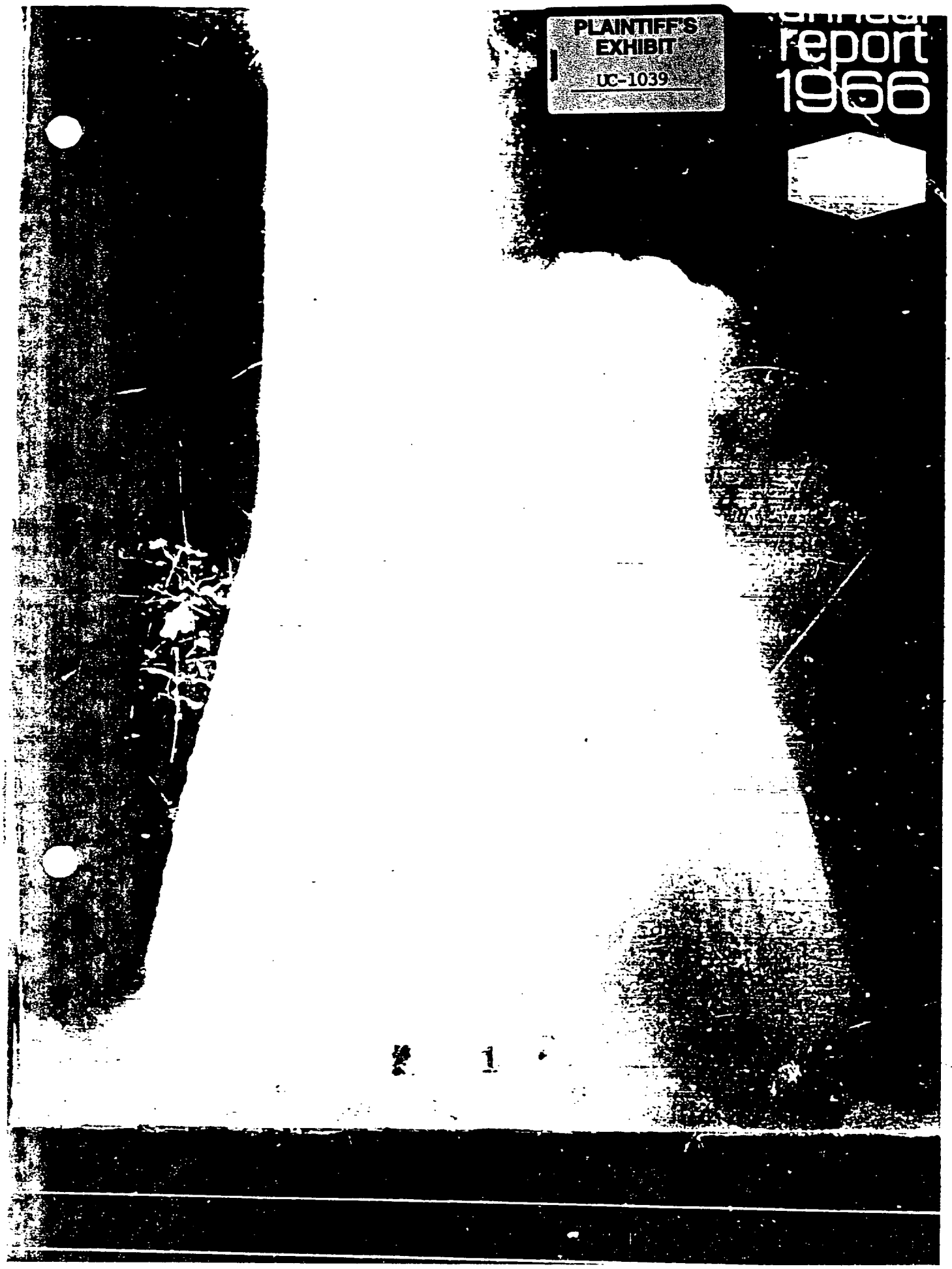
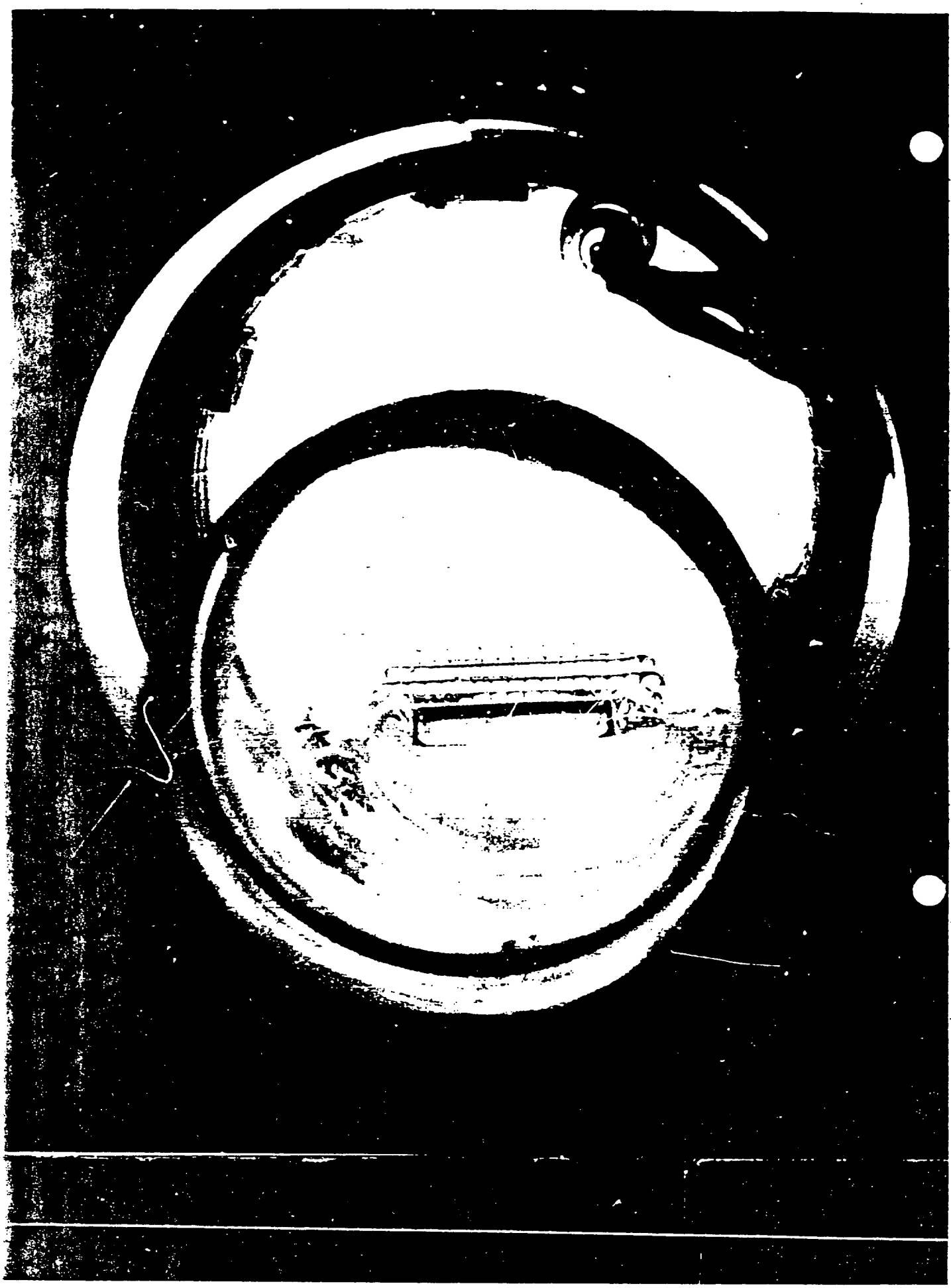


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Annual Report 1966

FEB 27 1967

SECURITIES & EXCHANGE COMMISSION

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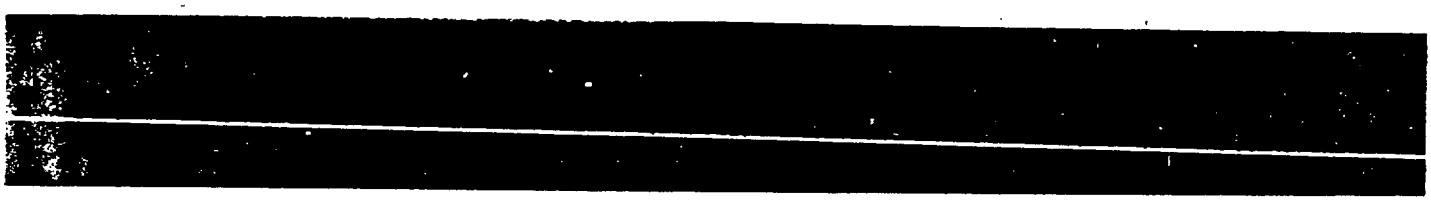
The two frosted beakers on the cover depict the dramatic –320 degrees below zero Fahrenheit—of liquid nitrogen produced by Union Carbide for many different applications, such as the preservation of food in-transit. To the left, at the opposite end of the temperature scale, gaseous nitrogen is used inside a furnace to provide a blanketing atmosphere that will prevent contamination of parts being produced for guided missile systems.

General Offices Union Carbide Building, 270 Park Avenue, New York, N.Y. 10017

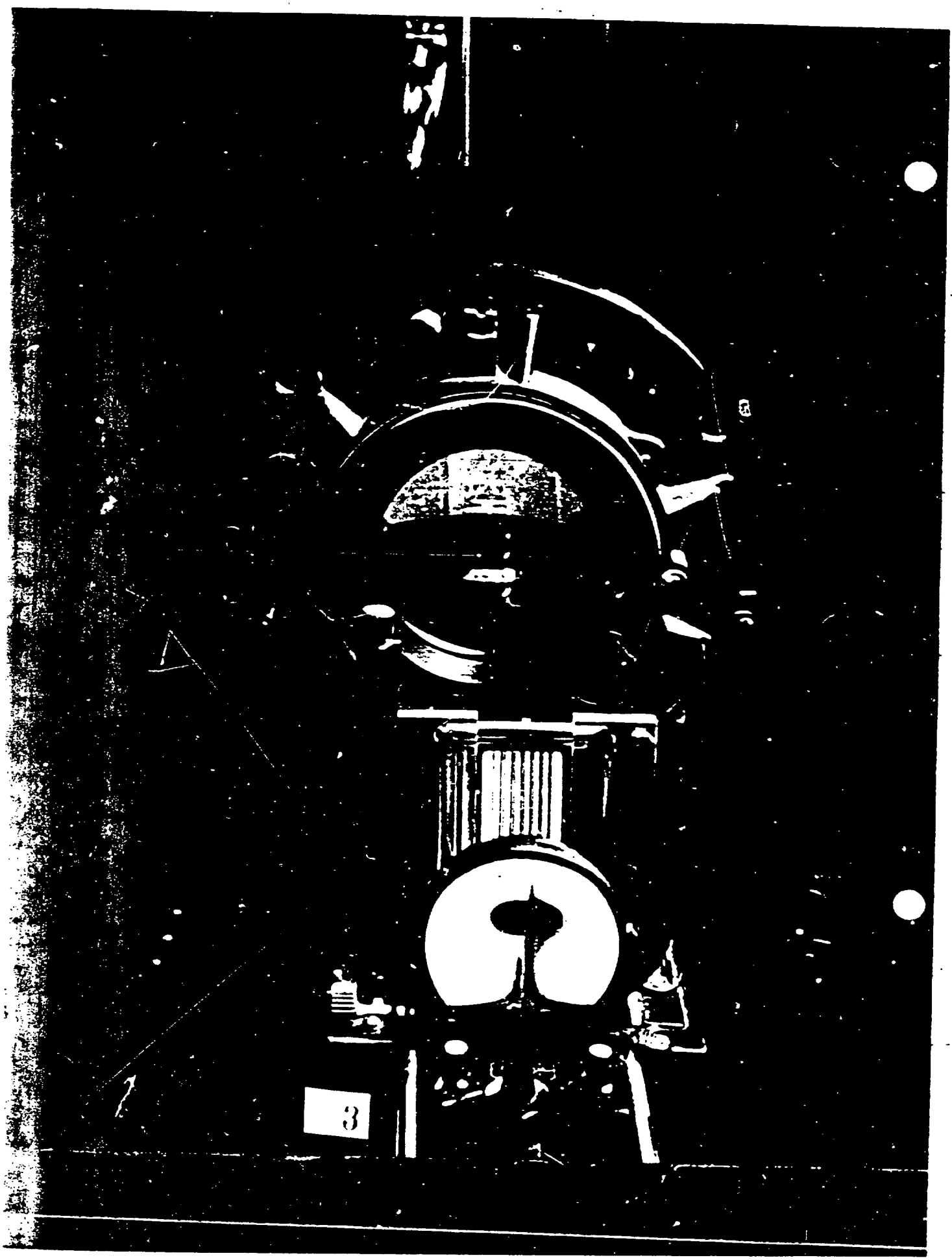
Transfer Agents Union Carbide Corporation, 270 Park Avenue, New York, N.Y. 10017 • Continental Illinois National Bank and Trust Company of Chicago, 231 South La Salle Street, Chicago, Illinois 60690 • Crocker-Citizens National Bank, 1 Montgomery Street, San Francisco, California 94120

Registrars—Manufacturers Hanover Trust Company, 40 Wall Street, New York, N.Y. 10015 • The Northern Trust Company, 50 South La Salle Street, Chicago, Illinois 60690 • Bank of America National Trust and Savings Association, 300 Montgomery Street, San Francisco, California 94120

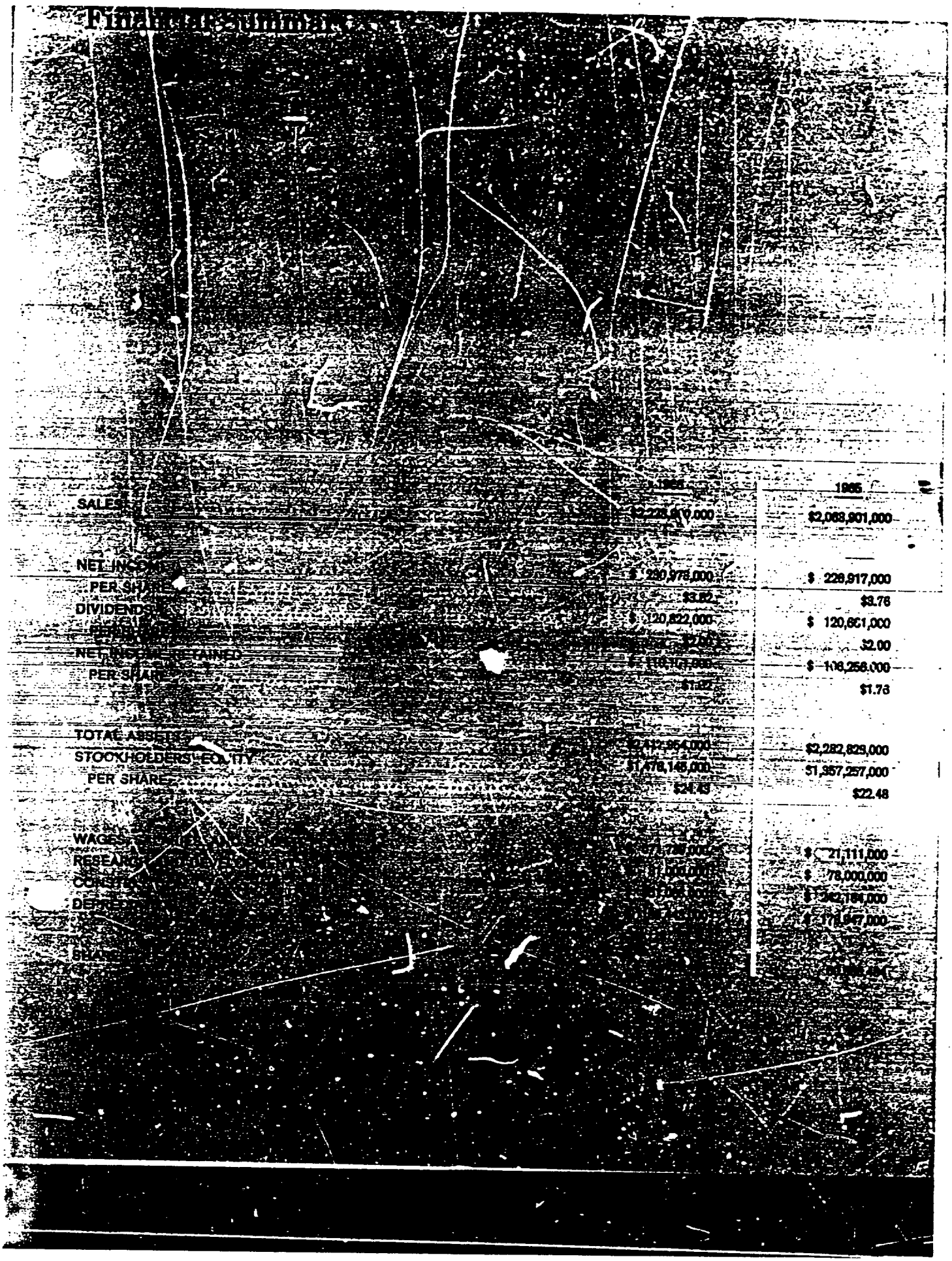
Stock Exchange Listings United States: New York, Midwest, and Pacific Coast. Overseas: Amsterdam, Brussels, and Paris.



