

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
10:30 a.m., Tuesday, February 11, 1975
Union Club, New York City

- I. Opening Remarks and Introduction of Guests
- II. Minutes of Meeting of January 14, 1975, Including Financial Statement for Seven Months Ended December 31, 1974
- III. Business Items:
 - (a) Appointment of Alternate
Richard J. Hughes (for Warren M. Anderson)
 - (b) Report of Membership Committee:
Keysor-Century Corporation
Inland Chemical Corporation
 - (c) Environmental Control Expenditures -
Survey of Member Companies (Attachment)
 - (d) Appointment of Committee Members (Attachment)
 - (e) Request for Early Retirement - F. G. Stephenson
- IV. Report of Director of Government Relations
- V. Reports of Committees:
 - (a) Air Quality Committee
W. Bailey Barton, Chairman
 - (b) Solid Wastes Management Committee
P. E. (Paul) Reed, Chairman
 - (c) Water Resources Committee
George J. Hanks, Vice Chairman
- VI. Report of the President

Next Meeting of the Board of Directors - 10:00 a.m., March 11, 1975
The Madison (Mount Vernon Room), Washington, D. C.

CMA 070749

MINUTES of the two hundred thirty-seventh meeting of the Board of Directors, of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, Tuesday, February 11, 1975, at 10:30 a.m.

Directors: Edward R. Kane, Chairman
Jack B. St. Clair, Vice Chairman
James G. Affleck John R. Hall
Howard Barkell John W. Hanley
Harry W. Buchanan Harry T. Marks
E. E. Chipman Harry D. McNeeley
Thomas C. Dabovich Joseph A. Neubauer
William C. Douce Donald D. Pascal
William J. Driver Robert T. Powers
James M. Gill Harvey J. Taufen

Alternates: J. Earl Burrell (for Joseph A. Neubauer)
Carlyle G. Caldwell (for Donald D. Pascal)
Charles R. Carson (for John F. Welch, Jr.)
Paul F. Hoffman (for Robert M. Morris)
Robert C. Hyndman (for Thomas C. Dabovich)
Howard H. Irvin (for Thomas S. Farmer)
L. H. Johnstone (for William C. Douce)
Harold S. Mickley (for H. Barclay Morley)
Albert J. Royce, III (for Albert J. Royce, Jr.)

Outside Counsel: Lloyd N. Cutler
John H. Pickering

Staff Counsel: Bruce M. Barackman

Secretary-Treasurer: George E. Best

By Invitation: W. Bailey Barton, Borden, Inc.
Howard B. Brown, MCA
Albert C. Clark, MCA
George J. Hanks, Union Carbide Corporation
George W. Ingle, MCA
Kenneth D. Johnson, MCA
Max A. Minnig, Borden Chemical Division of Borden, Inc.
Paul E. Reed, UNIROYAL Chemical Div. of UNIROYAL, Inc.
William M. Stover, MCA

Chairman Kane opened the meeting by calling for self-introduction of those present in turn.

I. MINUTES OF JANUARY 14, 1975, MEETING

Minutes of the January 14, 1975 Board meeting, as distributed, including the financial statement for seven months ended December 31, 1974, were duly approved.

II. REPORT OF THE SECRETARY-TREASURER

Exhibit A.

III. BUSINESS ITEMS

(a) Approval of Director's Alternate Richard J. Hughes was duly approved as the designated Alternate for Warren M. Anderson.

(b) Report of Membership Committee As chairman, Mr. Pascal reported the committee's having examined the qualifications of the two applicants named below and recommending their election.

ON MOTION, duly made and seconded,
it was

VOTED: That Inland Chemical Corporation
and Keysor-Century Corporation be elected
to membership in the Association.

(c) Environmental Control Expenditures - Survey of Member Companies The draft of a proposed survey of member companies on expenditures, manpower, and energy applied to environmental management in chemical manufacturing was mailed to Directors on February 4 after having been favorably considered by the Executive Committee.

Chairman Kane referred to his appearance before the Joint Economic Committee last November at a hearing on the economic impact of environmental control regulations, and the prospect of future opportunities to make effective use of such information. In particular, he mentioned the energy requirements inherent therein, and the importance of making this well understood.

ON MOTION, duly made and seconded,
it was

VOTED: To approve proceeding immediately
with the survey as shown in Exhibit B concern-
ing environmental management in chemical
manufacturing, with the understanding that a
similar survey will be scheduled biennially in
the future.

Mr. Kane, acknowledging that some of the information might be hard to come by, urged Directors to give personal attention to the prompt development of their respective companies' responses.

(d) Appointment of Committee Members Appointments
were approved as listed in Exhibit C.

(e) Request for Early Retirement - F. G. Stephenson A
member of the professional staff since September 1955, Mr. F. G. Stephenson's normal retirement (age 65) would occur on September 1, 1976, but he has requested permission to retire on April 1, 1975, for which consent by the Board of Directors is required under the terms of MCA's pension program.

ON MOTION, duly made and seconded,
it was

VOTED: To grant the request of F. G. Stephenson for early retirement on April 1, 1975, with the Board's appreciation for his services and good wishes for him and his wife in retirement.

As chairman of the Pension Committee, Mr. St. Clair suggested authorizing the MCA President to act for the Board in approving early retirement requests which are strictly routine.

ON MOTION, duly made and seconded,
it was

VOTED: To delegate to the MCA President the authority to act for the Board of Directors on early retirement requests from members of the staff in instances where no special financial consideration (i. e., other than provided for in the approved pension plan then in effect) is involved.

(f) Legal Advisory Committee Nominations Chairman Kane reported a number of nominations have been received for membership on the recently reconstituted Legal Advisory Committee, but expressed the desirability of having all nominations available before recommending appointments in order to give due consideration to breadth of representation of Association membership. Accordingly, he announced holding open the nominating period one additional week (to February 19).

IV. REPORT OF DIRECTOR OF GOVERNMENT RELATIONS

Mr. Stover's report is Exhibit D.

V. REPORTS OF COMMITTEES

Reports were presented by the following committee representatives:

Mr. W. Bailey Barton, Chairman
Air Quality Committee Exhibit E

Mr. P. E. Reed, Chairman
Solid Wastes Management Committee Exhibit F

Mr. George J. Hanks, Vice Chairman
(reporting for Mr. R. J. Hanson, Chairman)
Water Resources Committee Exhibit G

In view of a common theme in the committee reports that the several aspects of environmental management are interrelated and need over-view coordination for sound progress, and that greater effectiveness in obtaining and advancing (chemical) industry information and recommendations is desired with regard to both legislative and regulatory developments, Directors concurred in the importance of maximizing the Association's effectiveness and agreed to the creation of a special committee to study the present committee and staff organization and submit recommendations.

