

ETHYL CORPORATION

INTER-OFFICE

PPW	EWL
LAW DEPARTMENT	
MAY 1 1974	
FILE	ADDRESS

Sale
VCT
monomer

To Mr. F. P. Warne

FROM E. Whitehead Elmore

SUBJECT Economic Force Majeure and Other Force Majeures

DATE April 25, 1974

Richmond

Baton Rouge

In light of the ever increasing developments concerning the possible carcinogenic, acro-osteolysis and/or angiosarcoma effects of Vinyl Chloride Monomer, I am wondering if we perhaps do not have an additional argument to be made under our Vinyl Chloride Monomer contracts with customers such as Borden.

Specifically, I am interested in the possibility of passing on additional costs associated with handling the monitoring and additional precautions required. Further, I am interested in whether or not Ethyl voluntarily could cease selling Vinyl Chloride Monomer at least to outside customers if it believed the potential risk of health hazards was exceptionally high (especially in light of the price of the product). This, of course, may be difficult to justify if we continue to manufacture Vinyl Chloride Monomer for our own internal needs for PVC and continue the manufacture of PVC containing Vinyl Chloride Monomer. Nevertheless, the use of the product internally is within our own control while the use of the product outside is not. Alternatively, we could agree to continue to sell only to customers who are willing to assume the added risks associated with the purchase.

Basically, there are two questions. One question is are we adequately protecting ourselves from possible suits arising from health hazards by customer indemnification, insurance or otherwise as far as sales of VCM and PVC are concerned. The other question is do we have any legal right to terminate voluntarily the supply of VCM under contracts because of the potential health hazards.

E. Whitehead Elmore
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