

MINUTES of the seventy-fifth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at The Union Club, New York City, on December 10, 1957, at 11:00 a. m. (EST).

There were present:

Messrs.	Henry Bower	Harry B. McClure
	Curtis W. Cannon	S. B. Penick, Jr.
	John T. Connor	Robert B. Semple
	Lee V. Dauler	Kenneth C. Towe
	David H. Dawson	O. V. Tracy
	Fred J. Emmerich	George R. Vila
	D. S. Frederick	Robert I. Wishnick
	John A. Hill	M. F. Crass, Jr.
	John E. Hull	

Alternates:

Howard S. Bunn (for Harry B. McClure -- luncheon only)
 Lee H. Clark (for William P. Drake)
 John F. Daley (for David H. Dawson)
 Earle S. Ebers (for George R. Vila)
 Allan J. Greene (for John E. McKeen)
 R. W. Hooker (for R. L. Murray)
 T. G. Hughes (for George L. Parkhurst)
 Max A. Minnig (for Robert I. Wishnick)
 Charles S. Munson (for John A. Hill)
 James G. Park (for O. V. Tracy)
 Albert D. Penick (for S. B. Penick, Jr.)
 George M. Walker (for Fred C. Foy)
 Donald Williams (for Mark E. Putnam)

Present by Invitation: W. A. Crichley - Diamond Alkali Company
 H. H. Fowler - Fowler, Leva, Hawes & Symington
 R. K. Gottshall - Atlas Powder Company
 J. G. Henderson - Union Carbide Corporation
 R. W. KixMiller - Celanese Corporation of America
 Glen B. Miller - Allied Chemical & Dye Corporation
 (luncheon only)
 William H. Ward - E. I. du Pont de Nemours & Co., Inc.
 William F. Zipse - Geigy Chemical Corporation

In the absence of Mr. Ernest Hart, Mr. Harry B. McClure, Chairman of the Executive Committee, assumed the Chair. In calling the meeting to order, he welcomed the guests and alternates who were present and urged them to participate actively in the discussions.

I. MINUTES OF NOVEMBER 25, 1957, MEETING.

The Minutes of the November 25, 1957, meeting, were duly approved as submitted to the members.

CMA 067490

II. REPORT OF THE EXECUTIVE COMMITTEE.

Mr. McClure stated that a breakfast meeting of the Executive Committee had taken place at 8:30 a.m. that day and that several items discussed at that meeting would be taken up in their respective places on the Board agenda. Unlisted items discussed at the Executive Committee meeting included the following:

(a) Salary Classifications. Salary adjustments for certain staff members effective December 1, 1957, were approved.

(b) General Association Policy. In view of the rapid growth of the Association and the many demands which are currently being made upon it, the Executive Committee has authorized the Chairman of the Board to appoint a special policy study committee. Purpose of this group will be to survey and study Association policy with respect to growth, facilities, and program policies, and to draft a report for submittal to the Board of Directors at a later date.

Following consideration of the above items, it was

ON MOTION duly made and seconded,

VOTED: That the above actions of the Executive Committee be approved.

III. TREASURER'S REPORT.

Financial Report, June - November 1957. The financial report for the six months ending November 30, 1957, was reviewed, and

ON MOTION duly made and seconded, it was

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

IV. COMMITTEE APPOINTMENTS.

The Board of Directors approved the following Committee appointments:

(a) Tank Car Committee.

J. P. Gardner, The Dow Chemical Company, replacing T. H. Caldwell, effective January 1, 1958.

(b) Tax Policy Committee.

William M. Horne, Jr., Olin Mathieson Chemical Corporation.

V. STAFF REPORT AND MISCELLANEOUS ITEMS.

(a) Public Relations. General Hull reported on the first projects of the Chemical Industry Activity Committees, including preparation of the basic materials kit and planned development of a plant-community safety program, the purpose of

which is to impress upon citizens residing in chemical plant communities the existing safe working conditions and relative lack of hazard in chemical plants. Press coverage with respect to the recent Semi-Annual Meeting was touched on, as were other items in the general program.

(b) Education. The Education Advisory Committee has surveyed MCA activities in the light of current public concern over science education and has concluded that the Association should neither add to nor alter its established program because of such conditions. General Hull discussed the continuing demand for junior high school and senior high school education materials and then stated that details for the 1958 Teacher Awards Program have been sent to colleges and universities throughout the U. S.

