MANUFACTURING CHEMISTS ASSOCIATION

1825 CONNECTICUT AVENUE, N.W. WASHINGTON, D.C. 20009 (202) 483-6126

October 2, 1974
GRC-49-1

MINUTES
GOVERNMENT RELATIONS COMMITTEE
HAMILTON SUITE, THE WASHINGTON HILTON
WASHINGTON, D. C.
JUNE 17, 1974

PRESENT

Everett H. Bellows, Chairman	Olin Corporation
Robert L. Shafer, Vice Chairman	Pfizer Inc.
Jerome J. Breiter	Hercules Incorporated
Francis E. Cook	Stauffer Chemical Company
Francis D. Flanagan	W. R. Grace & Company
Brian D. Forrow	Allied Chemical Corporation
Don A. Goodall	American Cyanamid Company
Sam Gusman	Rohm and Haas Company
Richard M. Hunt	N L Industries, Inc.
Mike Manatos	The Procter & Gamble Mfg. Co.
Charles T. Marck	Dow Chemical U. S. A.
Lawrence J. O'Connor, Jr.	The Standard Oil Company (Ohio)
Sam Pickard	Monsanto Company
Douglas D. Pirnie	Exxon Chemical Company U. S. A.
Lester G. Shapiro	Engelhard Industries
Arthur J. Smith	Shell Chemical Company
Charles D. Snead	Eastman Chemical Products, Inc.
Walter D. Thomas	FMC Corporation
A. C. Welling	BASF Wyandotte Corporation
Albert A. Fox, Jr.	Manufacturing Chemists Association
Ms. Terri Gratson	Manufacturing Chemists Association
Ms. Jody Hamberger	Manufacturing Chemists Association
Hugh M. Robinson	Manufacturing Chemists Association
David C. Williams	Manufacturing Chemists Association
William M. Stover, Secretary	Manufacturing Chemists Association
Stan Browne (for Kelly)	E. I. du Pont de Nemours & Co.
George Graeber (for Kenney)	Union Carbide Corporation
David M. Jenkins (for Rudy)	The Goodyear Tire & Rubber Co.

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GUESTS

Elmer A. Fike	Fike Chemicals, Inc.

ABSENT

Robert D. Buehler	The B. F. Goodrich Company
James T. Conner	Chemagro Div. of Mobay Chemical Corp.
Kimball Firestone	The Firestone Tire & Rubber Co.
Charles O. Gerfen	Mallinckrodt Incorporated
Carroll W. Hayes	Celanese Corporation
Carlos W. Luis	3M Company
James McCrory	Borden, Inc.
Robert H. Miller	Tenneco Inc.
Richard W. Murphy	Merck & Co., Inc.
James A. Rush	Nalco Chemical Company
Carstens Slack	Phillips Petroleum Company
William H. Thomas	Universal Oil Products Company
Jack Woolley	PPG Industries, Inc.

The meeting was called to order at 2:10 p.m. by Chairman Bellows.

1. Approval of Minutes

The minutes of the last regular meeting, May 6, 1974, were approved.

2. Committee Business

A. GRC Survey -- Mr. Bellows announced that a survey will be conducted to determine principal issues of concern among GRC members and to assist him in bringing up to date the assignments for Liaison Representatives and strategy subcommittees.

B. Fall Golf Outing -- In the absence of Mr. Woolley, Mr. Fox reported on the results of his poll of Committee members to ascertain acceptable dates. It was agreed that the outing would be scheduled for Monday, September 16, at Congressional Country Club, and that the format would be substantially the same as in the past.

C. GRC Executive Committee Meeting -- It was announced that the Executive Committee of the Government Relations Committee will meet on Monday, July 1, at 11:00 a.m. in the MCA Conference Room.

D. Assignment of Committee Liaison Representatives -- The recommendation was made that where the strategy subcommittees of the GRC are formed, the subcommittee chairman should also function as Liaison Representative to the respective MCA technical or functional committee. After a brief discussion, this change in procedure was unanimously agreed to and will be employed by Chairman Bellows in making the current appointments.

I. New Business

A. MCA Board Approves Supply and Profitability Position -- At its Annual Meeting in early June, the MCA Board of Directors approved a policy statement which recommends MCA support for measures which operate to expand the supply of essential fuels and feedstocks, and oppose price and other restraints which tend to restrict supply. The position paper also called for opposition to any measures which would tend to impair the profitability of industry. Copies of the formal position, originally drafted by the Economic Policy Review Committee, have been circulated to all GRC members.

B. MCA Board Approves Vinyl Chloride Research Project -- The MCA Board of Directors has approved a proposal that MCA administer four new research projects on vinyl chloride and its effects. The studies, funded by U. S. producers, include programs on animal metabolism, teratogenesis, animal chronic inhalation, and acute inhalation.

C. MCA to Monitor Japanese Patents -- The Technical Information Retrieval Committee has recommended, and the MCA Board approved, a program designed to monitor services relating to the retrieval from published U. S. and foreign sources of patent and other technical information of interest to the chemical industry. The study will check the accuracy of existing services which report on the issuance of Japanese patents.

