

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
4:00 p.m. (EST), Monday, November 25, 1968
Board Room, American Iron and Steel Institute
New York City

- I. OPENING REMARKS.
- II. MINUTES OF OCTOBER 8, 1968, MEETING.
- III. REPORT OF THE SECRETARY-TREASURER. (Enclosure)
- IV. BOARD OF DIRECTORS.
 - (a) 1968 SemiAnnual Meeting.
 - (b) 1969 Regional Board and General Meetings:
 - March 10-11 -- Houston, Texas
 - April 14-15 -- Washington, D. C.
 - June 11-14 -- 97th Annual Meeting,
White Sulphur Springs, W. Va.
 - (c) Nomination to Fill Vacancy on Board of Directors.
 - (d) Air Quality Committee - Amendment to Rules of
Organization and Procedure. (Enclosure)
 - (e) Secretariat of ASTM Committee E-15 on Analysis
and Testing of Industrial Chemicals. (Enclosure)
- V. COMMITTEE APPOINTMENTS. (Enclosure)
- VI. STAFF REPORT.
- VII. COMMITTEE REPORT.
International Trade Committee - Myron T. Foveaux, Chairman.
- VIII. ADJOURNMENT.

Next Meeting of the Board of Directors -- Union Club, Park Avenue and 69th
Street, New York City, Tuesday, December 10, 1968, at 11:00 a.m. (EST).

CMA 068943

MINUTES of the one hundred eightieth meeting of the Directors of the Manufacturing Chemists Association, Inc., held in the Board Room of the American Iron and Steel Institute located on the 38th floor of the Socony Mobil Building, New York, New York, on Monday, November 25, 1968, at 4:00 p. m. (EST).

There were present:

F. Leonard Bryant	Kenneth H. Hannan
Harry W. Buchanan	Leonard Hynes
George H. Decker	Earl T. McBee
Louis K. Eilers	C. B. McCoy
Irb H. Fooshee	Joseph A. Neubauer
Clifton C. Garvin, Jr.	L. J. Polite, Jr.
Carl A. Gerstacker	Clifford D. Siverd
Robert D. Goodall	Charles W. Smith
Ralph K. Gottshall	J. B. St. Clair
Maurice F. Granville	Harold E. Thayer
Roger W. Gunder	Harry B. Warner
	James R. Carnes

Alternates:

Stanley H. Anonsen (for Harold E. Thayer)
 Louis Bay 2nd (for L. J. Polite, Jr.)
 Chester M. Brown (for Irb H. Fooshee)
 J. E. Burrell (for Joseph A. Neubauer)
 John W. Clinton (for W. Kenneth Menke)
 D. W. Duncan (for Harry W. Buchanan)
 J. A. Hughes (for Raymond F. Evans)
 J. W. Kettle (for Roger W. Gunder)
 John K. McKinley (for Maurice F. Granville)
 Harry D. McNeeley (for Louis K. Eilers)
 Donald C. Oskin (for Jack M. Pope)
 Frank J. Pizzitola (for John W. Brooks)
 G. S. Roberts (for Leonard Hynes)
 R. C. Swain (for Clifford D. Siverd)
 Robert M. Thomas (for Earl T. McBee)
 Henry J. Whitson (for Edward R. Rowley)
 Alfred N. Wohlwend, (for George S. Dillon)

Present by invitation:

William E. Chace, MCA
 T. L. Cabbage, Phillips Petroleum Company
 Lee V. Dauler, Neville Chemical Company
 Harold W. Fisher, Enjay Chemical Company
 J. Robert Fisher, Ashland Oil & Refining Company
 Myron T. Foveaux, Monsanto Company
 E. Bruce Harrison, MCA
 John A. Hill, Air Reduction Company, Inc.
 T. G. Hughes, Chevron Chemical Company
 Kenneth H. Klipstein
 Alexander Lewis, Jr., Gulf Oil Corporation

