

A G E N D A
MEETING OF THE MCA BOARD OF DIRECTORS
11:00 a.m. (EST), Tuesday, December 8, 1964
Union Club, New York City

- I. MINUTES OF NOVEMBER 23, 1964, MEETING.
- II. REPORT OF THE SECRETARY-TREASURER.
Financial Report for the period June 1 - November 30, 1964. (Enclosure)
- III. BOARD OF DIRECTORS.
 - (a) Tax Policy -- Depreciation. (Enclosure)
 - (b) Chem-Card Program. (Enclosures)
 - (c) New Orleans Regional Meeting and Executive Conference --
March 8-10, 1965.
 - (d) Finance Committee -- Report on December 7 Meeting.
- IV. COMMITTEE APPOINTMENTS.
 - (a) Food, Drug, and Cosmetic Chemicals Committee
Ralph G. Troup, J. T. Baker Chemical Company
 - (b) Labels and Precautionary Information Committee
A. W. Sheldon, M&T Chemicals Inc.
- V. STAFF REPORT AND MISCELLANEOUS ITEMS.
- VI. COMMITTEE REPORTS.
 - (a) Nuclear Committee -- Kenneth R. Osborn, Chairman.
 - (b) Water Resources Committee -- Jack T. Garrett, Chairman, and
J. H. Rook, Chairman, Technical Subcommittee.

Next Meeting of the Board of Directors -- Union Club, New York City,
Tuesday, January 12, 1965.

MINUTES of the one hundred forty-third meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, on December 8, 1964, at 11:00 a.m. (EST).

There were present.	Chester M. Brown	Donald D. Pascal
	F. L. Bryant	Joseph E. Rich
	George H. Decker	Wesley H. Sowers
	Harold W. Fisher	Joseph R. Stevens
	J. Robert Fisher	Harold E. Thayer
	Carl A. Gerstacker	O. V. Tracy
	Ralph K. Gottshall	G. L. Weissenburger
	William P. Marsh, Jr.	W. N. Williams
	C. B. McCoy	M. F. Crass, Jr.
	Charles S. Munson	

Alternates:	A. E. Albright (for Hans Stauffer)
	E. E. Fogle (for Kenneth H. Hannan)
	Robert E. Hulse (for William P. Marsh, Jr.)
	W. T. D. Ross (for Robinson Ord)

General Counsel:	Henry H. Fowler
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Present by Invitation:	J. T. Garrett - Monsanto Company
	Harry Krehbiel - Catalin Corporation of America
	Kenneth R. Osborn - Allied Chemical Corporation
	R. C. Plumb - American Cyanamid Company
	James H. Rook - American Cyanamid Company
	Charles A. Suter - Geigy Chemical Corporation
	R. A. Wentz, Jr. - E. I. du Pont de Nemours & Co.

In calling the meeting to order, Chairman Gottshall welcomed the guests and invited them to participate in the discussion.

I. MINUTES OF NOVEMBER 23, 1964, MEETING.

The Minutes of this meeting were duly approved as submitted to the members.

II. REPORT OF THE SECRETARY-TREASURER.

Financial Report, June - November 1964. The financial report for the six months ending November 30, 1964, was summarized by the Secretary-Treasurer.

ON MOTION duly made and seconded, it was

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

III. BOARD OF DIRECTORS.

(a) Tax Policy -- Depreciation. Circulated to the Board by the staff on December 3 was a letter setting out a chronology of events and an explanation of the Association's efforts, through its Tax Policy Committee, in urging a moratorium of at least two years on application of the reserve ratio test, and that the reserve ratio concept be abandoned with guideline lives being made available to taxpayers as a matter of right. R. A. Wentz, Jr., Chairman-elect of the Committee, reported on discussions with Treasury officials since the last Board meeting and presented a resolution for Board consideration which had previously been approved by the Executive Committee. The resolution, which is in addition to Board-endorsed efforts to gain the moratorium, read as follows:

Resolved, That the Reserve Ratio Concept be abandoned and that guideline lives be made available to taxpayers as a matter of right, and

Resolved further that the Tax Policy Committee is hereby directed to recommend to this Board the action necessary to implement this policy.

