



Global Economic Ties Are Stressed To Nearly 1,000 at Annual Meeting

"Whether we like it or not, we are now moving, for the first time really, into a global economy in which we all need each other much more than we ever did in the past."

Peter G. Peterson, chairman of Lehman Brothers Incorporated and former secretary of commerce, made this statement at the business session of MCA's 102nd Annual Meeting, June 6, at The Greenbrier, White Sulphur Springs, W. Va.

Discussing the international economic world at the meeting, which attracted nearly 1,000 chemical industry executives, Mr. Peterson said that many U.S. firms will have to re-think their relationships with various parts of the world.

Specifically picking out the Mideast and recent financial accumulations there, he said, "I think some of us are going to be put to the test as to whether we really mean a multinational business or whether we mean a U.S. business."

MCA Announces New VC Research

MCA has announced it will administer four new research projects to probe further the animal carcinogenicity of vinyl chloride as it may relate to humans. The studies will be funded by U.S. producers involved in the synthesis and polymerization of the chemical. This is in addition to substantial research being carried out by individual companies here and abroad.

The program includes:

1. An animal metabolism study;

continued on page 2

Principal speakers at MCA's Annual Business Meeting were: Peter G. Peterson, chairman of Lehman Brothers Inc. and former secretary of commerce (top); Dr. Derek A. Davenport, Purdue University; MCA Chairman Werner C. Brown, and MCA President William J. Driver.

"This (Mideast) is the new capital market of the world and I think we're all going to have to come to grips with this new reality and places like Jidda and Riyadh and other places that up to now have only been places in famous movies . . ."

Suggests Study

Mr. Peterson suggested that the fundamental redistribution of wealth and resources must be studied, and that this redistribution will affect the way we will have to organize our businesses.

"As we move into this global economy," he said, "we are going to begin to understand the old axiom that when economics gets important enough, it becomes political. And I would suggest to you the obvious point that the businessmen of the world who are, after all, on the cutting edge of this global economy, now have the opportunity to do more to shape the political structure of the world than any group that I know."

The international economics expert said that the whole aspect of long range material planning must become a strategic decision made at the highest level of our businesses. He added that he thought it is going to affect the way we run our research and development departments and the

continued on page 3

MCA-Led Research Outlined at Hearings

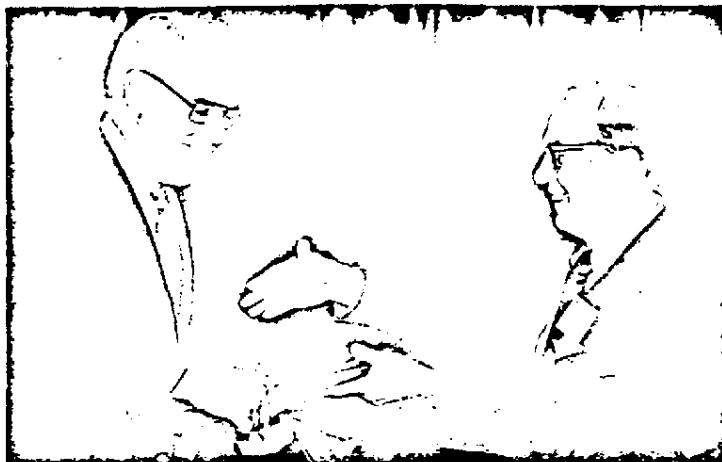
Dr. M. L. Keplinger, manager of toxicology at Industrial BIO-TEST Laboratories, Inc., testified at the request of MCA at the OSHA hearings in Washington that considered a proposed permanent standard banning worker exposures to detectable levels of vinyl chloride.

Dr. Keplinger described the chronic inhalation studies on vinyl chloride that BIO-

continued on page 4

23478001

BFG25669



At left, John P. Gallagher, president of Chemetron, accepts Lammot du Pont Safety Award for the larger company category from Werner C. Brown, MCA chairman. Dr. Paul M. Pitts, vice president and manager of



chemical operations of ARCO, accepts the bronze plaque for the smaller company category.

