

MINUTES of the one hundred sixtieth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Monsanto Research Center Auditorium, St. Louis, Missouri, on Tuesday, October 11, 1966, at 10:30 a.m. (CDT).

There were present:	Donald K. Ballman	Donald D. Pascal
	John W. Brooks	Joseph E. Rich
	E. E. Chipman	W. T. D. Ross
	John L. Christian	Edward R. Rowley
	Herschel H. Cudd	Kenneth Rush
	L. K. Eilers	Joseph R. Stevens
	Irb H. Fooshee	Henry A. Thouron
	T. G. Hughes	Harry B. Warner
	John O. Logan	John E. Wood, III
	Max A. Minnig	M. F. Crass, Jr.

Alternates:	A. L. Baldock (for Joseph R. Stevens)
	Chester M. Brown (for Irb H. Fooshee)
	C. O. Davidson (for E. B. Brooks)
	David L. Eynon, Jr. (for F. L. Byrom)
	Kenneth H. Hannan (for Kenneth Rush)
	David L. Matthews (for Alexander Lewis, Jr.)
	C. B. McCoy (for David H. Dawson)
	M. M. McGrew (for M. R. Clapp)
	Thomas B. Nantz (for Harry B. Warner)
	Frank J. Pizzitola (for John W. Brooks)
	N. E. Sylvander (for Charles H. Rybolt)

General Counsel:	Marx Leva - Fowler, Leva, Hawes & Symington
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Present by Invitation:	Stanley H. Anonsen, Mallinckrodt Chemical Works
	R. A. Bondurant, Jr., Vulcan Materials Company
	William H. Bowman, American Cyanamid Company
	J. E. Doyle, Eastman Kodak Company
	E. W. Dwyer, Monsanto Company
	J. Robert Fisher, Fisher Chemical Company, Inc.
	Henry Ford, Eastman Kodak Company
	Roger W. Gunder, Stauffer Chemical Company
	Robert D. Minter, Monsanto Company
	Authur Northwood, Jr., Shell Oil Company
	Robert B. Semple, Wyandotte Chemicals Corporation
	Harold E. Thayer, Mallinckrodt Chemical Works
	Howard L. Young, American Zinc, Lead and Smelt-
	ing Company
	Richard A. Young, American Zinc, Lead and Smelt-
	ing Company

Luncheon Guests:	(Attached to these minutes as Exhibit A is a list of additional guests who were present for the luncheon only.)
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I. OPENING REMARKS.

In calling the meeting to order at 10:30 a.m., Chairman Kenneth Rush welcomed the Directors, alternates, and guests and invited them to take an active part in the discussion. On behalf of those present, he thanked the Arrangements Committee, consisting of Messrs. Harold E. Thayer (Chairman), John L. Gillis, and Richard A. Young, for its efforts in planning and carrying out arrangements for the meeting. He expressed appreciation to the host companies (American Zinc, Lead and Smelting Company; Mallinckrodt Chemical Works; and Monsanto Company) for their sponsorship of the supplemental events, including the Monday evening buffet and river cruise aboard the Golden Arrow, the hospitality facilities at the Clayton Inn, the Tuesday luncheon, and ensuing visitation trip through the Gemini facilities of the McDonnell Aircraft Corporation. Mr. Rush called on Mr. Thayer to describe the balance of the day's program, including transportation arrangements.

Mr. Rush then stated that John O. Logan, Chairman of the Executive Committee, had announced his retirement from Olin Mathieson Chemical Corporation, effective October 14, and that shortly thereafter he would assume the presidency of Universal Oil Products Company, an MCA member firm. He reported that the matter had been discussed at a meeting of the Executive Committee held earlier that day and that it was the unanimous feeling of that group that Mr. Logan, if willing, should continue to serve out his terms as an elected Director and Officer of the Association and that Mr. Logan has agreed to do this. Those present unanimously affirmed this action.

II. MINUTES OF SEPTEMBER 13, 1966, MEETING.

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

III. REPORT OF THE SECRETARY-TREASURER.

The financial report for the four months ending September 30, 1966, was summarized by Mr. Crass.