MCA's primary interest in obtaining the right to use guideline lives without regard to the reserve ratio test is based on three factors:

(1) The existing system will always result in interminable annual controversy since the actual economic lives of a large group of industrial assets can never be determined with any exactitude.

(2) Taxpayers presently can never be certain as to where they stand on depreciation matters since any claimed deduction is subject to the personal judgment of individual Revenue Agents and recourse to the courts is impractical, especially where corporations with considerable assets are involved.

(3) This is a uniquely opportune time to attempt to obtain depreciation revision since a substantial part of any revenue loss resulting from such revision will have taken place during the years 1962-64.

The Tax Policy Committee is not at the present time seeking authorization for any specific course of action. We would like to explore the possibility that a concerted approach by a wide variety of industry groups either to the executive or legislative branch would not only insure a one or two year moratorium on application of the reserve ratio test but would also provide a permanent solution. Before we get involved in any study looking toward a permanent answer to the reserve ratio problem, we need to be sure that the MCA Board has no fundamental objection to complete elimination of the reserve ratio test since we feel that such a test could never be a part of an ideal tax depreciation procedure.

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Discussion indicated a consensus that efforts to obtain a moratorium be continued, preferably in concert with other industry groups, and that Tax Policy Committee efforts to secure abandonment or, if necessary, modifications in the reserve ratio concept and also their proposal to draft a more realistic alternative, be endorsed.

ON MOTION duly made and seconded, it was

VOTED: That the resolution be approved.

b) Chem-Card Program. Sent to Directors in advance of the meeting were copies of a legal memorandum prepared by General Counsel setting forth possible legal implications resulting from the publication and use of chem-cards. Handed to Directors at the meeting were copies of two letters received from member firms, both critical of the program; and copy of a third letter from National Tank Truck Carriers, Inc., strongly endorsing the program.

Following brief discussion, it was the consensus that the matter should be referred back to the task force for additional consideration, with a group report to be made to the Board at the January 12, 1965, meeting.

(c) March 8-10, 1965, Regional Directors Meeting and Executive Conference. The Secretary-Treasurer reported that plans were well under way for the 1965 Spring Regional Directors Meeting and Executive Conference to be held in New Orleans on Monday - Wednesday, March 8-10, 1965. The conference will open on the evening of March 8 with a reception sponsored by the Louisiana Chemical Association. The Directors will meet the next morning in open session with Executive Contacts and LCA Board members present. This will be followed by an executive conference with a program consisting of four or five papers relating to phases of the Association's functional and legislative programs. A short reception will precede a group luncheon at which The Honorable John McKeithen, Governor of Louisiana, will be invited to speak. For those who plan to remain until March 10, a field trip will be arranged to Freeport Sulphur Company's Grande Isle sulphur facility located seven miles off-shore in the Gulf of Mexico. Full details will be forwarded to the Directors sometime in January.

(d) Finance Committee. In view of Dr. Marshall's absence, the Secretary-Treasurer stated that a dinner meeting of the Finance Committee had been held the previous evening. He reviewed briefly the items discussed and reported as follows:

1. Six Months Financial Statement. This was reviewed in detail with content and format endorsed and agreed to. Minor clarifications suggested will be reflected in future monthly reports.

2. Cash Position as of May 31, 1965. Barring unforeseen expenditures of emergency nature, it appears that the over-all budget will be balanced with a possible saving of \$10,000. Income has somewhat exceeded earlier estimates, and it now appears that perhaps \$20,000 additional will be raised. These amounts, when added to the surplus existing as of May 31, 1964, should provide the Association with a six months operating reserve -- a level previously approved by the Board as desirable.