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	1965	1965
SALES	[illegible]	$2,063,901,000
NET INCOME	$ 230,978,000	$ 228,917,000
PER SHARE	$3.82	$3.76
DIVIDENDS	$ 120,822,000	$ 120,661,000
PER SHARE	$2.00	$2.00
NET INCOME RETAINED	$ 110,156,000	$ 108,256,000
PER SHARE	$1.82	$1.78
TOTAL ASSETS	$2,432,954,000	$2,282,829,000
STOCKHOLDERS' EQUITY	$1,478,145,000	$1,357,257,000
PER SHARE	$24.45	$22.48
WAGES	[illegible]	$ 21,111,000
RESEARCH	[illegible]	$ 78,000,000
CONSTR	[illegible]	$ 242,184,000
DEPRE	[illegible]	$ 178,947,000
SHARE	[illegible]	[illegible]

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To Our Stockholders:

It is a pleasure to report to you on the operations of Union Carbide Corporation. In 1966, sales increased by over $160 million to a record high of $2,224.0 million. Earnings increased to $221.0 million, or $3.82 per share.

The year's records were achieved despite a number of problems that adversely affected sales and operating margins. A number of facilities scheduled for completion in 1966 were delayed by late equipment deliveries and an insufficient supply of skilled labor in certain geographic areas. These construction delays limited the Corporation's ability to keep pace with customer demand, which was strong in all major product groups throughout the year. As a result, the Corporation's older plants were required to operate at uneconomically high rates for prolonged periods. In addition, it was necessary to purchase large quantities of materials from outside sources to supplement our own production. These purchases included both intermediates for internal consumption and products for resale to customers.

In the second half of the year, a series of labor disputes led to work stoppages at eleven production units of the Corporation. Several unions adopted a program of coordinated bargaining in pursuit of common demands, with the ultimate objective of multi-union, corporate-wide bargaining. Union Carbide has always been committed to the principle of local bargaining at each plant where employees are represented by a union, in the belief that such bargaining better serves the interests of both our employees and our stockholders. It is the intention of the Corporation to maintain this position. On December 23, the strike at one of the plants was settled, and production was resumed at another plant under an 80-day Taft-Hartley injunction obtained by the government.

Union Carbide has continued its long-range program of investment in additional production facilities. Construction expenditures reached $330 million in the United States and Puerto Rico and $21 million in Canada, a total of $351 million. This represents an increase of approximately $109 million over 1965. In September, the first unit of the new petrochemicals complex at Taft, Louisiana, went on-stream. When completed, this plant will have a significant impact on production of chemicals and plastics—expanding capacity for existing products and providing efficient facilities for the manufacture of promising newer products.

Suspension of the federal investment tax credit in the last quarter of the year had very little effect on earnings for the year 1966 because most installations of machinery and equipment in the final quarter resulted from previous commitments. There may be a greater effect on earnings in 1967 and 1968, however. A program of capital investments requires advance planning and numerous contractual arrangements and cannot be altered radically on short notice without severe penalties. The Corporation is continuing to review its overall capital program with great care. Specific projects

The President's Office, which is the focal point of management authority at Union Carbide, is composed of Birny Mason, Jr., Chairman of the Board (seated at right); President Kenneth Rush (seated at left) and Executive Vice-Presidents Adger S. Johnson and Kenneth H. Hannan (left and right rear).

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may be cancelled or deferred. Overall construction expenditures will continue, however, at a high level for the foreseeable future, in order to maintain our competitive ability to supply present and future customers.

Union Carbide's business overseas continued to grow in 1966. Sales to customers outside the United States increased 7 per cent over 1965. To keep pace with this strong demand, associated and subsidiary companies spent $66 million on new construction during the year. This compares with an expenditure of $49 million in 1965. Despite this extensive construction program, the Corporation had a favorable international balance of payments of $118 million for the year. Construction activities throughout the world are discussed more fully on page 24.

In order to take greater advantage of growth opportunities abroad, the Corporation formed five new subsidiary companies in 1966 to coordinate and manage its interests in specific areas of the world. This increased emphasis on overseas activities is accelerating Union Carbide's development as a worldwide corporation. In other major organization changes, the activities of the Chemicals and Plastics Group were realigned and a new Electronics Division was formed. These matters are discussed more fully on pages 9 and 10.

A number of management changes occurred during the past year. Birny Mason, Jr., was elected Chairman of the Board of Directors. He continues as Chief Executive Officer. Kenneth Rush, formerly an Executive Vice-President, was elected President. Adger S. Johnson, formerly a Vice-President of the Corporation, was elected an Executive Vice-President and a Director of the Corporation. Other personnel assignments are discussed on pages 10 and 13.

There have been some signs of apprehension in the business community because of the unsettled international situation, symptoms of imbalances in the economy, and the possibility of government actions that could influence business activity. However, on the basis of current information and forecasts, we in Union Carbide anticipate further growth in both sales and earnings for the year 1967. We are also confident about our prospects for the longer-term future.

You will be interested to learn that the number of Union Carbide stockholders continued to grow throughout 1966, reaching a total of over 146,000 by the end of the year. This represents an increase of approximately 15,000 stockholders since December 1965, the greatest one-year increase in our history. We look forward to seeing many of our stockholders at this year's Annual Meeting. It will be held at 11 A.M., Tuesday, April 18, in the Hunter College Assembly Hall in New York City.

Respectfully submitted,

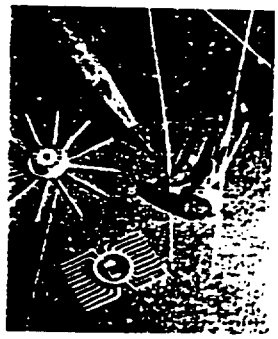
Birny Mason, Jr.

CHAIRMAN OF THE BOARD

Kenneth Rush

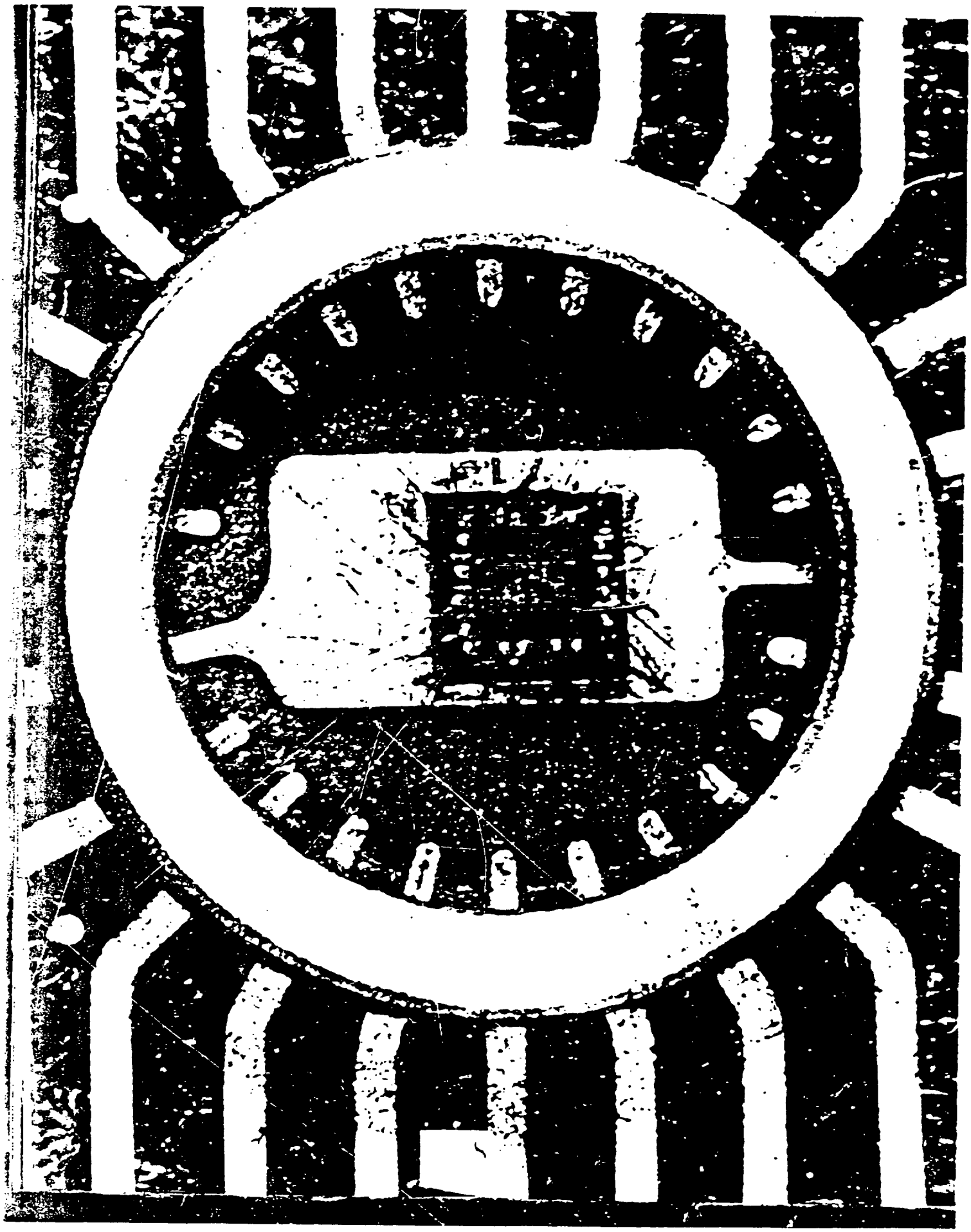
PRESIDENT

February 24, 1967



Pictured above are three miniaturized circuits produced by Union Carbide for use in television, computers, space systems, and other electronic applications. To the right, one of them is magnified 25 times to show its complex grid pattern. These products are manufactured by the newly formed Electronics Division, one of the Corporation's fastest-growing businesses.

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Review of 1966 Operations

SALES AND EARNINGS SET RECORDS

Both sales and earnings of Union Carbide reached new highs in 1966. Sales for the year increased 8 per cent to a record $2,223,980,000, compared with $2,063,961,000 in 1965. Net income rose 2 per cent to $230,973,000, or $3.82 per share. This compares with $226,917,000, or $3.76 per share, earned a year ago.

All major product groups shared in the year's increase in sales. The following table gives a two-year comparison.

	1966		1965		Per Cent Change in Sales
	Amount (in Millions)	Per Cent of Total	Amount (in Millions)	Per Cent of Total	1966 vs. 1965
Chemicals	$ 731	33	$ 715	35	+ 2
Plastics	388	17	384	19	+ 1
Industrial Gases	424	19	385	19	+ 10
Metals	303	14	291	14	+ 4
Carbons	323	15	278	13	+ 16
Totals	$2,224	100	$2,053	100	+ 8
Consumer Products (included above)	$ 230	10	$ 201	10	+ 14

Consumer products include PRESTONE anti-freeze and other car care products, EVEREADY batteries and flashlights, the GLAD line of household products, LINDE Stars, ENGLANDER mattresses, and NEISLER pharmaceuticals.

Export sales from the United States and Canada, which accounted for 7 per cent of the total, were $147,283,000, compared with $150,363,000 in 1965. The decrease resulted largely from lack of sufficient capacity to supply the increasing needs of domestic customers and still maintain the previous level of export sales.

The thousands of products that Union Carbide produces serve a diversity of markets which represent a broad cross section of the economy. As shown in the chart on page 11, the chemicals and allied products industries account for the largest percentage of sales.

MAJOR CHANGES MADE IN ORGANIZATION

Electronics Division Established

On June 1, a new operating division of the Corporation was established to coordinate Union Carbide's fast-growing interests in the electronics field. These interests include the manufacture of barium getters for radio and television tubes, transistors and integrated circuits, tantalum capacitors, lasers and laser crystals, and fuel cells.

Subsidiaries Formed to Manage Foreign Business

Union Carbide's business activities outside the United States have grown so rapidly in size and complexity that it was decided in 1966 to make a major change in management alignment. The purpose of this reorganization was to increase the Corporation's effectiveness in serving its overseas markets and to provide for better integration of its worldwide activities.

Of the 400 chemicals now produced by Union Carbide more than 50 are of special interest to the cosmetics industry. These products contribute to the effectiveness, attractiveness, and pleasant [illegible] many beauty aids.

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subsidiaries were established to manage the Corporation's international activities. The new subsidiaries are: Union Carbide Pan America, Inc.; Union Carbide Europe, Inc.; Union Carbide Eastern, Inc.; Union Carbide Middle Africa, Inc.; and Union Carbide Southern Africa, Inc. Their areas of responsibility are covered on pages 43 and 44. Regional organizations are being created in these areas to conduct business through the Corporation's affiliated companies.

The domestic product divisions are working closely with the new international subsidiaries—providing support in technology, marketing, and production—to ensure effective planning and management for the Corporation's operations on a worldwide basis.

Chemicals and Plastics Group Reorganized

The Corporation's Chemicals and Plastics Group, which had sales of $1.2 billion in 1966, serves many rapidly growing markets. The complexity of these markets, as well as the number of products sold to them, is increasing each year.

A detailed study of the operations of this group indicated that its overall performance could be improved if divisions within the group were structured more around the markets they serve rather than around products. Therefore, it was decided to establish five new divisions to replace the Chemicals, Olefins, Plastics, and Silicones Divisions. These divisions, which began operating on January 1, 1967, are the Coatings Intermediates Division, Plastic Products Division, Process Chemicals Division, Chemicals and Plastics Development Division, and the Chemicals and Plastics Operations Division. A description of the activities of these divisions appears on page 10.

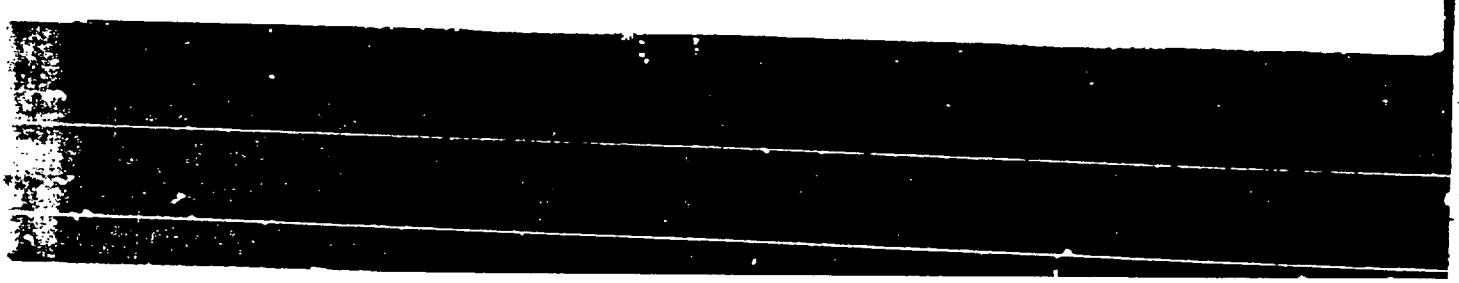
General Operating Committee Established

A management committee was established in June to facilitate overall business planning and to guide the Corporation's worldwide capital investment program. This General Operating Committee is composed of three members of the President's Office, the Chief Financial Officer, and Corporate Vice-Presidents responsible for domestic and overseas operations.

Changes in Management Assignments

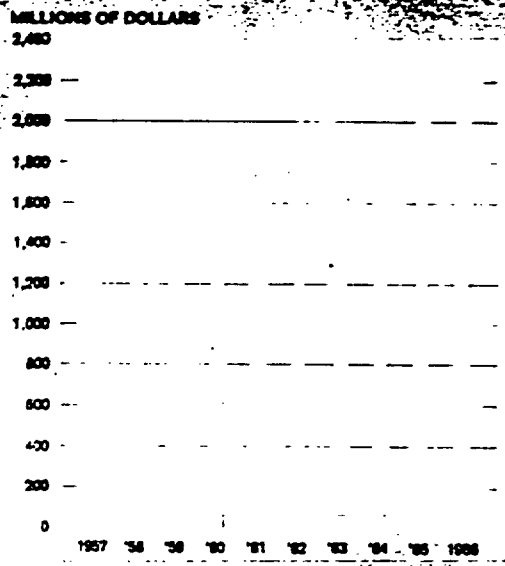
In 1966, a number of management changes occurred. Elected as Vice-Presidents of Union Carbide Corporation were: Paul L. Aspaugh, Robert F. Flood, James R. Johnstone, James C. Malone, and F. Perry Wilson. All had served as Division Presidents: Mr. Aspaugh—Chemicals; Mr. Flood—Linde; Mr. Johnstone—Carbon Products; Mr. Malone—Olefins; and Mr. Wilson—Union Carbide International Company.