John O. Logan, Universal Oil Products Company
 Max A. Minnig, Witco Chemical Corporation
 Thomas S. Nichols, Olin Mathieson Chemical Corporation
 Donald D. Pascal, National Starch and Chemical Corporation
 P. C. Reilly, Reilly Tar & Chemical Corporation
 Joseph E. Rich, Morton International, Inc.
 W. T. D. Ross, Canadian Industries Limited
 Robert B. Semple, Wyandotte Chemicals Corporation
 Hans Stauffer, Stauffer Chemical Company
 Henry A. Thouron, Hercules Incorporated
 O. V. Tracy, W. R. Grace & Co.
 Jesse Werner, GAF Corporation
 Robert I. Wishnick, Witco Chemical Corporation
 John E. Wood, III, Vulcan Materials Company

I. OPENING REMARKS.

In calling the meeting to order, Chairman Gerstacker welcomed the former Directors and current alternates who were present by special invitation.

II. MINUTES OF OCTOBER 8, 1968, MEETING.

The Minutes of the October 8, 1968, meeting of the Board of Directors were approved as submitted to the members.

III. REPORT OF THE SECRETARY-TREASURER.

The financial report for the five months ending October 31, 1968, was summarized by the Secretary-Treasurer.

ON MOTION, duly made and seconded,
 it was

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

IV. BOARD OF DIRECTORS.

(a) 18th SemiAnnual Meeting, November 26, 1968. Announcing that advance registration for the 18th SemiAnnual Meeting totalled 1150 registrants from 152 member companies, Assistant Secretary-Treasurer E. Bruce Harrison reviewed plans for dais seating at the luncheon and banquet on the following day and for the honored guest receptions preceding them. Copies of the meeting program and attendance list were distributed to those present.

(b) 1969 Regional Board and General Meetings. For information of Directors and guests, Mr. Carnes reported the following information regarding future General and Regional Meetings.

March 10-11, 1969 -- Houston, Texas.

The Texas Chemical Council will act as host to the Board of Directors at this Regional Meeting, beginning with a reception and dinner at Hotel America on Monday evening, March 10. The Board of Directors will hold an open business meeting at the hotel on Tuesday morning to which regional leaders of the chemical industry will be invited.

April 14-15, 1969 -- Washington, D. C.

At Noon on Monday, April 14, the Executive and Finance Committees will hold a joint luncheon meeting at The Madison Hotel to discuss the budget and financing for fiscal 1969-70. That evening, the annual reception for Members of Congress and other Government officials will be held at the Army and Navy Club. At 8:30 a.m. on Tuesday, April 15, the Board of Directors will meet at The Madison for breakfast and a regular business meeting.

97th Annual Meeting -- White Sulphur Springs, West Virginia.

The 97th Annual Meeting will begin with the dinner meeting of the Board of Directors on Wednesday evening, June 11, followed by the Annual Business Meeting on June 12 and a program of events which will run through Saturday, June 14.

Other Meetings in 1969-70.

The location of regional meetings for the Fall of 1969 and Spring of 1970 will, in keeping with past practice, be decided next spring. Because of the length of time since they were visited, Niagara Falls, Cleveland and Detroit, in that order, have been suggested as possibilities for the meeting in the Fall of 1969. Therefore, it would be appropriate to consider these cities along with others between now and next spring when the subject will be before the Board for decision.

(c) Nomination to Fill Vacancy on Board of Directors. Referring to the death on October 6, 1968, of John L. Christian, a Director of the Association, Chairman Gerstacker read a note received from Mrs. Christian expressing appreciation for the condolence forwarded to her by the Board of Directors at its October meeting.

On behalf of the Nominating Committee, Dr. Eilers nominated John L. Gillis, Senior Vice President of Monsanto Company, as a Director to serve for the unexpired term of Mr. Christian until the next Annual Meeting.

A second not being required,
it was

VOTED: That John L. Gillis be
elected a Director of the Association until the next Annual Meeting.

