PLAINTIFF'S EXHIBIT

UC-2651

INTERNAL
CORRESPONDENCE

UNION CARBIDE CORPORATION ROBINSON PLAZA 1 ROUTE 60 PITTSBURGH, PA 15205
METALS DIVISION

To (Name) Mr. J. T. Kelly
Division UCC - Metals Division
Location Danbury, CT
Area J-1

Date November 7, 1983

Originating Dept. Calidria Asbestos Sales

Area

Copy to G. M. Lincoln, Jr.
J. L. Myers
T P. Norris
W. C. Thurber
--- J. E. Walsh

Subject 3rd Quarter Sales Summary

I-6

Attached are reports summarizing commercial, distributor and export sales for the third quarter of 1983. Also included is Mr. Fukuma's quarterly report and a copy of the Calidria sales summary covering the first three quarters.

G. L. Dickson

GLD:vad

UC 149.2 (780)

INTERNAL CORRESPONDENCE

UNION CARBIDE CORPORATION

100 OCEANGATE, LONG BEACH, CALIFORNIA 90802

To (Name)	G. L. Dickson	Date	October 4, 1983
Division	Metals Division		
Location	Niagara Falls, NY	Originating Dept.	Metals Division
		Answering letter date	
Copy to	J. E. Walsh, Atlanta	Subject	COMMERCIAL SALES 3RD QUARTERLY SUMMARY MARKET DEVELOPMENT LITERATURE UPDATE

Third quarter sales results were above budget as summarized in the following: (refer to attached table for details)

	TONS	$ M
through June 30, 1983	5,253	1,134
July	712	182
August	941	141
September	1,199	195
3rd Quarter Total	2,852	518
Total through September 30, 1983	8,105	1,652
% Budget	139	127

TILE GRADE PRODUCTS

Strong tile sales continue at Kentile Floor Inc. and it now appears as though the Construction industry will maintain above average activity at least for the balance of 1983. An unexpected order for 315 tons SG-103-5 for the Chicago plant was shipped in September and accounts for the unusually high monthly tonnage figure.

SG-200 AND RG-100

Above budget sales continue at RCA and Colonial Rubber. Both companies should be above budget at year-end. A one ton evaluation of UNIVIS at RCA Rubber Co. was successful and is encouraging them to switch over to mini-pellets.

HPO

Above average sales at Tremco plants should continue with HPO showing strong sales gains at the expense of SG-130. During the 3rd Quarter, Tremco, California, switched from SG-130 to HPO. This was done to accomodate a request from Tremco, Cleveland, Ohio.

RG-244

Poor sales results continue to plague this product with no apparent turn-around in sight. Improved operating conditions in the Automotive and Construction industry should return this market area. close to FCST IV by year-end.

MEXICO

No progress made at LOSETAS ASFALTICAS, S.A. but we continue to expect sales by year-end.

Euzkadi, S.A. was shipped two pallets SG-103-7 in September. It is expected that a trial will be run late in the 4th Quarter.

MARKET DEVELOPMENT

No active projects under consideration.

LITERATURE UPDATE

RG-244 brochure is in the final stages of revision. Printing is expected during 4th Quarter.

A copy of my quarterly expenses is attached.

T. P. Norris

T. P. NORRIS

TPN:sm

-0183B-

QUARTERLY SALES REPORT

1983 THIRD QUARTER

Product	Quarter		YTD		Budget		% Budget	
	T	$M	T	$M	T	$M	T	$M
SG-100/103	735	110	2504	375	1650	233	152	161
SG-104	1672	217	4125	537	3000	384	137	140
SG-130	1	—	46	11	60	12	77	92
SG-200	180	34	480	90	360	66	133	136
SG-210	26	8	62	18	45	11	138	166
HPP	20	5	47	13	45	11	104	118
HPO	104	31	254	74	171	45	149	164
T-135-O	—	—	—	—	—	—	—	—
CG-135-P	—	—	—	—	—	—	—	—
RG-100	64	54	384	323	288	230	133	140
RG-110	23	7	78	25	93	26	84	96
RG-144	18	16	99	89	66	50	150	178
RG-244	9	36	25	97	68	233	37	42
UNIVIS	1	—	1	—	—	—	—	—
CSV			—	—	—	—	—	—
SHUR			—	—	—	—	—	—
Total	2852	518	8105	1652	5846	1301	139	127

UC 1492

INTERNAL CORRESPONDENCE

METALS DIVISION

4625 ROYAL AVE., P.O. BOX 373, NIAGARA FALLS, NEW YORK

To (Name) G. L. Dickson
Division Metals Division
Location Pittsburgh, PA

Date September 30, 1983

Originating Dept.

