AGENDA

Meeting of the MCA Board of Directors
11:00 a.m. (EST), Tuesday, February 13, 1968
The Union Club, New York City

I. MINUTES OF JANUARY 9, 1968, MEETING.

II. REPORT OF THE SECRETARY-TREASURER. (Enclosure)

III. BOARD OF DIRECTORS.

(a) Appointment of Ad Hoc Committee on Balance of Payments. (Enclosure)

(b) Air Quality Committee's Proposal Regarding Implementation of Air Quality Act. (Enclosure)

(c) Membership Committee - Application of Commonwealth Oil Refining Company, Inc.

(d) Board Liaison Assignments with Committees.

(e) Regional Meeting and Conference of West Coast Members, San Francisco and Pebble Beach, California - March 11-14, 1968.

(f) Regional Meeting and Reception, Washington, D. C. - April 8-9, 1968.

(g) 96th Annual Meeting - June 6-8, 1968.

IV. COMMITTEE APPOINTMENTS. (Enclosure)

V. STAFF REPORT.

VI. COMMITTEE REPORT.
Safety and Fire Protection Committee - Arthur H. Christian, Chairman

VII. ADJOURNMENT.

Next Meeting of the Directors - Del Monte Lodge, Pebble Beach, California, Wednesday, March 13, 1968, at 10:00 a.m. (PST).

MINUTES of the one hundred seventy-fourth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City on Tuesday, February 13, 1968, at 11:00 a.m. (EST).

There were present:	John O. Logan, Chairman	W. Kenneth Menke
	F. Leonard Bryant	Max A. Minnig
	David H. Dawson	Charles S. Munson
	George H. Decker	W. T. D. Ross
	George S. Dillon	Charles H. Rybolt
	Earle S. Ebers	Clifford D. Siverd
	Louis K. Eilers	Charles W. Smith
	Raymond F. Evans	Jesse Werner
	Maurice F. Granville	John E. Wood, III
	Kenneth H. Hannan	James R. Carnes

Alternates:	Chester M. Brown (for Irb H. Fooshee)
	John W. Clinton (for W. Kenneth Menke)
	Leonard Hynes (for W. T. D. Ross)
	D. C. Oskin (for John J. Powers, Jr.)
	Frank J. Pizzitola (for John W. Brooks)
	Robert C. Swain (for Clifford D. Siverd)
Present by invitation:	Arthur H. Christian, FMC Corporation
General Counsel:	Lloyd Symington

In his opening remarks, Chairman Logan introduced Clifford D. Siverd as a new Director and welcomed him to the Board.

I. MINUTES OF JANUARY 9, 1968, MEETING.

The Minutes of the previous meeting of the Board of Directors were duly approved as submitted to the members.

II. REPORT OF THE SECRETARY-TREASURER.

The financial report for the eight months ending January 31, 1968 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) Appointment of Ad Hoc Committee on Balance of Payments. General Decker reported the formation on an urgent basis, after conferring with the Chairmen of the Board and of the Executive Committee, of an Ad Hoc Committee on Balance of Payments to study and determine the impact on the chemical industry of regulations and proposed legislation intended to implement the program announced January 1, 1968, by the President to strengthen the U. S. balance of payments and to recommend such action by the Association as is deemed advisable. The committee is composed of the following officers and members:

E. M. Robinson, E. I. du Pont de Nemours & Company - Chairman
M. S. Pansini, Hooker Chemical Corporation - Vice Chairman
Myron T. Foveaux, Monsanto Company
Frank Harlow, The Dow Chemical Company
E. A. Herberich, Esso Chemical Company
Thomas D. Kent, Allied Chemical Corporation
Edward Littlejohn, Pfizer International
George C. Wells, Union Carbide Corporation

The committee is preparing position papers to be presented to the Department of Commerce and the Congress regarding proposed regulations and legislation to implement the President's program which will be circulated to the members of the Board of Directors when completed. At its meeting earlier in the day, the Executive Committee had agreed to recommend that the Board of Directors ratify the formation of the ad hoc committee, its terms of reference as set forth above, its membership and officers. Following discussion, and

ON MOTION, duly made and seconded, it was

VOTED: That the formation, terms of reference, membership and officers of the committee be ratified.

