

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
8:30 a.m. (EST), Tuesday, April 13, 1965
The Madison, Washington, D. C.

I. MINUTES OF MARCH 9, 1965, MEETING.

II. REPORT OF THE SECRETARY-TREASURER.

- (a) Financial Report for Ten Months Ending March 31, 1965.
- (b) Employment of Auditors.

(Enclosure)

III. BOARD OF DIRECTORS.

- (a) Resignation of Harry B. Marshall.
- (b) Appointment of Alternates -- David L. Eynon, Jr. for F. L. Byrom.
-- C. C. Garvin, Jr. for H. W. Fisher.
- (c) Budget and Financing for Fiscal 1965-66. Preliminary Report.
- (d) 93d Annual Meeting of the Association.
- (e) Membership Committee -- Applications of:
Pfister Chemical Works, Inc.
The Richardson Company, Chemicals Division
Sinclair-Koppers Company
- (f) Change of Name -- Committee on Tank Cars, Tank Trucks, and Portable Tanks (to Transportation Equipment Committee).

IV. COMMITTEE APPOINTMENTS.

(a) Chemical Industry Council Advisory Committee.

Lee V. Dauler, Neville Chemical Company
D. S. Frederick, Rohm & Haas Company

(b) Government Liaison Technical Committee.

Martin P. Hottel, National Lead Company, as Chairman
W. F. Luckenbach, Foote Mineral Company, as Vice Chairman

(c) Public Relations Committee.

Dan J. Forrestal, Monsanto Company, as Chairman
Richard L. Moore, W. R. Grace & Co., as Vice Chairman
Nelson J. Ehlers, Pittsburgh Plate Glass Company

V. STAFF REPORT.

VI. COMMITTEE REPORT.

Committee on Tank Cars, Tank Trucks, and Portable Tanks --
J. C. Zercher, Chairman.

NOTE: Next meeting of the Board of Directors will be held at 11:00 a.m. on Tuesday, May 11, at the Union Club, New York City.

CMA 068393

MINUTES of the one hundred forty-seventh meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at The Madison, Washington, D. C., on Tuesday, April 13, 1965, at 9:00 a.m. (EST).

There were present:	Chester M. Brown F. L. Bryant Herschel H. Cudd George H. Decker Harold W. Fisher J. Robert Fisher John L. Gillis Ralph K. Gottshall Kenneth H. Hannan Thomas C. Jones	William P. Marsh, Jr. R. C. McCurdy Donald D. Pascal Robert B. Semple Robert C. Swain Harold E. Thayer O. V. Tracy Harry B. Warner M. F. Crass, Jr.
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Alternates:	Leland I. Doan (for Carl A. Gerstacker) Harry S. Ferguson (for Chester M. Brown) E. E. Fogle (for Kenneth H. Hannan) John E. Wood, III (for Wesley H. Sowers)
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General Counsel:	Lloyd Symington
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Present by Invitation:	F. H. Carman, MCA J. R. Carnes, MCA John E. Hull, MCA J. C. Zercher, Celanese Corporation of America David L. Eynon, Jr., Koppers Company, Inc.
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Following breakfast, Chairman Gottshall called the meeting to order at 9:00 a.m. In his opening remarks he thanked those present for their support in facilitating the attendance of Members of Congress and selected government officials at the Directors' Reception the previous evening.

I. MINUTES OF MARCH 9, 1965, MEETING.

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

II. REPORT OF THE SECRETARY-TREASURER.

(a) Financial Report -- June - March 1965. The financial report for the ten months ending March 31, 1965, was summarized by the Secretary-Treasurer.

ON MOTION duly made and seconded, it was

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

(b) Employment of Auditors. On recommendation of the Secretary-Treasurer and

ON MOTION duly made and seconded, it was

VOTED: That the firm of Bond, Beebe, Bond & Bond, Certified Public Accountants, be appointed to conduct the annual audit of the Association's books prior to the expiration of the fiscal year.

Arrangements have been made by the staff to close the books on May 12 for audit beginning May 17.