Mr. Aspaugh was also named Chairman of the newly formed Union Carbide Pan America, Inc.; and James E. Potts was named Vice-Chairman. Mr. Malone was made Chairman of Union Carbide Europe, Inc.; and Buhl T. Burgoyne, Vice-Chairman. Mr. Wilson was named Chairman of Union Carbide Eastern, Inc.; and J. Roy Galloway, Vice-Chairman. Messrs. Potts, Burgoyne, and Galloway had been officers of Union Carbide International Company. William B. Nicholson, a Vice-President of the Corporation, was made Chairman of Union Carbide Middle Africa, Inc. and Union

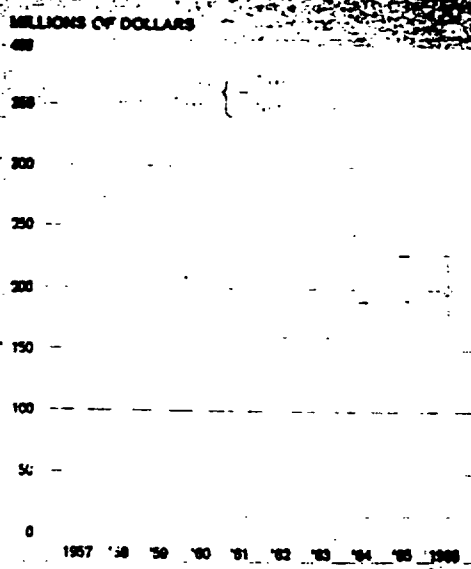


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Sales



Income and Taxes

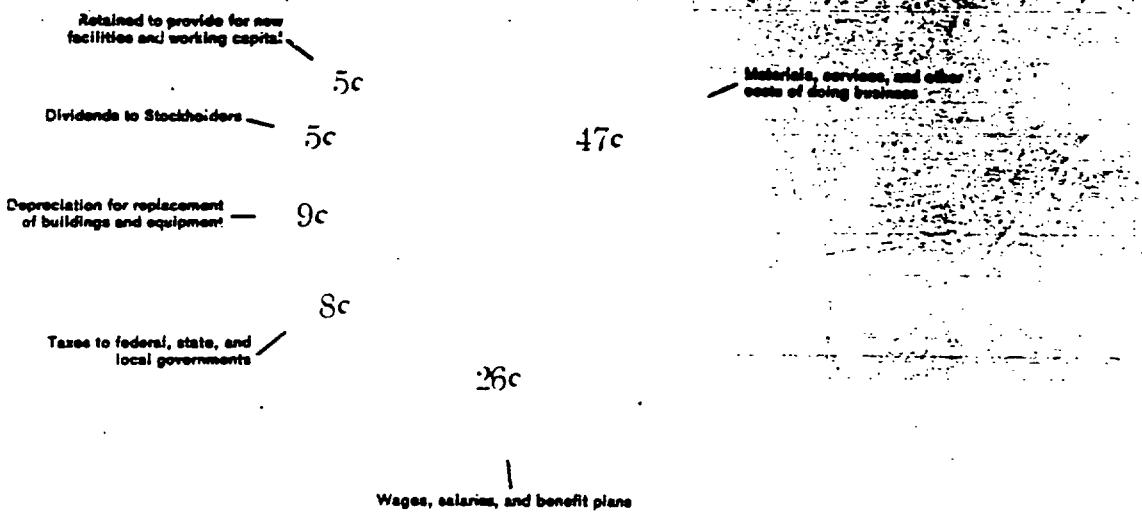


Sales by Markets

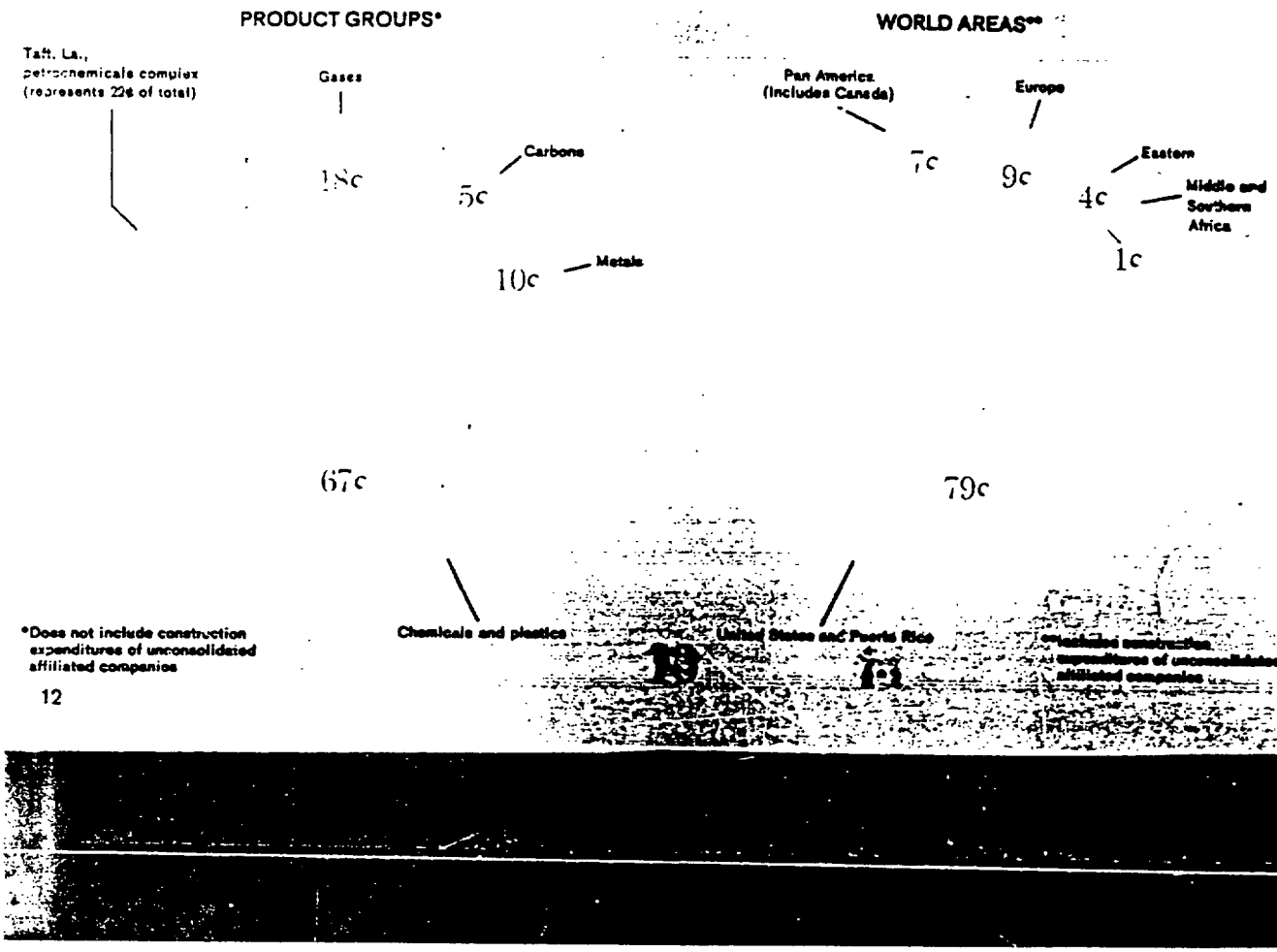


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sales dollar



Distribution of 1966 construction dollar



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sponsible for operations of the Carbon Products, Electronics, Gases, and Metals Group. Arthur C. Bryan, who was formerly President of the Consumer Products Division, was made Vice-Chairman of the two African companies.

The following were appointed Division Presidents: Warren M. Anderson—Process Chemicals; J. Goffe Benson—Linde; Charles M. Blair—Chemicals and Plastics Operations; Robert A. Charpie—Electronics; Thomas R. Miller—Coatings Intermediates; Fred B. O'Mara—Carbon Products; Glenn L. Pitzer—Plastic Products; James F. Warnell—Consumer Products; and Ronald S. Wishart, Jr.—Chemicals and Plastics Development. John A. Swartout was appointed Director of Technology, succeeding Robert A. Charpie.

U. S. OPERATIONS AT CAPACITY LEVELS

Chemicals and Plastics Sales at All-Time High.

CHEMICALS—Prices of many chemicals became noticeably firmer—particularly plasticizers, plasticizer intermediates, and some solvents.

Several new chemicals facilities went on-stream during the year, including the first production unit at the new Taft, Louisiana, petrochemicals complex. Major projects are mentioned on page 24.

As a result of new government regulations issued during the year, the domestic chemical industry will have limited access to foreign naphtha and crude oil feedstocks. This is a significant first step toward making it possible for chemical plants in the United States to be competitive with similar plants located overseas.

Markets for Corporation chemicals continued to expand. Sales of chemicals to the textile processing industry advanced very sharply during the year led by glyoxal, a main ingredient of the resins used in durable-press fabrics. Increased use of urethane foam padding in 1966 automobiles generated substantial growth in sales of foam raw materials made by Union Carbide. Also, to meet more stringent requirements for hydraulic braking systems, the Corporation is supplying fluids for disk brakes capable of operating at temperatures a full 100 degrees Fahrenheit higher than conventional brake fluids.

Biodegradable surfactants reached full commercial status during 1966. These chemicals are used to produce "soft" detergents that are readily destroyed by bacteria and thus help to lessen the pollution problem. They have received broad acceptance because of their performance. Several new acrylic products were developed and introduced for use in paint, paper, textiles, and lubricating oils.

World food shortages have been and will continue to be dominant factors in increased sales of SEVIN insecticide and other new agricultural chemicals developed by Union Carbide, some of which are mentioned on page 28.

PLASTICS—Sales of plastic raw materials and formed products rose to all-time highs in 1966, both in dollar value and physical volume. Prices in general remained relatively stable.

Power cable made of polyethylene-insulated sodium metal, announced last year, is now being developed by a new Corporation affiliate—Nacon Corporation—in which Simplex Wire & Cable Company has a minority interest. There is a large demand for a low-cost electrical conductor for direct installation underground. The new cable appears to meet all the technical requirements. Approximately 40 test and service installations have been installed or programmed. The first commercial sales were made in 1966.

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Polysulfone, a high-strength engineering plastic with an exceptionally wide temperature range, now appears to be one of the most important new engineering thermoplastics with favorable prospects for significant sales volume in the future. In 1966, it won specification for "under-the-hood" automotive parts and complex electronic and computer components.

Parylene, another new plastic announced in 1965, was introduced in the form of pellicles, or membranes, thinner and stronger than those previously available and with greater resistance to moisture and chemicals. Applications include such uses as dielectrics in electronic capacitors, beam splitters in optical instruments, and panels for micrometeorite detecting devices. Parylene applications are in the forefront of advanced polymer technology, and the new product appears to be developing into an important specialty.

Among a host of new resins introduced during the year was a line of polyamide resins used as curing agents in epoxy paints and other chemical-resistant coating systems. Several new types of polyethylene and polypropylene film were marketed for shrink-packaging and overwrap such as bread wrap use. Blow-molded bottles were produced in new shapes for foods, household detergents, and toiletries. Other new formed plastic products included a "pitcher-pour" milk container and a swing-top waste-disposal receptacle.

Three significant plastics fabricating processes grew to commercial maturity in 1966. One is a structural foam process, which produces molded parts three times as rigid per unit of weight as those fabricated from solid plastics. The other two processes are considered breakthroughs in the art of plating plastics with metals.

A research project just completed in the field of reinforced plastics, under a three-year Naval Ordnance contract, has resulted in the development of epoxy resins with high compression strength for deep submergence vessels.

SILICONES– Production and sales of silicones set records in 1966, a year of relative price stability.

Demand was especially strong for coupling agents, which are silicones broadly useful in bonding and adhesion applications—particularly in the production of glass-reinforced plastics.

Sales of silicone to the urethane foam industry were substantially increased by the introduction of new proprietary products that improve the quality of textile interliner foam. New Union Carbide silicone formulations also found ready acceptance in the household products field, notably in spray starch ironing aids.

Important new growth areas were further developed as a result of product innovation to meet the diverse needs of the synthetic fiber, semiconductor, and specialty paper manufacturing industries.

Sales of Carbons, Electronic Products, Gases, and Metals Rise

CARBON PRODUCTS—Sales of industrial carbon products rose to an all-time high. Once again the major factor was the strong demand for graphite electrodes resulting from increased use of electric arc furnaces in the production of steel. With the present growth rate, this versatile steelmaking tool is expected to be producing nearly 20 per cent of the nation's steel by 1970. In the past two years, some 23 new furnaces have been installed—some of which have a capacity of as much as 200 tons per heat. The trend in electric furnace steelmaking to raise the productivity of existing furnaces by installing larger transformers to obtain ultra-high power output

The carrot-shaped object in the center is a synthetic ruby crystal being grown in a furnace at an Electronics Division plant. Crystals of this type are used as the central element in lasers—devices that project concentrated beams of light.

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has also generated heavier demands for high-quality Union Carbide electrodes.

In addition to expanding its capacity for producing electrodes for steel furnaces, the Corporation has been adding facilities for producing large carbon electrodes used in furnaces for making phosphorus and ferroalloys. Partly as a result of the Corporation's product improvement and market development efforts, the electric arc furnace is also gaining acceptance in the foundry industry. This industry has committed capital funds for electric furnace facilities to melt 2 million tons of iron per year. New capacity also became available in 1966 for producing arc carbons for motion picture projection and other special lighting purposes, midget electrodes for batteries, brushes for motors and generators, and anodes for production of chlorine.

Further progress was made on two developments announced in 1965. THORNEL graphite yarn, the strongest and stiffest material for its weight ever produced, is being used to reinforce plastic materials in the development of structural components for aircraft and space vehicles. Typical intended applications include helicopter rotor blades and aircraft tail assemblies. Production capacity for this new graphite product is now being expanded. UCAR electrically conductive cloth, a composite textile material of conducting carbon yarn and insulating glass yarn, found a new use in suits to protect electric utility crews engaged in live-line maintenance on 750,000-volt transmission lines.

Arc carbons were supplied to the National Aeronautics and Space Administration's Manned Spacecraft Center at Houston, Texas, to be used in the simulation of solar radiation in outer-space. Carbon arcs more closely duplicate the sun's radiation outside the earth's protective atmosphere than any other artificial light source.

ELECTRONIC PRODUCTS—Sales of Union Carbide's electronic products increased substantially in 1966. Production of transistors, integrated circuits, and operational amplifiers was stepped up during the year with completion of new facilities in California. A major expansion at the electronics plant in Greenville, South Carolina, doubled capacity for manufacturing tantalum capacitors, which are used in a wide variety of electronic systems, such as computers and transistor auto radios.

Sales of crystal products, including synthetic rubies for industrial use and synthetic star sapphires for jewelry, achieved new records in 1966. A significant step forward was taken in the laser ruby product line by introducing a new manufacturing technique.

A laser nearly three times as bright as any commercial laser previously available was introduced by Union Carbide's subsidiary, Korad Corporation. It is especially suitable for such applications as range-finding, plasma diagnosis, and biomedical investigations.

Union Carbide, working with General Motors engineers, developed a hydrogen-oxygen fuel cell system used to power an experimental delivery van.

INDUSTRIAL GASES—For the eleventh consecutive year, sales of industrial gases and related equipment set new records.

Oxygen and nitrogen sales to steel and chemical plants have risen to such proportions that many customers are now being served by pipeline from large central plants rather than on-site plants. Union Carbide now has seven such pipeline complexes in operation. Capacity was added at three of these during the year.

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The number of individual on-site plants for producing nitrogen—principally for use as a blanketing agent in chemical and petroleum processing—has been increasing. These plants have proved to be most reliable and have been well accepted.

Sales of industrial gases for aerospace use were at record levels. The Corporation is furnishing large quantities of liquid oxygen and nitrogen for the National Aeronautics and Space Administration's programs, particularly the Apollo Project (manned lunar landing). Union Carbide's Cape Kennedy plant ran at peak capacity all through the year, and additional capacity will be installed in 1967 at Huntsville, Alabama, and in southern California—largely for aerospace use. Neon capacity has also been increased more than 100 per cent for growing science and space applications.

Welding uses were chiefly responsible for large increases in the demand for argon—up about 25 per cent from 1965—and new facilities completed in Chicago, western Pennsylvania, and southern California expanded capacity 50 per cent.

Union Carbide is the leading supplier of electric welding processes utilizing inert gas. A new patented process introduced in 1966—Plasma Needle Arc Welding—opened up new markets in electronics and aerospace.

During 1966, the number of road vehicles equipped with Union Carbide's POLARSTREAM liquid nitrogen system for in-transit refrigeration of food increased from 3,000 to 5,000. Interest in the Corporation's new Molecular Sieve catalyst systems resulted in substantial sales to the petroleum industry. The Corporation extended its Flame-Plating coating business by marketing for the first time a complete Flame-Plated product—a tension gate for textile use.

Union Carbide's affiliate, Ocean Systems, Inc., continued its development of equipment to put men to work in the ocean at greater and greater depths. Commercial dives of over 400 feet are now being made routinely using advanced diving systems developed by this affiliate, and research recently completed permits dives to at least 700 feet. In 1966, Ocean Systems shipped a new diving system to Norway to assist in drilling for oil in the North Sea. It also conducted a variety of search and recovery operations throughout the world. One of these was the successful search for the H-bomb off the coast of Spain, for which Ocean Systems was prime contractor.

METALS—Despite strikes at several plants, record tonnages of ferroalloys and metals were sold during the year. Sales of asbestos—a relatively new venture for the Corporation in the mineral field—also increased sharply.

Prices of ferroalloys followed the firming trend first evidenced in 1965. The continued high demand for these products—including the basic chromium, manganese, and silicon alloys—has brought supply and demand into good balance. They are used as both cleansing and strengthening additives in the manufacture of steel, iron, and nonferrous metals.