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3. Investment Program. This program, incorporating a savings account and short-term Government bonds and bills, staggered as to due dates, was affirmed.

4. Definition of Chemical Sales. The Committee recommended that the Secretary-Treasurer be authorized to utilize the current definition during the January 1965 circularization of member firms for 1964 chemical sales for dues purposes. It was the Committee's feeling, however, that the present definition is cumbersome and inconsistent in certain respects and that a re-evaluation in depth should be made by a competent and representative committee. This recommendation was taken under advisement by Chairman Gottshall.

Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the report of the Committee be accepted.

IV. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Food, Drug, and Cosmetic Chemicals Committee.
Ralph G. Troup, J. T. Baker Chemical Company
- (b) Labels and Precautionary Information Committee.
A. W. Sheldon, M&T Chemicals Inc.

V. STAFF REPORT.

General Decker presented a brief report of developments in the Association's program of projects and activities since the last meeting. Copy of this report is appended to these Minutes as Exhibit A.

VI. COMMITTEE REPORTS.

(a) Nuclear Committee. Kenneth R. Osborn, Chairman, reported on projects and activities of this Committee. Copy of this report is appended to these Minutes as Exhibit B.

(b) Water Resources Committee. Jack T. Garrett, Chairman, reported on projects and activities of this Committee. James H. Rook, Chairman, Technical Subcommittee, presented a request for increased funding of the research project now under way at Washington University. Copies of the above reports are appended to these Minutes as Exhibits C and D.

During the discussion which ensued following conclusion of the Garrett and Rook reports, Chairman Gottshall stated that the financing request set out in the above report would be taken under consideration by the Executive and Finance Committees during the drafting of the 1965-66 budget.

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

M. F. Crass, Jr.
Secretary-Treasurer

APPROVED: Ralph K. Gottshall
Chairman

Attachments

MCA STAFF REPORT
Delivered by General G. H. Decker
December 8, 1964

Indian Patent Legislation

Following up on the meeting with Assistant Secretary Harriman last month, a group of industry representatives, including one from MCA, met with Ambassador Bowles in Washington on December 3 to explore further steps to avert the proposed restrictive Indian patent legislation. To emphasize the views expressed at the conference, NAM -- as the coordinator of industry efforts -- is providing Ambassador Bowles with a summary of these views for guidance when he returns to India this week. Developments here and in India are being followed closely for indications of any further action which should be taken.

Community Relations

On the CIC front, the New York City group is considering conducting a legislative seminar, similar to those which have been so successful in Delaware and New Jersey, sometime during 1966.

Final organization efforts in Pennsylvania are quite imminent. An organization meeting will be held in Pittsburgh tomorrow and in Philadelphia on December 10.

Press Relations

Coverage by the mass media of our recent Semi-Annual Meeting was about on a par with most of the previous years, although it is too early yet to assess the total trade press treatment. A total of 49 press representatives attended part or all of the meeting.

Publications

Five thousand sets of 12 chemical laboratory safety posters are being printed and should be ready for distribution in early January. Based on Canadian Industries Limited posters distributed only in Canada, those issued by MCA are designed for U. S. schools and colleges. Distribution and sale will be promoted and handled primarily by Chemical Industry Councils and by the American Chemical Society's 170 Sections.

"Chemical Prices, Productivity, Wages, and Profits," the second in our series of economic fact studies authored by Dr. Jules Backman, has been printed. Initial distribution will be made to the Executive Contacts of Member Firms this week. Wider distribution will be made shortly thereafter.

College Chemistry Teacher Awards Program

As of December 1, 65 professors in U. S. and Canadian undergraduate institutions have been recommended as suitable candidates for the 1965 College Chemistry Teacher Awards. These names have been offered by the heads of Chemistry and Chemical Engineering Departments in leading graduate schools.

The next step will be to request the presidents of the professors' undergraduate colleges to submit formal nominations and supporting evidence.

