

MINUTES OF MCA EXECUTIVE COMMITTEE

Links Club, New York City
Tuesday, September 13, 1966

Mr. Logan called the meeting to order at 8:30 A.M. (EDT).

There were present: H. H. Cudd J. E. Rich
 D. H. Dawson Kenneth Rush
 H. W. Fisher H. A. Thouron
 W. P. Marsh, Jr. H. B. Warner
 J. O. Logan M. F. Crass, Jr.

General Counsel: Lloyd Symington

Present by Invitation: Charles S. Munson
 Robert B. Semple
 J. H. Sterner

1. Report of the Secretary-Treasurer. Mr. Crass reported that financing for the new fiscal year was assured. All members have paid their fees and approximately \$2,000 more than originally anticipated has been collected. Since the June 8, 1966 meeting, four resignations have been received, as follows: S. C. Johnson & Sons, Republic Steel Corporation, Rumford Chemical Works and Standard Chemical Limited. Five consolidations removed the following additional members from the roster: Argus Chemical Corporation; Richfield Oil Corporation and the Atlantic Refining Company (merged into Arco, a new MCA member); Metalsalts Corporation, Nixon-Baldwin Chemicals, Inc. and Rubber Corporation of America. Present membership now totals 204 firms.

The Association spent during the first three months of operations the sum of \$264,000, as against a pro rated budget of \$366,000. There has been very little project or contingency expense so far, but as the year progresses, expenditures and budget are expected to come more nearly into balance. The short-term investment program, consisting primarily of Treasury bills has been concluded, with interest rates approximating 5%.

2. St. Louis Regional Directors' Meeting, October 10-11. In a letter dated August 17, Directors were advised of the 1966 fall regional meeting in St. Louis on October 10-11. Mr. Crass briefly outlined the program which had been arranged by the local Arrangements Committee, consisting of H. E. Thayer, John L. Gillis and Richard A. Young.

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Warner
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3. 16th Semi-Annual Meeting, November 22, 1966. In Mr. Wood's absence the Secretary-Treasurer reported that the Program Committee had finalized arrangements and program for the 16th Semi-Annual Meeting. He described the panel program briefly and stated that the luncheon speaker would be the Honorable John V. Lindsay, Mayor of New York City and the banquet speaker, General Maxwell D. Taylor, former Chairman of the Joint Chiefs of Staff and Ambassador to Viet Nam.

4. Government Relations Study Subcommittee. Mr. Logan reported appointment of the subcommittee to study ways of improving the effectiveness of the Association's congressional relations. This consists of Messrs. Rich, Chairman; Fisher; Semple; Swain and Thayer. While there is still no timetable set, Mr. Rich stated that his group expects to begin its study promptly, and hopes to have something to report by mid-year. The matter was discussed generally by those present. The Secretary was requested to redistribute copies of the January 1, 1963 report of the Policy Study Committee to members of the Executive Committee.

5. Board Study Committee on Product Category Activities. Mr. Rush reviewed prior Board action in setting up this committee and stated that its members would consist of Messrs. Warner, Chairman; Dawson and Thouron. Mr. Warner reported that the group had held one informal meeting to date and had come to a tentative agreement on the following points:

- (a) Groups not directly related to the chemical industry should not be admitted to Association membership.
- (b) Ad hoc committees, when appointed, should have limited tenure for a definite period of time.
- (c) The present plastics activity relates to a multi-product, broad section of the chemical industry and should be continued within the Association essentially as it now is.

The recommendations of the ad hoc Ammonium Nitrate Technical Committee for its integration within the Safety and Fire Protection Committee as the Agricultural Nitrogen Products Subcommittee were then discussed, with agreement reached that the Ammonium Nitrate Committee should continue essentially as is until May 1, 1967, unless the Study Committee reports to the Board at an earlier date and the Board acts.

With respect to the ad hoc Reactive Metals Advisory Committee, no recommendations have as yet been presented by that committee for the integration of its activities into the regular committee structure. Mr. Warner stated that his committee planned to meet with representatives of both ad hoc committees as soon as practicable.

