MINUTES of the seventieth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at The Union Club, New York City, on May 14, 1957, at 11:00 a.m. (EDT).

There were present:

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| Messrs. | Leland I. Doan | Harry B. McClure |
| | William P. Drake | R. C. McCurdy |
| | C. B. Edwards | John E. McKeen |
| | Fred J. Emmerich | Robert B. Semple |
| | Joseph Fistere | Kenneth C. Towe |
| | Fred C. Foy | O. V. Tracy |
| | D. S. Frederick | William H. Ward |
| | John L. Gillis | Robert I. Wishnick |
| | Ernest Hart | M. F. Crass, Jr. |

Alternates:
W. M. Billing (for A. E. Forster)
Edward J. Goett (for R. K. Gottshall)
R. W. Hooker (for R. L. Murray)
Charles S. Munson (for John A. Hill)

Present by Invitation:
Lee V. Dauler - Neville Chemical Company
Cleveland Lane - MCA
Marx Leva - Fowler, Leva, Hawes & Symington
George R. Vila - United States Rubber Company
Rothe Weigel - Victor Chemical Works

In calling the meeting to order at 11:00 a.m., Chairman Gillis welcomed the alternates and guests and invited them to participate actively in the discussion.

I. MINUTES OF MEETING.

The Minutes of the April 11, 1957, meeting were duly approved as submitted to the members.

II. REPORT OF THE EXECUTIVE COMMITTEE.

Mr. Towe presented a report on discussions which took place at an earlier meeting of the Executive Committee. These items, including approval of vouchers, proposed amendment of the By-Laws, educational activity, Chemical Progress Week, financing, staff pension plan, and proposed ferroalloy activity, will be taken up in their respective places on the Board agenda.

III. TREASURER'S REPORT.

(a) Financial Report, June 1956 - April 1957. The financial report for the 11 months ending April 30, 1957, was reviewed, and

ON MOTION duly made and seconded, it was

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

(b) Independent Audit. The Treasurer was authorized, in behalf of the Association, to retain the services of Bond, Kefauver & Beebe, Certified Public Accountants, to conduct an independent audit of the Association's books as of the close of business on May 31, 1957.

(c) Approval of Vouchers. Under current practice the Treasurer approves vouchers for payments not exceeding $250, the President approves those not exceeding $2,500, and those in excess of the latter amount are referred to the Chairman of the Board for approval. The Treasurer was authorized to approve vouchers not exceeding $2,500 in amount during the period April 17 - June 1, 1957 (General Hull will be in Europe during this period).

IV. BOARD OF DIRECTORS.

(a) Program Committee -- 85th Annual Meeting. Chairman McKeen briefly reviewed the finalized program for the three-day period. It was agreed that the Annual Business Meeting should be scheduled for 9:30 a.m. (EST) on the morning of June 6 in order to provide for a brief educational program report and to assure adjournment not later than 12:00 noon.

The Directors' meeting on the evening of Wednesday, June 5, will begin with cocktails and dinner at 6:30 p.m. This will be preceded by a meeting of the Executive Committee at 5:30 p.m.

With reference to registration, the Secretary reported that available space had been completely exhausted. One hundred and forty member firms out of 158 are sending 760 registrants (including staff). This represents a slight overbooking, although cancellations are expected to assure space for all who are present.

(b) Membership Committee. It was reported that an application had been received from Richfield Oil Corporation and that, in the opinion of the Membership Committee, the applicant is qualified for membership under the Association's By-Laws.

ON MOTION duly made and seconded, it was

VOTED: That the application be approved subject to the 30-day notification to members provided under Article III, Section 4, of the By-Laws.

(c) Annual Report. A draft of the Annual Report for the year ending May 31, 1957, was transmitted to Directors on April 29, and minor comments have been received from approximately one-third of the Board. Although the report is now being set up in type, the Secretary stated that further changes could be made if submitted promptly. Printed copies will be available for Directors at the Annual Meeting and will be sent that day to the entire membership.

