

Manufacturing Chemists' Association, Inc.

(FOUNDED 1872)

1825 Connecticut Avenue, N. W.

WASHINGTON 9, D. C.

MINUTES OF MEETING

LEGAL ADVISORY COMMITTEE

CHEMISTS' CLUB, NEW YORK CITY

FEBRUARY 11, 1963

Present

Lloyd Symington, Chairman
Lawrence S. Apsey
John M. Gaston, Jr.
Otto Kinzel
John G. Kuniholm
Richard S. Kyle
Frederick B. Lee
Iver MacDougall
Richard E. Manning
John A. Wilson
James R. Carnes

Fowler, Leva, Hawes & Symington
Celanese Corporation of America
Allied Chemical Corporation
Union Carbide Corporation
Hercules Powder Company, Inc.
American Cyanamid Company
Olin Mathieson Chemical Corporation
Stauffer Chemical Company
E. I. du Pont de Nemours & Co., Inc.
Diamond Alkali Company
Manufacturing Chemists' Assn., Inc.

The meeting convened at 3:10 p.m.

Results of Committee's 1962 Recommendations for Increased Legislative Emphasis

Mr. Symington made a brief statement concerning developments responsive to the Committee's recommendation at its January 1962 meeting that MCA undertake a broader and more intensive legislative effort. Mr. Carnes then summarized the changes in staff organization and procedures already made toward this end.

Review of Legislation Introduced or Anticipated in 88th Congress

The Committee next proceeded to review pending and anticipated legislation in the antitrust and trade regulation fields for the purpose of recommending MCA action in accordance with the following priorities:

- (1) Legislation on which MCA should, as a matter of first priority, develop and present its position during any congressional hearings held.
- (2) Legislation on which MCA may wish to consider taking a position later, but which should only be watched for the present.

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- (3) Legislation of no present interest to MCA, or upon which an MCA position is not considered necessary or appropriate.

(1) First Priority Legislation

- (a) H.R. 11 To amend the good-faith-meeting-of-competition
S. 11 proviso in the Robinson-Patman Act.

It was recommended that, as in previous years, MCA oppose this legislation if it becomes active and that Committee members try to find specific examples within the experience of their companies which could be included as supporting material in the MCA statement. The Committee also felt that any witness should come from a member company, and members will consider whom they would recommend to be the MCA witness.

- (b) H.R. 594 To amend the Federal Trade Commission Act
H.R. 1105 to provide for the issuance of temporary
cease and desist orders.

A strong statement against this proposal was prepared by General Counsel and filed last year. The Committee believed that this bill should be very actively opposed by MCA and recommended that the Association testify against it through its General Counsel.

- (c) H.R.2170 To provide for mandatory functional discounts under certain circumstances.

It was recommended that MCA oppose this measure.

- (d) Possible re-introduction of patent provisions of 1962 Drug Bill not passed by Congress.

It was recommended that MCA oppose, if re-introduced.

(2) Second Priority (Possible MCA Interest)

- (a) S. 387 To amend the Clayton Act to prohibit restraints
H.R.2382 of trade carried into effect through the use
H.R.2490 of unfair and deceptive methods of packaging

or labeling certain consumer commodities distributed in commerce ("truth-in-packaging").

- (b) H.R. 700 To provide for the advance publication of consent decrees
- (c) H.R. 709 To prevent manufacturers from engaging in the business of financing the sales of their products.

The Committee suggested that the MCA staff try to ascertain the purpose of this legislation before any hearings start, it being thought that, with minor language changes to prevent too broad an application (for example, to arrangements for sales on consignments) which might be obtained by informal conferences with congressional committee staffs, MCA would probably have no particular interest in this legislation.

- (d) H.R. 800 To amend the Federal Trade Commission Act
H.R.2697 to bar sales at unreasonably low prices and geographical price cuts, and for other purposes.
- (e) H.R.1051 To amend the Sherman Act by increasing the penalties for the violation thereof.
- (f) H.R.2917 To provide additional punishment for corporate officers violating the antitrust laws, and to provide that such officers may be barred for not more than one year from serving in such corporate capacity.
- (g) H.R. 913 To amend the Clayton Act so as to supplement existing laws against unlawful restraints and monopolies by providing that violations of the Robinson-Patman Act shall constitute violations of the antitrust laws (to permit treble damage suits under Section 3 of that Act).

(h) Advance notification of mergers (if and when introduced).

(3) Legislation of No Present Interest to MCA

- (a) H.R. 457 To amend the Federal Trade Commission Act,
H.R.2564 to promote quality and price stabilization ("fair trade").

- (b) H.R. 546 To amend the Clayton Act to declare private
H.R. 912 antitrust suits to be impressed with a substantial public interest.
- (c) H.R. 551 To amend Section 4B of the Clayton Act
(statute of limitations).

FTC Intercompany Relations Survey

A brief summary of information pertaining to the proposed FTC questionnaire on intercompany relations followed for the purpose of bringing members of the Committee up-to-date.

FTC Compliance Order (TSP)

There followed a brief discussion of the revised draft of MCA's Compliance Report (and covering letter to FTC) as required by the recent FTC order entered in the TSP matter and circulated to Committee members with the agenda for this meeting.

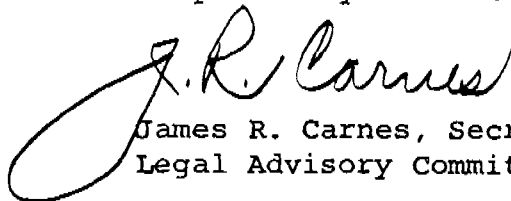
Frequency of Meetings

A brief discussion as to the most desirable frequency and place of meetings resulted in general consensus that there appeared to be no reason to meet more than once per year, in January or February coincident with the convening of Congress, preferably in New York. At other times, business of the Committee, it was felt, could usually be handled by telephone or correspondence and circulation of any proposed drafts of papers.

Adjournment

The Committee, having completed consideration of the items on its agenda, adjourned at 4:45 p.m.

Respectfully submitted,



James R. Carnes, Secretary
Legal Advisory Committee

JRC:akv

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