

MINUTES of the one hundred fifty-seventh meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, on Tuesday, May 10, at 11:00 a.m. (EDT).

There were present:

E. B. Brooks	Donald D. Pascal
Chester M. Brown	W. T. D. Ross
Herschel H. Cudd	Kenneth Rush
David H. Dawson	Robert B. Semple
George H. Decker	Robert C. Swain
Harold W. Fisher	Harold E. Thayer
J. Robert Fisher	Harry B. Warner
John L. Gillis	G. L. Weissenburger
Thomas C. Jones	Jesse Werner
John O. Logan	John E. Wood, III
M. A. Minnig	M. F. Crass, Jr.
Charles S. Munson	

Alternates:

A. E. Albright (for Hans Stauffer)
 S. H. Anonsen (for Harold E. Thayer)
 David L. Eynon, Jr. (for F. L. Byrom)
 P. C. Livesay (for Herschel H. Cudd)
 Thomas S. Nichols (for John O. Logan)
 Eugene J. Sullivan (for A. R. Marusi)

General Counsel:

Lloyd Symington

Present by Invitation:

Glen Perry, E. I. du Pont de Nemours & Co.

I. MINUTES OF APRIL 19, 1966, MEETING.

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

II. REPORT OF THE SECRETARY-TREASURER.

Financial Report -- June-April 1966. The financial report for the eleven months ending April 30, 1966, 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) Budget and Financing for 1966-67. Following a summarized presentation of budget and financing for fiscal 1966-67 at the April 19 meeting, the staff, on

April 27, transmitted to Directors a detailed documentation of both as recommended by the Executive and Finance Committees. Also distributed were copies of the proposed MCA over-all environmental health program as recommended by the EHAC and endorsed by the two Board committees. Mr. Thayer discussed the budget and its financing and Mr. Logan the EHAC report. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That a budget for the new fiscal year in the amount of \$1,460,400 be approved for presentation to the membership -- this to consist of basic budget funds of \$1,282,400 and an environmental health appropriation of \$178,000; such funds to be raised from membership fees using the current sales-fee classification augmented by an across-the-board increase of 10%, plus income from sale of publications, interest, and general meetings.

The discussion prior to the above action both clarified and emphasized several points:

That the decision to expand the Association's environmental health program as proposed would in effect be a commitment to continue the program in subsequent years.

That periodic membership fee increases would probably be necessary to finance it.

That implementation of the program in its initial phases would be governed by the funds available and the recruitment of qualified personnel.

It was agreed that the foregoing points and a detailed presentation of the over-all program should be made to the membership at the Annual Business Meeting on June 9 prior to action on the proposed budget. Mr. Logan agreed to make this presentation. It was further agreed that a copy of the proposed over-all environmental health program should accompany the advance mailing on budget and financing which will be sent to the Executive Contacts during the week of May 23.

(b) Nominating Committee. Officers and Directors for 1966-67. In behalf of the Nominating Committee, Mr. Gillis presented the following slate of officers for submittal to and action by the membership at the 94th Annual Business Meeting on June 9:

Chairman of the Board -- Kenneth Rush, President, Union Carbide Corporation

Chairman of the Executive Committee -- John O. Logan, Executive Vice President,
Olin Mathieson Chemical Corporation

President -- G. H. Decker

Vice Presidents -- Joseph E. Rich, President, Morton Chemical Company
Harry B. Warner, Group Vice President, The B. F. Goodrich
Company

The slate of new Directors will be forwarded to Directors in approximately one week's time.

(c) Annual Report for 1965-66. Copies of the Annual Report in draft form were sent to the Directors on May 3. Directors were urged to review the draft and to have their comments in the hands of the staff not later than May 13. The printed report will be mailed to all Executive Contacts and members of Association committees on June 9 -- the date of the Annual Meeting.

(d) 94th Annual Meeting. Mr. Crass reported briefly on arrangements and facilities for this meeting. Approximately 985 reservations have been received from 176 member firms. Capacity of The Greenbrier has been exhausted and registration has been closed. Copies of the advance program, budget and financing for fiscal 1966-67, and report of the Nominating Committee will be mailed to the Executive Contacts for advance consideration on May 23. Mr. Fisher then announced that the speaker at the Annual Business Meeting would be Paul L. Davies, Chairman of the Executive Committee, FMC Corporation. Guest speaker at the Banquet the next evening will be The Honorable Stewart L. Udall, Secretary of the Interior.

