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## **DU PONT: A CASE STUDY IN THE 3D CORPORATE STRATEGY**

The response to the ozone crisis by DuPont, the inventor of CFCs and the largest producer of ozone depleting chemicals in the world is a prime example of the 3D corporate strategy.

**DENY:** On June 30, 1975 a Du Pont advertisement in the New York Times read: "**Should reputable evidence show that some fluorocarbons cause a health hazard through depletion of the ozone layer, we are prepared to stop production of the offending compounds.**" However, the July 16, 1975 issue of the trade magazine Chemical Weekly quoted the Chair of the Board of DuPont saying that ozone depletion theory is "**a science fiction tale...a load of rubbish...utter nonsense.**"

In 1979, Du Pont continued the denial game by saying: "**No ozone depletion has ever been detected...all ozone depletion figures to date are based on a series of uncertain projections.**"

**DELAY:** In 1980, Du Pont initiated the formation of the Alliance for Responsible CFC Policy, a fancy and misleading title for an anti-regulatory industry lobby group, that found a natural ally in the Reagan White House. Once Reagan took office, Du Pont suspended further research for alternatives to CFCs, knowing that there would be no political pressure for immediate action.

As late as 1986, the Alliance was still arguing that the science was too uncertain to justify any action. In 1987, Du Pont testified before the US Congress that "**we believe that there is no immediate crisis that demands unilateral regulation.**" At the same time, the world was consuming over 1 million tonnes of CFCs, and Du Pont and the United States had the lion's share of the global ODS market.

Even after the 1987 signing of the Montreal Protocol, the international agreement to control ozone depleting substances, Du Pont campaigned against effective controls on the use of CFCs. On March 4th, 1988 Du Pont Chair Richard E. Heckert wrote to U.S. senators:

**"Du Pont stands by its 1975 commitment to stop production of fully halogenated chlorofluorocarbons if their use poses a threat to health. This is consistent with Du Pont's long established policy that we will not produce a product unless it can be made, used, handled and disposed of safely and consistent with appropriate safety, health and environmental quality criteria. At the moment, scientific evidence does not point to the need for dramatic CFC emission reductions. There is no available measure of the contribution of CFCs to any observed ozone change..."**

**DOMINATE & DUMP:** Du Pont's strategy, along with that of the rest of the chemical industry, has always been to ensure that once regulations on CFCs did come about they would be well positioned to control the CFC replacement market with a new generation of chemicals, such as HCFCs and HFCs.

This fact did not escape Dr. Mostafa Tolba, former head of the UN Environment Programme, who was quoted in the June 30, 1990 edition of The New Scientist, "**...the chemical industry supported the Montreal Protocol in 1987 because it set up a worldwide schedule for phasing out CFCs, which**

**[were] no longer protected by patents. This provided companies with an equal opportunity to market new, more profitable compounds."**

Du Pont's Freon Division Director, Joseph Glass said: **"When you have \$3 billion of CFCs sold worldwide and 70 percent of that is about to be regulated out of existence, there is a tremendous market potential."**

**DUMP:** One proven way to ensure continued corporate profits from obsolete technologies is to create new markets in those parts of the world that are euphemistically referred to as "developing countries". These countries are frequently the dumping grounds for old technologies which have been discarded in industrialized countries for environmental, human health or technological reasons. Hence the Du Pont full page ad in the April 27, 1992 New York Times, letting the world know that **"we will stop selling CFC's as soon as possible,"** but only in the "US and other developed countries." Any technology which is not acceptable for any of the above reasons in industrialized countries must be seen as obsolete for all countries. CFCs fall into this category, as do HCFCs, HFCs and methyl bromide.

The chemical industry has been very successful through the Montreal Protocol in safeguarding its continued profits through the prolonged use of these obsolete technologies in developing countries. Thus the Montreal Protocol permits the continued use of CFCs in developing countries until the year 2010, the use of HCFCs until 2040, and as of yet there is no agreed upon phase-out date for methyl bromide. Consequently, the production and consumption of all of these ozone depleting substances is radically increasing in Article 5 countries.

