POLYSAR PLASTICS HEAD: George Rieger, who has been named president of Polysar Plastics, Inc., with offices in Stamford, Conn.

Plastics Industry Protesting Feedstock Allocation Changes

The proposed revisions in the mandatory feedstock allocation regulations announced by the Federal Energy Office during the last two weeks have caused considerable confusion and anxiety in the petrochemical industry. Particularly upset by the proposed modifications is the Society of the Plastics Industry, which has said that the proposed changes could "place in serious jeopardy the important contributions of the US plastics industry" to the national economy.

SPI President Ralph L. Harding said last week that "the new revisions – once again interrupting established feedstock flows – would tend to aggravate already serious problems of production and employment within the industry."

The changes proposed by FEO during the week of April 1 covered liquid petroleum feedstocks (including naphtha, benzene, toluene, xylene, hexane) and while not explicitly affecting the petrochemical industry (in fact asserting that "no changes have been found necessary at this time in the part dealing with petrochemical feedstocks") the changes introduced are felt within that industry to in effect reduce the supplies of these feedstocks they have available to them.

Those changes broadened the definition of agricultural production to include fertil-

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Coatings Are Going Dry

Pollution- and health-oriented coatings will displace large volumes of today's coatings types between now and 1980, according to a study just released by Peter Sherwood Associates, Inc., chemical consultants in New York, working jointly with Richard A. Bieneman, a world authority on coatings.

By 1980, latex coating consumption will rise to 300 million gallons, 50 percent more than now, the authors say. Powder pollution-control coating types will soar to 235 million pounds a year from the current 43 million pounds. High-solid types will rise to 190 million gallons from 25 million in 1973, while water-soluble types will more than quadruple, to 140 million gallons.

Legislation now in effect or likely to be enacted will play a part in changing coatings trends. Its impact will be felt partly in the methods and safety precautions employed in the manufacture and application of coatings and their raw materials. Its greatest effect, however, will be in changing the types of coatings which will be acceptable in various fields of application.

The changes will differ according to application and raw material. For example, in high-solid, chemically-cured coatings, the Sherwood-Bieneman study sees the greatest growth by far, beginning in 1976, in the area of high-performance industrial finishes.

This will be followed in terms of growth rate – but not total volume – by auto finishes. Thick surfacing and maintenance paint applications are next in line.

In high-energy cured-high solids coatings, the biggest upsurge is expected to be seen in finishing coil and sheet stock, but wood composite flat stock – today the leading application for this type of coating – promises to grow from about

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New Minerals Policy To Avert Dependency 'Irged by Sect. Morton

A new national minerals policy that would reduce the dependency of the US on imported minerals and thwart a possible cutoff of supplies by an international minerals cartel was urged last week by Secretary of the Interior Rogers C. B. Morton.

Speaking at a luncheon of the Illinois Chamber of Commerce in Chicago, Secretary Morton warned that what has happened in the case of oil could have an influence upon nations which supply the bulk of non-fuel minerals moving in international commerce.

The heart of the new policy, he said,

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Drew Chemical Sets An Expansion in Kearny

Drew Chemical Corporation, Parsippany, N.J., producer of marine and industrial chemicals, has launched a $2 million, year-long expansion and modernization program at its Kearny, N.J., plant.

The project is aimed at meeting demand in domestic customers, which is sharply increasing according to the company. Drew is a subsidiary of the United States Filter Corporation.

A spokesman states that the Kearny project is one phase of wide-ranging development plans to be carried out over the next ten years. The program, he says, primarily stresses improving the company's product development and increasing manufacturing efficiency.

The Kearny modernization already under way, involves the 4.2 acre site and plant buildings, at 1106 Harrison Avenue in

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Chemical Export Sales Ringing Bells for Swiss

With export business accounting for 82 percent of total production, the Swiss chemical industry is the most export-intensive in the world. This is the finding of the United Nations agency, Economic Commission for Europe, Geneva.

The national chemical industry association, based at Zurich, however, says that export business expanded at a lower rate in [illegible] compared with 1972 – last year's increase in exports being 10 percent, against [illegible] percent in the previous year.

