Rob.

CENTER FOR JUSTICE
2278 Main Street
Buffalo, New York 14214
716-838-4910

"Unless you do justice, you will not see God."

March 29, 1983

Robert K. Timberg, Counsel
Canadian Environmental Law Association
8 York Street, 5th Floor South
Toronto, Ontario M5J 1R2

Dear Mr. Timberg,

Tim Smith of the Interfaith Center on Corporate Responsibility in New York, has forwarded to me your letter of March 17, in which you made inquiries about the ICCR sponsored resolution that has been filed with Occidental Petroleum. He asked that I respond and am accordingly, enclosing some materials that you may find helpful, including a summary of each of the Occidental Petroleum Annual meetings in Los Angeles, the IRRC Evaluation as submitted to their subscribers, and a reprint of the Brief I had done for the monthly ICCR publication.

My Congregation, the Sisters of St. Francis of Stella Niagara, NY, has been a filer with Occidental Petroelum for these past four years and in that capacity I have been present at each of these Oxy Annual Meetings. I also serve with the Ecumencial Task Force of the Niagara Frontier and therefore, am aware of course of your involvement with both the Hyde Park and S-Area suits and litigation.

I was happy to receive your letter from Tim and am likewise happy to forward the enclosed materials to you. I would welcome any further correspondence if there is any further way in which I can be of assistance.

Yours truly,

Joan F. Malone

Joan F. Malone, osf

ICCR

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

A Sponsored Related Movement of the National Council of Churches
475 Riverside Drive • Room 566 • New York, NY 10027 (212) 870-2293

May 27, 1980

Report from the Occidental Petroleum Annual Stockholders Meeting
May 21, 1980 Beverly Hills, California

ICCR representatives present:

John Mulligan	Marianists
Joan Malone	Sisters of St. Francis
Ray Lambert	Christian Church
Bob Morris	Proxy for the Sisters of St. Joseph of Peace
Martha Ann Fitzpatrick	Sisters of St. Joseph
John Mulligan	Marist Brothers

Mrs. Luella Kenny, a shareholder and member of the Love Canal Homeowners Association, also participated with ICCR members in the presentation of the resolution.

Our presentation of the resolution, including the number and length of speeches and questions, was clearly outlined with Mr. Paul Hebner, Occidental's Executive Secretary prior to the meeting. Mr. Hebner assured Dick Ullrick of the Marianists, during the week before the meeting, that there would be adequate time for our presentation and questions.

Several of the ICCR representatives waited in the back of the hotel's ballroom prior to the meeting in order to introduce themselves to Mr. Hebner and assure him that the presentation of the resolution would be orderly and brief. This is a common courtesy extended before most annual meetings that ICCR members attend.

Several of the Occidental officials appeared nervous at our presence, possibly due to the fact that two days earlier, the EPA had released the results of a test which revealed chromosome damage in persons living near the Love Canal in Niagara Falls, New York. One executive explained to us that Mr. Hebner might not arrive until the opening of the meeting; but, that he would be able to meet with us during an intermission in the meeting's agenda. No such intermission took place during the course of the meeting. Mr. Hebner did pass by the ICCR representatives prior to the opening of the meeting and when Bob Morris rose to greet him he, quickly replied "I can't speak with you until after the meeting".

The annual meeting ran a full 2½ hours before the shareholder resolutions were presented. In actuality, the meeting was an 82nd birthday party for Occidental's Chairman, Dr. Armand Hammer. A birthday cake was presented to Dr. Hammer, the shareholders sang "Happy Birthday," and Dr. Hammer was presented with a special award by a private foundation. A movie was also presented to the shareholders. A sizeable portion of the movie dealt with Dr. Hammer's reputation as a patron of the arts and an international businessman.

It is interesting to note that, at the opening of the meeting, the shareholders were each given a copy of an Occidental "factline" brochure. The pamphlet detailed how Hooker Chemical was innocent of any wrongdoing or legal liability with regard to the Love Canal. The brochure and the Chairman's statements during the meeting failed to note that the Federal and New York State suits against Hooker involve four sites in Niagara Falls, not just the Love Canal.

There were three shareholder resolutions on the agenda for the meeting. Dr. Hammer rushed the first two through within several minutes. When it became evident that Dr. Hammer was not going to let the religious investors present their resolution, Bob Morris rose to remind Dr. Hammer the length and format for the presentation of the resolution had been clearly outlined with the Corporate Secretary two weeks prior to the meeting.

Dr. Hammer responded that most shareholders had read the resolution and were well informed of the "position" of the religious investors. It was clear that he did not want to hear any discussion on toxic waste disposal. Morris replied that the issues raised in the resolution "strike to the heart of this corporation and should be heard."

Father John Mulligan of the Marianists then rose to present his statement. Before completing one third of his speech, he was interrupted by Chairman Hammer, who said, "Want to go on to your next statement, please?".

Luella Kenny was allowed to deliver her entire statement. Dr. Hammer answered her statement with a five-minute response (see enclosed transcript).

What followed was perhaps the rudest display that ICCR representatives have encountered in over ten years of corporate responsibility work. Dr. Hammer refused to let Sister Joan Malone deliver her statement. When the ICCR representatives protested, Hammer called for a show of hands of "all those who want to hear further complaints." Hammer then moved on to the question and answer period before allowing the resolution vote to be taken. When this error was pointed out, the vote was announced. The vote percentage supporting the resolution was read as 4.87%. (Later, Occidental cited the supporting vote as 8.2%.)

Joan Malone rose to ask a question; and, as she began Hammer interrupted her, saying, "You've already monopolized this meeting enough. . .". Luella Kenny and Bob Morris also tried to ask questions, but Hammer refused to answer them. When Bob Morris asked Hammer to comment on the questionable dump sites outside of the Love Canal, he was "ejected" from the meeting accompanied by a security guard. The microphones of all the ICCR representatives were then cut off.

Dr. Hammer constantly spoke into his microphone at the same time that any of the religious investors tried to ask a question. While drowning out all comments he told Joan Malone that she should go back to Buffalo to complain to the proper authorities. Hammer also asked Luella Kenny, "Now, are you so determined to make headlines; is that your purpose in coming here?". Luella Kenny replied, "We're not determined to make headlines. We're determined to see that no other child dies in this world because of corporate irresponsibility."

Dr. Hammer tried to justify his refusal to answer questions or entertain statements relating to toxic waste disposal by repeated references to the business agenda of the meeting, such as, "We've got a lot of business ahead of us." He closed the meeting, however, only minutes after his last reference to the lengthy agenda.

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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Partial transcript from the Occidental Petroleum Annual Stockholders Meeting
May 21, 1980 Beverly Hills, California

At the point that this transcript begins the Occidental Annual Stockholders meeting has run for over 2½ hours. During this time a movie was shown to the shareholders and a birthday cake and commemorative award were presented to Dr. Armand Hammer, the Occidental Chairman. Three shareholder proposals were on the meeting agenda. The Chairman rudely rushed through the first 2 within several minutes. When it became clear that the Chairman was not going to permit the religious investors to present their proposal as planned, Bob Morris of ICCR rose to remind the Chair that the company's secretary, Mr. Paul Hebner had assured the religious investors that there would be sufficient time to present three five minute statements.

Bob Morris: ICCR — Dr. Hammer, we were assured by management that we would have sufficient time to present this proposal. I had wanted to speak with Mr. Hebner before the meeting but he did not wish to speak with us. We have three short statements which will last approximately five minutes, and we have a number of questions. We can air those questions immediately after the statements or during the open period. We request respectfully to air this resolution as we had planned.

Dr. Armand Hammer: Occidental Chairman — I don't think we want to preclude you from making your statement. But I don't think we should stretch it to the point. If you'll make a brief statement, we'll be happy to listen.

Morris: Dr. Hammer, this is an issue that strikes to the heart of this Corporation...

Hammer: We have all read the material you have already published in our proxy statement and I think all shareholders are well informed on your position.

Morris: This is an issue that strikes to the heart of this Corporation and it should be heard, Dr. Hammer.

Hammer: I said we'll....Stay where you are. Make your statement. After that, we've got to proceed with the meeting because as you know, we have other business to transact.

Morris: We have three statements, Dr. Hammer. Fr. Mulligan will open. Thank you.

Hammer: All right Fr. Mulligan, we'll be glad to hear from you. Please be brief Fr. Mulligan. As I said to you, we..., we're running short of time.

. John Mulligan:	Dr. Hammer, will a record of these proceedings be available to shareholders?
Hammer:	I don't know. I can't answer that question at this time.
Mulligan:	(Delivers less than $1\frac{1}{2}$ minutes of his 5 minute speech.)
Hammer:	Want to go on to your next statement please. You said you had three of them. Is that it?
Mulligan:	May I finish mine?
Hammer:	State your mind, certainly.
Mulligan:	May I finish, may I finish mine?
Hammer:	Well, you have two others. I think we've heard enough of the first statement and we have the proxy here. The position is well stated in the proxy.
Mulligan:	In view of the time we've spent on movies and long speeches, I respectfully object to the way we are being dealt with.
Hammer:	We have no objection to your objection. (laughter) Next speaker, please.
Luella Kenny: Love Canal Home Owners Association	(Delivers speech in its entirety.) (applause)
Hammer:	Thank you Mrs. Kenny. We sympathize greatly with your predicament but I would think what you ought to be doing is addressing your complaint to the city of Buffalo, to the school board which is responsible, if there has been the kind of damage that you say and we're not sure yet. Results of tests which are being conducted... but I have good news for you. I don't know if you know that since you left Buffalo, President Carter has declared this an emergency area and he has agreed to relocate, at least on a temporary basis, the 700 families that have asked for this relief. Now, as far as Occidental and Hooker is concerned, I hope that you know the history of this situation. Many years ago, this was used by the old Hooker Company, which at that time, did not constitute part of Occidental, as the place to store chemicals. At that time, it was considered that if these chemicals were put in a vault which was made of impermeable clay, that they could be stored there safely. That was the method that was used, not only by Hooker but by all chemical companies at that time. Now, unfortunately, the school board, who implored us to donate the land to them so they could make a school yard out of it. Hooker did so for $1.00 dollar. But in the deed, it was stated that there were chemicals present underneath this clay cap and that the surface was not to be disturbed and that all liability would be that of the school board if the surface was...if there were any claims of any kind. Now, 25 years later, I believe, I don't know exactly when, but the school board permitted a road to be built across the school yard, they also permitted construction. They also permitted contractors to take some of this clay and transport it to other places for building purposes. Then, by disturbing the surface, they exposed some of the chemicals.

Hammer: There were a couple of children playing, that were burned at the time. This was brought to the attention of the, again to the old Hooker Company officials. They warned the school board again and remedial measures were taken. Now, unfortunately, some of these chemicals may have seeped into the homes. Perhaps your home is one of them. But this was not Occidental's fault and not Hooker's fault. This was the fault of the school board and if Occidental is joined in this suit... as they will be, we will be ... we have already made a motion to join the school board and the City of Buffalo in this action. Now, I'd like to say that irrespective of the fact that we do not claim any legal liability, we are voluntarily doing everything we can to alleviate the conditions that exist there and the plight of those people such as yourself and we think it's a great disservice that has been done to you and your neighbors by the fact that the EPA has seen fit on the basis of a report which is far from conclusive, only 11, only 11 persons were involved supposedly in this test made by one scientist, one laboratory official in a private laboratory. We think the government owes you and your family and your neighbors to make sure before they come to any conclusions that this really is the result of the migration of chemicals in that area, and to force frightened people unnecessarily, may be unnecessary. I think it's a disservice. On the other hand, I want to assure you that Hooker wants to be a good neighbor, we have been a good neighbor in other places, and we will do all we can morally to help your plight and your situation and I think the actions of our President in doing what he has done, ought to satisfy you and your neighbors, that at least you're getting some results from the government where the responsibility lies. (applause) Now, I think we have, We've already been on this subject too long. I'm afraid I will not recognize anyone else.

Sr. Joan Malone: Sisters of St. Francis: Mr. Chairman, Mr. Chairman, excuse me...