The appointment of Mr. Gillis to the Executive Committee was then ratified. The Chairman of the Board then designated him as Board liaison with the Chemical Industry Council Advisory Committee.

(d) Amendment to Air Quality Committee Rules of Organization and Procedure. Furnished to the Directors prior to the meeting was a proposed amendment to the Rules of Organization and Procedure of the Air Quality Committee which would provide for limitation and rotation of membership, copy appended as Exhibit A.

ON MOTION, duly made and seconded,
it was

VOTED: That the amendment to the
Rules of Organization and Procedure
of the Air Quality Committee be approved
as proposed.

(e) Continuation of MCA Provision of Secretariat for ASTM Committee E-15. Furnished to the Directors prior to the meeting was a staff proposal that the Association continue to provide the secretariat of ASTM Committee E-15 on Analysis and Testing of Industrial Chemicals for two years beyond the current termination date of December 1, 1968, for such support. Mr. Bryant reported that the Executive Committee had considered the proposal at its meeting earlier in the day and had authorized continuation of the support as proposed.

V. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Ad Hoc Committee on Balance of Payments.
William J. Geen, Celanese Corporation
- (b) Chemical Industry Council Advisory Committee.
Howard L. Minckler, Monsanto Company

- (c) Chemical Packaging Committee.
Terrell L. Mays, Stauffer Chemical Company
F. M. Tominac, PPG Industries, Inc.
- (d) Mechanical Technical Committee.
George Gentes, Hooker Chemical Corporation
- (e) Public Relations Committee.
W. P. Lawrence, PPG Industries, Inc.
Thomas W. Stephenson, E. I. du Pont de Nemours
& Company
- (f) Safety and Fire Protection Committee.
W. S. Wood, Sun Oil Company - as Chairman
G. L. Gorbell, Monsanto Company - as Vice Chairman
- (g) Transportation Equipment Committee.
M. M. Anderson, Union Carbide Corporation - as Chairman
D. M. Long, Pennsalt Chemicals Corporation - as Vice
Chairman
A. D. Annand, Tennessee Copper Company
W. L. Hammond, PPG Industries, Inc.
C. J. Schoustra, Olin Mathieson Chemical Corporation
C. P. Woehrle, American Cyanamid Company
- (h) Transportation and Distribution Committee.
W. H. Morley, Shell Chemical Company
- (i) Washington Advisory Committee.
Richard H. Peake, Jr., PPG Industries, Inc.
- (j) Water Resources Committee.
Eugene J. Nesselson, The Richardson Company

VI. STAFF REPORT.

General Decker reported on developments in the Association's program of projects and activities since the last meeting, copy of his report being appended as Exhibit B.

VII. COMMITTEE REPORT.

Chairman Myron T. Foveaux of the MCA International Trade Committee reported on the projects and activities of this committee, copy of his report appended as Exhibit C.

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


James R. Carnes
Secretary-Treasurer

Certified Correct:


Carl A. Gerstacker
Chairman of the Board

PROPOSED AMENDMENT TO RULES OF ORGANIZATION
AND PROCEDURE OF THE AIR QUALITY COMMITTEE

purpose: To provide for limitation and rotation of membership

details: (Parenthetical text to be deleted; underscored text to be added)

III.

MEMBERSHIP

All members of The Committee shall be representatives of industrial organizations which are members of the Manufacturing Chemists' Association, plus a Secretary who shall be a member of the Association's staff.

The duties of The Committee member in his industrial capacity should be closely allied with the field of industrial waste problems so as to create a substantial interest in The Committee's work.

(The Committee, originally established by the Board of Directors, may with the Board's approval select any replacements or additions to its membership, or increase or decrease the number of members of The Committee.)

The Committee roster shall not exceed thirty-five members. If there are additional qualified applicants, up to six members may be replaced annually. The Chairman, Vice Chairman, and standing sub-committee chairmen shall be exempt from such membership rotation so long as they hold office, and shall be constituted as a membership review board. In this capacity, they shall have authority to approve the Secretary's recommendations as to which members should be replaced. Meeting attendance and current participation in The Committee's program shall be prime factors in the development of such recommendations. Members rotated off The Committee shall become eligible for re-appointment after a two-year interval.