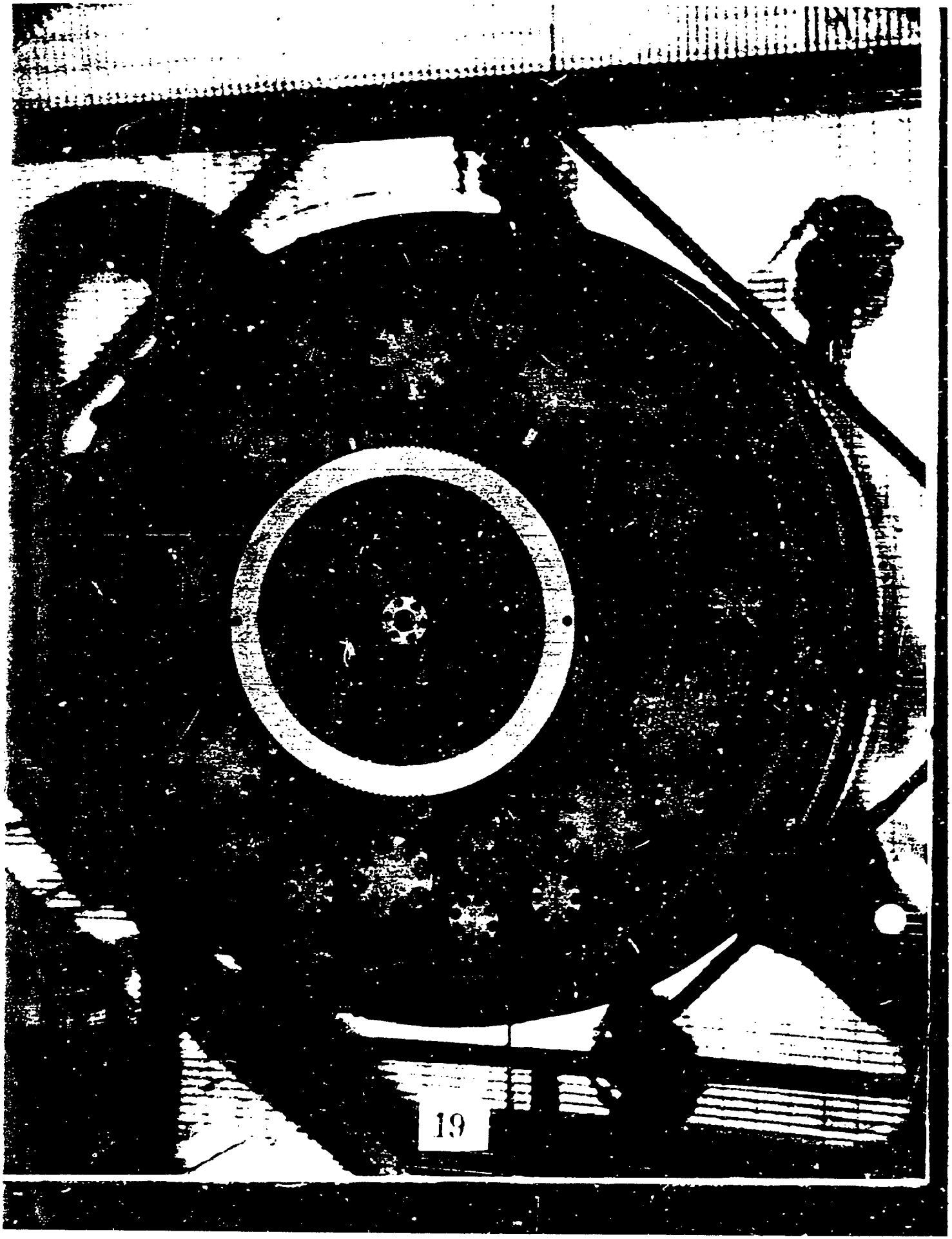
The demand for high-performance metals—including vanadium, columbium, tantalum, tungsten, and special alloys—increased substantially. There has been a growing demand for Union Carbide's vacuum-melted alloys for jet engine and other high-performance applications—particularly in the space and electronics industries. These industries are also the largest customers for the Corporation's specialty metals—furnished in cast, sheet, and wrought forms.

The number of commercial jet aircraft is expected to triple by 1970, thereby increasing the market for the high-performance alloys



The jewelry that adorns this young lady—pin, ring, bracelet, and earrings—is set with synthetic star sapphires created by a Union Carbide process simulating the conditions that produce natural gems.

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needed in jet engines. Engines for the first 25 Boeing 747 jet transports will require half a million pounds of one of Union Carbide's HASTELLOY alloys. This same alloy has been machined into exhaust nozzles for the Phoebus Project, the nuclear-powered rocket being tested for future interplanetary travel. It is also used for jet engine combustion chambers in military and commercial aircraft. Extensive use has been made of five other high-performance Union Carbide alloys in the engine for the huge Saturn booster rocket to be used in the effort to put men on the moon. Still another alloy, with superior corrosion resistance, is being tested in ocean water at a temperature of over 500 degrees Fahrenheit as a potential material for seawater desalting plants.

To maintain its leadership in the metals field, the Corporation is continuing to make major additions and improvements to its metals-producing facilities. Of particular significance in these efforts is the new refractory metals center scheduled to be completed in mid-1967 in Kokomo, Indiana. This facility will make it possible to produce tantalum and columbium products of exceptionally high purity. The Corporation also continued to add more efficient facilities for the production of basic chromium and manganese ferroalloys.

To improve its position in source materials for its metals business, Union Carbide considerably expanded its worldwide exploration activities for manganese, vanadium, tungsten, and uranium in 1966. High-grade tin from the tin smelter of the Corporation's affiliate in Thailand was sold on a worldwide basis, and an application was made to the Thai Government for a lease to mine offshore tin deposits.

NUCLEAR—Union Carbide's contract with the U.S. Atomic Energy Commission for operation of three government-owned facilities in Oak Ridge, Tennessee, and one at Paducah, Kentucky, was extended for three more years.

Shipments of enriched uranium from the Oak Ridge gaseous diffusion plant for fueling nuclear-powered electrical generating stations have increased dramatically during the past few years. At Oak Ridge National Laboratory, three major facilities were placed in operation during 1966: the first facility to separate and process large quantities of the elements californium, fermium, and einsteinium; the high-flux isotope reactor, the world's most powerful test reactor; and the molten salt reactor, an experimental unit to establish the feasibility of a power reactor using a circulating molten fuel.

Consumer Business Shows Steady Growth

CONSUMER PRODUCTS—During the 40 years in which PRESTONE anti-freeze has been on the market, over half a billion gallons have been sold to protect automotive cooling systems. Constant formula improvement has maintained preference for this coolant in the ratio of four to one over any other brand.

Late in 1966, Union Carbide became a basic producer of mercury batteries. The decision to do so was prompted by the growing demand for a variety of high-energy systems for subminiature applications, such as hearing aids and radios.

Because of the continued widespread use of portable radio sets, sales of transistor batteries remained at a high level in 1966. There were sharp increases in sales of the Corporation's alkaline batteries, which last up to 10 times longer than ordinary batteries in heavy-duty use. The demand for sealed rechargeable batteries for power tools, appliances, and lighting devices is also accelerating.

An exciting new field in which Union Carbide is working for the U.S. Atomic Energy Commission is the study of transplutonium elements. Here you are looking at the core of a nuclear reactor specially designed to mass-produce these rare elements. The blue glow is the intense radiation given off by the reactor.

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The GLAD line of plastic household products—wrap, bags, and straws—also had a highly successful year, with sales continuing to increase rapidly. In late 1966, the brand achieved a leadership position in the expanding sandwich bag market.

To broaden its appeal to consumers, "6-12" insect repellent was introduced in a new aerosol foam type; also, the entire line was enhanced by adding a refreshing outdoor aroma. Sales of the repellent were up substantially during the year.

FIBERS AND FABRICS—Substantial quantities of DYNEL modacrylic fiber continued to be sold for hairpieces and wigs, for pile fabrics for apparel, and for industrial use. A line of 100 per cent DYNEL blankets was introduced by J. P. Stevens & Company; and costume jewelry made of DYNEL fiber became available in department stores.

New designs and colors were added to the Corporation's line of VILEAU vinyl fabrics for upholstery use, so that designers can select combinations of surface effect and color to suit retail requirements throughout the country. The Englander Company introduced designer mattress coverings made to look like cut velvet and other rich fabrics to achieve a "total look" in bedroom decor.

Another interesting trend was increased use of VINYLITE clear vinyl film for the upper parts of women's high-fashion shoes. There was also a noticeable increase in the use of KRENE vinyl products for such applications as swimming pool liners, book covers, shower curtains, and custom-made slipcovers.

FOOD PRODUCTS—Sales of food casings and packaging materials showed a satisfactory increase in 1966.

A new hot-water shrinkable film, now being produced in facilities just completed at the Centerville, Iowa plant, is being used to make bags for packaging frozen turkeys. This film was quickly accepted by the poultry industry not only because of its extraordinary toughness, but also because it preserves the appearance of the package and helps assure better quality to consumers.

The Corporation also started manufacturing another exceptionally tough and elastic film, which has already been used successfully by the U. S. Armed Forces to drop drinking water to isolated combat units.

OVERSEAS BUSINESS CONTINUES TO GROW

In addition to exporting products from the United States, Union Carbide conducts business through approximately 60 affiliated foreign companies, which operate in 30 different countries. The financial results of majority-owned companies operating in Canada and Puerto Rico are consolidated with those of the divisions and affiliated companies operating in the United States. Only the dividends received from the other companies are included in the Corporation's consolidated statements, as indicated in Note 1 on page 32.

Total sales to customers outside the United States—including export sales and the operations of the Canadian subsidiary and other foreign companies 50 per cent or more owned—amounted to $765 million in 1966. This compares with sales of $715 million in 1965. Union Carbide and its affiliated companies earned $72 million on these sales in 1966, an increase of 4 per cent over the 1965 figure.

Union Carbide's total equity in the 1966 earnings of unconsolidated affiliated overseas companies, in which Union Carbide has at

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least a 50 per cent interest, was $31 million. This compared with an equity of $27 million in 1965 earnings. Dividends received from these companies were $20.2 million in 1966, compared with $14.7 million in 1965.

Demand for Products Up in Canada and Latin America

In 1966, sales in all major product lines of Union Carbide Canada Limited were well ahead of 1965. There were substantial increases in sales of gas products, converted films for flexible packaging, batteries, and industrial carbon products.

UNEL nylon from the new synthetic fibers plant at Arnprior, Ontario, was made available to Canadian textile, carpet, and tire manufacturers. Initial production difficulties are being overcome and markets are developing satisfactorily. Staple nylon fibers from this plant will be used in home furnishings, in wool and cotton blends for apparel and industrial fabrics, and in other industrial applications. Nonwoven batting made from synthetic fibers was sold for the first time during the year.

In other Union Carbide Canada Limited acquired a two-fifths interest in two companies, Shawinigan Power Corporation, which has a hydroelectric generating plant at Chicoutimi, Quebec, and Chicoutimi Silicon Ltd., which will supply ferrosilicon to worldwide markets. Another company acquired in 1965—Becker Drilling Alberta Ltd., which makes unique drilling devices—has more than doubled in size.

The Latin American area experienced some slowing of the business pace in 1966 as a result of increasing restrictions on credit designed to curb inflation, which remained a problem throughout the year. The overall gross national product continued to grow, however, and with it the demand for Corporation products. The usual pattern for developing countries was evident in the change from imported products to local manufacture.

Polyethylene, one of Union Carbide's principal products in Latin America, was in short supply throughout the area despite operation of the Cubatão, Brazil, plant at above-rated capacity. An expansion of that plant is planned.

To meet the growing demand for batteries throughout the area, production capacity was increased more than 25 per cent. Production of dry cells was started at a new plant in Costa Rica and at a second plant in Argentina.

S. A. White Martins, a Corporation affiliate, began operating a new gas apparatus plant in Brazil and also started construction of a graphite electrode plant there.

Union Carbide continued to do a growing chemical export business with Latin America. SEVIN insecticide, in particular, found increasing uses in both Central and South America.

European and Mediterranean Area Sales Show Gain

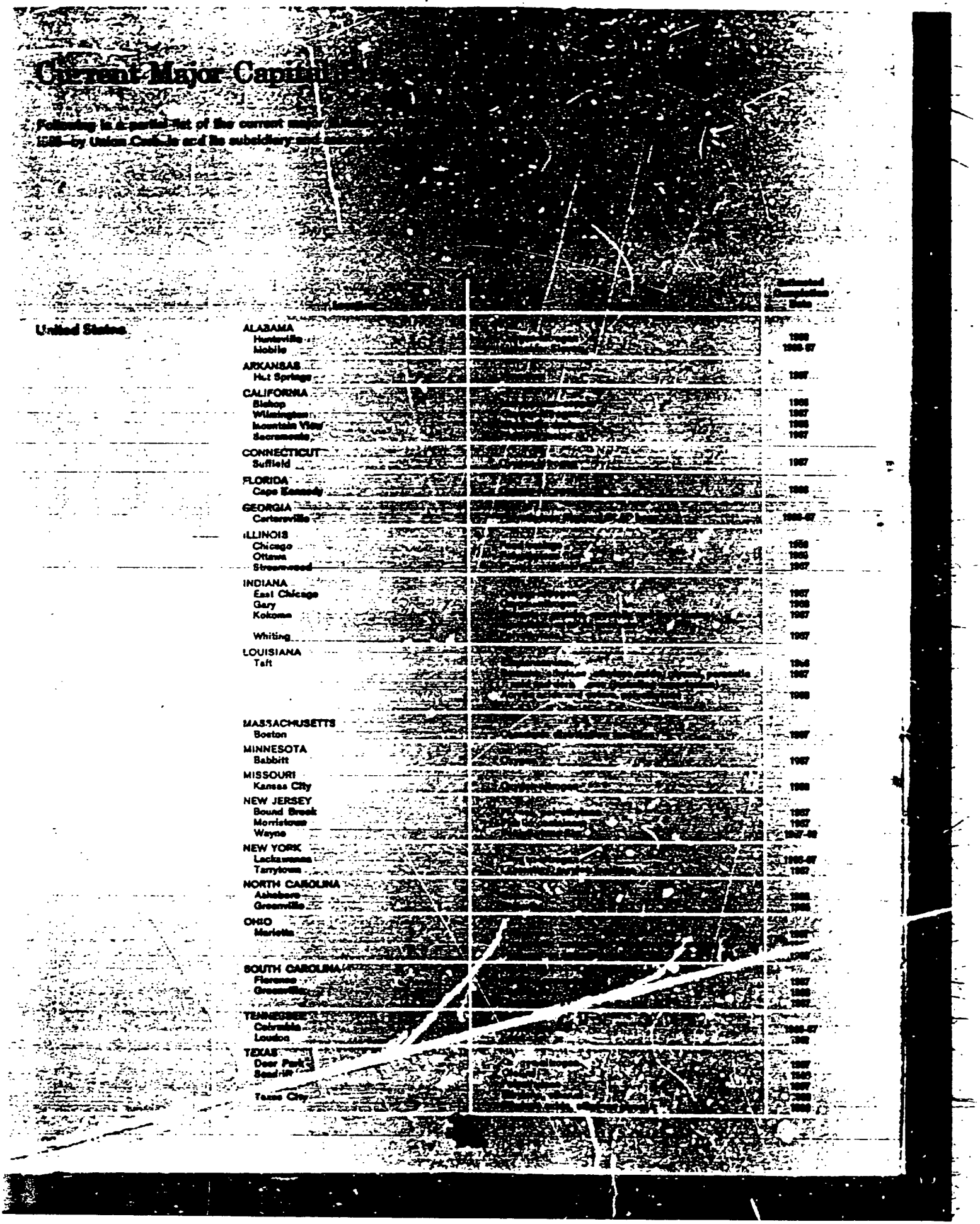
In 1966, sales of Union Carbide's affiliated companies in western Europe kept pace with the growth of industry as a whole.

There was strong competition in the plastics, chemicals, and carbon products lines, which accounted for over two-thirds of the sales for the year. Prices were firmer in the major plastics and graphite electrode lines, but there were significant price decreases in certain large-volume organic chemicals in spite of high industry operating rates. Prices of ferroalloys fell slightly from 1965 levels, but firmed at the end of 1966.



