

MINUTES of the fifty-ninth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, on May 8, 1956, at 11:00 a. m. (EDT).

There were present:

Messrs.	Howard S. Bunn	J. J. Kerrigan
	Harry S. Ferguson	R. C. McCurdy
	John L. Gillis	Thomas S. Nichols
	R. K. Gottshall	Robert B. Semple
	Ernest Hart	O. V. Tracy
	John R. Hoover	William H. Ward
	John E. Hull	M. F. Crass, Jr.

Alternates: William Engs (for Hans Stauffer)
 R. B. Fiske (for Kenneth C. Towe)
 Max A. Minnig (for Robert I. Wishnick)
 Charles S. Munson (for John A. Hill)
 R. G. Ruark (for Ernest W. Reid)

Present by Invitation: Bromwell Ault - Interchemical Corporation
 W. E. Chace - MCA
 Henry H. Fowler - Fowler, Leva, Hawes & Symington
 Glen Perry - E. I. du Pont de Nemours & Co., Inc.
 H. F. Suiter - Merck & Co., Inc.
 C. H. Wager - Shell Chemical Corporation

Chairman Hoover called the meeting to order at 11:00 a. m. Although a quorum was not present, it was agreed that the meeting should proceed with all action subject to ratification and approval by the Directors at the June 7, 1956, meeting or prior thereto by the Executive Committee if deemed necessary.

I. MINUTES OF MEETING.

The Minutes of the April 10, 1956, meeting were duly approved as submitted to members.

II. TREASURER'S REPORT.

(a) Monthly Report. The financial report for April 1956 was reviewed, and

ON MOTION duly made and seconded, it was

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

(b) Independent Audit. The Treasurer was authorized to arrange for an independent audit of the Association's books for the fiscal year ending May 31, 1956, and to retain the firm of Bond, Kefauver & Beebe for this purpose.

III. BOARD OF DIRECTORS.

(a) Membership Committee. It was reported that applications had been received from the following and that, in the opinion of the Membership Committee, both are qualified for membership under the Association's By-Laws.

Canadian Chemical & Cellulose Company, Ltd.
Petroleum Chemicals, Inc.

ON MOTION duly made and seconded, it was

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

Mr. Kerrigan noted that the application of Canadian Chemical & Cellulose Company, Ltd., was the first to be received from a U. S. affiliate, the present three Canadian members being independent of U. S. affiliation. He suggested that Directors representing companies with manufacturing operations located in Canada take similar steps to bring their Canadian affiliates into active membership.

(b) 84th Annual Meeting. The entire block of accommodations assigned the Association, numbering in excess of 650, has been exhausted, and 121 member firms will be represented at the meeting. Those present were handed copies of the finalized business meeting agenda, it being noted that two additional program items have been added: (1) MCA's new education program, and (2) a short address by Mr. Charles F. Honeywell, Administrator of the Business and Defense Services Administration.

(c) Nominating Committee. Mr. Ward presented a brief report and indicated that the full slate of officers and directors would be completed within a few days.

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It was agreed that the Secretary should transmit to Executive Contacts prior to the meeting copies of the Nominating Committee report, the proposed expenditure budget for 1956-57, and information relating to the proposed amendments to the By-Laws.

IV. COMMITTEE APPOINTMENTS.

The Board of Directors approved the following Committee appointments:

(a) Chemical Packaging Committee.
 Harry W. Bull, The Dow Chemical Company, replacing W. W. Sunderland.

- (b) Education Advisory Committee.
George Loft, Atlas Powder Company, replacing Thomas Kennedy.
- (c) Public Relations Advisory Committee.
C. L. Chase, General Electric Company.
George Loft, Atlas Powder Company, replacing Thomas Kennedy.