VI. REPORT OF THE PRESIDENT

Mr. Driver supplemented his prepared Staff Report (Exhibit H) with the comments as follows:

- Much interest was shown by Chemical Industry Council representatives at a meeting last week in becoming more active in their respective local areas on behalf of chemical industry interests, but in most cases they suffer from lack of financial and participative support.

- Relevant to such interest is an effort centered in the U. S. Chamber of Commerce to generate a list of local industry contacts through whom communications might be channeled to members of Congress from within their constituencies. Two lists of U. S. Representatives were distributed to those present, with a request to make known to MCA the names of any company contacts having good access to them.

- He reported having approved a research program for MCA administration on the toxicity of acrylonitrile, to be carried out with subscribed funds from interested companies, projected for a three-year period at a cost of about \$630,000.

- Regarding President Ford's economic/energy program, Mr. Driver made further reference to the briefing by Secretary Dent and FEA Assistant Administrator Sant (Staff Report - first item) to emphasize that the rationale for exemption of petrochemical feedstocks from tariff and tax burdens has not yet been accepted. He said MCA may be invited to testify when hearings by the Senate Committee on Interior and Insular Affairs under Senator Jackson are resumed.

- Mr. Driver told of a further communication from FEA Administrator Zarb which requests much more detailed information in chemical industry reporting on energy conservation - by product, location, etc. - than earlier contemplated, and reserving judgment on soliciting data direct from individual companies.

George E. Best

George E. Best
Secretary-Treasurer

Certified correct:

Edward R. Kane

Edward R. Kane
Chairman of the Board

CMA 070754

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER

February 11, 1975

Dollar amounts rounded from tabular details
(\$000)

INCOME & EXPENSE

June 1, 1974 - Jan. 31, 1975 - 8 Months (67%)

Income - Membership Fees	\$2,018		101.713%
- Other	<u>229</u>		77.627%
		\$2,247	98.596%
Expense - Operations	\$1,228		59.931%
- Projects	<u>213</u>		57.258%
		\$1,441	59.520%

ASSETS

(As of January 31, 1975)

Cash	\$ 58	
Investments	3,172	
Miscellaneous	<u>10</u>	
		\$3,240

CMA 070755

MANUFACTURING CHEMISTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION

January 31, 1975

BALANCE SHEET

Assets

Cash

National Savings & Trust - Commercial Account	\$ 49,658	
National Savings & Trust - Payroll Account	6,000	
Imprest Funds	2,800	\$ 58,458

Investments

Bank Certificates of Deposit	\$ 650,000	
Bank Repurchase Agreements	200,000	
U. S. Government Securities	714,682	
U. S. Government Agency Securities	1,152,359	
Corporate Securities	455,300	3,172,341

Deposits

U. S. Government Printing Office	\$ 200	
American Airlines	425	625

Account Receivable

Travel Advances		1,638
-----------------	--	-------

Furniture & Equipment

7,194
\$3,240,256

Liabilities

D. C. Use Tax	\$ 44	
---------------	-------	--

Reserve

Deferred Compensation		92,361
-----------------------	--	--------

Fund Balances

Restricted (Schedule I (e))	\$1,029,599	
Unrestricted - From Previous Fiscal Years	\$1,311,802	
- Current Fiscal Year	806,450	2,118,252
		3,147,851
		\$3,240,256

INCOME & EXPENSE

INCOME

Membership Dues & Entrance Fees	\$2,018,171
Income from Investments	97,320
Publication Sales	59,949
*(1) Meeting & Special Funds (Schedule I (d))	64,775
Overhead Reimbursement - Subscribed Projects	2,532
Miscellaneous	4,448
Total Income	\$2,247,195

EXPENSE

Management	\$ 254,297
Technical - General	437,499
Technical - Chemtrec	113,769
Public Relations	318,007
Government Relations	155,731
Information Service	45,187
Office Administration	116,255
Total Expense *(2)	\$1,440,745

Income less Expense \$ 806,450

FOOTNOTES:

*(1) Net Income on Completed Projects

*(2) Total General Program Expense

Fiscal Year 1974-75 Budget Program Expense (above)	\$1,440,745
Expenditures from Project Funds carried over from previous Fiscal Year (Schedule I (c))	5,565
	\$1,446,310

CMA 070756

Jan 31, 1975

	Balance June 1, 1974 (a)	Current Fiscal Year		Transfers To Income (d)	January 31, 1974 (e)
		Receipts (b)	Expenditures (c)		
<u>Carry-Over of Budgeted Funds</u>					
GR-1 Economic Study	\$ 13,584	\$ -	\$ 5,565	\$ -	\$ 8,019
<u>Non-Budgeted Funds & Meetings</u>					
Meetings, Workshops & Symposia	\$ 63,974	\$ 122,863	\$122,115	\$ 64,776	\$ (54)
Tank Car Mileage Compensation	24,348	-	-	-	24,348
TEC Audio/Visual Aids	-	50	1,432	-	(1,382)
CPC Audio/Visual Aids	-	230	342	-	(112)
Odor Threshold Determination Fund	-	-	-	-	-
Vinyl Chloride Research - Inhalation	126,564	-	42,350	-	84,214
Vinyl Chloride Research - Epidemiological	11,361	-	1,000	-	10,361
Vinyl Chloride Research - Dow Studies	-	101,250	70,000	-	31,250
Vinylidene Chloride Monomer - Research	-	440,000	-	93	439,907
Styrene Monomer - Research	-	187,203	-	525	186,678
Phosgene Safety Research	22,142	19,600	442	350	40,950
Fluorocarbons Research	17,890	98,484	26,074	1,564	88,736
Phthalate Esters Research	10,922	-	11	-	10,911
Loss Data Bank Project	-	16,000	11,346	-	4,654
Patents Monitor	-	2,880	1,350	-	1,530
Chemical Industry Trade Advisor	-	13,071	10,820	-	2,251
Total - Non-Budgeted Funds & Meetings	\$277,201	\$1,001,631	\$287,282	\$ 67,308	\$ 924,242
<u>Plastics Group Financial Package</u>	\$ 92,318	\$ 59,170	\$ 54,150	\$ -	\$ 97,338
Total	\$383,103	\$1,060,801	\$346,997	\$ 67,308	\$1,029,599