(d) Nominating Committee. In the absence of Chairman Forster, Mr. McCurdy presented the following slate of Officers and Directors, which was approved by those present for submittal to the membership for action at the Annual Business Meeting:

Chairman of the Board -- Ernest Hart, President, Food Machinery and Chemical Corporation

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

President -- John E. Hull

Vice Presidents -- R. L. Murray, Chairman of the Board, Hooker Electrochemical Company
D. S. Frederick, Vice President, Rohm & Haas Company

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

Directors

(Term Expires May 31, 1958 -- to fill the unexpired term of John E. Caskey)
S. B. Penick, Jr., The New York Quinine and Chemical Works, Inc. (President, S. B. Penick & Company)

(Term Expires May 31, 1960)
Peter Colefax, President, American Potash & Chemical Corporation
John T. Connor, President, Merck & Co., Inc.
David H. Dawson, Vice President, E. I. du Pont de Nemours & Co., Inc.
John E. Hull, President, Manufacturing Chemists' Association, Inc.
Thomas S. Nichols, Chairman of the Board, Olin Mathieson Chemical Corporation
Mark E. Putnam, Executive Vice President, The Dow Chemical Company
Charles Allen Thomas, President, Monsanto Chemical Company
R. W. Thomas, Vice President, Phillips Petroleum Company
George R. Vila, Vice President, United States Rubber Company

It was agreed that, subject to affirmative action by the membership, three additional Directors would be added to the foregoing list -- one for a one-year term, one for a two-year term, and one for a three-year term -- in accordance with an amendment to the By-Laws to be proposed at the Annual Business Meeting (see item below).

(e) Amendment of the By-Laws. On recommendation of the Executive Committee, it was

ON MOTION duly made and seconded,

VOTED: That, subject to affirmative action by the membership, Section 1 of Article V of the By-Laws be amended to increase the Board of Directors from 27 to 30 members.

In making its recommendation, the Executive Committee pointed out the substantial increase in membership over the past several years and the desirability of maintaining adequate member representation on the Board. This proposal will be circularized to member firms in advance of the Annual Meeting.

(f) Finance Committee. Chairman Hart reported that a meeting of the Finance Committee had been held the previous evening to finalize consideration of (1) financing for 1957-58, and (2) an amendment of the staff retirement plan. He then presented the following recommendations, which carried the approval and endorsement of the Executive Committee:

(1) Financing for fiscal 1957-58. At its March 12, 1957, meeting the Directors affirmed Committee recommendations that individual fees for the new year be maintained generally at current levels in keeping with existing classifications of chemical sales and that the Treasurer obtain confidential sales data for calendar 1956 in order to bring such classifications up to date in accordance with Section 2, Article IV, of the By-Laws. Evaluation of data received and reconciliation of such data with the proposed budget has resulted in the following proposals:

a. That the classifications of existing fees under $25 million annual sales be maintained without change. Transfers from one classification to a higher classification will be billed on the basis of one-half the difference in basic fees. Thus, a firm transferred from the $350 to the $700 bracket would be billed for $525.

b. That classifications of percentage fee factors of chemical sales exceeding $25 million be reduced by two points, excepting that the reduction be limited to one point for sales exceeding $400 million. Where such reductions would result in fees lower than those currently paid, it is proposed that present fees be maintained. Thus, a firm in the $25 - $50 million bracket would pay on the basis of a .011 percent factor rather than on the basis of the present .013 percent factor, providing the resulting amount would not be lower than its current fee.

Chairman Hart stated that it was the feeling of the Finance Committee that the foregoing would finance the new budget almost to the dollar (taking into account the President's salary adjustment and the cost of the revised pension plan, described elsewhere in these Minutes), maintain the principle of the current fee system, and equalize fee adjustments as equitably and over as broad a base as possible.

ON MOTION duly made and seconded, it was

VOTED: That the Finance Committee's recommendations with respect to financing for fiscal 1957-58 be approved.

