

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
4:00 p.m. (EST), Monday, November 23, 1964
Board Room, American Iron and Steel Institute
150 East 42nd Street, New York City

MINUTES OF OCTOBER 13, 1964, MEETING.

REPORT OF THE SECRETARY-TREASURER.

Financial Report for the Period June 1 - October 31, 1964.

(Enclosure)

BOARD OF DIRECTORS.

(a) Membership Committee -- Application of Standard Chemical Products, Inc.

(b) Tax Policy Committee -- Amending Rules of Organization and Procedure.

(c) Food, Drug, and Cosmetic Chemicals Committee -- Rules of Organization
and Procedure.

(Enclosure)

(d) Program Committee -- November 24 Semi-Annual Meeting.

(Enclosure)

(e) ASTM Committee E-15 -- MCA Secretariat.

COMMITTEE APPOINTMENTS.

(Enclosure)

STAFF REPORT AND MISCELLANEOUS ITEMS.

COMMITTEE REPORTS.

(a) Plastics Committee -- W. C. Goggin, Chairman.

(b) Tax Policy Committee -- R. C. Plumb, Chairman.

The next regular meeting of the Directors will be held at 11:00 a.m., Tuesday, December 8, 1964, at the Union Club, New York City. A dinner meeting of the Finance Committee will be held at 6:00 p.m. the preceding evening at the Chemists' Club.

CMA 068292

MINUTES of the one hundred forty-second meeting of the Directors of the Manufacturing Chemists' Association, Inc., held in the Board Room of the American Iron and Steel Institute, located on the 38th floor of the Socony Mobil Building, New York City. The meeting convened at 4:00 p.m. (EST), November 23, 1964.

There were present:

Chester M. Brown	Robinson Ord
F. L. Bryant	Donald D. Pascal
Herschel H. Cudd	Joseph E. Rich
George H. Decker	Hugo Riemer
William P. Drake	Robert B. Semple
Harold W. Fisher	Wesley H. Sowers
J. Robert Fisher	Joseph R. Stevens
Ralph K. Gottshall	Robert C. Swain
Thomas C. Jones	Harold E. Thayer
William P. Marsh, Jr.	O. V. Tracy
Harry B. Marshall	Harry B. Warner
C. B. McCoy	G. L. Weissenburger
R. C. McCurdy	W. N. Williams
Charles S. Munson	M. F. Crass, Jr.

Alternates:

A. E. Albright (for Hans Stauffer)
 D. G. Braithwaite (for Thomas C. Jones)
 C. E. Brown (for F. L. Byrom)
 F. D. Chittenden (for George R. Vila)
 Bert Cremers (for Robert B. Semple)
 David H. Dawson (for C. B. McCoy)
 E. E. Fogle (for Kenneth H. Hannan)
 Edward J. Goett (for Ralph K. Gottshall)
 G. W. Huldrum, Jr. (for R. C. McCurdy)
 Hugh C. Land (for William P. Drake)
 P. C. Livesay (for Herschel H. Cudd)
 John O. Logan (for Thomas S. Nichols)
 Warren F. Michener (for Harold E. Thayer)
 Thomas B. Nantz (for Harry B. Warner)
 Donald Oskin (for W. N. Williams)
 W. T. D. Ross (for Robinson Ord)
 John E. Wood, III (for Harold W. Fisher)

General Counsel:

Henry H. Fowler) Fowler, Leva, Hawes &
 Lloyd Symington) Symington

Present by Invitation:

C. W. Baldwin (United States Steel Corporation)
 F. H. Carman (MCA)
 B. S. Chapple, Jr. (United States Steel Corporation)
 C. L. Cabbage (Phillips Petroleum Company)
 Lee V. Dauler (Neville Chemical Company)
 John D. Fennebresque (Mobil Chemical Company)
 D. S. Frederick (Rohm & Haas Company)
 W. C. Goggin (The Dow Chemical Company)
 Wm. B. Graham (Baxter Laboratories, Inc.)

