

cc WAM

Notes of a Phone Call
From P. J. Raleigh
Re Arsenic Sales
January 26, 1979

He reported back on his trip to Pittsburgh with Tony Desanti yesterday and said that Koppers didn't like our proposal. They met with Hite, Beattie, Ken Douggan and John, their research man, from 9:20 in the morning through lunch to about 2:30 in the afternoon. The mood was sombre and Hite did most of the talking. He said that Hite had a copy of his letter on the desk and had written across it in large letters "No Deal", which Pat assumed he was supposed to see.

Koppers are prepared to be a customer but they are concerned about the high iron in our arsenic. They feel the arsenic will require a major clean-up and this will cost somewhere in the area of 4¢/pound. The iron causes a sludge formation on preserved wood which would mean an environmental problem for those handling the wood.

Koppers is looking at ways of cleaning up the product and would also like to see what Giant may have in this line. The decision would have to be made as to whether the clean-up should be done at Giant or at their plant in Georgia.

They didn't like the pricing formula and felt that the three-year period was too short to be attractive. They want a longer guaranty period and even suggested buying all the material.

Pat Raleigh says that we shall continue our investigation of the up-grading plant. It looks like it might be as much as a \$900,000 investment but market is such that there should be a 25% rate of return before taxes.

There was some discussion as to the possibility of Koppers being an agent for the sale of our material in addition to taking the material for themselves. In this way we would get around any environmental aspects of the transportation in that they would take delivery at our plant.

Pat stated that Desanti is going to do a closer study of the market to see what other customers are available.

If we do go for purification, we may have to build a trans-shipment facility at Hay River. I indicated I would prefer to see any customer take delivery at trucks in Yellowknife to get around any environmental problems we may have on the highways. Pat felt that if we got Koppers involved in the transportation end of things then it would be in the hands of acknowledged experts and this would eliminate most of the environmental hazards that Giant Directors may object to. Koppers may also be able to drum up sales but they would be looking for an incentive to do this.

We discussed a possible visit by Raleigh to talk to the Con people. He said he could not make it next Thursday when MacPhail and Gowans are supposedly available for a meeting. Gigerich will be out of town next week and also leaving February 19th to March 12th.

Raleigh suggested then that W. A. Moore and I meet him in Toronto but in the meantime would try to see if there was any other way we could get him up next week to talk to the Con people with WAM.

We discussed Billing's suggestions that Giant make a press release on arsenic sales. Raleigh felt it was much too premature as we are still in the talking or exploratory stage. There is no deal now as a result of the iron in the product and it's going to take some research to straighten this one out.



D. J. Emery

/vb