	MANAGEMENT		TECHNICAL				PUBLIC RELATIONS		GOV'T RELATIONS		INFO SERVICE		OFFICE ADMIN		TOTAL TO DATE 8 MONTHS	
			GENERAL		CHEMTREC											
	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET
Employees (Actual Authorized	11	10	22	19	7	7	12	12	9	9	3	3	11	11	75	71
OPERATING EXPENSE																
Salaries & Related Expense	174,354	\$171,734	\$237,630	\$239,168	\$ 73,050	\$ 72,827	\$135,977	\$134,954	\$ 96,136	\$101,127	\$ 33,595	\$ 34,294	\$ 84,356	\$ 88,440	\$ 835,098	\$ 842,544
(2) Retirement Plan & Group Ins.	7,235	40,705	7,983	45,760	1,746	9,758	2,744	15,241	2,495	14,033	2,245	12,639	499	3,531	24,947	141,667
Hosp. Ins. & Health Plan	1,571	1,741	3,052	4,051	289	433	1,727	2,593	902	1,729	433	719	1,670	1,975	9,644	13,241
Legal Fees & Expense	35,279	17,667	2,667	4,000	-	-	-	-	15,519	12,000	-	-	-	-	53,465	33,667
Consultants & Investment Serv.	-	1,667	-	-	-	-	-	-	-	-	-	-	-	-	-	1,667
Audit	2,000	1,667	-	-	-	-	-	-	-	-	-	-	-	-	2,000	1,667
Rent & Premises Expense	9,672	9,052	17,629	16,595	5,058	4,473	11,953	11,047	8,145	7,623	3,967	3,705	15,318	12,401	71,742	64,896
Taxes & Insurance	4,728	6,110	9,092	11,265	19,471	16,813	6,245	7,009	4,125	5,219	1,651	1,903	5,609	7,325	50,921	55,644
Supplies & Gen. Office Exp.	4,648	4,333	11,223	11,200	1,926	2,133	5,593	6,300	3,567	4,667	487	500	5,250	4,667	32,694	33,800
Furniture & Equipment	-	667	-	1,000	-	967	-	167	-	1,266	-	66	-	134	-	4,267
Printing	2,964	1,733	-	667	-	-	3,737	2,500	576	467	-	-	1,365	800	8,642	6,167
Telephone & Telegraph	3,117	3,253	7,224	8,367	11,052	12,743	5,009	5,960	3,550	4,547	858	944	3,417	3,280	34,227	39,094
Postage	1,613	2,000	14,596	15,000	372	667	24,816	26,000	3,929	5,000	397	566	(1,313)	1,067	44,410	50,300
Travel & Entertainment	3,454	4,667	13,628	17,332	473	1,833	14,718	16,667	7,804	6,666	451	733	-	133	40,528	48,031
Meeting Expense	2,059	7,200	202	600	-	-	42	234	2,142	2,333	-	-	-	-	4,445	10,367
Periodicals, Books, etc.	365	300	1,193	1,067	273	233	1,337	1,033	5,118	5,667	1,060	933	9	67	9,355	9,300
Organizational Memberships	579	1,767	1,928	1,733	59	67	698	667	1,723	2,217	43	30	75	53	5,105	6,534
Contingency	659	3,333	-	-	-	-	-	-	-	-	-	-	-	-	659	3,333
Operating Expense Totals	\$254,297	\$279,596	\$328,047	\$377,805	\$113,769	\$122,947	\$214,596	\$230,372	\$155,731	\$174,561	\$ 45,187	\$ 57,032	\$116,255	\$123,873	\$1,227,882	\$1,366,186
PROJECTS																
Technical																
Air Quality			\$ -	\$ 3,334											\$ -	\$ 3,334
(1) Food, Drug & Cosmetic Chemicals			2,000	1,333											2,000	1,333
Water Resources			30,350	30,667											30,350	30,667
Multi-Committee-Transportation			814	1,800											814	1,800
Multi-Committee-Publications			31,288	48,000											31,288	48,000
(2) Trade Advisor			45,000	46,667											45,000	46,667
Public Relations																
Community Relations							\$ 8,512	\$ 12,833							8,512	12,833
Consumer Information							7,641	16,667							7,641	16,667
Environmental Quality							19,879	24,200							19,879	24,200
Internal Publications							30,628	27,333							30,628	27,333
Media Relations							9,542	11,800							9,542	11,800
Academic - Industry Study							30	500							30	500
College & Hi School Teacher Awards							1,323	9,534							1,323	9,534
Education Exhibits							2,088	2,667							2,088	2,667
Education Publications							23,768	10,000							23,768	10,000
Information Service																
Chemical Statistics Series											\$ -	\$ 767			-	767
Project Totals	\$ -	\$ -	\$109,452	\$131,801	\$ -	\$ -	\$103,411	\$115,534	\$ -	\$ -	\$ -	\$ 767	\$ -	\$ -	\$ 212,863	\$ 248,102
COMBINED TOTAL	\$254,297	\$279,596	\$437,499	\$509,606	\$113,769	\$122,947	\$318,007	\$345,906	\$155,731	\$174,561	\$ 45,187	\$ 57,799	\$116,255	\$123,873	\$1,440,745	\$1,614,288

- (1) Budget Increase approved by Board of Directors October 8, 1974, for support of the NAS Symposium on Specifications for Food Ingredients \$2,000
 (2) Transfer of Budget Funds approved by Board of Directors November 25, 1974, from "Projects - Trade Advisor" to "Operating Expense - Retirement Plan" \$60,000

MANPOWER REQUIREMENTS

All personnel so assigned including corporate, plant operations, engineering, administrative, maintenance, research, legal, etc. (including contracted services)

Line

Total Number of Employees
in Chemical Manufacturing

Annual rate as of 1974

12 (a) _____ (b) _____ (c) _____ (d) _____
man-years man-years man-years
(Estimate to nearest 0.1 only if less than one man-year)

ENERGY REQUIREMENTS

Energy used during 1974 for pollution control in billion Btu's

Petroleum

13 (a) _____ (b) _____ (c) _____

Coal

14 (a) _____ % (b) _____ % (c) _____ %

Purchased

Electricity

15 (a) _____ % (b) _____ % (c) _____ %

16 (a) _____ % (b) _____ % (c) _____ %

Natural Gas

17 (a) _____ % (b) _____ % (c) _____ %

*Other

18 (a) _____ % (b) _____ % (c) _____ %

*Other to include
purchased steam, by-product fuel values,
etc.

Energy used for environmental control as a percent of total energy used by firm in chemical manufacturing

19 (a) _____ % (b) _____ % (c) _____ %

Return one copy of the completed report by March 15, 1975 to:

Miss M. V. Campbell
Director of Information Service
Manufacturing Chemists Association
1825 Connecticut Avenue, N. W.
Washington, D. C. 20009

Company _____

By _____

Telephone _____

Address _____

MCA
EC - 1/14/75
BD - 2/11/75

CMA 070759

Appointment of Committee Members

- (1) Government Relations Committee
Earl P. Bassett, Jr., Minnesota Mining and
Manufacturing Company
Harris C. Miller, Hooker Chemical Corporation
- (2) Labels and Precautionary Information Committee
Edward K. Daniels, Mobil Chemical Company
Robert Jelus, MC/B Manufacturing Chemists
Philip Sonneborn, Fisher Scientific Company
- (3) Nuclear Committee
Lamar P. Bupp, Exxon Nuclear Company, Inc. -- As Chairman
- (4) Solid Wastes Management Committee
J. K. Farrell, Hercules Incorporated
Bruce A. Wing, Eastman Kodak Company

REPORT BY THE DIRECTOR OF GOVERNMENT RELATIONS

WILLIAM M. STOVER

FEBRUARY 11, 1975

DEBATE ON WAGE AND PRICE CONTROLS IN SENATE BANKING COMMITTEE

Legislators concerned by double-digit inflation, rising unemployment and the unrest of dissatisfied voters appear likely to enact legislation giving the President stand-by authority to control wages, prices, rents and interest rates.