Present by Invitation:

Ernest Hart (FMC Corporation)
 R. W. KixMiller (Celanese Corporation of America)
 Kenneth H. Klipstein (American Cyanamid Company)
 W. Kenneth Menke (United States Steel Corporation)
 S. B. Penick, Jr. (S. B. Penick & Company)
 R. C. Plumb (American Cyanamid Company)
 P. C. Reilly (Reilly Tar & Chemical Corporation)
 A. E. Settle (MCA)
 Raphael Sherfy (MCA Tax Counsel)
 R. A. Wentz, Jr. (E. I. du Pont de Nemours & Co.)
 Donald Williams (The Dow Chemical Company)
 R. I. Wishnick (Witco Chemical Company, Inc.)

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

I. MINUTES OF OCTOBER 13, 1964, MEETING.

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

II. REPORT OF THE SECRETARY-TREASURER.

Financial Report, June - October 1964. The financial report for the five months ending October 31, 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) Membership Committee. It was reported that an application had been received from

Standard Chemical Products, Inc.

and that, in the opinion of the Membership Committee, the applicant was qualified for membership under the Association's By-Laws.

ON MOTION duly made and seconded, it was

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

(b) Tax Policy Committee -- Rules of Organization and Procedure. At a recent meeting, the Committee voted to recommend to the Board that its Rules of Organization and Procedure be amended to increase its membership limitation from 20 to 25.

ON MOTION duly made and seconded, it was

VOTED: That the recommendation be approved.

(c) Tax Policy Committee -- Depreciation Policy. At the September 15, 1964, meeting of the Board it was voted to transmit to the Treasury Department the Tax Policy Committee's recommendation for a two-year extension of the Reserve Ratio Test but that the Committee give further study to its recommendation concerning abandonment or revision of the Reserve Ratio Concept, with report to the Directors to be made at a later meeting. The Chairman called on R. C. Plumb, Chairman of the Tax Policy Committee, to report on developments. Mr. Plumb was accompanied by R. A. Wentz, Jr., Chairman-elect of the Committee, and Raphael Sherfy, MCA Tax Counsel.

With respect to the two-year extension, the Association submitted a letter to Secretary Dillon on November 4, which had previously been reviewed by the Executive and Tax Policy Committees. Previous plans had called for a follow-up on the letter by personal meeting with the Secretary by a group of Association member executives. Such meeting was deferred following receipt of a request from Treasury for additional data on the experience of MCA members as to how they stood under the guideline rules. Questionnaires were accordingly dispatched to Tax Policy Committee members; and replies, following tabulation by a firm of independent accountants, were discussed at the Committee's meeting on November 23. A technical conference has been set up by the Committee with Treasury officials on November 25 to supply the requested information. Scheduling of the top-level conference remains deferred for the time being.

With respect to modification of the Reserve Ratio Concept whereby guideline lives would be available to taxpayers as a matter of right, Mr. Plumb stated that the Tax Policy Committee, at its meeting on November 23, had reaffirmed its prior recommendation and urged that the Association submit it promptly to government officials (not to the Congress as originally presented).

This was discussed at length by those present. It was the consensus that, although early submittal appeared desirable, the proposal be drafted and circulated promptly to the Executive Committee and to the Board for study, with final action scheduled for the December 8, 1964, meeting.

(d) Food, Drug, and Cosmetic Chemicals Committee -- Rules of Organization and Procedure. Sent to Directors in advance of the meeting was draft of recommended Rules of Organization and Procedure for the Food, Drug, and Cosmetic Chemicals Committee.

ON MOTION duly made and seconded, it was

VOTED: That the proposal be approved.

(e) November 24, 1964, Semi-Annual Meeting. Mr. Gottshall called on Thomas C. Jones, Chairman of the Program Committee, for a final report with respect to the 14th Semi-Annual Meeting scheduled for the next day. Mr. Jones' report was supplemented by the Secretary, who stated that over-all

registration for the meeting approximated 1,140 from 163 member companies. He also reported attendance figures for the various panel sessions. Those present were handed copies of the printed program and attendance list.