ON MOTION duly made and seconded, it was

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

Arrangements have been made, as of December 1, 1966, to take over additional Washington office space adjacent to the Association's present quarters in the Universal Building to house the additional authorized personnel. As previously announced, Glenn J. Hawkins, a Sanitation Engineer, has been employed to fill the water resources post. To date, the Association has not been successful in hiring the two additional employees sought -- an air pollution technician and a public relations environmental health man -- although efforts are continuing.

It was reported that a refinancing of the special retirement fund with Government Bonds bearing approximately 5% interest had been completed.

IV. BOARD OF DIRECTORS.

(a) Appointment of Alternates. The Chairman advised that the following additional members had requested appointment of alternates:

<u>Board Member</u>	<u>Alternate and Company</u>
E. B. Brooks	C. O. Davidson, Columbian Carbon Company
Donald K. Ballman	Carl A. Gerstacker, The Dow Chemical Company
Herschel H. Cudd	P. C. Livesay, Amoco Chemicals Company
Alexander Lewis, Jr.	David L. Matthews, Gulf Oil Corporation (replacing W. C. King)

ON MOTION duly made and seconded, it was

VOTED: That all appointments be approved.

(b) Updated Association Directory. It was reported that the revised and updated MCA printed listing of Officers, Directors, Committees, and Member Firms had been distributed to the Executive Contacts, Committee Members, and miscellaneous Association representatives during late September. The Directory also restates the purpose and objectives of MCA and includes the "General Principles Applicable to the Structure and Operations of Committees" which the Board has requested each committee member to read at least once each year. Copies of these Principles, as well as the pamphlet, "Antitrust Guide for MCA Committee Members," are furnished to each new committee member upon his appointment.

(c) November 22, 1966, Semi-Annual Meeting. Copies of the illustrated program of the 16th Semi-Annual Meeting and Midyear Conference of the Association, to be held in New York City on November 22, were distributed. The program, with registration information and forms, was transmitted to approximately 1600 member representatives on September 26. Mr. Wood, Chairman of the Program Committee, briefly reviewed details and urged Directors to forward their company registration lists promptly to the Washington office.

(d) Environmental Health.

(i) External Public Information Program. At the September 13, 1966, meeting of the Directors, those present approved a series of project, manpower, and budget proposals recommended by the Environmental Health Advisory Committee, with the exception of a \$65,500 External Public Information Program on which it was felt further information was required. Mr. Logan reported that at a meeting of the Executive Committee held earlier in the day, representatives of the Public Relations Committee presented a detailed program which would involve retention of an outside agency, plus utilization of the technical committees, Chemical Industry Councils, and staff where appropriate. Efforts of this program would

brief reports on the current activities of their groups. Copies of these presentations are appended to these minutes as Exhibits C and D, respectively.

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

M. F. Crass, Jr.
Secretary-Treasurer

APPROVED: Kenneth Rush
Chairman

Attachments

INVITED GUESTS - LUNCHEON ONLY
REGIONAL MEETING OF THE MCA BOARD OF DIRECTORS
St. Louis, Missouri - October 11, 1966

Paul Akin
Edward J. Bock, Vice President
David R. Calhoun, President
Charles E. Claggett, Chairman
and Chief Executive Officer
Richmond Coburn
Kenton R. Cravens, Chairman
William L. Davis, President
Joseph Griesedieck, President
James P. Hickok, Chairman
Carrol A. Hochwalt, President
Ben F. Jackson, Partner
Downing Jenks, President
Aloys P. Kaufmann, President
William G. Marbury, Chairman
and President
Harry B. Mathews, Jr., Chairman
William A. McDonnell, Chairman
of the Finance Committee
Warren F. Michener, Vice President
David H. Morey, President
William J. Nuelle, President
Edward A. O'Neal, Jr., Chairman
Frederic M. Peirce, President
Joseph Pulitzer, Jr., President
Ray Rowland, Chairman
Adm. Sidney W. Souers, Chairman
Charles H. Sommer, Jr., President
Dr. Charles A. Thomas,
Chairman, Finance Committee
Ben H. Wells, President

