PLAINTIFF'S EXHIBIT

UC-3023

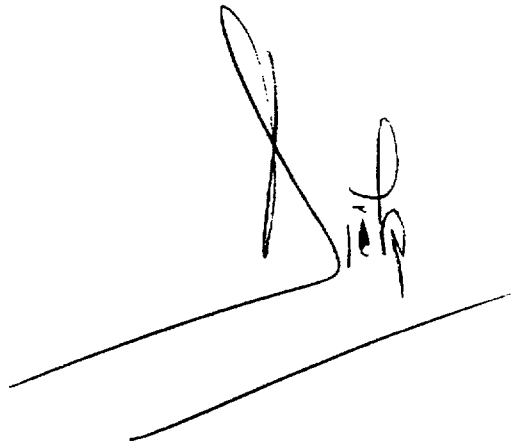
From
R. H. GREGORY, Jr.
551-6464

October 1, 1968

MR. F.D. DEXTER
29th Fl., Bldg.

Frank:-

I have redone your memorandum on asbestos. I hope you will find the enclosed to your taste.



UCC 001267

CALIDRIA POSITION

1. UCC is planning to dispose of its calidria asbestos assets by mid-1969. Until this disposition takes place, UCC will conduct this business as actively as it has in the past. There is no reason to believe that a company acquiring this business will not continue to operate it substantially in the same manner that UCC has.

2. The disposition of the calidria asbestos assets has been decided upon because:-

(a) Even though UCC's asbestos business has probable long-range financial returns that appear attractive, UCC has determined to concentrate its efforts in areas more directly served by UCC's special expertise and technology.

(b) The business of calidria asbestos is a clearly defined, separate activity of UCC. The disposition of these assets can, therefore, be easily accomplished and will not affect appreciably other UCC activities.

(c) UCC's calidria asbestos assets are tangible -- consisting of plant, reserves, patents, customers -- and have significant value.

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Calidria Position

1. UCC is planning to divest itself of the Calidria Asbestos Business ~~with a completion goal of~~ by mid 1969. ~~In all respects~~, business will be ~~maintained~~ conducted by UCC as actively ~~as it has been.~~ ~~It is anticipated that any purchaser will be~~ ~~contacted by UCC.~~ ~~Contracts will be honored.~~

2. The divestment of Calidria Asbestos ~~is dictated~~ because:

   a. UCC ~~has determined~~ to concentrate its efforts on fewer programs.

   b. Calidria Asbestos, ~~while not necessarily first choice from a longer range financial standpoint~~, is a separate entity in itself ~~and can be sold in its entirety.~~ ~~It is impractical to divest a business which is part of a major plant and operational complex.~~ The Calidria Asbestos transaction would be clean, concise and total.

   c. Assets of Calidria Asbestos ~~business~~ are tangible -- plant, reserves, patents, customers -- and valuable.

   d. Other projects are more "akin" to UCC's main interests ~~- chemicals, plastics~~ - and more dependent on UCC strengths -- technology, chemical processing, etc.

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CALIDRIA ASBESTOS POSITION

1. UCC is planning to divest the Calidria Asbestos business by mid-1969. The business will continue to be conducted actively by UCC until this is accomplished. Further it is anticipated that the purchaser of the business will follow the pattern set by UCC. Obviously, contractual commitments will be honored by UCC.

2. The decision to divest the Calidria Asbestos business is made on the basis that:

   a. UCC has determined to concentrate its newer program efforts in areas more directly served by UCC's special expertise and technology.

   b. Although the Calidria Asbestos business has attractive longer range financial returns, it is not as closely related to UCC's basic skills as are certain other programs.

   c. The Calidria Asbestos business is a clearly defined, separate activity of UCC and can be divested through a transaction which would be clean, concise and total. This is not true of some businesses, which form a part of a large plant or operational complex.

   d. UCC's Calidria Asbestos assets, consisting of plant, mineral reserve, patents and customers, are tangible and of significant value.

3. Because of the nature of the operation and UCC's interest in an orderly transfer, it is anticipated that a continuous supply of material will be maintained.

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10/3

Frank:

Bud mentioned he would be interested in Blair Ingalls & would be willing to wait post divestment before taking him.

This presupposes a lot however.

~~Would Welch~~

We ought to check Welch re: Dickson.

UCC 001271