The [illegible] intensive exporting in- [illegible] percent of [illegible] by He[illegible]

Corco Sets Expansion Of Penuelas Refinery; Aromatics Boost Also

Commonwealth Oil Refining Company, in a joint announcement with Puerto Rico officials in San Juan, last week officially took the wraps off a $200 million expansion at Penuelas that will add 275,000 barrels a day to its crude oil refining capacity by 1976 and will boost its aromatics potential there by about a third.

Corco at present has 161,000 barrels of daily refining capacity, and the additional 275,000 barrels will come in two stages over a period of two and one-half years at a cost of $130 million.

On top of this, Corco will spend another $70 million to enlarge its two existing aromatics units as well as to add facilities to recover benzene from the nearby plants of Puerto Rico Olefins Company, its fifty-fifty joint venture with PPG Industries, Inc., and of Union Carbide Corporation.

Corco points out that these moves will give it another 90 million gallons of annual aromatics potential. Its two existing aromatics units currently have a combined an-

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Amoco DMT-PTA Plant Recovering From Damage

Amoco Chemicals Corporation's plant at Decatur, Ala., damaged by tornadoes on April 3, is operating at about two-thirds of capacity following emergency repairs.

The plant presently has a combined rated capacity in excess of [illegible]

BASF Lifting US Capita[l] To Double the $43 MM [...]

The BASF Group, based in Ludwigshafen, lion to $90 million a year in 1975 and beyond This is about double BASF's US outlays in lion). BASF Wyandotte Corporation, its 100- line for a capacity build-up in dyestuffs, pigm

Pfizer's Roerig Offers Drug to Combat Nausea

Pfizer Pharmaceuticals, a division of Pfizer, Inc., has introduced "Emete-con", a new anti-emetic agent. It will be marketed immediately by the Roerig Division. Developed by Pfizer Research, it is a benzoquinolizine derivative, chemically unrelated to existing anti-emetics. It is the first important anti-emetic since the 1950's and will be used for control of nausea and vomiting related to anesthesia and surgery, Pfizer says.

"Emete-con" reportedly fills a growing medical need, previously dominated by anti-histamines and phenothiazines. Pfizer's market research staff [illegible] that at least two million patients [illegible] ally are affected by severe [illegible] vomiting associated with anesthesia [illegible] surgery.

Reichhold Sees Sa[les] Up 3[...] Percent [...]

Plastics Industry

Continued from Page 5

[illegible], and included in the program for the first time feedstock supplies for synthetic natural gas. In addition, crude oil supplies directed toward the production of gasoline also seem to have been mandated increases. These new and expanded draws on limited feedstock supplies are felt by the petrochemical industry to unreasonably restrict supplies that are finally available to them.

The proposed changes in the propane allocation program announced last week are thought to represent a similar violation of fair and established allocation procedures (See story on page 3). The new propane regulations failed to implement an expected increase in the industry's allocation percentage, included SNG allocations for the first time, and gave super-priority status to agricultural and Department of Defense needs.

A spokesman for the FEO contacted last week said that the controversy need not be so hot and emphasized that the modifications are "proposed and are not yet law." FEO extended the period for receiving comments on the first group of changes one week, so that the deadline for comments on the liquid petroleum products and propane proposals is today, (April 15).

ALLOCATION CATEGORIES SHIFT

The Petrochemical Energy Group has submitted comments on both groups of changes. A spokesman for PEG said last week that the nub of the problem is that FEO seems to "be shifting the concept" of the allocation program. Instead of allocating all end-uses of a particular feedstock within a single category, the new regulations seem to allocate feedstock by end-uses contained in a number of different categories (so that toluene, for example, is now allocated in three distinct sections, each with different base periods and market relationships).

An example of how the plastics industry can be significantly affected by the proposed changes, cited by both SPI and PEG, is the impact on hexane which is used in small but irreplaceable amounts as a solvent in the production of polyethylene.

The petrochemical industry receives no priority in solvent use, and suppliers have apparently informed industry that the agricultural priority for fuel oils will leave virtually no hexane for other uses. It will be burned.

SPI complains that the burning of valuable, highly refined feedstocks is a gross waste and will adversely affect the broader economy as the effects proliferate. "Plastic materials, for instance," Mr. Harding says," cannot be separated from the feed production chain.