The youngster cuddled in this cozy blanket, made of DYNEL modacrylic fibers, seems to know what to do about a cold in the air. In 1966 production of DYNEL [illegible]

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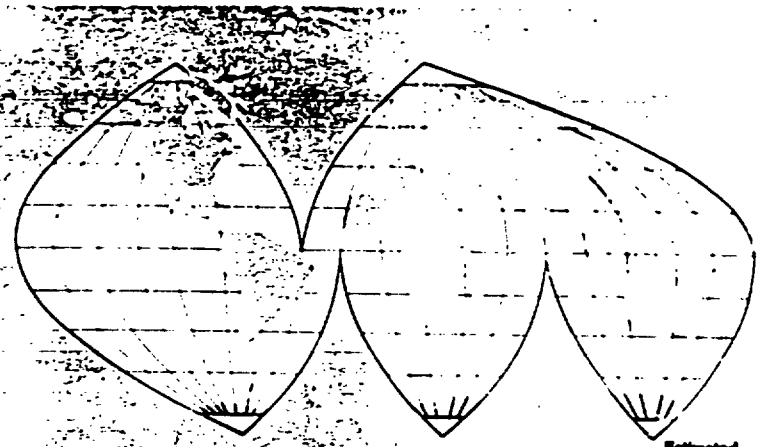
Current Major Capital

Following is a partial list of the current major [illegible] by Union Carbide and its subsidiary and [illegible]

United States

Location	Estimated Completion Date
ALABAMA	
Huntsville	1968
Mobile	1966-67
ARKANSAS	
Hot Springs	1967
CALIFORNIA	
Bishop	1966
Wilmington	1967
Mountain View	1966
Sacramento	1967
CONNECTICUT	
Suffield	1967
FLORIDA	
Cape Kennedy	1966
GEORGIA	
Cartersville	1966-67
ILLINOIS	
Chicago	1966
Ottawa	1966
Streamwood	1967
INDIANA	
East Chicago	1967
Gary	1966
Kokomo	1967
Whiting	1967
LOUISIANA	
Taft	1966
	1967
	1968
MASSACHUSETTS	
Boston	1967
MINNESOTA	
Babbitt	1967
MISSOURI	
Kansas City	1966
NEW JERSEY	
Bound Brook	1967
Morristown	1967
Wayne	1967-68
NEW YORK	
Lackawanna	1966-67
Tarrytown	1967
NORTH CAROLINA	
Asheboro	1966
Greenville	1966
OHIO	
Marietta	1967
	1968
SOUTH CAROLINA	
Florence	1967
Greenville	1966
	1967
TENNESSEE	
Columbia	1966-67
Loudon	1968
TEXAS	
Deer Park	1967
Seadrift	1966
	1967
Texas City	1966
	1968

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KEY

1 — United States

2 — Pan American Area

3 — European and Mediterranean Area

4 — Eastern Area

5 — Middle African Area

6 — Southern African Area

	Location	Products	Estimated Completion Date
United States	**WEST VIRGINIA**		
	Alloy	Ferrochrome silicon	1967
	Institute	Tolylene diisocyanate	1966
		Spandex fibers, dinitrotoluene, chloromethanes	1967
		Agricultural chemicals, POLYOX resins, rigid polyols	1966
	Sistersville	Silicone polymers	1966
	South Charleston	DYNEL fibers, glycol	1966
		Diketene	1967
		Chemicals distribution facilities, ethylene and propylene oxide derivatives	1966
Pan American Area	**ARGENTINA**		
	Jesse Maric	Batteries	1966
	CANADA		
	Ontario, Arnprior	Nylon 6	1966-67
	Ontario, Toronto	Gas apparatus	1967
	Quebec, Montreal East	Polyethylene	1966-68
	Quebec, Tracy	Oxygen, nitrogen, argon	1967
	BRAZIL		
	Cubatao	Chemicals, plastics	1966-68
	Salvador	Electrodes	1967
	Rio de Janeiro	Gas apparatus, oxygen	1966-67
	COSTA RICA		
	San Jose	Batteries	1966
	MEXICO		
	Monterrey	Electrodes	1967
European and Mediterranean Area	**BELGIUM**		
	Antwerp	Polyethylene	1967
	FRANCE	Chemicals, oxygen, nitrogen, argon	1966
	Salindres	Molecular Sieves	1966
	Notre Dame de Briancon	Electrodes	1966
	ITALY		
	Priolo	Chemicals, plastics	1966-67
	Naples	Electrodes	1967
	Milan	Nonwoven fabrics	1966
	NORWAY		
	Sauda	Ferromanganese	1967
		Power facilities	1966-68
	SCOTLAND		
	Grangemouth	Polyethylene	1967
	SPAIN		
	Pamplona	Electrodes	1966
	SWEDEN		
	Stenungsund	Polyethylene	1966-67
	SWITZERLAND		
	Geneva	Flame-Plating	1967
Eastern Area	**AUSTRALIA**		
	Altona—Sydney	Polyethylene	1966-67
	INDIA		
	Hyderabad	Batteries	1966
	Trombay	Chemicals, polyethylene	1966-67
	JAPAN		
	Kawasaki	Polyethylene	1967
	Otsuma	Flame-Plating	1967
	THAILAND		
	Phuket	Tin	1966-67
Middle African Area	**GHANA**		
	Accra	Polyethylene film	1966
	KENYA	Batteries	1967
	Nakuru	Batteries	1967
Southern African Area	**REPUBLIC OF SOUTH AFRICA**		
	Pretoria	Chemicals, plastics	1966

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In the United Kingdom, restraining measures taken by the British Government to solve monetary problems resulted in a reduction in the demand for products of Union Carbide's affiliated companies during the second half of the year. On the other hand, sales in Common Market countries increased in 1966, and the long-term outlook for Union Carbide's interests in the area appears to be favorable.

Affiliates in Eastern Area Expand

In spite of the growth of the Japanese polyethylene industry, there is still a shortage of this plastic in the Far East. By mid-1967, capacity of Union Carbide affiliates in the area will be increased by more than 100 million pounds per year as a result of expansions at plants in Australia, India, and Japan.

In 1966, the manufacture of silicone products and integrated circuits was undertaken outside the United States for the first time in Australia and Hong Kong, respectively.

Growing markets for batteries made it necessary to expand producing facilities in India, Australia, New Zealand, and Malaysia during 1966.

The Corporation's exports of agricultural chemicals to the Far East more than doubled in 1966. The observance of International Rice Year contributed to the development of agricultural markets in the area. Union Carbide participated by producing a new motion picture on the use of insecticide to increase crop yields by controlling rice pests. The Corporation built facilities in the Philippines to produce a specially formulated pesticide, called SEVIDOL, to meet the needs of rice farmers.

New Investments in African Area

Africa has long been a major and expanding source of ores and concentrates that Union Carbide uses in its own metals-producing operations and also sells to world markets. A recently acquired vanadium mine and mill near Pretoria in the Republic of South Africa was expanded in 1966.

Other interests in Africa include a new polyethylene film plant in Ghana and a farm for testing agricultural chemicals in Nelspruit, South Africa, which extends the testing season for the Corporation's agricultural chemicals to a full 12 months per year. A new battery plant will be completed in Nakuru, Kenya, in 1967. Markets are being developed for a number of other Union Carbide products.

WORLDWIDE CONSTRUCTION PROGRAM

To keep pace with the strong demand for products and to improve operating efficiency, Union Carbide is continuing its extensive program of plant construction and modernization. In 1966, the Corporation spent $330 million for facilities in the United States and Puerto Rico alone. Union Carbide Canada Limited spent $21 million, and other overseas subsidiary and associated companies spent $66 million. A list of major projects appears on pages 22 and 23.

The Corporation's largest building project is the multimillion dollar petrochemicals complex at Taft, Louisiana, which started producing ethyleneamines late in September. Major units planned or under construction include facilities for producing ethylene and ethylene oxide, polyethylene, acrylics, peracetic acid and derivatives, and glyoxal.

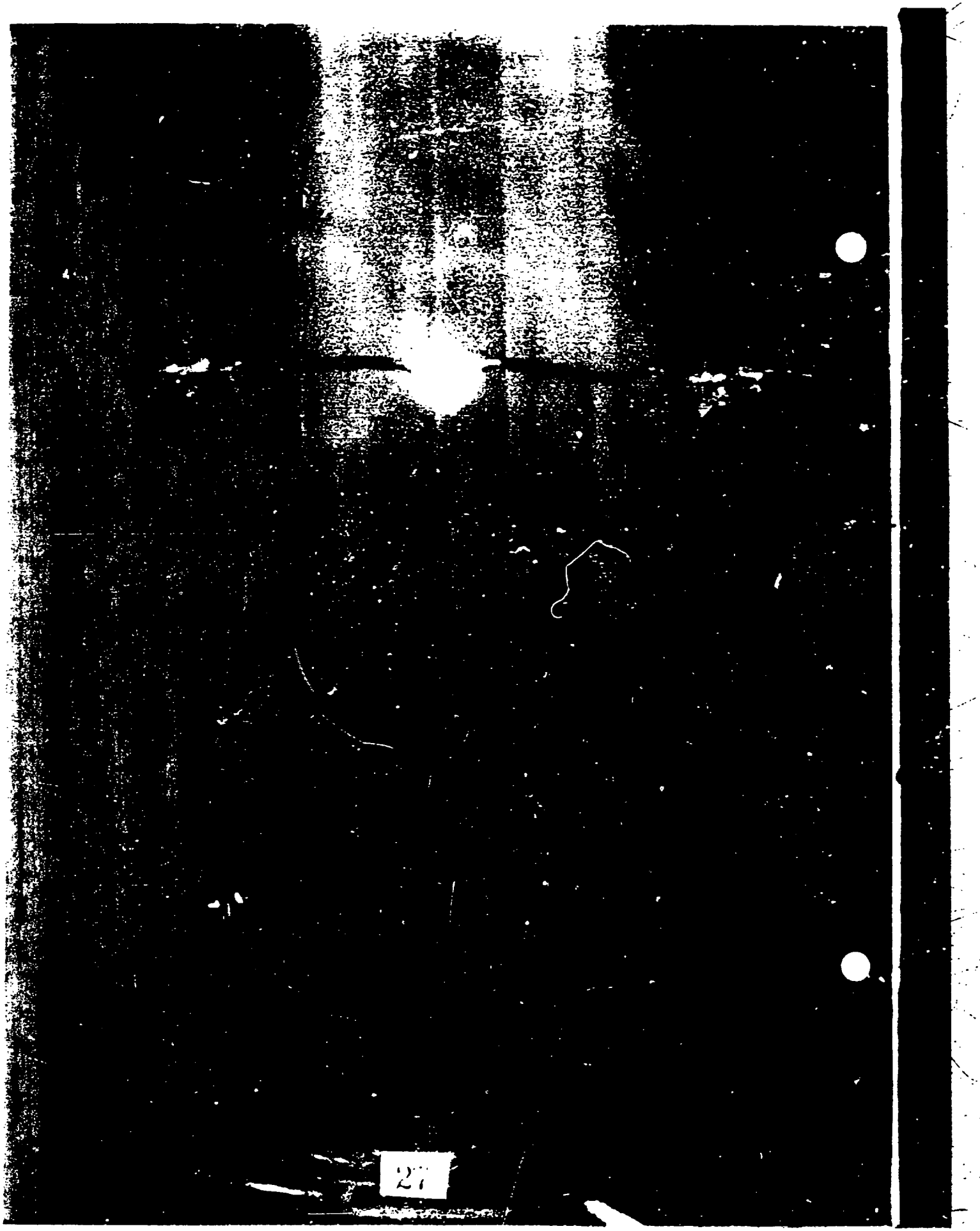
To keep pace with growing markets for batteries in the Far East, Union Carbide's affiliated companies in the area installed facilities for producing an annual total of 100 million batteries a year in 1966. A major use for these batteries is in flashlights, shown here being assembled at an affiliate's Malaysian plant.



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Other key construction projects in the United States include a 1.2 billion-pound-per-year ethylene unit—which will be the largest single ethylene unit ever built—under way in Texas City, Texas; a synthetic phenol plant at Bound Brook, New Jersey, which is expected to be the largest in the world; the first part of an extensive expansion of the world's largest electrode plant just completed at Columbia, Tennessee; three 1,200 ton-per-day air-separation units to be added to an industrial gas pipeline complex in the Chicago area, the first of which is expected to be ready at Gary, Indiana, in 1968; and the world's largest ore-treatment plant for the recovery of vanadium under construction in Arkansas.

Large projects outside the United States include the synthetic fibers plant just completed in Canada; construction of an olefins facility, a major expansion of polyethylene capacity, and a new graphite electrode plant under way in Brazil; a $50 million construction project in Belgium involving polyethylene, petrochemicals, and industrial gases; and a $20 million expansion of chemicals and plastics facilities in Trombay, India.

UNION CARBIDE EMPLOYS 80,500

At the end of 1966, Union Carbide employed approximately 80,500 men and women in the United States, Canada, and Puerto Rico. This includes about 13,000 employed at atomic energy installations operated by Union Carbide for the government at Oak Ridge, Tennessee, and Paducah, Kentucky. Overseas affiliated companies—including Mexico and Central America—employed approximately 46,000.

The total cost of employment for the year—for employees in the United States, Canada, and Puerto Rico, but excluding employees at government-owned facilities—was $593,480,000. Of this amount, $571,739,000 represented wages, salaries, and the cost of benefit plans. Payroll taxes paid to the federal and state governments—including unemployment insurance, workmen's compensation, social security, and Medicare—amounted to $21,741,000.

The Corporation's overall safety experience continues to compare favorably with that of industry in general. The Corporation's disabling injury frequency rate in 1966 was slightly higher than in 1965, but there was a sharp reduction in the severity rate.

TECHNOLOGY AND NEW PRODUCTS

In 1966, Union Carbide continued to pursue an aggressive broad-based research program and spent $81 million on research and development activities in almost every branch of science and engineering. These activities were carried on at 19 major laboratory locations in the United States and Europe.

During the year, construction was started on a silicones laboratory at Tarrytown, New York. The Corporation already has a large technical center on the site consisting of chemical, consumer product, and basic research laboratories, and it expects to start building facilities for research and development in the field of industrial gases late in 1967.

In addition to the new products mentioned on pages 13 to 24, Union Carbide laboratories produced many other developments in 1966, some of which are listed on the following page. The products are in various stages of development and commercialization.

Here a flammability test is being made to evaluate propellants, which Union Carbide supplies for powering aerosol containers to dispense such products as hair sprays, insecticides, room deodorants, paints, and lacquers.

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SOME TECHNOLOGICAL DEVELOPMENTS IN 1966 . . .

. . . *in high-performance materials*

Porous metals—created by a new process that makes it possible to build up uniform sheets of stainless steel, nickel, copper, and other metals into multi-layered structures with a different porosity or material in each layer.

Tungsten textile yarn—in an early stage of development, is the first commercially available flexible form of tungsten.

Zirconia textiles—filaments of zirconium dioxide made into cloth, felt, and ribbon, which have high resistance to extremes of temperature and corrosive environment.

Boralloy ware—a new generation of laboratory ware made of pyrolytic boron nitride, offering a combination of properties and product advantages not available in conventional ceramic and precious-metal vessels.

Grafoil tape—a new form of graphite being used in the development of components for use in the chemical, metallurgical, electrical, nuclear, and aerospace industries.

Carbon cement—twice as strong as any previously available for metallurgical use.

Heat shields—developed under government contract to withstand searing temperatures and erosion encountered by missiles and vehicles re-entering the atmosphere from space.

. . . *in chemicals and plastics*

Urethane intermediates—aliphatic diisocyanates that make it possible to produce urethane coatings, poured floors, and elastomers with greater color stability than could previously be obtained.

Ethylene copolymer emulsions—created by a new process, these emulsions are capable of producing a class of latexes that will impart high gloss and good moisture barrier properties to paper and impart better adhesion to plastic and foil laminates.

Concrete cleaner and dissolver—a novel product for cleaning molds, forms, and equipment used in the manufacture of concrete and concrete products.

Acyl chlorides—produced by a new direct process for economical conversion of carboxylic acids, these compounds are of growing importance in the manufacture of fibers and films with improved thermal properties.

Ucar plastic "paper"—a polyolefin-based plastic sheet notable for its unusual toughness and the fidelity and brightness with which colors can be reproduced on it.

Radiopharmaceuticals—unusual new products developed for medical diagnostic use, based on the combined capabilities of the Corporation's nuclear research laboratories and pharmaceutical operations.

. . . *in agricultural chemicals*

Temik pesticide—a systemic agricultural insecticide absorbed internally by growing plants and gradually destroyed so that no toxic threat remains at harvest.

Tranid miticide—particularly effective on mite species that have grown resistant to conventional treatments.

Sirmate herbicide—kills weeds as they germinate but permits the crop to develop free of herbicide residues.

Dessin miticide—for controlling mites that attack apples and pears.

. . . *in consumer products*

Eveready Captain lantern—powered with sealed rechargeable batteries, produces the brightest light of any general-purpose lantern now on the market.

Eveready silver oxide battery—for use in miniature hearing aids worn inside the ear.

Prestone brake fluid—a new hydraulic fluid, with quick stopping power, for disk brakes.

Prestone jet wax car cleaner—a long-lasting polish that is extremely fast and easy to apply, and is expected to become one of Union Carbide's most popular car care products.

Prestone smog system detergent and smog valve cleaner—two products to clean crankcase ventilation systems, which are now being built into all American automobiles to eliminate crankcase emissions and thus help control air pollution.

Glad freezer-refrigerator wrap—transparent plastic film available in 12-inch and 18-inch widths for heavy-duty freezer and refrigerator use.

Glad garbage bags—leakproof opaque plastic bags for garbage and other home uses, such as wastebasket liners.