Hammer: I will not recognize you.

Malone: Mr. Chairman...

Hammer: I will not recognize you. You will not be recognized, I'm sorry.

Morris: This is absolutely outrageous, Dr. Hammer. This has never happened at an annual meeting...

Hammer: Behave yourself. We'll have you ejected from the room. Alright, we'll put it to a vote.

Malone: Dr. Hammer...

Morris: You are willing...

Hammer: All those who want to hear further complaints. (He calls for a show of hands)

Morris: You're willing to do a lot, Dr. Hammer, but you're not willing to listen to three 5 minute speeches.

Hammer:	Please raise your hands.
Malone:	Dr. Hammer, we...
Hammer:	All those against? I think it is perfectly obvious that the vote has been overwhelming to cut short this dialogue.
Malone:	Dr. Hammer, may I please say one thing?
Hammer:	We will now go on to the next business of this meeting.
Morris:	Dr. Hammer, apart from Love Canal. Dr. Hammer, you're involved in four dump sites in Niagara Falls, four dump sites that have been determined to be unhealthy by the Federal Government. It's a lot larger than Love Canal.
Hammer:	You gentlemen ought to know Occidental has done everything they can do and where the responsibility lies, we have laws in this country and you have to obey the laws just as everyone else and one of these laws is that the shareholders of this meeting are the ones who decide and not you. We'll proceed with questions and answers and I'll recognize this young lady.
Shareholder:	Happy Birthday and thanks for the dividends...
	(The votes on the resolution are read)
Paul Hebner: Occidental Secretary:	4,189,625 in favor 46,467,577 against
Hammer:	Due to the overwhelming vote...
Morris:	And the percentages Mr. Hebner?
Hebner:	4.87% in favor; 54.01% against.
Morris:	Number of abstentions Mr. Hebner, please?
Hebner:	We have abstentions amounting to 2,226,488 that I know of. The report of the meeting will of course include the vote 2,226,488 abstentions.
Hammer:	The secretary has already reported that on the basis of proxies received prior to the meeting, the vote was overwhelmingly in favor of the management. And in light of the majority which has already recorded against the motion, I declare the resolution has been defeated. And now we will continue with questions.
Shareholder 2 :	Question relating to overseas operations.
	(Joan Malone is recognized .)
Malone:	Thank you. Yes, I'm the lady who was not able to give her statement. I ask for one moment of the stockholder's meeting, one moment of time and I will have to preface it, I am deeply, deeply sorry that I was not able to present my material after I had been given specific...

Hammer: Please, this is a question, and I'm very sorry.

Malone: My question is...

Hammer: You've already monopolized this meeting enough and we've got a lot of business ahead of us and I must, I'm sorry.

Malone: May I go on with my question?

Hammer: I want to be polite and as I told you before, we sympathize with you but your complaint should be directed to school board, the City of Buffalo, the State of New York and if necessary, to the Federal Government.

Morris: Dr. Hammer, what about the other dump sites in other states?

Hammer: We're not here... You will be ejected from this meeeting if you do not behave yourself.

Hammer: I'll ask the sergeant of arms. Mr. --- will you step up and eject this gentleman for disrupting the meeting. (Applause)

Morris: I'd like to say, in closing, Dr. Hammer, I think it is very... (microphone cut off)

Hammer: Would you please eject this gentlemen.

Malone: Dr. Hammer, may I...

Hammer: You're not going to be recognized. I'm sorry are there other questions?

Malone: Are you refusing to hear me.

Hammer: Yes, I am refusing because you people have disrupted this meeting enough. You should go back to Buffalo and make your complaint to the proper authorities. They don't belong here.

Malone: I was of the opinion that as a stockholder, this is precisely...

Hammer: I don't care what your opinion is right now. We have business to transact. We've got to transact them in an orderly manner, according to the laws of this country. You people do not make the laws of this country. Any other questions?

Kenny: Dr. Hammer. According to your movie earlier this afternoon, you did say you were going to spend an enormous amount of time and dedicated to environmental concerns, this is not indicative...

Hammer: We are not going to listen to you, because you've been told you had your time, had your opportunity. I really don't know what you people really are after.

Kenny: Because you haven't listened to us.

Hammer: Why do you come here, why don't you go to Buffalo? Why don't you go to your state?

Kenny: We're from Niagara Falls?

Hammer: I understand you've got relief from the Federal Government. I should think you'd be satisfied. The President has just announced he's going to give you relief. Now, are you so determined to make headlines. Is that your purpose in coming here?

Kenny: We're not determined to make headlines. We're determined to see that no other child dies in this world because of corporate irresponsibility.

Hammer: You're disrupting this meeting. I'm afraid you folks will have to be ejected as well though you're ladies and I hate to do it.

Malone: I will be glad to be ejected if I can add...

Hammer: Do shareholders want to adjourn the meeting because of the interruption?

Shareholders: No

Malone: I simply want to add that we are here specifically because your Executive Secretary, Paul Hebner gave us permission to do so... (Microphone cut off)

Los Angeles Times
Business
CC PART IV †
THURSDAY, MAY 22, 1980

Occidental Increases Dividend

Chief, Shareholder Group Engage in Shouting Match During Annual Meeting

By LYDIA CHAVEZ
Times Staff Writer

Occidental Petroleum Corp. Wednesday announced a dividend increase to 50 cents quarterly from 37½ cents while some shareholders took the occasion of the company's annual meeting to engage in a shouting match with the company's chairman, Armand Hammer, over a proposal to direct the company to revise its environmental policies.

The proposal, contained in a proxy statement sent to shareholders, was made in light of "serious health problems associated with inadequate disposal of toxic wastes at the Love Canal disposal site in Niagara Falls, N.Y."

The shouting match began when Robert Morris, respresenting the Interfaith Center, asked for five minutes for his group to present testimony in support of the proposal.

Louella Kenny, a former resident of the Love Canal area, told shareholders that she believed the death of her 7-year-old son last year was linked to chemical poisoning.

Hammer, looking at his watch, became impatient with the group's recital and asked them to sit down. Morris, Kenny and another woman, all standing at different microphones, objected.

Hammer said he was "deeply sorry" but felt the group would be better off taking their complaints to the local school board, which purchased the Love Canal site from Hooker Chemical Co., an Occidental unit, in 1953, for $1. "I don't know what you people are after," he added.

The shouting match ended with Morris being escorted out of the meeting at Hammer's direction. At one point, the chairman threatened to adjourn the meeting if the group did not sit down.

When the two women from the group persisted in speaking after their microphones had been turned off, Hammer asked the shareholders if they wanted to hear more testimony on the subject.

The shareholders voted to end the discussion and to reject the group's proposal for a change in Occidental's environmental policies.

Except for the 15-minute disruption, the annual meeting had the air of a birthday party for Hammer, who turned 82 Wednesday, with all the trimmings of cake, a standing ovation and a group rendition of "Happy Birthday."

Before the meeting, shareholders strolled around the lobby and filled plastic bags with tape measures, mugs, leaflets and bumper stickers from the various booths depicting Occidental subsidiaries.

Hammer said in his address to the shareholders that Occidental would have another year of record earnings. Last year the company earned $562 million, or $6.66 per share, fully diluted, on sales of $9.6 billion.

He also announced the successful completion of the company's first geothermal steam well in the Geysers area of Lake County in Northern California. The well will be capable of generating 11 megawatts of electricity, or enough power to supply a community of 11,000 people with all their electrical needs for at least 30 years, he said.

Hammer Tells Nun to Go Back to Buffalo

BUFFALO COURIER-EXPRESS, Thursday, May 22, 1980 3

Special to the Courier-Express

LOS ANGELES — Armand Hammer, the chairman of the Occidental Petroleum Corp., told a Western New York nun to "go back to Buffalo" during a stormy corporate shareholders meeting here.

Occidental Petroleum, parent company of Hooker Chemicals & Plastics Corp., was holding its annual meeting in the grand ballroom of the Beverly Wilshire Hotel in Beverly Hills.

Seven religious investors, working through the New York City-based Interfaith Center on Corporate Responsibility (ICCR), came to the meeting to present a resolution asking the Occidental board of directors to "establish policy and procedures to safeguard the company from future environmental contamination and public health hazards."

Love Canal Resident

The ICCR contingent included a Love Canal resident and two Western New York religious sisters, one of whom was Sister Joan F. Malone, OSF, representing the Sisters of St. Francis at Stella Niagara Education Park in Lewiston.

Sister Malone said when she attempted to speak — after a number of others from her contingent had spoken — that the microphone was turned off.

She told the Courier-Express in a telephone interview that she demanded of Dr. Hammer: "Are you refusing to hear me?" She said he then told her: "Yes, I am refusing. Go back to Buffalo."

"I am here to make sure no other child dies due to corporate irresponsibility," Mrs. Kenny said.

Sister Malone said the Rev. John J. Mulligan, SM, had to be bodily removed by two sergeants-at-arms when he refused to leave the room. Sister Malone said each ICCR member had been promised five minutes to talk.

Sister Malone, her voice shaking over the telephone, said she was furious at the way the ICCR representatives were treated and said the incident was unprecedented in the organization's history.

Addresses Many Firms

She said her group addresses an average of 30 corporation stockholders meetings every year, discussing problems of corporate morality and responsibility, but that nothing like this had ever happened before.

She said the meeting prior to their appearance was taken up with an overview of Occidental's achievements and was also the occasion of a birthday party for Dr. Hammer.

The Love Canal presentation was full of "half-truths and lies," Sister Malone said.

The ICCR resolution was defeated with only 7 percent of the shareholder proxies voting to adopt it. Sister Malone labeled the outcome "an incredible victory" and said her organization had expected only a 4 percent favorable vote.

A spokesman for Occidental told the Courier-Express from Los Angeles that the incident came after nearly 20 minutes of speeches from others in the ICCR group, and that Dr. Hammer told the nun it was time to get onto other matters.

"He told her that he did not want Love Canal speakers to monopolize the meeting," the spokesman said. "He told her that he sympathized with her, but that she should go back to Buffalo and make her complaint there."

Reiterates Position

The spokesman said Dr. Hammer meant go back to the City of Niagara Falls, rather than Buffalo. The spokesman reiterated Hooker's, and by extension Occidental's, longstanding position that Niagara Falls is responsible for any chemical contamination at Love Canal because of ill-advised building on the site.

The incident occurred in front of the nearly 2,000 shareholders gathered for the meeting.

Mrs. Luella Kenny, a resident of the Love Canal area, joined Sister Malone at the meeting. She is the mother of a 7-year-old boy, Jon, who died of a rare kidney disease which his mother maintains was the result of living near Black Creek immediately north of the canal.

Mrs. Kenny, who did speak to the group, said Dr. Hammer accused her of trying "to make headlines," which the Occidental spokesman denied was said.

Meeting Is Mirthful As Armand Hammer Marks His 82nd Year

* * *

Head of Occidental Petroleum Gives Payout Rise, Cake; One Holder Gets the Boot

By STEPHEN J. SANSWEET
Staff Reporter of THE WALL STREET JOURNAL

BEVERLY HILLS, Calif.—It was Armand Hammer's 82nd birthday, but the chairman of Occidental Petroleum Corp. was the one giving presents at the annual meeting.

Among them were a dividend increase, a forecast of record 1980 results, and slices of birthday cake.

Dr. Hammer was effusively praised by several of the 2,200 or so people at the standing-room-only, three-hour meeting. But, despite the festive mood, he abruptly stifled almost all critical questions, particularly those regarding controversial environmental problems, and even ordered the ejection of a church group representative who tried to argue a holder resolution on environmental safeguards.

The quarterly dividend was boosted to 50 cents a share from 37½ cents, payable July 15 to stock of record June 10.

Dr. Hammer said the boost reflected 1979 record earnings of $561.6 million, or $7.30 a share, on record sales of $9.55 billion. He said directors will review dividend policy from time to time "in light of future earnings and other factors."

The chairman also said the company believes 1980 results will top last year's, but he indicated the increase mightn't be that great. After projecting a record year, he said results "will equal if not exceed" year-earlier figures.