(2) Amendment of the staff retirement plan. Over a year ago, the Finance Committee began consideration of changes in the retirement plan to bring benefits more nearly into line with Civil Service and member company plans. A detailed study was conducted with the guidance of a consulting actuary, and a plan meeting the approval of both the Finance Committee and the Executive Committee was formulated. Mr. Hart then discussed details of the proposal, pointing out that under the current MCA plan coverage the additional cost entailed would be approximately $4,500 and that this would increase to $9,000 during the next fiscal year, at which time ten additional employees will become eligible for coverage. Copies of the plan were made available to those Directors who requested them.

ON MOTION duly made and seconded, it was

VOTED: That the proposal be approved and that steps be taken to appropriately amend the staff retirement plan with an immediate effective date.

(g) Extension of President's Service. Those present approved a recommendation of the Executive Committee that General Hull be reappointed as President for a one-year term beginning June 1, 1957, with a comparable extension in the services to be rendered by General Hull after his tour of duty as President, at a revised rate of salary. General Counsel will prepare terms of agreement in accordance with arrangements to be made.

## V. COMMITTEE APPOINTMENTS.

The Board of Directors approved the following Committee appointments:

(a) Atomic Energy Committee.
Geoffrey I. Gleason, Abbott Laboratories, replacing Robert D. Coghill.

(b) Industrial Relations Advisory Committee.
J. W. Dees, Stauffer Chemical Company.

(c) Public Relations Advisory Committee.
Harry L. Jackson, The Lubrizol Corporation.
Harry Tomlinson, W. R. Grace & Co.

(d) Tank Car Committee.
William F. Rash, Hercules Powder Company, Inc.

## VI. STAFF REPORT AND MISCELLANEOUS ITEMS.

(a) Public Relations. Chairman Semple and Mr. Lane reported on recent meetings of the Public Relations Policy Committee and the Public Relations

Advisory Committee, respectively, with particular reference to Chemical Progress Week and its continuance in future years. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the Board of Directors sponsor Chemical Progress Week in 1958 and that MCA headquarters serve as the coordinating agency; that observance be entirely at the option of Area Continuing Committees, or local chemical companies where no Area Committee is established, under the National Organization Plan approved by the Directors at their April 11, 1957, meeting; and that a conscious effort be made to add to the breadth of base of theme.

Upon recommendation of the Public Relations Advisory Committee and the Public Relations Policy Committee that the Board recognize those who participated in Chemical Progress Week 1957,

ON MOTION duly made and seconded, it was

VOTED: That, as the national sponsor of Chemical Progress Week 1957, the Board of Directors commends and expresses its appreciation to industry people, scientists, and educators who cooperated in this program for their contribution in increasing public understanding of chemistry and the chemical industry.

(b) Education Program. Chairman Ward of the ad hoc committee stated that, in accordance with the July 31, 1956, resolution of the Directors, the ad hoc committee met on May 7, 1957, to review the current program, including a survey on school use of the general science materials, report on the college teachers awards program, community-education cooperation, and preparatory work on the senior high school chemistry program. It was the sense of the committee that the program is on schedule, is being well received by educators, and should be continued as a five-year program. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That authorization be granted for continuance of the over-all five-year program; that the sum of $200,000 for fiscal 1957-58 to finance the education program be raised by voluntary contributions equivalent to a minimum of one-third of current membership fees; and that non-participating member firms, after familiarizing themselves with the program, be strongly urged to join this effort.

ON FURTHER MOTION duly made and seconded, it was

VOTED: That the appreciation of the Directors be extended to the ad hoc committee and that it be discharged with the thanks of all concerned.

The Education Advisory Committee will compile and transmit a written report covering the first year's work to all member companies. It recommends, however, that a short period be provided at the Annual Business Meeting to enable Mr. Glen Perry to present this orally in summarized form. It was the consensus that this should be done in as brief a form as possible so as not to unduly disrupt the time schedule already established for the Annual Business Meeting.

(c) Federal Legislation.

(1) Antidumping Act. The Secretary reviewed the position of the International Trade and Tariff Committee and stated that Treasury Department proposals had incorporated four of the five main points previously suggested by the Association. Hearings will be held before the House Ways and Means Committee, probably during late May, and Mr. R. F. Hansen will appear to support the Administration bill in most respects and to offer several minor amendments. This presentation will be jointly in behalf of MCA and SOCMA.