III. BOARD OF DIRECTORS.

(a) Resignation of Harry B. Marshall. It was reported that Harry B. Marshall had retired from CIBA Corporation effective April 1 and that, in view of this, he had presented his resignation as a Director of the Association.

ON MOTION duly made and seconded, it was

VOTED: That Dr. Marshall's resignation be accepted with regret and that a suitable letter expressing the Board's good wishes and appreciation be forwarded to him.

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

<u>Director</u>	<u>Alternate and Company</u>
F. L. Byrom	David L. Eynon, Jr., Koppers Company, Inc.
H. W. Fisher	C. C. Garvin, Jr., Enjay Chemical Company

ON MOTION duly made and seconded, it was

VOTED: That the two appointments be approved.

(c) Survey of Taxes and Tariffs. Several weeks ago the Association received a request from the MCA technical specialists appointed to advise the U. S. GATT negotiators for funds to finance a study involving a survey of taxes and tariffs on chemical products traded in world markets. Mr. McCurdy stated that a proposal of Horace J. De Podwin Associates Inc. to conduct the study at a cost of approximately \$7,000 was considered the previous day by the Executive Committee. Following an evaluation of the proposal, the Executive Committee recommended to the Board that the survey be authorized and that the necessary funding be handled through the current contingency account.

ON MOTION duly made and seconded, it was

VOTED: That the recommendation of the Executive Committee be approved.

(d) Budget and Financing for Fiscal 1965-66. Mr. McCurdy stated that the Executive and Finance Committees had met in joint session the previous day and had agreed to present to the Board a staff-recommended budget totaling \$1,220,730, approximately 8.1% higher than the current budget of \$1,128,785. While the generally increased tempo of Association operations has necessitated upward adjustments in many overhead items, the greater part of the proposed increase stems from augmented project activity such as technical publications, water pollution research, environmental health survey, and government relations. Although the Committees recommended that \$35,000 be appropriated for a survey of the proposed Environmental Health Information Agency project, they proposed that no provision be made in the budget at this time with respect to implementation of the survey report. The Committees also considered a Public Relations Committee proposal that an additional \$100,000 be included for a special water management information program but decided to not recommend it to the Board for adoption at this time.

With respect to financing, conservatively estimated foreseeable income will approximate \$1,232,000. This amount will balance the budget and at the same time provide a small surplus. Details of the proposed budget and its method of financing will be circulated to the Board of Directors promptly in order that members may have an opportunity to thoroughly consider the proposals preparatory to Board action at the May 11 meeting.

(e) 93d Annual Meeting of the Association. Mr. Crass stated that as of the previous day reservations totaled 725 from 134 member firms. This is expected to swell to approximately 900 registrants from 170 member firms by the end of the week at which time registration will be closed. It has been necessary to contact in excess of two dozen firms and seek their cooperation in reducing the sizes of their contingents. Criteria in this respect have included attendance at past meetings and the amount of dues paid the Association. Mr. Jones supplemented the foregoing with a short discussion of the program.

(f) Membership Committee. Chairman Bryant reported that applications had been received from

Pfister Chemical Works, Inc.
The Richardson Company, Chemicals Division
Sinclair-Koppers Company

and that, in the opinion of the Membership Committee, the applicants were qualified for membership under the Association's By-Laws.

ON MOTION duly made and seconded, it was

VOTED: That the applicants be approved, subject to the 30-day notification of members provided under Article III, Section 4, of the By-Laws.

(g) Change of Name -- Committee on Tank Cars, Tank Trucks, and Portable Tanks. It was reported that the above Committee had unanimously recommended to the Board that the name of the Committee be changed to "Transportation Equipment Committee". It is believed that this name properly describes the functions of the Committee and that it will be less cumbersome and better understood.

ON MOTION duly made and seconded, it was

VOTED: That the proposed change in name be approved.

(h) May 11, 1965, Directors' Meeting. On recommendation of the Executive Committee, those present approved a proposal that Assistant Secretary James Quigley, Department of Health, Education, and Welfare, be invited to address the Board of Directors at the May 11 meeting. It was further agreed that if he accepts, Mr. Quigley should be invited to present his remarks at the meeting and not at the luncheon. In this case, the meeting will start at 10:30 a.m. rather than 11:00 a.m.