Laclede Steel Company
Monsanto Company
St. Louis Union Trust Company

Gardner Advertising Company
Coburn and Croft
Mercantile Trust Company
Emerson Electric Company
Falstaff Brewing Company
First National Bank in St. Louis
St. Louis Research Council
Price Waterhouse and Company
Missouri Pacific Railroad
St. Louis Metropolitan Chamber of Commerce

Mississippi River Corporation
Mississippi Lime Company

St. Louis-San Francisco Railway
Mallinckrodt Chemical Works
Boatmen's National Bank of St. Louis
Petrolite Corporation
Monsanto Company
General American Life Insurance Company
Pulitzer Publishing Company
Ralston Purina Company
General American Life Insurance Company
Monsanto Company

Monsanto Company
The Seven-Up Company

STAFF REPORT
October 11, 1966

Presented by M. F. Crass, Jr.

Federal Legislative Developments. The major item of current interest is the President's recommendation for suspension of the 7% investment tax credit, the outcome of which is still in doubt. The odds at this time, however, appear to favor its enactment.

Following Mr. Gerstacker's presentation of the Association's position to the House Ways and Means Committee on September 15, copies of his statement were forwarded to each Senator and Representative with a personal letter of transmittal. Many replies were received commenting favorably on the MCA position. When the suspension bill, H.R. 17607, was reported by the House Ways and Means Committee on September 26, it provided for an equipped building rule and for machinery and equipment completion rules to allow investment credit on projects substantially under way on September 8, the suspension date. These rules would not provide the same degree of relief for the chemical industry as for other industries because chemical manufacturers frequently serve as their own contractors and because chemical process equipment is often in the open without protective buildings.

At a September 28 meeting, the MCA Tax Policy Committee considered this problem and developed a recommended "plant facility" concept to provide equitable treatment for the chemical industry. The Committee also agreed to request representatives of their top management to call on Senate Finance Committee members to acquaint them with the chemical industry problem.

Obviously, not all member company efforts with regard to the bills are known to the Association staff, but it is known that management representatives of at least two member companies worked on the problem for an entire week in Washington and that home office representatives of at least four other companies spent one or two days in calling on Senate Finance Committee members. In addition, there were numerous other visits by Washington representatives of member companies and telephone calls from home office executives. Also, MCA Tax Policy Committee members and MCA Tax Counsel held conferences with the staffs of the Treasury Department, the Joint Internal Revenue Taxation Committee and the Senate Finance Committee.

Kenneth Rush, Chairman of the MCA Board, agreed to present the Association position to the Senate Finance Committee and was scheduled to testify October 6. After a three-hour morning session with Secretary of the Treasury Fowler as the principal witness, the Committee held an afternoon session to hear the testimony of national business associations, including MCA. This session, however, was interrupted by a series of roll call votes on the Senate floor and it was deemed advisable to submit the MCA statement for the

the hearing record, assurances having been given beforehand that it would be carefully considered. Although regrettably the Association statement was not presented orally, conversations at the noon recess between Mr. Rush and Senator Long, Chairman of the Finance Committee, provided a basis for believing that the chemical industry's problem is well and sympathetically understood. A most encouraging development was Senator Long's request that a preconstruction model of an ethanolamines unit, which was to be used as an exhibit during the MCA testimony, be left with the Finance Committee for examination during its executive sessions on the bill.

If MCA is successful in obtaining Senate Finance Committee amendments providing some relief for the chemical industry, more work by member company executives will be necessary to inform House Conferees regarding the need to retain the Senate amendments. The MCA Tax Policy Committee is prepared to organize another effort for this purpose. A final note is that an amendment adopted on the House floor would provide that the investment credit would not be suspended on air and water pollution control equipment.

Environmental Health. With a view to orderly planning and budget developments for the 1967-68 fiscal year, the chairman of the Environmental Health Advisory Committee has requested the ten participating MCA committees to complete and submit their proposed programs for next year by the end of October. The Committee also plans to revise and present a five-year program projection, corresponding to the one developed for the first time earlier this year.