(b) Air Quality Committee Proposal Regarding Implementation of Air Quality Act. Transmitted to members prior to the meeting was a proposal by the Air Quality Committee to reprogram $10,000 which was provided in the current budget for a project on fate of chemicals in the atmosphere to augment $10,000 provided for a project on air quality criteria study, the former project not having materialized as anticipated. With funds so provided it is proposed that the Association retain Resources Research, Inc., to maintain close liaison with the Department of Health, Education and Welfare and state air pollution control authorities for the purpose of reviewing proposed air quality criteria and to provide supporting data for use at both the Federal and state levels in connection with the adoption of such criteria and subsequent actions leading to adoption and enforcement of air quality standards.

Mr. Bryant, Liaison Director with the Air Quality Committee, reviewed the proposal, pointing out the need for the Association to move promptly to assure the establishment of sound air quality regulations by, and the availability of technical data to, the National Air Pollution Control Center and state air pollution control agencies. The Executive Committee had reviewed the proposal at its meeting earlier in the day and had enthusiastically endorsed it.

ON MOTION, duly made and seconded, it was

VOTED: That the proposal of the Air Quality Committee be approved.

(c) Membership Committee. Chairman Rybolt reported that an application had been received from

Commonwealth Oil Refining Company, 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 of members provided under Article III, Section 4, of the By-Laws.

(d) Board Liaison with Committees. Chairman Logan announced that Mr. Bryant had been assigned as Liaison Director with the Air Quality Committee in lieu of the Transportation and Distribution Committee. Announcement of liaison assignments with the latter committee and with the Patent Committee, which is also unassigned, will be announced later.

(e) West Coast Regional Meeting -- March 11-14, 1968. Mr. Carnes reported that detailed plans for the West Coast regional meeting at San Francisco and Pebble Beach, California, on March 11-14 have been completed. Invitations were sent on January 17 to Directors and to the Executive Contacts of member companies having chemical manufacturing facilities in the three West Coast states, with the invitation extended to the Directors' Alternates and to the West Coast managers of invitees.

The meeting will begin with a dinner in San Francisco on the evening of Monday, March 11. On March 12, registrants will be transported by private aircraft to Pebble Beach where a program of business and social events has been arranged. At the conclusion of the meeting on March 14, return air transportation to San Francisco will also be provided. Any Directors who had not sent their reservation forms to Washington and transportation forms to San Francisco were urged to do so immediately.

(f) Washington, D. C., Regional Meeting -- April 8-9, 1968. General Decker reviewed plans for the April meeting of the Directors in Washington, D. C. At 12:00 Noon on Monday, April 8, members of the Executive and Finance Committees will meet at The Madison to consider budget and finance proposals for fiscal 1968-69. On Monday evening at 6:00 p.m. the annual reception for members of the Congress and government officials will be held at the Army-Navy Club. Invitations will be sent to the Directors on February 19 and will be accompanied by a list of congressional invitees. Directors were urged to submit the names of any additional members of the Congress they would like to have invited and to write to the congressional invitees to urge their attendance.

At 8:30 a.m. on Tuesday, April 9, the Board of Directors will meet at The Madison for a breakfast meeting. A block of sleeping rooms has been set aside at The Madison and Directors should write to the hotel direct for individual accommodations from this block.

(g) 96th Annual Meeting. Mr. Carnes reported that arrangements for the 96th Annual Meeting at The Greenbrier have been virtually finalized. Registration forms and meeting information will be mailed to Executive Contacts of member companies during the first week in March.

Events will begin with a meeting of the Executive Committee at 5:00 p.m. on Wednesday, June 5, to be followed by the Directors' dinner and meeting at 6:00 p.m. The Annual Meeting will be held at 9:45 a.m. on Thursday, June 6, and the Annual Banquet on Friday evening, June 7. The remainder of the program will follow the pattern of last year's meeting. The Program Committee has not yet succeeded in obtaining speakers for the two main addresses but hopes to obtain the commitment of a prominent government figure as speaker for the Annual Banquet in the next week or ten days. The Greenbrier has committed approximately 900 individual accommodations for the meeting, the same number as last year, which will again make necessary the careful allotment of accommodations as in previous years.