The first major discussions of these issues in the new Congress are presently taking place in the Senate Banking Committee where Chairman William Proxmire (D.-Wis.) has introduced a far-reaching and controversial bill, S. 406. The measure, strongly opposed by the Administration, would give the President and his Council on Wage/Price Stability, stand-by authority to:

- require a 30-day prenotification of price increases by firms whose sales exceed \$250 million annually;
- require prenotification of wage increases which affect more than 5,000 employees;
- provide authority to delay wage or price boosts for up to 60 days;
- give the Council subpoena powers.

The bill focuses on so-called "non-competitive industries", identified as steel, chemicals, non-ferrous metals, food processors and distributors, and oil.

During Senate hearings last week the Council's Director, Albert Rees, appeared before the Banking Committee and strongly opposed S. 406 as "unnecessary and unwise under present circumstances." He

expressed the view that the proposal was no improvement over present authority, would be difficult to administer, and criticized its approach as being remedial.

A number of other witnesses were critical of the Proxmire bill, among them our colleague, William S. Sneath, president of Union Carbide Corporation and a member of the Business Roundtable. Mr. Sneath stated that S. 406, while not establishing full controls, "will institutionalize inflation and will impair business confidence and stability at the very time they need strengthening." He pointed out that the threat of controls would encourage labor and business to seek maximum wages and prices and to avoid reductions for fear that "they will be 'locked in' at low levels and will not be permitted future increases when market conditions permit."

Last month, the Wage/Price Council began investigating the aluminum industry after reports that producers were slowing production rather than dropping prices in the face of declining demand. Seven major aluminum producers have been requested to submit data on prices, costs, production and plant capacity.

Another development during the hearings was the revelation by Mr. Rees that the Council plans to monitor the prices and production in three additional industries: industrial chemicals, metal containers, and rubber tires and tubes. Requests for information have already been sent to six metal container producers and to the six major tire producing companies. While there is no indication as yet which industrial chemicals will be examined or which producers requested to supply data, Assistant Council Director Collery said the agency was interested in some chemicals whose prices increased last year by as much as 300%.

The opposition of MCA to controls in any form is a matter of record. We were successfully active in securing eventual exemption of the chemical industry from controls imposed by the Nixon Administration.

The consistent opposition of President Ford and his Administration to the concept of wage and price controls is heartening. However, we have noted some support for the controls philosophy on Capitol Hill, and we are aware that a Presidential about-face is not impossible - especially if the state of the economy worsens and public opinion appears to crystalize in favor of drastic action.

SENATE COMMITTEE TO REVIVE TOXIC SUBSTANCES LEGISLATION

There are strong indications that the Senate Commerce Committee will soon renew its efforts on a bill to establish Federal controls over the manufacture, distribution and use of toxic substances. You will recall that both the House and Senate passed differing versions of this legislation in the 92nd and 93rd Congresses but the differences were never resolved in conference and the measures were thus permitted to die.

It is now anticipated that a new version of the Senate bill will be introduced, perhaps this week, by Senators Magnuson, Tunney and Philip Hart. We can expect that there will be some revisions in the new text, especially in those areas where environmentalists are pressing for more stringent language. These could include:

- the burden-of-proof to determine the degree to which a finding of safety will be required prior to the production of a given substance;
- the degree of confidentiality to be accorded corporate data made available to the Environmental Protection Agency pursuant to the requirements of the law;
- the relationship of a new law to those environmental laws already enacted. That is, will toxic substances law fill the gaps between other existing laws, or will the new law be written in such a way that it could take precedence over laws governing air quality, water quality and solid waste disposal?

In the U. S. House of Representatives there are no accurate indications as to when the newly-formed Subcommittee on Consumer Protection and Finance will begin consideration of toxic substances control bills. The Subcommittee has been re-vamped as a result of jurisdictional changes in the House and a shift in the Democrat/Republican ratio of House members. It has only recently been determined that there will be six subcommittee members (four Democrats, two Republicans). Last year the ratio was five Democrats to four Republicans. Another significant development is a change in the Subcommittee chairmanship. Representative John Moss no longer serves on the Subcommittee and has been replaced as chairman by Representative Lionel Van Beerslin, a Democrat from the 42nd District of California (San Diego).

The Administration apparently will continue to favor the enactment of some form of toxic substances control law. Spokesmen for the Environmental Protection Agency indicate they have White House assurances that the President does not consider a toxic substances bill to lie within the category of inflationary measures which he has threatened to veto for economic reasons. And it is certain that EPA will continue to work for a law which is easy to administer, requires a minimum of preliminary findings on its part, and -- top priority -- permits use of toxic substances law as a shortcut in attacking certain problems of air pollution, water pollution and solid waste disposal. Recent statements by EPA Administrator Russell Train and the Director of the Office of Toxic Substances, Glenn Schweitzer, give little hope that there has been any moderation of the Agency's views on this key question.

The MCA Toxic Substances Control Group has scheduled a meeting for February 13 to begin preparation for the possibility of Senate hearings in early March. The MCA Government Relations Committee and its Subcommittee on Toxic Substances have also remained extremely active in this area.

SENATOR BENTSEN AT CHEMICAL FORUM

U. S. Senator Lloyd Bentsen (D.-Tex.) will be the featured speaker at MCA's next CHEMICAL FORUM on Tuesday, March 11 in Washington, D. C. The invitation to join us was issued by Mr. Sam Pickard, Vice President, Monsanto Company.

Assigned to two of the Senate's major committees, Finance and Public Works, and also to the prestigious Joint Economic Committee, Senator Bentsen has won a remarkable degree of respect and influence since coming to that body in 1970. He has taken an active interest in the conduct of U. S. foreign affairs and in Congressional efforts to legislate responses to our trade, energy and economic problems.

Prior to Senate service, Senator Bentsen was president of Lincoln Consolidated, a financial holding institution in his home state, and served on the Board of Directors of a number of major corporations. His background also includes a law degree, distinguished military service in World War II, a county judgeship, and three terms as a youthful member of the U. S. House of Representatives.

Today, Senator Bentsen is considered among the leading possibilities for the Democratic Presidential nomination in 1976 although he has yet to formally announce his candidacy.

We are delighted that the Board of Directors will again be in Washington on Tuesday, March 11 for its monthly meeting, to be followed by the CHEMICAL FORUM. The luncheon takes place at 12:00 Noon in the Dolley Madison Room of The Madison Hotel, 15th and M Streets, N. W. .