Dr. Hammer said contributions from Occidental's British North Sea production will benefit from the recently ratified U.S.-British tax treaty. Overall, benefits could reach $250 million, he said. Oil and gas earnings this year alone could rise about $51 million because of the treaty, although that amount could drop to about $32 million if Britain enacts a proposed increase in its petroleum revenue tax to 70% from 60%, he said.

Dr. Hammer said Occidental plans to spend $100 million this year on oil and gas exploration in North America, about double last year's outlays. The company will concentrate in the Rocky Mountain area, he said. Occidental previously said overall 1980 capital expenditures were expected to rise to about $1.15 billion from $912 million in 1979.

The meeting started with a standing ovation for Dr. Hammer as he led directors to the stage of a hotel ballroom. A young girl presented him with a birthday cake and a shareholder presented him with a medal. The meeting had a leisurely pace, with long speeches and a corporate film that lasted nearly a half hour.

But Dr. Hammer's patience seemed to wear thin when three shareholder resolutions were presented. He twice cut off shareholder Carl Olson as he presented resolutions to have the company issue statements regarding its tax burden and to cut off all business with "Communist bloc dictatorships."

He saved his main wrath, though, for several supporters of a resolution that criticized the company's chemical waste-disposal methods and that asked for additional corporate safeguards to be instituted.

The resolution, brought by a coalition of church groups, was introduced by one shareholder who later was ejected when he objected to Dr. Hammer cutting off statements from proponents. Saying that the meeting had gone on too long, Dr. Hammer cut off a Catholic priest in midstatement and refused to listen to another supporter.

Dr. Hammer did allow a woman who lived near the Love Canal chemical dump site in Niagara Falls, N.Y., to tell how her seven-year-old son died of kidney disease, possibly made worse by chemical toxins. "We're sympathetic, but your complaint is with the city and state and school board which allowed construction on the dump site despite repeated warnings" from Hooker Chemical Corp., which is currently an Occidental subsidiary, Dr. Hammer said.

A shareholder attempted to ask another question on environmental problems, but Dr. Hammer threatened to have her ejected too. "I don't care what your opinion is right now," he shouted. "Go back to Buffalo. Are you that determined to make headlines?" The shareholder responded, "We're determined that no other child dies because of your irresponsibility." The resolution received a yes vote of 5% and a negative vote of 54% of shares outstanding.

western union Telegram

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PMS SISTER JOAN MALONE, DLR

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY 9360 WILSHIRE BLVD

LOS ANGELES CA 90024

I AM SORRY THAT A PRIOR COMMITMENT WILL NOT ALLOW ME TO JOIN YOU IN INSISTING THAT OCCIDENTAL PETROLEUM BE HELD RESPONSIBLE FOR CREATING THE PERSONAL AND SOCIAL DISASTER AT LOVE CANAL. OCCIDENTAL'S BEHAVIOR AT LOVE CANAL IS A PRIME EXAMPLE OF THE NEED TO ASSERT PUBLIC CONTROL OVER KEY PRODUCTIVE DECISIONS WHICH EFFECT THE HEALTH SAFETY AND ECONOMY OF THE COUNTRY AND LOCAL COMMUNITIES. NO LONGER CAN PRIVATE DECISIONS BASED SOLELY ON THE MAXIMIZATION OF RETURN OF STOCKHOLDERS INVESTMENT GOVERN WHAT OCCIDENTAL AND OTHER CORPORATIONS DO. WE CANNOT ALLOW THE DECEPTION THAT HOOKER CHEMICAL COMPANY IS ENGAGING IN. WE CANNOT ALLOW THE COUNTRY TO FORGET THE TRAGIC PERSONAL TOLL

SF-1201 (R5-69)

western union Telegram

RESIDENCES OF LOVE CANAL HAVE SUFFERED. WE MUST INSIST THAT THE HEALTH OF THE PUBLIC COME FIRST. I COMMAND THE ICCR FOR THE ACTION YOU ARE TAKEN TO AWAKEN THE CONSCIENCE OF THE CORPORATE WORLD. YOU CAN BE ASSURED THAT YOU HAVE MY SUPPORT AND THAT OF THE CITIZENS PARTY AS WELL

BARRY COMMONER

NNNN

Shareholder Proposal

WHEREAS in 1978 President Carter officially declared that an emergency existed in the State of New York due to Hooker Chemical's dumping practices which allegedly resulted in health problems, including miscarriages, nervous disorders and cancer that have occurred in persons living near the Love Canal in Niagara Falls, New York.

WHEREAS a Congressional Report cites that "Hooker Chemical was aware at least as early as 1958 that children were experiencing chemical burns from substances percolating up from the Love Canal dump site yet took no action to inform local residents of the potential hazards" and that drinking water was contaminated near company disposal sites in Montague, Michigan, Long Island, New York, and Lathrop, California, and that these sites pose "potential long-run health problems for affected residents."

WHEREAS management has admitted that the 38% drop in Hooker's 1979 second quarter earnings "was due principally to additional provisions for special environmental costs associated with past practices including remedial actions at the Niagara Falls, New York and Montague, Michigan facilities". Hooker's management has also attributed significant portions of the 83% decline in its third quarter earnings and of the large loss in its fourth quarter to its environmental problems.

WHEREAS Occidental states "there can be no assurance that Occidental will not incur material liabilities in the future as a consequence of the impact of its operations upon the environment".

WHEREAS "the Department of Justice – acting on behalf of EPA – has filed four suits against Hooker Chemical Co., and its parent corporation, Occidental Petroleum Corporation, requesting the company clean up four chemical waste dumpsites in Niagara Falls, New York which are posing substantial danger to residents of the area."

THEREFORE BE IT RESOLVED that the shareholders request the Board of Directors to establish policies and procedures to safeguard our company from future environmental contamination and public health hazards that affect our company's profitability and viability.

FURTHERMORE, these policies and procedures regarding the production, distribution, and disposal of hazardous substances should provide for the cost of clean-up, compensation, and monitoring to prevent future problems.

Statement Submitted by Shareholders in Support of Proposal

... inadequate and unsafe disposal of toxic wastes at the

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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REPORT ON THE 1982 ANNUAL STOCKHOLDERS MEETING OF OCCIDENTAL PETROLEUM
MAY 21, 1982 IN LOS ANGELES, CALIFORNIA

Representatives Present

Mr. Richard Ullrich	Marianist Fathers and Brothers
Reverend Richard Litherland	United Presbyterian Church (on behalf of the community of Lathrop, California)
Reverend Darryl Darling	United Methodist Church
Sister Constance Gregory	Sisters of Social Service
Mr. Bob Morris	Interfaith Center on Corporate Responsibility (ICCR)

The meeting, which was attended by an estimated 2,500 stockholders, began at 10:30 AM. It was the 25th annual meeting that Armand Hammar had chaired for Oxy and as customary it was held on the chairman's birthday, his 84th.

Hammer remarked that last year a stockholder had asked that the meeting be opened with the pledge of allegience and after discussions with the board he recommended that the meeting open in that manner, which it did. Hammer failed to remark however, that one of the nine stockholder proposals on the ballot specifically requested such an opening to annual meetings and management had opposed it.

After announcing an increased dividend, Hammer then introduced the board members to those present. Several of his cute, paternalistic remarks were illuminating. The one "lady" on the board, a new member, was described as a "very good business-women besides being a lady". Ex-senator Albert Gore was introduced as a former populust who had since "become educated to the benefits of the capitalist system". Two attorney's on the board were described respectively as the best and second best lawyers in the nation. Yet another board member was described as "the country's leading entrepreneur".

Hammer did note that Hooker Chemical's name was being changed to the Occidental Chemical Company. (Though never mentioned, the costly name change was possibly due to Hooker's dismal public relations image, which began with the Love Canal disaster.)

The next agenda point was the ratification of the Board of Directors nominees. Sister Constance attempted to ask some brief questions relating to the board's participation in environmental reports but Hammer refused to let her ask a question. Similarly Bob Morris wished to raise a question during the ratification of auditors and was not recognized.

The shareholders were then presented with a movie, substantially similar to movies presented at the last two annual meetings. About half of the film dealt with Occidental and the other half was an egotistical tribute to Hammer himself. One typical scene showed Hammer returning a Da Vinci painting to Italy for display.

Customary shots of Hammer greeting various heads of state were also dipected. The last frame of the somewhat amateurish film listed the producer: Armand Hammer Productions.

Immediately after the film Hammer told the stockholders that a letter from President Reagan had "just arrived". Hammer read the letter to the stockholders. The President thanked Hammer for his work as chairman of the President's Cancer Panel and noted that he was happy to hear of Dr. Hammer's successful trip to China. The President also mentioned that National Security Advisor, Bill Clark would probably be interested in hearing about Hammer's efforts to improve relations with China. The letter was signed "With best wishes, Ron".

Hammer then continued to summarized Oxy's "record" year ($722 million in earnings, $14.7 billion in sales, #18 in the Fortune 500). In noting with the dismay U.S. Government's reluctance to develop shale oil research, the self syled capitalist remarked that "government should step in and lend a (financial) hand on a temporary basis" (so much for laissez faire!).

Hammer seemed to indicate that Oxy still had dealings with Lybia, but through European subsidiares, noting that the firm still "continued to operate under U.S. guidelines".

He began to ramble, disregarding his notes and told a few anecdotes about his dealings with the Chinese Premier. One interesting one related to Deng's inquiry on whether the Russians had actually given Hammer an apartment in Moscow. When Hammer confirmed the story, Deng said China would give him a villa and did so.

President Abboud then addressed the meeting and noted that Oxy's immediate future would see cut backs in personnel and pruning of improductive operations. He also wished Hammer happy Birthday.

Hammer then noted that there were nine shareholder proposals and that votes received indicated that all nine were already defeated. He said I know many of you are anxious to get on with the meeting so I'll entertain a motion that the vote on all nine proposals be accepted without formal presentations. The motion was seconded and passed with a voice vote. He then quickly said now we are in the question and answer period.

The entire previous motion, apparently well planned, occurred in less than one minute. Dick Ullrich rose to speak in objection but by the time he was recognized, the motion was passed.

Dick Ullrich remarked about his objection to the previous motion and characterized it as typical of Occidental's dealings with its own stockholders. Hammer told him he was out of order since the meeting had already entered the question and answer section. Dick continued to protest in a respectful fashion until his microphone was cut off

Reverend Litherland, a Presbyterian minister who was familiar with Oxy's disposal problems in Lathrop, California, then rose and began deliver his speech. When Hammer realized that he was also speaking to the toxic waste issue, his microphone was cut off and Hammer threatened to evict him from the meeting.

Bob Morris, who was sitting on the far side of the ballroom then rose to ask a question. (It was interesting to note that as soon as he rose, a red light on a telephone in front of the corporate secretary lit up and he answered the phone. Possibly security guards wanted to alert the board to any questions from ICCR representatives.) Morris pointed out that the company was being sued for billions of dollars over environmental practices, had been sued by the SEC for failing to disclose more than 90 legal proceedings and remarked that the SEC-mandated report on potential environmental liabilities requested in the ICCR resolution represented a fundamental issue of shareholder democracy. He questioned why Oxy wouldn't release it. Hammer replied that a summary of the report was listed in the firm's 8-K report and that if we wanted more details, he was sorry. Morris was going to respond to Hammer's answer but apparently his microphone was turned off while Hammer responded.

Hammer then fielded one or two more questions and ended the meeting with several stockholders still standing at microphones waiting to ask questions. Reverend Darling, who had planned to move the shareholder resolution on human rights in Bolivia, was one of the persons left standing. Far from presenting the Boliva resolution he was never even given the opportunity to ask a question on the issue.

