May 23, 1973

To: Board of Directors
   Department Heads

From: Thomas W. Stephenson

Attached is a recent speech by Irénée du Pont, Jr., entitled "Plastics and the Environment" which may interest you. The talk was well received in Parkersburg and by the trade, and makes some important points in relation to proposed legislation that could severely hamper the plastics business.

TWS: KJ
PLASTICS AND THE ENVIRONMENT

Remarks by
Irenee du Pont, Jr.
Senior Vice President
E. I. du Pont de Nemours & Company

Before the
Chamber of Commerce
Parkersburg, West Virginia
May 17, 1973
It's really a great pleasure to be back in Parkersburg. I can't think of a better group to help celebrate the 25th anniversary of commercial production of plastics at the Washington Works. We deeply appreciate this gesture by the Chamber of Commerce, which has always given such firm support to Du Pont operations here.

It is quite clear that the Parkersburg area has become a major production center of the U.S. plastics industry. In addition to the Washington Works, you have Marbon nearby, Shell across the river, Union Carbide, B. F. Goodrich, American Cyanamid, and others who are active in the business. In varying degrees everyone in the area has a stake in the future of the plastics industry, and not just as consumers.

Plastics is pretty important to Du Pont, too, as anyone from the plant will tell you, if you have a few hours to spare. So as I go along tonight, I will be talking about the plastics industry's unusual growth and bright future and also about some of the problems it must overcome relative to environmental and consumer-oriented legislation.

Because Du Pont wanted a modern plant to participate in a dynamic growth area after World War II, we built the plastics plant here on the Ohio River. I don't think anyone foresaw the full measure of the growth that would take place in the industry, generally, and at Washington Works.
When I first came here in 1948, we made two products and had 433 employees. Now we make nine major products in a wide variety of formulations and have more than 2,500 employees. It has been a remarkable quarter-century.

This leads, of course, to payrolls, a figure I believe chambers of commerce like to hear. In 1972, ours reached about $32,000,000. Adding up 25 years' payrolls we find we have paid our employees $350,000,000, the lion's share of which has found its way into the economy of the community.

We have not been standing still and, with the Washington Works as a base, Du Pont has expanded its plastics business to a point where we now have 17 manufacturing units in the United States and four more abroad. Washington Works is still the largest, however, with one-third the total investment and is, as you know, still expanding.

Our plastics business at the moment is in the best of health, and we have been a big part of a dynamic industry. Year after year the industry outpaces the rosiest of predictions, and the growth curve to the year 2000 is out of sight. It's a happy picture if one looks only at the technical, economic and marketing sides. But, as I pointed out, the political side is another question, and I want to get into that in a minute.

First a few statistics. Consumption of plastics in the United States has grown from 1.8 billion pounds in 1950 to nearly 24 billion pounds in 1972. The 1972 figure was an increase
of over 20 per cent from 1971 consumption -- in the 20th consecutive year of industry growth. Sometime in the 1980s the figure will hit 50 billion pounds and, looking ahead to the year 2000, the projections are considerably higher.

New markets for plastics are continually coming to light. The development of plastic containers for soft drinks and beer appears to be one of the largest growth areas by 1980. Other likely areas include powder coatings for safer bottles, plastic pouches for packaging liquids such as motor oil, and plastics for pollution control, noise abatement and other ecological applications. Du Pont is deeply involved in all of these markets with materials made at the Washington Works and elsewhere.

The industry's growth and future are solidly based on consumer acceptance, and I do not believe I exaggerate when I say that plastics have brought a new world of convenience, esthetics, safety and economy to the American public. If you believe I overstate, make a simple test. When you go home tonight, look at your automobile, your appliances, the packages in your refrigerator and on the pantry shelves, and count the plastic items. I don't want you to stay up all night, so stop, say at 100. Then make a list of the plastic things you really don't like. It could be instructive.

In the light of so many positive elements, why is the traffic signal for plastics showing yellow instead of green. I think the warning sign is up primarily because greatly increased
use of plastics has forcefully brought to public attention the issue of plastics in the environment.

New challenges are being applied to the industry, not only on the environmental impact of finished products, relating primarily to the disposal of solid waste, but also on litter; safety and health of workers; consumer and public safety, especially in fire safety but also in health; and consumption of natural resources and energy. I believe we will meet these new challenges.

A discussion of any of the problem areas could take hours. I will touch upon just one -- the environment where difficult regulations are already in effect and more are expected. We are meeting these requirements at Washington Works where our investment for environmental control facilities will reach $9.5 million by the end of this year. Annual operating and maintenance cost for environmental control is pushing a million and a quarter dollars.

We are doing our part to clean up the environment. We want our employees to work safely and to produce safe products that function as advertised. We are certainly not opposed to, and indeed we support reasonably designed, constructive legislation aimed at protecting the safety and health of workers and consumers, cleaning up the environment and the rest.

But we are opposed to legislation which disregards true consequences in an effort to achieve only marginal environmental improvement. This is what the plastics companies fear could happen, particularly in the area of solid waste -- the industry's most critical immediate public problem.
Solid waste is nobody's favorite topic, least of all the sanitation departments of our cities and towns who must dispose of mountains of garbage daily. But ignoring them will not make these mountains go away.