MCA Committee and staff representatives have been following development of the program for the National Conference on Air Pollution through participation in steering committee meetings. The chemical industry will have excellent representation among the speakers, including two MCA committee chairmen (Dr. J. H. Sterner and Mr. Jerome Wilkenfeld) and one company president (Mr. Harold Thayer). The Conference is being arranged by the Department of Health, Education, and Welfare and will be held in Washington, D. C., on December 12-14.

Executive Contacts have been mailed the first report published on the MCA-sponsored research project at Washington University, titled "Behavior of Organic Chemicals in the Aquatic Environment - A Literature Critique." The report summarizes the available background information for the experimental program now in progress.

Folders have been distributed regarding the next two Technical Seminars on Water Pollution Control, at the University of Washington, Seattle, October 24-28, and the University of Notre Dame (Indiana), November 14-18. Registration for both approached the half-way mark at the end of September. The fifth MCA Water Pollution Control Seminar was held September 19-23 at the University of Texas, Austin, with 27 member registrants attending.

Water transportation emergency information cards have been sent to fifty state water pollution control administrators. The purposes were to acquaint the administrators with the cards and to ask them to advise MCA of an

emergency phone number for notification in case of an accidental chemical discharge into state waters. These phone contacts will be supplied to MCA members.

The Safety and Fire Protection Committee has appointed a task group on "Flammable Liquid Drum Storage" to follow the research program being carried out on MCA's behalf by the Factory Mutual Research Corporation. "Phase 1" is designed to correlate the effect of fire exposure of drums containing water with drums containing heptane. If reasonably similar conditions of temperature and pressure are recorded for water as for heptane, "Phase 2" will be prepared by the task group (cooperating with Factory Mutual Research) and submitted to MCA for consideration. Additional and perhaps substantial financing will be required.

The Safety and Fire Protection Committee plans to hold three Safety Workshops on the West Coast next year -- on April 10 in Los Angeles, on April 12 in San Francisco, and on April 14 in Seattle.

The Occupational Health Committee (formerly the Medical Advisory Committee) met October 6 and 7 to develop a procedure for expansion of the Committee as authorized. Earlier the representatives of polyvinyl chloride resin producers met with the Committee to consider a medical matter encountered in manufacture of this type of resin.

Supplementing last month's report, representatives of trichloroethylene producers as a special task group are continuing consideration of research proposals on the photoreactivity or smog-producing tendencies of TCE vapors in connection with the Los Angeles recently imposed regulations.

Transportation. On September 29 the Senate passed and sent to conference a bill creating a Cabinet-level Department of Transportation. The measure's chief difference from a companion bill passed by the House is that it provides for transference of the Maritime Administration to the new Department. Both bills would vest in the Department authority for promulgation of regulations to govern transportation of explosives and other dangerous articles presently vested in the ICC, the Coast Guard and the Federal Aviation Agency.

The Interstate Commerce Commission proposed major amendments to the ICC regulations regarding special authorization for use, inspection and certification of tank trucks. These changes are of substantial interest to MCA member companies and are being reviewed by the Transportation Equipment Committee. ICC officials have publicly commented that the Commission will soon propose a change in its definition of a "flammable liquid." If adopted, this could result in increased freight rates and charges for many additional chemicals falling under the new definition.

Radiation Exposure Record-Keeping

K. R. Osborn, Chairman of the Nuclear Committee, testified before the Joint Committee on Atomic Energy on bills which would authorize AEC to establish a uniform system of record-keeping for radiation workers' exposure.

Since the proposed system does not appear to be adequate, it was suggested that action on the bills be deferred, and that the Atomic Energy Commission study the records now kept by its contractors and licensees, in order to develop a form that would provide an optimum amount of data for a permanent record.

Hazard-Marking System

NFPA Committee No. 704, Fire Hazards of Materials, met September 22 to consider the charge made by the Board of Directors of NFPA to develop a hazard-marking system suitable for use in transportation. As an outcome of the meeting, Chairman J. S. Queener will appoint a task group of 6 or 7 persons representing the following organizations - MCA, API, Bureau of Explosives, Fire Marshals, Fire Chiefs, and U. S. Government. Appointment of a trucking industry representative is also being considered. The MCA representative to be recommended will be either the Secretary or a member of the MCA Inter-Committee Task Group on Transportation Hazard Information.