Chemetron, ARCO Honored for Safety at Annual Meeting

Chemetron Corporation and ARCO Chemical Company, Division of Atlantic Richfield Company, were honored for their outstanding safety records at MCA's Annual Meeting.

In presenting the esteemed Lammot du Pont Safety Award bronze plaques, MCA Chairman Werner C. Brown praised the two

firms for their excellent improvement in safety over the past five years.

The awards are made annually to the two MCA member companies that have shown the greatest percentage reduction in frequency rates of disabling injuries over a five-year period. The reduction is based on the injury rate for the past two years, as

compared with that for the previous three years.

Given for the 22nd year, the awards are in two categories: companies working more than two million man-hours annually, and companies working two million man-hours or less annually.

Accept Awards

John P. Gallagher, president of Chemetron, accepted the award for the larger company category winner, and Dr. Paul M. Pitts, vice president and manager of Chemical Operations of ARCO, accepted on behalf of his company in the smaller company category.

Chemetron led all eligible companies in its category with an injury rate of 79.4 percent. Its injury frequency rate for 1972-73 was 3.76 per million man-hours worked, compared with a rate of 18.26 for the 1969-71 period.

ARCO posted a reduction of 58 percent in its injury frequency rate. Its rate was at 1.477 for 1972-73, compared to 3.528 for the 1969-71 period.

Runner-up for the award in the larger company category was Continental Oil Company, with a reduction rate of 53.5 percent over the past five years. Runner-up to ARCO was J. T. Baker Chemical Company, also with a reduction rate of 53.5 percent.

Sponsored by MCA as an integral part of its safety and fire protection program, the safety awards are designed to provide tangible recognition of safety achievement and to inspire MCA member companies to greater efforts in promoting industrial safety.

MCA Announces New Research on VC

continued from page 1

2. A teratogenesis study (fetal malformation);
3. Animal chronic inhalation studies at concentrations below 50 ppm, in an effort to identify a "no-effects" level, and
4. An acute inhalation experiment in which animals will be subjected to a massive exposure simulating conditions which might be caused by an accident inside or outside the work place. The animals would be observed over their life span.

The funding companies, which are supporting current research, consider it essential that the program be expanded to determine the conditions necessary to assure the safety of workers involved in the manufacture and use of the products and of the plant neighborhoods in which they are made.

Unrestricted Disclosure

The scientific information developed from this program will be disclosed publicly without restriction. Further, as appropriate to the advancement of the program,

technical reports will be developed and made publicly available on work practices, industrial hygiene monitoring and analysis and the medical surveillance of exposed workers.

The first two projects will be conducted by The Dow Chemical Company. The other projects will be carried out by Industrial BIO-TEST Laboratories, Inc. Industrial BIO-TEST has been conducting vinyl chloride animal exposure studies, under contract to MCA for administration, since Feb. 1, 1973. Progressive results have been announced in this continuing study.

Results of another study, documenting the health experience of present and former employees who have worked with the chemical, were released May 7 of this year. Tabershaw-Cooper Associates, Inc., conducted this epidemiological survey.

All findings also have been reported immediately to government bodies concerned with the problem. This practice will be followed in respect to the new studies.

It is estimated that the four projects will cost a minimum of \$400,000 to \$500,000.

BFG25670

23478002

EPA Head Urges Speed in Cutting VC Plant Emissions

Accelerated efforts to minimize the discharge of vinyl chloride into the environment were urged by Environmental Protection Agency Administrator Russell Train on June 11.

At the meeting with the 29 U.S. manufacturers of vinyl chloride and polyvinyl chloride resin, Mr. Train stated, "There is no scientific evidence to indicate these emissions pose an imminent hazard to people living near these plants." The administrator went on to say, however, that reasonable steps should be taken promptly to reduce emissions to the lowest practical level.

The meeting was called as a result of preliminary monitoring by EPA at seven chemical complexes that included vinyl chloride and polyvinyl chloride plants.