TOXIC WASTE

WHEREAS, a 1979 Congressional Report cited drinking water contamination near Occidental's toxic waste sites in Montague, Michigan; Long Island, New York; and Lathrop, California and that these sites pose "potential long-run health problems for affected residents";

WHEREAS, according to the New York Times, (12/13/81), New York State has charged that in 400 violations of state law, Hooker Chemical discharged millions of pounds of suspected or known cancer-causing agents into local landfills on Long Island, N.Y. Other reliable sources indicate that Hooker-related pollution on Long Island is currently threatening local drinking water;

WHEREAS, the Department of Justice and New York State have each filed four lawsuits representing claims in excess of $1.4 billion against Hooker Chemical and Occidental Petroleum for improper toxic waste disposal sites in Western New York. New York's suit charges that wastes at one Hooker site "... have entered, are entering and are likely to continue to enter the water which feeds into the Water Treatment Plant" of Niagara Falls;

WHEREAS, in 1980, the SEC charged Occidental Petroleum with failure to disclose more than 90 legal proceedings and millions of dollars worth of potential liabilities stemming from its environmental practices;

WHEREAS, on May 21, 1981, as part of a settlement with the SEC, Occidental's Board of Directors received a detailed "environmental report with respect to potential liabilities regarding the impact of Occidental's operations on the environment". Furthermore, as part of the settlement, in the future the Board will receive an annual environmental report from its environmental committee;

RESOLVED, shareholders request the Board of Directors to make available to shareholders upon request the May 21, 1981 report on potential environmental liabilities and future annual environmental reports. Copies of these reports may omit any proprietary or competitive information, and their availability should be announced to all stockholders.

STATEMENT OF SUPPORT

The proponents of this resolution feel that Occidental's own company documents portray serious problems with the production, distribution and disposal of hazardous substances.

Internal Hooker memoranda indicate that spills of highly toxic PCB's, leaking drums of toxic chemicals and the risk of leaching of dangerous pollutants into groundwater supplies, were all associated with Hooker's Hicksville, Long Island, N.Y plant. Company sources also document that in Lathrop, California, Occidental knowing and illegally polluted local drinking water supplies and then hid this information from local authorities. Furthermore, SEC proceedings indicate that Occidental knowin supplied false information to the EPA.

We feel that, in addition to federal and local authorities, Occidental has hidden mismanagement of toxic waste disposal from its own stockholders. Occidental has refused to furnish its own stockholders with a copy of the May 21, 1981 report on environmental liabilities. In our opinion, access to this report would be essential to any shareholder wishing to evaluate both our company's environmental performance and its future financial security.

If you agree that shareholders should have access to these important reports mark your ballot FOR this resolution.

ICCR

INTERFAITH CENTER ON CORPORATE RESPONSIBILITY

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SUMMARY REPORT FROM THE OCCIDENTAL PETROLEUM ANNUAL MEETING MAY 21, 1981
IN LOS ANGELES, CALIFORNIA

ICCR members present:

Tony Wolfe	United Presbyterian Church
Joan Malone	Sisters of St. Francis
John Mulligan	Marist Brothers
Ray Lambert	Christian Church
Constance Gregory	Sisters of the Presentation
Barbara Moore	Unitarian Universalist Service Committee
John Lind	Northern California ICCR
Dave Smith	Northern California ICCR
Bob Morris	ICCR

The annual meeting opened at 10:30 A.M. in the Beverly Wilshire hotel. Occidental Chairman Armand Hammer told the audience that 3000 shareholders were in attendance. The meeting was celebrated, as always, on Dr. Hammer's birthday (his 83rd) and from start to finish it was Hammer's show. A "surprise" birthday cake was presented to the chairman during the course of the meeting (his birthday wish was "an increase in dividends") and praise for Hammer punctuated every section of the lengthy event. True to form, Hammer actually repeated his rude, arrogant performance at the 1980 annual meeting and again cut off the microphones of shareholders who presented resolutions.

Prior to the meeting, ICCR members were met in the back of auditorium by Mr. Jacoby of Occidental's legal staff. Mr. Jacoby specifically asked that Bob Morris of ICCR not introduce the resoltion's speakers. Morris replied that he rose to the microphone last year only when it became evident that Hammer was not going to permit any shareholder presentations. Jacoby replied "no matter what you say happened, Dr. Hammer doesn't like being told what do".

No corporation holds a meeting quite like Oxy's. As in 1980, the entire event resembled an annual tribute to Dr. Hammer much more than an annual meeting of stockholders. The shareholders were shown a lengthy movie which was prepared by Occidental's own public relations staff. The contents of the movie were particularly significant. There were several shots of Hammer greeting and meeting a number of prime ministers and international nobility. The movie also included references to Hammer's fame as an international patron of the arts (the connection between Hammer's purchase of an original DaVinci manuscript for $5.8 million and the stockholders meeting was entirely lost on ICCR members present). One section of the movie included a lengthy discussion of Occidental's Peruvian gas exploration and its benefit to the Peruvian economy. The latter was summarized by an Occidental official, "If only we are allowed to develop resources in other poor countries like we have in Peru, these Third World countries wouldn't be poor."

The movie was followed by a speech by Dr. Hammer in which he outlined nine steps that the United States should take in the 1980's. The speech really resembled a "State of the World" summary. Increasing nuclear power development (French nuclear engineers assured him "That the Three Mile accident (sic) was due to human error") and population control were among the points cited by the chairman.

Dr. Hammer's speech was followed by President Robert Abboud's statement, the first section of which referred to Dr. Hammer's business "genius." Mr. Abboud indicated that Occidental would increase its expansion into food production especially in areas such as cattle production and development of superior genetic strains for crops. The company president also noted that, "We want to be known as a leader in environmental protection."

Occidental management seemed to have no idea of the protocol or parliamentary procedures normally employed in a U.S. corporate annual meeting. Early in the meeting, one shareholder suggested that every succeeding stockholder state his/her name, residence and number of shares owned before addressing the floor. Hammer responded that the suggestion was reasonable enough to be brought to a vote and asked the attendants to distribute individual ballots to the 3000 persons present. When the audience voiced a decisive negative response to the idea of a ballot vote, Hammer said, "Well maybe we can have a show of hands instead of distributing the ballots."

Six shareholder proposals were included in the meeting agenda. The first proposal, requesting a tax burden report, was rushed through and ballots were distributed to attending shareholders. This ten minute process was interpreted by many shareholders as a recess or break, some left and others started walking around the room or conversing with their neighbors. The standard procedure, to have the shareholders vote all the resolutions on their proxies without individual ballots, was brought to Hammer's attention and ballots were not distributed for the remaining resolutions.

Other proposals included one requesting disclosure of business with "Communist bloc dictatorships," one requesting specific resignation dates from directors, and another rather comical one requesting that the annual meeting be placed on a date other than Hammer's birthday. The "birthday" resolution, described by management as, "Nothing more than an unwarranted attack on Dr. Hammer," received an energetic condemnation from several loyal shareholders. Dr. Hammer was equally rude to each presenter of the six resolutions, he cut off several of their statements and hurried the resolutions to a vote.

The Toxic Waste Disposal Resolution

The 1981 toxic waste disposal resolution (attached) was co-sponsored by eight religious investors.

As mentioned earlier, at the 1980 annual meeting Dr. Hammer refused to let religious investors present their resolution as planned. Prior to that annual meeting, the stockholders had received a verbal committment from management that their statements would be heard.

Two months before the 1981 annual meeting, ICCR members wrote to Occidental and requested a written confirmation that their presentation would not be interrupted or cut short. After much delay, Corporate Secretary Paul Hebner wrote to Joan Malone of the Franciscan Sisters on May 1, 1981 stating:

> "Responding to your letters, we also are desirous of affording you time to present your proposal and statements in an organized fashion and your suggestion that two persons representing the proposal each be allotted three to five minutes in time is a reasonable request. Included in this would be the time required to introduce and move adoption of the proposal."

The religious investors had thought that a written assurance that their presentation would not be disrupted would insure respectful, courteous treatment from management. They were wrong.

Brother John Mulligan opened the presentation but was not able to complete his two minute statement before Hammer interrupted him and asked him to finish. John calmly noted that he was almost finished and continued to complete his statement.

Sister Joan Malone then seconded the resolution but also was not permitted to finish her short statement before being interrupted by Hammer.

The chairman's response to the statements was most interesting in light of the content of the speeches by ICCR members. The Two ICCR statements specifically centered on dangerous dump sites <u>other than the Love Canal.</u> The presentation format was designed so in an effort to counter Occidental's apparent public relations strategy which seems to project the following theme: The Love Canal was and is Occidental's only problematic toxic waste disposal site and both the responsibility and legal liability relating to the Love Canal rest with the Niagara School Board not Hooker or Occidental.

Hammer, however, responded to Joan Malone's statement with a lengthy reference to "preposterous claims" related to the Love Canal. The well rehearsed response was almost identical to his statement at the 1980 annual meeting. Evidently, Hammer either did not listen to the content of the speeches or was not prepared to comment on any details relating to Hooker's dump sites in Long Island and Niagara Falls.

Hammer did respond to Joan's citing of environmental suits totaling $15 billion. While specifically avoiding a response to the imminent public health problems, Hammer stated that he was certain that Occidental's insurance carriers could settle the $15 billion of suits in out of court settlements for $25-50 million. It was clear we were talking on two different planes - one of us on health hazards, one of us on legal liabilities.

Most amazing of all was Hammer's contention (as in the 1980 annual meeting) that the Love Canal disaster's ultimate responsibility lay with the city of Buffalo. Someone at Occidental should have told Hammer over the last 12 months that the Love Canal is located in Niagara Falls, not Buffalo.

After Hammer's response to the resolution, one shareholder (an elderly resident of Los Angeles, unknown to us until that day) rose to speak in support of the resolution and her microphone was cut off.

The resolution presenters had prepared specific questions relating to the resolution, but it became obvious that Hammer would not let them be aired.

Bob Morris asked the chairman why Occidental refused to reveal the contents of its toxic waste policy to the proponents of the resolution. Hammer responded that a lengthy statement on environmental procedures was being prepared for the SEC. When asked if the statement would be distributed to shareholders, Hammer said management would consider such a move.

Dave Smith of NC-ICCR was standing at a microphone waiting to ask a question on the Lathrop, California dump site when Hammer closed the discussion and the meeting.

The resolution tally was never announced to the stockholders. After the meeting the ICCR members approached Corporate Secretary Paul Hebner with whom they had a brief chat prior to the meeting. Hebner revealed the vote(3,497,887 shares, 6.5%) and then turned away from the ICCR members. Visibly upset with the content of the ICCR speeches, he said if he had known that their statements "weren't going to be nice", he wouldn't have greeted the religious investors prior to the meeting.

The best summary characterizing Occidental's response during the entire event occurred after the meeting when Bob Morris passed by Mr. Jacoby of Oxy's legal staff. Bob noted that in three years of his experience dealing with scores of corporations on corporate social responsibility issues he had never encountered a company with an attitude towards shareholders as arrogant, desrespectful or amateur as Occidental's. Mr. Jacoby replied "Well, Occidental is a unique company in many respects."

Buffalo Evening News
May 15, 1981

Groups to Prod Occidental for Waste Policy

Eight church groups including religious orders from Buffalo and Niagara Falls for the second year will press Occidental Petroleum to adopt formal corporate policies minimizing toxic waste problems at its plants, including those of Hooker Chemicals & Plastics Corp.

The groups will present a shareholder resolution at Occidental's annual meeting, set for 10:30 a.m. Thursday in the Beverly Wilshire Hotel, Los Angeles.

Robert Morris of the Interfaith Center on Corporate Responsibility said the groups were given short shrift at last year's meeting but have been assured Paul Hebner, executive vice president and secretary, that they would be allowed to deliver three statements supporting the resolution.

Mr. Morris said:

"We are concerned that Chairman Armand Hammer may repeat his performance at last year's meeting, cutting off our first speaker in midstatement and not letting our third representative address the resolution."

Sponsors of the resolution want Occidental to "establish policies and procedures to safeguard our company from the effects of future environmental contamination and public health hazards that affect our company's profitability and viability."

The Sisters of St. Francis in Niagara Falls and the Sisters of St. Joseph in Buffalo are participating in the shareholder action.

"We are distressed that Occidental won't meet with us to discuss its problems," Mr. Morris said.