Industrial Relations Symposium

On December 15, in Houston, Texas, a Chemical Industrial Relations Symposium will be held under the joint sponsorship of the Texas Chemical Council and MCA. This, which is the initial symposium effort of MCA in this sensitive field, promises to be highly successful, with a registration of nearly 200. One of the highlights of the day-long series of addresses and discussions will be the luncheon address by Mr. Millard E. Stone, Vice President and Director of Sinclair Oil Corporation, whose subject will be: "Bargaining Developments in 1964 and the Outlook for 1965." A copy of the printed program has been included in your folders.

REPORT TO THE BOARD OF DIRECTORS
OF THE MANUFACTURING CHEMISTS' ASSOCIATION, INC.
BY KENNETH R. OSBORN, CHAIRMAN
NUCLEAR COMMITTEE

DECEMBER 8, 1964

EXHIBIT B

Gentlemen:

The Nuclear Committee was organized in 1955 as the Atomic Energy Committee following passage of the 1954 Nuclear Energy Act, which permitted industry to engage in the use and manufacture of nuclear materials with ownership of fissionable material remaining in the hands of AEC and use of such materials being made permissible under lease arrangements. The Atomic Energy Committee was re-constituted in 1958 as the Nuclear Committee. The function of the Nuclear Committee is:

"To advise the Board of Directors on problems of general interest to the chemical industry on all phases of nuclear energy and its application; to secure proper consideration of interests and problems of Association members by the Atomic Energy Commission in the administration of the Nuclear Energy Act, and by the Joint Committee on Atomic Energy and other regulatory bodies on legislation; to assemble and disseminate technical information on nuclear energy of general interest to the members; and to cooperate with other committees and act in liaison with other organizations on technical matters relating to nuclear energy."

The chemical industry has been deeply involved in nuclear energy activities since the mid 40's as a producer of raw materials and supplies sold to the AEC and as an operator of the Commission's production plants. The AEC continues, through its contractors, to represent the major market for those organizations now engaged in commercial activities.

The Nuclear Committee represents primarily the interests of chemical producers who handle the commercial end of the business rather than Commission operating contracts.

Practically, the Nuclear Committee has been engaged in attempts to persuade AEC to perform less work "in-house" and to encourage the growth of a viable private nuclear industry. With the scheduling of the AEC production cut-backs announced just a year ago, problems involved in getting the Commission out of the business and getting industry into the business have become increasingly difficult. The Commission is anxious, and has encouraged, its contractors to find other activities, including those outside of the nuclear field, in which to engage its production plants for the purpose of maintaining employment at the communities in which it operates.

With the passage by the Congress in August of this year of legislation permitting the private ownership of special nuclear

materials, essentially effective in 1969, and with permits granted and construction underway on several large nuclear electric generating stations on both the East and West Coasts, the private nuclear industry can today look forward to a period five years or so from now when it may be free to enjoy, on a competitive basis, significant business from the utility industry and its suppliers who have found a practical use for nuclear energy on a truly competitive economic basis. For the next several years, however, the relatively infantile nuclear industry will be forced to struggle along as best it can.

The Nuclear Committee works closely with, and maintains close liaison with, the Division of Industrial Participation of the U. S. Atomic Energy Commission. Mr. Tremmel, Division Director, and members of his staff attend a portion of each meeting. In addition, members of the Commission, the Commission's General Manager and the Commission staff, meet frequently with the Committee. At these meetings, in addition to the usual questions concerning industry-government relationship, proposed new legislation and Commission regulations are discussed.

In 1961, at the request of the Commission, MCA provided members for an Advisory Committee to consider the possibility of industrial participation in a Fission Product Isolation Program. This ad hoc committee, after several meetings with Commission representatives, and representatives of other government agencies in Washington and Germantown, Md., as well as visits to Hanford, Savannah River and Oak Ridge, submitted a report in May, 1962. Recommendations contained in this report were adopted by the Commission and the Commission is now considering three proposals made by industry for furnishing and operating fission product purification and encapsulation facilities at Hanford Works.