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Consolidated Statement of Income and Retained Earnings

Union Carbide Corporation and Consolidated Subsidiaries

	Year Ended Dec. 31, 1966	Year Ended Dec. 31, 1965
Income		
Net Sales	$2,223,980,000	$2,063,901,000
Other Income		
Dividends	20,268,000	14,879,000
All Other (Net)	9,586,000	9,632,000
Total Income	2,253,834,000	2,088,412,000
Deductions		
Cost of Goods Sold	1,440,098,000	1,322,179,000
Selling, General, and Administrative Expenses	215,095,000	181,309,000
Depreciation and Depletion	189,443,000	178,547,000
Interest on Long-Term Debt	23,511,000	21,148,000
Provision for Variable Compensation (Note 8)	11,884,000	9,010,000
Provision for United States and Foreign Income Taxes (Note 4)	140,085,000	146,198,000
Total Deductions	2,020,116,000	1,858,791,000
Net Income Before Minority Interest	233,718,000	229,621,000
Minority Interest	2,745,000	2,704,000
Net Income	230,973,000	226,917,000
Net Income Per Share—On 60,388,484 shares outstanding	—	$3.76
Net Income Per Share—On 60,423,434 shares outstanding	$3.82	—
Retained Earnings at January 1	1,067,461,000	959,495,000
Retained Earnings—Neisler Laboratories, Inc. (Note 5)	—	1,710,000
	1,298,434,000	1,188,122,000
Dividends Declared	120,822,000	120,661,000
Retained Earnings at December 31	$1,177,612,000	$1,067,461,000

(See notes on pages 32 and 33)

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Consolidated Balance Sheet

Assets

	Dec. 31, 1966	Dec. 31, 1965
Current Assets		
Cash	$ 90,140,000	$ 111,740,000
United States, Canadian Government, and Other Short-Term Marketable Securities (Market Value 1966—$47,242,000; 1965—$194,705,000)	47,245,000	194,779,000
	137,385,000	306,519,000
RECEIVABLES (After Allowance for Doubtful)		
Trade Notes and Accounts	310,083,000	271,173,000
Other Notes and Accounts	88,232,000	79,528,000
	398,315,000	350,701,000
INVENTORIES (Cost or Market, whichever lower)		
Raw Materials and Supplies	135,319,000	89,843,000
Work in Process	133,483,000	118,286,000
Finished Goods	178,835,000	155,333,000
	447,637,000	363,462,000
PREPAID EXPENSES	19,185,000	18,592,000
TOTAL CURRENT ASSETS	1,002,522,000	1,039,214,000
Fixed Assets (At Cost)		
Land, Buildings, Machinery, and Equipment	3,205,241,000	2,908,012,000
Deduct—Accumulated Depreciation and Amortization	1,918,139,000	1,779,806,000
	1,287,102,000	1,128,206,000
Investments (Cost or Less)		
Subsidiary Companies	80,490,000	75,012,000
Associated Companies	24,076,000	21,457,000
Other	7,117,000	2,028,000
	111,683,000	98,497,000
Deferred Charges		
Unamortized Debt Discount	3,825,000	4,113,000
Other	7,160,000	5,991,000
	10,985,000	10,104,000
Patents, Trade Marks, and Goodwill	5,662,000	6,807,000
	$ 17,954,000	$2,282,828,000

(See notes on pages 32 and 33)

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Liabilities and Stockholders' Equity

	Dec. 31, 1966	Dec. 31, 1965
Current Liabilities		
Accounts Payable	$ 88,185,000	$ 71,209,000
Installments due within one year on Long-Term Debt (Note 2)	16,918,000	16,918,000
ACCRUED LIABILITIES		
Income and Other Taxes	85,702,000	112,366,000
Interest	4,338,000	4,361,000
Other Accrued Liabilities	137,113,000	100,289,000
	227,153,000	217,016,000
TOTAL CURRENT LIABILITIES	332,256,000	305,143,000
Deferred Income Taxes	23,230,000	18,583,000
Long-Term Debt (Note 2)	561,575,000	578,493,000
Minority Interest in Consolidated Subsidiaries	24,748,000	23,352,000
Stockholders' Equity (Note 3)	1,476,145,000	1,357,257,000
	$2,417,954,000	$2,282,828,000

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Notes to Financial Statements–1966

1. Principles of Consolidation. All majority-owned subsidiary companies that operate in the United States, Puerto Rico, and Canada are consolidated. All other subsidiary (more than 50 per cent owned) and associated (50 per cent owned) companies are shown as investments. Companies less than 50 per cent owned are shown as other investments.

Current assets, deferred charges, and current liabilities of consolidated Canadian subsidiaries are translated at the December 31, 1966, exchange rate; other assets and liabilities are translated at the exchange rate in effect at time of acquisition or assumption; and income is translated monthly at the closing rate of exchange.

Based upon the latest financial statements received, the following is a financial summary of the Corporation's foreign unconsolidated subsidiary and associated companies:

	1966	1965
Total Assets	$670,339,000	$596,357,000
Less: Total Liabilities	349,848,000	301,114,000
Net Worth	320,491,000	295,243,000
Less: Minority and 50% Interests	76,233,000	69,871,000
UCC Equity in Net Worth	$244,258,000	$225,372,000
Consisting of:		
UCC Investment	$103,318,000	$ 95,218,000
Excess of UCC Equity Over Investment	140,942,000	130,154,000
Net Income	$ 41,931,000	$ 38,198,000
UCC Equity in Net Income	30,961,000	27,044,000
Dividends Received and Included in UCC Consolidated Earnings	$ 20,173,000	$ 14,717,000

The Net Income is after giving effect to net declines in local currency values. The Corporation's share amounted to $120,900 in 1966 and $2,811,000 in 1965.

A substantial portion of the amount by which the Corporation's equity in these foreign companies exceeds the amount at which these investments are carried has been invested in working capital and plant expansion of the foreign companies. Only that part of the income of the foreign companies received as dividends is included in the consolidated income of the Corporation.

2. Long-Term Debt.

	Dec. 31, 1966	Dec. 31, 1965
3.50% Promissory Notes due in semi-annual installments of $7,500,000 each to November 1, 1984	$270,000,000	$285,000,000
4.50% Promissory Notes due in semi-annual installments of $958,900 each to December 31, 1998	58,498,000	60,411,000
3.625% Promissory Notes due in semi-annual installments of $1,250,000 each beginning March 1, 1971, and ending September 1, 1990. The Notes were issued at a discount to yield the Lenders 4.50% per annum over the term of the Notes, and the discount is being amortized during the same period	50,000,000	50,000,000
4.50% Promissory Notes due in annual installments of $20,000,000 each beginning December 1, 1985, and ending December 1, 1994	200,000,000	200,000,000
	$579,493,000	$595,411,000
Less: Installments due within one year included in current liabilities	16,918,000	16,918,000
	$561,575,000	$578,493,000

3. Stockholders' Equity.

	December 31, 1966		December 31, 1965	
	Shares	Amount	Shares	Amount
Common Stock—$4 par value Authorized—72,000,000 shares. Issued, including 195,225 shares (345,519 shares at Dec. 31, 1965) held by the Corporation as collateral under stock purchase agreements (Notes 7 and 8)	61,153,363	$ 315,652,000	61,118,298	$ 313,967,000
Less: Unpaid portion of stock purchase agreements		9,174,000		16,307,000
		306,478,000		297,660,000
Retained Earnings		1,177,612,000		1,067,461,000
		1,484,090,000		1,365,121,000
Less: Treasury stock held by the Corporation	729,929	7,945,000	729,814	7,864,000
Stockholders' Equity	60,423,434	$1,476,145,000	60,388,484	$1,357,257,000

4. Provision for United States Income Taxes. The Investment Tax Credit applicable to certain depreciable assets placed in service in the United States amounted to $18,116,000 in 1966 and $18,531,000 in 1965. These amounts have been credited to earnings in 1966 and 1965, respectively, as a reduction of income taxes.

5. Pooling of Interests. In 1965, Union Carbide exchanged shares of its common stock for shares of Neisler Laboratories, Inc. This transaction was treated as a pooling of interests, and Retained Earnings of Neisler, after making appropriate adjustments, is displayed as an addition to Consolidated Retained Earnings in 1965.

6. Retirement Program. In 1966, the Corporation made payments aggregating $27,702,000 covering its share of the cost for that year of the retirement program. All past-service costs under the Contributory Retirement Plan have been discharged. The cost of employees' pensions under the Non-Contributory Pension Plan is funded during the last 20 years of active employment under a level premium method of funding.

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7. Stock Purchase Plan. In 1948, the stockholders approved and authorized a Stock Purchase Plan for Employees. Offerings under the Plan, which were at current market quotations, were ended in 1956. The shares sold under the Plan are held by the Corporation as collateral and are released as payments therefor are completed.

8. Incentive Programs. On April 22, 1965, the stockholders approved the Incentive Compensation Program consisting of (a) the Variable Compensation Plan, and (b) the 1965 Stock Option Plan. Previously, in 1959, the stockholders had approved the Union Carbide Incentive Plan. The period during which awards could be granted under the 1959 Plan expired in April, 1964.

Variable Compensation Plan

Under the provisions of the Plan, the Board of Directors is authorized to make Variable Compensation payments for any given year not to exceed 15 per cent of the Variable Compensation Net Income remaining after deduction of an amount equal to a 7 per cent return on Consolidated Invested Capital at the beginning of the year. "Variable Compensation Net Income" is defined as the Consolidated Net Income of the Corporation plus Minority Interest in Net Income, except that Consolidated Net Income shall be adjusted to exclude provision for any Variable Compensation or for Interest on Long-Term Debt. "Consolidated Invested Capital" is defined as the sum of the Long-Term Debt, Minority Interest in Consolidated Subsidiaries, and Stockholders' Equity at the end of the preceding year.

The maximum amount available for the payment of Variable Compensation for the year 1966, as certified by the Corporation's independent public accountants, is $17,134,000, determined as follows:

Variable Compensation Income Before Taxes (Income Before Minority Interest, Income Taxes, Provision for Variable Compensation and Interest on Long-Term Debt)	$409,198,000
Less: U.S. and Foreign Income Taxes that would be applicable to such Variable Compensation Income	157,089,000
"Variable Compensation Net Income"	$252,109,000
Less: 7% of "Consolidated Invested Capital"	137,137,000
Remainder	$114,972,000
Amount of Variable Compensation under the plan formula (15% of Remainder)	$ 17,246,000
Less: Adjustment for non-participating Consolidated Companies	112,000
Maximum Amount Available for Payment	$ 17,134,000

For the year 1966, the Board of Directors authorized Variable Compensation in the total amount of $11,994,000 for payment to approximately 6,500 eligible managerial, professional, and administrative employees. The Plan provides that the amount payable to an employee for any year shall be reduced by any Dividend Equivalent payments received by such employee during such year under the 1965 Union Carbide Stock Option Plan. Accordingly, the authorized amount was reduced by $110,000, representing such Dividend Equivalent payments made during 1966, resulting in a net amount of $11,884,000 payable as Variable Compensation for the year 1966.

The reconciliation of Variable Compensation Income Before Taxes to Consolidated Net Income for 1966 is as follows:

Variable Compensation Income Before Taxes	$409,198,000
Less: Interest on Long-Term Debt	23,511,000
Provision for Variable Compensation	11,884,000
Provision for U.S. and Foreign Income Taxes	140,555,000
Minority Interest in Net Income	2,745,000
Total Deductions	178,225,000
Consolidated Net Income	$230,973,000

1965 Stock Option Plan

Under this Plan, awards may be granted to employees for a period of five years after approval of the Plan. Awards may be in the form of either (a) Options to purchase capital stock of the Corporation, or (b) Dividend Equivalents with an accompanying Option to purchase an equal number of shares of capital stock of the Corporation.

Options expire at the end of five years unless terminated earlier in accordance with the terms of the Plan. Options may be exercised by payment in cash or, when exercised during employment, by signing a purchase contract payable within five years. Shares sold under a purchase contract are held by the Corporation as collateral and are released as payments therefor are completed. Option prices may not be less than 100 per cent of the fair market value per share on the date of the grant.

A "Dividend Equivalent" means the right to receive, for a specified period of time, cash payments from the Corporation, or a subsidiary, equivalent in value to dividends (other than stock dividends) paid during such period on one share of stock of the Corporation.

During 1966, awards consisting of Options to purchase 226,750 shares of stock, 12,500 of which had accompanying Dividend Equivalents, were granted to 150 employees. The Dividend Equivalents were awarded for life unless forfeited under the terms of the Plan or terminated by exercise of the accompanying Options.

1959 Union Carbide Incentive Plan

This Plan provided for awards similar to those discussed under the 1965 Stock Option Plan, except that Options could be granted for a period of ten years and the Option price could not be lower than 95 per cent of the fair market value per share on the date of grant.

Current Status of Options and Dividend Equivalents

At December 31, 1966, there were 1,207,482 Dividend Equivalents outstanding under the 1959 Union Carbide Incentive Plan and the 1965 Stock Option Plan. Of these, 1,058,648 had accompanying Options to purchase an equal number of shares of stock. The current status of shares optioned under these two plans is summarized below:

		Shares
Options outstanding as of December 31, 1965		1,465,760
Options granted in 1966 at $51.00 per share		226,750
Total		1,692,510
Less: Options cancelled (Terminations, Retirements, Deaths) during 1966	95,552	
Options exercised during 1966	34,825	
		130,377
Options outstanding as of December 31, 1966		1,562,133
Number of Employees participating as of December 31, 1966		552

On December 31, 1966, there remained 726,930 shares available for granting of Options under the 1965 Stock Option Plan.

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of ...nds—Years 1966 and 19..

.....	$ 8,519,000
.....	230,973,000
.....	120,822,000
.....	110,151,000
.....	27,113,000
.....	(16,918,000)
.....	17,135,000
TOTAL SOURCES	137,421,000
.....	351,083,000
...iation and Depletion	189,443,000
	161,640,000
...ceivables and Inventories	131,789,000
Investments	13,186,000
TOTAL APPLICATIONS	306,615,000
Increase (Decrease) in Cash and Government and Other Marketable Securities	(169,134,000)
Cash and Government and Other Marketable Securities—	
End of Period	$137,386,000

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1965
$218,719,000
226,917,000
120,661,000
106,256,000
25,342,000
80,082,000
16,653,000
231,333,000
242,184,000
178,947,000
63,237,000
62,064,000
18,232,000
143,533,000
87,800,000
$306,519,000

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Ten-Year Summary

**(Dollars in Millions—
Except Per Share Figures)**

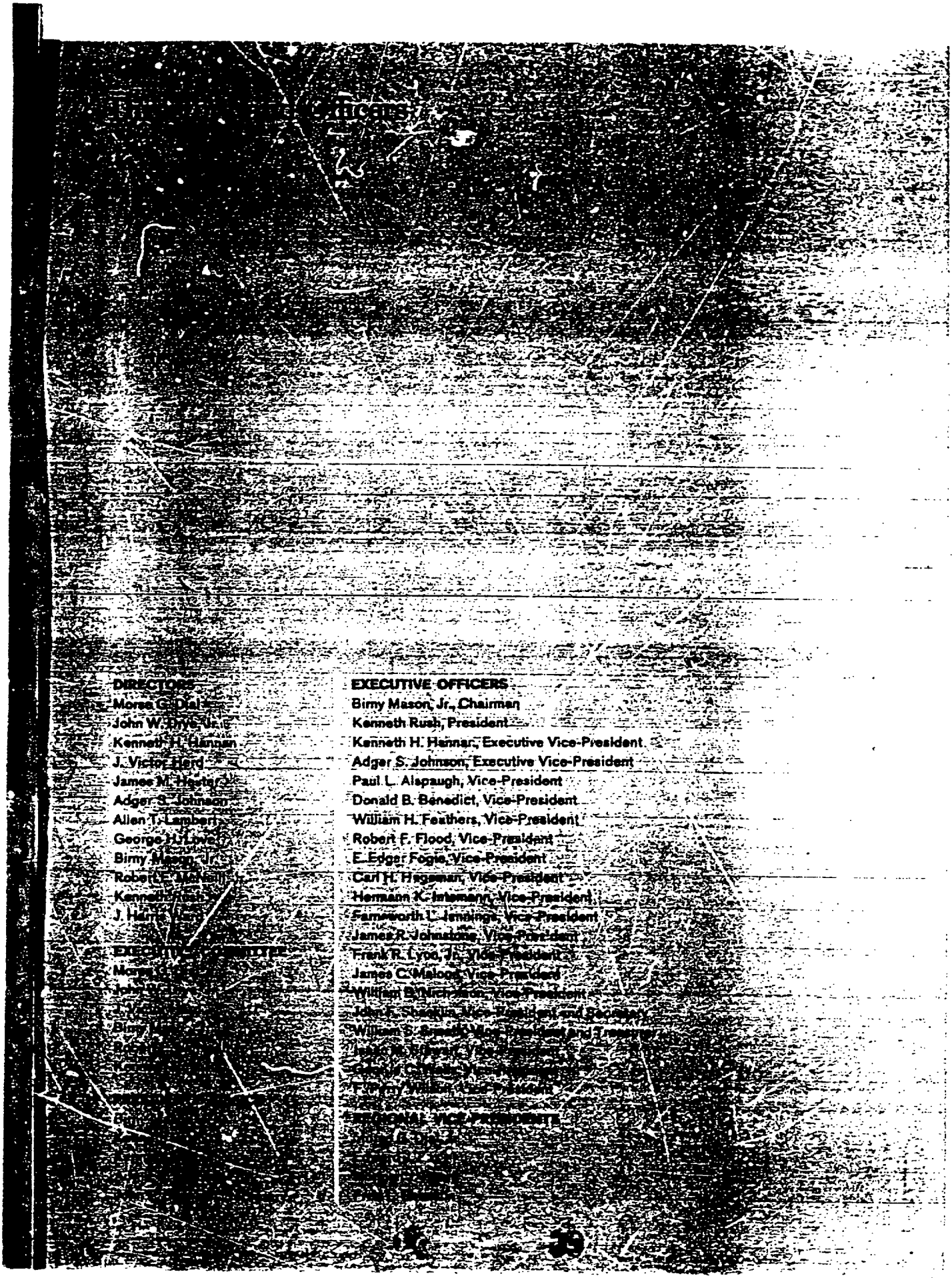
	1966	1965	1964	19(
Net Sales	$2,224	$2,064	$1,879	$1,(
Sales by Product Groups				
Chemicals	781	743	679	(
Plastics	388	359	342	(
Industrial Gases	424	385	341	(
Metals	308	301	278	(
Carbons	323	276	239	(
Net Income				
Amount	231.0	226.9	189.1	16
Per Share*	3.82	3.76	3.14	2.
Dividends Paid				
Amount	120.8	120.7	108.4	10
Per Share*	2.00	2.00	1.80	1
% of Net Income	52.3%	53.2%	57.3%	67.7
Number of Shares Outstanding*	60,423,434	60,388,484	60,234,010	60,219,(
Total Assets	$2,417.9	$2,282.8	$2,054.0	$1,83
Stockholders' Equity				
Amount	1,476.1	1,357.3	1,243.2	1,12
Per Share*	24.43	22.48	20.64	18.
Construction Expenditures	351.1	242.2	271.2	16
Depreciation and Depletion	189.4	178.9	161.1	15
Employee Data—Excluding Employees at Government-Owned Facilities				
Wages, Salaries, and Benefit Plans	571.7	521.1	503.1	47
Average Number of Employees	66,355	60,955	60,319	5

*Adjusted for the two-for-one stock split on May 6, 1966.