(f) ASTM Committee E-15 -- MCA Secretariat. During 1958 the Board of Directors approved a staff proposal authorizing the Association to provide the secretariat of a new ASTM committee established to develop methods of analysis and testing of industrial chemicals. This was for a period of two years. Since then additional two-year authorizations have been granted. A further two-year authorization has been requested.

The Committee has 150 participating members representing about 80 chemical companies, of which 54 are members of MCA. Good progress has been made since its organization. The secretariat requires approximately ten days annually of an MCA staff supervisor's time and 20-25 days of a secretary's time to handle correspondence, keep records, and prepare meeting reports.

ON MOTION duly made and seconded, it was

VOTED: That the staff be authorized to provide the ASTM Committee E-15 secretariat for an additional two years, effective December 1, 1964.

(g) Travelling Symposium on Pesticides. A detailed report on this symposium was presented by General Decker as part of the over-all staff report. He supplemented this by stating that, while it was premature to fully evaluate the project, nevertheless, in his opinion, it was successful and well received. Financing to date has been handled primarily by the Association with payments of \$25,000 being made to the National Academy of Sciences and approximately \$10,000 for the chartered plane. With respect to publicity, this will be entirely in the hands of the Academy. Questionnaires have been circulated by the Academy to all participants, and after these have been returned and tabulated a summary report will be prepared, copy of which will be supplied to MCA. General Decker stated that he would keep the Board advised.

IV. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

(a) Chemical Packaging Committee

H. G. Hyatt, FMC Corporation

P. J. Kirby, Eastman Kodak Company

(b) Committee on Tank Cars, Tank Trucks, and Portable Tanks

J. C. Zercher, Celanese Corporation of America, as Chairman

M. M. Anderson, Union Carbide Corporation, as Vice Chairman

K. M. Markoe, Allied Chemical Corporation, replacing J. R. Egan

Bruce W. Weeder, American Cyanamid Company

(c) Education Activities Committee

Earl T. McBee, Great Lakes Chemical Corporation

James S. Strong, Rohm & Haas Company

- (d) International Trade Committee
F. E. Cook, Stauffer Chemical Company
P. C. McCullough, California Chemical Company, replacing
H. E. Bramston-Cook
- (e) Mechanical Technical Committee
D. H. Roberts, Stauffer Chemical Company
- (f) Patent Committee
L. L. Mahone, Stauffer Chemical Company
- (g) Public Relations Committee
Joseph H. Singer, Geigy Chemical Corporation
- (h) Tax Policy Committee
R. A. Wentz, Jr., E. I. du Pont de Nemours & Co., as Chairman
William E. Pardoe, Union Carbide Corporation, as Vice Chairman
B. G. Cappiello, Commercial Solvents Corporation
- (i) Technical Committee on Rocket Propellant Safety
H. R. Neumark, Allied Chemical Corporation, as Chairman
L. G. Matthews, Union Carbide Corporation, as Vice Chairman
B. F. Yaffe, Callery Chemical Company
- (j) Water Resources Committee
Eugene Nesselson, Velsicol Chemical Corporation

The following were reported for information only:

- (1) Advisory Subcommittee for Texas A&M Research Project
Daniel R. Stull, The Dow Chemical Company, as Chairman
George W. Thomson, Ethyl Corporation, as Vice Chairman
- (2) Economic Studies Subcommittee -- International Trade Committee
Donald D. Johnson, E. I. du Pont de Nemours & Co.

V. STAFF REPORT.

General Decker presented a detailed 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 REPORT.

Plastics Committee. William C. Goggin, Chairman, reported on projects and activities of this Committee. Copy of this report is appended to these Minutes as Exhibit B.