Answering letter date

Copy to T. P. Norris - Long Beach

Subject: CALIDRIA Distributor Sales
Third Quarter Summary

ACTIVITY

Quarterly activity started with a sales trip to Florida and included a stop off at Disneyworld to look over, gather cost data and set up tentative dates for a distributor seminar next year. In mid month a business review meeting was held with American Industrial who have not progressed as well as Lenape Chemicals our other new distributor last year. So far American has been unable to generate new business for us in the southeast which they claim is because of the hardened attitude toward asbestos in the south. A meeting was held with Phillips Petroleum in Bartlesville to explore the possibility of our becoming a second source of supply to them. Although the lab evaluations showed we were less efficient than the Flowsall they use we are not completely out as our west coast plant offers reduced freight costs to them for their off shore markets. After the stop off in Oklahoma the balance of the week was spent in Arizona with D & F distributing following up on buying accounts and working prospects.

The first week in August was spent on vacation and the montly activity began with a sales trip to Harrisons & Crosfield's sales offices in Toronto and Montreal. Reviews were held at each office followed by joint calls in the field and arrangements were made to return in October to put on seminars in both offices tied in with the National Coatings Convention in Montreal. The end of the month included a sales trip with Alex Callas of the A. T. Callas Company, to Chicago, Milwaukee and Minneapolis calling on buying accounts and past and present working prospects.

September activity began with conclusion of the midwest trip with A. T. Callas and was followed by our Forecast 4 sales meeting in Pittsburgh. September activity concluded with sales reviews and joint calls with D & F Distributing personnel at both their Houston and Dallas sales offices. During the Dallas portion of the trip the Texas Refinery account was turned over to them in hopes that their increased call frequency will mean an increase in our sales at the account.

PERFORMANCE

Third quarter activity was a upturn from the second quarter with September tons the second highest month this year and the dollars the yearly high. An initial breakthrough was made in the sale of UNIVIS and Telnite off shore came in for 56 tons of

TELVIS. Drilling rig count continues to inch up weekly as does the monthly coatings sales at our other distributors but the recovery still remains hesitant and without any month to month consistency. Copies of quarterly sales, expenses and activities are attached.

Very truly yours,

Jack Walsh

J. E. Walsh

JAM/tlg
Attachment

QUARTERLY SALES REPORT

	QUARTER		YTD		BUDGET		% BUDGET	
DUCT	T	M $	T	M $	T	M $	T	M $
10	33.6	8.7	58.8	15.3	166	41	47	50
	136.2	34.2	428.0	108.8	704	172	81	84
10	19.6	5.3	62.3	16.8	84	23	99	97
44	31.5	24.1	73.5	56.1	149	111	66	67
44	53.0	177.9	143.6	480.4	294	999	65	64
	143.0	28.6	494.9	99.0	1500	300	44	44
R	19.7	4.0	124.7	25.0	168	34	99	98
VIS	17.0	3.6	17.0	3.6	300	63	8	8
VIS	56.2	11.2	131.1	26.2	330	69	53	51
AL	509.8	297.6	1533.9	831.2	3695	1812	55	61

UNION CARBIDE

INTERNAL CORRESPONDENCE

UNION CARBIDE CORPORATION ROBINSON PLAZA ROUTE 60 PITTSBURGH PA 15205
METALS DIVISION

To (Name) T. P. Norris
Division J. E. Walsh
Location
Area

Date November 7, 1983

Originating Dept. Calidria Asbestos Sales

Area

Copy to

Subject 3rd Quarter Export Sales

Export sales for the first three quarters of 1983 versus budget are summarized as follows:

	Tons			$M		
	Actual	% Budget (1)	% Budget (2)	Actual	% Budget (1)	% Budget (2)
1st Quarter	1,745	111	89	808	106	84
2nd Quarter	1,781	91	91	803	84	83
3rd Quarter	1,737	89	89	964	100	100
Total	5,263	96	89	2,575	96	89

(1) Based on Danbury budget.
(2) Based on annual budget ÷ 4.