The U.S. generates every year about 250 million tons of garbage and refuse from homes, schools, office buildings, stores and towns.

There is no question something needs to be done about disposal. Open dumps are being closed by law. Open burning is banned. Many city incinerators have become antique. Some cities are running out of landfill space.

Society's concern about solid waste disposal is manifest in the more than 600 laws adopted or being considered at the various levels of government. Some of these are aimed at plastics, primarily packaging materials because plastics are easy to make in bright colors. They are highly visible in solid waste -- plastic bleach bottles, for example. But studies have shown that plastics make up less than 2 per cent of solid waste. And despite all the growth statistics cited earlier, only 6 per cent of solid waste in the year 2000 will be plastic materials.

While sharing society's concern about the problem, the plastics industry feels that much legislation now under consideration to restrict the use of various types of packaging materials will be self-defeating or regressive, in some cases increasing rather than reducing the cities' solid waste problems.
One of the proposed pieces of legislation which could pose a serious threat to the industry is the Federal Resource Conservation Act of 1973, authored, but not yet introduced by Senator Edmund Muskie. Senator Muskie is expected to submit his solid waste bill through the Senate Committee on Public Works, of which, incidentally, Senator Jennings Randolph of West Virginia is chairman.

At the moment, the intent of this bill is to conserve resources (especially petroleum); to reduce the amount of solid waste and litter; and to shift the burden of solid waste disposal from the general public to the producers of the various solids.

This bill gives certain new power to the Environmental Protection Agency. There are several provisions which give us concern. The agency establishes the criteria for classifying materials according to whether they are degradable or whether they can be recycled or neither. It establishes disposal methods for packages which cannot be recycled, and, it bans one-way containers if they cannot be recycled or will not degrade according to the bill's definitions.

The bill also requires packaging manufacturers to certify that their products will degrade or can be recycled. Further, manufacturers are required to certify that there is an adequate system for re-using or disposing of one-way containers. And, finally, the packaging manufacturers are required to maintain a deposit program for re-usable containers which cannot be recycled or which will not degrade.
Now understand we agree completely with the purpose of this bill. The environment must be cleaned up and littering must be stopped. But we think the part of the bill which applies to plastics will miss its mark and work hardship on the American public. As far as saving oil and gas is concerned, less than a third of 1 per cent of the nation's consumption ends up in plastic packaging. As far as the solid waste problem is concerned, you should know that packaging materials account for only 15 per cent of all solid waste. Paper, which the bill considers recyclable, accounts for 45 per cent of all packaging waste. Plastic packaging accounts for only 3 per cent of packaging waste. We believe that plastics would be outlawed by these proposed actions. You see, plastics do not degrade or recycle easily. By outlawing plastics in packaging, we would reduce the nation's volume of solid waste by only a half of 1 per cent. Now I say that is a very small benefit when compared to the convenience, the safety, and the economy which plastic packaging has brought to the American consumer. Furthermore, the bill does not take into consideration the fact that plastics add considerable fuel to other solid wastes in an incinerator and therefore reduce the amount of gas or oil required to dispose of garbage.

We hear in Washington that, as presently written, the packaging section of the bill would seriously reduce flexible packaging in the supermarket. It is difficult to visualize the United States going back to the corner grocery store where everything is received in bulk and wrapped by hand, but we may well be headed that way if some provisions of the bill are not drastically changed.
The time has come for the Congress, the state legislatures, the public and industry to face up to the central problem and encourage constructive programs which would attack the root causes rather than to look for scapegoats. The plastics industry believes a realistic solution calls for five specific courses of action:

1. Littering is caused by people and antilitter efforts should be directed at people, not products or materials.

2. We must modernize refuse collection systems. It has been estimated that collection accounts for more than three-quarters of the cost of solid waste disposal.

3. We must substitute sanitary landfill for open dumping and open refuse burning -- the most widely used method of solid waste disposal is crude open dumping, which now accounts for more than 75 per cent of all collected refuse. A far more satisfactory disposal method is the sanitary landfill, in which waste is compacted and covered each day with a layer of soil.

4. We must upgrade incinerators -- most incinerators now in use are either obsolete or ineffective and should be upgraded to the level of current technology, making use of the fuel value in plastics.

5. Encouraging research and development -- government and industry must cooperate in additional and much more intensive research, of the type already ordered under the Resources Recovery Act of 1970, to refine the technologies for solid waste collection, separation, recycling and disposal, according to the nature of the materials collected.
The industry believes that a promising secondary use of waste plastics materials is to use them to generate steam or electricity. Several such projects are under way, including one in St. Louis where a utility company, Union Electric, is feeding shredded refuse into conventional furnaces along with pulverized coal to produce electricity. Under this concept, you get two uses for a given amount of hydrocarbon, thereby conserving natural resources.

I realize that I have left myself open to the crack that Ernie du Pont came back to Parkersburg and talked garbage. Obviously, I would hope for a kinder assessment. What I have tried to do is indicate to all who have some interest in the plastics business that the future is bright if we work, as business and community leaders, for balanced environmental legislation -- fair to the environment, fair to business and fair to the consumer.

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