IV. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

(a) Chemical Industry Council Advisory Committee.

Lee V. Dauler, Neville Chemical Company
D. S. Frederick, Rohm & Haas Company

(b) Government Liaison Technical Committee.

Martin P. Hottel, National Lead Company, as Chairman
W. F. Luckenbach, Foote Mineral Company, as Vice Chairman

(c) Public Relations Committee.

Dan J. Forrestal, Monsanto Company, as Chairman
Richard L. Moore, W. R. Grace & Co., as Vice Chairman
Nelson J. Ehlers, Pittsburgh Plate Glass Company

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.

VI. COMMITTEE REPORT.

Committee on Tank Cars, Tank Trucks, and Portable Tanks. J. C. Zercher, 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: Ralph K. Gottshall
Chairman

Attachments

MCA STAFF REPORT
Delivered by General G. H. Decker
April 13, 1965

Federal Legislation

On March 31, the House Public Works Committee unanimously recommended amendment of S. 4, the Water Quality Act of 1965, to delete the Senate provisions for Federal standards of water quality. Instead, the House Committee substitute would prohibit a state receiving Federal funds under the Water Pollution Control Act unless the state files a letter of intent to establish its own water quality criteria by June 30, 1967. The bill has not yet been scheduled for House Floor consideration.

Subsequent editorials in the NEW YORK TIMES and the WASHINGTON POST attacked the House substitute as being inadequate to bring about more effective control of water pollution. Accordingly, while the present House version satisfies not only the MCA optimum position regarding water quality standards, but the technical practicalities of water pollution control as well, it may encounter efforts to amend it on the House Floor. If it survives these efforts, it now seems almost certain to face formidable opposition by Senate conferees in the Senate-House Conference Committee. MCA will continue to make such legislative efforts as seem appropriate to help the House bill overcome these obstacles.

On March 16 MCA sent to the Senate Judiciary's Subcommittee on Patents, Trademarks, and Copyrights, a statement outlining its views on proposed patent fee legislation, S. 729, S. 730, and S. 1228. In its statement, MCA favored increasing of patent fees by enactment of S. 1228.

MCA opposed features of Senator McClellan's Bill, S. 730, especially maintenance fees. In concluding, the Association supported the proposition that patent fee legislation should be kept as simple and as equitable as possible.

In the House, H. R. 4185, a companion bill to S. 730, has been passed without change. The Senate Judiciary's Subcommittee on Patents, Trademarks, and Copyrights has reported to the full Judiciary Committee an amended version of H. R. 4185. The most significant change is deletion of the provision for establishment of patent maintenance fees. The bill must now be approved by the Senate Judiciary Committee and then passed by the Senate.

Other Government Activities

On March 26th the MCA Tax Policy Committee submitted comments on proposed income tax regulations covering "Treatment of Blocked Earnings and Profits." The MCA statement suggested that a number of parts of the regulation need clarification.

At a recent meeting, the Tax Policy Committee reviewed the Treasury Department's revised rules on Depreciation Guidelines which were issued on February 8, 1965. Although the Guidelines, as revised, afford some relief, the Committee decided to proceed with efforts to secure enactment of Depreciation Guidelines into law. A position paper on Depreciation Guidelines is being drafted, following which contact will be made with other associations and groups to ascertain what support can be expected for a legislative effort.

The Revised Depreciation Rules provide that taxpayers will not be allowed to use the guideline procedure if they continue to use certain accounting methods. The Association has addressed a letter to the Treasury Department protesting this provision, since it would apply retroactively to 1964.

On Thursday, April 8th, I addressed the opening Plenary Session of the 175th Anniversary Symposium on the United States Patent System. This meeting took place here in Washington, D. C. The title of my remarks was "Industry Expectations -- What Industry Expects of the Patent System." The paper, which reflected the views of our Patent Committee, stressed the benefits to the public from an efficiently operating Patent System. The point was made that the need of the Patent Office is for stability in personnel and in operating procedure. I also voiced the hope that Congress will this year enact legislation establishing a Uniform Government Patent Policy.