Below budget sales for the three quarters is due primarily to lower than expected purchases of SG-100 and HPP by Tomoe Engineering, and SX-14 sales to Grace. Tomoe reports continuing price competition from Canadian suppliers and no growth in asbestos imports to Japan in the future. The outlook for the fourth quarter, however, appears to be somewhat improved but not to the degreee that will permit us to attain budget for the year. The problem with SX-14 sales appears to be the result of adverse publicity concerning asbestos in eastern Europe and the general economy which still has not rebounded as much as had been anticipated.

G. L. Dickson

G. L. Dickson

GLD:vad

UCC 005147

ASBESTOS

DOMESTIC	NET TONS — MONTH SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	NET TONS — YEAR TO DATE SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	DOLLARS — MONTH SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	DOLLARS — YEAR TO DATE SEPTEMBER 1983 ACTUAL	BUDGET	% BUD
SG103-5	442	200	221	2500	1550	161	66	29	220	375	219	171
SG103-7	0	0	ERROR	5		ERROR	0	0	ERROR	1	0	ERROR
SG104	567	350	162	4145	2800	148	73	45	162	537	340	158
SG130	0	7	0	47	55	85	0	2	0	11	11	100
SG200	120	45	267	400	340	141	23	8	288	91	62	147
SG210	18	25	73	121	155	78	5	6	83	33	38	87
HFF	3	5	60	60	42	143	1	2	50	16	10	160
HFO	126	87	145	661	652	101	34	22	155	180	163	110
RG100	0	35	0	384	265	145	0	28	0	323	212	152
RG110	18	20	91	140	140	100	5	6	83	41	39	105
RG144	29	20	147	173	165	105	24	15	160	144	123	117
RG244	26	35	74	168	265	63	87	119	73	577	904	64
CSV	49	140	35	495	1050	47	10	28	36	100	210	48
SHOR	20	15	131	125	115	108	4	3	133	25	23	109
OVIVIS	16	25	64	17	210	8	3	6	50	3	44	7
TLLVIS	56	30	187	131	230	57	11	6	183	26	48	54
TOTAL DOM	1489	1039	143	9650	8034	120	346	325	106	2483	2464	[illegible]

EXPORT	NET TONS — MONTH SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	NET TONS — YEAR TO DATE SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	DOLLARS — MONTH SEPTEMBER 1983 ACTUAL	BUDGET	% BUDGET	DOLLARS — YEAR TO DATE SEPTEMBER 198[illegible] ACTUAL	BUDGET	% BUD
BG100	281	325	87	2100	2450	86	38	46	83	285	343	83
SG103-7	0	9	0	0	70	0	0	2	0	0	16	0
SG130	21	0	ERROR	31	21	147	4	0	ERROR	6	4	155
HFF	113	110	102	731	814	90	24	24	101	157	179	88
HFO	109	60	182	487	430	113	28	15	189	126	112	113
RG144	18	30	61	195	209	93	14	23	59	145	155	94
RG244	28	35	79	211	250	84	93	121	77	717	863	83
AS200	94	105	89	1069	770	139	16	19	84	181	131	138
TLSF	10	0	ERROR	19	14	136	0	0	ERROR	15	10	150
SX14	10	9	110	47	70	67	6	5	122	31	42	74
SX24	37	45	82	373	300	98	70	99	71	910	836	109
TOTAL EXP	710	720	98	5263	5470	96	314	354	89	2575	2685	96
TOTAL SAL	2200	1767	124	14913	13512	110	660	679	97	5057	5147	98

UCC 005148

cc: TPA
JSW

TOMOE ENGINEERING COMPANY, LTD.

(ANNEX OFFICE)
SHIN SHIN KAIKAN BUILDING
14-1, NIHONBASHI 3-CHOME, CHUO-KU
TOKYO, JAPAN

MAIN OFFICE:
DAINI MARUZEN BUILDING
9-2, NIHONBASHI 3-CHOME, CHUO-KU
TOKYO, JAPAN

CABLE ADDRESS "EOMOT"
TELEX. 02223506 EOMOT J
TELEPHONE: TOKYO 274-0411

October 17, 1983

Mr. Gordon L. Dickson
Manager - Asbestos Sales
Metals Division
Union Carbide Corporation
Robinson Plaza II
Route 60
Pittsburgh, Pa. 15205

Subject: Calidria Asbestos Quarterly Report

Dear Mr. Dickson:

Enclosed please find our Calidria Asbestos Sales Report for the 3rd quarter 1983.

