MINUTES of the eightieth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, on May 13, 1958, at 11:00 a.m. (EDT).

There were present:

Messrs.	Henry Bower	Harry B. McClure
	John T. Connor	Glen B. Miller
	Lee V. Dauler	R. L. Murray
	David H. Dawson	S. B. Penick, Jr.
	William P. Drake	Mark E. Putnam
	C. B. Edwards	H. Greville Smith
	D. S. Frederick	Charles Allen Thomas
	Ernest Hart	Kenneth C. Towe
	John A. Hill	M. F. Crass, Jr.
	John E. Hull	

Alternates:	Edward Block (for Thomas S. Nichols)
	Earle S. Ebers (for George R. Vila)
	John L. Gillis (for Charles Allen Thomas)
	Allan J. Greene (for John E. McKeen)
	Max A. Minnig (for Robert I. Wishnick)
	Charles S. Munson (for John A. Hill)
	James G. Park (for O. V. Tracy)
	Donald Williams (for Mark E. Putnam)
General Counsel:	Marx Leva - Fowler, Leva, Hawes & Symington
Present by Invitation:	William H. Ward - E. I. du Pont de Nemours & Co., Inc.

I. MINUTES OF APRIL 8, 1958, MEETING.

The Minutes of the April 8, 1958, meeting were duly approved as submitted to the members.

II. REPORT OF THE EXECUTIVE COMMITTEE.

Chairman McClure stated that a breakfast meeting of the Executive Committee had taken place that day and that a number of the items discussed would be taken up in their respective places on the Board agenda.

III. REPORT OF THE TREASURER.

Financial Report, June 1957 - April 1958. The financial report for the 11 months ending April 30, 1958, was reviewed in detail. On the basis of the figures presented, it appears that the public relations budget will be exceeded at the end of the fiscal year by approximately $ 18,000. Application of credit for sale of publications and CIAC materials will reduce the over-expenditure by approximately $ 8,000. An imbalanced budget, nevertheless, appears certain. The imbalance, moreover, will be reflected in the audit report for over-all general expenses.

ON MOTION duly made and seconded, it was

VOTED: That the report be accepted and placed on file.

IV. BOARD OF DIRECTORS.

(a) Appointment of Alternate. The Chairman advised that R. W. Thomas, Phillips Petroleum Company, had requested the appointment of W. W. Keeler as his alternate.

ON MOTION duly made and seconded, it was

VOTED: That the appointment be approved.

(b) Finance Committee.

(1) Budget for fiscal 1958-59. At the last meeting of the Directors, Chairman Dauler of the Finance Committee presented a net expenditure budget for technical and administrative activities, public relations, and education. During the interim, Directors were suppli d with details of the budget proposals. The Committee proposal followed staff recommendations, excepting that a proposed increase of $9,000 for the Carnegie Tech Research Project Fund to cover spectral analyses constants was not included.

ON MOTION duly made and seconded, it was

VOTED: That the following budget be approved for submittal to the membership at the 86th Annual Meeting:

Technical and Administrative	$463,350
Public Relations	232,950
	$696,300
Education	167,650

(2) Financing of budget. Following Mr. Dauler's preliminary report at the April Directors meeting, additional chemical sales data, received from member firms covering calendar 1957, have indicated that, if the approved basic pattern of membership fees were followed for the new year, an amount considerably in excess of that needed to finance the budget would be brought in. Those present were supplied with copies of a memorandum, including a proposed fee

structure table for calendar 1958-59, setting forth methods of balancing the budget by reducing fees (for fiscal 1958-59 only) on the basis of (a) a limited 12 1/2 percent reduction, and (b) an across-the-board 10 percent reduction. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the 10 percent across-the-board reduction be approved for presentation to the membership -- limited to fiscal 1958-59 only.

(c) Program Committee.

(1) 86th Annual Meeting. A report was made on arrangements and attendance. As of the date reported, the hotel is overbooked, with representatives of 130 out of 170 member firms attending. Chairman Penick requested Directors to forward nominations for Monte Carlo Night assistants to the Secretary, as requested in Mr. Crass' letter dated May 8, 1958.

