

MINUTES of the one hundred fifty-first meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Holiday Inn, Montreal, Canada, on Wednesday, October 13, 1965, at 10:00 a.m. (EDT).

There were present:

E. B. Brooks	W. T. D. Ross
Chester M. Brown	Kenneth Rush
G. H. Decker	Robert B. Semple
Harold W. Fisher	Joseph R. Stevens
J. Robert Fisher	Robert C. Swain
John L. Gillis	Harold E. Thayer
Thomas C. Jones	Henry A. Thouron
Alexander Lewis, Jr.	Harry B. Warner
John O. Logan	G. L. Weissenburger
A. R. Marusi	John E. Wood, III
M. A. Minnig	M. F. Crass, Jr.
Donald D. Pascal	
Joseph E. Rich	

Alternates:

Stanley H. Anonsen (for Harold E. Thayer)
 Harry S. Ferguson (for Chester M. Brown)
 C. L. Randolph (for Hugo Riemer)

General Counsel:

Lloyd Symington

Present by Invitation:

M. F. Anderson - Dominion Rubber Company Limited
 D. B. Andrews - Koppers Company, Inc.
 J. S. Dewar - Union Carbide Canada Limited
 D. W. Evans - Aluminum Company of Canada, Limited
 David W. Evans - Metasol Canada Limited
 J. W. Flanagan - Imperial Oil Limited
 Jack R. Glatthaar - Monsanto Canada Limited
 David E. Jones - Canadian Chemical Producers' Assn.
 R. W. KixMiller - Celanese Corporation of America
 H. H. Lank - Du Pont of Canada Limited
 Donald Mackenzie - Canadian Chemical Producers'
 Association
 Robinson Ord - Chemcell (1963) Limited
 A. C. Tully - Ethyl Corporation of Canada Limited

I. OPENING REMARKS.

In calling the meeting to order at 10:00 a.m., Chairman Semple welcomed the Directors, alternates, and guests and asked them to identify themselves individually by name and company affiliation. He urged all guests to take an active part in the discussion and again expressed the appreciation of the Directors to the Canadian Chemical Producers' Association for acting as host at the reception and dinner the preceding evening.

II. MINUTES OF SEPTEMBER 14, 1965, MEETING.

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

III. REPORT OF THE SECRETARY-TREASURER.

(a) Financial Report -- June 1 - September 30, 1965. The financial report for the four months ending September 30, 1965, was summarized by the Secretary-Treasurer.

ON MOTION duly made and seconded, it was

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

(b) Status of Membership Fee Collections. Mr. Crass reported that all member firms had now paid their fees and that financing for the year had been successfully concluded.

IV. BOARD OF DIRECTORS.

(a) Updated Association Directory. It was not possible to present copies of the new directory to those present because of delay in the shipment from Washington. This publication had been circulated on September 27 to Executive Contacts and all committee members however, and the staff will be prepared to promptly handle further requests. Called to the attention of all committee members were the "General Principles Applicable to the Structure and Operations of Committees" reproduced on pages 42-45 of the directory. This was done in keeping with Paragraph 8 of the General Principles which requests that the text be brought to the attention of all committee members at least once each year.

(b) November 23, 1965, Semi-Annual Meeting. Copies of the illustrated program of the 15th Semi-Annual Meeting to be held in New York City on November 23 were distributed. The program, with registration information and forms, was transmitted to approximately 1600 member representatives on September 24. Mr. Fisher, Chairman of the Program Committee, briefly reviewed details and urged Directors to forward their company registration lists promptly to the Washington Office.

(c) March 1966 Regional Directors Meeting in California.