IV. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

(a) Air Quality Committee.
Myron V. Anthony, Stauffer Chemical Company, as Chairman
Willard F. Bixby, B. F. Goodrich Chemical Company, as Vice Chairman

(b) Education Activities Committee.
Everett Luce, The Dow Chemical Company

(c) Environmental Health Advisory Committee.
W. L. Sutton, Eastman Kodak Company, as a Member-at-Large
A. C. Welling, Wyandotte Chemicals Corporation as a Member-at-Large

(d) Food, Drug, and Cosmetic Chemicals Committee.
Jack D. Early, Monsanto Company
Robert M. Miller, Hercules Incorporated

(e) Insurance Committee.
R. R. Balotti, E. I. du Pont de Nemours & Company

(f) Labels and Precautionary Information Committee.
Charles O'Connor, Stauffer Chemical Company

(g) Legal Advisory Committee.
Thomas R. Hunt, Hercules Incorporated
John A. Maher, Jr., Celanese Corporation

(h) Public Relations Committee.
George A. Lawrence, Esso Chemical Company, Inc.
Mason P. Pearsall, Pearsall Chemical Corporation

(i) Safety and Fire Protection Committee.
John Jorgensen, Rohm and Haas Company
Gilbert E. Cain, Hercules Incorporated
Robert L. Payne, Ohio Ferro-Alloys Corporation

(j) Transportation and Distribution Committee.
George L. Wilson, Rohm and Haas Company, as Chairman
D. L. Campbell Kerr, Freeport Sulphur Company, as Vice Chairman
J. E. Donnelly, Phillips Petroleum Company
W. L. Machmer, Allied Chemical Corporation
H. D. Midkiff, Tennessee Eastman Company
G. B. Perry, Jefferson Chemical Company, Inc.
A. M. Ribe, Vulcan Materials Company
W. B. Rose, Witco Chemical Company, Inc.
R. A. Smego, Olin Mathieson Chemical Corporation
J. B. Sondey, General Aniline & Film Corporation

V. STAFF REPORT.

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

VI. COMMITTEE REPORT.

Chairman Arthur H. Christian of the MCA Safety and Fire Protection Committee reported on the projects and activities of that committee, copy attached as Exhibit B.

At General Decker's request, Mr. Christian briefly reviewed the background of the MCA Transportation Hazards Information program which is under consideration as a successor to the Chem-Card program by MCA committees concerned. Differing proposals for the definition of transportation hazards have been advanced by various government agencies and others in an accelerating drive for an expanded hazards definition program with the possibility of a requirement for hundreds of Chem-Cards to cover the hazards of the individual chemicals involved. In broad terms, the MCA Transportation Hazards Information program would analyze the hazards of these chemicals and combine the transportation hazards information and warnings on only 18 cards, thus greatly simplifying the task of making them available to truck drivers, firemen and others concerned.

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

James R. Carnes
Secretary-Treasurer

Minutes Subject to Approval

Exhibit A

STAFF REPORT
February 13, 1968

Presented by General G. H. Decker

The pulling and hauling continues over the President's tax proposals in what has become the most celebrated tug-of-war between the Administration and the Congress in years. Testifying on the U. S. balance of payments, Secretary Fowler utilized an appearance before the House Ways and Means Committee last week to press once again for an income tax surcharge.

Chairman Wilbur Mills poured cold water on a tax increase, saying, "We've got fiscal troubles and we've got balance of payments troubles, but I don't see the answer in the tax bill.!"

On the other hand, Senator John J. Williams (R-Del.) has introduced S. 2902 to increase taxes and to force government spending reductions. The bill would set a surcharge of 6 percent on individuals and of 8 percent on corporations, effective April 1, 1968, and January 1, 1968, respectively. On the spending side, the bill would set a ceiling of $178 billion for fiscal 1969, or $8 billion less than the Administration budget. It would also extend the excise rates on automobiles and telephone service, declare a moratorium on new public works projects, and repeal the interest rate ceiling on long-term government bonds.

As an alternate strategy, Senator Williams might embody these provisions in an amendment to a revenue or balance of payments bill passed by the House.

In the event tax legislation starts to move, one of MCA's principal concerns will be that the surcharge on corporate income is applied as a bottom line item after deductions for the seven percent investment tax credit and foreign tax. The Treasury favors a surcharge before tax credits. We testified in opposition to this position during the first session.