The groups say the Securities and Exchange Commission charged Occidental with "failure to disclose hundreds of millions of dollars worth of potential liabilities steming from environmental practices ... and knowingly supplied false information to the U.S. Environmental Protection Agency."

Other groups include the Marist Brothers, the Christian Church, Sisters of St. Joseph of Peace, Marianist Brothers and Priests, Sisters of Charity and

Courier-Express
Business & Industry

Go Back Home to Buffalo, Oxy Chief Again Tells Nun

For the second year in a row, the chairman of Occidental Petroleum Co. has told a Buffalo nun to go back home to Buffalo.

Sister Joan Malone OSF was in Beverly Hills yesterday to attend the company's annual shareholders meeting in the Beverly Wilshire Hotel.

The company's meeting always coincides with the birthday of Occidental Chairman Dr. Armand Hammer. Yesterday he celebrated his 83rd birthday with a giant cake and heaps of praise and applause from most of the 3,000 shareholders attending the affair.

Sister Malone went to the meeting armed instead with a scathing indictment of the Hooker Chemical Co., Occidental's subsidiary in Niagara Falls.

During an interview from Los Angeles, Sister Malone said Hammer would not allow her to finish her two-page statement and told her she didn't know what she was talking about.

She said she had been given assurances she would be able to take up to five minutes to finish her remarks but that Hammer had cut her off before she had talked three minutes.

"He told me I had already been talking six minutes and that I should go back to Buffalo where, he said, the source of the problem is," she said.

As at last year's meeting, Sister Malone was representing her Franciscan order — the Buffalo Academy of the Sacred Heart — and a group of eight religious organizations throughout the United States. All of them own shares in Occidental and she addressed the meeting as a registered stockholder.

Sister Malone blasted Hooker for its "record of reckless and morally irresponsible dumping" and said it "is destroying a community and its people."

She also referred to the Hyde Park Landfill where she said highly toxic dioxin is leaking into the Niagara River, and she blasted the company for its response to the lawsuits which have been filed seeking to force Hooker to clean up the landfill.

"Occidental Petroleum has consistently refused to respond in any way to the human pain, the damage to public health specifically addressed in the lawsuits," she said.

Sister Malone traveled to last year's meeting and birthday party and her microphone at that session was cut off before she could finish her remarks.

Dr. Hammer at that party also told Sister Malone to "go back to Buffalo".

BUFFALO EVENING NEWS
Business Finance

Buffalo Nun Vows To Have Rematch With Oxy Chief

LOS ANGELES — A Buffalo nun who tangled here for the second year in a row with the board chairman of a Fortune 500 corporation over the company's toxic-waste policy vowed today to try again next year to alert stockholders to waste-dumping problems.

"It was discouraging, but we'll be back," Sister Joan Malone, OSF, said after Dr. Armand Hammer, board chairman of Occidental Petroleum Co., suggested that she "go back to Buffalo."

Occidental is the parent company of Hooker Chemical Co. of Niagara Falls, the major corporate figure involved in the Love Canal.

Sister Malone, whose Franciscan order based at Stella Niagara in Niagara Falls owns shares in Occidental, had tried last year to raise the issue of Occidental's lack of a toxic-waste policy.

"Last year and this year, Dr. Hammer made a habit of having the microphones turned off when people tried to speak about things he didn't want to hear," she said.

Sister Malone and other stockholder-members of the Interfaith Center for Corporate Responsibility were at Occidentals annual meeting here at the Beverly Wilshire Hotel. She said she had been promised five minutes to speak, but that "I was lucky to talk for two minutes."

About 3,000 stockholders attended Occidental's annual meeting, which coincided with Dr. Hammer's 83rd birthday.

THE COMPANY was asked to establish policies to avoid spills of toxic chemicals and environmental damage from such chemicals. Dr. Hammer said the company had such a policy but he refused to disclose it.

The coalition also presented a resolution calling on Occidental to explain the terms of its deals with Bolivia. That nation's newly imposed military government has been accused of mas-

The resolutions, along with four others that also were introduced, were overwhelmingly defeated by shareholders.

Dr. Hammer told shareholders that the company has made a significant oil discovery in Australia.

HE SAID projections on the field's potential were expected in the next few weeks.

Occidental has a 27.5 percent interest in the test well.

Dr. Hammer, noting that the Reagan administration recently lifted the Russian grain embargo, said Occidental plans to ship 500,000 tons of superphosphoric acid to the Soviet Union by the end of this year. The resumption of the shipments should mean improved results for the company's Hooker Chemical Division, company President A. Robert Abboud said.

Occidental expects record results for 1981, Dr. Hammer said, noting that 1980 sales rose 31 percent to $12.5 billion, while earnings increased 27 percent to $710.8 million.

The company earned $25[illegible] million in the first three months this year on first-quarter sales of $3.4 billion.

Occidental's directors voted an increase in the company's annual dividend to $2.50 a share from $2.20.

Shareholder Proposal

"Whereas, a 1978 Presidential Emergency Declaration stated Hooker Chemical's dumping practices allegedly resulted in serious health problems in persons living near Love Canal in Niagara Falls, New York;

Whereas, a subsequent 1980 Presidential Emergency Declaration called for temporary relocation of approximately 700 families "... in recognition of the cumulative evidence of exposure by the Love Canal residents to toxic wastes from Hooker Chemical Company and mounting evidence of resulting health effects";

Whereas, a 1979 Congressional Report cites drinking water contamination near company disposal sites in Montague, Michigan; Long Island, New York; and Lathrop, California and that these sites pose "potential long-run health problems for affected residents";

Whereas, the Department of Justice and New York State have each filed four lawsuits representing claims in excess of $1.4 billion against Hooker Chemical and Occidental Petroleum. In addition to Love Canal, these suits cite three Hooker-owned landfills, each of which contains twice as much toxic waste as the Love Canal. New York's suit charges that wastes at one Hooker site "... have entered, are entering and are likely to continue to enter the water which feeds into the Water Treatment Plant" of Niagara Falls; and

Whereas, in 1980, the SEC charged Occidental Petroleum with failure to disclose hundreds of millions of dollars worth of potential liabilities stemming from its environmental practices, including pollution of Love Canal. In settlement of this claim, our company is obligated to correct environmental reporting practices.

RESOLVED that shareholders request the Board of Directors to establish policies and procedures to safeguard our company from the effects of future environmental contamination and public health hazards that affect our company's profitability and viability.

These policies and procedures regarding the production, distribution, and disposal of hazardous substances should provide for the cost of clean-up, compensation, and monitoring to prevent future problems."

Statement Submitted by Shareholders in Support of Proposal

"In our opinion, instead of facing evidence of past mismanagement on toxic waste disposal practices, Occidental has embarked on a public relations campaign to deal with issues raised by the Love Canal. We feel, for instance, that company publications do not adequately report the fact that the Love Canal is but one of four questionable Niagara sites which are involved in Federal and State lawsuits.

Internal Hooker memoranda indicate spills of highly toxic PCBs, leaking drums of toxic chemical compounds, the risk of leaching of dangerous pollutants into groundwater supplies and other environmental and potential public health hazards at Hooker's Hicksville, Long Island, New York, plant.

The 1980 SEC proceeding indicates Occidental knowingly supplied false information to the EPA and failed to disclose both numerous environmental violations and more than 90 legal proceedings on environmental matters.

Although management purports to have adequate company policies on toxic waste disposal, Occidental repeatedly refused to provide copies of policies to the proponents of this resolution.

We believe additional public health hazards at Hooker toxic disposal sites in California and Michigan indicated that if Occidental does have policies on toxic waste disposal, they are inadequate to safeguard public health."

The Board of Directors' Statement in Opposition to the Foregoing Shareholder Proposal

The foregoing proposal relates to the establishing by the board of directors of policies with respect to environmental matters. It is substantially similar to a proposal presented to Occidental's shareholders at last year's Annual Meeting, at which time it was defeated by a vote of 46.9 million shares against to 4.2 million shares in favor. Occidental has already adopted a policy designed, in its opinion, to protect the environment and to safeguard the health and welfare of our some 34,000 employees and the general public. It is carrying out procedures to implement its policy.

Accordingly, inasmuch as Occidental has already adopted a comprehensive policy to conduct its business in conformity with all legal requirements relating to the protection of health and the environment, the board of directors recommends a vote AGAINST the foregoing shareholder proposal. Proxies ... will be so voted unless shareholders specify otherwise.

OCCIDENTAL PETROLEUM RESOLUTION

#1

1983

Shareholder Proposal

"WHEREAS, a 1979 Congressional Report cited drinking water contamination near Occidental's toxic waste sites in Montague, Michigan; Long Island, New York; and Lathrop, California and that these sites pose "potential long-run health problems for affected residents";

WHEREAS, according to the *New York Times*, (12/13/81), New York State has charged that in 400 violations of state law, Hooker Chemical discharged millions of pounds of suspected or known cancer-causing agents into local landfills on Long Island, N.Y. Other reliable sources indicate that Hooker-related pollution on Long Island is currently threatening local drinking water;

WHEREAS, the Department of Justice and New York State have each filed four lawsuits representing claims in excess of $1.4 billion against Hooker Chemical and Occidental Petroleum for improper toxic waste disposal sites in Western New York. New York's suit charges that wastes at one Hooker site "... have entered, are entering and are likely to continue to enter the water which feeds into the Water Treatment Plant" of Niagra Falls;

WHEREAS, in 1980, the SEC charged Occidental Petroleum with failure to disclose more than 90 legal proceedings and millions of dollars worth of potential liabilities stemming from its environmental practices;

WHEREAS, on May 21, 1981, as part of a settlement with the SEC, Occidental's Board of Directors received a detailed "environmental report with respect to potential liabilities regarding the impact of Occidental's operations on the environment". Furthermore, as part of the settlement, in the future the Board will receive an annual environmental report from its environmental committee;

RESOLVED, shareholders request the Board of Directors to make available to shareholders upon request the May 21, 1981 report on potential environmental liabilities and future annual environmental reports. Copies of these reports may omit any proprietary or competitive information, and their availability should be announced to all stockholders."

Statement Submitted by Shareholders in Support of Proposal

"The proponents of this resolution feel that Occidental's own company documents portray serious problems with the production, distribution and disposal of hazardous substances.

Internal Hooker memoranda indicate that spills of highly toxic PCB's, leaking drums of toxic chemicals and the risk of leaching of dangerous pollutants into groundwater supplies, were all associated with Hooker's Hicksville, Long Island, N.Y. plant. Company sources also document that in Lathrop, California, Occidental knowingly and illegally polluted local drinking water supplies and then hid this information from local authorities. Furthermore, SEC proceedings indicate that Occidental knowingly supplied false information to the EPA.

We feel that, in addition to federal and local authorities, Occidental has hidden mismanagement of toxic waste disposal from its own stockholders. Occidental has refused to furnish its own stockholders with a copy of the May 21, 1981 report on environmental liabilities. In our opinion, access to this report would be essential to any shareholder wishing to evaluate both our company's environmental performance and its future financial security.

If you agree that shareholders should have access to these important reports mark your ballot FOR this resolution."

OCCIDENTAL PETROLEUM RESOLUTION

#2

1983

"WHEREAS, Occidental Petroleum Corporation "annual meeting is among the most heavily attended of any corporate meeting." (Notice of Annual Meeting 5/21/82 p. 29)

"WHEREAS, the number of matters properly coming before the meeting, including matters proposed by shareholders, has increased significantly in the last three years,

BE IT RESOLVED, that the by-laws of Occidental Petroleum Corporation are hereby amended to include the following section:

"The annual meeting of shareholders will be held for the purposes all set forth in the proxy statement, and to transact such other business as may properly come before the meeting or any adjournment thereof, including such matters as may be proposed by shareholders. Sufficient time, including presentation and discussion of such matters properly presented, shall be provided. Proposals, properly presented by shareholders, will be considered individually and with adequate deliberation."

SUPPORTING STATEMENT

The proponents of this resolution believe that management and the Board of Directors need to handle important matters, including proposals by shareholders, in a more efficient and effective manner at the annual meeting. Experience over at least the last three years has indicated that in such important matters have been neglected and improperly handled.

