

WFF
MONSANTO CHEMICAL COMPANY

Inter-Office Correspondence

From: LOCATION Texas City, Texas

cc: C. P. Fullerton

DATE December 6, 1962

P. A. Trost

R. A. Coffey

SUBJECT Vinyl Chloride Monomer Purchase Specifications

C. L. Doucette

C. L. Knowles

REPLY BY Yours 11/5

J. W. Kongable

G. T. Ryan

T. E. Shirley

F. L. Turner

TO : W. F. Gabel - Springfield

With this memo, I wish to go on record to state that the proposed vinyl chloride monomer purchase specifications are unacceptable as presented in reference memo. I do not believe any supplier of VCM (including Monsanto) would agree to meeting these specifications as presented. If this is the case, then it would mean that before any material could be obtained from another supplier, you and I would have to negotiate each individual purchase so that acceptance of these specifications would not improve our supply flexibility over the current situation, which was our original intent.

In addition, the issuing of these specifications to potential VCM suppliers would put us in a position where we might have to give them our analytical procedures which have been developed by Monsanto at considerable cost. It would also furnish them with a relatively good indication of the impurities present in the monomer as we manufacture it. They could then take this information and use it to gain a competitive advantage over Monsanto in the VCM market.

It is my understanding that the past shipments of VCM from Allied Chemical Co. and Union Carbide Chemical Co. -South Charleston have been satisfactory for use at the Springfield plant. Do you have any test data which shows that the material they supplied met the proposed specifications? If you related any of the impurities covered by this specification to actual performance of Dow, Allied or Union Carbide-South Charleston VCM, then I certainly think such items should be rigidly specified.

We would be glad to work with you in any way we can to give you the best quality VCM for your use in Springfield, but we feel we must be realistic in setting VCM purchase specifications. The prime purpose of these specifications is to give us more flexibility and avoid shutting down the Springfield plant in times of plant difficulty at Texas City or to be in a position to work out agreements with other commercial producers in order to lower our freight costs to the absolute minimum. Since both of these objectives contribute to keeping your plant running in the smoothest possible manner and to lowering your overall production costs, I am sure you will want to work with us toward a more realistic purchased material specification.

I am sure we can work out a middle ground on this situation so we can purchase good material without letting our competitors know exactly what our VCM plant is producing. Let me know your thoughts on this.

CBY 1110444

John L. Young

RSV0031793