Water Pollution - A Political Issue

Water pollution and its control appears to have become the main theme for a large number of local, state and federal politicians, MCA's clipping service indicates. As election time draws closer, the political "outs" are attempting to embarrass the "ins" by raising the issue and they are doing this in political campaigns from Massachusetts to Oregon. Pollution control was one of the main themes of the recent Maryland election primary and politicians in New York, New Hampshire, Pennsylvania and Connecticut also are taking advantage of pollution problems in order to gain the ear of the electorate. This trend can be expected to increase during the weeks ahead.

A Feature Event of Cleaner Air Week

Chester Brown, Allied, will be principal speaker for industry at a luncheon to be held October 24 at the Waldorf-Astoria in New York, kicking off Cleaner Air Week. The luncheon is sponsored by the Citizens For Cleaner Air Committee and is receiving full support of the Chemical Industry Council of New York State.

Report to the Board of Directors
of the Manufacturing Chemists' Association, Inc.
By Robert D. Minter, Chairman
Chemical Packaging Committee
October 11, 1966

Gentlemen:

I have been asked by Mr. Crass to report to you briefly on the activities of the Chemical Packaging Committee. I have been attending meetings of the Committee as an alternate and member for 20 years. I should, therefore, be qualified to tell you about the activities. My only difficulty is to do so in a limited time.

The purpose of the Committee as stated in the Rules of Organization & Procedures is as follows:

To develop and advance technical information relating to the safe packaging, handling, storage, and transportation of chemicals.

To secure, for the purpose of promoting safety, the proper consideration of the interests and problems of the Association members by the Interstate Commerce Commission, Bureau of Explosives, Association of American Railroads, U. S. Coast Guard, and other regulatory authorities having jurisdiction over specifications, design, and regulation of containers.

To operate at all times, in its pursuit of these activities, within the framework of the "General Principles Applicable to the Structure and Operations of Committees" as approved by the Board of Directors on March 12, 1963, and all subsequent revisions.

In my own words, the purpose of the Committee could be stated as follows:

To prove that a container will safely transport a specific, hazardous chemical, or a class of hazardous chemicals from manufacturing plant to destination. This takes into account the fact that the container may be subject to a number of handlings and variable times of storage.

To whom do we prove the performance of the container? First

to ourselves, then to the various regulatory agencies such as the Bureau of Explosives, the ICC, and the various associations of Carriers.

Today, the Chemical Packaging Committee comprises 28 members all of whom are active, and all of whom have been selected by their companies as being the most knowledgeable in the field of packaging. We are organized into 5 subcommittees: Plastic container, Steel drums, Fiber drums, Small packages, and Industrial bags and liners. This permits any container to be referred to the proper group for study.

How do we go about proving the safety of a given container? Fortunately for the chemical industry, container regulations are a combination of specifications and performance, and we hope they will remain so. Our first step then is to run destructive tests such as drop, puncture, pressure, compression, etc. To see just what the container will stand, we then set up shipping tests to duplicate actual experience. Working collectively as a committee, we can arrange test shipments among our various members and have our members witness the loading and condition on arrival. This enables us to obtain shipping performance in the shortest possible time. After we have satisfied ourselves that a container will meet shipping requirements, we draw up final specifications and submit it to the Bureau of Explosives for approval. This method applies both to new containers and modifications to existing containers.

We have always stressed safety, and we always will, but we are practical people and are fully aware of the economic factors. In our own companies, we are responsible for lowering container costs. As a committee we are talking maximum safety. Surprisingly enough, this does not lead to conflict. We have found through experience that brute strength does not guarantee safety. In fact, we believe flexibility to be the most important factor - a container that can absorb shock. As proof, we offer 20/18 gauge steel drums, 4-ply paper bags, 7-ply fiber drums, and various plastic containers which are all transporting hazardous chemicals safely and in increasing volume.