Tariff Commission Sets Hearings on Schedules Of Chemical Products

On August 12, the U.S. Tariff Commission will begin hearings in New York City on sections of the Tariff Schedules of the United States (TSUS) that relate principally to chemical products. The purpose of the hearings is to obtain the views of interested parties on the conversion of TSUS to the Brussels System of Tariff Nomenclature (BTN), with specific attention given to proposals prepared by commission staff. These proposals will be made available to the public 30 days before the hearings.

Similar hearings are being held for all affected segments of industry and agriculture.

The Tariff Commission has indicated that such a conversion is complicated and requires reconciling a number of factors, including numerous changes in rates of import duty, many of which apply to chemical products.

Because of the possible significance of the many rate changes, MCA President William J. Driver urges each company to obtain copies of the staff proposals and to study them for their possible effect on the company's business.

Upon completion of all the hearings, a tentative report will be forwarded to the President by September 30. It will contain the results of the two-year investigation, outline the problems and show how conversion can be accomplished.

"Only a limited number of samples were taken," Mr. Train said, "and under varying meteorological and temperature conditions. . . . It is clear that considerable additional work is required before we have an accurate picture of the vinyl chloride levels in the ambient air."

In letters to the manufacturers on May 31, the agency had requested "process, emission and air quality data." EPA stated that it is "gathering information for possible use in the development of air pollution control standards for vinyl chloride in accordance with the Clean Air Act of 1970."

The request for information covers three areas:

- Identification of emission points in the manufacturing process, amounts lost there, emission control procedures that

have been or could be instituted and an evaluation of their effectiveness;

- Cost and economic data, including the capital and operating costs for each emission control device or procedure, and

- Ambient air quality data collected by manufacturers near their plants.

EPA is requesting the information under the authority of section 114 of the Clean Air Act.

Vinyl chloride has been implicated in 19 worldwide cases of a rare but fatal form of cancer, angiosarcoma of the liver, among workers engaged in converting the chemical to polyvinyl chloride.

Similar cancers also have been produced experimentally in rats and mice exposed to vinyl chloride.

MCA-Led Research Outlined at Hearing

continued from page 1

TEST is conducting under MCA administration.

Dr. Keplinger testified June 26 that these animal exposure studies tend to confirm the findings of Professor Cesare Maltoni, an Italian scientist who found that vinyl chloride exposure caused cancer in rats.

In the study, rats, hamsters and mice are being exposed seven hours a day, five days a week, to 2,500 parts per million (ppm), 200 ppm and 50 ppm.

The exposures began September 10, 1973, and the data presented necessarily represented only partial results of a study still in progress. The final results are anticipated to be available about December 1975.

Dr. Keplinger emphasized the preliminary nature of the data and the even more preliminary nature of any conclusions drawn from the results of the study at this time. He did state that the tumors observed in the animals so far do not appear to have been spontaneous in origin.

He also warned, "The relevance of these data in mice for prediction or extrapolation to effects in man at the same concentrations and durations of exposure are quite conjectural."

The hearings began June 25 and continued more than a week.

Senate Unit Told Tax Measures Would Boost Inflation

Dr. Carl A. Gerstacker, board chairman of The Dow Chemical Company, representing MCA, told the Senate Finance Committee June 10 that a series of tax measures being considered would accent inflation, create an uncertain atmosphere for business decision-making and increase the likelihood of an economic downturn.

Dr. Gerstacker urged the committee to retain the investment tax credit, the Asset Depreciation Range system and other tax provisions designed to stimulate U.S. exports and enable U.S. industry to remain competitive with foreign industry.

The measures being considered by the committee are amendments to a minor tariff proposal.

"Inflation can best be fought by increasing productivity, by improving the U.S. balance of payments, and by settling the atmosphere of uncertainty in our tax structure," Dr. Gerstacker said. "Measures that encourage the acquisition of new equipment help to increase productivity, thus actually fighting inflation. The DISC provisions which encourage exports tend to improve our balance of payments."

