My DeGussa File

PLAINTIFF'S EXHIBIT
UC-986

THE DISCOVERY COMPANY

UNION CARBIDE CORPORATION • MINING & METALS DIVISION • P.O. BOX 579 • NIAGARA FALLS, N.Y. 14302 • TEL: 716-285-3311

NOV 17 1971

November 15, 1971

Mr. M. Kanno
Tomoe Engineering Company Ltd.
#2, 3-Chome
Nihonbashi Edobashi
Chuo-Ku
Tokyo, Japan

Dear Mr. Kanno:

In Mr. Byrne's absence I am taking the liberty to reply to your letter of November 10.

We worked closely with Dr. Fratzscher during the development stages of our agreement with Degussa to resell RG-144 and RG-244 and he always spoke very highly of our products. Degussa resells our products as their A-14 and A-28; so, technically, there is no RG-144 or RG-244 being sold in Europe under our name.

The last shipments to Europe were made just two months ago; and, to our knowledge, A-14 and A-28 are being sold in good quantities. During the dock strike we made special arrangements to ship to Europe from the East Coast because of their reported dire need for the products. This should be evidence that they are being accepted in Europe.

Please note the attached curves showing sales growth for RG-144 and RG-244. Although I have not included the dollar figures, you can see that both products are being well-accepted in the U.S. We expect 1972 to continue the trend. I have included these to show that, in spite of much adverse publicity, asbestos toxicology questions have not deterred our Resin Grade sales. Most customers prefer RG-244 because it is less dusty than Aerosil. The enclosed report, "Airborne Asbestos", was prepared by the National Academy of Sciences. Pages 32 and 33 summarize the entire report and may be of value to you.

The following information is not public and we would prefer that you keep it internal. For business reasons we are not planning to continue to use Degussa as our European distributor. This may partially account for Dr. Fratzscher's unfair words about RG-244. We have an alternate plan to cover the European market and do not expect any decrease in sales.

We really appreciate your rapid sales development for RG-244 and a small token of our esteem is enroute to you. Please share these with your associates and perhaps we can find more during your visit in January. Have you a specific arrival time yet?

Please note the article on "Calidria Asbestos" in the enclosed "ASBESTOS" magazine. We are having reprints made -- would you like any, or will you have it translated?

My very best personal regards to all!

Very truly yours,

John L. Myers

John L. Myers
Marketing Manager

/cb
Enclosures

cc: Mr. R. E. Byrne
Mr. J. W. Rawlings
Dr. A. L. Zecha

cc:

TOMOE ENGINEERING COMPANY, LTD.
DAINI MARUZEN BUILDING
NO. 2, 3-CHOME, NIHONBASHI EDOBASHI, CHUO-KU
TOKYO, JAPAN

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UCC-CALIDRIA
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November 10, 1971

Mr. R. E. Byrne, Jr.
Area Manager
Marketing and Technology
Union Carbide Corporation
P. O. Box 579
Niagara Falls, New York 14302

Subject: Hitachi Kasei Co., Ltd.

Dear Mr. Byrne:

Since October 1971 Hitachi Kasei's Plant has been using 2 to 3 ton per month of RG-244 which exceeds considerably the consumption quantity of 300 to 400 kg per month in the past; we therefore visited the plant to investigate the background of their use.

As we informed you by our letter of August 13, they originally planned to take gradual steps of replacing Aerosil with RG-244, but their study in the past year has been materialized at last and since the latter part of October they have succeeded in replacing with RG-244 all the consumption quantity of Aerosil except for a special F.R.P. This success has triggered the sudden increase in quantity used of RG-244.

On the other hand, Japan Aerosil Co. immediately became aware of Hitachi's switch-over and has hurriedly brought * Dr. Fratzscher, who is the service manager in Pigment Department of Deggusa Co., to Japan in order to defend their market. In view of the fact that Hitachi is the leading company in the Japanese F.R.P. industry, and their formal acceptance of RG-244 will certainly cause a great impact on other companies, Japan Aerosil is seriously concerned that the above outcome will affect their other customers.

We were told that Dr. Fratzscher already visited polyester manufacturers, brought up the subject that there is a possibility of mesothelioma being caused by the use of asbestos and emphasized that RG-144 and 244 are not being used in Europe any longer.

Although we understood that UCC had supplied RG-144 and 244 to Deggusa Co. in the past, we would like to know if the above materials are being supplied to them at present.

* Visited lab & plant during early stages of contract w/ Degussa, was our first contact, was always proponent of RG-244.

Incidentally, Showa Highpolymer Co., which you visited during your visit to Japan in March, has started to use RG-244 at a rate of about 500 kg to 1 ton per month.

It can be said that as a result of your visit to our customers, our sales performance for the resin grade has moved upward when compared with the past performance. Although our RG-244 stock is short at present because of the U.S. Westcoast dock strike, it seems that the above situation will be improved when shipments during the cool off period arrive next month and we will have a good business for the resin grade next year.

We are looking forward to the forthcoming training program in January, because we are certain that we will benefit from it.

Yours very truly,

TOMOE ENGINEERING CO., LTD.

H. Fukuma

for M. Kanno, Manager, Group II
Union Carbide Products Dept.

H.Fukuma/yw

cc: Mr. John L. Myers
Dr. Allen L. Zecha

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