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

M. F. Crass, Jr.
Secretary-Treasurer

MINUTES SUBJECT TO APPROVAL
Attachments

MCA STAFF REPORT
Delivered by General G. H. Decker
November 23, 1964

On November 4, 1964, MCA submitted a letter to Secretary Dillon urging a two-year moratorium in the application of the reserve ratio test which must be met by business in 1965. Treasury officials have advised MCA of their desire for additional information supporting the chemical industry position that it will be unable to meet this test. Questionnaires were submitted to members of the MCA Tax Policy Committee for data from their companies' records bearing upon their ability to meet the test. The results of the questionnaire were discussed earlier today by the MCA Tax Policy Committee; and Mr. Plumb, the Committee Chairman, is here to report the Tax Policy Committee's conclusions and recommendations.

International Matters

Upon recommendation of the MCA Patent Committee, a letter has been sent to Secretary of State Rusk, asking that he convey to the Government of India the profound concern of the chemical industry with proposed legislation which would restrict patents on food, drugs, and pesticides. There appears also to be a possibility that India will restrict all patents, rather than the classes previously mentioned. A group of industry representatives, including one from MCA, met with Assistant Secretary Harriman on Friday, November 20, to indicate the seriousness with which industry views these moves to restrict Indian patents.

In the latter part of October, member firms were supplied information on plans of the technical representatives to assist the Office of Special Representative for Trade Negotiations. It was suggested that each company provide the Association with a list, by tariff schedule numbers, of those products in which they have an interest and about which they will respond to questions posed to the technical representatives during the course of the GATT Negotiations. We have heard from 18 members to date. Cooperation with the Office of the Special Representative and other matters pertaining to the forthcoming Kennedy Round will be fully explored in the panel session tomorrow.

The Office of Emergency Planning (OEP) was informed that the ferro-alloy industry is not currently meeting requirements of the steel industry, even though they are operating at full capacity. This was cited as an example of the effect of imports in connection with development or expansion of an industry, and they were again warned of possible shortages in the event of full-scale

national emergency. OEP, in their report of an investigation of the industry earlier this year, had suggested that both Government and industry should closely follow developments in this area.

Chem-Cards

Since the last Board meeting the Association has received enthusiastic endorsement from the International Association of Fire Chiefs for the MCA Chem-Card Program. On October 18, a member of the MCA Staff attended a meeting of the Board of Directors of the IAFC in Houston and outlined the program to date. It was the consensus of the IAFC Board that that organization would make arrangements to distribute to its membership the Chem-Card information as it is developed by MCA. The recognition by the Fire Chiefs of the highway safety value of the MCA program is representative of the enthusiastic response of the ICC, the trucking industry and the press. Several questions have been raised concerning the Chem-Card Program by MCA Member Companies and committees, which are now under consideration. At any rate, there will be no further publication of MCA Chem-Cards until January or February 1965. Present plans contemplate publication of 60 or more new cards at that time, plus a compilation of all Chem-Cards for use by fire departments, plus a manual of recommendations for the preparation of individual company transportation emergency guides.

Semi-Annual Meeting Program

The Semi-Annual Meeting program has resulted in excellent interest in and attendance by the trade press, wire services and daily and business publications. It is anticipated that there will be approximately 50 press representatives attending. Copies of most of the papers to be presented also have been prepared for the press.

Community Relations

On the Community Relations front, the second meeting of the Chemical Industry Council Advisory Committee was held this morning with attendance by CIC representatives from a dozen states.

Efforts are continuing to strengthen the CICs in California, Washington, Oregon, and New York City. A meeting of the New York City CIC Steering Committee on matters of some importance will be held here on Wednesday.

Extension efforts are being directed toward Pennsylvania. It is hoped that, in this fifth-largest chemicals-producing state, we will soon

have CICs headquartered in both Pittsburgh and Philadelphia. Lee Dauler of Neville and Hugh Land of Pennsalt are coordinating with the Staff the arrangements for organization luncheons in Pittsburgh on December 9 and in Philadelphia on December 10.

Economic Fact Studies

Copies of two economic fact studies by Dr. Jules Backman entitled, "Prices, Productivity, Wages, and Profits," and "Chemicals in the National Economy," are expected to be ready for distribution by November 30. Due to somewhat lengthy reviewing by specialists in key member companies, the final Backman report, entitled, "Foreign Competition in Chemicals and Allied Products," will not be available for distribution for about three weeks.