Items for the business of the annual meeting properly presented should be adequately handled in a reasonable time frame and not relegated to the last five minutes of a prolonged meeting.

The time of the annual meeting is important for shareholders to listen to management and other shareholders regarding the status and operation of our company. These few hours set aside each year for management, the Board of Directors, and the shareholders to conduct official business of the corporation including hearing proposals from shareholders but needs to be conducted in a reasonable and fair manner.

DRAFT SUBMITTED BY

Dick Ullrich

December 9, 1982

NOTE: Any comments, suggestions or changes, please send to Dick Ullrich, Marianist Office of Justice and Peace, 4301 Roland Avenue, Baltimore, MD 21210

301-366-1324

IRRC Investor Responsibility Research Center, Inc. • 1522 K Street, N.W., • Washington, D.C. 20005 • (202) 833-3727

1980 Analysis G
Supplement No. 2
April 29, 1980

DISPOSAL OF HAZARDOUS WASTES: Occidental Petroleum Corp. (1980 annual meeting: May 21)

This is the second Supplement to Analysis G, Disposal of Hazardous Wastes. It deals with a resolution proposed to Occidental Petroleum Corp., asking the company to establish policies and procedures for the management and disposal of its hazardous wastes. The resolution is sponsored by four church groups affiliated with the Interfaith Center on Corporate Responsibility: the Buffalo Academy of the Sacred Heart, holder of 10 shares of Occidental Petroleum stock; the Society of Mary, New York, 1,000 shares; the Sisters of St. Joseph of Peace, 5 shares; and the United Christian Missionary Society, 1,000 shares. Occidental opposes the resolution.

To assist investors in dealing with the resolution, this Supplement contains information on the following:

I. The resolution.

II. Occidental and its hazardous wastes practices.

III. The proponents' position on the resolution.

IV. Occidental's position on the resolution.

V. IRRC's analysis of the issues raised by the resolution.

I. The Resolution

The resolution requests the board of directors of Occidental Petroleum to establish policies and procedures governing the company's production, distribution and disposal of hazardous substances in order to prevent "future environmental contamination and public health hazards that affect our company's profitability and viability." The resolution specifies that these policies and procedures should provide for the costs of clean-up, compensation and monitoring.

II. Occidental and Its Waste Disposal Practices

Occidental Petroleum Corp., a major energy producer, has interests in oil and gas, coal and chemicals. The year 1979 was an outstanding one financially for Occidental, marked by all-time sales and earnings records. Net sales in 1979 were $9.6 billion, up from $6.3 billion in 1978. Net income in 1979 of $561.6 million was a substantial improvement over the $6.7 million figure for 1978, when earnings were affected adversely by the United Mine Workers' and railroad strikes and by Occidental's large refinery write-offs.

Occidental's chemical division, which is represented by Hooker Chemical Corp., a wholly owned subsidiary since 1968, did not contribute to the earnings performance of the rest of the company. The annual report says chemical division earnings declined in 1979, "principally as a result of a larger provision for special environmental costs and by depressed prices and higher energy costs in the chlor-alkali business." Although Hooker's operating margins in 1979 were ahead of those for 1978, the gain was more than offset by increased charges totaling $28 million "for remedial programs associated with past waste disposal and pollution problems and other one-time charges," the annual report says.

In recent years, Hooker's environmental practices, especially its management and disposal of hazardous wastes, have been a topic of public concern. In particular, public scrutiny has focused on Hooker's past dumping practices at a Niagara Falls, N.Y., landfill known as Love Canal.

Love Canal: Love Canal, despite its name, was never more than a half-mile trench. It was excavated in the late 19th century under the guidance of an entrepreneur named William Love before a recession aborted his grand design to construct a navigable canal connecting the Niagara River above and below the falls. In the 1920s the "canal" became a dump for the city of Niagara Falls and several chemical companies, including what is now Hooker Chemical and Plastics Co. (HCPC), a Hooker Chemical Corp. subsidiary which bought the site in the 1940s. Hooker dumped more than 21,000 tons of chemical wastes in the canal before it closed the dump and covered it with a clay cap in 1953. In the same year, Hooker sold the property to the Niagara Falls Board of Education for one dollar after the board threatened to take the land by condemnation in order to build a school there. The deed of sale included the following clause:

> Prior to the delivery of this instrument of conveyance, the grantee (the school board) herein has been advised by the grantor (Hooker) that the premises... have been filled,...with waste products resulting from the manufacturing of chemicals by the grantor (Hooker)...and the grantee (the school board) assumes all risk and liability incident to the use thereof. It is, therefore, understood and agreed...no claim, suit, action or demand of any nature whatsoever shall

ever be made by the grantee (the school board), its successors or assigns, against the grantor (Hooker), its successors or assigns, for injury to person or persons, including death resulting therefrom, or loss or damage to property caused by, in connection with or by reason of the presence of said industrial wastes."

The dump's clay cover was apparently damaged in the late 1950s when major construction took place in the area. An elementary school was built on top of the landfill and a hundred homes were built immediately adjacent to the site. Due to heavy rains and snows, water and chemicals in the clay basin began to ooze to the surface, seeping into the basements of nearby homes. Residents complained of pools of thick black sludge on the ground and noxious odors. They also noted an alarmingly high incidence of miscarriages, birth defects and other health problems.

In April 1978, New York State ordered a complete investigation into the Love Canal contamination. The study documented that hazardous levels of chemicals were present in the basements adjacent to the site, that women in certain areas around the canal had three times the normal level of miscarriages, and that children born to families in the area had 3.5 times the normal incidence of birth defects. Many adults were found to have respiratory problems and incipient liver damage. In August of that year, the state declared the contamination a health hazard, closed the elementary school, and recommended the evacuation of pregnant women and young children from the area. Later, 239 families living in the first two rings of homes surrounding the site were evacuated and the state promised to buy their homes. These families became eligible for federal assistance when President Carter declared the zone a disaster area, the first time that such a declaration has been issued as the result of a chemical disaster. So far, the federal government has committed $9 million in disaster relief for the Love Canal neighborhood, and the state of New York has committed another $35 million.

After the evacuation, a number of the area residents left behind suspected that their health, too, was being harmed by toxics migrating from Love Canal. They requested Dr. Beverly Paigen, a cancer research scientist with the Roswell Park Memorial Institute, a part of the New York State Department of Health, to analyze the health problems among families living within five blocks of the site. The results of Paigen's epidemiological survey, in which 75 percent of the area residents participated, indicate that the incidence of disease and health complaints tends to be greater in homes built on the old streambeds, lakebeds, swamps or other wet areas that were filled in when construction took place. In the wet areas, for instance, one of every 20 women had had three or more miscarriages, a tenfold increase over the one in 200 rate among women in the general population. Of the 16 children born in the wet areas from 1974 through 1978, nine had birth defects including deafness, mental retardation, kidney abnormalities and heart defects. Among adults, there is an above average incidence of symptoms indicative of central nervous system poisoning--convulsions, headaches, insomnia, severe depression and suicide.

Paigen presented her results to the state health commissioner in November 1978, and in February 1979, the state confirmed the data on miscarriages and birth defects and ordered the evacuation of all remaining pregnant women and children under the age of two. The state has since allocated $5 million to relocate the wet area families, but as yet it has not evacuated them. The state had originally planned to clean the contaminated homes, relocate them, and put them up for sale, but this scheme proved infeasible when no communities were willing to have the homes moved in.

In the spring of 1979, the House Subcommittee on Oversight and Investigations obtained documents during its hearings on the hazardous wastes problem that suggested that much of the damage at Love Canal could have been prevented. In testimony before the subcommittee, a former executive of Hooker Chemical and Plastics Co., in commenting on these internal company memos, revealed that Hooker had been aware of potential health and environmental problems at the Love Canal as early as 1958. One such document, dated June 18, 1959, noted that school children had been burned while playing in the former dump site. Another memo, in June 1977, noted that silt six feet below the surface of the landfill "is contaminated with organics and...is traveling laterally throughout the landfill." The executives admitted that at no time did Hooker management take action to warn the public of these dangers.

Hooker also has dumped hazardous wastes in three other sites located in Niagara Falls. After it closed Love Canal, Hooker dumped 80,000 tons of wastes at the Hyde Park landfill. The company also deposited 23,000 tons of waste at the 102nd Street site and another 70,000 tons at the S-Area site, located only 200 yards from the city's drinking water treatment plant. Although the state and federal governments are now making efforts to clean up the sites and prevent further migration of the chemicals, the potential risks are still very large. One of the waste products that Hooker generated in its defoliant production was trichlorophenol. This chemical breaks down to form dioxin, the deadliest manmade chemical known. Environmental scientists have estimated that three ounces of dioxin in the New York City water supply would kill the entire city's population. There is enough trichlorophenol at Hooker's Niagara Falls dump sites to produce one ton of dioxin.

In December 1979, the U.S. Justice Department, on behalf of the Environmental Protection Agency, filed a suit against Occidental and HCPC, charging the parent and its subsidiary with negligent disposal of toxic wastes in the city of Niagara Falls. Also named as a defendant in the suit was Olin Corp., which had maintained a dump, now closed, next to Hooker's 102nd Street dump site. The suit seeks $124.5 million to cover the costs of cleaning the waste disposal sites and conducting complete medical reports for all residents of Love Canal and Hyde Park for the rest of their lives. The cleanup efforts will include building a concrete wall up from the bedrock at each site, laying a clay cap over Love Canal and installing drainage systems to collect and filter contaminated groundwater.

Hooker is also being sued by private citizens for its dumping activity in Love Canal. According to Occidental's annual report: "As of Feb. 12, 1980, past and present residents of the Love Canal area had initiated 548 legal actions in the New York Supreme Court, Niagara County, naming as defendants HCPC, the city of Niagara Falls, the Niagara Falls Board of Education, Niagara County and, in some actions, either Occidental or another of its subsidiaries." These suits, five of which are class action suits, seek $15 billion in compensatory and punitive damages. In addition, the city of Niagara Falls brought an action against HCPC in the New York Supreme Court in January 1979 seeking cancellation of the company's permit to dump at the Hyde Park site, and more than $25 million in punitive and compensatory damages and fines for alleged permit violations. The state of New York filed a $635-million lawsuit against Occidental and Hooker April 28, charging them with responsibility for the "public health and environmental disaster" and asking for a court order directing the defendants to "completely and permanently abate the hazard."

Occidental's annual report says the company has been advised by its special counsel that, "based upon information accumulated to date, Occidental and its subsidiaries have meritorious defenses" to the legal actions concerning Hooker's waste disposal practices in Niagara Falls. Occidental adds: "In the opinion of the management of Occidental, based in part upon the current views of Occidental's acting general counsel expressed to management, these actions are not likely to have a material adverse effect upon the consolidated financial position of Occidental or result in a substantial impairment of its operations." Hooker's defense in the Love Canal controversy is that it has not owned the site since 1953; the company also claims that it warned the board of education of potential hazards and that the migration of the chemicals was caused by construction only after Hooker had sold the site. However, Hooker was reported in the Jan. 14, 1980, issue of Business Week to be willing to take some form of remedial action at the other three sites.

Lathrop, Calif.: In December 1979, the U.S. Justice Department and the state of California filed a suit against Occidental and the Occidental Chemical Co. (OCC), another Hooker subsidiary. California Attorney General George Deukmejian announced in a press conference that the suit charges OCC's Lathrop, Calif., plant with having "knowingly and willingly withheld from the state the fact that it was allowing hazardous materials to percolate to the groundwater in the area." The suit contends that the plant dumped toxic wastes including radium residues from phosphoric rock, various pesticides and the chemical DPCP, a suspected carcinogen that causes sterility in males, into unlined waste ponds on plant grounds. From there, these wastes filtered into nearby wells serving a trailer park, the town school and several private homes, the state has charged. One issue in the suit is a 1960 permit granted to the plant that allowed it to discharge wastes generated by its fertilizer production. California prosecutors contend that the plant began producing pesticide wastes without altering its original permit or seeking another.