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1962	1961	1960	1959	1958	1957
$1,631	$1,563	$1,548	$1,531	$1,297	$1,395
579	532	513	498	411	401
317	310	319	343	290	281
287	259	244	230	199	199
249	268	283	283	246	348
199	194	189	177	151	166
159.8	142.3	158.0	171.6	124.9	133.7
2.65	2.36	2.62	2.85	2.08	2.22
108.4	108.4	108.4	108.3	108.3	108.3
1.80	1.80	1.80	1.80	1.80	1.80
67.8%	76.2%	68.6%	63.1%	66.7%	81.0%
60,211,866	60,212,546	60,204,410	60,195,886	60,186,366	60,134,246
$1,791.7	$1,734.3	$1,712.9	$1,632.2	$1,530.5	$1,456.3
1,070.3	1,018.1	982.7	928.3	861.4	838.7
17.78	18.91	16.32	15.42	14.31	13.96
145.0	167.5	219.8	136.6	144.0	190.5
153.8	144.2	129.3	121.6	124.4	120.4
459.8	445.1	446.6	419.9	388.9	412.8
58,798	58,629	60,184	58,517	57,020	64,247

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DIRECTORS

Morse G. Dial
John W. Drye, Jr.
Kenneth H. Hannan
J. Victor Herd
James M. Hester
Adger S. Johnson
Allen T. Lambert
George H. Love
Birny Mason, Jr.
Robert E. Mellon
Kenneth Rush
J. Harris [illegible]

EXECUTIVE COMMITTEE

Morse G. Dial
John W. Drye, Jr.
Birny Mason, Jr.
[illegible]

EXECUTIVE OFFICERS

Birny Mason, Jr., Chairman
Kenneth Rush, President
Kenneth H. Hannan, Executive Vice-President
Adger S. Johnson, Executive Vice-President
Paul L. Alspaugh, Vice-President
Donald B. Benedict, Vice-President
William H. Feathers, Vice-President
Robert F. Flood, Vice-President
E. Edgar Fogle, Vice-President
Carl H. Hegeman, Vice-President
Hermann K. Intemann, Vice-President
Farnsworth L. Jennings, Vice-President
James R. Johnstone, Vice-President
Frank R. Lyon, Jr., Vice-President
James C. Malone, Vice-President
William B. Nicholson, Vice-President
John F. Shaskan, Vice-President and Secretary
William S. Sneath, Vice-President and Treasurer
Jesse W. Stewart, Vice-President
[illegible]
[illegible]

REGIONAL VICE PRESIDENTS

[illegible]

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J. VICTOR MEEKS
Director
Chairman of the Board
The Continental Insurance Company

ALVIN E. LINDSAY
Director
Chairman and President
The Toronto-Dominion Bank

GEORGE M. LOVE
Director
Chairman of the Board
Consolidation Coal Company

J. HARRIS WARD
Director
Chairman
Commonwealth Edison Company

PAUL L. KLEINMANN
Vice-President
36 Years' Service

WILLIAM H. FEATHERS
Vice-President
29 Years' Service

ROBERT F. FLOOD
Vice-President
31 Years' Service

CARL H. HAGEMAN
Vice-President
33 Years' Service

HERMANN L. MITTEMANN
Vice-President
36 Years' Service

JAMES E. JOHNSTONE
Vice-President
29 Years' Service

FRANK R. LYON, JR.
Vice-President
15 Years' Service

JAMES C. MALONE
Vice-President
25 Years' Service

WILLIAM B. NICHOLSON
Vice-President
31 Years' Service

GEORGE E. WELLS
Vice-President
29 Years' Service

REGIONAL VICE PRESIDENTS

32 Years' Service

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1965
$218,719,000
226,917,000
120,661,000
106,256,000
25,342,000
83,082,000
16,653,000
231,333,000
242,184,000
178,947,000
63,237,000
62,064,000
18,232,000
143,533,000
87,800,000
$306,519,000

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n-Year Summary

ars in Millions—
pt Per Share Figures)

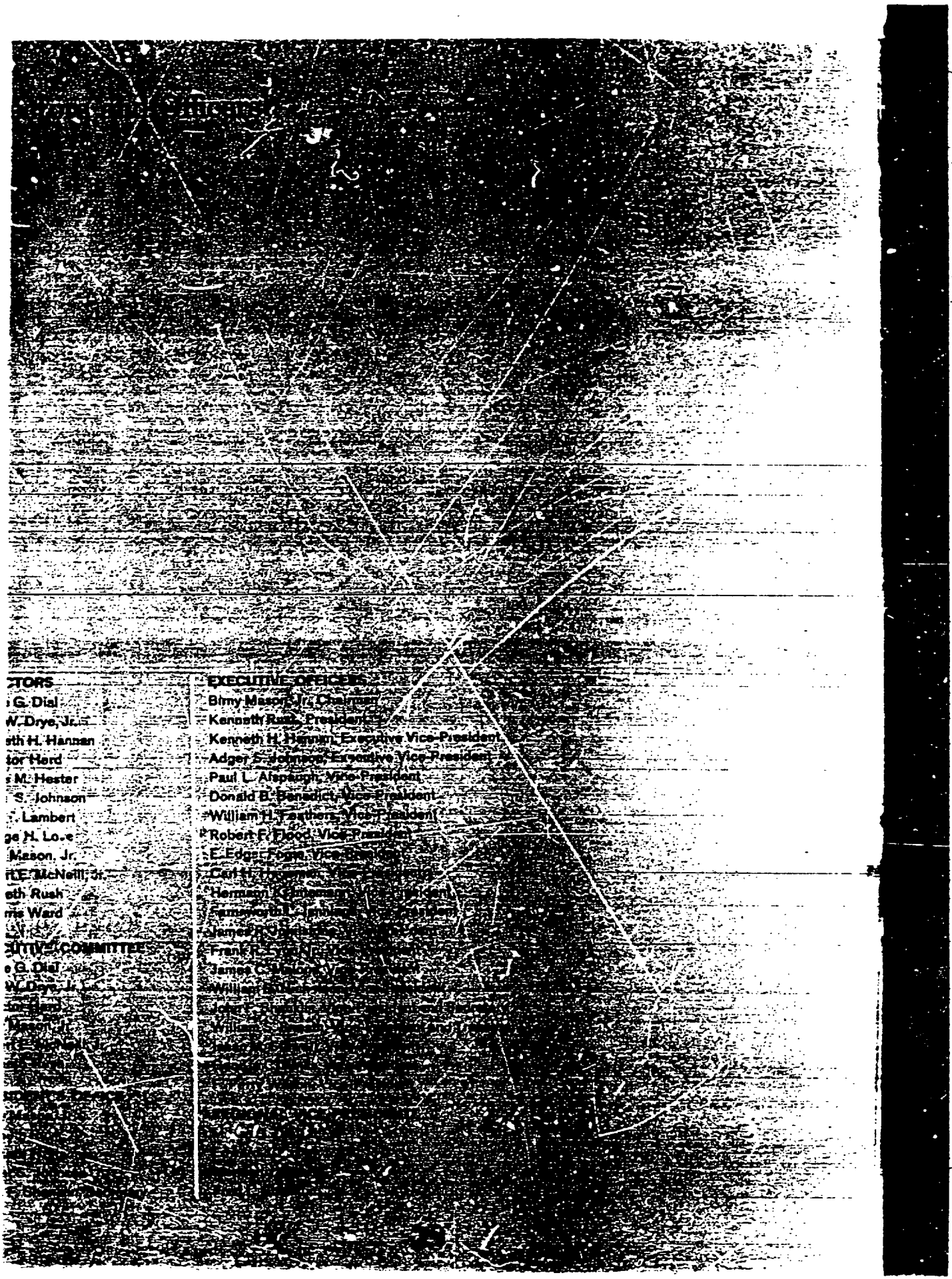
	1966	1965	1964	1963
Sales	$2,224	$2,084	$1,879	$1,668
s by Product Groups				
Chemicals	781	748	679	575
Plastics	388	359	342	331
Industrial Gases	424	385	341	311
Metals	308	301	278	235
Carbons	323	276	239	216
ncome				
mount	231.0	226.9	189.1	160.2
er Share*	3.82	3.76	3.14	2.66
ends Paid				
mount	120.8	120.7	108.4	108.4
er Share*	2.00	2.00	1.80	1.90
s of Net Income	52.3%	53.2%	57.3%	67.7%
ber of Shares Outstanding*	60,423,434	60,388,484	60,234,010	60,219,622
Assets	$2,417.9	$2,282.8	$2,054.0	$1,832.2
holders' Equity				
mount	1,476.1	1,357.8	1,243.2	1,124.0
er Share*	24.43	22.48	20.64	18.67
truction Expenditures	351.1	242.2	271.2	169.5
ciation and Depletion	189.4	178.9	161.1	155.1
oyee Data—Excluding Employees Government-Owned Facilities				
Wages, Salaries, and Benefit Plans	571.7	521.1	503.1	475.8
verage Number of Employees	65,855	60,665	60,819	50 481

sted for the two-for-one stock split on May 6, 1966.

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1961	1960	1959	1958	1957
$1,563	$1,548	$1,531	$1,297	$1,395
532	513	498	411	401
310	319	343	290	281
259	244	230	199	199
268	263	283	246	348
194	189	177	151	166
142.3	158.0	171.6	124.9	133.7
2.36	2.62	2.85	2.08	2.22
[illegible]	108.4	108.3	108.3	108.3
1.80	1.80	1.80	1.80	1.80
76.2%	68.6%	63.1%	86.7%	81.0%
60,212,546	60,204,410	60,195,886	60,186,366	60,134,246
$1,734.3	$1,712.9	$1,632.2	$1,530.5	$1,456.3
1,018.1	982.7	926.8	861.4	839.7
16.91	16.32	15.42	14.31	13.96
167.5	219.8	136.6	144.0	190.5
144.2	129.3	121.6	124.4	120.4
445.1	448.6	419.9	388.9	412.8
58,629	60,184	58,517	57,020	64,247

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CTORS
G. Dial
W. Drye, Jr.
eth H. Hannan
tor Herd
M. Hester
S. Johnson
. Lambert
ge H. Lo.e
Mason, Jr.
t E. McNeill, Jr.
eth Rush
ms Ward

UTIVE COMMITTEE
e G. Dial
W. Drye, Jr.

EXECUTIVE OFFICERS
Birny Mason, Jr., Chairman
Kenneth Rush, President
Kenneth H. Hannan, Executive Vice-President
Adger S. Johnson, Executive Vice-President
Paul L. Alspaugh, Vice-President
Donald B. Benedict, Vice-President
William H. Feathers, Vice-President
Robert F. Flood, Vice-President
E. Edge Foote, Vice-President
Carl H. Hoffman, Vice-President
Herman Schlenker, Vice-President
Farnsworth Smith, Vice-President
James [illegible], Vice-President
Frank R. [illegible], Vice-President
James C. [illegible], Vice-President
William [illegible], Vice-President
John [illegible], Vice-President
William [illegible], Vice-President
[illegible], Vice-President
[illegible], Vice-President
[illegible], Vice-President

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...ion Carbide Corporation

...LD B. BENEDICT, GROUP VICE-PRESIDENT



THOMAS R. MILLER

Coatings Intermediates Division PRESIDENT: T. R. Miller. EXECUTIVE VICE-PRESIDENT: R. L. Duncan. VICE-PRESIDENTS: R. D. Bower, J. L. Brannon, M. W. Duncan, T. F. Hart, J. L. Marsh, J. J. Morris, S. P. Smith, R. V. Wallin.

Chemicals and plastics used to manufacture paints, industrial coatings, printing inks, urethane foam and other foams, tires and rubber products, floor coverings, and calendered materials are marketed by this Division. Many of the Corporation's vinyl resins and silicones, with important uses in the surface-coatings industry, are sold by this Division. It also markets silicones and plastics used by the electronics industry and phenolic resins and other plastics and chemicals used in molding temperature-resistant products and in making adhesives and laminates.



GLENN L. PITZER

Plastic Products Division PRESIDENT: G. L. Pitzer. EXECUTIVE VICE-PRESIDENT: W. J. Canavan. VICE-PRESIDENTS: J. D. Benedito, A. A. Boehm, J. A. Bruton, W. H. B. Geoghegan, V. L. Larsen, J. W. McLaughlin, Leon Shechter, J. H. Ware.

This Division supplies many different formulations of the 11 types of plastics produced by Union Carbide to companies using plastics for molded and extruded products, for wire and cable insulation, and for packaging film. In addition, it markets fabricated products—including films, bottles, and industrial bags; certain basic chemicals used in making plastics, such as acetylene, ethylene, propylene, and styrene; chemical intermediates, such as acetic acid, ethylene oxide, acetaldehyde, and isopropanol; and plasticizer intermediates and stabilizers, such as butanol, butyl CELLOSOLVE, ethylhexanol, phthalic anhydride, and peracetic acid.



WARREN M. ANDERSON

Process Chemicals Division PRESIDENT: W. M. Anderson. EXECUTIVE VICE-PRESIDENT: K. H. Rowland. VICE-PRESIDENTS: T. W. Carmody, M. W. Duncan, R. D. Glenn, R. M. Joslin, W. C. Morro, Jr., J. V. Murray, Jr., J. H. Ware, R. H. Wellman.

The principal products of this Division are agricultural chemicals (including the widely known SEVIN insecticide), chemical intermediates for producing biodegradable detergents, and fluorocarbon chemicals for use as propellants and refrigerants. This Division also provides chemicals for use in making pharmaceuticals, food products, cosmetics and toiletries, soaps, and automotive specialties. Other products that the Division markets include oil and fuel additives; fluid and lubricants used in mining, metalworking, and de-icing; and chemicals for use in gas treating, oil refining, and drilling.



RONALD S. WISHART, JR.

Chemicals and Plastics Development Division PRESIDENT: R. S. Wishart, Jr. EXECUTIVE VICE-PRESIDENT: E. A. Barr. VICE-PRESIDENTS: M. T. Bolser, T. W. Carmody, L. P. Jehle, J. W. McLaughlin, A. P. Moss, F. H. Roberts, Leon Shechter, S. P. Smith, R. V. Wallin.

A major responsibility of this Division is the development of new products, new markets, and new applications for products that fall outside the normal sphere of activity of other divisions within the Chemicals and Plastics Group. For example, the development of polysulfone, POLYOX resins, parylene, UCAR plastic sheet, and cement and concrete additives is currently part of this Division's activities. The Division also is responsible for marketing products used in making fibers, in processing textiles, and in manufacturing pulp and paper.



CHARLES M. BLAIR

Chemicals and Plastics Operations Division PRESIDENT: C. M. Blair. EXECUTIVE VICE-PRESIDENTS: R. W. Eddy, Maxwell Hill, Jr. VICE-PRESIDENTS: J. D. Benedito, T. W. Carmody, L. L. Dintiman, M. W. Duncan, J. S. Freeman, R. D. Glenn, W. M. Hammond, W. F. Keenan, V. L. Larson, J. L. Marsh, J. W. McLaughlin, J. J. Morris, J. V. Murray, Jr., Leon Shechter, E. P. Shetter, S. P. Smith, R. V. Wallin, J. H. Ware.

This Division is responsible for coordinating the activities of all the functions performed within the Chemicals and Plastics Group. It operates 20 plants producing over 400 chemicals and more than 1,000 formulations of 11 types of plastics. It manages 3 engineering centers, 7 research and development laboratories, and 70 sales and distribution facilities. Also, it is responsible for the procurement of hydrocarbon raw materials.

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FRED B. O'MARA

Carbon Products Division PRESIDENT: F. B. O'Mara. EXECUTIVE VICE-PRESIDENT: F. C. Kroft, Jr. VICE-PRESIDENTS: C. E. Ford, N. M. Rand, D. B. Randall, F. B. Vernon.

Both carbon and graphite (highly refined carbon) are produced by this Division in thousands of shapes and forms—ranging from flexible tape for strengthening missile components to mammoth blocks for lining blast furnaces. The Division's most important products are furnace electrodes. These very large cylinders of carbon or graphite, some weighing 14 tons, "fire" electric furnaces used for smelting ore to make alloys, for melting scrap metal and other raw materials to produce steels, and for making abrasives, phosphorus, and other products requiring great heat. Arc carbons produced by this Division are used for a variety of lighting purposes, including motion picture projection and studio lighting, solar simulation, and spectroscopic analysis. The Division also manufactures carbon and graphite in many forms for electrical, mechanical, and metallurgical uses; as anodes for electrolytic production of chemicals; as corrosion-resistant chemical processing equipment; as brushes for electric motors and generators; and as activated carbon for adsorption processes. Specialty products are made for the aerospace and nuclear industries.



ROBERT A. CHARPIE

Electronics Division PRESIDENT: R. A. Charpie. VICE-PRESIDENTS: C. R. Cestor, W. F. Moore.

The Electronics Division was formed in June, 1966, to consolidate all the Corporation's activities in the electronics industry, many of which had previously been handled by the Linde Division and the Technology Department. These activities include the production of solid tantalum and plastic film capacitors; barium getters used in radio and television tubes; transistors made from microscopic chips of silicon; integrated circuits; and synthetic ruby and sapphire crystals for use in lasers, satellites, and various industrial applications. Through Korad Corporation, a subsidiary company, it also produces lasers and laser systems. One of the Division's recent developments is the fuel cell, which is capable of converting chemical energy directly into electrical energy with very high efficiency.