(e) Reactive Metals Advisory Committee. Extension of Tenure. The current two-year tenure of this ad hoc Committee expires June 1, 1966. Submitted to Directors in advance of the meeting were copies of a memorandum transmitting a recommendation from the Reactive Metals Advisory Committee that another two-year extension be authorized. The Committee feels that this extension is necessary to enable member producers to cope with problems of increasing industry concern, including those relating to stockpile materials and foreign trade.

At its meeting held earlier in the day, the Executive Committee recommended that favorable action be taken on the proposal with the understanding that during the 1966-67 fiscal year a committee of the Board would be set up to re-examine all Association activities carried on through committees or other groups having to do with particular products or classes of products, including plastics, with report to be made to the full Board not later than May 9, 1967. As proposed, the study would evaluate the possibility of disbanding all such committees or groups within the next two years; the feasibility of their integration within the regular functional framework of MCA; or their continuance under revised or updated terms of reference. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the two-year extension be approved under the conditions outlined by the Executive Committee and set forth above.

(f) Future Regional Meetings. The following schedule of general and regional meetings for fiscal 1966-67 was presented by the staff and approved by those present:

October 10-11, 1966	St. Louis, Mo.	Regional Directors Meeting
November 22	New York City	16th Semi-Annual Meeting
March 13-14, 1967	Pittsburgh, Pa.	Regional Directors Meeting and Executive Conference
April 10-11	Washington, D. C.	Directors Meeting and Congressional Reception
June 8-10	White Sulphur Springs	95th Annual Meeting
September 11-12	Montreal, Canada	Regional Directors Meeting

During the forthcoming summer a printed card schedule of Directors meetings will be prepared and forwarded to all Board members.

(g) Chemical Industry Councils. Relationship with MCA. At its meeting on April 15, the Chemical Industry Council Advisory Committee adopted the following statement defining MCA's relationship with the Chemical Industry Councils and recommended that it be considered and approved by the Board of Directors.

It was the consensus of the Executive Committee at its meeting held earlier during the day that the statement, which reads as follows, should be adopted.

MCA Relationship with CICs

1. MCA exercises no control or supervision over CIC activities or procedures and has no desire to impair local initiative in any respect. MCA's role is to encourage, advise, and support the CICs. In doing this, MCA provides information and materials regarding community relations, educational activities and, on occasion, legislative developments of interest to the chemical industry.
2. CICs are local, autonomous bodies, formed in response to local needs and making their own decisions in respect to membership, financing, expenditures, and scope of activities. They are not agents or representatives of MCA.

3. CICs should make every effort to prevent inferences that they are agents or representatives of MCA. In most cases, use of a phrase such as "in cooperation with MCA" would be appropriate. Use of the phrase "affiliated with" may be considered for use by CICs, but an appropriate disclaimer may be necessary. MCA's name should not be used in any form on formal documents of CICs (including letterheads, press release forms or similar pre-printed material) without written authorization from MCA.

ON MOTION duly made and seconded, it was

VOTED: That the statement be approved as official MCA policy.

IV. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Air Quality Committee.
S. M. Pier, Pittsburgh Plate Glass Company
- (b) Chemical Packaging Committee.
R. D. Minter, Monsanto Company, as Chairman
G. T. Stewart, The Dow Chemical Company, as Vice Chairman
J. V. Heeney, Aluminum Company of America
J. A. Thomas, Enjay Chemical Company, replacing W. H. Mulqueen
- (c) Transportation and Distribution Committee.
John H. Norton, E. I. du Pont de Nemours & Co., replacing
R. W. Puder
- (d) Transportation Equipment Committee.
Edwin L. Magee, Rohm and Haas Company
W. H. Mulqueen, Enjay Chemical Company
S. H. Moyes, General American Transportation Corporation,
replacing C. T. Graves as Associate Member

V. STAFF REPORT.

General Decker presented a 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.