D. Loss Data Bank -- The MCA Board has approved a pilot program designed to analyze losses in the chemical industry due to fire, explosion and natural disasters. The computer capabilities of the McDonnell Douglas Automation Company will be utilized for this purpose.

E. MCA Multinationals Booklet -- Mr. Stover called attention to the MCA publication on multinational chemical companies which has recently been printed and has been distributed to appropriate Members of Congress. Copies have been sent to all members of the GRC.

F. Chemical Forum Schedule -- It was announced that a tentative acceptance has been received from Treasury Secretary Simon to appear at the Chemical Forum scheduled for October 8. (Secretary Simon was subsequently forced to cancel.)

4. Reports of Strategy Subcommittees

A. Energy Subcommittee -- Mr. Walter Thomas reported on a May 14 meeting of his subcommittee. He indicated that Mr. Slack attended the New York meeting of the Economic Policy Review Committee which resulted in the drafting of a position paper on supply and profitability subsequently approved by the MCA Board of Directors. Mr. Thomas then provided a status report of various pieces of energy-related legislation pending in the Congress.

Special mention was made of Congressional attention being devoted to supply problems experienced by small petrochemical companies. Mr. Pickard and Mr. Snead called attention to S. 2782 in this regard. It was also indicated that a small business subcommittee of the House has announced plans to hold hearings on this subject although no dates have been scheduled.

B. Trade Subcommittee -- Mr. Stover reported on MCA's key concerns in the pending trade bill. Work is under way with various members of the Senate Finance Committee to achieve constructive changes in the sections of the measure dealing with industry advice, reciprocity within sectors and tariff-cutting authority.

C. Taxation Subcommittee -- Mr. Shafer reported on MCA testimony before the Senate Finance Committee during tax reform hearings. The MCA witness was Dr. Carl A. Gerstacker, chairman of Dow. Mr. Shafer indicated that the Ways and Means Committee of the House has highlighted 26 key issues which will be addressed in mark-up. The Committee is not expected to finish its work in the near future.

The MCA Tax Policy Committee met on June 4 and identified eight areas in which tentative decisions by the Ways and Means Committee would be adverse to the chemical industry, and which should be the subject of discussions with Members of Congress. Appropriate position papers are being drafted by the Tax Policy Committee and MCA President Driver will be sending a letter to Ways and Means Committee members. MCA member companies are also being urged to contact their Congressmen. The bulk of the undesirable provisions appear to be in the area of foreign taxation.

D. Solid Waste Subcommittee -- Mr. Fox reported that the subcommittee met last week to discuss the legislation being considered in the Senate Public Works Committee. It appears that Chairman Randolph is exerting considerable pressure in this area and that he will push for Senate action this year. Hearings are to be held in July.

E. Toxic Substances Subcommittee -- Mr. Manatos commented on the status of the conference, indicating that no firm date has been set for the next meeting. There are reports that both Senator Tunney and Representative Moss have adopted a hard line with respect to compromise.

Mr. Snead expressed the view that selective pre-market screening is the key for our industry and that the recent Reserve Mining case could be viewed as a favorable precedent. After considerable discussion it was agreed that visits to the conferees would be continued in an effort to push for adoption of the more selective House language.

F. Water Resources Subcommittee -- Mr. Bellows indicated that the oversight hearings of the Wright Subcommittee are presently "on hold". Meetings with House committee staff have been scheduled and developments are being monitored closely.

G. OSHA Subcommittee -- It was reported that the oversight hearings conducted by the House Labor Subcommittee are continuing under the direction of Chairman Dominick Daniels.

5. Reports of Liaison Representatives

No reports were offered at this time.

6. Additional Legislative and Regulatory Developments

A. Commodity Futures -- Mr. Shapiro reported on the progress of commodity futures legislation in the Senate where S. 2837 has been introduced by Senators Hart, Case, Scott and Clark. He indicated that Section 209 would be of concern to MCA member companies dealing in commodity futures because of additional regulatory authority proposed and information gathering authorized under that bill.

B. Patents -- Mr. Robinson reported that the controversial patent reform bill is now pending before the Senate Judiciary Committee. Industry efforts to bring about constructive amendments are expected to continue and MCA is participating.

7. Committee Visitor

Chairman Bellows recognized Mr. Elmer A. Fike, President, Fike Chemicals, Inc., Nitro, West Virginia. Mr. Fike has been active in the toxic substances legislative area and was a witness before Congressional committees on the subject. He is past president of the West Virginia Safety Council and a member of the Board of Directors of the National Safety Council. He commented on the need for cooperative and coordinated efforts in meeting legislative and regulatory challenges in Washington; the desirability of enlisting the support from organized labor in areas where their interests can be shown similar to ours; the importance of encouraging active participation from business leaders during Congressional hearings and ensuing legislative decision-making; and, the importance of early identification of undesirable legislation so that effective arguments can be mustered before momentum builds. Chairman Bellows expressed to Mr. Fike the Committee's appreciation for his comments and for his willingness to visit Washington in order to take part in this meeting.

Having completed consideration of agenda items, the Committee adjourned at 3:25 p.m.

Respectfully submitted,

WM Stover

William M. Stover, Secretary
Government Relations Committee

Subject to approval

cc: Lloyd Symington, Esq.

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