1. Appointment of Arrangements Committee. The appointment of a West Coast Committee to plan the March 7-10, 1966, Regional Meeting of the Directors in San Francisco and Pebble Beach was approved. The Committee will consist of the following:

Ernest Hart, Chairman	L. A. Doan
Roy Brandenburger	T. G. Hughes
Christian de Guigne	G. L. Parkhurst

(Arrangements Subcommittee)

A. H. Campbell	William Dawson
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CMA 068451

2. Proposed ASW Briefing by U. S. Navy. Sent to Directors in advance of the meeting was a description and resumé of a classified advanced briefing for the Association's Board of Directors in the area of anti-submarine warfare problems, technology, and related subjects. The course would be provided by the Navy at the Naval Training Center, San Diego, California, on March 3, 4, and 5, 1966, immediately preceding the West Coast Directors Meeting. The Navy proposes an intensive summarized course to emphasize to industry the vital importance and potential threat of the situation as it exists and what is being done about it.

Questions concerning timing and arrangements were answered by the staff, which also provided additional detail relative to content of the course.

Following discussion a show of interest was requested, it having been made clear that if a Director did not wish to attend he could be represented by his alternate or by another executive of his firm. Fifteen of those present indicated such interest and, on this basis, the staff was authorized to conclude arrangements with the Navy. It is anticipated that other MCA firms not represented on the Board will also be interested. In the very near future the staff will transmit to interested executives full details on the course, together with information relating to security clearances, transportation, and housing.

(d) Report of Ad Hoc Committee on West Coast CIC. Distributed to Directors in advance of the meeting was a final report of the Ad Hoc Committee on West Coast CIC, submitted by Ernest Hart, Chairman, covering implementation of the initial report considered by the Board at its January 14, 1964, meeting. Of the three items covered in the initial report, two have been completed; i. e., (1) new CICs have been organized in the three recommended areas -- Pacific Northwest, Northern California, and Southern California -- and are now operating; and (2) after a period of voluntary effort, each CIC has retained professional PR assistance and programs are now in operation.

With respect to Item (3) -- the setting up of a staffed MCA office on the West Coast -- no action has been taken by the Committee since Association policy is involved. The Committee suggested that serious consideration be given to this matter at some appropriate time.

Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the report be accepted with the sincere thanks of the Board; and that the Committee, in accordance with its request, be discharged.

Item (3) above was held in abeyance in view of General Decker's statement that the matter was under study by the staff and that a subsequent report would be made.

(e) Committee-Board Liaison. J. Robert Fisher reported that, in his capacity as Board liaison with the Safety and Fire Protection Committee, he had

attended a recent workshop and meeting of that group in Boston. He remarked on the high qualifications and dedication of Committee members, their appreciation of Board interest manifest through the liaison arrangement, and the substance and quality of their efforts. He urged that whenever possible all Directors, through their liaison assignments, attend meetings of the respective committees; that there be greater recognition of committee efforts by management; and that timing of meetings be checked by the staff with Board liaison to assure attendance wherever possible.

Mr. Fisher's remarks were endorsed by others present, who pointed out the advantages that would accrue if Board liaison with a specific committee could continue unchanged for the full three-year term of the Director.

(f) National Water Conference. Considered at the Executive Committee meeting earlier in the day was an invitation received by the Association from the Chamber of Commerce of the U. S. to participate in a National Water Conference in Washington on December 8-9, 1965. In sending the invitation, the Chamber specifically requested MCA to provide a member company executive to participate in a panel presentation on the subject of industry and water. The Executive Committee recommended that the Board give favorable action to this proposal and that John O. Logan be designated as the Association's panel representative.

ON MOTION duly made and seconded, it was

VOTED: That the recommendation be approved.

V. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

(a) Chemical Industry Council Advisory Committee.

J. Ford Wilson, FMC Corporation, replacing
D. R. Telesca, W. R. Grace & Co.

(b) Insurance Committee.

James L. Macdonald, Merck & Co., Inc., replacing
R. H. Lander.

VI. STAFF REPORT.

General Decker presented a summarization of developments in the Association's program of projects and activities since the last meeting. Copy of this report is appended to these Minutes as Exhibit A.

VII. COMMITTEE REPORT.

Air Quality Committee. Dr. David B. Andrews, Chairman, presented a ten-minute report on projects and activities of this Committee. Copy of this report is appended to these Minutes as Exhibit B.