V. STAFF REPORT -- MISCELLANEOUS ITEMS.

- (a) Chemical Progress Week. General Hull summarized Chemical Progress Week activities, furnishing statistics on coverage, speeches made, and member participants. Preliminary data indicate that coverage and interest exceed that of the past two years. A full report will be available by the time of the Annual Meeting.
- (b) Annual Report. Draft copies of the 1955-56 Annual Report were circularized to Directors on May 3. Chairman Hoover urged prompt submittal of comments to the Secretary in order that arrangements might proceed with the printed report.
- (c) Chemical Minimum Wage. A Government-labor-management panel conference was held in Washington on May 2 to discuss preliminaries incident to a redetermination of the chemical minimum wage under the Walsh-Healey Public Contracts Act. The Association was represented by two staff members, the Chairman of the Industrial Relations Advisory Committee, and three others. Although the formal hearing before the Secretary of Labor will not take place until probably mid-July, another panel conference will be held to finalize certain matters. The Association's views with respect to these matters will be established at a meeting of the Industrial Relations Advisory Committee to be held on May 22.
- (d) Toxicological Center. It was reported that the Industrial Hygiene Foundation, an affiliate of Mellon Institute of Industrial Research, has received authorization from its management to considerably expand its toxicological testing facilities. Preliminary discussions with the Foundation Director, Dr. C. Richard Walmer, indicate that the proposed arrangement will meet most of the criteria originally considered by the Association in connection with the toxicological testing center discussed by the Directors last year. It was agreed that the Foundation's plans should be made known to the Association membership at the proper time.
- (e) National Chemical Exposition Symposia. MCA has been invited by the American Chemical Society to present technical symposia in connection with the National Chemical Exposition to be held in Cleveland during November 1956. On the basis of early consideration, it appears that this invitation will be accepted and that programs relating to plant safety and chemical equipment standards will be prepared.
- (f) National Chemical Employers Advisory Body. General Hull reported receipt of an invitation from this organization to participate in meetings of the

Advisory Body itself and its International Labor Organization Subcommittee. The next meeting of the parent group will be held in London on October 19 - 20, 1956. Following discussion, it was agreed that a reply should be sent, setting forth the Association's willingness to discuss ILO matters as a preliminary step to the official ILO Chemical Industry Committee meetings but that we decline to participate in the meetings and activities of the Advisory Body itself. The Directors have already approved MCA representation at an ILO experts meeting to be held in Geneva during August 1956.

(g) Economic Survey. It was agreed that the Association's staff should proceed to assemble statistical data from public sources, Government and private, as a preliminary to determining whether any economic study of the chemical industry beyond the Chemical Industry Facts Book should be undertaken.

(h) National Fire Protection Association. The MCA General Safety Committee has requested that the Directors give consideration to furnishing additional financial support to NFPA in view of our increasing activities in the fire protection field. MCA for many years has been an organizational member of NFPA, paying nominal dues at the rate of \$100 per year. Noting that a substantial number of Association members now contribute to NFPA, it was the consensus that the depth of such contributions be ascertained. Further consideration of the matter will be withheld pending receipt of this information.

(i) Organization for Trade Cooperation. At the recent national meeting of the Chamber of Commerce of the United States, a policy recommendation favoring participation by the U. S. in international organizations which deal with international commitments for the relaxation of trade restrictions was discussed. The Association, in its capacity as a Chamber member, had earlier written to the Chairman of the Chamber's Policy Committee, urging that prior to issuance of such policy statement a referendum be addressed to the entire membership of the Chamber. This recommendation was finally adopted at the meeting. MCA will, therefore, be called upon to vote, and policy in this respect must be established shortly. The International Trade and Tariff Committee will meet within the next week or so and supply the Board with a policy recommendation.

(j) Chemical Safety Data Sheets. Those present were handed copies of two new Chemical Safety Data Sheets -- SD-60, Arsenic Trioxide, and SD-61, Phthalic Anhydride (Commercial). A total of eight Chemical Safety Data Sheets will be issued during the current fiscal year.

(k) Recruitment of College Graduates. Industrial recruiting practices at colleges and universities were discussed by those present. It was the consensus that the subject should be referred to the Industrial Relations Advisory Committee for consideration and recommendation.

VI. EDUCATION.

At the earlier meeting of the Executive Committee, Messrs. Bromwell Ault and Glen Perry, Chairman and Vice Chairman, respectively, of the Education

Advisory Committee, and Dr. W. E. Chace of the Association staff described and recommended for consideration a substantially enlarged Association program in the education field -- supplementing that already agreed to by the Board for the new fiscal year. The presentation was repeated before the Directors' meeting, and a copy of Mr. Perry's remarks is appended to these Minutes.

