UC 149-2

Plaintiff's Exhibit
S-UC-254

E.7

UNION CARBIDE **INTERNAL CORRESPONDENCE**

METALS DIVISION • P.O. BOX 579 - 4625 ROYAL AVE., NIAGARA FALLS, NEW YORK 143(

To (Name) Mr. R. E. Byrne, Jr.
Division UCC - Metals Division
Location Niagara Falls, NY

Date June 18, 1976

Originating Dept. "Calidria" Asbestos

RECEIVED
JUN 21 1976

Answering letter date

Subject Inventory

Copy to Messrs. G. L. Dickson
E. J. Kleber
F. H. Larrison
T. P. Norris
H. B. Rhodes
R. L. Schult
W. C. Thurber
J. E. Walsh
File

The attached sheets depict our inventory position with relation to sales and production for 1975 and 1976 to date. It is obvious that if we continue the trend which started in January we will very soon have a serious inventory problem.

We were instructed several months ago to put essentially 100% of our efforts on RG-244 and RG-600. It is obvious that we followed instructions very well, maybe too well except for RG-600, as RG-244 sales are taxing plant capacity and production of other products is exceeding sales by 300-400 TPM. The reason for most of this disparity is a large reduction in Montello purchases. It is very likely that the drilling mud business may be lost permanently at a very early date because of OSHA. The current low level is due to Flosal competition, reduced drilling activity, and increased OSHA activity.

We must make every effort to obtain additional volume business to keep the plant on a full production basis. A Canadian price increase, or cessation of discounts, to be effective July 1, 1976, gives us some chance of obtaining additional floor tile business. However, with Atlas still at $72/T it's almost impossible to compete, except to go for business which they can't supply, which I am doing. I would appreciate having new Atlas and Canadian price schedules as soon as possible.

I personally feel that we will be "sold out" before the end of the year and a little extra inventory would be desirable. However, inventories are expensive and a reduction in plant operating shifts may soon be necessary. In the past this has had an adverse effect on RG-244 production and quality, which we certainly don't need now.

Get any additional business you can, even SG-130!

John L. Myers

JLM:dal

PLAINTIFF'S EXHIBIT
WY-008428

PLAINTIFF'S EXHIBIT
44010.00