

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
10:30 a.m. (EDT), Wednesday, October 10, 1962
Gatineau Room, Queen Elizabeth Hotel, Montreal, Canada

- I. OPENING REMARKS. David H. Dawson.
- II. MINUTES OF SEPTEMBER 11, 1962, MEETING.
- III. THE MCA PROGRAM -- A REVIEW. General Hull.
- IV. REPORT OF THE EXECUTIVE COMMITTEE.
- V. REPORT OF THE TREASURER.
 - (a) Financial Report -- Period June 1 - September 30, 1962. (Enclosure)
 - (b) Status of Membership Fees.
- VI. BOARD OF DIRECTORS.
 - (a) Election of Vice President and Director (letter ballot of September 14).
 - (b) Appointment to Nominating Committee.
 - (c) Appointment of Alternates -- Harry S. Ferguson, Allied Chemical Corporation, for Chester M. Brown.
 - (d) Report of Membership Committee -- Applications of
 1. American Mineral Spirits Company (Div. of Pure Oil Company).
 2. Cary Chemicals Inc.
 - (e) Extension of Tenure -- Industrial Alcohol Technical Committee (Ad Hoc).
 - (f) Revision of MCA Directory.
 - (g) 12th Semi-Annual Meeting. (Enclosure)
 - (h) Policy Study Committee.
- VII. APPOINTMENT OF TECHNICAL AND FUNCTIONAL COMMITTEES.
 - (a) Ammonium Nitrate Technical Committee.
Donald M. Stromquist, United States Steel Corporation, as Chairman.
A. F. Dyer, Phillips Petroleum Company, as Vice Chairman.
 - (b) Industrial Relations Advisory Committee.
Carl H. Hageman, Union Carbide Corporation, as Chairman.
E. W. Dwyer, Monsanto Chemical Company, as Vice Chairman.
- VIII. STAFF REPORTS AND MISCELLANEOUS ITEMS.

Cocktails and luncheon will be served in the St. Laurent Room immediately following conclusion of the Directors Meeting.

MINUTES of the one hundred twenty-first meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Queen Elizabeth Hotel, Montreal, Canada, on October 10, 1962, at 10:30 a.m. (EDT).

There were present:

Chester M. Brown	Kenneth H. Klipstein
F. L. Bryant	Harry B. Marshall
Bennett S. Chapple, Jr.	Richard C. McCurdy
David H. Dawson	W. Kenneth Menke
Leland I. Doan	Robinson Ord
Raymond F. Evans	Charles H. Sommer
William B. Graham	G. L. Weissenburger
John E. Hull	M. F. Crass, Jr.

Alternates:

- C. W. Baldwin (for Bennett S. Chapple, Jr.)
- J. E. Burrell (for J. A. Neubauer)
- J. D. Gunther (for John A. Hill)
- William M. Haile (for Kenneth H. Hannan)
- H. E. Hirschland (for H. E. Martin)
- Max A. Minnig (for Robert I. Wishnick)
- Karl J. Nelson (for John E. Wood, III)
- W. T. D. Ross (for Robinson Ord)
- Arthur B. Tillman (for Raymond F. Evans)
- Donald Williams (for Leland I. Doan)
- James H. Worth (for Richard W. KixMiller)

General Counsel: Lloyd Symington - Fowler, Leva, Hawes & Symington

Present by Invitation:

- E. P. Aikman - Allied Chemical Canada, Ltd.
- R. G. Beck - Du Pont of Canada Limited
- B. F. Bowman - Cyanamid of Canada Limited
- Howard S. Bunn - Union Carbide Corporation
- Hugh Campbell - Canadian Industries Limited
- J. A. Cogan - Imperial Oil Limited
- A. A. Cumming - Union Carbide Canada Limited
- J. S. Dewar - Union Carbide Canada Limited
- J. R. Donald - Western Chemicals Ltd.
- D. W. Evans - Aluminum Company of Canada, Limited
- J. R. Glatthaar - Monsanto Canada, Ltd.
- R. Heath Gray - Aluminum Company of Canada, Limited
- D. E. Jones - Electric Reduction Co. of Canada Limited
- Herbert H. Lank - Du Pont of Canada Limited
- C. S. Malone - Canadian Chemical Company, Limited
- H. M. Martin - Western Chemicals Ltd.
- R. F. Powell - Standard Chemical Limited
- H. D. Ross - Shawinigan Chemicals Limited
- G. H. Clifford Smith - Bate Chemical Corporation Ltd.
- L. D. Smithers - Dow Chemical of Canada, Limited
- H. S. Sutherland - Shawinigan Chemicals Limited
- L. A. Wheable - Canadian Industries Limited
- A. O. Wolff - The Consolidated Mining and Smelting