In addition, General Decker discussed the following:

- (a) Conference held in Albany by the New York CIC on the evening of May 9 attended by Governor Rockefeller and other state officials.
- (b) The current vacancy on the Atomic Energy Commission and the desirability of an appointment from industry to fill this

vacancy. It was agreed that those present would consider the matter and forward to the President the names of possible nominees.

VI. COMMITTEE REPORT.

Chemical Industry Council Advisory Committee. Glen Perry, 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

APPROVED: Robert B. Semple
Chairman

Attachments

STAFF REPORT
May 10, 1966

Presented by General G. H. Decker

In keeping with plans reported at the April Board meeting, A. J. vonFrank, Chairman of the MCA Water Resources Committee, accompanied by W. J. Conner, Chairman of the Legislative Subcommittee, will testify for the Association on May 12 at hearings of the Senate Special Subcommittee on Air and Water Pollution on S. 2947, S. 2987 and other pending bills concerning water pollution control. The nature of the bill which will finally come from the Subcommittee is uncertain at this time, but there is reason to hope that it will generally follow the form of S. 2947. This measure provides only for increased appropriations through 1972 for water pollution control research, program support and construction grants. The Committee tentatively plans to report a bill by June 1 for Senate action.

On May 5 the House Government Operations Committee disapproved House Resolution 827, which would have expressed the opposition of the House of Representatives to the transfer of the Federal Water Pollution Control Administration from the Department of Health, Education and Welfare to the Department of the Interior. Accordingly, since there was no attempt in the Senate to block the transfer, the Reorganization Plan becomes effective today.

The House Ways and Means Committee continues its series of periodic executive sessions to consider H. R. 8282, the Administration's proposal for amendment of the Unemployment Compensation Act. There are still no indications that a bill will be reported for House action earlier than June 1.

Transportation

Member companies have been alerted to proposals before the Southern Freight Association which would eliminate mileage allowances on movements in covered hopper cars. This could have an adverse effect on the tank car mileage compensation decision still pending in the ICC. Since many shippers have asked for additional time to study the effect of these proposals, the Freight Association hearings originally scheduled for May 11 have been postponed indefinitely.

The Transportation and Distribution Committee has suggested an MCA position regarding pending Federal legislation which would establish a cabinet-level Department of Transportation. While the committee does not oppose such a department in principle, it does not favor legislation which would have the effect of transferring to the Executive Branch matters affecting economic regulations (such as rates or demurrage rules, etc.). It is the committee's position that these functions properly belong in independent agencies created and administered by the Congress.

Foreign Trade

A report on the inorganic chemical industry of the U. S. and the world was filed with the Office of the Special Representative for Trade Negotiations last month. It included export and import information and general data on eight chemicals or categories of chemicals significant in U. S. export trade. Because member company GATT contacts were able to provide little specific foreign trade information on many of these chemicals, the report was compiled with the assistance of several member representatives, the Technical Specialists and the Washington office.

The Tariff Commission has just issued its preliminary report on a study requested by the Special Representative for Trade Negotiations, Governor Herter, listing converted rates of duty on benzenoids subject to the ASP basis of valuation. A full report has been referred to the International Trade Committee. At the moment we are looking to SOCMA to represent the industry in commenting on this report.

Ammonium Nitrate

In a final report issued after an intensive three-year study, the U.S. Bureau of Mines has concluded that fertilizer grade ammonium nitrate, without addition of combustibles, is not likely to be detonated by fire under normal conditions of transport and storage. The study was conducted under a cooperative agreement with MCA and was financed by member producers at a cost of \$176,000. The detonation hazards of this material have been the subject of extending debate ever since several ship explosions involving AN -- including the disastrous Texas City incident of 1947 -- occurred within a single year. It is hoped that these findings will answer the many questions by fire, insurance and regulatory groups.

Community Relations

Scores of events, conducted by the Chemical Industry Councils, have recently been held in industry centers throughout the country. Many of them were staged during Chemical Progress Week. One development which indicates the significance of local activities involved the CIC of Delaware. The Council held a function in honor of Governor Terry and Members of the Delaware State Legislature. On that occasion, the Governor announced the formation of the "Governor's Scientific Advisory Committee", and asked the CIC of Delaware to recommend names for the committee's membership.