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

Following conclusion of the meeting, those present were transported by bus to Isle St. Hélène for luncheon and a tour of the site of the 1967 World Exposition, which will be held in conjunction with the 100th Anniversary of the founding of the Canadian Federation.

M. F. Crass, Jr.
Secretary-Treasurer

APPROVED: Robert B. Semple
Chairman

Attachments

CMA 068454

THE MCA STAFF REPORT
Presented by General G. H. Decker
October 13, 1965

Federal Legislation and Regulation

The Muskie Bill, S. 4, has been signed into law by the President as the Water Quality Act of 1965 ending, so far as MCA is concerned, more than two years of legislative effort, during which three spokesmen have made four appearances before congressional committees to present the chemical industry's views. The position of the Association throughout has been primarily one of opposition to the establishment of standards of water quality by the Federal Government, insisting that progress in pollution abatement would suffer if state control programs were subordinated to a massive standards-setting program by the Federal Government.

Under the provisions of the Act a state has one year in which to furnish a letter of intent that it will adopt by June 1967: (A) water quality criteria applicable to its interstate waters, and (B) a plan for implementation of such criteria. If a state does establish water quality criteria and adopt a plan which are determined by the Secretary to meet the requirements of the Act, such criteria and plan shall be the water quality standards applicable to the interstate waters concerned.

If a state takes no action within the time allowed, or the Secretary determines that the state's "water quality standards" do not conform to the requirements of the Act, the Secretary, after a conference of Federal, interstate, state and municipal governmental agencies and industries involved, may publish standards for the interstate waters concerned. If the state concerned does not then adopt acceptable standards within six months, the Secretary shall promulgate his published standards.

Up until 30 days after the Secretary so promulgates his standards, if the Governor of any state affected petitions the Secretary of HEW for a public hearing on his proposed standards, the Secretary must call such hearing before a Hearing Board composed of representatives selected by each Federal Department and state affected. The Hearing Board can approve or modify the Secretary's proposed standards, which will immediately thereafter become effective as recommended by the Hearing Board.

Discharge of effluent which reduces the quality of interstate waters below the standards established in the manner described may be abated through a Federal court action brought by the Attorney General upon the request of the Secretary of HEW. However, before this abatement action is initiated, the

alleged violator of the standards must be notified and given six months to comply voluntarily with the standards. The House-Senate Conference Report expressed the intention that the Secretary afford any affected party an informal hearing during this six-month period so that, if possible, voluntary agreement may eliminate the necessity for court action. As a further protection for affected parties, the new law provides that, in such an abatement action, the court shall provide a complete review of the standards, including consideration of the practicability and physical and economic feasibility of complying with them.

The new law makes no change in existing enforcement procedure under the Federal Water Pollution Control Act. Both measures provide for a conference, Hearing Board, and court action. However, enforcement actions under the new law will be based upon violation of water quality standards rather than discharge of an effluent that affects health and welfare.

The new law establishes a separate Water Pollution Control Administration and provides a new Assistant Secretary within the Department of HEW, both changes being intended to provide greater emphasis and more vigor to the Federal water pollution control program.

Media Attention to Water Quality Act of 1965 -- Concurrent with the consideration of and enactment of the new law, there has been an increasing tempo in the treatment of the subject by the various forms of mass media. Among others, major stories appeared in Time Magazine and U. S. News & World Report. A quote from the President's remarks at the signing ceremony is of interest since it seems to indicate the Government course of action in the months ahead. I quote:

"There is no excuse for a river flowing red with blood from slaughterhouses. There is no excuse for paper mills pouring tons of sulphuric acid into the lakes and streams of the people of this country. There is no excuse -- and we should call a spade a spade -- for chemical companies and oil refineries using our major rivers as pipelines for toxic wastes. There is no excuse for communities to use other peoples' rivers as a dump for their raw sewage.

