New suit for dye makers

Calina Industries, a New York-based warp-knit fabrics manufacturer, filed suit this month against eight of nine big dye makers indicted for price fixing by a federal grand jury in July (*CW Business Newsletter, July 24*). The Calina suit is a class action brought on behalf of "all purchasers of dyes from one or more of the defendants or their coconspirators" since early 1970.

Defendants include Du Pont, Baychem (now Mobay Chemical), Allied Chemical, American Cyanamid, BASF Wyandotte, Ciba-Geigy, Crompton & Knowles and GAF. American Color & Chemical (jointly owned by North American Philips and Koppers) was the only company not named in the civil action.

Like the federal complaint, Calina's suit charges that Du Pont officials began sounding out other dye makers on the possibility of an across-the-board price boost in 1970 and that the defendants, along with some other firms, conspired to push through price increases shortly thereafter.

Calina says that as a result of the alleged conspiracy, it and others in the class action have been, and continue to be, overcharged for the dyes they purchase. The suit seeks treble damages and urges the court to enjoin the dye makers from future conspiracy on pricing.

A spokesman for Du Pont says his company has not had time to thoroughly study the Calina complaint. The primary area of concentration is still the federal complaint, he adds.

Lawyers for Calina declined to give further details.

Bitter news for Abbott

Last November, Abbott Laboratories called a press conference to report that the company was formally petitioning the Food and Drug Administration to reverse its 1969 ban on marketing of cyclamates (*CW, Nov. 21, 1973, p. 15*). Spokesmen presented 16 volumes of test reports—stacked impressively on a table—which they said would convince FDA that cyclamates were safe.

Last week, however, Abbott's high hopes were jolted. FDA informed the company that it considered the test reports inconclusive and recommended that Abbott withdraw its petition. FDA said it wanted more convincing data, such as lifetime animal feeding studies, which could require several years to conduct.

"We have concluded that questions about the cancer-causing potential of cyclamates still are unresolved," FDA Commissioner Alexander Schmidt said.

Abbott Executive Vice-President Charles S. Brown responded that the additional research requested by FDA is "neither reasonable nor required by scientific judgment." He requested a meeting with FDA officials as soon as possible.

Partly in anticipation of a favorable decision by FDA, Abbott restarted cyclamates production at its North Chicago, Ill., plant in January. Most of the output so far has gone to customers in several European countries where no bans exist. These customers had been supplied from pre-ban stockpiles.

FDA's thumbs-down may short-circuit Abbott's plans to send similar petitions to governments of other nations that have banned cyclamates. The company had been holding off until it got a reply from FDA.

Potential cyclamate sales—which the company had expected to reach $16 million/year, the pre-ban level—have not been included in sales estimates for 1974 or 1975, Abbott said.

No letup in price hikes

The wholesale price index for chemicals and allied products climbed to a seasonally unadjusted 158.5 in August from 148.4 in July (1967 = 100), the Dept. of Labor's Bureau of Labor Statistics reported last week. The corresponding August 1973 figure was 111.

Leading the parade in price hikes for specific chemical commodities were inedible fats and oils, which moved from an index of 347.4 in July to 380.2 in August, and plastic resins and materials, which rose from 147.5 to 160.7.

Other big gainers were agricultural chemicals and products, which jumped from 131 in July to 142 in August; and industrial chemicals, from 155.5 to 167.8.

Some CPI segments registered more modest price gains. Examples: drugs and pharmaceuticals edged up to 115.3 in August from 112.7 in July; and prepared paint to 152.3 from 149.7. One commodity that scarcely changed was paint materials: to 155.9 from 155.4.

Among other related products, pulp, paper and allied products rose from 153.3 in July to 162.9 in August; nonferrous metals, from 198.4 to 200.4; refined petroleum products, from 239.4 to 243.9.

For all commodities, the wholesale price index moved up to 167.4 in August, 17.8% above the August 1973 level.

Compliance complaint

On Oct. 5, the Occupational Safety and Health Administration is slated to issue a standard for worker exposure to vinyl chloride (*also see p. 66*). As that date approaches, controversy is erupting over an OSHA-sponsored economic impact report, issued in preliminary form late last month by Foster D. Snell, Inc.

Snell polled 23 polyvinyl chloride producers on the costs of complying with various hypothetical exposure standards and indicated that imposition of the "no detectable level" standard, proposed by OSHA in May, might well close down the entire industry. The final Snell report is scheduled to reach OSHA this week.

Firestone Plastics has asked OSHA for a chance to cross-examine the Snell researchers, charging the report misrepresents the firm's assessment of compliance costs. Firestone's protests won't delay issuance of the standard but could raise the level of controversy.

"Our biggest criticism of the report," says Firestone Plastics President Todd Walker, "is that it said Firestone was the only company with the ability to meet the no-detectable-level standard. The fact is that our whole testimony at the [OSHA] vinyl chloride hearings was directed at saying it couldn't be done." Walker also criticized Snell for coming up with "no hard data."

Snell Vice-President Joseph Nemec, however, says his firm will have no response until after its completed report is in OSHA's hands.

According to the preliminary report, all 23 PVC companies polled said they could reach a 50-parts-per-million standard immediately; five said they could manage 25 ppm. by the end of 1976, seven by the end of 1977 and four by the end of 1978.

Meanwhile, Ralph Nader's Health Research Group has criticized the report as appearing to accept industry's blanket assertion that the no-detectable limit is not feasible and that it focused too much on the direct impact on the PVC makers, not on the over-all economy. "This myopic concentration on compliance costs disregards entirely the personal, social and even industrial costs of continued disease," the group maintained.

Odds seem high that OSHA eventually will issue a 5-ppm. standard. Neither industry nor labor is expected to be satisfied with such a decision.

"There's a lot of pressure on OSHA from the top to ease off the no-detectable-level standard," says one AFL-CIO health official.