Comments: This revision is recommended by formal action of the Air Quality Committee taken at its meeting of September 18, 1968. Present membership is 31, so the objective is to be prepared in relation to further expansion. The proposed revision has been reviewed and cleared by staff counsel and general counsel.

November 25, 1968

CMA 068950

STAFF REPORT
November 25, 1968

Presented by General G. H. Decker

Although the 91st Congress will not convene until January, we are already anticipating those subjects of interest to the chemical industry which will likely engage its attention. A number of proposals that did not achieve final passage in the 90th Congress are worth noting since at least some of them are certain to be reintroduced in the next session in one form or another. Among the measures that failed of enactment were these:

The Water Quality Improvement Act died on the final day of the session when the House and Senate could not agree on a single version of the bill. MCA had vigorously opposed certain controversial language which would have extended federal authority to specify the manner in which water quality standards should be met on federally leased or licensed operations.

The Interstate Taxation Act passed the House, but was bottled up in the Senate Finance Committee. Senator Ribicoff of Connecticut has indicated his intention to introduce in the next Congress a bill similar to the House passed measure, but which would benefit large, as well as small companies.

The Occupational Health and Safety Act was the subject of hearings in both Houses of Congress. It was reported by the House Committee on Education and Labor, and died in the Rules Committee. MCA worked actively to modify certain objectionable provisions which would have given arbitrary and unnecessary standards setting and enforcement powers to the Secretary of Labor.

The House failed to pass a Concurrent Resolution calling upon the President to terminate mandatory controls of foreign direct investment.

The Trade Expansion Act of 1968 died in the House Ways and Means Committee. In testimony before the Committee, MCA opposed a provision which would have eliminated the American Selling Price System as a method of customs valuation.

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Taking another look at the Washington scene, I am pleased to report that the new series of chemical forum luncheons is attracting wide interest in the capital and among our members. The November 19 event at which Senator Vance Hartke (D-Ind.), member of the Senate Finance Committee, was the speaker was attended by 150 persons including many influential figures from the legislative and executive branches of the government as well as 22 news media representatives.

Senator Hartke predicted that the Nixon Administration and the 91st Congress will not do away with the American Selling Price method of customs valuation sought by President Johnson's negotiators. The mandatory program restricting foreign investments by American companies has proven self-defeating, he said, and he forecast that these restrictions will be discarded early in the new Administration.

One of the key factors in the Hartke assessment of Congressional attitude is Senate Concurrent Resolution 100 which said in effect that the trade negotiators should not exceed their authority granted under the 1962 Trade Expansion Act. In the Senator's opinion they did exceed that authority in two areas -- the American Selling Price and the so-called International Dumping Code. Congress, by amendment to the Renegotiation Act, voided the restrictive provisions of the Dumping Code and insured domestic industry protection against foreign dumping practices.

Four basic problems loom ahead in the foreign trade area, the Senator said. They are: Balance of payments problems; growing import competition in sectors like textiles, chemicals and steel; a set of rules for international competition that discriminates against U. S. commerce; and continued protectionism in foreign countries. Nevertheless, the Senator said he was "optimistic that with continuing pressure from the Congress, the Administration will be realistic about our international competitive position, at least to the extent of providing American industry with the 'equal opportunity' to meet foreign competition."

The full text of Senator Hartke's remarks has been sent to all MCA Executive Contacts.

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Analysis of data and drafting of the report on MCA's second survey of its members covering control of air and water pollution and solid waste disposal has been completed. The report has been reviewed by officers of the Air Quality and Water Resources Committees and graphical representation of particularly significant data is now being developed as an aid to understanding, preparatory to printing.

The final tally showed participation by 129 U. S. and 12 Canadian member companies -- only three more than five years ago, and far short of

what was hoped for. There was substantial improvement, however, in the number of plants represented with at least 1,000 furnishing some data, compared to just under 900 in the earlier survey.