It is, of course, new materials of construction which are keeping our dockets full and this is going to continue. Polyethylene is the most important to come along in recent years. We recently completed specifications for all-plastic sacks. We are working on a number of composite containers - polyethylene surrounded by fiber, by steel, and by corrugated. We are also studying a number of unsupported polyethylene containers of all sizes. I predict that when we have completed the work on polyethylene, we will have to start working on other types of plastics

and co-polymers. As you can see, writing specifications for containers is ever changing due to the increased number of new products being put on the market, the changing methods of storing, handling, and transportation, and new materials of construction. I think I can say without fear of contradiction that CPC has its "work cut out for it".

In closing, I would like to mention some of our other activities. We maintain liaison with the Steel Shipping Container Institute, the Paper Shipping Sack Manufacturers Association, the ASA Committee of Standards, and the Packaging Institute. We have Ad Hoc study groups keeping an eye on some pending legislation such as the Hart bill, and we feel that we will have much work to do in connection with the proposed uniform international container specifications as presented by the United Nations Committee of Experts.

As current chairman, I would like to thank all members of the CPC for their dedicated work and a special thanks to our hard working secretary and staff representative, Albert C. Clark.

Report to the Board of Directors
of the Manufacturing Chemists' Association, Inc.
By E. W. Dwyer, Chairman
Industrial Relations Advisory Committee
October 11, 1966

This is my third appearance before the Board as chairman of the Industrial Relations Advisory Committee. My most recent report to the Board on the activity of our group was in February of this year.

As a departure this morning, Maurice has suggested that I review with you the major pieces of legislation affecting labor and manpower that came before the Congress this year, and to then take a quick look at some of the things that will confront the industry in 1967.

The Congress had before it this year a number of pieces of legislation of considerable importance to the industry.

HR 77 -- Repeal of 14b

This is the famous "Right to Work" bill with which all of you are familiar. You will recall that it passed the House, but failed to get a two-thirds vote on cloture, to stop the Dirksen filibuster.

MCA opposed this bill.

As far as 1967 is concerned, to labor the repeal of 14b is a holy cause. If they can get any support, and they probably can, it will undoubtedly be back on the calendar.

HR 8282

This was the Unemployment Compensation bill which provided for the establishment of federal standards and many other undesirable changes in the present law, not the least of which it would have cost the industry millions of dollars in additional taxes and eliminated experience rating.

MCA did a lot of work on this particular piece of legislation, in cooperation with many other management groups.

The substitute bill, HR 15119, was finally passed by the House which eliminated most of the bad features of HR 8282. When it got to the Senate, the Senate re-introduced the Federal Standard Provisions. The bill was sent back to the House and it now appears that the legislation is dead for this year.

In 1967 --

This bill will probably be back again. Actually, organized labor and the Labor Department were not at all happy about HR 15119. There is some evidence they were glad to see it go down the drain, in the hopes of later getting a stronger bill.

HR 13712 - Minimum Wage

This bill has passed both Houses and has been signed by the President. It increased the minimum wage from \$1.25 to \$1.40, effective February, 1967 and to \$1.60 in February of 1968.

MCA took no action on this bill so far as I know. At first glance, there is no indication that it will have an immediate impact on our industry, as far as actual rates are concerned.

The danger is more subtle. It, in effect, raises the floor on all industry wage structures. This will be a point of union contention in future negotiations.

It added 7.1M workers to those already covered, including all construction workers. This is some 500M men, and can conceivably reach some groups among the non-union contractors.

Incidentally, this raise broke the government's so-called guide lines of 3.2% wide open. It provides for a 12% rise in 1967, with an added 14+% in 1968. (28% -- \$1.25 to \$1.60)

As to 1967 --

HR 13712 took care of the problem for a while. There is always the possibility the Department of Labor will reactivate its study of the chemical industry wage rates under Walsh-Healey. They made a study a number of years ago, but we were able to so muddy up the waters that they never came out with a recommendation.

HR 10027 - Common Situs Secondary Boycott Bill

This bill is highly undesirable as it would allow picketing at a site where multiple contractors are working. The result of which could be that in a stoppage involving only one union, no union members would go through the picket line, and all work at the site would stop.

This was a very bad bill and MCA was strongly opposed to it.

It was reported out by the Labor Committee, but has never been brought to the floor of the House. The prediction is that it doesn't have a chance this year.

Its 1967 fate is unclear.