International Trade Matters

A statement was filed with the Treasury Department endorsing proposed modifications of their special customs invoice form which, it is believed, would assist inspectors in normal appraisement and comparison of entered values of merchandise with the foreign and export values. The statement was consistent with previous recommendations to the Treasury Department in 1964.

The International Trade Committee has proposed that Horace J. De Podwin Associates Inc. be retained to conduct a survey of taxes and tariffs on chemical products traded in world markets. This would involve a study of 50 to 75 chemicals to determine the total cloak of protection provided by the United States, Common Market, U. K., and Japan. If satisfactory member participation can be obtained, it is the position of the Committee -- and particularly the Technical Specialists -- that this information will be of considerable value to Governor Herter's office in GATT negotiations. Mr. Gates of Governor Herter's staff has expressed the hope that MCA will undertake the survey.

Following request from the Secretary of Commerce, members were questioned (by letter of February 24) regarding their intention to participate

in the Moscow Exhibit scheduled for September of this year. Only two companies have indicated definite plans to participate. Seven companies received invitations and are still considering participation, while 54 others indicated no interest.

Water Resources

Under a joint arrangement with Manhattan College, MCA is planning a series of training seminars on water pollution control for the chemical industry. Instructors for the five-day courses will be eminent sanitary engineering educators drawn from various parts of the country. Presentations will involve the latest in waste treatment technology. The first seminar may be held in September 1965.

Several members of the Water Resources Committee represented the Association on April 2 at the Office of Science and Technology, Executive Office of The President, in connection with the current inquiry into the release and occurrence of nitrates and phosphates into waters and effects of wastes chlorination.

On March 24, A. J. vonFrank of Allied Chemical, Vice Chairman of the Water Resources Committee, spoke on behalf of MCA at a League of Women Voters regional meeting in Atlanta concerning land and water management. Mr. vonFrank also took part in a Tennessee Manufacturers Association meeting on April 8, being held for discussion of air and water pollution control. Mr. Harrsion of our staff was on the same platform discussing the community relations aspects of the pollution problem.

Safety Awards

Winners of the Du Pont Safety Awards are Dow Chemical Canada, Limited, for companies with exposure hours in excess of two million; and Petroleum Chemicals, Inc., Subsidiary of Columbian Carbon Company, for those of less than two million hours' exposure.

Transportation

Oral hearings in ICC's broad investigation of multi-level tank car mileage allowances began April 6th. Ten witnesses for the Association are appearing in support of our position.

Industrial Relations

Mr. George Donat, Administrator of the Business and Defense Services Administration, Department of Commerce, appeared before the MCA Industrial Relations Advisory Committee in Washington on March 30 to discuss penalty overtime pay and the re-introduction of legislation on this subject in the current Congress. Mr. Donat stated that he was attempting to formulate for the Commerce Department a position on this legislation. He is endeavoring to obtain

the views of major industries, particularly those which are important from the standpoint of exports and foreign exchange. Presumably, the Commerce Department's position would then be forwarded to the White House for possible inclusion in the President's message to Congress dealing with labor legislation.

Members of the MCA Committee agreed to develop company figures on the possible impact of double pay for overtime and supply these data to Mr. Donat as promptly as possible. It is hoped that sufficient evidence can be accumulated by the Commerce Department to justify elimination of this controversial measure from the President's forthcoming message.

Community Relations

The approach of Chemical Progress Week, which will begin on April 26, has stimulated activity on the Chemical Industry Council front. Last month I mentioned the events in California and in Connecticut. Your attention is also invited to the following CIC projects: On April 26, the annual scholarship luncheon will be held in Chicago, sponsored by the CIC of the Midwest. A number of industry executives plan to attend. Richard C. McCurdy will be the speaker. On the following day the Maryland CIC will hold a unique program aimed at chemistry teachers and guidance counselors, and I shall make some remarks at the banquet concluding that program. In Columbus, Ohio, that state's CIC will hold its first Chemical Caravan on the same day. On April 28, the Delaware CIC will hold the reception for the Governor and members of the state legislature in Dover. Ralph Gottshall will be the principal speaker. Incidentally, every indication we have is that this Chemical Progress Week, in its 12th consecutive year, will be one of the most active in some time. The caliber and number of programs we have heard about are most impressive.