(c) International Trade and Tariff. The Secretary reported briefly concerning hearings taking place in Washington this week before the special panel of the Subcommittee on Foreign Trade Policy of the House Ways and Means Committee (Boggs Subcommittee). Mr. R. F. Hansen will represent MCA in an appearance on December 13, and at that time will turn over to the panel copies of the completed National Industrial Conference Board study, excepting the single chapter on comparative wage rates which will be presented to the panel at an earlier session by an NICB representative. Copies of the full NICB study will be forwarded to Executive Contacts within a week or ten days.

Panel participants will be called upon to discuss their previously submitted written statements, which form a part of the Subcommittee Compendium. Copies of the MCA statement, excerpted from the Compendium, have already been distributed to member companies. There was a brief general discussion on various phases of tariff and trade problems which may be the subject of legislation when Congress reconvenes.

(d) Metals Program. The Secretary reported that MCA metals producers met for dinner on the evening of November 25, 1957, in order to receive the report of the Program Subcommittee on metal producers' participation in the Association's technical and functional program. He stated that the program as presented was approved unanimously by those present and would be placed into effect following consideration and approval by the Board of Directors. The proposed program is as follows:

- (1) Definition of Scope. It was proposed that eligibility requirements shall be met by manufacturers of:
 - a. Ferroalloys.
 - b. Special metals whose production involves the substantial application of chemical processes, such as zirconium, titanium, columbium, tantalum, vanadium, etc.
- (2) Technical and Functional Committee Participation. It was proposed that request be made for at least one qualified representative from metals producers to be appointed to the following MCA Committees, such representative to also act as Chairman of a Metals Subcommittee in the same field to be made up of qualified representatives from additional metals producers:

- a. Packaging (including palletization).
- b. International Trade and Tariff.
- c. Traffic (transportation and rate structure).
- d. Nuclear Energy (although no subcommittee will be organized, the committee roster will be augmented to include several metals producers).
- e. General Safety.
- f. Air and Water Pollution Abatement.

It was further proposed that request be made for one qualified representative from metals producers to be appointed to the following additional committees, no subcommittees to be appointed for the time being, but with reports to be made to metals producers from time to time.

- g. Education Advisory.
- h. Industrial Relations Advisory.
- i. Labels and Precautionary Information.
- j. Public Relations.

ON MOTION duly made and seconded, it was

VOTED: That the proposed metals participation, as outlined above, be approved.

The Secretary then stated that it would be necessary to engage a qualified individual as a part of the permanent staff in order to implement this program, as well as provide assistance on other technical matters in connection with the over-all MCA program.

Producers of lithium and lithium compounds have suggested to the Association that they participate in the metals program as outlined above. Under this plan, two additional producers would join MCA (they are currently eligible).

Issuance of a press release covering the new MCA metals activity has been deferred pending establishment and approval of a program. It is now planned to issue this press release, which will be cleared with the Executive Committee and Counsel prior to distribution.

(e) Safety Program. The Secretary briefly discussed the general safety program, reviewing activities and statistics in some detail. Reduction of injury frequency rate both on an over-all Association basis, and on the basis of small and medium-sized company operations over the past five years, was stressed. Copies of Chemical

Safety Data Sheet SD-69, Benzyl Chloride, were handed to those present, and the Data Sheet Program briefly reviewed. MCA has already transmitted to the International Labor Organization, at its request, draft of a sample data sheet for possible international distribution and use.

(f) Pollution Abatement Program -- Proposed Speakers' Bureau. The Directors approved and commended the recent action of the Water Pollution Abatement Committee in setting up a Speakers' Bureau. This Bureau will supply trained and qualified speakers drawn from Committee membership to fill engagement requests made by colleges, universities, and other interested seminar groups.

(g) Damaged Shipping Container Liability Case. The MCA Traffic Committee is concerned over implications of a recent U. S. Court of Appeals decision involving leaky drums in a motor vehicle shipment. The Court has held that shippers are under an implied warranty that containers offered for shipment are in practical usable condition, and any breach of such warranty leaves the shipper open to costly damage suits. Application to the Supreme Court for a writ of certiorari has been made by the Defendant -- a private shipper. Should this be granted, it appears likely that MCA will join with other interested trade associations and the National Industrial Traffic League in an amicus curiae intervention.

