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AUG 22 1974
MEDICAL DEPARTMENT

Polyvinylchloride

CPD
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URL 14688

Wall St. Journal 8/21/74

Goodyear, Borden Sued for $284 Million Over Polyvinyl Chloride Meat Wraps

By a WALL STREET JOURNAL Staff Reporter

CLEVELAND — A class-action suit against Goodyear Tire & Rubber Co. and Borden Inc. asking $284 million in damages resulting from supermarket use of polyvinyl chloride meat wrap was filed in Cuyahoga County common pleas court here.

The complaint was brought by Florine Schultz, a former meat wrapper for Pick-n-Pay supermarkets, a Cleveland-based chain. It asks $1 million in damages for Mrs. Schultz and at least 283 other meat wrappers employed at 71 Cleveland-area Pick-n-Pay stores since the chain began using polyvinyl-chloride wrap in 1967.

The suit charges that the meat wrappers "endured chronic exposure to dangerous air contamination from thermal decomposition of polyvinyl-chloride films as it passed over an electric heat wire being used to cut said wrap for packaging," and that the exposure has caused respiratory, skeletal and cardiac injuries. The markets, the suit states, have used Prime wrap, a packaging film made by Goodyear, and Resinite, a Borden product.

In Akron, a Goodyear spokesman said, "Although we haven't been presented with a copy of the complaint, we are prepared to vigorously defend suits of this type." A Borden official also indicated the company hadn't received a copy of the complaint, and said public statements by Mrs. Schultz's attorney that there is a medically proved link between use of the wraps and physical injury are "without foundation."

The federal government this spring imposed strict regulations on exposure to vinyl-chloride fumes in plants making PVC, a solid plastic with many industrial and consumer applications, after exposure to the gas was linked to liver cancer among workers at certain plants. The supermarket meat wraps are made from a PVC resin.

The suit alleges that "as a direct result of inhalation of the highly toxic films" from cutting the meat wrap, "plaintiffs have incurred extremely irritating damage to the skin, eye, nose, and throat along with shortness of breath, coughing and general respiratory distress, which eventually leads to serious skeletal deterioration with permanent cardiac and brainal injury."

Mrs. Schultz's attorney cited a University of California at Los Angeles study reported last November linking fumes from PVC wrap to respiratory ailments.

The attorney said that others exposed to PVC or vinyl-chloride fumes in use or manufacture of other PVC products may later be added as plaintiffs in the suit. He also said other manufacturers of PVC products might be added as defendants, but indicated Mrs. Schultz hasn't any interest in suing the Pick-n-Pay chain, a subsidiary of Cook United Inc. until 1972, and currently privately owned.

In Chicago, a spokesman for the Amalgamated Meatcutters and Butcher Workmen of North America said the union has been concerned for some time about possible dangers connected with wrappers and has discussed PVC products with several manufacturers.

Robert Vandervort, an administrator for the National Institute for Occupational Safety and Health, said institute studies have linked use of the film to minor upper respiratory ailments, but that a connection hasn't yet been established between the wrap and more serious respiratory injury or other major illnesses.

Mr. Vandervort also indicated that PVC represents only a small proportion of fumes given off when the wrap is cut, and that much of the gas is a plasticizer, Di-2-ethyl hexyl adipate. He said that studies haven't pinpointed what chemical causes injuries, but that "probably both" are deleterious.

The institute is preparing recommendation on use of the wrap, he said.

Newmont Sets Bid for Foote Mineral Stock

A $37.5 Million Offer Comes 15 Months After Plan for Merger Was Withdrawn

By a WALL STREET JOURNAL Staff Reporter

NEW YORK — Fifteen months after it called off a proposal to merge with Foote Mineral Co., Newmont Mining Corp. announced a $37.5 million tender offer for all the preferred and common shares of Foote that it doesn't already own.

Newmont, which holds 33% of Foote's outstanding common, said it is offering $18.50 for each of the 1,329,310 common shares it doesn't own and $28.50 for each of Foote's 459,915 preferred shares. Both prices are net cash to the seller. The offer expires Sept. 13, unless extended. Lazard Freres & Co. is dealer-manager for the offer.

For the individual shareholder, the new Newmont offer is substantially higher than the merger proposal it announced in February 1973 and withdrew in May 1973. That bid called for the issuance of $95 face amount of Newmont subordinated convertible debentures for each 10 shares of Foote common and $100 principal amount of the debentures for each five shares of the preferred.

The nominal cost to Newmont in both offers, however, works out to be roughly equivalent. Late last year, Foote repurchased and canceled 803,349, or about 64%, of its $2.20 cumulative convertible preferred at a cost of about $18 million. If all the shares are tendered, the new offer will total about $37.5 million in cash, plus commissions to brokers. The old offer amounted to $37.9 million in debentures.

Merger Isn't Planned

When Newmont called off the merger proposal last year, it cited "unfavorable stock market conditions." Both the Foote shares and the Newmont stock, into which the debentures could have been converted, had declined in price. The latest cash offer eliminates the possibility of dilution of Newmont's capital.

Jack E. Thompson, Newmont's president, said the new offer reflects Newmont's continuing interest in Foote and desire to gain control. He said Newmont plans to take a more active role in Foote management and increase its representation on the board, but neither a merger nor any management changes are planned. [illegible]

Virginia E&P Seeks Emergency Relief Via 23% Rate Rise

By a WALL STREET JOURNAL Staff Reporter

RICHMOND—Virginia Electric & Power Co. said it applied to the Virginia State Corporation Commission for a temporary emergency rate boost of $127.3 million annually, [illegible]

Consumers Power Says State Panel Staff Urges $27.6 Million Rate Rise

By a WALL STREET JOURNAL Staff Reporter

JACKSON, Mich.—Consumers Power Co. said the staff of the Michigan Public Service Commission has recommended that the company receive an immediate electric-rate boost of $27.6 million annually, about half [illegible]