Within the past several weeks, the Commission has requested that MCA nominate members for a committee to study and evaluate its polymer research and development activities at the Brookhaven National Laboratory where the polymerization of ethylene utilizing an ionizing radiation source rather than a chemical catalyst is being investigated. The MCA Plastics and Nuclear Committees are now planning to recommend interested member representation for an AEC advisory group. The MCA Nuclear Committee is represented on the American Standards Association's Nuclear Standards Board, MCA has sixteen representatives on American Standards Association Sectional Committees and Subcommittees.

The MCA Nuclear Committee, I believe, serves MCA to best advantage in presenting the interests of its members to the Atomic Energy Commission and its staff. The Commission, in turn, looks to the Nuclear Committee as its industrial sounding board.

The Nuclear Committee disseminates information and news affecting MCA members interested in nuclear activities in the general bulletin and by special reports.

In summary, we believe that the Nuclear Committee is effective in serving the Association. The largest government controlled industrial monopoly in all history is slowly being broken up through an attrition process. The production and testing of nuclear weapons together with the separation of uranium isotopes, however, remain classified under AEC security regulations and in these areas industrial participation is not permissible.

K. R. Osborn
December 7, 1964

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REPORT TO THE BOARD OF DIRECTORS
OF THE MANUFACTURING CHEMISTS' ASSOCIATION, INC.
BY JACK T. GARRETT, CHAIRMAN
WATER RESOURCES COMMITTEE
DECEMBER 8, 1964

I am particularly happy, as chairman of this committee, for this opportunity to report to you about the performance of your advisory committee and its members. It is rare, indeed, for a committee chairman to report to the Board of Directors at the beginning of his term of office, as I did on October 8, 1963, and near the end. I can say without reserve that the committee has worked hard and accomplished much during this period of time.

Since the committee work is performed by subcommittees, I would like to report our accomplishments and our problems in the same fashion.

First of all, the Technical Subcommittee handles subjects of a technical nature for the parent committee. It is chaired by Mr. James H. Rook of the American Cyanamid Company. With your indulgence, I would like for Mr. Rook to speak briefly a bit later. This subcommittee has been supervising the research projects sponsored by the MCA in this field. As most of you know, The Franklin Institute Project has been terminated and the final report is being written. This project ran for five years and cost the MCA \$126,000. This was a very fruitful endeavor on the part of our industry and we have received a great deal of credit for our courage in sponsoring a project on taste and odor in water. The project produced twelve (12) technical papers and established new standards for taste and odor measurements in water. The U.S. Public Health Service has stipulated these standards for the odor laboratories in their new regional research facilities.

At your regular meeting in June of this year, you approved the financing for a new project to be carried out at Washington University in St. Louis under the direction of Dr. D. W. Ryckman. This project is, at present, funded to the extent of \$30,000 for the first year. The project is on the

timely subject of "Behavior of Organic Chemicals in the Aquatic Environment." Dr. Ryckman has outlined the phases through which this research will progress:

1. Phase I - A literature search to assemble and analyze existing chemical information on the subject.
2. Phase II - A laboratory program to establish the kinetics and products resulting from behavior actions of organic chemicals, plus primary classification of the ability of bio-organisms to exist along with synthetic organic chemicals.
3. Phase III - A field study to verify the laboratory program.

The Technical Subcommittee, in addition to supervising these research projects, also writes the waste disposal sections of all the new Safety Data Sheets as well as participates actively in the Chem-Card Program. This subcommittee has written the water pollution manual chapters and is presently actively engaged in writing two new chapters and updating the old. Mr. Rook, the subcommittee chairman, is, in addition to his other duties, the Water Resources Committee's representative on the MCA Environmental Health Advisory Committee.