(h) Essential List of Chemical Activities. It was reported that the U. S. Government had prepared a revised definition of "chemicals, rubber, plastics, and allied products" as essential activities in time of emergency. During its preparation representatives of the MCA Industrial Relations Advisory Committee conferred several times with Commerce and Labor Department representatives, and the final listing, which is classified, reflects in large measure the recommendations of our Committee.

(i) Patent Committee. The Secretary stated that a meeting of the Association's Patent Committee would be held the next day for the purpose of reviewing its usefulness as a functional organization within the Association. A report will be presented to the Directors at an early meeting.

(j) MCA Tax Policy. Consideration was given to the summarized recommendations of the Association's Tax Policy Committee, itemized in a memorandum dated November 21, which was presented to the Directors for detailed study at the November 25 meeting. General Hull also read a communication from a member firm, urging that the Association take a strong position on the matter of cooperatives -- one of the six items contained in the Committee memorandum. Mr. W. A. Crichley, Chairman of the Tax Policy Committee, then entered the meeting. He stated that the Committee recommendations as set forth were the result of a number of meetings and detailed consideration of a great deal of material, including changes in the tax structure recommended by other national organizations. The Committee considered this mass of material from the standpoint of the chemical industry and established its consensus on the basis of the November 21 memorandum as submitted.

At its previous meeting, the Directors authorized the Association to request time for a Ways and Means Committee appearance in view of the December 3 cutoff date. Mr. Crichley stated that he had already appointed subcommittees which were prepared, upon Board authorization, to proceed with the preparation of detailed statements with respect to each of the six points, including pertinent case history material.

Those present examined the recomputation of results of the MCA depreciation survey, copies of which were handed to Directors at the meeting. Mr. Crichley stated that time had not permitted his Committee to incorporate depreciation as one of the six points but that his group, nevertheless, considered this subject as one of the most important items under the general subject of tax policy. Mr. Crichley made it plain that in preparing the MCA survey normal depreciation was used, and no accelerated amortization was included in the data as set forth. A request by Mr. Maurice Peloubet, Consultant for the American Iron and Steel Institute, that he be permitted access to the MCA depreciation summary for use in testimony during January 1958 was considered. It was the consensus that the MCA data should be brought to the attention of the Ways and Means Committee, either by the Association, or by Mr. Peloubet, and a decision will be made at a later date.

Following discussion,

ON MOTION duly made and seconded, it was

VOTED: (1) That the Board authorize presentation of testimony at forthcoming hearings of the House Ways and Means Committee on desirable tax policy modifications;

(2) That the Board authorize the preparation of a formal statement dealing with the tax subjects summarized in the memorandum of the MCA Tax Policy Committee dated November 21, 1957, such statement to be subject to final action by the Board at its January meeting; and

(3) That the Tax Policy Committee submit at the January meeting of the Board recommendations on any additional subjects which it shall approve in the interim.

(k) American Standards Association, Inc., Chemical Industry Advisory Board. In accordance with a prior request, the Secretary on December 2 transmitted to individual Directors a series of papers summarizing the background and history of the Chemical Industry Advisory Board, its specific terms of reference, and data relating to a new proposal that the CIAB assume the status of a Chemical Standards Board within the American Standards Association and that its scope be enlarged to permit it to consider official requests from the U. S. Government for product standards. The proposal as set forth is in line with prior recommendations of the Hoover Commission. Mr. J. G. Henderson, CIAB Chairman, was called into the meeting in order to discuss the foregoing material and to clear up any points which Directors might have in mind. Considerable discussion ensued, reflecting the consensus that MCA as an organization should reaffirm its position as not engaging in chemical product standards activities. No decision was made at the meeting concerning endorsement of the CIAB proposal, pending additional consideration and study. To facilitate this, the Chairman of the Board was authorized to appoint a small subcommittee to study the proposal in the light of Association policy and to present a report with recommendations at a subsequent meeting.

(1) Senate Bill 11, to Amend the Robinson-Patman Act. The Association has received copy of a policy referendum relating to "good faith" pricing, which is being distributed by the Chamber of Commerce of the United States to its affiliated organizations throughout the country. Those present agreed with General Hull's suggestion that a letter be sent to MCA Executive Contacts, outlining the Association's stand on this legislation in order that such stand may be made known to local chambers in communities where MCA member companies have plants and other installations.

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

M. F. Crass, Jr.
Secretary

APPROVED: Harry B. McClure
Acting Chairman