The budget for fiscal 1956-57, as approved by the Directors for presentation to the membership at the 84th Annual Meeting, includes a total of \$32,000 for education. Mr. Perry, in behalf of the Education Advisory Committee, strongly recommended that this amount be upped by an additional \$130,500 and that for fiscal 1957-58 an expenditure of \$190,500 be considered. Considerable discussion then ensued, following which it was moved, seconded, and unanimously

VOTED: That the Board endorses the report of the Committee as presented; that copies of the report be sent to Executive Contacts of member firms prior to the Annual Meeting, based on a program duration of not less than five years; that a ten-minute concise oral presentation of the enlarged project be made at the Annual Meeting; and that, following the meeting, a referendum of the membership be arranged on the basis of total educational expenditure of \$200,000 per year to be raised over and above the regular budget, and to be financed independently of the regular budget.

VII. EXECUTIVE COMMITTEE ACTIONS.

Additional items handled by the Executive Committee and not discussed at the Board of Directors' meeting included the following:

(a) Statistical Committee. Following joint discussions between members of the Statistical Committee and Counsel, it has been decided not to proceed with a suggested Association index of chemical production. There is some doubt in the minds of Committee members as to the usefulness of the Committee in view of staff activity in this field and its frequent contacts with the official statistical collecting agencies in Washington.

(b) Accounting Manual. A proposal to the Association for preparation and publication of an accounting manual for the chemical industry was discussed. It was agreed that consideration should not be given to such a project at this time.

(c) 84th Annual Meeting. A proposal that an invocation be offered at the opening of the Annual Business Meeting was approved.

Association Officers have been requested by the Journal of Commerce to write articles for publication in a special edition to be published on June 7. Several of these assignments have been accepted.

Following conclusion of the Board luncheon, Mr. H. F. Suiter, past Chairman of the MCA Traffic Committee, accompanied by Mr. C. H. Wager, Chairman elect, discussed their Committee program. Mr. George Bugbee, President, Health Information Foundation, then spoke for ten minutes on the activities of his organization.

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

M. F. Crass, Jr.
Secretary

APPROVED: John R. Hoover
Chairman

2 Attachments

Report of the Education Advisory Committee
by Glen Perry, Vice Chairman
before the Board of Directors
May 8, 1956

As you know, the Association's Education Advisory Committee was created to develop methods by which the chemical industry can assure itself of an adequate supply of technically trained personnel. This is a problem with three areas.

There is, first, the creation of an atmosphere among educational groups in which the chemical industry, as well as business as a whole, can do its work best. There is, second, the attempt to create conditions under which science teachers will have maximum incentive to remain in the teaching profession and to do the best possible job there. There is, third, the task of helping provide the scientifically or technically trained personnel the chemical industry must have in the future.

It is with this latter area that we want to deal today. Our reason for requesting permission to appear before you is that in the judgment of our committee the time has come when the companies composing MCA, or at least the important ones, must make a major decision as to where we are going in this field of providing research and technical personnel.

When the Board created our committee, and instructed it to work in this field, it did so because of the realization, based on actual experience and not on theory, that it had become so difficult to get badly needed technical personnel that the industry faces a critical shortage. Dr. Chace and his fellows have developed some figures on this matter which I should like to present to you.

In 1954 there were 884,000 scientists and engineers in the United States, of whom 713,000 were employed by American industry as a whole and 77,000 by the chemical and allied products industry.

In 1965, it is estimated that the country will need 1,680,000 scientists and engineers, of whom 200,000 would be employed by the chemical and allied products industry. That is to say, our industry will need 123,000 more scientists and engineers in 1965 than it employed in 1954 if it is to meet projected expansion needs.

Now, in 1954 again, the American educational system graduated a total of 49,866 B.S. graduates in science and engineering. Of these 7,947 were trained in chemistry and chemical engineering. Projecting the 1953-55 trend in the production of scientists and engineers through 1965, the total supply of such individuals in that year will be 1,220,000. This sounds like a lot, but it is 460,000 short of the estimated total needs of the country. And as far as our industry is concerned, we could expect to get only 109,800 of the 200,000 we need. We thus face a deficit of 90,200 technically trained personnel in 1965.

