→ Copy for R.B. Downey

Prepared as fact sheet for New York Times August 1973 - NEVER USED to my knowledge.

The B.F.Goodrich line of polyvinyl chloride (PVC) materials has been supplied to customers on an allocation basis for many months. Our shortage of PVC materials reflects a problem that is industry-wide. This situation stems from the fact that depressed prices in the late 1960s and very early 1970s discouraged suppliers from considering major capacity expansions during that period. The rate of return in the PVC business at that time simply did not justify investment of capital funds.

However, in 1972 the demand for PVC materials increased about 25 percent, at least twice the average annual growth rate. Several PVC capacity expansions were undertaken last year but most of these will not become operational until 1974. For example, our company, already the world's largest PVC producer in October, 1972 announced a program to expand Geon PVC resin production capacity approximately 30 percent. We have expansion projects underway or planned at five domestic PVC plants but the program will not be completed until early next year.

Unfortunately, capacity expansions alone will not solve the industry's problem of the shortage of PVC materials. We are now faced with a shortage of feedstocks from which PVC is made and, without an adequate supply of feedstocks, we will not be able to use our increased capacity. These feedstocks are based on petroleum streams, natural gas liquids and chlorine which are in short supply.

Resin prices have firmed this year and, currently, PVC resins range in price from 13 to 25 cents per pound depending upon grade or specification. Present price levels reflect the increased costs of feedstocks, energy, transportation and labor.