In calling the meeting to order, Chairman Dawson welcomed Directors, Alternates, members of the Canadian Chemical Producers' Association, and guests to this second Canadian regional meeting of the Association. He invited those present to ask questions and called upon each one to rise, give his name, and company affiliation.

I. MINUTES OF SEPTEMBER 11, 1962, MEETING.

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

II. THE MCA PROGRAM -- A REVIEW.

In a ten-minute report, General Hull described the Association's over-all program, including technical and functional activities and the Federal legislative situation, in the light of the pending adjournment of Congress. A copy of his remarks is attached to these Minutes.

III. REPORT OF THE EXECUTIVE COMMITTEE.

Mr. Sommer stated that a meeting of the Executive Committee had been held earlier that day and that items discussed would be reported upon in their respective places on the Board agenda.

IV. REPORT OF THE TREASURER.

(a) Financial Report -- Period June 1 - September 30, 1962. The financial report for the four months ending September 30, 1962, was summarized by the Treasurer. He stated that income to date was in accordance with budget estimates and that over-all financing for the fiscal year should be accomplished.

ON MOTION duly made and seconded, it was

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

(b) Status of Membership Fee Collections. The Treasurer reported that one member firm remained in arrears as of October 1 and had again been notified in accordance with the By-Laws. On his recommendation, the Directors approved an additional grace period of 30 days.

V. BOARD OF DIRECTORS.

(a) Election of Vice President and Director. Supplementing the nominations made at the September 11 Directors meeting, which resulted in the election of Mr. Dawson as Chairman of the Board, Mr. Sommer as Chairman of the Executive Committee, and G. L. Weissenburger as a Director, the Nominating Committee submitted recommendations to fill the remaining vacancies for the balance of the 1962-63 fiscal year. These were:

For Vice President: Warren H. Moyer
For Director: Chester M. Brown

The Committee's recommendations were circulated to the Directors on September 14 and resulted in the unanimous election of both individuals.

(b) Appointment to Nominating Committee. In view of Mr. Sommer's election as Chairman of the Executive Committee, Mr. Dawson appointed Mr. Moyer to succeed him as a member of the Nominating Committee. Revised personnel of the Committee will, therefore, be as follows:

George L. Parkhurst, Chairman
William P. Drake
Warren H. Moyer
David H. Dawson (ex officio)

(c) Appointment of Alternate. The Chairman advised that the following Board member had requested the appointment of an alternate:

<u>Director</u>	<u>Alternate and Company</u>
Chester M. Brown	Harry S. Ferguson, Allied Chemical Corporation

ON MOTION duly made and seconded, it was

VOTED: That the appointment be approved.

(d) Report of the Membership Committee. In Mr. Wishnick's absence, Mr. Bryant reported that applications had been received from:

American Mineral Spirits Company (Division of Pure Oil Company)
and
Cary Chemicals Inc.

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 to members provided under Article III, Section 4, of the By-Laws.

(e) Industrial Alcohol Technical Committee -- Extension of Tenure. In action taken during late summer, the Industrial Alcohol Technical Committee recommended that its tenure as an ad hoc Association Committee be extended for two additional years beginning with its current expiration date of October 1, 1962. The Committee took this action in view of its current and anticipated activities as adviser to the Alcohol & Tobacco Tax Division of the Internal Revenue Service with respect to statutes and regulations.