"This sort of carelessness and selfishness simply ought to be stopped; and more, it just must be reversed. And we are going to reverse it."

Opinion Research Corporation Survey (on air and water pollution control) -- As a related action, the Opinion Research Corporation has completed a study of Public and Executive Views on Air and Water Pollution. If you have not seen it, I suggest that it would be of more than passing interest.

Some significant conclusions, based on 2,128 interviews with a nationwide probability sample of the U. S. public, age 18 and over, include:

Air and water pollution are problems of rising concern at the highest levels of government and industry.

Though not yet highly aroused, the typical big-city resident is aware that there is a pollution problem.

As of now, pollution rates low as a national problem when compared with other pressing public concerns.

As public concern rises industry will come under increasing criticism, since it already is seen as one of the prime polluters.

Rightly or wrongly, the chemical industry heads the list of industries likely to bear the brunt of public criticism for pollution.

To date the evidence is that industry has done a poor job of telling the public what it is doing to cope with pollution.

Interviews with executives for fifty-four leading companies also revealed these conclusions:

Corporate executives expect the pressure on industry to do more about pollution will intensify.

Executives believe that industry should take the lead in cleaning up pollution from all sources.

The economics of pollution control, of course, will continue to be a serious obstacle to more rapid progress.

The great mass of the public at present is not willing to pay much for cleaner air and water.

Most executives regard the pollution control demands of Federal agencies to date as realistic.

If companies don't get fair press treatment on pollution, executives say it's their own fault for not taking the initiative.

Many companies have neglected the public information aspect of pollution control though most make some effort with employees.

The report also briefly outlined the implications of the survey in terms of lead time, more communication, industry leadership and heavy costs. As to the latter, the survey pointed out that what is acceptable today will not be tomorrow and pollution control is certain to be one of industry's most costly and troublesome problems over the next several decades.

Tax Matters -- On October 8th the Association filed an Amicus Curiae brief with the Supreme Court in support of the petitioners in the case of Kenneth D. England and Connie J. England v. United States of America. Our brief urged that the Supreme Court take jurisdiction to decide the issue of whether an employee must include in his gross income, reimbursement of moving expenses where the move is at the direction of the employer. The Internal Revenue Service has taken the position that such reimbursements are considered compensation. In addition to MCA, the Electronic Industries Association, NAM, and the Associated Industries of New York State are filing briefs in support of the petitioners.

The Association has sent a letter to Treasury Secretary Fowler endorsing a proposed regulation on "Treatment of Per-Unit Retain Certificates." This regulation is directed at cooperatives who issue per-unit retain certificates in partial payment for purchases of produce or products from cooperative members. The proposed regulations provide that a cooperative will be entitled to deduct the cost of sales represented by issuance of per-unit retain certificates to members, only when and to the extent that the member is obliged to report the certificates as income.

On September 22, MCA wrote Chairman Mills of the House Ways and Means Committee endorsing H. R. 14033, which would increase from 25% to 50% the proportion of tax liability for the year in excess of \$25,000 which is allowed in determining the maximum investment credit.

Congressional Recognition of Chem-Card Program -- On September 28, Senator Warren Magnuson (D-Wash.), Chairman of the Senate Commerce Committee, spoke on the Senate Floor, commending MCA for developing its Chem-Card Program. An extract from the Congressional Record is appended to the agenda.

Chem-Card manuals are being well received by fire fighting groups. A former Chairman of the Safety & Fire Protection Committee, Mr. G. G. Fleming of Celanese Corporation, will officially present a copy of the Chem-Card Manual to the President of the International Association of Fire Chiefs at the annual meeting of that group in Miami on October 18.