The Information Subcommittee is now chaired by Mr. Nelson Ehlers of Pittsburgh Plate Glass Company. The former chairman of this subcommittee was Mr. O. C. Thompson of Union Carbide. Mr. Thompson retired in November of this year. The committee and the industry will miss Mr. Thompson's energy and leadership. It is this subcommittee that gathers and dispenses information about water resources to the parent committee, the MCA staff and the industry itself. This subcommittee cooperates with the staff public relations department and with the MCA Public Relations Committee. The latter committee, in fact, has an assigned liaison member attend the Water Resources Committee meetings. I would like to take this opportunity to thank Mr. Cleveland Lane of Goodrich-Gulf for his advice and guidance while he was assigned to our committee. Mr. Ashworth Burslem

of Hercules is our new liaison representative from the MCA Public Relations Committee.

The Information Subcommittee also supervises the Water pollution Abatement Workshop Program. Since my last report to the Board of Directors, there have been highly successful workshops held in Houston, Texas and Detroit, Michigan. In both cases, full cooperation was received from the local Chemical Industry Councils. There are two proposed workshops presently being studied by the subcommittee. Here again, the subcommittee will make every effort to support and expand the important Chemical Industry Council concept.

The Information Subcommittee chairman, Mr. Ehlers, and the Legislation Subcommittee chairman, Mr. William Conner of Dupont, testified for the industry at a review hearing before the Advisory Council on Federal Reports of the Bureau of the Budget. These two able gentlemen subsequently submitted to the Bureau of the Budget written comments in connection with an Industrial Wastes Questionnaire which had been widely circulated by the Public Health Service on a so-called "trial basis." It was felt that the chemical industry would be doing itself a disservice to accept this form without first trying to have any needed information obtained by the federal authorities through the state authorities. If a questionnaire seems necessary, then certain changes are essential in the Public Health Service form as originally written. This problem will be closely followed in the future.

The Legislation Subcommittee, which is chaired by Mr. Conner (as noted previously), is responsible to the parent committee for analysis of important local, state, interstate, and federal legislation. It is this subcommittee, with the help of the MCA staff, that writes and presents the chemical industry's views on water resource legislation. These responsibilities include reporting to legislative investigative groups about the chemical industry's activities in this area of interest. During the past fourteen months, this subcommittee has aided in getting proper industry participation in four Jones Subcommittee (Natural Resources and Power Subcommittee of the House Government Operations Committee) hearings held at Seattle, Washington; Austin, Texas; Muscle Shoals, Alabama and Kansas City, Missouri.

My very capable vice-chairman, Mr. Al vonFrank of Allied Chemical, accompanied by Mr. Conner, testified before the House Public Works Committee on S. 649, the so-called "Muskie Bill" (after Senator Edmund Muskie of Maine). This testimony, along with that from the states and from other industrial and professional groups, led to the failure of this legislation which died in the House Rules Committee upon Congressional adjournment.

Already there are strong indications that pressure for a more aggressive federal program will mount again in the next Congress, and that President Johnson may accord it high priority. If events bear this out, we may once again need your assistance to emphasize the industry position with the member companies and with legislators, and will be grateful if your response is as forceful and as effective as it was in 1964.

At this point, I would like to point out the invaluable help the committee received from members of the MCA staff in the battle over S. 649. This is particularly true of our committee secretary, Mr. George E. Best, and Mr. James R. Carnes, Director of Governmental Relations.

This subcommittee studied many other bills that were being considered during the Second Session of the 88th Congress. S. 1111, the Water Resources Planning Act; S. 2792, the Federal Pesticide Control Act of 1964 (known as the Ribicoff Bill); H.R. 10807, the Solid Waste Disposal Act, all died with adjournment. The Water Resources Research Act (S. 2) passed and became Public Law 88-379. The committee opposed some of the provisions of S. 2 and was able to get some changes. However, the Law retains some poor features in the form in which it was passed.

The Water Resources Committee maintains active liaison with a number of professional, industrial and governmental organizations. The liaison activities are supervised by the vice-chairman, Mr. vonFrank. It is through this important activity of liaison that the parent committee receives a great deal of the information needed to make it the effective tool that we, on the committee, feel it has become.