In order to ascertain the Government's need for a continuance of the Committee's services, the Secretary, on September 7, addressed a letter to the

Director of the Alcohol & Tobacco Tax Division, requesting that the Association be informed as to whether or not maintenance of this Committee would be of use or value to the Division during the next two years. A reply from Director Dwight E. Avis, dated September 24, strongly affirmed this need, stating that the Committee had rendered valuable service to the Division in the past and that, in view of matters now pending, additional service rendered by it would justify its continued existence. In view of the above,

ON MOTION duly made and seconded, it was

VOTED: That tenure of the Industrial Alcohol Technical Committee be extended for two years beginning October 1, 1962.

(f) Revision of MCA Directory. Copies of the revised and updated MCA Directory of Officers, Directors, Committees, and Members were distributed to those present. This 39-page booklet has been enlarged to include a functional description of each listed committee. Copies had been distributed to Executive Contacts and to members of the technical and functional committees.

(g) 12th Semi-Annual Meeting. Copies of the advance program brochure for the 12th MCA Semi-Annual Meeting and Midyear Conference, to be held in New York City, November 20, were distributed to those present. It was reported that the banquet speaker would be Thomas F. Patton, President, Republic Steel Corporation, and Chairman of the Board of American Iron and Steel Institute.

(h) Policy Study Committee. Mr. McCurdy presented a detailed outline on work done to date by the Policy Study Committee and its subcommittees. For several weeks, a team of management study experts has been in Washington reviewing all staff operations and interviewing staff members. Subcommittees will shortly meet with the Chairmen and staff secretaries of the technical and functional committees. It is expected that at least a preliminary report will be ready for discussion with the Board in November, and it is hoped that the final report can be submitted at the January meeting.

(i) PMA-MCA Liaison. As liaison representative between PMA and MCA, Mr. Graham reviewed the 1962 drug bill passed by the Congress. Taking all factors into account, it is felt that this is a reasonable law with which the industry can live. Momentum generated by this year's extensive Congressional hearings, however, may result in a flurry of state legislation in 1963, plus further Federal legislation in the next Congress.

(j) Canadian Chemical Producers' Association. At the invitation of the Chairman, Mr. Robinson Ord, President of CCPA, discussed briefly the organization and program of this new Association. CCPA is interested in active liaison with MCA on technical matters, as well as on Education and CIC activities.

(k) Economic Facts Study Committee. Mr. Dawson reported the sense of the Executive Committee that MCA should study the question of whether economic

facts pertaining to the chemical industry, or certain segments thereof, should be assembled in anticipation of possible Congressional hearings in the future. He designated organization of a special ad hoc Economic Facts Study Committee of the Board, and appointed the following personnel to the Committee:

William B. Graham, Chairman
Kenneth H. Hannan
John A. Hill
Thomas S. Nichols

VI. APPOINTMENT OF TECHNICAL AND FUNCTIONAL COMMITTEES.

The following committee appointments were approved:

- (a) Ammonium Nitrate Technical Committee.
Donald M. Stromquist, United States Steel Corporation, as Chairman.
A. F. Dyer, Phillips Petroleum Company, as Vice Chairman.
- (b) Industrial Relations Advisory Committee.
Carl H. Hageman, Union Carbide Corporation, as Chairman.
E. W. Dwyer, Monsanto Chemical Company, as Vice Chairman.

Chairman Dawson referred to the July 1962 conference in Montreal attended by General Hull, Mr. Crass, and the Executive Contacts of the MCA Canadian members, at which time additional Canadian representation on Association committees was discussed and nominations made. He stated that committee clearance and Board confirmation should be concluded by the first of the year in the case of most of the nominations presented.

VII. STAFF REPORTS AND MISCELLANEOUS ITEMS.

- (a) West Coast Safety Workshops. The Secretary reported that workshops organized and handled by the Safety and Fire Protection Committee on the West Coast during the previous week were most successful, with attendance as follows:

San Francisco Workshop -- 110 Registrants
Los Angeles Workshop -- 301 Registrants

- (b) Centrifugal Pump Project. The Secretary stated that a report covering a proposed voluntary American Standard for Centrifugal Pumps for Chemical Industry Use was sent to the Executive Contacts on September 27. Work has been under way on this project since 1955, with MCA and the Hydraulic Institute acting as sponsors within a Sectional Committee of the American Standards Association. Because the Sectional Committee could not come to an agreement, a task group was appointed to develop dimensional standards, based on reduced scope, consisting of seven pump manufacturers and chemical representatives selected from MCA's Mechanical Technical Committee. The report, prepared by this group, has been accepted by the MCA Committee but not yet by either ASA or the Hydraulic Institute. It was the feeling, however, that since all seven manufacturers are now producing the equipment, and

since substantial potential savings to the chemical industry are now involved, the report on the work to date should be made public. Work toward agreement on an American Standard will continue within ASA.