HR 10065 - Civil Rights

This is the so-called Civil Rights Bill of 1966. It had in it certain provisions which added further complications to the legislation we are already operating under. You will recall that it passed the House but died in the Senate.

The worst feature, among many, of this particular bill, was the added power given the Equal Employment Opportunity Commission to subpoena witnesses and records, issue cease and direct orders and to assess guilt of employers.

We are currently being greatly harassed by this agency and many state agencies. Under the law anybody can file a complaint, and we have one filed by Core at one of our plants.

EEOC presently has 7,000 complaints pending.

As to 1967

It is difficult to see the liberal members of Congress leaving this issue alone. The prediction is that some type of bill will be back in 1967, but the current of public opinion, at least at the moment, seems to be running contrary to any radical new steps.

HR 13070 - Employee Moving Expense Bill

This bill gives relief to employees whose moving expenses are paid by their employer. Some of these expenses are already exempt, as you know, but the Internal Revenue Department has put these at a bare minimum and most employees today find themselves out of pocket (unless their companies also pay the tax). The bill is still in committee and our report is that it is low on the priority list.

S 2974 - Manpower Services Act of 1966

This was a bill to amend the Wagner-Peyser Act, which basically governs the present Federal-State Public Employment Service relations.

We opposed this bill because it gave the Secretary of Labor too much authority in dictating to the states. One of the aspects of this bill which we found particularly distasteful was the possibility that we would be required to do our college recruiting through the Public Employment Service offices. The language was vague but an earlier draft contained all the elements of such a requirement.

These were the major pieces of legislation pertaining to labor and manpower that came before the Congress this year.

CMA 068591

Our old friend, "Double Time for Overtime" did not reappear, although it probably has not breathed its last. You'll recall that Carl Hageman appeared before the House Committee a year ago on behalf of MCA. His testimony unquestionably played a major part in the scuttling of this unhappy piece of legislation.

Let me close now by just mentioning a few of the problems that will face the industry during 1967. If you would later like to talk about any one of these in particular, I will be glad to go further into the problem.

NLRB

There is no indication at the moment that the National Labor Relations Board will change its course of upsetting old decisions and working increasingly hard on the union side. This can cause us all kinds of trouble.

We look for more limitations on the employer's right to speak out; more certification of union representation by card check, rather than elections; more coalition bargaining decisions; and, the most disturbing recent development, the right of the union to bargain the "unwritten terms" of the agreement, during the life of the agreement.

And so it goes.

Starting Salaries for Technical Graduates

These will continue to escalate. The guess is 4%-6% this year.

Competition for Graduates

There is no indication of any lessening of competition -- probably the contrary. In this connection, I was pleased to see the interest of MCA in trying to improve the image of the industry on the college campus. With the intense competition of some of the other industries, it is absolutely essential we keep working on this.

Union Coalition Bargaining

All of you are probably familiar with the fact that the federal courts ordered GE, in their negotiations with the IUE, to admit seven additional unions to the bargaining sessions. Both Carbide and Olin have also been confronted with this problem, and it is undoubtedly only the beginning.

Walter Mitchell, of the ICW, has publicly stated that his number one objective is national bargaining, with each of the chemical companies. He is strongly supported in this by Walter Reuther, and has the solid backing of the AFL-CIO Industrial Union Department. This could be a major headache.

Union Organization Drives

The chemical industry is a most appetizing target for union organization drives, as we have within our industry a large number of plants which are operating non-union. Unfortunately, our labor relations people tell us that these organization drives are becoming more successful, and the pace is stepping up.

Rank & File Revolt

All of us have read in the papers, there is a ferment of revolt by the "Young Turks" in many of the labor unions. This puts us in the very unhappy situation of arriving at a settlement with the bargaining committee only to have the rank and file vote it down. This will probably continue until some of the younger, more belligerent officers, who have either unseated or who are trying to unseat the Old Timers, have had a chance to settle down. (Business Week article)

Racial Problems

These will continue to give us concern. I mentioned earlier our problems with EEOC.

These are the major problems that would appear to be facing us in 1967.

Again, I want to express my thanks for the opportunity to meet with you this morning. If there are any questions or any comments I would be glad to hear them.

CMA 068593