(2) 1958 Semi-Annual Meeting Program. Mr. Penick stated that program for the 1958 Semi-Annual Meeting, to be held in New York City on November 25, would be discussed at a meeting to be held immediately following conclusion of the Directors luncheon that day. He requested Directors to supply suggestions concerning panel topics.

(d) Policy Study Committee. Chairman Frederick stated that a meeting of his Committee had been held the previous evening, and that consideration had been given to (1) divisional status by general product classifications, such as plastics and metals; (2) geographical groupings of chemical manufacturers; and (3) technical committee organization. No decisions have been made with respect to these items, although pros and cons concerning each have been discussed and reviewed. The Committee reviewed the present plastics organization, however, and recommends its continuance.

Dr. Frederick stated that his Committee would prepare a draft report covering both the pros and cons on the matters the Committee has considered to date and circularize this to the Directors during the summer months, in order that it can be considered by the Board in conjunction with its September 1958 meeting.

During the ensuing discussion, it was the consensus of those present that the findings of the Policy Study Committee should form the basis of long-term growth and future Association policy and that, for this reason, the Committee's report should not be rushed or hurried in any way.

Dr. Frederick formally presented recommendations for changes in the By-Laws governing (1) eligibility, and (2) initiation fee, and these are reported in another portion of these Minutes.

(e) Proposed Amendment of the By-Laws. Following recommendation presented by the Policy Study Committee, it was

ON MOTION duly made and seconded,

VOTED: That the following changes in the By-Laws be recommended to the membership at the forthcoming Annual Meeting:

(1) Article III, Section 2. Amend by striking therefrom the word "actively" and substituting in lieu thereof the word "primarily." The amended paragraph would then read as follows:

> "Any other individual, partnership, corporation, or division of a corporation, primarily engaged in the operation of a chemical manufacturing plant within the United States of America, or the Dominion of Canada, and selling to others a substantial portion of the chemicals produced in such plant, is eligible to membership in the Association."

(2) Article IV, Section 1. Amend by striking therefrom the figure "$ 100.00" and substituting in lieu thereof the following: "such amount as may be prescribed by the Board of Directors from time to time."

In view of the foregoing, it will be necessary for the Directors at their June 11, 1958, meeting to specify an initiation fee applicable to new members during fiscal 1958-59.

(3) Canada. At the suggestion of Mr. H. Greville Smith, it was,

ON MOTION duly made and seconded,

VOTED: That the word "Canada" be substituted for the phrase "Dominion of Canada," wherever the latter term appears in the By-Laws.

(f) Study Committee -- ASA Chemical Industry Advisory Board Proposal. Mr. McClure stated that Dr. C. F. Prutton, Task Force Chairman, was unable to be present at the Directors meeting but, instead, had presented a final report to the Executive Committee at a meeting held earlier that morning. Copies of the report had been placed in the hands of the Executive Committee. The matter under discussion involved the possible formation of a Chemical Standards Board within the American Standards Association, the envisioned purpose to be the development of standards for chemical end products that would be of interest to the Department of Defense and other Government agencies pursuant to requests made by such agencies. The renewed interest of MCA in this subject stemmed from a request by the Department of Defense that a modus operandi for such end-product standards be worked out, and our participation in the study was based on industry cooperation in the development of such standards on the assumption (based on the original letter from the Department of Defense) that the Government would take the initiative in requesting such programs.

Several meetings were held by the Task Group with representatives of Government, ASA, and Counsel present. During the period of the study, communications were received from the Chemical Corps and from the Director for Standardization of the Department of Defense, retracting the prior request for the promulgation of standards and proposing, instead, that industry undertake the development of end-product standards on its own initiatve. This reversal of Government position resulted in an impasse, although the Task Group presented several possibilities for further consideration.

Following discussion, it was

ON MOTION duly made and seconded,

VOTED: That the Task Group report be accepted with thanks and that, in the light of the position now taken by the Department of Defense, no further action be taken with respect to the matter.