(c) Tank Car Mileage Compensation. Following a number of conferences with MCA and American Petroleum Institute traffic representatives, the Association of American Railroads recently announced that it has under consideration a change in the mileage compensation for the use of privately owned interchange tank cars and will conduct a study of the cost of ownership of such cars for the calendar year 1961. Purpose will be to determine feasibility of establishing variable mileage rates based upon age and value of the car, taking into account utilization and depreciation factors.

On September 26, MCA mailed to member tank car operators the AAR questionnaire schedules to develop data applicable to 1961 cost of operation. This is in accordance with the practice of past years on the occasion of petitions for mileage rate adjustments. The Traffic Committee requested the Board of Directors to authorize it to retain an outside firm of consultants to analyze the cost figures so obtained and to evaluate the proposed AAR revised cost of mileage settlements in the light of such figures.

ON MOTION duly made and seconded, it was

VOTED: That such authorization be granted, with the cost (approximately \$2.00 per car) to be prorated among MCA member tank car owners and lessors on a per car basis.

The Directors meeting was preceded on the previous evening by a reception and dinner sponsored by the 15 Canadian MCA members. Approximately 85 were present. Following remarks by Messrs. Ord and Dawson, an address was delivered by Dr. F. Cyril James, Principal and Vice-Chancellor, McGill University. At the conclusion of the Directors meeting, Mr. Dawson, on behalf of the Board of Directors, expressed appreciation to the MCA Canadian members and to the Canadian Chemical Producers' Association for their part in making this regional meeting a constructive and successful one. The group then participated in a reception and luncheon as guests of MCA.

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

M. F. Crass, Jr.
Secretary

APPROVED: David H. Dawson
Chairman

Attachment

EXHIBIT "A"

Remarks of the President at the
Regional Meeting of the MCA Board of Directors
Montreal, Quebec, Canada, October 10, 1962
By General J. E. Hull, USA Retired

The U. S. Congress is on the point of adjourning one of its lengthiest sessions in recent years, during which it had under consideration more than 16,000 bills. Some of the measures enacted may be of interest to you gentlemen from Canada. The MCA legislative staff has followed closely and reported to member companies the progress of those bills having significance to the chemical industry in the U. S. which were enacted or considered by both Congress and the various state legislatures this year. The views of MCA on the more significant of these measures were made known to the committees concerned, in the form of testimony by Association witnesses or in letters and statements incorporated in the record of committee hearings.

One of the most important pieces of legislation is the Trade Expansion Act of 1962, just passed by the U. S. Congress, which gives the President far-reaching powers to reduce duties under certain procedures and authority to eliminate tariffs on special categories of products for which the U. S. and the Common Market account for 80% of the world export volume.

The Revenue Act of 1962, also enacted during the closing days of the session, provides among other features: (1) a credit against tax liability equal to 7% of investments in new property used in manufacturing, extraction, and production; (2) increased taxes upon distributions to U. S. stockholders by some foreign corporations -- for example, those considered to have been used as havens from U. S. taxation; (3) the reporting to the Federal Government, by the payer, of all individual dividend and interest payments in excess of \$10.00; and (4) new restrictions on the deduction of business expenses for entertainment purposes.

Earlier this year the Association reaffirmed its position to the Secretary of Commerce, the White House, and other U. S. Government officials against the sale of plants and "know-how" to communist countries and their satellites. We again urged that they try to get other countries of the Free World (which of course would include Canada) to adopt a similar policy.