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In an effort to curb the dollar outflow the Administration has proposed a five percent tax on air and ship fares and a graduated scale of taxes on overseas expenditures by Americans designed to discourage foreign travel and reduce tourist spending. Also, proposals were made to lower duty-free exemptions on purchases abroad. These proposals, presented by Administration witnesses on February 5, were received with mixed reactions on Capitol Hill. Enactment of a tax on carrier fares for international travel seems probable, but the taxes on spending will encounter stiff resistance. However, the real surprise in the Administration's proposals was not in what was requested but rather in what was not asked for. The expected proposals concerning border taxes and export incentive rebates or, as an alternative, a temporary import surcharge, were not forthcoming. The Administration has indicated it requires six to eight weeks to complete studies before submitting other legislation intended to enhance the balance of trade. On February 6 Chairman Mills of the House Ways and Means Committee announced that during the public hearings beginning on February 19 the committee would receive testimony concerning extension of the tax on transportation fares and expenditures in connection with travel outside the Western Hemisphere. He ruled out testimony on the American Selling Price, the Kennedy Round agreements, import quotas, and related subjects at these hearings.

The National Export Expansion Council last week went on record as favoring a U. S. system of border taxes and rebates offsetting excises and other internal taxes. On the other hand, the Council also again stated its firm opposition to "protectionist legislation."

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MCA, along with other industry organizations, has been working to pry loose the Interstate Taxation Act which established uniform and equitable rules for taxation of interstate commerce by state and local governments.

On February 5 the Association addressed letters to the Speaker of the House, Majority Leader Carl Albert, and Minority Leader Gerald Ford urging that H. R. 2158 be brought to floor action. Although it was granted a rule last session, the leadership has declined to place the bill on the calendar due to opposition of state and local tax officials. Speaker McCormack is reluctant to risk a floor defeat on this controversial measure.

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For the same reason, the "Situs Picketing" bill, H. R. 100, appears dead for this session. A secret head-count indicated the legislation has no chance on the House floor. It is possible, indeed probable, there will be hearings in the Senate but no real progress of this bill is envisaged at this time or in the foreseeable future.

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While the prospect for revision of patent laws at one time appeared distant, there is a growing possibility of getting a patent bill this session.

On January 30 R. Lyman Heindel, chairman of MCA's Patent Committee, testified before the Senate Judiciary's Subcommittee on Patents, Trademarks, and Copyrights. The hearings were concerned with patent reform legislation, especially S. 1042, the Administration's bill implementing recommendations of the President's Commission on the Patent System. In addition, other bills, including S. 2597 introduced by Senator Dirksen, were considered. In its testimony, MCA favored those provisions of S. 1042 which appear likely to promote the objectives of the President's Commission on the Patent System. One of the most controversial issues involved is the "First to File" provision. A compromise appears to be possible in connection with this proposal which would afford opportunity to initiate interference proceedings by anyone who claims he was first to invent. Another significant provision of the Administration's proposal is extension of patent rights to twenty years instead of the present seventeen.

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Following Chairman Logan's personal appeal early in December, there has been an encouraging increase in response to our request for reports in connection with the MCA survey of air and water pollution control and solid waste disposal.

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The Steering Committee of the MCA/PHS Cooperative Study on Atmospheric Emissions has approved the furnace process phosphoric acid report for publication, and drafts of wet phosphoric acid, hydrochloric acid, chlorine and caustic reports are now under initial review.

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The Air Quality Committee has recommended transmittal of a letter to the Secretary of HEW expressing a position favoring submission of proposed ambient air quality criteria to public review before issuance to the states. This letter is now being developed.

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On the MCA position re incentive basis for general rail freight increases as approved by this Board last month, discussions have already been held with four railroads. Although there is no way to project the final outcome, responses range from modest to enthusiastic acceptance of our view.

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MCA opposition was expressed to the Southern Freight Association on a proposed amendment for covered hopper car loadings which would penalize chemical shippers who could not meet the new minimum weight or are not able to obtain properly-sized equipment.

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Comments were submitted to the Federal Highway Administration re proposals for amending the regulations which would require extensive reporting of motor vehicle fleets even though only a single vehicle may be involved in the shipment of hazardous materials. The proposals go well beyond those set forth by the ICC. During the month MCA also submitted views on the DOT proposed rules of procedure for use by their Hazardous Materials Regulations Board in prescribing regulations. Comments were directed to the individual sections as well as the general principles of the rules. It was also requested that the proposed rules be withdrawn for reconsideration in a conference with all organizations involved.

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The proposal for a complete Transportation Hazards Information Program as reported last month is now being circulated to concerned technical committees for comment. It is still hoped that this program can be ready for consideration by the Board at its April meeting.