(g) Nominating Committee -- Officers and Directors for Fiscal 1958-59. In behalf of his Committee, Chairman Hill presented the following slate for consideration:

Chairman of the Board -- Harry B. McClure, Vice President, Union Carbide Corporation

Chairman of the Executive Committee -- John T. Connor, President, Merck & Co., Inc.

President -- John E. Hull

Vice Presidents -- Fred C. Foy, President, Koppers Company, Inc.
D. S. Frederick, Vice President, Rohm & Haas Company

Secretary-Treasurer -- M. F. Crass, Jr.

Directors --
(Term Expires May 31, 1959)
Raymond F. Evans, President, Diamond Alkali Company
S. B. Penick, Jr., President, S. B. Penick & Company
(Term Expires May 31, 1960)
John L. Gillis, Vice President, Monsanto Chemical Company*
(Term Expires May 31, 1961)
R. L. Cunningham, President, Ohio Ferro-Alloys Corporation
J. Robert Fisher, President, Gamma Chemical Corporation
Joseph Fistere, President, Mallinckrodt Chemical Works
Marlin G. Geiger, Executive Vice President, W. R. Grace & Co.
W. G. Malcolm, President, American Cyanamid Company

*Dr. Charles Allen Thomas has advised that he will present his resignation as a Director, effective May 31, 1958.

(Term Expires May 31, 1961 -- Cont'd)
R. C. McCurdy, President, Shell Chemical Corporation
Glen B. Miller, President, Allied Chemical Corporation
Charles S. Munson, Chairman of the Board, Air Reduction Company, Inc.
Hans Stauffer, President, Stauffer Chemical Company
James C. White, President, Tennessee Eastman Company (member -- Eastman Kodak Company)

ON MOTION duly made and seconded, it was

VOTED: That the nominations be approved for submittal to the members at the 86th Annual Meeting.

(h) 86th Annual Report. Draft copies of the 86th Annual Report were circularized to Directors for review purposes on April 30. Those present were urged to read the draft promptly in order that their comments would be in the hands of the Secretary not later than May 17.

V. TECHNICAL COMMITTEES.

(a) Chemical Packaging Committee. The following appointments were approved:

Carl E. Pruett, E. I. du Pont de Nemours & Co., Inc., as Chairman.
R. F. Uncles, American Cyanamid Company, as Vice Chairman.

(b) Chemicals in Foods Committee. The appointment of I. M. LeBaron, International Minerals & Chemical Corporation, replacing Paul D. V. Manning, was approved.

(c) Insurance Committee. The appointments of the following personnel were approved:

O. M. Langenberg, Mallinckrodt Chemical Works, as Chairman.
N. H. Munson, The Dow Chemical Company, as Vice Chairman.
S. A. Bissell, Eastman Kodak Company.
D. D. Day, American Viscose Corporation.
A. J. Dentzer, Wyandotte Chemicals Corporation.
B. H. Francis, Olin Mathieson Chemical Corporation.
H. C. Giles, E. I. du Pont de Nemours & Co., Inc.
R. J. Green, Monsanto Chemical Company.
E. A. Hack, Shell Chemical Corporation.
R. H. Lander, Merck & Co., Inc.
P. F. Larcom, Union Carbide Corporation.
C. H. Martin, American Cyanamid Company.
J. F. Moloney, Allied Chemical Corporation.
W. Nangel, Celanese Corporation of America.

In presenting the above Insurance Committee membership, the Secretary stated that the Committee had voluntarily adopted Terms of Reference as follows:

(1) Committee membership to be on a permanent basis, with additional representation desired from the West Coast, Southwest, and Canada.

(2) Terms of office for Chairman and Vice Chairman to be for one year.

(3) Statement of purpose -- It shall be the purpose of this Committee to operate for the benefit of MCA member companies in the analysis and exchange of information on underwriting, claims, loss control, and other insurance practices and problems considered to be of mutual or general interest, to the extent such information is not deemed confidential by the party submitting same.

ON MOTION duly made and seconded, it was

VOTED: That the foregoing be approved.