Traveling Symposium on Pesticides

The Traveling Symposium on Pesticides went off on schedule on November 15. Sponsored by National Academy of Sciences-National Research Council. Its Director was Dr. Harlow B. Mills, President, Illinois Natural History Survey, Urbana, Illinois.

41 participants representing Government, industry, educators, Audubon and Wildlife Societies, agricultural groups, and others. I was with the group from Sunday through Wednesday. I have a complete list of participants if anyone is interested.

Only one Member of Congress participated -- Representative Jamie L. Whitten of Mississippi.

The Symposium began with a reception and dinner at the NAS on Sunday evening.

On Monday, the group moved to the Department of Agricultural Research Center at Beltsville, Md. Discussion by representatives of Agriculture stressed operations to protect forests and crops, alternative methods of insect control on crops and livestock, methods of determining insecticide residues, and monitoring pesticides in agriculture.

Following each presentation, as throughout the tour, opportunity was afforded for questions and discussion.

After the Monday session, the group flew in an MCA-chartered plane to Newark, then by bus to Princeton, N. J., where we remained overnight.

On Tuesday we visited the American Cyanamid Agricultural Center, where representatives of industry made their presentations. These were outstanding.

Dr. Frank Stark of American Cyanamid was Chairman. Other speakers included Dr. J. E. Johnson of Dow; Dr. J. F. Yost of Cyanamid; Dr. H. Smythe (Mellon) of Union Carbide; and Dr. E. M. Swisher of Rohm & Haas.

Industry speakers covered the steps taken in the development of a pesticide, stressing the time and effort involved; metabolism and residue studies, toxicology and safety considerations, and registration and labeling.

The group was taken on a tour of facilities and afforded an opportunity to see work in progress.

Tuesday evening we flew to Cincinnati and Wednesday visited the Robert A. Taft Engineering Center, where representatives of the Public Health Service made their presentations.

These dealt for the most part with detection, measurement, and control of pesticides in water. We also toured the facilities of the center. As was expected, much discussion centered around the Mississippi River Fish Kill.

I left the group Wednesday evening to return to Washington. The others flew to Denver, Colorado, where on Thursday they visited the Denver Wildlife Research Center and Fish-Pesticide Laboratory. On Friday they visited the University of California at Davis. A short wrap-up session was scheduled for Saturday morning before returning home.

It is too soon to evaluate the results of the Symposium, but it is my judgment that much good can eventually come from it.

Plastics Committee
Report of W. C. Goggin, Chairman
To the Board of Directors
New York City, November 23, 1964

The Plastics Committee of 13 members represents 57 member companies having a broad interest in plastic materials. This group has been supporting a number of special projects not entered into by the balance of the membership. In recent years, these projects have included fundamental research at M.I.T. and Case Institute, a study of flammable hazards of plastics in appliances, investigation of toxicity and combustion products of burning plastics, a comprehensive feasibility study of need for standards and certification of plastic components used in building, and a new project on weatherability research. They have continued cooperation with The Society of the Plastics Industry (SPI) in support of a building consultant on code problems in the West Coast area.

Fundamental research at M I.T. has been fully covered in the MCA Annual Report. I would like to emphasize, however, that this project, now in its 19th year, has been so successful that more than 97% of the MCA-MIT Plastics Laboratory financing is now being supplied by Industry and Government. A new and similar program is now under way at Case Institute. The objectives of these projects are to use MCA funds to encourage development of a strong plastics program in these academic institutions and to encourage the type of research that would be fundamental and useful to the plastics industry. These objectives have been well achieved!

In 1960, the Underwriters' Laboratories in their inspection and labeling service decreed that all plastic parts in room air conditioners must be made of self-extinguishing materials. MCA Plastics members initiated with Underwriters' Labs an extensive investigation of the electrical and fire characteristics of plastics for appliance applications. This 3½ year program of research by the UL and cooperation between the Laboratories' staff and industry technicians has resulted in a better understanding of plastics within the Underwriters' Laboratories. Our materials are now recognized as not presenting the hazards originally assumed. The appliance manufacturers have a better realization that these materials are being promoted for maximum value of performance and safety to the public. In addition, improved procedures have developed between the Laboratories, the appliance manufacturers, and the Plastics Industry.