Capital investments in air and water pollution control facilities still in use through 1966 totalled a little more than two-thirds of a billion dollars, about 40 percent of which was estimated to have been spent in the five-year period 1962-66. Future projections are expected to push the grand total above \$1 billion within the succeeding five years. Actual investments during the 1962-66 period turned out to be twice the forecast. (It will be appreciated if you will hold these figures in confidence until the report can be released in its entirety several weeks hence, since it is believed any partial "leakage" will lessen public impact.)

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The Association submitted a statement to the Senate Subcommittee on Air and Water Pollution giving its views on the proper processes for development of ambient air quality criteria. The need for maximum validity and objectivity in these criteria was stressed. The statement also expressed strong approval of a recommendation made earlier by Dr. James H. Sterner (previously of Eastman Kodak) for the establishment of an independent council charged with development of criteria relating environmental factors and biological effect.

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The Stanford Research Institute has completed its first year's work on the photoreactivity of trichloroethylene and has submitted a draft of its technical report for review by MCA's Ad Hoc Task Group supervising the project. The Task Group believes that the results, while encouraging, are as yet inadequate to define the role of trichloroethylene vapors in smog formation in the ambient atmosphere. It recommends that the work be funded for an additional six months by the trichloroethylene producers.

An "Executive Summary Report," describing in qualitative terms the conclusions that can be drawn from the present data, is being prepared for distribution to the sponsors, and may serve as the basis for an MCA information release on the status of the project.

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MCA submitted written comments to the U. S. Department of Labor on proposed safety and health standards for federal supply contracts as published in The Federal Register of September 20, 1968. The Association specifically objected to the proposed standards covering noise exposure; radiation; toxic gases, vapors, fumes, dusts and mist and recommended that they be replaced by consensus standards developed by nationally recognized standards-making bodies. Objection was also raised to the inclusion of certain proprietary standards (largely for welding and compressed gas cylinder handling) and recommended

that these first be offered for consensus adoption, again by recognized standards-making bodies. The MCA letter included a legal memorandum prepared by staff and General Counsel. The Department of Labor held public hearings on the proposals on November 6, 7 and 8.

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On November 11, MCA sent a statement to the Panel on Cancer Testing of the FDA Advisory Committee dealing with safety evaluation. The statement cautioned against tests involving food additives which would place a heavy burden on industry yet are unlikely to produce substantive results.

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Despite constructive opposition by MCA and others, the Bulk Carriers' Conference published across-the-board increases in rates ranging from two to four percent for dry and liquid commodities carried in bulk by tank truck. These increases were protested by MCA at the Conference level. It is considered that further protest or attempt to obtain suspension of the increases would be unsuccessful.

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Except for possible oral argument before the full ICC, the Proceeding on Railroad General Freight Rate Increases - 1968 is essentially complete. A decision is expected before January 25, 1969. In its final brief, MCA contended that the railroads have not proved a need for increases in the amount sought and further that the five percent average proposed for chemicals was a disproportionate contribution from that commodity group.

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Oral hearings during October in the Tank Car Mileage proceeding lasted 14 days. MCA's position setting forth a suggested schedule of allowances in a modified equalization rule appeared to have been reasonably accepted. The ICC began hearings November 20 in the proceeding on covered hopper cars.

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On October 14, MCA submitted its views to the Department of Transportation on DOT's published Plan to Revise the Regulations on transportation of hazardous materials. The Association generally endorsed the Department's long-range goals.

DOT is seeking public advice on labels and classifications and on the U. N. labeling system. Included in the notice on these subjects is a statement of the Department's plans to redefine a flammable liquid by proposing a

combustible category for commodities having a flash point in the range of 80°-150° F. (open cup). On November 15, MCA requested an extension of the time for commenting on this subject until March 1, 1969.

