



MANUFACTURING CHEMISTS ASSOCIATION

1825 CONNECTICUT AVENUE, N.W. WASHINGTON, D.C. 20009 (202) 483-6126

May 27, 1975
GRC-54-1

MINUTES
GOVERNMENT RELATIONS COMMITTEE
THE MADISON HOTEL
WASHINGTON, D. C.
MARCH 11, 1975

PRESENT

Everett H. Bellows, Chairman
Robert L. Shafer, Vice Chairman
Jerome J. Breiter
Robert D. Buehler
James T. Conner
Francis E. Cook
Francis D. Flanagan
Don A. Goodall
Sam Gusman
Carroll W. Hayes
Richard M. Hunt
J. Wilson Malloy
Charles T. Marck
Harris C. Miller
Richard W. Murphy
Sam Pickard
Douglas D. Pirnie
Lester G. Shapiro
Carstens Slack
William H. Thomas
A. C. Welling
Jack Woolley
Howard B. Brown
Albert A. Fox, Jr.
Ms. Terri Gratson
Hugh M. Robinson
Ms. Anne Waggoner
David C. Williams
William M. Stover, Secretary

Olin Corporation
Pfizer Inc.
Hercules Incorporated
The B. F. Goodrich Company
Chemagro Div. of Mobay Chemical Corp.
Stauffer Chemical Company
W. R. Grace & Company
American Cyanamid Company
Rohm and Haas Company
Celanese Corporation
N L Industries, Inc.
Eastman Chemical Products, Inc.
Dow Chemical U. S. A.
Hooker Chemical Corporation
Merck & Co., Inc.
Monsanto Company
Exxon Chemical Company U. S. A.
Engelhard Industries
Phillips Petroleum Company
Universal Oil Products Company
BASF Wyandotte Corporation
PPG Industries, Inc.
Manufacturing Chemists Association
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CMA 079978

Robert Bradford (for Firestone)
John T. Estes (for Forrow)
J. C. Ellis (for Smith)
George K. Graeber (for Kenney)

The Firestone Tire & Rubber Company
Allied Chemical Corporation
Shell Chemical Company
Union Carbide Corporation

GUESTS

Charles Y. Cain
E. Hamilton Hurst
James E. Magoffin
Dr. Luther S. Roehm
James K. Shiver
Charles T. Snead
Harlan L. P. Wendell
(Liaison Representative from
MCA Public Relations Committee)

Hooker Chemical Corporation
Nalco Chemical Company
Tennessee Eastman Company
Merck & Co., Inc.
Hughes, Sears & Shiver
Eastman Chemical Products (Consultants)
E. I. du Pont de Nemours & Company

ABSENT

Earl P. Bassett, Jr.
Charles O. Gerfen
Robert F. Kelly
James T. McCrory
Mike Manatos
Robert H. Miller
John F. Rudy
Walter D. Thomas

3M Company
Mallinckrodt Incorporated
E. I. du Pont de Nemours & Company
Borden, Inc.
The Procter & Gamble Mfg. Company
Tenneco Inc.
The Goodyear Tire & Rubber Company
FMC Corporation

The meeting was called to order at 2:05 p.m. by Chairman Bellows. All attendees were asked to introduce themselves.

1. Approval of Minutes

The minutes of the last regular meeting, January 14, 1975, were approved.

2. New Business

A. Membership -- The Secretary announced the resignation of Mr. James A. Rush of Nalco. It was pointed out that there is therefore one vacancy in the Committee and that the next nomination

pending is that of Mr. Harry Williams, Ashland Oil. After discussion, it was unanimously voted that the name of Harry Williams be submitted to the MCA Board of Directors for approval as a new member of the Government Relations Committee.

- B. Committee Organization -- The Secretary announced that an updated listing of Committee assignments has been completed and mailed. There is a vacancy as Liaison Representative to the MCA Industrial Relations Advisory Committee, and a volunteer was solicited.
- C. The MCA President's Reception -- Invitations have been mailed for the MCA President's Reception scheduled for April 8, 1975. GRC members were urged to be present and to press for attendance from Congressmen.
- D. Legal Advisory Committee -- The Secretary announced that the MCA Board of Directors has formally approved the appointment of a reconstituted MCA Legal Advisory Committee. Mr. Brian D. Forrow of Allied Chemical serves as Chairman of the Legal Advisory Committee and continues as a member of the Government Relations Committee.
- E. Handout Materials to MCA Board -- Mr. Stover announced that special reference and informational material would periodically be made available to the MCA Board of Directors. An example of such a hand-out was given each member of the GRC -- a brief research paper on the organizational and procedural changes which have taken place in the 94th Congress, together with the assigned memberships of Committees with jurisdiction over issues of interest to the chemical industry.