Technical Matters

At the invitation of the State Department, Mr. A. C. Clark, MCA Staff, attended a meeting of the United Nations Committee of Experts on the Transport of Dangerous Goods in Geneva, Switzerland, September 20 to October 1, as an adviser to the U. S. Delegate. Deliberations of the Committee concerned the proper listing of chemicals by name, classification by hazard (or hazards) and concentration, and preliminary work on packaging requirements and container specifications. In the latter areas, the United States' practices and policies differ substantially from those of other nations principally involved in the manufacture and export of dangerous goods. The MCA Chemical Packaging Committee is now developing some pilot studies to assist the U. S. Delegate in preparing the U. S. position relating to packaging and container matters.

Environmental Health -- An Outline Draft of the Booz, Allen & Hamilton Report was presented at the October 8 meeting of EHAC.

The Air Quality Committee recently voted to recommend MCA participation in support of an Industrial Hygiene Foundation research project on emphysema, a disease resulting in irreversible lung damage, the causes of which are unknown. The proposed research would be directed toward a technique for evaluating air-borne substances, including those of industrial origin, as causative factors. The proposal may well be contingent upon equal support by six major trade associations, each to contribute \$10,000 per year for two years, beginning next fiscal year. A formal recommendation from the Air Quality Committee is expected later this year.

Workshops and Seminars -- A safety workshop was held in Boston, Massachusetts, on September 23 with approximately 100 persons in attendance. Members of the Safety and Fire Protection Committee made up the panel.

The Insurance Committee held a symposium in New York City on September 29 on the subjects of Retroactive Rating Plans and Excess Liability.

The first Technical Seminar on Water Pollution Control in the Chemical Industry was held at the University of Texas during the week of September 13. A press conference preceding the seminar was carried out on a trial basis to see if local or regional attention would be of benefit to the industry. Considerable coverage from television, radio and newspapers was more than sufficient to make such efforts worthwhile in reflecting the extent of the industry's interest and performance in this field. Publicity material has been distributed regarding the second seminar in this series, to take place at the University of Michigan the week of November 15. Plans are now firm for one at Georgia Institute of Technology in February 1966 and at Manhattan College (New York City) in April 1966.

Industrial Relations

You have been furnished a copy of the program of the 2d Chemical Industrial Relations Symposium which the MCA Industrial Relations Advisory Committee will sponsor in Chicago on December 16. The items to be discussed are all vital to the management-labor relationship in our industry, and it is anticipated that attendance will exceed 400.

Many MCA member plants have been visited by U. S. Department of Labor investigators during the past 2-3 years, inspecting time-keeping and payroll records to determine conformity with the Fair Labor Standards Act. Investigators have also interviewed employees either on the job or at home to ascertain job content and hours customarily worked. This is to support an effort by the Labor Department to force employers to pay premium rates for the few minutes overlap at shift change when off-going personnel orient incoming personnel about operating problems or engage in small talk. The amounts that are sought to be assessed on a retro-active basis are substantial. The Industrial Relations Advisory Committee has instituted a survey of member firms to determine individual plant experience with this problem. If the matter warrants top-level attention as many believe, the Association will be prepared to take the matter up with the Labor Department on behalf of the industry.

Women's Activities Program

As a part of our Women's Activities Program, a particularly successful presentation was made in Chicago on September 23 to more than 150 newspaper food editors from all parts of the country. Dr. Henry Smyth was the principal speaker for this occasion, which had as a theme, "Science for Safety at the Table." The results in coverage have already exceeded expectations. Continued interest on the part of food editors in this subject appears to be assured.

Education Activities

At its September 17 meeting, the Education Activities Committee decided to prepare a summary of the massive education aid now provided for by recent Federal legislation. When completed, a report will be prepared for distribution to Executive Contacts, emphasizing the implications of the legislation for the chemical industry.

AIR QUALITY COMMITTEE
Report of David B. Andrews, Chairman
To the MCA Board of Directors
October 13, 1965

It gives me a great deal of pleasure to return to Montreal. The MCA Air Quality Committee met here in September 1963 and heard about the work that our Canadian friends were doing through the Laval Industrial Association in self-policing their air quality. I will try to cover briefly our current activities against the background of the situation facing our industry and then more briefly a look into the future.