Media Relations

On the media front, I would suggest that you might be interested in reading an article in the April issue of FORTUNE entitled, "Water Shortage is a Frame of Mind," by William Bowen. The article places in proper perspective current and future problems of so-called water shortages in the United States.

Reflections of the awareness of the daily press to events in Washington can be found in a two-part series in the New York Times, April 5 and 6, on the problems of automobile exhausts and air pollution. The Public Health Service is quoted extensively. On April 6, the Senate Public Works Committee opened hearings on legislation to establish Federal standards on automobile exhaust emissions.

Education

By the April 1 deadline 58 nominations had been submitted for MCA's three 1965 College Chemistry Teacher Awards. The total is slightly larger

than that anticipated under the new procedure for obtaining candidates. All regions of the United States are represented; and Canada has four nominees. The recipients of this year's awards will be selected by the judges at an April 20 meeting at MCA's headquarters.

TRANSPORTATION EQUIPMENT COMMITTEE
Report of John C. Zercher, Chairman
To the Board of Directors
April 13, 1965

When you gentlemen started your business careers, your transportation contemporaries might have laughed at the suggestion of:

- Shipping 25,000 gallons of liquid hydrogen in a tank car.
- Shipping 50,000 gallons of propane in a tank car.
- Having an insulated car which would only lose a degree or two a day.
- Moving anhydrous Hydrogen Chloride in a tank car.

In the same manner, the ideas of:

- Tank cars constructed of 100,000 lb. tensile steel,
- Heated tank trucks,
- Moving and storing liquid anhydrous ammonia at atmospheric pressure were a bit unusual.

All these things are being done today. And, it is the business of this Committee to assist in, and to a considerable extent guide the development of ideas of this type in the areas of safety in transportation, and in the maze of regulatory activities.

The last report to the Board from this Committee was made in 1961 by Mr. J. E. Weaver. He was succeeded as chairman in 1962 by Mr. J. F. Wohlfahrt, and I became chairman following his death in 1964. Mr. M. M. Anderson of Union Carbide Corporation, Chemicals Division, is currently vice chairman.

By action of this Board today the name of the Committee was changed to "Transportation Equipment Committee" to more nearly described the functions of the group, and to eliminate a rather unwieldy name, "Committee on Tank Cars, Tank Trucks, and Portable Tanks". The new name prepares us for increased activity in those areas of Chemical Transportation equipment where additional effort may be needed.

We have revised the Rules of Organization and up dated them to the current situation, and incorporated the principles enunciated by the Board in 1963.

The functions of the Committee, as outlined in the "Association Committee Guide", are:

1. To develop and publish technical information relating to the transportation and handling of chemicals in tank cars, tank trucks, and portable tank containers;

2. To co-operate with regulatory authorities having jurisdiction over specifications, design, regulations, and maintenance of tank cars, tank trucks, and portable tanks;
3. To develop methods of safe handling;
4. To co-operate with other committees and organizations on technical matters relating to above.

These rather broad guide lines serve as a point of departure for the more detailed activities in which we participate.

The Committee is currently made up of three standing subcommittees, which are involved in:

- Tank Cars and Portable Tanks
- Railroad Rules
- Tank Trucks

If and when the need arises, others will be established.

Matters for consideration usually come from:

- Member Companies
- Bureau of Explosives
- Interstate Commerce Commission
- Association of American Railroads
- Other Trade Associations

Conversely, we maintain active relationships with these groups. The Committee Chairman is the MCA member on the Association of American Railroads Tank Car Committee, which basically controls the technical aspects of the Tank Car Industry. We exchange ideas with Compressed Gas Association, Chlorine Institute, National Tank Truck Carriers and others on a regular basis to assure optimum co-ordination of mutual interests. Bureau of Explosives and ICC liaison is maintained by the presence of men from these groups at our meetings, and through personal contacts of officers and members.