Not 
Produced
until
July 1, 1966

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6. Request of Mr. Crass for Early Retirement. Mr. Rush stated that Mr. Crass had agreed to remain with the Association until June 1967. He will report this to the Board of Directors at its meeting later in the day, since action by the Board will be necessary under Section 4 of the MCA Pension Trust Agreement.

7. Adequacy of Technology for Pollution Abatement. Mr. Logan discussed his appearance before the Subcommittee on Science, Research and Development (House Committee on Science and Astronautics) on August 11 relating to the adequacy of technology for pollution abatement, together with the critical review of his testimony which appeared shortly thereafter in a chemical trade journal. He also discussed his subsequent conference with Assistant Secretary of the Treasury Surrey, which dealt with industry's problems in financing installation of pollution abatement equipment.

During the ensuing discussion, it was the sense of the Executive Committee that the 1962 pollution equipment cost survey should be updated promptly in order to provide the chemical industry with more meaningful data in relation to current operations. The appropriate committees and staff were requested to prepare a questionnaire-draft promptly and to submit it to the Executive Committee for review.

8. Potential Health Hazard of polyvinyl chloride. Mr. Warner reported on a possible health hazard in the manufacture of polyvinyl chloride which he felt would be of interest to other producers of this product. Following discussion, authorization was given to the Medical Advisory Committee to arrange a conference of interested producers to consider the matter and to discuss a possible course of action if such is considered necessary. It was agreed that a report should be made to the Executive Committee prior to any decision concerning program.

9. Environmental Health Program. Sent to members in advance of the meeting were a series of project, manpower and budget proposals recommended by the Environmental Health Advisory Committee for implementation during fiscal 1966-67. These were discussed by Dr. J. H. Sterner, Chairman of the Committee. Specific items are as follows:

- (a) Amendment of EHAC terms of reference to provide that the five members-at-large be appointed for three-year terms.
- (b) That a Committee On Occupational Health be established, to be composed, initially, of the present members of the Medical Advisory Committee (which would be disbanded) plus an approximately equal number of persons representing the disciplines of industrial hygiene, toxicology and biostatistics.

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- (c) That an Intercommittee Task Group on Transportation Hazards Information be organized to implement the recommendation of EHAC to the Safety and Fire Protection Committee to study expansion of hazard information programs, exemplified by Chem-Card and Water Information Cards in the interest of the industry's employees, its customers and the public at large.
- (d) Budget and program recommendations. Broken down as to estimated cost were items relating to professional staff, and projects, coming under the jurisdiction of the Air Quality, Medical Advisory, Public Relations and Water Resources Committees. Although the estimated cost of the program as submitted totals \$190,500, Dr. Sterner pointed out that actual expenditures were unlikely to exceed the \$178,000 provided in the approved budget.

Following discussion, it was agreed to recommend all of the above items to the Board of Directors for favorable action with the exception of the \$65,500 public information program. It was the feeling of the Executive Committee in this case that because of its substantial cost in relation to the overall program, no PR expense should be incurred until the detailed outline of program and procedure be submitted to the Executive Committee and approved by that body.

10. Suspension of the 7% Tax Credit. At a press conference on September 8, President Johnson announced he had sent a message to Congress asking suspension of the 7% investment tax credit for the 16-month period from September 1, 1966 to January 1, 1968 for the purpose of reducing inflationary pressures. In addition, the President asked for suspension, for the same period, of Internal Revenue Code provisions permitting accelerated depreciation of real property, including commercial and industrial buildings. Chairman Mills of the House Ways and Means Committee introduced H. R. 17607 to carry out the President's proposals and announced that hearings would begin on September 12, with public witnesses to be heard beginning September 14.

Supplementing other actions already taken by the Association in opposing such suspension, it was the consensus that an MCA witness should appear before the Ways and Means Committee. Carl A. Gerstacker has agreed to be the Association's witness. In addition to opposing suspension of the investment credit, Mr. Gerstacker will urge that consideration be given to increases in corporate and individual income tax rates coupled with a reduction in government expenditures, as possible alternatives.

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

M. F. Crass, Jr.
Secretary-Treasurer