Interested member companies are supporting the American Standards Association as the Secretariat of the International Standards Organization Committee on Plastics Testing. This group concerns itself with test procedures and nomenclature, which are expected to be beneficial in promoting international trade. The Canadian industry is cooperating in a number of ISO committees, but not on this committee concerned with plastics, although it does have an observer present.

A few of our projects for speeding the acceptance of plastics building products are of a nature that would be of interest to Canadian Members. The Plastics in Electrical Appliances Study is one now nearing completion by the Underwriters' Laboratories for our Plastics Group on the electrical and flammability characteristics of those plastics used in domestic electrical appliances such as are submitted to Underwriters' Laboratories for labeling. This has been a lengthy and exhaustive project of test-work followed by analysis.

In response to a growing demand among code and other regulatory people, we currently have a group working out a simple method for identifying -- both by trade name and generic type-- such plastics materials as are used in building products. If such a "shorthand" system acceptable to all concerned can be developed, it will provide a ready basis for labeling end-products to identify the plastics used. There is a growing trend indicated in building codes and fire-safety requirements that building products be so labeled.

The cooperative MCA-U. S. Bureau of Mines research on the behavior of ammonium nitrate and related systems under fire conditions has been renewed for a second year. The \$60,000 cost has been underwritten by member producers represented on the Ammonium Nitrate Technical Committee, one of which is a Canadian Member.

In line with the Traffic Committee's continuing efforts to obtain a more equitable tank-car mileage settlement basis to offset rising operational and maintenance costs, it now has under review a carrier-sponsored proposal for establishment of multi-level mileage rate allowance in four categories. This entirely new concept for mileage settlement takes into account ownership costs, car value, and utilization.

Also under study by the Committee is another carrier proposal to determine whether a change in the present mileage rate allowance should be made for privately owned special type interchange freight cars (covered hopper cars).

A single master specification applicable to all pressure type tank cars has been prepared and is now being reviewed by other industry organizations and regulatory groups. It is planned to draft a similar specification for nonpressure cars. If approved by regulatory authorities, this work will consolidate, under two master specifications, construction requirements currently contained in approximately 50 existing ICC tank car specifications.

The membership response as a whole to the Survey on Status of Air and Water Pollution Control has been sufficiently extensive to insure usefulness of the information being obtained. Nearly half the member companies have reported, representing

about three quarters of the total number of their chemical plants. Perhaps some of our Canadian Members have not appreciated that the survey was intended to include their installations, for only a small number have reported. We believe the data on Canadian chemical plants, collectively, might be useful, and there is still time for them to prepare and submit their reports. We have in mind a separate Canadian tabulation; only totals for all Canadian plants together will be released, to avoid any exposure of any single company.

Agreement has just been reached on the conduct of a study project on atmospheric emissions to be carried on jointly by MCA and the Division of Air Pollution of the U. S. Public Health Service. This will concern the atmospheric emissions from certain chemical manufacturing processes and the techniques by which such emissions are limited and controlled. The purpose is to make available to regulatory authorities, as well as to the chemical industry, a guide to technically satisfactory and economically feasible plant practices in this regard, independent from manufacturing and proprietary information. Announcement of this project has not yet been released to the public but will be shortly.

Canadian Member Company representatives will be welcome to attend the National Conference on Air Pollution to be held in Washington on December 10-12, 1962, under sponsorship of the U. S. Government. The announced purpose is to assess the present state of knowledge about air pollution problems and their remedies. Arrangements for full information about the Conference may be made by writing to me or directly to the Executive Secretary, National Conference on Air Pollution, U. S. Public Health Service, Washington 25, D. C.

Three reports recently made available from projects of the Physical Distribution Subcommittee are of interest. Two resulted from a general survey last year of the extent of use of pallets of various sizes for chemical shipments, and the unitizing practices employed. The third, "Recommendations Concerning Hopper Trucks for Bulk Shipment of Dry Plastics -- Granulated or Pelleted," is a companion to a similar report on hopper cars prepared two years ago, directed toward features to insure safe and efficient loading and unloading, and to minimize product contamination.