As to sources of supply, there are approximately 2,500,000 students in the seventh, eighth, and ninth grades of our schools who might be studying general science. Out of these, in a given year, 3.3 per cent, or 82,000 will become scientists or engineers, less than half of the number required. Our

problem, then, is roughly to double this number if the chemical and allied products industry is to meet its need -- and probably this figure will be proved by the event to be an underestimate.

In approaching this problem, we turned to Paul Amidon Associates for the preparation of material for use in schools, material designed to interest youngsters in the sciences, and especially in chemistry. It was our purpose to research the area in three stages, picking them up at one-year intervals. We began with material for junior high schools last year. This year Amidon will work on material for high schools. Next year he will turn to the elementary grades.

I should emphasize the fact that what Amidon and our committee are doing is research, developing and then testing materials. We have samples for your inspection of the material for junior high schools. It is now being tested in some fifty school systems throughout the country. Final results are not yet in, but we know enough to be able to say that the schools are extremely enthusiastic, and that, to all intents and purposes, we are ready for implementation.

We have also considered and discarded the concept of each company taking this material and going its own way. We believe that, while companies wanting to carry on independent work in the field should be encouraged to do so, the only sensible approach to the problem as a whole is to set up, in MCA, the organization to handle the distribution of the Amidon material in the schools. The advantages are obvious, including especially the fact that key areas will be covered whereas they might be ignored on a company-by-company basis.

We have tried to be as realistic in our approach as it is possible to be. We recognize no mission to reform the teaching of science in American schools, but only to beef it up so it will produce the personnel we must have. Criteria will be established so that we shall fish only in waters where fish are most likely to be found. We believe what has been developed will make a start toward achieving MCA's aim.

You gentlemen are realists, too. I am sure you know as well as we do that relief for the shortage of trained personnel is going to cost somebody some money. The two questions are, who and how much? The answer to the first, we believe, is the member companies of MCA. The answer to the second is contained in somewhat detailed form on the single sheet accompanying the educational material, and covering a five-year period. The total for 1956-57 would be \$130,500. For 1957-58 it would go up to its highest point, \$190,500, and thereafter it would drop down to the order of \$180,000 a year.

I want to be clear about this. This money is over and above the money the Education Advisory Committee will need for its further research activities. I am also aware of the feeling of at least some members of the Board about member companies making contributions to MCA over and above dues. I sympathize with this feeling.

However, I should say that in the opinion of our committee this is not a question of contributing to MCA. This is something quite different, namely, the purchase from MCA of services that it can perform more effectively than can any member company.

Gentlemen, we come down to this. If in your judgment it will be impossible or undesirable to obtain this money to implement this program, now is the time to say so, before it is under way. To get the program going well, and then to drop it because of money problems, would involve so serious a loss for the industry in prestige, in public relations status, and in wasted time, effort, and money, that we on the Education Advisory Committee would rather not start it at all than have that happen.

If you feel that way about it, then I believe you should discharge our committee, and write off what has been done. If you feel as we on the committee do, that you are prepared to accept this five-year program, then we shall go back to our job with redoubled energy and enthusiasm.

Finally, here is what we on the committee would like the Board to give us. We'd like to know that you approve in principle the centralized handling of the educational program in schools as the most effective procedure, with the proviso that any member company wanting to do it itself is free to proceed. We'd like to know that you approve in principle the purchase by member companies of this service to the extent that they feel is warranted. We'd like to know, finally, that you find the dollar figures cited here reasonable and practicable.

If you find yourselves in agreement with us, then we are confronted jointly with the task of presenting this subject to the MCA membership in the most effective way, and we shall hope for your ideas and counsel. We have been given, I believe, ten minutes on the agenda at White Sulphur, and since this whole project depends upon the understanding and support of the member companies we have got our sales job cut out for us.

Thank you, gentlemen. Brownwell Ault, Dr. Chace and I will be glad to answer any question we can.

TRAFFIC COMMITTEE REPORT
TO
BOARD OF DIRECTORS
MANUFACTURING CHEMISTS' ASSOCIATION

New York, N. Y. - May 8, 1956
Harry F. Suiter, Chairman

The bringing to the fore of the highest of highlights of your Traffic Committee's activities for the Association's fiscal year represents a real feat of picking and choosing.