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The Safety and Fire Protection and the Occupational Health Committees are concerned with the measure extending broad powers to the Secretary of Labor in the development and enforcement of safety regulations under a proposed Safety and Health Act for 1968. The bill makes a blanket proposal which would (1) completely federalize industrial safety, (2) authorize plant inspections at any reasonable time, (3) cover penalties for failure to comply, and (4) establish HEW as the research and industrial hygiene standards-making group.

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Following the recommendations of both the Labels and Precautionary Information and the Safety and Fire Protection Committees, MCA proposes to sponsor a labeling project initiated by the Safety Standards Board of the USA Standards Institute. The scope is "Prepare standard procedures for informative labeling of hazardous substances."

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On invitation from the Canadian Chemical Producers Association, a member of the staff met with their Environmental Quality Committee in Montreal last month. The general discussion included MCA's pollution control survey and other aspects of the environmental health program as well as suggestions for the Canadian Association's annual meeting program next May which is being planned around air and water pollution problems.

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More than 150 attended the Workshop on Water Pollution in Cleveland last month which gave special attention to pollution abatement in the Lake Erie drainage basin. Press and television coverage was consistent with the high level of public interest in Lake Erie and the waters that feed into it.

Over 200 persons attended the Chemical Industry Safety Workshop in Houston, Texas, on January 31. State and local fire services were well represented and speakers were eager to give credit to MCA for its efforts to promote safety in the movement of hazardous chemicals.

A workshop on occupational health, organized by the Occupational Health Committee, will be held in Philadelphia on February 20.

Program information for the next Technical Seminars on Water Pollution Control to be held during April in Urbana, Illinois, and New York City will become available shortly. Enrollment at each seminar will be limited to about 25 with preference being given to MCA-affiliated applicants. Those interested are advised to apply as early as possible since a number of applications have already been received.

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In order to explore the mutual benefits to be gained from frank discussion between leading college chemistry teachers and chemical industry executives, a pioneering conference is being planned by MCA and the American Chemical Society. Eight leading industry representatives have been invited to join the same number of key professors in a new kind of interaction session to be held in Washington early next May. Names of the participants will be announced later, but two experts in the techniques of such a conference, Professor Gene Dalton of the Harvard Business School and Clayton Fisher of General Electric Company, have already agreed to serve as monitors. Among the many problems likely to be considered are the diminishing interest of undergraduates in pursuing programs in the fields of chemistry and chemical engineering and the consequent threat of a scientific manpower shortage. MCA's Education Activities Committee initiated the project and interested ACS in being a co-sponsor.

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A new and timely MCA contribution to senior high school chemistry instruction is a series of 18 "Scientific Experiments in Environmental Pollution." Prepared by the staff and tested in representative schools, the experiments have now been published in teacher and student editions by Holt, Rinehart & Winston, Inc. Member companies and allied industry organizations wishing to distribute the experiments as gifts in their areas may obtain copies of the student edition from the publisher at the 50% discount price of 50¢ each. The teacher manual is provided free with classroom orders.

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Exhibit B

COMMENTS OF A. H. CHRISTIAN, CHAIRMAN
of
SAFETY AND FIRE PROTECTION COMMITTEE TO
BOARD OF DIRECTORS
MANUFACTURING CHEMISTS' ASSOCIATION
FEBRUARY 13, 1968, NEW YORK CITY

Gentlemen:

Thank you very much for inviting me to be with you today to discuss the goals, activities, concerns, and future plans of the Safety and Fire Protection Committee.

As I am sure you know, the Safety and Fire Protection Committee is dedicated to the provision of assistance for the improvement of safety performance in the chemical industry--both in member companies, as well as the many chemical consumers.

We have worked hard to carry on a very active and aggressive program in this area--for example, we have almost one hundred Chemical Safety Data Sheets that are being updated constantly. They have achieved world-wide recognition. We have a series of Safety Guides for helpful background information for management. With the Board of Directors' support and approval, the Chem-Card Program was undertaken and has been a recognized success. MCA took the lead in creating this means of helping the chemical industry meet a responsibility for providing safety information in shipment of chemicals by tank trucks. Nearly 45,000 copies of the complete manual have been sold and over 500,000 individual cards. The book, "Guide for Safety in the Chemical Laboratory," has been well-received, and now is in the final process of updating and revision. Our movie, "Safety in the Chemical Laboratory," has enjoyed good reception both by industry and the academic world. We are hard at work on a much needed manual on the disposal of laboratory wastes. We have conducted Chemical Safety Workshops around the country to share, hopefully, problem solving information with producers and consumers. The latest was in Houston on January 31. We have research programs underway in the field of safety. To fill a need, we stimulated creation of an excellent short course on "Explosion Problems in the Chemical Industry," in cooperation with the Bureau of Mines.