"The retention of these provisions will help convince business that Congress really means to control inflation and strengthen the economy," Dr. Gerstacker continued. "On these bases, forward-looking business decisions can be made. . . . We urge your committee and the Senate to make these positive decisions."

CHAMBERLAIN: Clear thinking can keep us from throwing the baby out with the vinyl chloride.

THESE DAYS
BY JOHN CHAMBERLAIN
CONFRONTATION IN THE PLASTICS INDUSTRY

We live in the midst of many fears. The trouble is that we have no means of knowing in advance just how many of these fears are misplaced.

Yesterday it was cyclamates that were going to do us in. But today cyclamates have been given a reasonably clean bill of health. So it has been with cranberries. But other presumed perils arise.

The sudden publication by the B.F. Goodrich Co. of news that four workers at its Louisville, Ky., vinyl chloride conversion plant had died from a rare form of liver cancer called angiosarcoma now has workers in other chemical plants around the country lining up for diagnostic tests. The question is, will the new fear pass with the assurance that the chemical industry will accept a standard of 50 parts per million exposure level to the gas that is used to make solid polyvinyl chloride? (Such is the standard accepted in Britain.) Or will the Naderites, who don't believe that the industry ever has a case, insist on killing the entire polyvinyl chloride business by demanding a "zero exposure" safety standard, which cannot in the nature of things be guaranteed?

Open Concern

Whatever one may say, the industry itself cannot be accused of cover-up practices. The B.F. Goodrich Chemical Company has led the way in making investigations designed to establish tolerable exposure limits. In the early days of vinyl chloride conversion to the polyvinyl plastic solid that is used in a myriad of industrial products, nobody worried about the sweet-smelling gas that lingered in the plants. Since it takes 15 years and more for an angiosarcoma tumor to develop, it is important to know whether the 20 or so cases of liver cancer that have been identified as originating from vinyl chloride exposure date back to a dark age of the plastics industry that has already passed away.

The trouble is that adversary proceedings in which the advocates of extreme positions face each other in Washington will not necessarily lead to a scientific settlement. In Europe, accredited technicians set standards without indulging in passionate arguments and incriminations. But in the U.S., opposing value systems clash, and the scare headlines make it seem that heroes are contending with villains, with industry invariably getting the worst of it.

(MORE)

BFG25672

FOR RELEASE MONDAY, JULY 29, 1974

BY JOHN CHAMBERLAIN

Marginal Notes

Despite the Naderites, however, the general public has a special interest in a scientific determination of tolerable safety margins. Some 6,500 U.S. workers now work in plants that turn vinyl chloride gas into a solid plastic. Economically speaking, if 6,500 workers were forced to seek other employment it would cause no great crisis. But 700,000 workers are needed to make finished plastic products out of the raw polyvinyl material. And a grand total of 2.2 million workers throughout the U.S. economy have jobs that can be traced to the use of polyvinyl products.

Ticking these products off is an almost endless job. The pipe now in most frequent use for plumbing is a polyvinyl pipe. The tile in your shower bath, the cover on your automobile seat, the tubing used for electric milking machines that give you relatively cheap dairy products, the clear wrapping in which bacon and other meats are sold, the phonograph records that bring you music, and the safe insulation around copper wiring that enables you to electrify your house at a minimum of expense, are all fashioned out of polyvinyl chloride. Even the respiratory equipment used by doctors comes from polyvinyl plastic; the medical supplies made out of the stuff have surely saved more lives than have been lost by exposure to the raw vinyl chloride gas.

If polyvinyl plastic were to be replaced by a natural product, the whole of continental Europe would have to be turned over to sheep raising for industrial fabrics. The paper industry, even now suffering from shortages, would be unable to cope with the demands for wrapping derived from forest products.

Nevertheless, even though 2.2 million jobs are dependent on polyvinyl plastic, it is crass to use economics to make a case for the industry. The safe limit of vinyl gas control must be found. August 25 is the cut-off date for the submission of evidence in Washington. October 5 is the date set for the final decision about the safety margin. What we need is a lot of light and no heat when the ultimate judgment is made.

Distributed by King Features Syndicate

(AH)