about SARE cuts and reorganization.

H. S. BERGEN

/jf

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