As part of our goal of spearheading overall safety activities in the chemical industry, committee members (and through them other company representatives) provide liaison and participate in the work of other organizations. These particularly include National Fire Protection Association, National Safety Council, American Chemical Society, American Institute of Chemical Engineers, and the American Society of Safety Engineers.

Over the years, the improvement in safety performance, for example as regards frequency of disabling injuries, among the member companies has been steady, and the envy of some other industries. In the last several years, however, we have at best leveled off and even retrogressed slightly. This suggests that safety--injury prevention, accident prevention, loss prevention, may not have had its fair share of management attention and effort. In fact, I see no other interpretation. It would seem that this is a confrontation that the chemical industry is simply not working hard enough at achieving better safety performance! Today this is not good.

Along with this disturbing trend, chemical processes continue to become more complex. Greater quantities are involved, with greater energies available for misadventure; conditions are more extreme, such as temperature and pressure; values are greater; all in all, there simply is greater potential for loss.

In the last several years, this potential has been realized all too frequently. Insurance loss ratios have become poorer and poorer, causing insurance companies to look less favorably on coverage in the chemical industry. This can only work to our disadvantage.

Now about the future--in my opinion, in general the overall approaches and methods used by our United States chemical industry are proper and valid, and have produced gratifying results. With continued hard work, safety performance or loss prevention should be even better. Your Safety and Fire Protection Committee certainly plans to aid to the greatest practical extent within our capability.

Apparently there are some who do not share our viewpoint. We are deeply concerned over the increasing Federal attempts to take over the safety function for most of the nation. We long have worried over creeping federalization in the safety area, and now it appears to be galloping.

In President Johnson's first message to Congress following the State of the Union address, on January 23, he devoted a surprising amount of space to occupational safety and health. He stated that that the lack of safeguards for the American worker against hazards on the job is the shame of a modern industrial nation. He used merely an annual figure for workers killed or injured to support this accusation rather than rates and trends which would more nearly reflect the true state. He also, of course, made no reference to the Federal government's poor performance.

Ignoring currently successful accident prevention techniques, he stated that "an attack must be launched at the source of the evil--against the conditions which cause hazards and invite accidents." He further states that the "reasons for these staggering losses are clear. Safety standards are narrow, research lags behind, enforcement programs are weak, trained safety specialists fall far short of the need."

It came as quite a shock to some of us, nonetheless, when he had submitted to Congress the next day the Occupational Safety and Health Act of 1968. This proposes to provide protection for every one of America's 75 million workers while they are on the job. As a goal this Bill would immediately provide "instant" and total safety for 50 million workers involved in interstate commerce. Others would have to wait a little longer.

He stated that the Bill will strengthen the authority and resources of the Secretary of Health, Education & Welfare to conduct extensive safety research. This will provide information to develop standards. The Bill will empower the Secretary of Labor to set and enforce those standards. It will impose strong sanctions, civil and criminal, on those who endanger the health and safety of the American working man. For American workers in intrastate commerce, it will provide for the first time Federal help to the states to start and strengthen their own health and safety programs. Grants would assist states to--develop plans to protect the worker, collect information on occupational injuries and disease, set and enforce standards, train inspectors and other needed experts.

Identical Bills have been introduced--Senate 2864 by Senator Yarborough (D Tex on January 23, and HR 14816 by Representative O'Hara (D Mich), on January 24. It is my understanding that the Department of Labor was given seven days in which to prepare the Bill. There was no consultation with industry, etc., as promised after the Walsh-Healey hearings.

Although discussed at the Safety and Fire Protection Committee meeting in Houston on February 1, as yet we have not analyzed it fully. We are so doing, of course. It is obvious to me, however, that the Bills are so broad as to be staggering, giving the Secretary of Labor seemingly unlimited and unprecedented power. One opinion I've heard is that this gives the Secretary of Labor more power than the FBI.