And what does all this accomplish?

Results appear in the areas of Safety, Regulations and Economics. The Committee is qualified, and is often called on by Regulatory bodies, to give opinions on the propriety of a given product/container combination. Recommendations are made for new product shipments and for use of new equipment. The Committee takes action to maintain an appropriate level of safety in the bulk shipment of regulated commodities. At the same time, it encourages and works toward the development of equipment to do this at lower costs.

This group initiated work toward the consolidation of the ICC Tank Car Specifications, which has just been published. The AAR Tank Car Committee completed this

work and is now about to publish the new AAR Tank Car Specifications. Regulations for Pyroforics were written, and were accepted and published by the ICC. Technical manuals have been, and are, being rewritten to make the best practices available to all of the industry.

The MC 330 Cargo Tank problem was resolved with reasonable results. In this case a propane cargo tank failed, with catastrophic results, due to failure of the builder to comply with existing regulations. Quite unrealistic regulations were proposed by the Government. Thousands of man-days were expended by MCA and other Associations and Companies to work out regulations which add some cost, but which do not unduly restrict the Industry. The level of safety was not appreciably increased; with proper compliance it was good before, as testified by thousands of safe trucks.

At present we are approaching completion of projects on:

- Portable Tanks for Flammable Liquids (writing specifications). This has been forwarded for consideration in the Regulations.
- Establishing specifications and operating requirements for shipping Anhydrous Hydrogen Chloride in tank cars; this called for a radical change from the philosophy of total containment under any anticipated transportation temperature condition to one of calculated risk, shipping at low temperatures in highly insulated equipment, with suitable equipment and operating controls. This should result in considerable savings to the industry in the future. The Steel Industry anticipates large scale use of this product in pickling operations. In addition, the new insulations on the cars are generally urethane or similar foams which enhance the industry sales. The Committee is also working to evaluate our MCA policy of bottom unloading of tank cars, and to establish a policy with respect to retesting of tank truck hoses.

We are now involved in matters of tank truck and tank car markings, Chem Cards, and definition of a tank car. The latter might seem to be a bit absurd, but there are a number of areas of regulation and economics where a precise definition that covers all our uses is important. Rates and compensation for cars are involved. This is reflected particularly in the areas where tank cars are used to handle dry commodities.

We have representation on the Tank Truck Technical Council, along with the other major trade associations in this industry. In this group we hope to work toward a more orderly handling of major tank truck problems.

The many and varied areas of activities, and the diverse contacts required provide an excellent training program for active members. Product knowledge, personal contacts, and a review of equipment result from participation in this work.

Our primary goal is to contribute to stability in the area of safety and regulation, and to create a climate for development of equipment and techniques for the improvement of safety and economics. Planning for this is aimed primarily at maintaining an

organization with sufficient technical competence and flexibility to evaluate and dispose of problems as they arise, and at anticipating problems and taking preventative action.

Professionally, our greatest problem appears to be the increasing pressure of regulation which is also characteristic of areas other than our own. The MC 330 tank mentioned earlier is an excellent example. Proposals by State and local governments to control routings, markings, and number of drivers concern us.

Organizationally, the Committee is in reasonably good shape. There are two areas which do cause concern from time to time. In the last two years, the past chairman and I were turned down on Sub Committee chairmanships by men representing over 15% of the membership. This may well be a reflection of the increased day to day duties on the part of many of our members. The other matter of interest is the balance between technical and traffic oriented personnel. This is rather important, and participation by more eligible companies might more or less automatically resolve this matter. If your companies are not represented on the Committee, it might be to your advantage to consider membership of a qualified man.

Perhaps these remarks will give you a better view of one Technical Committee; its methods, accomplishments and problems: One that works to provide an optimum balance of safety and practicality in the transportation of the products of our industry.