REPORT TO THE BOARD OF DIRECTORS
MANUFACTURING CHEMISTS ASSOCIATION

W. BAILEY BARTON, CHAIRMAN
AIR QUALITY COMMITTEE

FEBRUARY 11, 1975

If I may borrow from Charles Dickens, "It is the best of times . . . and the worst of times." Just attempting to compete for your attention, this morning, with the pressing business problems you left behind in your offices and board-rooms is evidence enough of the economic conditions faced by all business today. But, in a more positive framework, it may also be the best of times to emphasize to an uncertain Congress and a searching Administration that the economy, energy and the environment are mutually interdependent relationships.

We on the Air Quality Committee of MCA believe the time is here to begin swinging the environmental pendulum back toward the balance point. The 94th Congress must address the Clean Air Act of 1970 squarely if it is to avoid a judicial holocaust between the government and industry shortly after mid-year. It is incumbent upon industry, in general, and MCA in particular, to clearly demonstrate the current inability of the Act to account for the very limited economic and energy resources required for its implementation. I firmly believe that the MCA Board wants such an effort and, have, with the able assistance of my Vice-Chairman, Bill Chalker, of Du Pont, structured the 35 member Air Quality Committee in an attempt to meet that challenge.

Additionally, we must recognize that the Environmental Protection Agency is very vigorously acting to secure and expand its already awesome position in the United States government. You will hear about the water and solid wastes areas later this morning, but the Air Committee accords priority attention on countering two EPA air activities of far-reaching implications for our industry. Section 111(d) of the Clean Air Act permits the Administrator to establish control regulations, where necessary, for certain emissions not subject to ambient air criteria, or hazardous or toxic designations. While proposed regulations for only two such emissions have thus far emerged, the stage is set and there are currently one hundred forty-four additional substances under consideration for future regulations. We are gearing up for protracted disputes, primarily legal in nature, over EPA's broad use of this Congressionally-limited provision.

Similarly, in the gray area variously described as photochemicals, oxidants, ozone, nitrogen oxides, hydrocarbons or smog-formers, EPA is pursuing the thesis that all hydrocarbon emissions ultimately will violate ambient air standards and must be controlled using best available technology. Unless countered with valid data, EPA will succeed in reversing state hydrocarbon regulations which exempt all but those volatile organics clearly recognized as photochemically reactive. Lack of research sorely hampers fruitful countering of the EPA thesis. We are proposing a modest, yet potentially compelling, fact-finding budget in fiscal 1975-76 for studies to produce the necessary data. When one considers the enormous cost of providing adsorbers, scrubbers, condensers, flares, or other methods of control on every tank vent, every process vent, every loading platform, and the like handling hydrocarbon materials in our industry, the value of approximately \$100,000 invested in such studies becomes abundantly clear.

My time is fleeting, but I cannot end my report without soliciting your active support and guidance in more effectively using the MCA as a vehicle in producing positive change in our laws and regulations. I simply do not believe the classic conservatism and monodic style of MCA is working or will work with today's public and its electorate. I urge the Board to review carefully and revamp if necessary our basic approach to getting things done in MCA and to adopt a more aggressive and blunt public information policy. Without it, no matter how technically-sound or politically convincing the arguments which the Air Quality Committee is developing, we will be impotent in the fundamental arena of communications. I, for one, am convinced that the American people are, in the hard reality of economic adversity, and deepening energy shortages, prepared to hear and act upon a more reasoned approach to environmental integrity. Can we not, for example, explain that when Mr. Train says environmental capital expenditures are only 2.4% of the Gross National Product, he's comparing apples to oranges. That 2.4% of GNP is more like 15% of industrial capital outlays--or that \$1 out of every \$7 of private capital is generally going for unproductive equipment. Couldn't we point out that the 70,000 jobs he recently promised for \$4 billion of impounded municipal plant funding which President Ford released, simply aren't going to materialize unless the steel to construct the equipment does also? It seems clear that unless we say it, no one will.

In closing, let me return to Charles Dickens--Unless we in MCA improve our effectiveness, and soon, the "best of times" will belong to those who want government to completely subdue private enterprise in this country--and the "worst of times" will truly be ours.

Thank you very much.

SUPPLEMENTARY INFORMATION
REPORT OF BAILEY BARTON

To supplement and extend the oral presentation, the following topical outline of Air Quality Committee activities is offered for the minutes:

Goals of the Air Quality Committee - 1975

1. To amend the Air Quality Act of 1970 to:
 - (a) extend deadlines for compliance by a minimum of 2 years.
 - (b) clarify congressional intent on "significant deterioration" (antidegradation) to permit industrial expansion commensurate with the Nation's economic needs.
 - (c) allow for more judgement by those regulated in the application of technology, e. g. intermittant controls.
 - (d) provide more scientific input to criteria used for establishing ambient air standards, hazardous standards and control of non criteria substances.
 - (e) establish a workable system for granting variances.
 - (f) provide congressional guidance to cost/benefit analysis.
2. To ensure that air quality regulations promulgated by EPA are necessary, fair, and equitable.
3. To prepare "case histories" depicting the interplay of economic and energy factors in air pollution control - for use in public information by MCA and member companies.

Committee Organization and Membership

The committee will be at its full membership of 35 when one, of two outstanding applications, is approved. Our membership sub-committee will be charged with the task of reviewing participation of committee members in order to act upon the outstanding application.

Legislation

CMA 070769

We are not only concerned with amending present legislation, but also with new attempts by congress to make environmental law even more onerous; specifically.

Burden of Proof amendments submitted in previous sessions of Congress by Sen. Anchor Nelson, of Wisconsin has thus far failed to receive serious consideration. It is understood, however, that additional attempts to introduce it as a bill or as an amendment will be made in the 94th Congress. We question the constitutionality of placing the burden of proving that given activity is environmentally (and toxicologically) safe on the emitter or discharger. This is an outgrowth of the Reserve Mining Case of much-publicized judicial review. We are asking MCA Counsel for help in the legal issues involved in such legislation.

Land Use Legislation involves restriction of siting of industrial facilities based on arbitrary federal criteria rather than local decision-making. We believe that there are already enough laws on the books to accomplish intelligent plant siting, and anything else is redundant.

Toxic Substances Legislation is anticipated to require extraordinarily expensive and tedious biological screening of chemical compounds. From an air quality standpoint, the definition of a toxic or hazardous material is an all-important factor in sensible legislation. Of further concern is the overlap with existing legislation which will most certainly lead to confusion and unnecessary stringency by inter Agency power bases.

Regulations

Section 111(d) regulations have been commented upon in other segments of this report. We have asked the Joint Subcommittee on Environmental Law to provide us with a briefing on current and intended use of this section by EPA.