Incidentally, Japanese major newspapers "Asahi Shimbun" and "Nippon Keizai (Economy)" put out articles concerning the ban of asbestos in the States, the translation of which is enclosed for your review.

Please confirm this information and, if this news is correct, comment on possible impact of this new policy on the stateside and Japanese markets for Calidria, as well as changes in your policy or production plans if any.

Very truly yours,

TOMOE ENGINEERING CO., LTD.

H. Fukuma

H. Fukuma, Manager
Inorganic Chemicals Section

HF/yk

Encl.

cc: Mr. J. T. Kelly
Mr. J. L. Myers
M. Kanno

U.S. TO BAN ASBESTOS FOR BUILDING MATERIALS

FOR PROVEN CARCINOGENIC EFFECTS

WASHINGTON AP-DJ Kyodo. According to the announcement October 3rd of the Environmental Protection Agency, the EPA chief Mr. Rackelshaus basically approved its policy for total or stepwise ban of asbestos for use as building materials within several months.

Asbestos is regarded as potentially carcinogenic material and its domestic consumptions have decreased to 127,000 tons/year now from the peak in 1973 of 795,000 tons.

EPA plans total prohibition of asbestos' uses for building materials such as cement pipes and roofing and floor tiles, while directing indication of asbestos contents for all other products, the majority of which, however, will also be banned eventually within a few years.

EPA decided to move toward prohibition of the material on the ground that its carcinogenic nature was proven and substitute materials are now available.

* *

Editorial notes:

According to MITI and the Labor Ministry, all asbestos being used in Japan are imported products, but for past several years there has been high incidence of lung cancers in asbestos-related workshops causing a world-wide health problem, and consequently consumptions of asbestos have been decreasing yearly in Japan reflecting in the amounts of import; 305,000 tons in 1980, 238,000 tons in 1981 and 229,000 tons in 1982.

In Japan, stringent rules were enacted in 1971 covering asbestos. The material was designated as special chemical substance under the Labor Safety and Hygiene Law, with mandatory provisions of safety equipment at workplaces and periodical health examination of workers exposed to the material. Asbestos has long been used for its excellent heat resistance, light weight and strength, and even now it is difficult to find its substitutes for certain automotive parts. Because of such strict controls over asbestos in respect to labor hygine, Japanese government is not thinking prohibition of its use and intends to study future policies pending development of the U.S. policy.

Calidria Asbestos Sales Report for the Third Quarter 1983

General Market Review

EPA's announcement of its basic policy for a total or a gradual ban of asbestos for use as building materials was taken up by the Japanese newspapers in a big way on October 5.

At present Nozawa and Unichemi contacted us for information on how the recent EPA announcement will affect the UCC's Calidria asbestos production and the actual movement of the asbestos dust restriction in the United States. As the restriction in the United States greatly affects the market in Japan as well as in Southeast Asia, please send us immediately any materials and or information which can be used to alleviate the uneasy feelings of the customers. Since Mr. J. L. Myers is the Chairman of AIA/NA we hope you can provide us with detailed and helpful information on this.

No noticeable growth in the import of asbestos can be seen in the Japanese market. Except for those specified for the brake linings, the market does not allow any price increase for all asbestos, but their prices are even going down.

We have been able to somehow protect our position with Nozawa and Nittobo, but in the 7 class asbestos market where the price is a major problem, any price increase on our part will be fatal for us.

On Resin Grade, since the aerosil price has weakened its price difference between RG-244 has narrowed even more. Especially in the case of Hitachi Kasei, our sales of RG-244 to them is being made only to maintain sales volume with a very low price. It is very likely that they will switch to aerosil if we raise our price. The PBT market continues to maintain a favorable business from the 2nd quarter.

Thanks for your effort to straighten out the confusion in the Taiwan market. I will visit Taiwan in November at which time I will check to see if in fact RG-244 was shipped to Taiwan via Epont. Your continued back up support will be appreciated in this regard.

1. SG-100-EX for PVC Tile and Asbestos Cement Products

	Jul.	Aug.	Sep.	(Unit: M. ton)
Nittobo	40	40	50	
Nozawa	195	183	177	
Total	235	223	227	

Nittobo used an average of 43 tons/month, up 4% from the same quarter of the previous year and is expected to continue on through the 4th quarter.

Nozawa's average usage was 185 tons/month, up 28% from the same quarter of the previous year. This was because their August production maintained the same level as the regular month production. 220 tons/month usage is expected for the 4th quarter.

