


From

R. H. GREGORY, Jr.

551-6464

October 1, 1968

MR. F.D. DEXTER
29th Fl., Bldg.

Frank:-

I have redone your memorandum on
asbestos. I hope you will find the
enclosed to your taste.



CALIDRIA POSITION

1. UCC is planning to dispose of its calidria asbestos assets by mid-1969. Until this disposition takes place, UCC will conduct this business as actively as it has in the past. There is no reason to believe that a company acquiring this business will not continue to operate it substantially in the same manner that UCC has.

2. The disposition of the calidria asbestos assets has been decided upon because:-

(a) Even though UCC's asbestos business has probable long-range financial returns that appear attractive, UCC has determined to concentrate its efforts in areas more directly served by UCC's special expertise and technology.

(b) The business of calidria asbestos is a clearly defined, separate activity of UCC. The disposition of these assets can, therefore, be easily accomplished and will not affect appreciably other UCC activities.

(c) UCC's calidria asbestos assets are tangible -- consisting of plant, reserves, patents, customers -- and have significant value.

Calidria Position

1. UCC is planning to divest itself of the Calidria Asbestos Business with a completion goal of mid 1969. ^{By} ~~in all respects~~ ^{in the interim, this} business will be maintained ^{conducted} ~~on the same basis~~ ^{as it has been}. ^{of the business will continue &} It is anticipated that any purchaser, ~~will follow the~~

~~Contracts will be honored.~~

2. The divestment of Calidria Asbestos ~~is dictated~~ because:

- a. UCC ~~may be able to~~ ^{is able to} to concentrate its efforts on fewer programs. ^{probably}

- b. ~~Calidria Asbestos, while not necessarily first choice from~~
~~return test, all needed~~ ^{business}
~~a longer range financial standpoint, is a separate entity in~~
~~itself, and can be sold in its entirety.~~ ^{divested} ~~It is impractical~~
~~to divest a business which is part of a major plant and~~

- ~~operational complex.~~ The Calidria Asbestos transaction would be clean, concise and ~~total.~~ *not affect significantly other business costs*

- c. Assets of Calidria Asbestos ~~Business~~ are tangible -- plant, reserves, patents, customers -- and valuable.

- d. Other projects are more "akin" to UCC's main interests ~~in~~
~~chemicals, plastics~~ and more dependent on UCC strengths --
technology, chemical processing, etc.

- d. The Calicut Asbestos business is ~~not~~ not
closely related to VCC primary interests.
and not directly dependent on U.P. ~~external~~ ~~use~~
Strength.

CALIDRIA ASBESTOS POSITION

1. UCC is planning to divest the Calidria Asbestos business by mid-1969. The business will continue to be conducted actively by UCC until this is accomplished. Further it is anticipated that the purchaser of the business will follow the pattern set by UCC. Obviously, contractual commitments will be honored by UCC.
2. The decision to divest the Calidria Asbestos business is made on the basis that:
 - a. UCC has determined to concentrate its newer program efforts in areas more directly served by UCC's special expertise and technology.
 - b. Although the Calidria Asbestos business has attractive longer range financial returns, it is not as closely related to UCC's basic skills as are certain other programs.
 - c. The Calidria Asbestos business is a clearly defined, separate activity of UCC and can be divested through a transaction which would be clean, concise and total. This is not true of some businesses, which form a part of a large plant or operational complex.
 - d. UCC's Calidria Asbestos assets, consisting of plant, mineral reserve, patents and customers, are tangible and of significant value.
3. Because of the nature of the operation and UCC's interest in an orderly transfer, it is anticipated that a continuous supply of material will be maintained.

10/3

Frank:

Bud mentioned he would
be interested in Blair Jagalls
I would be willing to wait
post divestment before taking
him.

This presupposes a lot
however.

~~Would Watch~~

We ought to check Welch

re: Jackson