Photochemical Oxidants, subject of much confusion both within EPA and among MCA member companies, will require intensive effort by the Air Quality Committee in 1975. Our Vice-Chairman, W. R. Chalker and Dr. Russ Maycock, Leader of the Technology Sub-Committee Task Group on Atmospheric Chemistry, have outlined what needs to be done to bring order into the use and development of research data. We are focusing our entire budgetary request for fiscal year 1975-76 in this area because of the potential impact of current EPA thinking that all hydrocarbons are ultimately ambient air photochemicals.

We will be directing the Energy Task Group, under Willard Bixby, to evaluate the air quality impacts of related energy legislation and regulations for Committee and member company use in considering future conservation programming.

Meetings

In the last year, we have met jointly with both Solid Wastes Management and Water Resources Committees. It has become apparent that the emphasis of environmental committee effort must be in the increasingly sophisticated areas of toxicology and epidemiology for many Chemical substances. A joint resolution was sponsored to create ad hoc task groups composed of members of all the environmental committees to review developments and make further recommendations.

The Air Quality Committee meetings continue to be planned to bring together maximum input from the membership and from outside contacts from the Environmental Protection Agency, State Agencies, and experts in the field. We will meet in Houston, Texas in May and in Washington, D.C. in September.

MCA Staff

We join with the other environmental Committees in requesting increased MCA staff responsiveness to committee needs. We are grateful for the quality of assistance thus far received from Messrs. Driver, Best, Clark, Stover and especially our Committee Secretary, Dr. Kenneth D. Johnson. We also appreciate the liaison with other MCA staffers, Howard B. Brown, Samuel Watts and James Turner. We feel, however, that much more can be done to improve our overall effectiveness and believe this must begin with an active, communicative staff.

Finally, I'd like to close this report with a tribute to Mr. James H. Huguet, of Ethyl Corporation, our immediate past Chairman, who reported to you last February 12, 1974. His leadership has done much to focus our effort in the current year and to project into the years ahead. You will note we will continue to benefit from his guidance and that of his predecessor, Willard Bixby, of BF Goodrich, as members of our Administrative Sub-Committee.

W. B. Barton
Chairman
February 11, 1975

REPORT TO THE BOARD OF DIRECTORS
MANUFACTURING CHEMISTS ASSOCIATION

PAUL E. REED, CHAIRMAN
SOLID WASTES MANAGEMENT COMMITTEE

FEBRUARY 11, 1975

INTRODUCTION

In November 1973 I reported to the Board that congressional committees and EPA were striving to pass solid waste legislation which would stress resource recovery and hazardous waste control. No legislation passed in either House but a consensus appears nearer and passage is anticipated in this Congress.

The primary effort of the Solid Wastes Management Committee has been to constructively influence these pending legislative and related regulatory developments.

LEGISLATIVE

Individual committee and staff members monitored congressional hearings in July 1974. Others submitted testimony from their companies which was consistent with the assessments and positions developed by SWMC. As a result it appears to have been realized by many congressional and EPA officials that the subject is complex and critical and that hastily created and simplistic controls will be counterproductive.

A comprehensive letter was prepared for President W. J. Driver's signature on 11/21/74 analyzing the October 15, 1974 draft of the Solid Waste Utilization Act proposed by the staff of the Senate Public Works Committee. Directed to its Chairman, Senator Jennings Randolph, this letter offered constructive suggestions and rationale for a number of important modifications to this bill.

REGULATORY

Comprehensive written comments and recommendations were also given to EPA on the proposed Guidelines for Thermal Processing and Land Disposal of Solid Wastes; these affected the final version.

In particular, the final definition of (hazardous waste) "means any waste or combination of wastes which pose substantial present or potential hazard to human health or living organisms because such wastes are non-degradable or persistent in nature, or because they can be biologically magnified, or because they can be lethal, or because they may otherwise cause or tend to cause detrimental cumulative effects." This definition of hazardous wastes is significant because recommended procedures would have excluded "hazardous wastes" from the disposal facility but now "other wastes, including hazardous wastes, may be accepted if it has been demonstrated to the responsible agency that they can be satisfactorily processed within the designed capacity of the facility or after appropriate facility modifications." This change is the essence of an MCA suggestion and is a breakthrough for industrial users of regulated disposal facilities.

In 1974 EPA contracted for several studies to inventory waste quantities and disposal practices in the industry - especially for "hazardous" wastes. SWMC sponsored a guidance memo for member companies to aid companies in this exercise. One such report, Versar Inc.'s on Hazardous Waste Management Practices for Inorganic Chemicals, was reviewed by selected member companies and collated for EPA/OSWM's use in developing new regulations. In another case, the TRW study of incineration, the EPA project manager presented the project and contractor's representative to SWMC to improve understanding on both sides before the project started.

COMMITTEE ORGANIZATION

A Technical Affairs Subcommittee was formed in 1974 to identify technical areas and projects the Committee should focus upon - short- and long-range. Thus assistance was given to an EPA-sponsored conference on Management & Disposal of Residues from the Treatment of Industrial Wastewaters and several papers were given. Also, a questionnaire characterizing successful waste disposal operations is being evolved, to positively offset the effects created by "horror" stories and incidents of failure.

To manage the several Committee organizational problems mentioned in the November 1973 report, these changes were made:

1. The need for continuity of legal participation in SWMC analyses of proposed legislation and regulations was largely resolved with the Joint Subcommittee on Environmental Law. Two JSEL attorneys provide regular participation in Committee and Subcommittee deliberations and responses. A remaining problem is developing legal responses and initiatives on fundamental legal questions which impact all environmental committees, such as "Burden of Proof".
2. To aggressively protect the future of deep-well disposal as a viable option, the SWMC and Water Quality Committee formed, in September 1974, a joint subcommittee. The new drinking water quality legislation gives EPA the first clear jurisdiction over sub-surface waters; regulations will follow which should be constructively influenced by this joint subcommittee.

PUBLICATIONS

The SWMC prepared guides on Landfill-, Incineration- and Contract-Disposal of wastes; now published as MCA "SW" Guides, these continue to be actively and widely distributed, on request. These Guides help formulate sound regulations and ultimate disposal methodology, thus aiding industry members to refine their disposal practices and avoid events which trigger punitive and unreasonable controls.

FUTURE PROSPECTS

In 1973 SWMC reorganized to cope better with anticipated problems which critically impact our industry. To the SWMC's members whose committee activities represent an investment roughly estimated at \$200,000/year, and a collective exposure to disposal costs over \$1 billion/year to the industry, there is much to be done.

We are concerned that the overlapping nature of the wide spectrum of environmental and toxicological problems may let some go unassigned on a timely basis, while attention to others may be duplicative. Staff-coordination and -initiative will identify such questions and assign them to the proper committee for action, as with deep-well injection mentioned above. Disposal of used containers and packaging materials are others cutting across functional committee lines.