J. BOYD BENSON

Linde Division PRESIDENT: J. G. Benson. EXECUTIVE VICE-PRESIDENT: W. S. Gray, Jr. VICE-PRESIDENTS: A. L. Bayes, E. G. Hickling, R. W. King, T. J. Milhaupt, G. A. Murray, R. W. Pressing.

The production of purified elemental gases from the air—principally oxygen, nitrogen, and argon—is a major activity of the Linde Division. The gases are sold in both liquid and gaseous form. The Division also produces liquefied and gaseous hydrogen and helium and gaseous acetylene. These products are employed in the production and fabrication of steel and other metals, in the aerospace program, and in a variety of chemical and petroleum applications. The Linde Division also manufactures equipment for handling and using gases in various industrial processes, such as electric arc welding, flame cutting, and POLARSTREAM liquid nitrogen refrigeration for in-transit preservation of frozen and perishable foods. Other activities include the production of Molecular Sieve adsorbents used in separating and drying liquids and gases, and a Flame-Plating service. Also, through an affiliate—Ocean Systems, Inc.—underwater diving equipment and services are provided.



Mining and Metals Division PRESIDENT: B. R. Buck. EXECUTIVE VICE-PRESIDENT: C. J. Chapman. VICE-PRESIDENTS: J. C. Douglas, W. R. Lewis, F. J. Shortslceve, G. H. Weaver.

This Division is engaged in mining, ore processing, and metalmaking operations. To obtain source materials for its products, it carries on extensive geological investigation and exploration throughout the world. The Division markets ore concentrates, ferroalloys, alloying metals, and commercially pure forms of a number of key metal elements. It is a major supplier of chromium, manganese, silicon, vanadium, tungsten, tantalum, and columbium. A major activity of this Division is the production of ferroalloys and metals used in making steel, iron, and various nonferrous metals. These materials remove

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ROBERT H. KOHNS

Stellite Division PRESIDENT: R. M. Brown; VICE-PRESIDENT: E. R. Bobula.

The Stellite Division provides industry with special alloys and metals for applications involving heat, corrosion or wear. They are produced in the form of castings, sheet, plate, bar, wire, and powder. One of the largest markets for these products is in high-temperature components for jet aircraft and space equipment, where they withstand severe stress and corrosive attack. The chemical and nuclear industries also use large quantities of the Division's alloys and metals for equipment operating in highly corrosive environments. Because of their unusual wear resistance, the Stellite Division's alloys also make possible longer-lasting machinery parts and cutting tools.

JAMES R. JOHNSTONE, GROUP VICE-PRESIDENT



JAMES F. MAXWELL

Consumer Products Division PRESIDENT: J. F. Maxwell; EXECUTIVE VICE-PRESIDENT: D. N. Watt; VICE-PRESIDENTS: C. P. Berg, R. S. Burgess, H. F. Doolittle, R. L. Glover.

About 800 types of batteries are sold by this Division under the EVEREADY and HERCULES trade marks and also under custom brands. These batteries are used in flashlights, radio and television sets, tape recorders, phonographs, hearing aids, photographic equipment, toys, military equipment, and a variety of cordless appliances—such as carving knives and portable mixers. Other EVEREADY products include flashlight cases and lamps for automobiles, boats, and aircraft. The Division also markets a number of automotive products. Anti-freezes are sold under the PRESTONE, WINTER-FLO, and PRIME trade marks and also under custom brands. Special car care products, such as polishes and brake fluids, also bear the PRESTONE trade mark. Other consumer products marketed by this Division are LINDE Stars, "6-12" insect repellent, CAPTAIN swim products, and the GLAD line of household packaging materials—wrap, bags, and straws.



JOHN B. HILTER

Fibers and Fabrics Division PRESIDENT: J. R. Hulten; EXECUTIVE VICE-PRESIDENT: E. E. Hood; VICE-PRESIDENTS: J. J. Klein, A. E. Montagna.

The products of this Division are closely associated with the textile and other soft goods industries—fibers, fabrics, and film and sheeting. Their principal uses are in apparel, home furnishings, and automotive trim. The Division produces DYNEL modacrylic fibers for pile coats, blankets, and various fashion accessories—such as hairpieces, wigs, and jewelry—and FIBERBOND non-woven materials principally for automotive use. It also markets KRENE vinyl products which are used in swimming pool liners, book covers, shower curtains, tablecovers, and luggage. An extensive line of VI-CRYL vinyl fabrics is produced for upholstery applications. The Englander Company, a Corporation subsidiary, manufactures bedding equipment, including sofa beds, box springs, and mattresses. Among these are ENGLANDER, AIR-CUSHION, COMFORT-AIRE, Dial-A-Firmness, and PROCESS 202 urethane foam.



EDWARD [illegible]

Food Products Division PRESIDENT: R. S. Abrams; EXECUTIVE VICE-PRESIDENT: [illegible]; VICE-PRESIDENTS: [illegible]

The Food Products Division manufactures cellulose [illegible] and packaging materials, poultry, and other [illegible] products. A cellulose casing used to form [illegible] is removed after cooking and smoking operations are completed. The Division makes polyethylene and other types of plastic film for [illegible] packaging of [illegible] products and poultry, such as [illegible] through turkeys.

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PAUL L. ALSPAUGH, GROUP VICE-PRESIDENT


PAUL L. ALSPAUGH


JAMES E. POTTS

[illegible] Director—CHAIRMAN; [illegible] DIRECTORS: [illegible]; North, W. [illegible] Latin American Area; DIRECTOR: [illegible]; TREASURER: E. E. Nightingale.

This subsidiary represents the Corporation's interests in Canada and Latin America. Over 8,000 people are employed in the Canadian operations [illegible] plants, 2 quarries, 30 sales offices, and 3 development [illegible]. American operations are divided into two regions: Latin America—North, which includes the Caribbean Islands, Central America, Colombia, Ecuador, Guyana, Mexico, and Venezuela; and Latin America—South, which takes in Argentina, Bolivia, Brazil, Chile, Paraguay, Peru, and Uruguay. Affiliated companies in Latin America have plants for manufacturing chemicals and plastics in Brazil and Mexico; dry batteries and related products in Argentina, Brazil, Colombia, Costa Rica, Mexico, and Venezuela; industrial gases in Brazil and Puerto Rico; electrodes in Mexico; and calcium carbide in Brazil.

JAMES C. MALONE, GROUP VICE-PRESIDENT


JAMES C. MALONE


BORIS T. SOBOLOFF

Union Carbide Europe, Inc. Directors—CHAIRMAN: J. C. Malone. VICE-CHAIRMAN: B. T. Sorgoyne. REGIONAL EXECUTIVE DIRECTOR—Europe: T. F. W. Jackson. REGIONAL DIRECTORS: [illegible] H. L. Reichart, Jr.—Benelux and United Kingdom; E. S. Prochnik—Italy, France, and Spain; [illegible] Wilde—Central and Northern Europe; Boris Soboloff, Jr.—Middle East and Northern Africa. SECRETARY and TREASURER: V. C. Grove.

This subsidiary represents the Corporation's interests in Europe, the Middle East, and northern African countries bordering on the Mediterranean Sea. These interests serve customers in over 30 countries, including those of the European Common Market and the European Free Trade Association. The populations of the countries served communicate in approximately 40 different languages and numerous dialects. Subsidiary and associated companies within this group employ over 20,000 people in the operation of 45 plants, 24 warehouses, and 34 sales offices. There are plants for chemicals in England and Italy; plastics in Belgium, England, Italy, and Sweden; Molecular Sieves in France; ferroalloys in England and Norway; gases and apparatus in England, France, Germany, and Spain; graphite electrodes and anodes in England, France, Italy, and Sweden; food products in England and France; miniature electric motors in Germany; and nonwoven fabrics in England and Italy.

F. PERRY WILSON, GROUP VICE-PRESIDENT


F. PERRY WILSON


J. ROY GALLOWAY

Union Carbide Eastern, Inc. Directors—CHAIRMAN: F. P. Wilson. VICE-CHAIRMAN: J. R. Galloway. REGIONAL DIRECTORS: D. H. Freeman—Australia, New Zealand, and Oceania; [illegible] Jones—Japan; J. W. L. Russell—India; B. V. Salonius—Southeast Asia. DIRECTOR: J. W. [illegible] SECRETARY and TREASURER: D. L. Lambert.

This subsidiary represents the Corporation's interests in four regions: Australia, New Zealand, and Oceania; Japan; India; and Southeast Asia. Fourteen affiliated companies in this area operate in 10 different countries and employ over 11,200 people in 20 plants and 23 sales offices to serve a market of over [illegible] people—one-half the free world's population. Affiliated companies [illegible] for producing chemicals in Australia and India; plastics in Australia, India, and Japan; carbon products in India; alloys in the Philippines; tin in Thailand; and dry batteries, flashlight cases, and related products in Australia, Hong Kong, India, Malaysia, the Philippines, New Zealand, Singapore, and Thailand.

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W. B. NICHOLSON, GROUP VICE-PRESIDENT


WILLIAM B. NICHOLSON


ARTHUR C. BRYAN

Union Carbide Middle Africa, Inc. Directors—CHAIRMAN: W. B. Nicholson. VICE-CHAIRMAN: A. C. Bryan. PRESIDENT and MANAGING DIRECTOR: N. C. White. SECRETARY: P. S. Krumaric. TREASURER: S. E. Nightingale.

This subsidiary represents the Corporation's interests in East, West, and Equatorial Africa. These interests include manganese mines in Ghana, which supply high-grade manganese ore to metals-producing plants of the Corporation and affiliated companies throughout the world. The mines also provide manganese ore for use by the Corporation in the manufacture of a wide variety of dry cell batteries. In addition, this company is developing markets for other Corporation products in this geographical area.

Union Carbide Southern Africa, Inc. Directors—CHAIRMAN: W. B. Nicholson. VICE-CHAIRMAN: A. C. Bryan. PRESIDENT and MANAGING DIRECTOR: L. B. Emlet. SECRETARY: P. S. Krumaric. TREASURER: S. E. Nightingale.

This subsidiary represents the Corporation's interests in Southern Africa, including the Republic of South Africa, Angola, Mozambique, and Rhodesia. Union Carbide's local subsidiaries carry on mining, milling, and smelting operations in this area. Major products are ores and alloys of chromium and vanadium, which are being supplied to the world markets as well as to Corporation plants in the United States.


CLARENCE E. LARSON

Nuclear Division PRESIDENT: C. E. Larson. VICE-PRESIDENTS: C. E. Center, A. M. Weinberg.

The Nuclear Division is responsible for the government-owned nuclear energy facilities that the Corporation operates for the U.S. Atomic Energy Commission. These include two gaseous diffusion plants for separating uranium isotopes; special production and research units that fabricate components for nuclear weapons and other products vital to the nation's defense; and the country's largest nuclear research center—Oak Ridge National Laboratory.

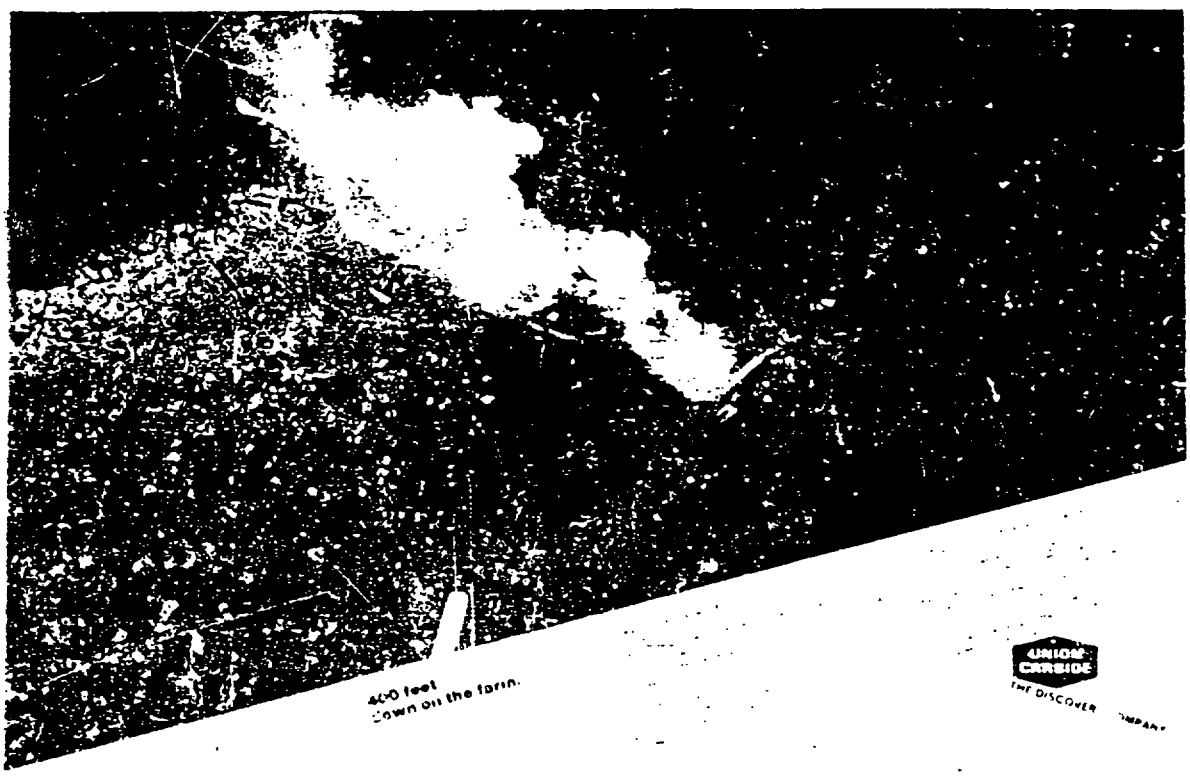

JOHN E. CURRENS

Realty Division PRESIDENT: J. E. Currens. VICE-PRESIDENT: J. A. Gray.

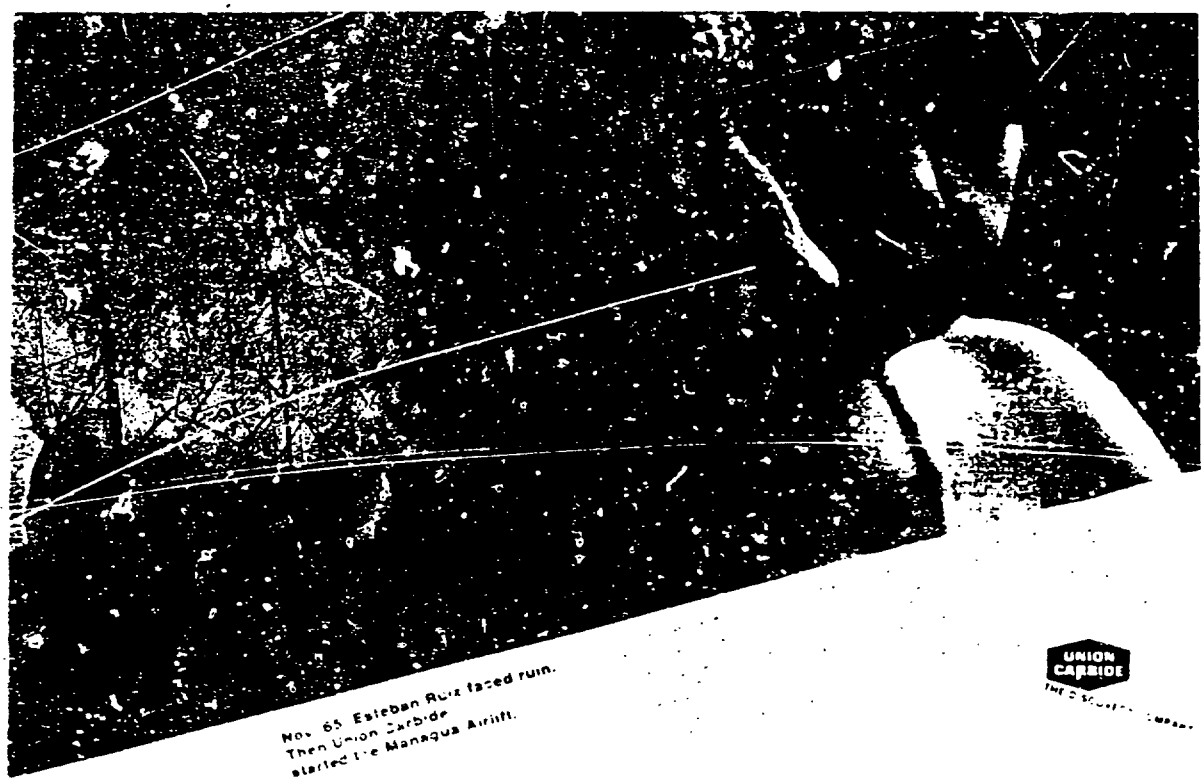
This Division is concerned with the operation and maintenance of the Corporation's Headquarters Building in New York and 18 other consolidated sales office and warehouse buildings in major cities throughout the United States. It is responsible for building and leasing sales and executive offices, warehouses, and other nonmanufacturing facilities. The Realty Division also acquires plant sites to meet immediate as well as long-term needs.

On the opposite page are two current Union Carbide advertisements, which feature activities in the fields of ocean engineering and agricultural chemicals.

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400 feet
down on the farm.



Nov. 65 Esteban Ruiz faced ruin.
Then Union Carbide
started the Managua Airlift.

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