

Hercules Co.

To Curtail

Department

To Curb Cellulose

Acetate Production

12-14-57

SAYREVILLE — The Hercules

Powder Co. announced today that it was considering the termination of cellulose acetate manufacture at Parlin by 1959. The company said this was due to the unprofitable nature of its cellulose acetate operations and the rapid growth of its newer products.

Not Profitable

"Cellulose acetate is not contributing to Hercules' profits nor can we see any improvement for this product for us in the years ahead," said Elmer Hinner, general manager of the Cellulose Products Department.

Hinner added, "For a number of years the major portion of our production of cellulose acetate has been supplied to the textile industry. During most of this period the over-all cellulose acetate textile market has been depressed and consequently Hercules' cellulose acetate operations have been forced to run under unsatisfactory conditions."

Hinner also said, "The significant growth of Hercules over the past two years in polyolefin chemistry — two major operations making new plastic products have gone on stream at Parlin since late summer — has required Hercules to devote more of its effort and manpower to more promising operations."

"For some time now," Hinner said, "Hercules has spent a great deal of effort in developing plans for the eventual shifting of people and facilities from cellulose acetate operations to polyolefins as well as to other chemicals which are now being developed."

Hercules disclosed at the end of November it was putting on stream at Parlin the first commercial polypropylene plant in the United States. "This new plastic material along with Hi-fax, Hercules' high density polyethylene, is just getting into volume production and a rapid growth is anticipated for both products," Hinner stated.

Approximately 500 persons are currently employed in the cellulose acetate plant, many of them with technical skill needed in other Hercules Parlin operations. Hercules employ more than 2,000 men and women at Parlin.

Earp F. Jennings, Jr., manager of the Parlin plant, stated "Every effort will be made to continue use of the cellulose acetate facilities in order to reduce the impact on our employes to an absolute minimum. In any event no substantial change in employment in this operation is anticipated before the latter part of 1958."