New legislation for solid waste disposal - as for toxic substances control - so narrowly missed in 1974, is all the more likely to be passed in 1975. New regulations with closely related aspects, under Water Pollution Control, Clean Air and especially the Safe Drinking Water Act, are certain. We will be alert to the evident interactions among these five different influences.

REPORT TO THE BOARD OF DIRECTORS
OF THE
MANUFACTURING CHEMISTS ASSOCIATION INC.

By

R. J. HANSON, CHAIRMAN
WATER RESOURCES COMMITTEE
FEBRUARY 11, 1975

This report will serve to inform the Board of Directors of the past years' activities of the Water Resources Committee and to predict the impending matters of major concern and impact for our industry, in the field of water resources.

In our report last year, we detailed the committee's efforts to improve communications with EPA and to influence implementation of federal water laws and regulations. We have continued and intensified these efforts. Our Regional EPA office liaison groups have met with the regional administrators and/or their staffs to maintain a continuing dialogue concerning water resource problems as they may pertain to the chemical industry. It is difficult to assess how much benefit accrues from this effort, but the feedback from our members indicates that the regional offices welcome the discussions and that we should continue this means of communication.

Our three committee meetings this past year have been held in locations selected to also further our regulatory agency contacts. We met in Atlanta in January 1974 and Mr. Jack Ravan, Region IV EPA Administrator and Mr. R. E. Howard, Jr., Director of the Georgia Department of Natural Resources were our respective luncheon guests at the meeting. Our May meeting was held in conjunction with the Joint Subcommittee on Environmental Law in Washington, D. C. Two Deputy Asst. Administrators of EPA addressed the combined committees and our luncheon speaker on the second day of our meeting was Mr. Joe Moore of the National Commission on Water Quality (NCWQ). Other guests included members of the NCWQ staff, Dr. Martha Sager, Chairperson of the Effluent Standards and Water Quality Information Advisory Committee (ESWQIAC) of EPA and Dr. Galler, Deputy Asst. Secretary for Environmental Affairs of the Department of Commerce. In September, we met in Boston, and Mr. John McGlennon, Region I EPA Administrator was our luncheon speaker. The committee members were guests of the EPA National Marine Water Quality Laboratory at Narragansett on September 11 and learned of the research being performed and directed by this laboratory.

Our eight task groups, formed to react to and comment on regulations issuing from EPA as a result of PL 92-500, continued to devote much time to consolidating technical input and data, to consultation with the Washington EPA staff, and to preparing comment on proposed regulations. Our committee members have been greatly assisted in this effort by associate committee members, many from companies who do not have full membership on the WRC.

A new task group was established last year to interact and cooperate with the National Commission on Water Quality. We expect this commission's recommendations for amendments to PL 92-500 to receive full consideration by the new Congress. The commission is charged to report to Congress in October of this year. The commission has awarded contracts for assessment of the impact of the 1983 Best Available Treatment requirements on the Plastics and Synthetics, Organic Chemical and Inorganic Chemical segments of the industrial categories established in Sec. 306 of PL 92-500. Our three effluent guideline task groups have been cooperating with the Commission's contractors by providing raw waste load, effluent and treatment plant performance data; and by accumulating and projecting capital and operating cost information. In addition, a member of the task group has been assigned as liaison for each river basin to be studied by the Commission, which is of importance to the chemical industry. These include the Delaware, Ohio, and Kanawha rivers; and Lake Erie, Houston Ship Channel and San Francisco Bay systems. We consider this effort in the coming months to be the WRC's most important opportunity to impact on amendments to PL 92-500.

We have continued to partially fund the biological monitoring research effort at Virginia Polytechnical Institute and State University (VPISU) under the direction of Professor John Cairns. Through the efforts of our Technical Sub-Committee and the cooperation of Celanese Corporation, the research Study has moved out of the laboratory and into a field application. Facilities are being completed at the Narrows, Virginia, Cellulose Acetate Plant of Celanese to allow bypassing of a slip stream of either untreated, partially treated, or completely treated waste water effluent to the biological monitoring channels. The activity (movement) and respiratory rate of the test fish are monitored and the data transmitted by leased telephone wire to VPISU where it is analyzed in a computer. This field application project is a two-year effort. We received your approval for \$45,000 funding in F/Y 75 and are requesting your approval of the second year's funding of \$30,000 to carry the project through May of 1976. The WRC is firmly convinced that we are extremely fortunate to be associated with this project. Dr. Cairns has a world wide reputation in biological monitoring and is perhaps the leading non-federal innovator in the field. Some form of biological monitor-

ing of waste water effluents is required by PL 92-500, and we are hopeful that this research will contribute to promulgation of scientific but practical monitoring regulations.

During the past year, we transferred title of some capital facilities (trailer laboratory, analytical equipment, etc.) to Ichthyological Associates, Inc. in return for acknowledgment of partial financial support for research they are conducting on behavioral avoidance responses of fish and other estuarine organisms to various physical and chemical changes in the water environments. This work is being supported by EPA, and several electric power utility companies. Although our research support to this consulting biologist firm is at an end, any of the MCA member companies would be well advised to consider this firm for help in solving water intake structure, effluent diffusion, or thermal effect problems.

During this past year, the membership level of 35 members was reached, with several nominees awaiting appointment. This was a matter of much concern to the entire committee membership, in that strict adherence to the Association's policies would require that our senior members be rotated off. The WRC feels that the loss of experience possessed by these members could not be countenanced. Many of these senior members are employees of the largest member companies. The Chairman and Vice Chairman were instructed to discuss this dilemma with the President, and through his efforts a satisfactory compromise was reached of temporarily enlarging the committee size.

It is always difficult to look into the crystal ball and make accurate predictions. It does appear, however, that several matters of importance to our industry loom on the horizon. They include the impending amendments to PL 92-500; the implementation of Section 307 (Toxic substances) and Section 311 (Hazardous substances of PL 92-500 through promulgation of regulations; the enactment of a Toxic Substances bill; the "Burden of Proof" considerations in Congress; and the implementation of the recently enacted Drinking Water Act.

In addition to the amendments to PL 92-500 that we expect the National Commission on Water Quality to propose, we expect the appropriate congressional committees to hold overview hearings on this law. Our committee intends to prepare comment to support amendments which we feel necessary to make the law more workable. We intend to work closely with the Joint Subcommittee on Environmental Law and with the Government Relations Staff on these presentations.

Our task groups on Toxic and Hazardous Substances will continue to work with EPA to obtain sound criteria and rationale for designating these substances, and for establishing the proper effluent levels for the toxic substances and penalty criteria for spills of hazardous materials.

The proposed Toxic Substances bills contain the same potential impact for the chemical industry as previously reported in past years. Our committee's concern with these bills will be centered on how they deal with the water environment and the proper methods of assessing the effect of chemical products on the water and aquatic biota.