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The Occupational Health Committee held a successful one-day Workshop on Occupational Health in Louisville, Kentucky on October 24. Medical officers, nurses, industrial hygienists, toxicologists, safety personnel and members of the Committee spent the day in informal group examination and analysis of problems encountered in the organization and operation of plant health programs.

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A successful Air Resources Forum was held in San Francisco on November 12 under the cosponsorship of the Chemical Industry Council of Northern California and the Bay Area League of Industrial Associations. It was an excellent example of industry-government cooperation. Some 200 registrants attended, about half of them guests of industry. Included were educators, business and civic leaders, and media representatives. Press and radio coverage was good.

The morning session of the Forum was devoted to talks by state and regional air pollution control officials. The luncheon address was delivered by Dr. John T. Middleton, Commissioner for the National Air Pollution Control Administration. The afternoon was devoted to a panel session moderated by William Hildenbrand, legislative assistant to Senator Boggs of Delaware.

In general, industry fared well during the discussions. Emphasis was placed on control measures by every segment of the community, with special attention being given to control of automotive emissions and use of sulfur-bearing fuels. Recognition of industry's efforts and attitudes, as expressed by national and local authorities, was encouraging.

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The Reactive Metals Subcommittee to the Air Quality Committee sponsored a workshop on Particulate Emissions Control in the Ferroalloys and Related Industries in Columbus, Ohio on November 14. Approximately 75 engineers and executives, primarily from the smelting and founding industries, participated in this specialized conference. Cosponsoring the meeting were the Chemical Industry Council of Ohio, the Ohio Manufacturers Association, and the Industrial Gas Cleaning Institute.

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Reports from the Chemical Industry Councils indicate that they will stage at least 16 High School Chemistry Teacher Awards programs in 1969. This figure compares with the previous record of 12 set this year. For the first time MCA has officially offered the Councils the choice of conducting programs to recognize either outstanding teachers of general science in the junior high schools or leading teachers of chemistry in the senior high schools.

Next week announcements of the Association's 1969 College Chemistry Teacher Awards program will be sent to all four-year institutions in the United States and Canada which grant baccalaureate degrees in chemistry and chemical engineering. This is the 12th successive year for this program. Two awards will go to professors in the four-year colleges and universities; a third will be given to a teacher selected from the two-year institutions.

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Report of
Myron T. Foveaux, Chairman
International Trade Committee
to the
MCA Board of Directors
New York City
November 25, 1968

The last report to the Board on the activities of the International Trade Committee was on February 14, 1967. In the face of repeated reports by the Press that the Kennedy Round was stalled and that chemical tariff cutting seemed highly improbable due to the impasse, a prediction was made to this Board that U. S. chemical tariffs would be cut 50 percent and an agreement to eliminate ASP was likely. I left for Geneva the next day, and during six weeks there watched these predictions come true.

The first 10 percent cut on U. S. chemical tariffs has taken place, and the second 10 percent cut will be made January 1, 1969. The Common Market and Great Britain made a matching 20 percent cut on chemical tariffs on July 1. The United States will continue 10 percent cuts on chemical tariffs the first of each year until the full 50 percent cut is effectuated, but the Common Market and Great Britain will not cut beyond the 20 percent until the United States eliminates the American Selling Price system of valuation. This tariff cutting, legislative activity on American Selling Price, implementation of the Antidumping Code agreed to in the Kennedy Round, and activity toward future U. S. trade policy dictated the very heavy schedule of the International Trade Committee in the past year. We believe we have spoken to these issues in a responsible and constructive way. It remains the conviction of this Committee that trade policy action by the United States and other major nations could become the single most important factor in the growth and profitability of the U. S. Chemical Industry.

Of the 1968 activities of the International Trade Committee, the following were considered to be the most important:

- 1) A Chemical Industry consensus on future U. S. trade policy, the border tax issue, American Selling Price, and other issues was constructed. This was done by intensive surveying of the Industry's thinking, and by the amalgamation of ideas and proposals. In this fashion, the Chemical Industry's position on major

issues was made available for use by the Industry, by Government and with the Press.