With the cooperation of the materials manufacturers, the Underwriters' Laboratories have conducted an extensive survey of available information on toxicity of combustion products of building materials, - wood and other natural cellulose, as well as plastics. Tests or development of test methods were not included in this work.

As back-up support to the SPI in its building code negotiations, particularly in the San Francisco area, an MCA-sponsored research program was undertaken at UI to establish the significance of smoke ratings derived from their now famous "Tunnel" test. Their resulting fact-finding report was useful in code negotiations. It enabled the industry to obtain higher, but yet practical, smoke values than those originally proposed by the building officials. The project verified that there is no precise relationship between the ratings for smoke developed in a Tunnel Test and smoke obscuration resulting from fires. This work provides a basis for making initial suggestions for control of smoke in the codes. This smoke study served to focus the industry's attention on the total hazards presented by burning plastics in a building structure. This is now being given further study by member representatives in a new organization of the SPI.

A primer on Building Codes and Product Approvals, published last year, completed another step in our program to speed acceptance of plastics in building. It informs the Plastics Industry on codes pertaining to building materials and the regulatory methods of various agencies, public and private.

An intensive feasibility study of the need for development of end product performance standards and certification for building components has been concluded. Briefly, we believe that: (1) a properly administered program of plastics building standards and certification will help increase the use of plastics in building and would be in the public interest; (2) the important properties of building components appear possible of specification and testing at a practical cost; and (3) in view of the lack of reliable accelerated tests to simulate long-term weathering performance of plastics, there is justification for proceeding with a Standards and Certification program.

In view of the activities of The Society of the Plastics Industry in development and promulgation of standards, the adaptability of their efforts to the proposed standards and certification program, and the need for industry-wide support (including fabricator which I cannot stress too strongly, the SPI has been asked to undertake this new concept in their standards program. A Plastics in Construction Council has since been organized in SPI to coordinate all Plastics industry-wide activities on behalf of increased and sound usage of plastics in building applications. The Council will be concerned with development of Standards and Certification plans, adequate provisions for plastics in building codes, cooperative research to evaluate environmental performance, and a program of education.

I have already mentioned the lack of reliable accelerated tests to simulate the long-term weathering performance in my comment on the feasibility study. Better tools will reduce the long time required to evaluate new compositions by our present outdoor exposure tests. However, the subject is so complex that no individual

company has found it possible to evaluate all of the many variables involved. Accordingly, MCA Plastics Committee members recognized the need for a cooperative research program to improve methods of predicting weatherability. MCA Plastics Committee is planning a project to be opportunely located in the National Bureau of Standards. One or more research associates will be supported at the Bureau in a long-term project that will cost \$40,000 to \$50,000 per year. The results will be of value to MCA-SPI Building Council and industry in general.

I can also report continued cooperation of the MCA with the Society of Plastics Engineers at the technical level in co-sponsorship of a new book "Engineering Design for Plastics". Five hundred complimentary copies have been distributed by MCA to qualified engineers, designers, and specifiers of plastics in the consuming industry. The editor of the 1200-page volume, Dr. Eric Baer of Case Institute (incidentally also Director of the MCA Research Project at Case), was assisted by many MCA member technical representatives in compilation of this book.

We believe considerable progress has been made in a better understanding by the public and the regulatory agencies on plastics in their diverse uses, particularly in the building field. The material manufacturers in cooperation with the manufacturers of building components through the SPI will continue to give attention to day-to-day problems in the building field. As indicated, the responsibility for fundamental testing and the chemical mechanism of deterioration on weathering can be handled only by the basic material producers, thus this aspect of the building problem will be undertaken by the MCA.

These are the more important activities I felt should be reported to you including several aspects that cannot properly be covered in the year-end report. If I have omitted anything or you have any questions, I'll be glad to answer them.