You are probably all aware of the movement afoot in this Congress to place the "burden of proof" of possible health effects on the person responsible for creating the potential risk. A discharger of materials which might pose a potential health hazard, would be required to prove that such hazards would not exist, under the provisions of this legislation. This movement raises very real constitutional issues. The WRC feels that legal issues should be dealt with by the legal staff of MCA and/or the JSEL, but we are willing to assist in any way in those "burden-of-proof" issues involving water resources legislation.

PL 93-523, entitled Safe Drinking Water Act was enacted in the last session of Congress. We feel that there is potential for serious effect to our industry in this law. Deep well disposal will be affected by this law, and we will need to be alert to regulations issued concerning this means of waste water disposal. Probably the topic of most impact will be the possible effect of this legislation on discharges upstream of drinking water intakes. It is likely that efforts will be made to impose effluent limitations on these discharges on a much more severe basis than provided for in PL 92-500. The possibility also exists that industries may be required to obtain permits to provide drinking water for their employees, and the ramifications of this possibility will require close attention.

In conclusion, it is apparent that more, rather than less vigilance will be required by our ~~Committee~~ committee, and your staffs charged with responsibility for protection of the water environment. We must be ready to react, when necessary, to changes in law and issuance of regulations which impose restrictions which are economically, technically or scientifically unsound.

STAFF REPORT

by

William J. Driver

February 11, 1975

Together with executives of 28 member companies (selected and invited by the Federal Energy Administration), I attended a briefing on the President's economic and energy program given on January 28 by Secretary of Commerce Frederick Dent and FEA Assistant Administrator Roger Sant.

In the discussion, the executives strongly urged an exemption of petrochemical feedstocks from the President's proposed import tax on crude oil. They pointed out that the tax discriminates against the petrochemical industry, since no competing industry faces a tax on its basic raw material. They cited possible effects on the industry of its domestic viability and its competitiveness in world markets, as well as the impact on the balance of payments, unemployment and inflation.

With regard to the exports, Mr. Sant said that companies would be reimbursed for the import fee on the feedstock content of their exports, and that the permanent legislation would provide for rebates covering the tax on the domestic feedstock content of exports as well. He promised participants further information after he consulted FEA's general counsel.

Our views were received with clear interest and, apparently some sympathy, although Secretary Dent stressed that the United States has been losing ground in attempts to solve its energy problem for the past eighteen months. Drastic action, he said, was overdue.

The House Ways and Means Committee conducted six days of hearings, from January 22-28, on the President's tax proposals. While there was substantial controversy over some of the energy provisions, the committee generally agreed that some sort of tax reduction for individuals and a tax incentive for business are necessary to spark the economy. Chairman Al Ullman (D-Ore.) has stated that he hopes to have a bill incorporating these elements brought to the floor of the House by early February.

We submitted a statement to the Ways and Means Committee supporting the proposal to increase the investment tax credit to 12 percent and recommending that it be made permanent rather than for one year only.

* * *

Multinational corporations continue to come under vigorous attack in a number of forums, including the United Nations, the International Labor Organization and Senator Frank Church's subcommittee of the Senate Foreign Relations Committee. They are also under attack in the media, notably in a two-part series appearing in December issues of the New Yorker.

A Task Force on Multinational Corporations has been created to follow this trend. Because the subject overlaps jurisdictions of MCA committees, the Task Force is inter-committee, with two members from each of the following committees: Economic Policy Review, Government Relations, International Trade, Public Relations and Tax Policy. Robert McLellan, vice president - international and governmental relations, FMC Corporation, is the chairman.

* * *

Major House of Representatives committee changes in the new Congress that are of interest to the chemical industry include:

* The Interior and Insular Affairs Committee now oversees nonmilitary nuclear energy and R & D, including disposal of nuclear waste.

* The Public Works Committee is now the Public Works and Transportation Committee. It will be responsible for surface transportation, except railroads and water transportation under the jurisdiction of the ICC.

STAFF REPORT February 11, 1975 page three

*The Science and Astronautics Committee has been renamed The Committee on Science and Technology. It will have jurisdiction over environmental R & D and energy R & D except nuclear energy.

The following are new House committee chairmen: Henry S. Reuss (Wisc.), Banking, Currency and Housing; Thomas Foley (Wash.), Agriculture; Melvin Price (Ill.), Armed Services; Al Ullman (Ore.), Ways and Means; Jack Brooks (Tex.), Government Operations; and David Henderson (N.C.), Post Office and Civil Service.

Of major significance is the establishment of new Budget Committees. Senator Edmund Muskie (Me.) will chair the Senate Budget Committee, and the House expects to name its chairman soon. The organization of the overriding Congressional Budget Office must wait until the House and Senate settle their argument over the selection of a Director. The Budget Committees will not begin functioning fully until 1976.

* * *

The machinery for U. S. participation in the Tokyo Round of GATT negotiations was set in motion by the signing of the Trade Act of 1974. The U. S. International Trade Commission (formerly the Tariff Commission) has scheduled public hearings in 14 cities on the economic impact of future tariff reductions allowed under the act. These hearings start February 24 in Washington. We expect the Trade Information Committee, which will be chaired by someone from the Office of the Special Trade Representative, to announce similar meetings soon.

Meanwhile, the 26 Industry Sector Advisory Committees (ISAC) have held their initial meetings to prepare industrial technical advice on the negotiations. The four chemical ISACs met on January 21 and 23. Many feel that the ISAC structure could overshadow the task forces established by the Office of the Chemical Industry Trade Advisor, and further, that the committees may prove inadequate. At a meeting with the task forces on January 16, therefore, OCITA asked each task force to develop necessary information within its sector for possible use by either the ISACs or the Special Trade Representative.

* * *

The resignation of Special Trade Representative William Eberle became effective February 1. Senator Russell Long (D-La.), chairman of the Senate Finance Committee, has shown his dissatisfaction with the manner in which the White House obtained

CMA 070782

the resignation. Senator Long, who felt that Ambassador Eberle had done a very creditable job, has indicated that the Finance Committee would examine searchingly any nominee to the post. This has made the White House search for a replacement difficult; as of now there is no nominee.

* * *

Responding to the pressure of contemplated action on fluorocarbons by legislative and regulatory bodies at federal, state and local levels, the Technical Panel on Fluorocarbon Research has recommended seven new research proposals that are estimated will cost over \$800,000. Additional proposed research in 1975, approved in concept but not fully defined, may cost another \$500,000.

Several prominent researchers stated before congressional committees in December and January that scientific information regarding the effect of fluorocarbons on the ozone layer must be measured and evaluated within the next three years. Industry-funded studies are expected to require three to five million dollars during that time. In the absence of persuasive evidence that fluorocarbons cause no deleterious effects, then, stringent restrictions on their use can be expected after three years.

* * *

At the request of the National Agricultural Chemicals Association, that association's Pesticide Safety Team Network will be included in CHEMTREC's alerting function beginning January 10. The NACA network formerly used an answering service. All industry supported emergency response services are now integrated into CHEMTREC.

* * *