- 2) Oral testimony was prepared for Mr. Carl Gerstacker, of the Dow Chemical Company, as a response to the Trade Expansion Act of 1968. Mr. Gerstacker appeared before the House Ways and Means Committee on June 27, 1968. A more detailed written statement was inserted in the record of the hearings.
- 3) Oral testimony was prepared for Mr. John Fasoli, of American Cyanamid Company, who testified to the Trade Information Committee of the Office of the Special Trade Representative. These hearings were held to obtain the views of industry, labor, and other interested parties before preparation of a report to President Johnson on proposed future trade policy for the United States. A more detailed statement was written and entered in the record.
- 4) A written statement of the Chemical Industry's views on future U. S. trade policy was prepared and submitted for a Senate Finance Committee compendium on U. S. trade policy.
- 5) Policy was formulated, written, and presented to appropriate Government agencies on Antidumping and Drawback.

The International Trade Committee constantly monitors trade policy events in Washington, D. C., and reacts quickly, we believe, to developments which could affect the Industry. One example of this was initiated by President Johnson's Balance-of-Payments Program announced on January 1, 1968. The International Trade Committee immediately proposed that the MCA form a special Balance-of-Payments Committee, and then helped to form the Committee, which has been useful and active, and will probably take on added importance in the year ahead. It is necessary, in planning for 1969 activities, to make forecasts of what the year holds for us, both by the Congress and by the Executive branch. The crucial monetary world events in the last week will tend to take attention away from trade policy issues. The fact is, however, that tax changes and new trade restrictions in Europe will make U. S. initiatives even more certain.

Following are the possible developments to which the Chemical Industry and MCA may find it necessary to respond:

- 1) Future U. S. trade policy will be recommended in a special report by the Special Trade Representative to President Johnson before the end of his term. It may or may not be published. The likelihood is that the report will be published and become a focal point for new trade initiatives by the United States. The Chemical Industry will approve of some of it, but will likely be moved to constructively criticize other parts.
- 2) A new Trade Expansion Act including, perhaps, such items as new forms of assistance to import-damaged industry, new negotiating authority for the President, and elimination of American Selling Price may be introduced by the Administration. The MCA will probably respond to such proposals after study and recommendations by the International Trade Committee.
- 3) The United States may take new initiatives to provide export incentives, and, perhaps, to stifle imports. The United States Chemical Industry, with exports amounting to over \$3 billion per year, would be vitally affected by either of these developments, and we will likely respond to them in hearings, in the Press and in other forums.
- 4) Much pressure will be mounted by businessmen on the mandatory investment control program. MCA will probably refrain.

The Congress and its committee chairmen remain much the same in its trade policy thinking as the last session of Congress. President-elect Nixon's "protectionism" may not extend beyond action on textiles and steel. The critical balance-of-payments problem, with its two major components of trade and capital investment, will be discussed and debated, endlessly. Our Industry will find itself involved frequently in 1969 in stating its position on the many proposals certain to be made.

The International Trade Committee will keep itself well-informed on U. S. and foreign trade policy moves, will inform its members of these developments, and will work closely with the appropriate Government agencies and Congressional personnel to express its views.

The solution to U. S. trade and economic problems will increasingly involve more sophisticated determination of economic facts. It is becoming necessary to substantiate trade policy positions with such data and interpretations of trends. Accordingly, the International Trade Committee is supporting a proposal to be made to the MCA Board that a new economic study of the Industry be made in somewhat the same fashion as was done by Professor Jules Backman in 1964. We hope that this will be approved to afford us the tools we so badly need to represent the Industry adequately in Washington.

The International Trade Committee will continue to study world competitive problems for our Industry, the changes in tariff, and other barriers as they affect us. We will recommend appropriate action to the MCA Board. We remain convinced that this Industry should help create United States trade policies and not resign itself to reacting defensively to the unfavorable environment created by others.

Let me conclude by offering any assistance that the MCA staff or I can afford you or your personnel.

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