The Committee attempts to keep the member companies informed as to current affairs in the legislative and control areas through direct contact, through workshops, and through the assistance of the legislative bulletins compiled by the MCA staff in Washington. We have held one workshop in New Orleans so far this year and expect to have one in Denver, Colorado, and one in Richmond, Virginia, within the next few months.

The Committee has been particularly active in promoting sound state legislation. The 93d Annual Report of MCA, you will recall, listed six states in which a substantial contribution to the law was supplied by one or more members of the Committee. Since then, Missouri and Texas have been added to this list. We also assisted in connection with the Indiana-Illinois Interstate Agreement, the first of its kind. There are currently 15 states that are of some importance to the chemical industry, however, with no adequate control law, or no law at all concerning air pollution. In order to effectively reach these states' legislators, the lawyer members of our Committee have prepared a legislative kit, borrowing from statutes of our prominent states, extensively annotated to cover the reasoning behind all of the important provisions. In effect, this kit will supercede the early "Rational Approach to Air Pollution Legislation" which is outdated.

We are proceeding on the premise that enactment of a sound, fair, enforceable statute is in the best interest of responsible industry as well as the public. The absence of any control leads to abuses which may attract extremely restrictive and unintelligent counter-measures. For this reason, too, we are following closely the actions of the Los Angeles and San Francisco Bay areas in regulating solvent usage. By cooperating with other industrial associations, particularly the National Paint, Varnish & Lacquer Association, we hope to provide constructive influence in these developments. I do not need to remind you that Los Angeles and San Francisco actions are widely copied elsewhere.

We maintain liaison with a number of technical and professional organizations for the exchange of technical information and to maintain recognition of the industry's point of view. We are particularly attentive to the Air Pollution Control Association since it represents the technical interests of control officials as well as industry and educational representatives. Several of our Committee members have attained substantial recognition in the form of responsible positions in APCA. The Committee as a whole is well regarded as a contributor to the advancement of air pollution abatement. Many other organizations are more narrowly interested in

appropriate areas of the field: ACS, ASTM, ASME, for example. Vigilance is maintained, however, to encourage sound and appropriate programs within them.

Our joint project with the Public Health Service on the Emissions from Selected Chemical Processes is familiar to all of you, I am sure, since the report on sulfuric acid appeared. The first printing has already been exhausted and the Association is receiving many compliments on this achievement. The report on nitric acid should be out by next spring. Phosphoric acid and phosphate fertilizers is under way, and muriatic acid and chlorine-caustic studies have just been agreed upon. The services of the principal industry investigators required to produce reports with the scope and completeness of those on sulfuric acid and nitric acid are very substantial contributions. They have required the expenditure of considerable time by these individuals. The Committee wishes to express its thanks to the member companies for furnishing such outstanding talent. The Steering Committee has declined to undertake a study on lime suggested by the Public Health Service since it appears to be a product in which member company participation is very limited.

As to future directions: We are always looking for suitable ways for the MCA to constructively influence the course of events. The Committee is developing information for the guidance of control authorities in establishing ambient air quality criteria. Workshops and talks to consumer industry groups, such as dry cleaners, textile finishers, etc., are being evaluated as ways to assist them in achieving better ambient air control. Another possibility lies in a research project on the effect of various pollutants (SO_2 , NO_2 , any chemical) on the impaired (emphysematous) lung. This utilizes a newly discovered method of producing emphysema experimentally in animals. Hopefully, it will establish some facts to replace conjecture as to health effects on air pollution; viz., Donora, London. It will also demonstrate chemical industry willingness to get the facts necessary to intelligent self-regulation of its emissions. We are preparing a recommendation for support of this project for your consideration in the near future.

In conclusion, I thank you for the opportunity to give you this outline. I should tell you that the Committee members are very active in promoting these activities. There is a great deal that needs to be done to keep even this small program going. If we maintain our island of responsibility, we are more likely to be recognized as good citizens and the contributors to the great society that we really are.

CMA 068462