The coverage of the Bill would be practically universal according to an explanatory statement prepared by the Labor Department. It says, "Through the broadest application of the commerce power and by planning, experimental and demonstration grants to the states, the draft bill seeks to reach as far as possible every working man and woman in the country and provide them safe and healthful working conditions." The states, which have had responsibility for occupational safety, would have concurrent jurisdiction for 18 months after the Bill is passed. Then the Secretary could cede jurisdiction over any class of cases, or in other words give them what authority he wanted to.

The Bill provides for "establishing mandatory occupational safety and health standards applicable to business affecting commerce." It requires the Secretary only to have appropriate consultation with other Federal agencies, although it "authorizes him to appoint, without regard to the Civil Service Laws, such advisory committes or boards as he deems appropriate." In his testimony February 1, on HR 14816 before the select subcommittee on labor of the House Committee on Education and Labor, Secretary Wirtz stated that experience under the Walsh-Healey Act indicates a necessity to establish mandatory Federal standards. He indicated that in developing these standards, the Department will utilize to a large extent private and public standard setting bodies, but this remains to be seen. Many fear that these standards adopted under the Bill would be those industry has developed, which were intended to be goals and not mandatory.

Secretary Wirtz acknowledged that the most sensitive area in the Bill is the provision that the Federal inspector could go into a plant with an order for an immediate cessation of work if he found a condition that threatened "imminent harm to the safety and health of workers." At best, this should require exquisite judgment by a well-informed knowledgeable inspector. In my considered opinion, all such provisions in the Bill should be evaluated in the light of harshest possible interpretation and political expediency. Through appropriate liaison and contrivance, it would appear all too easy for unions to achieve illegal strikes through these channels.

At least with the Walsh-Healey Safety and Health Regulations for Supply Contracts, we were dealing with a rigid code situation (without desirable performance criteria) and reasonably assuming the harshest possible interpretation, industry was able to combat it at the public hearings on that basis. You will recall that Manufacturing Chemists' Association testified at Walsh-Healey hearings, and one of the valuable recommendations accepted was that, instead of rigid codes, nationally recognized standards would be specified by reference. This has been accomplished for Walsh-Healey Service Contracts, but as yet not for Supply Contracts. Because MCA publications do not currently qualify as nationally recognized standards we have been considering having them adopted by the U.S.A. Standards Institute so that they would be so recognized.

With the all-inclusive concepts and broad provisions of these new Federal bills, it is difficult at present to see how a similar approach can be used successfully. The Safety and Fire Protection Committee will follow progress of the Bill, as well as attempt to develop and recommend an action program.

The same difficulty applies to another interesting Senate Bill now under consideration. This is S.2485 and deals mainly with compensation benefits for the longshoremen and harbor workers. However, a most alarming concept has been introduced in the form of a User charge. Concealed as a service, it would actually be regulatory, and if passed, would give the Department of Labor a blank check that would require industry to pay for the operation of governmental safety programs without any control over the type of program or the cost. If this section is adopted, it may next be applied to Walsh-Healey situations, and obviously after that to all of industry. The danger here is that total responsibilities for safety would rest with the Federal government. Industry would gradually sink to the level of doing only what is specifically required, and accident prevention as a humanitarian endeavor would suffer greatly. I understand that European industry has already traveled this path. Government standards are set, but are difficult to enforce due to lack of funds. Industry has become reluctant to take voluntary action to improve safety, for fear the effort will be made mandatory.

Summing up, it appears that although the chemical industry has made substantial achievements in safety and loss prevention over the years, we may not be doing enough now in view of increasing hazards and complexities. Without question, there is great potential for injury and large loss by the very nature of our business, and management must insure that safety receives an adequate amount of competent attention.

It would appear that unless great resistance is raised, the Federal government is about to be successful in its move to take over responsibility for safety of all workers. The Occupational Safety and Health Act of 1968 indeed may be passed, as it is obviously pro labor, cheap in the sense of requiring no immediate large outlays of money, and good press--all politically desirable in an election year. From a safety professional's viewpoint, this is most undesirable, since in the long run it can only prove a disservice to accident prevention. It is difficult, however, at present to see how it can be fought, except by appropriate organizations providing background information so that articulate letters of protest may be written to Congressmen.

Certainly your Safety and Fire Protection Committee will study the problem; will maintain liaison with other interested groups; and hopefully will devise and recommend a plan of action.

Thank you, Gentlemen.

2/12/68