Internal company memos obtained by the House Subcommittee on Oversight and Investigations during its hearings on hazardous wastes indicated that OCC had been aware of the pollution as early as 1973 and yet continued for several years to make reports to California water authorities that understated the extent of the problem. Robert E. Edson, who was responsible for environmental safety at the Lathrop plant from 1975 to 1977, wrote in an April 1975 memo: "Our laboratory records indicate that we are slowly contaminating all wells in our area and two of our own wells are contaminated to the point of being toxic to animals or humans." In another memo dated June 1976, obtained by The Washington Star, Edson wrote: "For years we have dumped wastewater containing pesticides and other Ag Chem products from washdown of equipment to a pond southwest of our plant and allowed the water to percolate through the soil to groundwater." Then, referring to the plant's nearest neighbor, Edson wrote: "I personally would not drink from his well." In April 1977, Edson was reluctant to sign a plant report to the California Regional Water Quality Control Board, stating that "since this report isn't exactly accurate even though the inaccuracy is due to omission rather than outright falsehood, I don't really feel comfortable signing it....However, I don't think it would be wise to explain the discrepancy to the state at this time."

Edson Memos

In response to the lawsuit, Donald Baeder, president of Hooker, contended that "this suit is unwarranted and will be vigorously resisted." He asserted: "Not a single person has been injured by our waste disposal practices at the Lathrop plant and we are taking every precaution to see that no one will be." Baeder also complained that at the time the suit was filed, his firm had been working with the state attorney general's office on a program to deal with the groundwater contamination at Lathrop and that by taking legal action, the attorney general "has chosen to set aside months of constructive effort." Occidental states in its annual report: "At Lathrop, Calif., we are determined that our facility will be a model for the chemical industry. We feel the lawsuit filed by the state of California and the federal government to compel a remedial program is unwarranted, time-consuming and counterproductive."

Montague, Mich.: In 1978, the Michigan Department of Natural Resources (DNR) filed a suit against Hooker in an attempt to stop groundwater pollution by wastes from Hooker's Montague, Mich., plant. Michigan officials identified more than 100 chemicals, many of which are carcinogenic or neurotoxic, or cause birth defects, that the Montague plant had dumped on its property. The state charged that some of these chemicals leaked from the plant site into White Lake, an arm of Lake Michigan. In October 1979, Hooker reached a settlement with the DNR, in which the company agreed to pay for vaulting the on-site chemical wastes and installing purge wells to remove groundwater contamination, at an estimated cost of $15 million. Occidental asserts that this program "will minimize any possibility of environmental damage being caused by chemical residues from past waste disposal practices." The annual report states further: "The Michigan Attorney General complimented Occidental and its chairman for their willingness to forgo possible legal defenses and said that Occidental had opted instead for responsible corporate action to ensure public health and safety."

However, since this settlement was reached, a federal grand jury in Michigan has subpoenaed thousands of documents from Hooker in order to determine whether the company falsified information on dumping permits in order to dispose of hazardous pesticide wastes.

Occidental's environmental statements: Occidental appears to be making efforts to improve its image and its performance with respect to environmental matters. Occidental President Zoltan Merszei, in an interview published in the Nov. 11, 1979, issue of Fortune, indicated that he had sent a memo to Occidental managers warning that he would fire them if they failed to obey environmental regulations. In a reference to the company's extensive environmental problems, Merszei stated, "I wish one of our competitors could have had the pleasure, but the chemical industry will now be more conscious of the fact that the environment is an important consideration." Occidental calculates that "during the last three years, Hooker has spent or charged to expense more than $140 million on environmental and related matters--a clear indication of the company's commitment to become an industry leader in preserving and improving our environment."

Hooker has announced in newspaper advertisements that it is attempting to reduce its volume of wastes by redesigning its chemical processes to produce less waste, recycling waste materials in order to extract reusable chemicals and, where possible, destroying wastes through incineration.

III. The Proponents' Position on the Resolution

The proponents open their statement in support of the resolution by stating: "Serious health problems associated with inadequate and unsafe disposal of toxic wastes at the Love Canal disposal site in Niagara Falls, N.Y., implicate our company." They cite press reports indicating that Occidental has also been negligent in Montague, Mich., Lathrop, Calif., and other areas, in some cases having deliberately polluted the environment or concealed data on its pollution from government authorities. The proponents note that the New York State Department of Environmental Conservation "criticized our company for dumping toxic wastes at landfills on Long Island more than 400 times in violation of state law" and that "press reports indicate Hooker withheld evidence for almost four years from California officials that illegally dumped pesticides poisoned local drinking wells."

The proponents assert that these examples of "apparent management irresponsibility" have endangered the health of many people and are against the stockholders' best interests. They claim that the policies and procedures requested by the resolution will correct past problems and re-establish a good public image for the company. "Moreover," they say, "this action will assure stockholders and investors that an ounce of prevention is worth a pound of cure."

Dick Ullrich, the coordinator of the Office of Justice and Peace, Society of Mary, told IRRC that the goal of the resolution is to make Occidental develop "a sense of responsibility to the lives and livelihood of people." He added that the company has become "more responsive but not more responsible," that it has responded to public criticism and concern with advertising and legal defenses yet has not made substantive efforts to help the people who have been harmed by its past practices. Sister Joan Malone, a Franciscan Sister and representative for the Buffalo Academy of the Sacred Heart, had similar criticisms of Occidental and Hooker in a telephone conversation with IRRC. She said: "I am most distressed and angered by their disregard for the human dimension." She contended that "they purport to be morally responsible citizens" but that "the PR they're putting out is misleading, especially in light of their own documents."

Malone contends that Hooker must bear responsibility for the damage caused by the wastes buried in Love Canal, even if it has not owned the property since 1953. She argues that "the legality of the deed of sale is very much a moot question" since it did not specify exactly what chemicals were buried in the site. Furthermore, she states, "Hooker Chemical _is_ Niagara Falls" and the company could not have failed to know of the problems the site posed to the community. She notes that the location of the elementary school built over the landfill had to be moved 60 feet from its originally designated site because chemicals uncovered during construction were endangering workers. She also asserts that Hooker knew that children were using the site as a playground and that some were burned by chemicals the company had dumped.

IV. Occidental's Position on the Resolution

Occidental recommends a vote against the resolution. In its two-paragraph proxy statement, management argues that the statement of policy requested by the resolution is unnecessary because "Occidental has already adopted a policy designed, in its opinion, to protect the environment and to safeguard the health and welfare of our some 34,000 employees and the general public. It is carrying out procedures to implement its policy."

In an interview with IRRC, Paul Hebner, secretary of Occidental, reaffirmed that Occidental has a written policy regarding its hazardous wastes. Hebner stated that the "continually evolving" policy has been in existence for some time. Hebner declined to provide IRRC with a copy of this document, asserting that it was against Occidental's policy to do so. Occidental also refused to provide the proponents with a copy of the hazardous wastes policy.

V. IRRC Analysis

The proponents request Occidental to prepare a detailed policy and set of procedures to prevent future contamination from its hazardous wastes and to clean up any contamination that might occur as a result of the company's dumping practices. Occidental responds that it has a "comprehensive" policy to protect the health and welfare of its workers and the general public. In a telephone conversation with IRRC, Occidental said it had a written policy to govern its hazardous wastes disposal that has been in existence for some time. Since the company has declined to provide either IRRC or the proponents with a copy of its environmental or hazardous wastes policies, any analysis of the effectiveness of Occidental's policy must be made on the basis of the company's past actions.

If, as Occidental has stated, the company has had a hazardous wastes policy for some time, it appears that that policy was either inadequately designed or enforced. Within the last five years, serious incidents of pollution have been traced to the company. Moreover, there is evidence that in many instances responsible officials knew of the problems but deliberately withheld information from authorities that would have facilitated clean-up efforts before the contamination spread further.

As an example of its environmental efforts, Occidental has pointed to its agreement with the Michigan Department of Natural Resources to pay $15 million for clean-up efforts at Montague, Mich., when its plant there was found to be responsible for pollution of White Lake. However, this settlement was reached only after the DNR filed a lawsuit against Hooker. This case, as well as the many lawsuits pending concerning Occidental's past dumping practices, give little indication that the company would have initiated substantive remedial actions on its own as soon as it detected the problems.

The contamination in Niagara Falls from Love Canal and three other Hooker dump sites raises the most serious questions about the company's obligations as a corporate citizen. With regard to Love Canal, Occidental has defined the situation in narrow terms, arguing that Hooker sold the Love Canal to the Board of Education more than 25 years ago and that the deed of sale warned the board about the prior purpose of the site. However, the deed did not list exactly what chemicals were buried in the landfill or what their toxic effects were. Many people have questioned whether the board's members could have been expected to understand the potential hazards of the chemical wastes if they were not technicians or chemists. The merits of these points as legal questions will be decided by the courts as they adjudicate the hundreds of lawsuits now pending before them on the company's legal responsibility to Niagara Falls residents.

However, investors may wish to consider whether Hooker or Occidental had a moral responsibility, apart from its legal obligation, to warn the public of the dangers of the Love Canal and other sites in light of the devastating effects of the toxics buried there. While scientists have understood only recently about the toxic effects of many chemicals such as dioxin, the toxic properties of lindane and other substances dumped in Love Canal and elsewhere were well-known in the 1950s.

Occidental and its officials have acknowledged that some of the company's past dumping practices have caused pollution, but they state their determination to become an industry leader in environmental responsibility. Investors may wish to consider whether the company, by developing and publicizing a stringent environmental policy, could begin to accomplish this goal.

# # # #

Excerpt from Occidental Petroleum Corp.'s Proxy Statement

Shareholder Proposal

WHEREAS in 1978 President Carter officially declared that an emergency existed in the State of New York due to Hooker Chemical's dumping practices which allegedly resulted in health problems, including miscarriages, nervous disorders and cancer that have occurred in persons living near the Love Canal in Niagara Falls, New York.

WHEREAS a Congressional Report cites that "Hooker Chemical was aware at least as early as 1958 that children were experiencing chemical burns from substances percolating up from the Love Canal dump site yet took no action to inform local residents of the potential hazards" and that drinking water was contaminated near company disposal sites in Montague, Michigan, Long Island, New York, and Lathrop, California, and that these sites pose "potential long-run health problems for affected residents."

WHEREAS management has admitted that the 38% drop in Hooker's 1979 second quarter earnings "was due principally to additional provisions for special environmental costs associated with past practices including remedial actions at the Niagara Falls, New York and Montague, Michigan facilities". Hooker's management has also attributed significant portions of the 83% decline in its third quarter earnings and of the large loss in its fourth quarter to its environmental problems.

WHEREAS Occidental states "there can be no assurance that Occidental will not incur material liabilities in the future as a consequence of the impact of its operations upon the environment".

WHEREAS "the Department of Justice — acting on behalf of EPA — has filed four suits against Hooker Chemical Co., and its parent corporation, Occidental Petroleum Corporation, requesting the company clean up four chemical waste dumpsites in Niagara Falls, New York which are posing substantial danger to residents of the area."

THEREFORE BE IT RESOLVED that the shareholders request the Board of Directors to establish policies and procedures to safeguard our company from future environmental contamination and public health hazards that affect our company's profitability and viability.

FURTHERMORE, these policies and procedures regarding the production, distribution, and disposal of hazardous substances should provide for the cost of clean-up, compensation, and monitoring to prevent future problems.

Statement Submitted by Shareholders in Support of Proposal

Serious health problems associated with inadequate and unsafe disposal of toxic wastes at the Love Canal disposal site in Niagara Falls, New York, implicate our company.

Disposal practices on Long Island, New York; Montague, Michigan; White Springs, Florida and Lathrop, California are also cited in a *New York Times* editorial which also charges "an alarming indifference to poisonous practices" and that "Hooker's top management knowingly authorized pollution violations and that the company fudged test results and hid data from authorities." The New York State Department of Environmental Conservation criticized our company for dumping toxic wastes at landfills on Long Island more than 400 times in violation of state law.