POLITICAL MOTIVES SEEN

However, if feedstocks such as benzene, toluene, xylene, hexane and naptha are allocated to agricultural production at the level of 100 percent of current requirements, the result will be to reduce the plastic industry's ability to provide packaging materials for the agricultural products."

The feeling in the industry is that modification proposals are politically motivated – to pacify unrest in agricultural states, and to increase gasoline supplies and insure no gasoline lines this Summer. One industry source called the allocation program a "big political football" and said the government is acting as if the oil crisis no longer existed.

The thrust of the new proposals, sources say, is to divert refined feedstocks from petrochemical to inefficient fuel uses through new mandates for crude oil consumption by fertilizer, SNG and gasoline production.

This is not only wasteful and suspiciously motivated, petrochemical people say, but in direct violation of the intent of Congress as expressed in the legislation authorizing the allocation program last November.

PRIME PIGMENTS

[illegible] increased a price [illegible] on 60c.-85c. per pound. Hansa yellows will rise by 30c. per pound to a new range of $3.00-$4.10 per pound. Diarylide yellows will rise by 60-70c., for the most part, to a new range of $3.25-$4.85 per pound.

Chrome oranges will be increased by 6c. per pound to 60c. per pound. Molybdate oranges will rise by 7c. per pound to 79c. per pound. Cadmium oranges will rise by 15-19c. per pound for lithopones to $2.95-$3.25 per pound, and by 30-52c. per pound for concentrates to $7.41-$8.16 per pound.

Chrome greens will rise by 9c. per pound to 78c.-80c. per pound.

Cadmium reds will be increased b[illegible] 80c.-1.30 per pound to a range of $8.74-10.9[illegible] per pound, for concentrates, and b[illegible] 38c.-50c. per pound to a range of $3.72-$4.7[illegible] per pound for lithopones. Lithol rubine is up 45c. to $2.75 per pound. BON reds are up 10c. per pound to $2.85 per pound.

Toluidine toners are up 20c.-30c. per pound to $2.45-$2.55 per pound. Naphthol reds are up 75c.-$1.50 per pound to $4.30-$6.50 per pound.

THE WEEK'S PRICE CHANGES

Ending April 12, 1974

ADVANCED

None

REDUCED

None

COMPARATIVE PRICE INDEXES

(100=1959 Average)

Last Week	Prev. Week	Last Month	April 13, 1973
118.74	118.74	118.74	116.52

For Current Prices See Page 30.

CADMIUM PIGMENTS – Glidden-Durkee increased prices, effective April 8, on concentrated cadmium pigments and lithopone cadmium pigments. Concentrated yellows remain at $5.48 per pound, oranges new range from $5.48-$8.07 per pound, and reds now range from $8.93-$11.61 per pound.

Lithopone reds now range from $3.59-$5.04 per pound, and lithopone yellows range from $2.29-$3.31 per pound. Prices are for t.l. lots, are 1c. per pound higher west of the Rockies.

LITHARGE – Eagle-Picher Industries increased litharge prices, effective April 1, to 26¼c. per pound in truckload quantities. As reported here last week, Hammond Lead Products raised prices to 25¼c. per pound on March 27.

MOLYBDENUM WHITE – Sherwin Williams increased prices on April 8 on its "Moly-white 101" by 3c. per pound. The new price for t.l. quantities is 84c. per pound.

RED LEAD – Eagle Picher increased red lead (97%) prices on April 1 to 27½c. per pound in truckloads. Hammond raised prices to 27½c. per pound on March 27.

ZINC SULFATE – Sherwin Williams increased its refined grade zinc sulfate by 2c. per pound to a new price of 22½c. per pound, effective April 8.

ZINC OXIDE – Sherwin Williams Chemicals increased prices last week on its American process lead-free zinc oxide consistent with action by others in the industry earlier this month. Effective April 8, SW increased its prices by 2½c. per pound, placing the new price at 26c. per pound in truckload quantities.

MISCELLANEOUS

SILICA – Effective April 22, Glidden-Durkee will increase the price of all grades of its "Silcron" synthetic fine particle silica to a new range of [illegible]-79c. per pound.

PLASTICIZERS

POLYESTER PLASTICIZERS – Rohm and Haas is increasing prices today, April 15, on all quantities of its "Monoplex" "Paraplex" polyester plasticizers.

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