It had to be kept above the level of a happenstance involving two drunken friends in a thoroughly soused condition. They found themselves walking on a railroad track. After proceeding along the ties for some time, one finally turned to the other and said, "Say, did you ever before try to climb such a long bunch of stairs?" To which the other replied, "Heavens, no! And did you ever see such low hand rails, either!"

The stairs climbed by us and the hand rails to which we have held, on a highest-of-highlights basis, boil out to four very live and very vital subjects:

1. The tank car mileage allowance
2. The general 6% freight rate increase
3. Federal transportation legislation
4. Committee spirit and personnel

Taking up the first of these, I am happy to report that yesterday, in Chicago, our Tank Car Advisory Subcommittee presented to the Association of American Railroads our formal request for an immediate adjustment from 3 to 4 cents per mile. The increase is well merited because of rising costs and other factors and an all-out effort is being made to secure prompt and favorable action.

It has been estimated that 3-million dollars per year accrued to the chemical companies as a result of the last adjustment. This was made in 1952 and involved an increase from 2.2 to 3 cents per mile. Obviously, an additional 3-million-dollars-per-year estimate would be most conservative and on the low side if our current figures are given due recognition in the present proceedings.

The American Petroleum Institute has also requested an increase, and the users of practically all of the tank cars in the United States and Canada are thus represented in the adjustment activities. Additionally, the Subcommittee is undertaking a long-term study to endeavor to work out proper and adequate treatment for more expensive cars and cars in short haul movements.

Our second subject, the general 6% freight rate increase, commenced with the rails who sought 7% but were limited finally to the 6% figure named. They obtained this on March 7 of this year. The Interstate Commerce Commission worked quickly in granting it to them, the proceedings being unique in that regard. It is estimated that the result will be an added yearly increase in freight costs to all shippers of \$400,000,000.

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As the rails commenced to get the increase behind them, the motor carriers moved to do a "me, too" and get the same thing for themselves. Your Committee has always felt, as a matter of general principle, that truck rates should not be raised simply because rail rates go up. The connection between the two is not sufficiently strong to require dual hikes in charges. Through our Motor Carrier Subcommittee we are endeavoring to stem the tide in this connection and are asking that the Interstate Commerce Commission suspend and refuse to permit truck increases of real importance to our members.

Transportation legislation, our third traffic subject, has loomed importantly this year because of the release in April 1955 of the Report of President Eisenhower's Advisory Committee on transportation. Legislation implementing it was duly introduced in Congress and hearings are now going on in connection with it.

The legislation has much in its favor, several features being especially designed to relax regulatory restrictions which have been looked upon as burdensome to both the carriers and the shipping public. On the other hand, if enacted, the law will place added restrictions on inland water carriage which practically every one of our group strongly opposes.

Our Legislative Subcommittee has been allotted time to present our case to Congress, and this will be done within the next few weeks. Particular stress will be placed on our opposition to more water carrier regulation.

As regards Committee spirit and personnel, our group is now made up of 35 members and there is a waiting list. It has 9 subcommittees, some of which I have heretofore mentioned. Their responsibilities include a wide range of subjects. To illustrate, one group deals with plastics, another with ammonia tank car check valves, and still another is a liaison committee which tries to keep the tank truckers and others happy in their dealings with various regulatory bodies. This last-named committee was formed in particular to keep the lid on certain activities which would have gotten us all in a much worse situation regarding safety regulations than we are at present if they had not been stopped.

The Traffic Committee has been easily the outstanding committee of its kind. Its counterparts in other industrial associations do not begin to hold a candle to it and its members insofar as its capacity for getting things done is concerned, as well as the wide scope of its activities. Positive steps continue to be taken to see that this position is maintained for the future. Our key men are being backed by competent vice chairmen, and the entire organization is being dealt with on the basis of making it the best possible one in the years to come.

During my two years of office I received at all times the most genuine, wholehearted, sincere, intelligent, and aggressive cooperation from our members. It has been a great pleasure and honor for me to serve the Association as chairman of the Committee, and I am sincerely obliged to the Directors that it was possible to do this.

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