A survey is now being made of 1966 CPW activities and a detailed report will be presented in the forthcoming issue of Chem-munity. The Chairman of the CIC Advisory Committee is here and will discuss the current role of the Councils.

Media Relations

Press interest in MCA's Annual Meeting is high. Acceptances of an invitation to attend the meeting have been received from ten specially selected

representatives of trade publications and national daily newspapers. This gathering provides an opportunity for these press members to meet informally with member company representatives and to discuss current industry programs and activities.

Education

A new booklet, entitled "A Bright Future for You as a Chemical Technician", has just been issued by the Education Activities Committee. It describes the opportunities for well trained young people in this field, and the qualifications most employers require of candidates for the work. Recent studies, including a survey by the EAC, indicate a steadily rising demand for workers in this category. Copies of the brochure, the first complimentary one on the subject, are being sent to Board Members, other industry personnel and to state officials heading up programs of this nature.

Recipients of the 1966 College Chemistry Teacher Awards, bringing the grand total to 51, have been chosen. They are: Dr. W. Thomas Lippincott, Ohio State University; Dr. Leonard K. Nash, Harvard University; and Dr. Richard W. Ramette, Carleton College. As in previous years, the awards ceremony will be held at MCA's Annual Meeting, at which time public announcement will be made. A fourth edition of "Catalysts of a Profession" will also be issued then, featuring sketches of the recipients and the remarks of their spokesman.

Ten CICs have been participating in the Highschool Chemistry Teacher Awards Program. To each of these organizations, MCA is providing \$200 checks, engraved medals, and citations for presentation to the selected teachers. To the CIC of the Northwest, two sets of awards are being provided -- one for the State of Washington and the other for Oregon.

Remarks of
Glen Perry, Chairman
CIC Advisory Committee
to the
MCA Board of Directors
New York City
May 10, 1966

Mr. Chairman, Gentlemen:

I seem, perhaps like Haley's Comet, to float periodically into the orbit of your Board. I believe, if you will permit one item of personal intelligence, that I am the only man who has ever chaired three different standing committees of the MCA. Doubtless this explains the regularity with which I have appeared before you, generally with my hand outstretched in a plea for financial support of efforts to avert, or avoid the consequences of, some frightful catastrophe. Like Rachel Carson.

Your role in this performance rather reminds me of the patient who went to a dermatologist to seek relief for a rash that had broken out on his arm. The doctor inspected it, poked at it, unlimbered a microscope for a close examination of the scene. Then he looked at the patient.

"Have you ever had this before?" he asked.

"Yea, Doc," was the answer.

"Well," said the Doctor, "you've got it again."

There is a difference this time, however.

If my hand is outstretched, it is not to ask for money, but for your attention to a brief report on what is happening in the Wonderful World of Chemical Industry Councils. This will, as a matter of fact, be my valedictory as chairman of the Chemical Industry Councils Advisory Committee. I've served the standard two-year term, and I am now relinquishing the reins to Otto Boehm of Carbide.

It is always an interesting experience to be in on the launching of a new operation, like CICAC, and it has been so in this case. A little frustrating, too, because things don't move as fast as you think they should, or will, and also because they seldom develop exactly as predicted or even as intended. But after you've been through it a few times, you develop a perspective that enables you to take these things without either panic or despair. You know it is going to take longer than you thought. You know it isn't going to develop the way you expect. But these things do not disturb you much, and the reason is that you also know that if the objective is sound, and the vehicle well conceived, it'll end up about where it ought to be. Maybe you won't be around when it gets there. But this isn't important. What matters is that the needs and interests of the industry and its member companies be properly served. And I'm sure that Otto is going to lead CICAC and the CICs to that happy land.

I'd like to make one little digression; I'm confident this is going to happen, not only because of Otto's interest and competence and his drive, but because he will have Bruce Harrison backing him up. I want you to know that in my experience Bruce is a truly Grade A man, with imagination, intelligence, character, and force. In my opinion we are very fortunate indeed to have him on the MCA staff.

