MITSUBISHI MONSANTO CHEMICAL COMPANY

FROM LOCATION: Tokyo

DATE: March 22, 1972

SUBJECT: PCB IN JAPAN

REFERENCE:

TO: Mr. P. G. Benignus
St. Louis
(B2SC)

cc: Messrs.
J. R. Durland - Tokyo
W. R. Corey - St. Louis
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Japan PCB DISTRIBUTION

Dear Paul:

I am pleased to answer your questions in your letter of March 20, 1972.

The Ministry of International Trade and Industry (MITI) issued notice yesterday to almost every industrial association concerned, as summarized in the following:

a. No electrical machinery and equipment which contain PCB must be manufactured after Sep. 1, 1972.

b. No heat exchange equipment must be produced after July 1, 1972 which use PCB as a transfer medium.

c. Exceptions to the above are those which are sold to the specific users and which can be returned after use to the producers or manufacturers for PCB disposal. They must periodically report to the ministry how PCB is used, shipped, stored, recovered, returned and disposed, including machinery, in addition to the quantity dealt with and so and so forth.

Every user of PCB-containing machinery and equipment will have to be recorded and registered in the official list to insure strict supervision in the future.

d. Import of such machinery and equipment will be possible only if permission is granted by the Government, after September 1, 1972.

e. PCB containing machinery and equipment already in use must be identified and reported to the authorities so that the disposal of PCB is to be made complete.

You will understand that the above action is not the total ban of PCB usage. However, who can meet such stringent regulatory requirements to continue using PCB, other than non-civil organisations?

We called the MITI yesterday to learn the following:

1. The MITI foresee by the action taken yesterday the use of PCB fluid will be limited in the near future to the transformers used by the Japan National Railroad and certain electronic parts in missiles belonging to the Defense Ministry, in addition to the high voltage electro-furnace capacitors as a possibility.
2. Thermal transfer systems with PCB will sooner or later undergo change in fluid or the whole line will have to discontinue operation.
3. Kaneka agreed to follow the recommendation by the MITI to discontinue the production of PCB, probably after September of this year.
4. Those who are able and obliged to use PCB will have to import PCB, possibly from Bayer, with permission from the Government.

You rightly pointed out that the actions being taken by the Japanese Government appear out of line from the rest of the world today. I can agree to Mr. Terasaki's statement in this respect that the folks go all the way when they decide to do something in this country.

I think the latest happening sensationally moved the Government to this direction - the analysis of mothers' milk in Osaka showed PCB level of 0.7 to 0.1 PPM, as against the FDA's 0.2 maximum level for cows' milk. In the Diet committee the Welfare Minister was at a loss when asked if or not babies can drink milk with 0.7 PPM PCB without any danger to their healthy growth.

You might recall Yodo River flows from Lake Biwa to Osaka Bay. Two capacitor plants are located by the Lake-Nichicon's and Nisshin Electric's. Samples of the soil were taken from the vicinity of Nichicon to run analysis of PCB with an unfortunate result showing 1,000 PPM PCB!

People associated the contamination of the soil with the mothers' milk case. Thus Nichicon was forced to announce last week that they plan to discontinue production of PCB capacitors, after coming September.

Today the world seems to be ruled by feeling and not reason. The pressure against PCB usage is far from logical. It is quite emotional and at the same time political, It was this pressure that led Kaneka to the discontinuation.

It has not been 100% confirmed but I think you may rest assured Kaneka will not go after overseas markets after the fall of this year, although they are exporting substantially today.

The grand funeral of PCB in Japan is close at hand. What will replace PCB in the dielectric markets is yet known to nobody exactly. We only are aware a number of products ranging from silicone to polyisobutane, wax and DOP are competing. The strongest candidate on the longer term basis seems to me entirely new systems after technological innovation.

I wish you good luck.

T. Katayama

T. Katayama

TK/ym

P.S. Just before I had this letter typed, Kaneka announced that they decided to discontinue the production of Kaneclor by the end of June, which was confirmed by myself today with Kaneka.

Also Nichikon was forced to terminate their production of PCB capacitors at the end of April.