

Sellers' market in '70s

Continued tight supplies and higher prices of chemical raw materials are in the cards for the rest of the '70s, according to speakers at the annual midwinter conference of the National Assn. of Purchasing Management's Chemical Group in Philadelphia last week. But one purchasing executive sees prices leveling off in oil and declining in naphtha.

The price of foreign crude oil, which has soared to \$9.50/bbl. this year, will edge up to \$10.70/bbl. by '77 and to \$12 by '80, said John Haaga, supply and market area manager of Union Carbide's chemicals division. Naphtha tags which were \$20/ton in '70 and skyrocketed to \$155 this year, will decline to \$120 in '77—although they will be \$135/ton in '80, he added.

Ethylene from the U.S. Gulf Coast, according to Haaga, sold at 3¢/lb. in '70 (vs. 3.25¢ in Europe), rose to 5-7¢ this year (vs. 12-15¢) and will increase to 12-14¢ in '77 (vs. 14-16¢) and 13-15¢ in '80 (vs. 15-17¢). Propylene is 4-6¢/lb. now (vs. 10-12¢ in Europe) will be 9-11¢ in '77 (vs. 12-14¢) and 10-12¢ in '80 (vs. 13-15¢).

Benzene Crunch: Benzene will become increasingly tight because of the crude oil shortage, change in the aromatic content of crude and changes in the refinery product mix, predicted Merrill Seggerman, manager of Shell Chemical's olefins and aromatics business center. Benzene output, he said, will rise to 1.71 billion gal. in '83 from 1.07 billion in '73, while demand will grow to 2.54 billion gal. from 2.45 billion last year. Toluene production will rise to 2.03 billion gal. in '83



STAUFFER'S COLEMAN: Shortages spur barter, tolling, multiprice purchasing.

from 795 million in '73, while demand is slated to climb to 1.47 billion from 795 million.

The shortages are triggering dramatic changes in chemical firms' purchasing methods, according to Gleason Coleman, Stauffer Chemical vice-president, purchasing. The situation has created the need for a corporate "barter agent" and made tolling arrangements and a retreat from central purchasing more desirable, he added. Companies, Coleman said, also have found it necessary to pay two or even three different prices to assure more than one source of supply.

Opening safety package

The Transportation Dept. (DOT) is considering major changes in hazardous materials shipping rules that would add more than 300 new items to the list of restricted materials (including some chemicals) requiring special handling. And it would remove exemptions of certain commodities from packaging regulations.

The proposed revisions, which are open for public comment and are not final, also would require uniform labeling of restricted materials. In addition, DOT would set up a number-coded information manual to outline methods and procedures for handling hazardous materials in the event of an accident or spillage. Numbers on shipping labels would correspond to those in the manual.

The new rules would consolidate the now widely dispersed federal hazardous materials regulations into a single code. The regulations would conform substantially to those of bodies such as the International Air Transport Assn., the Intergovernmental Maritime Consultative Organization, and the United Nations.

A Union Carbide spokesman says the labeling code is "confusing and meaningless" to those without the manual. Dow views the rules as causing "no significant increase" in its costs.

Even as DOT mulled the revised regulations, two rail mishaps earlier this month involving chemical freight focused further attention on shipping safety. In one incident, five Delaware & Hudson freight cars carrying liquid propane blew up after they derailed at Oneonta, N.Y., injuring 54 persons, most of them firemen. An earlier accident near Troy, Ill., involved a Penn Central tank car carrying phenol, which exploded, setting fire to two other cars loaded with combustible and agricultural chemicals, and forcing evacuation of area residents. No injuries were reported.

New impetus for probe

Last week's discovery that two more former employees of B. F. Goodrich's Louisville, Ky., polyvinyl chloride (PVC) plant were afflicted with angiosarcoma of the liver has added new urgency to the probes into the possible carcinogenicity of vinyl chloride monomer (VCM).

One of the newly uncovered cases was a worker who died in '64. He had been employed in the production of VCM, an operation that has since been discontinued at the Louisville plant. The other case, revealed by the chief medical advisor to the Kentucky Dept. of Labor, involves a man who still is alive but hospitalized. He had worked 12 years in PVC production. This brings the total number of Goodrich employees believed stricken by the rare liver cancer to six.

And last week Union Carbide said its records showed a former employee at its South Charleston, W. Va., PVC plant, who died in '68, had angiosarcoma.

Reacting to the widened scope of the Goodrich problem, the Kentucky Safety and Health Standards Board reported last week that it has added VCM to the list of 14 restricted industrial carcinogens issued last month by the Labor Dept.'s Occupational Safety and Health Administration (OSHA). Under the new state regulations, manufacturers using VCM in Kentucky will have to register with the state by July 1. In addition, the Kentucky regulations lower the employee VCM exposure level from the federal standard of 500 parts/million to 75 ppm., with a time-weighted average of 50. Goodrich says its Louisville plant is operating within the standards.

Meanwhile, on the federal level, an OSHA spokesman asserts: "We're not against issuing temporary emergency standards, but in this instance there seems to be a great lack of solid scientific data on the chemical. We also have to evaluate the economic impact of such a ruling, and in this case the economic impact would be huge."

Other Probes: Several parties currently are conducting investigations into the possible danger of exposure to VCM. Among them: the National Institute of Occupational Safety and Health, which is probing health conditions at eight PVC plants; the Manufacturing Chemists Assn.; and VCM and PVC producers, including Goodrich. As a precaution, the Consumer Product Safety Commission also is conducting a probe of any dangers from daily exposure to products made from VCM.

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