(2) Transportation taxes. At the earlier Executive Committee meeting, support was given to a staff position that MCA should not take a leading role in urging repeal of the present excise taxes on freight and passenger transportation.

(3) Business and Defense Services Administration. Those present were handed copies of a statement submitted by the Secretary to a subcommittee of the Senate Appropriations Committee, supporting a reinstatement of funds to provide for a continuance of industry divisions within the Business and Defense Services Administration, U. S. Department of Commerce.

(4) Robinson-Patman Act. Mr. Leva reported that the Senate Antitrust and Monopoly Subcommittee was currently considering its draft report for submittal to the Judiciary Committee but that no action had been taken to date. In the House, a proponent of the bill has taken the initial step to discharge and thus by-pass the House Judiciary Committee, paving the way for Floor action.

(d) Concentration Study. The Bureau of the Census report on four- and five-digit classifications is expected to be released by the Senate Judiciary Committee on or about June 1. Copies will be obtained for Board members promptly thereafter.

(e) Recruitment of Scientists and Engineers. The Secretary reported that a Chamber of Commerce-sponsored steering committee meeting had been held in Washington on May 9, consisting of representatives of five major industries (including chemicals) and the principal placement associations. Using the MCA proposal as a basis, a code was drafted by the group and agreed to for presentation to (1) a group of 30 industry representatives to meet in Washington on June 13, and (2) to the Annual Meeting of College Placement Officials Association in Columbus, Ohio, on June 24. Acceptance of the code by both groups will finalize and complete the project. In case agreement cannot be reached at the two conferences, the Chamber of Commerce has agreed to hold a large general conference in Washington next September in order that final agreement may be reached and the plan put into immediate effect.

(f) Depreciation Study. Substantive data have now been received from 22 member firms, of which nine have Board representation. Directors present were urged to speed transmittal of their data to the MCA staff in order that tabulation, interpretation, and preparation of a final report by the Tax Policy Committee may be facilitated.

(g) Chemicals in Foods. At its March 1957 meeting, the Chemicals in Foods Committee voted to recommend that the Association consider a public relations program to offset harmful publicity against the use of chemicals in foods. This recommendation was studied by the Public Relations Advisory Committee, and the two groups have jointly recommended to the Directors that such program be adopted. In taking this action, it was made clear that if approval were granted the Association would undertake as much of the program as could be accomplished within the limits of the regular public relations budget.

ON MOTION duly made and seconded, it was

VOTED: That such long-range public relations program be approved as set forth and that the Committees be authorized to act in concert with other interested industries, if possible, or independently if necessary.

(h) Tax Policy and Public Relations. During recent discussions, the Tax Policy Committee has suggested several other areas in which the Public Relations Advisory Committee and the public relations staff might advantageously engage in public relations activities of benefit to the Association and the industry, relating to corporate income tax, tax-free cooperatives, and plant and equipment depreciation problems. It was the consensus of the Executive Committee that representatives of the Tax Policy Committee and the Public Relations Advisory Committee should meet informally and prepare a documented program which could then be submitted for Board consideration.

(i) Proposed Ferroalloy and Reactive Metals Activity. The Executive Committee has considered further a proposal that MCA admit producers of ferroalloys and reactive metals to membership and that the definition of "chemical sales" be amended to enable the Association to collect membership fees from such activities. The proposal has been deferred pending consideration by the Membership Committee.

(j) The Chlorine Institute, Inc. At the earlier meeting of the Executive Committee, Mr. Semple reported on discussions relating to possible ultimate consolidation of The Chlorine Institute, Inc., with MCA. It appears that such action will not be taken in the immediate future. He suggested that the Association staff be requested to familiarize itself with the Institute's technical and safety program and to consider ways and means as to how it could be incorporated within existing MCA technical and functional activity groups.

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

M. F. Crass, Jr.
Secretary

APPROVED: John L. Gillis
Chairman