2. HPP and AS-200 for Ceiling Tile

	Jul.	Aug.	Sep.
Matsushita	71	61	82
Daiken	116	88	149
Total	187	149	231

Matsushita's average usage was 71 tons/month, down 4% from the same quarter of the previous year. With the exception of the low production in August due to summer vacation, this usage level is considered normal. Owing to the slump in the housing industry, the sales of the new wall material is slow with no sign of improvement in sight.

Daiken's usage averaged 118 tons/month, up 24% from the same period of the previous year. The reason for the increased sales in September of 149 tons was due to production adjustment made for August. Usage of 100 tons in October and 120 tons in November and December respectively are expected.

3. HPP and T-135 for Paper

	Jul.	Aug.	Sep.
Tokai Pulp	0	8	0
Taihei Seishi	0	0	2
Total	0	8	2

August shipment to Tokai Pulp included 5 tons T-135 and 3 tons HPP. For the 4th quarter usage of 8 tons in October and 8 tons in December are expected.

Taihei Seishi maintains the 2 tons/3 months usage pace and the 4th quarter usage is expected to be the same.

4. HPO-EX and Telvis for Drilling Mud, Phenolic and Other Materials

	Jul.	Aug.	Sep.
Telnite	10.0	47.5	15.9
(Telvis)	0	0	0
Phenolic	15.7	19.0	10.0
Others	10.7	15.4	18.9
Total	36.4	81.9	44.8

On Telnite the August shipment increased because lost circulation zone was encountered, however as of end September, the lost circulation is under control. The Telvis which was delivered in April has been exported to China. We expect to deliver 51 tons of Telvis in November.

Since demand of phenolic resin for electrical parts is brisk the HPO shipment to phenolic makers continued to be favorable through the 3rd quarter. Orders for October shipment are being received in a satisfactory manner.

Shipment on the others also continued to be favorable through the 3rd quarter.

5. RG-144-EX

	Jul.	Aug.	Sep.
Cemedine Co.	3.7	3.7	4.0
Nippon Special Paint	0.2	0.2	0.5
PBT Makers	7.3	12.3	6.4
Others	9.2	6.8	9.1
Total	20.4	23.0	20.0

The demand for PBT resin has been increasing substantially since this year. The main PBT applications in Japan are for electric and electronic parts, but lately its application has been widely expanded to include uses on industrial parts too. With this the shipment of RG-144 has increased favorably and we expect this year's shipment to be about 1.5 times more than last year.

The shipment to Cemedine Co. and to other users was also quite satisfactory.

6. RG-244-EX

	Jul.	Aug.	Sep.
Hitachi	4.5	2.3	2.3
Cemedine Co.	0.7	0.7	0.7
PBT Makers	2.0	1.7	2.5
Others	8.1	7.0	10.1
Total	15.3	11.7	15.6

For Toray, a PBT manufacturer using RG-244, sales increased as were the cases of other PBT makers using RG-144. Deliveries to other users like Hitachi were smooth also.

7. Southeast Asia

	Jul.	Aug.	Sep.
Unichemi			
(RG-244)	2.27	2.27	0
(HPO)	2.1	0	0
UCASIAL			
(RG-244)	1.5	0	0
(RG-144)	0.5	0	0

RG-244 and HPO shipped out through Unichemi in July and August were for Korea. The primary end users of RG-244 are Korea Chemical and A K Chemical, and the Korean agent ZEUS initiated sales with own inventory. HPO was out from our inventory and its application is textured paint. RG-244 and RG-344 shipped to UCASIAL were also from our inventory.

The reasons for no sales to Taiwan of RG-244 were a temporary decrease of consumption at Yung Chi a paint maker for movement of its plant and the decreased consumption to about half at such accounts as Qualipoly and Eternal the polyester makers. They had used to mix aerosil and RG-244 at a ratio of 1:1 but lately changed this ratio to 3:1 contributing the above-mentioned sales decrease. The reason for such a change in the mixing ratio is that for paint-use polyester it is held that whiter the color of the resin the better, and while aerosil turns turbid while RG-244 does not, smaller amount of TiO2 to add would do the job. Therefore we recommended to use RG-244 alone for their applications as it would reduce the total amount of addition needed which would save cost.

The bypassed sale of RG-244 through Harrisons & Crosfield-Tenmo route also contributed to the lack of orders from Unichemi. The next order from Taiwan can be expected in November.

END