So far this has been a report of past progress. Looking to the future, I would now like to plead for your favorable recognition of two items involving next year's budget. The first is a request from the National Technical Task Committee on Industrial Wastes (NTTCIW) -- a joint industry-government activity -- for \$1000 as a contribution from the chemical industry toward the publication of a sequel to "Clean Water," a 25-page illustrated report on industrial achievement in waste disposal published in August 1961. I strongly believe that it behooves the chemical industry to do its proper share with other segments of industry in this effort. I have been assured this will be included among the budget requests to be submitted to you by the Association staff.

The second item, relating to the research project at Washington University, will be presented by Mr. James H. Rook, chairman of the Technical Subcommittee. Mr. Rook

REPORT TO THE BOARD OF DIRECTORS
OF THE MANUFACTURING CHEMISTS' ASSOCIATION, INC.
BY JAMES H. ROOK, CHAIRMAN
TECHNICAL SUBCOMMITTEE
WATER RESOURCES COMMITTEE
DECEMBER 8, 1964

In November 1963, Mr. vonFrank and I requested approval for funds to establish a new research project to study the decomposition and/or removal of synthetic organic chemicals in water. This approval was granted, and the study -- Behavior of Organic Chemicals in the Aquatic Environment -- has been under way at Washington University (St. Louis) for approximately five months. I am pleased to report that during this period excellent progress has been made on this undertaking.

Because of the somewhat lightened teaching load during the summer months, members of the staff at the University who are working on the project were able to make excellent progress on the literature search covering the published information that relates to the material pertinent to this study. Dr. Ryckman, who is directing the work, has informed us that they have prepared a draft of a report covering information contained in over 250 published papers. This is not to be construed as the total effort of Phase I of the study, as it is their intention to continue this search and to maintain a close watch on current literature for information. However, it does represent the hard core of the effort of the first phase of the study. Some of this published information is conflicting and much of it is incomplete in the light of the total that is needed.

Work on Phase II, that is, the laboratory studies, has been started. This will involve clarifying reported conflicting data, expanding that which is incomplete and adding needed information that does not currently exist.

Those persons directing the work are most anxious to explore other than the usual criteria such as oxygen demand for evaluating the degradation of synthetic organic chemicals in water.

Following our last Water Resources Committee meeting, which was held in St. Louis, many of the committee members visited

the laboratories at Washington University to meet those who are working on the project and to see first hand the excellent facilities available. I am sure that they were impressed as I have been by the high caliber of the personnel engaged and by the well-equipped laboratories.

Expenditures for this study have to date been almost wholly for personnel salaries and related items with essentially no money for equipment. It is expected that this same general pattern will continue during the immediate future.

Members of the MCA public relations staff tell us, from their study and analyses of newspaper and other press accounts relating to the chemical industry, that water pollution is the outstanding problem of concern to the public today. Mr. Leland Doan of The Dow Chemical Company, in his recent address before the American Section of the Society of Chemical Industry, spoke of the challenge that lies in the management of water. These and others have emphasized the need for greater knowledge relating to chemicals in water. Members of our committee have often stated that information such as that which can be expected from this study at Washington University was needed two years ago and will be needed to an even greater degree in the future. It is my opinion that the chemical industry must provide this information on the products that it produces.

The Water Resources Committee at its last meeting voted unanimously to urge that the funding of this study at Washington University be increased from the current \$30,000 per year to \$45,000 for the coming fiscal year, beginning July 1, 1965. This increased support is not intended as a precedent for subsequent funding, or as an increase in the overall scope of the project.

This will substantially speed up Phase II of the work and permit much of what was projected to be done during the third year to be done during the second year. It is expected that by increasing the funding to this extent, those persons engaged in the laboratory work can devote the needed time and thus expedite the development of the needed information.

Gentlemen, I urge your support of this proposal.

Thank you.