3. Reports of Strategy Subcommittees

- A. Toxic Substances -- Mr. Stover provided a detailed report of developments during recent days, including:
 - introduction of the Senate bill
 - preparation of MCA testimony
 - hearings conducted by the Senate Subcommittee on Environment of the Commerce Committee on March 3, 5 and 10. It was noted that Rohm and Haas Company testified on March 3, MCA on March 5, and the Administration on March 10.

- a description of the uncertainty on the part of the Administration as to whether or not they will submit a toxic substances bill. Discussion was also devoted to the controversy between EPA and OMB regarding budgetary considerations inherent in toxic substances legislation.
- the fact that one MCA member company had lodged a last-minute objection to the submission of MCA testimony at the March 5 Senate hearings. Following considerable discussion among members of the MCA Executive Committee, the Toxic Substances Control Group, the Government Relations Committee, and MCA Staff, it was determined that MCA witnesses would appear before the Senate Subcommittee on March 5 as scheduled.
- that, due to careless or inaccurate reporting by a chemical industry media wire service, some question had arisen as to the exact public position of MCA with regard to toxic substance legislation. After direct contact and objection by MCA, the wire service issued a formal clarification.

Considerable discussion ensued with regard to recent development the status of legislation and expected future action.

Mr. Marck stated that it was not the intent of Dow to oppose outright the enactment of toxic substances legislation or to follow the lead of the Office of Management and Budget. He said that Dow's only thought was that the MCA statement was too weak.

Mr. Goodall asked for an account of how, in this instance, the mechanics of preparing the MCA statement had functioned. He was interested in whether the differences within MCA had arisen because there had been procedural failures or because opinions differed. Mr. Stover responded that, in his opinion, the difficulties had arisen because of differing opinions, rather than procedural breakdowns.

- B. Air Quality -- In the absence of Mr. Smith, Mr. Fox reported on plans for hearings on the Air Act in both the House and Senate.
- C. Energy -- Mr. Williams reported on the MCA voluntary energy conservation reporting system and indicated that the initial trial run of our program will be completed by the end of the month. Mr. Robinson reported on the progress of energy-related legislation on Capitol Hill, and especially the pending H.R. 5005 in the House Ways and Means Committee. He emphasized that there are important tax implications to this legislation and that damaging floor amendments are a future possibility.

- D. OSHA -- No report was offered.
- E. Solid Waste -- Mr. Buehler reported that there has been no additional action in the Senate Public Works Committee but that an advance text of the staff draft has been obtained and circulated to sources within MCA. The bills being considered in the House of Representatives appear to be reasonably acceptable to industry.
- F. Taxation -- Mr. Shafer emphasized the vital importance of the pending Tax Reduction Act which will present threats to the investment tax credit and to the depletion allowance. He cautioned that action by the Democratic Caucus in the House could seriously complicate floor considerations. It was emphasized that the Burke-Hartke concepts will continue to be a problem as tax reduction, energy taxation and tax reform are considered in the Congress this year. He urged preparation for specific action by MCA member companies.
- G. Trade -- Mr. Hayes reported on the appointment of former Secretary of Commerce Dent as the Special Trade Negotiator. He indicated that interests within the chemical industry were working to support the nomination of an acceptable candidate for one of the Assistant Negotiator posts. The Committee's cooperation was solicited.
- H. Water -- Mr. Goodall reported on a meeting of that Subcommittee during which considerable attention was devoted to the problems of Section 307 (92-500) and Section 311. It was his view that the industry must remain alert to possibilities for constructive amendments during 1975. It now appears that action is likely to take place first in the Public Works Committee of the House.

I. Legislative and Regulatory Developments

- A. MCA Multinationals Task Force -- Dr. Breiter reported on the results of the initial meeting of this group. It is their view that the major threat to multinational corporations will come in the area of taxation. They are considering the development of public relations measures which will educate the public as to the views of the chemical industry and to provide responses to criticism of multinational corporations.
- B. Patents -- Mr. Robinson reported on developments in the patent reform legislation pending before the Senate Judiciary Subcommittee. He indicated that considerable inter-industry coordination is under way and that MCA is taking an active role.

- C. Strip Mining Legislation -- Mr. Stover reported that the House and Senate strip mining bills are nearing passage and that neither version is likely to be satisfactory to the Administration. Since the possibility of overriding a veto is quite good, the question is whether or not the President will be inclined to take veto action.
- D. Wage and Price Controls -- Mr. Stover called attention to S. 409 which is presently pending before the Senate Banking Committee. MCA is cooperating with the U. S. Chamber in alerting members to the negative aspects of this legislation.

Having completed consideration of agenda items, the Committee adjourned at 3:40 p.m.

Respectfully submitted,



William M. Stover, Secretary
Government Relations Committee

Subject to approval