(d) Tank Car Committee. The appointment of R. W. Lyke, Hooker Electrochemical Company, replacing R. S. Briggs, was approved.

At its meeting held on May 8, 1958, the Committee unanimously voted to change its name to "Committee on Tank Cars, Tank Trucks, and Portable Tanks." This is intended to more suitably portray the Committee's scope of activity. There was no objection to the proposal.

VI. STAFF REPORT AND MISCELLANEOUS ITEMS.

(a) Public Relations.

(1) Attitude Survey. General Hull reported that W. R. Simmons & Associates had completed its survey of public opinion regarding the chemical industry and that copies would be available for distribution to Directors in advance of the next Board meeting. He briefly discussed the preliminary summary reporting public attitudes on various subjects pertaining to the industry.

(2) Activity Report, March - April 1958. Those present were handed copies of a Public Relations Activity Report for March and April. Included were discussions on the Chemical Industry Activity Committees Program and general publicity.

(b) Legislative Report.

(1) Chemicals in Foods. It was reported that action may be taken by the House Interstate and Foreign Commerce Committee during this Session on a compromise bill, provided industry and Government

do not take strong exceptions to such compromise bill. Assuming that the bill which comes out of the House Committee represents a real compromise, the public relations value of prompt comment on, or endorsement of, such bill was pointed out. General Hull stated that, if matters did develop in this manner prior to the June meeting, he would clear any proposed statement with the Executive Committee before issuing a press release or other comment.

(2) S. 11. There is still the possibility that Congress may act on this legislation during the current Session, since efforts are now being made to draft a compromise bill limited to foods, drugs, and automobile parts. It was the opinion of those present that MCA should continue to oppose legislation of this type.

(3) Agricultural Trade Development and Assistance Act. On May 8, Mr. J. T. Towne, Vanadium Corporation of America, appeared on behalf of the Association before the House Committee on Agriculture, with reference to extension of the Agricultural Trade Development and Assistance Act and the barter program authorized by that Act.

(c) International Chemical Employers' Advisory Body. Copies of a communication from the President of this organization, recommending that MCA attend meetings its Labour Relations Committee as a preliminary to future ILO meetings, were forwarded to Directors in advance of the meeting. It was the opinion of those present that the matter should be held in abeyance pending consideration by, and recommendation from, the Industrial Relations Advisory Committee.

(d) Retirement Plan. The Connecticut Mutual Life Insurance Company, carrier of the MCA Retirement Plan Fund, has advised the Trustee concerning certain premium adjustments, constituting benefits resulting from (1) increase in death benefit by premium adjustment, and (2) interest paid from date of death to date of cash settlement. It was the recommendation of the Trustee and staff that such benefits should accrue to the Trust and not to the beneficiary. Following discussion, it was the consensus of those present that the recommendation be affirmed.

(e) Plant Safety. The Secretary briefly described safety and accident trends in the chemical industry from January 1958 to date.

(f) Proposed U. S. Visit by Argentine Chemists. General Hull stated that the U. S. Department of State had requested MCA's cooperation in arranging an itinerary for a visiting group of Argentine chemists. The proposed itinerary is limited to certain states. General Hull plans to write to the Executive Contacts of member firms having operating facilities in those states in order to determine whether such facilities can be included in the over-all itinerary.

(g) Federal Specifications. A brief report was made on a recent activity he Association, endeavoring to obtain agreement between Government and producers on a Specification for Sodium Orthosilicate.

(h) Reagent and Fine Chemicals Nomenclature. The ad hoc committee has virtually completed its work and plans to publish its findings in an MCA manual, patterned after the safety-data-sheet type of format. This should be accomplished within approximately six months, at which time it is expected that the task group will be disbanded.

(i) Precautionary Labeling. A brief report was made on program and attendance in connection with the Association's 1958 Precautionary Labeling Conference, held at Houston on April 30.

There being no further business to come before the meeting, it was unanimously resolved to adjourn.

M. F. Crass, Jr.
Secretary

APPROVED: Ernest Hart
Chairman