LEGAL ADVISORY COMMITTEE
Washington, D. C.
January 6, 1960

PRESENT:

Lawrence S. Apsey	Celanese Corporation of America
Fred Bartenstein	Merck & Co., Inc.
Lawrence A. Coleman	Allied Chemical Corporation
James G. Flanagan	S. B. Penick & Company
W. D. Kavanaugh (substituting for Richard S. Kyle)	American Cyanamid Company
Fred B. Lee	Olin Mathieson Chemical Corporation
Frank R. Lyon, Jr.	Union Carbide Corporation
Iver MacDougall	Stauffer Chemical Company
Francis J. Zugehoer	E. I. du Pont de Nemours & Co.,Inc.
John E. Hull	Manufacturing Chemists' Association
Marx Leva	Manufacturing Chemists' Association
James D. Kittelton	Manufacturing Chemists' Association
J. F. King, Secretary	Manufacturing Chemists' Association

ABSENT:

Richard S. Kyle	American Cyanamid Company
Charles S. Maddock	Hercules Powder Company, Inc.
Edwin J. Putzell, Jr.	Monsanto Chemical Company

The meeting convened at 10:00 a.m. Chairman Leva stated that the first purpose of the meeting in view of the re-convening of Congress was to invite members of the Committee to present suggestions concerning pending or prospective legislation of special interest to the Manufacturing Chemists' Association. He said he would poll the members of the Committee to identify matters of particular concern so they could be given priority in the discussion.

Mr. Kavanaugh, who was substituting for Mr. Kyle, said he would prefer to make his suggestions later during the discussion.

Mr. Lyon said that S.11 and other antitrust bills to which MCA had expressed its opposition were still important but, in his opinion, were not likely to pass. He said he thought MCA had already done all that was appropriate up to now.

Mr. Coleman said he would prefer to comment later.

Mr. Flanagan did so, too.

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Mr. Zugehoer said he had little to add to what Mr. Lyon had said but that he did wish to make specific comment about S.716, a bill which would authorize the Department of Justice to obtain documents from companies involved in civil antitrust investigations. He said S.716 is undesirable but, in his opinion, not so objectionable that MCA should take action against it under present circumstances.

Mr. Bartenstein deferred his comment.

Mr. Apsey said he had made a list of legislative matters which he felt were of special interest to MCA, but they were not necessarily matters about which MCA should take action now. He cited (1) the Boggs bill--H.R.5--which he said should continue to receive MCA's support; (2) the "functional discounts" bills, which he said were "horrible" and "unworkable," and MCA should continue to oppose; (3) S.690, the bill proposing that an Agricultural Research and Development Commission be created to provide for more effective research programs designed to increase the use of agricultural and forestry products, and which he said MCA should oppose; (4) the color additives legislation, and he questioned the need for it, to which Mr. Coleman responded that, like the Food Additives Amendment of 1958, the proposed color additives amendment is a highly desirable additional step toward eliminating the "poisonous <u>per se</u> doctrine"with respect to food additives; (5) the desirability of MCA's planned participation in the Labor Department's up-coming hearings concerning Walsh-Healey Act wage determinations; and (6) the possibility that MCA might want to give favorable consideration to legislation to protect shippers from liability as a result of chemicals leaking from broken or "tired" drums or other containers. /The subject matter of Item 6, it was later determined, is being handled by the MCA Traffic Committee./

Mr. Flanagan added that this subject (Item 6) was of interest to him also.

Mr. MacDougall remarked that the Delaney Clause, both in the food additives amendment and the color additives amendment, held important implications for possible legislation in other fields, such as in textiles. It might be contended, he said, that substances in some textiles might contribute to the development of cancer of the skin and, as a result, textiles might conceivably be subjected to some such law as the Delaney Clause. Mr. Coleman said the Delaney Clause presented no new problem but represented an undesirable method of handling the problem in a statute. Mr. Bartenstein added that the problem dramatized by the "cancer clause" had been growing and would have been worse but for the enactment of the food additives amendment. He said the amendment placed upon the FDA a share of the problem which without FDA, the chemical and food industries might have had to handle themselves. "We should also remember, he said, "that the chemical industry would have been the wipping boy if we had opposed a food additives amendment."

Mr. MacDougall said that MCA should go on record as to how the study provided for in S.2524, a bill concerning state taxation of interstate commerce, should be conducted.

Mr. Lee said he agreed with Mr. Zugehoer as to MCA's position on S.716. He said MCA should also be particularly watchful of H.R.5, S.2197, and all "price legislation."

In order to have the discussion while Gen. Hull was still present, Mr. Leva asked the advice of the Committee as to MCA's policy concerning the Government's proposed sale of General Aniline and Film Corporation. As to whether the matter was of general interest to MCA, Mr. Apsey said he felt that it was only important to those who wanted to bid on the property and not of general concern to the Association. He suggested that if opposition were to be expressed to the Government's continued operation of such a company in competition with privately owned companies, MCA should concern itself, but the matter was not of sufficient general concern for MCA to take the lead in pushing for such expression or action. Mr. Bartenstein said he agreed with Mr. Apsey, as did Mr. Zugehoer. After further discussion, it was unanimously agreed that MCA should not now concern itself with the question of selling General Aniline and Film Corporation, but if the matter became more active, MCA should take another look at the situation.

Mr. Kavanaugh reported to the Committee that, in his opinion, there was "new steam behind the Buy American Act" and that MCA should remain alert to developments affecting this aspect of our foreign trade.

Mr. Kittelton summarized the status of the food additives and color additives legislation after which there was extended discussion in which practically all members participated. The discussion was concluded with a suggestion by Mr. Coleman that MCA should participate in the present effort to enact color additives legislation "only on the highest philosophical level" and that it was his personal recommendation that MCA "leave it to the food color manufacturers, as was decided long ago for good and sufficient reasons." The Committee made no formal recommendation as to this.

The Committee was asked its reaction to the proposal by Mr. Gordon of Hercules Powder Company in support of S.2251, a bill which would apply to purchasers of natural gas for industrial use the same refund provisions that under existing law apply to purchasers of gas for non-industrial use. Mr. Apsey said he supported Mr. Gordon's view but he added that a bill on this subject which had been passed by the Congress had been vetoed by the President "after the slush fund story." It was agreed that MCA should support S.2251 when it becomes active.

Mr. MacDougall, in response to his request, was shown details of the Hazardous Substances Labeling Bill with particular reference to the scope and inspection provisions.

The meeting adjourned at 12:45 p.m.

J. F. King
Secretary

Subject to approval

JFK:fmw