Press reports indicate Hooker withheld evidence for almost four years from California officials that illegally-dumped pesticides poisoned local drinking wells. Because of apparent management irresponsibility, we believe that shareholders stand to lose considerably, and the health of many people endangered.

These proposed policies and procedures will re-establish a good public image, correct past deficiencies, and demonstrate reasonable and responsible leadership within the industry and with Federal and State governments. Moreover, this action will assure stockholders and investors that an ounce of prevention is worth a pound of cure.

The Board of Directors' Statement in Opposition to the Foregoing Shareholder Proposal

The foregoing proposal relates to the establishing by the board of directors of policies with respect to environmental matters. Occidental has already adopted a policy designed, in its opinion, to protect the environment and to safeguard the health and welfare of our some 34,000 employees and the general public. It is carrying out procedures to implement its policy.

Accordingly, inasmuch as Occidental has already adopted a comprehensive policy to conduct its business in conformity with all legal requirements relating to the protection of health and the environment, **the board of directors recommends a vote AGAINST the foregoing shareholder proposal.** Proxies solicited by the board of directors will be so voted unless shareholders specify otherwise.

An American Tragedy: The Corporate Legacy of Love Canal
by Joan F. Malone, osf.

Joan Malone, of the Sisters of St. Francis, Niagara Falls, New York, a Roman Catholic religious community which gave shelter in its convents to people who had to abandon their contaminated Love Canal homes, has long been a leader in the church's efforts to achieve relief and justice for the victims of Love Canal's toxic contamination.

Timothy Schroeder looked over his back land and shook his head. "They're not going to help us one damn bit," he said, throwing a rock into a puddle coated with a film of oily blue, "No way." So miserable had the Schroeder backyard become that the family gave up trying to fight the inundation. They had brought in an old bulldozer to attempt to cover pools of chemicals that welled up here and there, but now the machine sat still. Tim Schroeder had developed a rash along the back of his legs and often found it difficult to stay awake. His daughter Sherri needed expensive medical care; another daughter Laurie seemed to be losing some of her hair. His wife, Karen, could not rid herself of throbbing pains in her head. But the Schroeders stayed on.[1]

The Timothy Schroeder family assumed its fateful place in the tragic history of some 1,100 Niagara Falls families whose painful notoriety would eventually divide the scientific community, cause havoc for politicians and corporate executives and, above all, raise the alarming spectre of precedent that could call for the allocation of billions of dollars to redress similar wrongs in the 32,000 potentially hazardous sites around the nation.

Undoubtedly, Love Canal is to be characterized by the pervasive record of governmental bungling and expediency, interagency haggling and shifting of responsibility. What called for a solution based on science, came to be bogged down in political game playing, in which residents submitted to temporary relocation on three different occasions. But the flip side of Love Canal's tragic coin reveals the corrollary of corporate knowledge and coverup that first created this environmental time bomb and then, in the years to follow, carefully separated itself from the toxic reality that began to make itself known as early as 1954.

To adequately understand the contributory role played by Hooker Chemical and Plastics Corporation, Occidental Petroleum's chemical division and a wholly owned subsidiary since 1968, it is necessary to look at three critical areas: 1) the company's choice of the Love Canal site as a toxic waste facility, 2) deeding of the property to the Niagara Falls school board, and most importantly, 3) Hooker's corporate knowledge of developing problem s at the site.

The Love Canal Site

William T. Love, a 19th century visionary looking for a cheap source of power for developing industry in the Niagara Falls area, envisioned a seven-mile, navigable power channel connecting the upper and lower Niagara River. Economic depression and the invention of alternating current doomed the project and it was subsequently abandoned with only a mile-long trench actually having been dug. The abandoned waterway served the local populace as a welcomed swimming hole with artesian springs or streams at its bottom. Hooker Electrochemical Company purchased and began dumping at the waterway site in the early 1940s and used it as a chemical landfill until 1953.

The selection of the canal as a landfill site has been singularly defended by Hooker executives. Bruce Davis, then executive vice-president, testified before the Congressional hazardous waste disposal hearings of 1979:

> Thirty-seven years ago, the Love Canal offered a rather ideal, isolated site for chemical residue storage. It was in a sparsely populated area. The surrounding soil was an impervious clay through which buried residues would not migrate.[2]

However, studies of 1938 aerial photographs of the site call into question such claims of ideal location. Dr. Charles H. Ebert, soils specialist, State University of New York at Buffalo, points to the existence of

> drainage arteries, persistent swales which, in contrast to streams, do not necesarily show a consistent flow direction and may even be dry during parts of the year. The swales are of particular significance to the canal problem because they could, potentially, represent narrow areas in which toxic material could migrate faster and further from the canal than in adjoining areas.[3]

Independent studies by the Cornell University School of Civil and Environmental Engineering confirmed that

> surveys do show that the ground there should contain a number of sand and silt lenses, a high ground-water table and bedrock that probably has been infiltrated by drainage, factors that raise the possibility that chemical migration could be extensive.[4]

The New York State Department of Health has reported that in excavating deeper than the original ten to twelve foot depth of William Love's canal, Hooker Chemical dug beyond the hard clay to the more permeable soft clay below, characterized as "silt fill." They further reported the existence of a geologic sand lense, four feet below the surface, apparently intersecting the landfill from east to west and providing "highly permeable soil as a likely path for chemical migration."[5]

In addition to such natural migratory routes, the U.S. Department of Justice suit points to the existence of three distinct storm sewers that underlie the immediate area of the Love Canal landfill and flow away from the site to local creeks and rivers. Two of these were in place and in use by 1952, including that which flows into Black Creek, a small creek immediately north of the canal. Dioxin, the most potent known carcinogenic and teratogenic (birth defect causing) chemical, has been found in this area and the EPA announced that the creek and associate sewer pipes would be the object of significant cleanup efforts.[6]

Canal Deeded for $1

Hooker Chemical and Plastics used this uniquely unsuitable location to bury its chemical wastes for a decade. We accordingly arrive at the canal's infamous transfer of ownership for $1, with its disclaimer in the deed of sale, repeatedly offered as legal claim to corporate non-responsibility:

> The premises...have been filled, in whole or in part, to the present grade level thereof, with waste products resulting from the manufacturing of chemicals by the grantor at its plant in the City of Niagara Falls, New York, and the grantee assumes all risk and liability incident to the use thereof. It is, therefore, understood and agreed that, as part of the consideration for this conveyance and as a condition thereof, no claim, suit, action or demand of any nature whatsoever shall ever be made...against...the grantor...for injury to a person or persons, including death resulting therefrom or loss of or damage to property caused by, in connection with or by reason of the presence of said industrial waste.[7]

In the Congressional hearings of 1979, Bruce Davis indicated this represented "clear notification of the presence of these chemical wastes." Such language may have confused the non-technical members of the Niagara Falls School Board, especially when

*An ICCR Brief appears in each edition of **The Corporate Examiner**, a monthly newsletter on corporate social responsibility. Each brief highlights a particular social area and focuses on one or more corporations. It also provides information about action options and resources for issues studied.*

*Copies of the ICCR Brief may be obtained from the **Interfaith Center on Corporate Responsibility**, Room 566, 475 Riverside Dr., New York, N.Y. 10115. Telephone: (212) 870-2936. Price: 1-10 copies, $.60 each; 11-19 copies, $.40 each; 20-49 copies, $.35 each; 50 or more copies, $.15 each.*

publication of America's petrochemical industry, *Chemical Manufacturers Association News,* thus became the rationale for Hooker Chemical's response to the horrors of Love Canal. Buffalo and Niagara Falls papers carry full page ads proclaiming, "Try Telling Bruce Davis Hooker Doesn't Care," "You're About To Be Untricked." Another full page ad invites readers to send for their free copy of "Love Canal: The Truth Seeps Out."

A Los Angeles Occidental document, dated December 11, 1978, provides the most chilling clarification of the company's disdain for the health and welfare of the human beings it touches. A three-page memorandum strategically balances the profits to be gleaned by reentering the production market for DECP, a banned pesticide, against future legal judgments, inevitable because the chemical was a known carcinogen. The document states that the company should

> ...determine the number of potential claims for sterility and cancer. Based on the Insurance Department's (or Legal Department's) estimate of the probably average judgment or settlement which would result from such a claim, calculate the potential liability including 50 percent for legal fees and other contingencies.

The conclusion: "Should this product still show an adequate profit meeting corporate investment criteria, the project should be considered further."[33] The recommendation was signed by Occidental's vice-president for environment, health and safety.

Conclusion

> Furthermore, there exists a great many factors which historically have resulted in no more than a small fraction of potential penalties being imposed.[34]

In its July 10, 1981 *Report*, Occidental Petroleum thus assures its shareholders of how the company will successfully handle existing environmental lawsuits, adding that it has legal history on its side. To date, the company has consistently clouded such monitary realities, resulting in the Security and Exchange Commission's formal charges that the company had failed to disclose millions of dollars of potential liabilities, stemming from its environmental practices.[35]

Attorneys for the Mead Paper Company argued that Occidental had hidden from its shareholders the extent of such liabilities, including the fact that the total assets of Occidental itself are far less than the amounts represented by suits against the company.

Indeed, Occidental's implicit attitude that it lies outside the ordinary legal and ethical guidelines that govern the rest of us has been central to its response to church shareholder action. This has meant unanswered correspondence and unhonored commitments to shareholders; disconnected microphones and forceful removal of a shareholder speaker at annual meetings; refusal of shareholder access to board of directors policy in violation of California corporate law.

The long-lived, tragic repercussions of such corporate behavior have not passed unnoticed by the media, the courts and the church. But the question must still be asked: How many men, women and children would lead normal lives today if Hooker Chemical had not clung to its protecting silence in the face of mounting evidence, if Hooker Chemical had not hidden its toxic legacy behind public relations, if Hooker Chemical had come forward with the truth.

Notes

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3. Charles H.W. Ebert, *Comments on the Love Canal Pollution Abatement Plan.*
4. *Niagara Falls Gazette*, Aug. 11, 1978.
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7. Deed from Hooker Electrochemical Co. to the Board of Education of the School District of the City of Niagara Falls, New York, Apr. 28, 1953; recorded Niagara County Clerk, July 6, 1953 in Liber 1106 at 467.
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9. *Interagency Task Force on Hazardous Waste*, Albany, New York, Mar., 1979.
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15. Michael A. Verespej, "Love Canal May Dump a New Role on Business," *Industry Week*, Nov. 26, 1979.
16. *Assessment of the Extent of Environmental Problems Posed by Hooker Chemical Dumps in Niagara Falls, New York and Estimated Cleanup Cost,* Troy, Malin and Pottinger, Washington, D.C., Jan. 8, 1979; *Niagara Gazette*, Dec. 6, 1978.
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19. U.S.A. *v.* Hooker Chemicals.
20. Hazardous Waste Disposal Hearings.
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24. *Ibid.*
25. Brown, *Laying Waste.*
26. Jimmy Carter. *Notice of Emergency Declaration and Related Determinations*, Aug. 7, 1978.
27. United States Environmental Protection Agency, *Environmental News*, May 21, 1980.
28. Report of the Governor's Panel to Review Scientific Studies and the Development of Public Policy on Problems Resulting from Hazardous Wastes, Lewis Thomas, M.D., chairman, Oct. 8, 1980. The New York State Health Department Study, concluding no significant increase of cancer risk, was published after the panel completed its work. The study has elicited response from the scientific community, including Dr. Irwin Bross, director of biostatistics, Roswell Park Memorial Institute. He cites evidence from the Health Department's own data that indicate lung cancer rates significantly higher than the statewide average. Irwin D.J. Bross, letter to Dr. Philip Abelson, ed., *Science*, June 18, 1981.
29. Hazardous Waste Disposal Hearings.
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31. *The Other Side of Love Canal: Facts vs. Fallacies*, a presentation before financial community representatives, New York, July 31, 1980.
32. "Personal Involvement Needed to Achieve ChemCap Goals." *Chemical Manufacturers Association News*, July/Aug. 1980.
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