I want to take the rest of my time to discuss some of what seem to me the most important things about the CIC movement today. The first is that it would be a big mistake to play any sort of numbers game, judging the success of the program by the number of CICs. It is my view, and I think CICAC agrees, that no area should start a CIC in the absence of positive reasons for doing so. It is hard enough to get one off the ground when there is a real need. When there isn't such a need, when it amounts to window-dressing, or shadow-boxing, you simply are not going to find the hands to tote the bales. They've got plenty to do without undertaking unneeded assignments.

A question logically follows: What constitutes positive reason for organizing a CIC? I believe two situations must obtain. First, there must be a significant concentration of the chemical industry, represented by more than one company, in the area. Significant? Well, enough so that it is important to avoid duplication at all times, and at some times to speak with a common voice. The second situation is the existence of problems, actual or potential, involving understanding of the industry in the area by politicians, by educators, by any important groups within the community or the area.

We have, at the present time, CICs in fifteen states from the Atlantic to the Pacific Ocean, and from Lake Erie to the Gulf of Mexico. There are large and important ones, like New Jersey, Chicago (which calls itself the Midwest CIC), Texas, and Louisiana. The last two, of course, should probably be called cousins, and not brothers, since they are professionally operated organizations that venture into areas that lie quite beyond the scope of a CIC. There are small ones, like Maryland, Delaware, Connecticut. There are active ones, like Eastern Pennsylvania. There are inactive ones, like Detroit.

They come, that is, in all shapes and sizes, which brings me to my second point. It is this: The resources of the chemical industry in a given area may or may not be commensurate with the magnitude and/or the number of problems to be met. If they are, well and good. But if they are not, what do you do?

What, for instance, about a CIC like Maryland, in which participants are drawn almost entirely from the management of chemical plants in the Baltimore area? Contrast this, not with a big and important CIC like New Jersey, but with another small one, Delaware. In Wilmington three sizable chemical companies have their headquarters and, by corollary, their public and employee relations staffs, their water and air pollution abatement people, their executive groups. Obviously the Delaware CIC can call up a great deal more strength when it needs it, whether that strength be financial or personnel, than can the Maryland CIC. Yet it is not inconceivable that, for example, the air or water pollution problem could be far more serious in the Maryland area than in the Delaware area, with implications ranging far beyond the city limits to cover the whole Middle Atlantic region, and perhaps even farther.

Also to be faced was, and is, another question. With CICs formed at different times, in different places, for different reasons, with different resources and, strikingly, with different methods of raising differing amounts of money with which to carry on their work, it should not be surprising that companies like Du Pont began to wonder, first, how much it was costing them in the aggregate, and second, whether some more orderly system of providing support would not be more satisfactory.

These two questions--how do you help the CICs that need help in order to do their jobs? and, what is the most equitable way of providing the necessary funds for the whole CIC operation?--are questions with which CICAC has been wrestling for several months. Bruce Harrison and Allin Robinson, at my direction, and with the approval of General Decker and Maurice Crass, produced a proposed solution.

Their proposal involved incorporating the costs of the various CICs into the dues of MCA, to be distributed according to some equitable formula. This would also relieve the CICs of the fund-raising burden, leaving them free to devote their energies to their problems.

Their proposal involved the establishment of three regional offices through which those CICs needing assistance could be given it, and through which continuing and effective liaison between MCA and the CICs could be maintained. It was hoped that these offices could do for considerably less money the work now done for several of the CICs by public relations agencies.

I think it is fair to say that almost all CICAC members accept these as desirable goals. But, as you might expect, there are differences of opinion about implementation. The big CICs fear that what is proposed would cost them their autonomy. They want safeguards. I don't blame them, for I am a states' righter myself. There are questions as to whether the regional offices could handle the job. There have been certain legal problems involving the relationship between MCA and the CICs.

You can see that this is a pretty complicated matter, and that it'll take time and thought and work to iron out the various complications, and evolve a proposal that will come to you with the strong blessing of CICAC and that will look reasonable and desirable to you. Otto Boehm has some interesting ideas involving the use of CICAC to meet some of the more obvious difficulties. They may provide the key.

There are two points that I want to make in closing. The first is that a start has been made. The process is taking longer than we had hoped. But, as I told you earlier, it always does. I am confident that it will be worked out in time, and that when it has been worked out, the chemical industry will be in a much stronger position opposite its various publics.

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