The Fifth Edition of the Chemical Industry Facts Book is expected back from the printer during the latter part of November and will be of greater interest than previous ones, since it contains three additional chapters -- one treating the history of the chemical industry in Canada, a second dealing with statistics concerning the industry in Canada, and the third a discussion of the recent expansion in world trade.

At its September meeting, the Board authorized the use of reserve funds for implementing an interim public relations program on environmental health. The

program, of course, is currently concerned with the problems created for the industry by such books as Miss Rachel Carson's "Silent Spring." This problem is a matter of as great an import in Canada as in the United States, and it is a problem with at least two facets: The first is that the public may forget -- in the furor over the negative emphasis on chemical usage -- the imperative need mankind has for controlling its environment and the great contributions chemistry has made toward that end. The second is that there may be popular acceptance of the implication that the chemical industry has no sense of public responsibility and is motivated solely by a desire for profits.

It would be easy for us to quarrel publicly with Miss Carson. We could readily refute many of the inferences and conclusions in her book. With the industry's exemplary sense of public responsibility, it would be a natural thing for us to want to cite in loud terms our version of the record on which Miss Carson has based her case. However, in my view little or nothing would be gained by such a course. I can see little virtue in losing our temper.

But, as you recognize, we must do something to meet the situation. We cannot sit back and hope this story will blow itself out and that we will be unharmed.

We can do a lot. We can rely upon and give every assistance to the scientific community, which already is concerning itself with the intemperate and often unscientific approach of the Carson attack. We can take advantage of every legitimate communications channel to convince the public that the industry is more concerned than is Miss Carson about misuse of our products. We can systematically impart to those who mold public opinion the accurate, well-documented information they need to form intelligent judgment.

These are the things which we can do and which the Association presently is doing in this controversy. We are embarked on a program which will in every instance be reasonable, logical, intelligent, and -- I am confident -- persuasive.

In the Board's discussion of this matter at our September meeting, we stressed the necessity of working closely with the National Agricultural Chemicals Association. I am glad to report that this is being accomplished.

In summary on this subject, let me say that we are keenly aware that the problem is highly dangerous to the well-being of the industry, and that the proper approach to overcoming it is that of statesmanship and calm persistence.

Regarding the MCA aid to education program, establishment of closer ties with the schools of Canada is well under way. Late last spring we sent letters to the Deputy Ministers of Education in each of the provinces, explaining the MCA program and inviting comments on the acceptability in their institutions of sample MCA publications.

Response has been excellent. Some provinces have requested substantial supplies; others have provided us with lists of educators to whom sample brochures and order forms should be sent. The Canadian phase of the education program is being carried forward with the counsel of Dr. J. W. Tomecko of Canadian Industries Limited, a member of the Education Activities Committee.

Dr. Reuben B. Sandin, University of Alberta, and Mrs. Sandin, were guests at MCA's 1962 Annual Meeting, where Dr. Sandin was presented one of the Association's College Chemistry Teacher Awards. We were pleased to note the wide publicity given Dr. Sandin's selection by the general and professional press of Canada.

d. Last year, the Board reaffirmed its belief in the potentialities of the Chemical Industry Council Program by authorizing the establishment of responsibility for the program as a full-time job for one member of the public relations staff. After considerable tightening up of MCA's liaison with the then existing CIC's, we've been devoting more attention to the improvement of our services to CIC's and to extension of the program in areas where it was not previously operative. Our organization efforts are being focused primarily on those areas where (1) there is heavy concentration of the chemical industry and (2) there has been activity in the past -- either during Chemical Progress Week or otherwise -- which indicates a latent interest in CIC activity. The staff has not yet taken the initiative to extend the CIC movements in Canada, but this certainly does not preclude Canadian participation. On the contrary, we would like to see CIC's organized here in Canada. The objective of the program -- to promote popular understanding of the chemical industry, beginning in the communities where plants and laboratories are located -- is as applicable in Canada as in the States.

As part of the revitalization efforts of the past year, Canadian Members of the Association have been asked to designate an individual at each plant and laboratory location to receive the Association's CIC and other community relations material.

We would welcome the opportunity to encourage and support to the fullest possible extent any CIC organization which Canadian facilities initiate. I will be glad to furnish additional information on the Program to anyone interested.

Thank you.