

AGENDA
MEETING OF THE MCA BOARD OF DIRECTORS
11:00 a.m. (EST), Tuesday, January 12, 1965
Union Club, New York City

- I. MINUTES OF DECEMBER 8, 1964, MEETING.
- II. REPORT OF THE SECRETARY-TREASURER.
(a) Financial Report for Seven Months. (Enclosure)
(b) 14th Semi-Annual Meeting.
- III. BOARD OF DIRECTORS.
(a) Chem-Card Program Report.
(b) Membership Committee -- Applications of
Benzol Products Company
The Matheson Company, Inc. -- Matheson Coleman & Bell Division
(c) New Orleans Regional Meeting and Executive Conference --
March 8-10, 1965.
- IV. COMMITTEE APPOINTMENTS.
(a) Industrial Relations Advisory Committee.
E. W. Dwyer, Monsanto Company, as Chairman
H. W. Stull, Olin Mathieson Chemical Corporation, as Vice Chairman
W. B. Billock, Gulf Oil Corporation, replacing Robert S. Lemon
(b) Public Relations Committee.
David Thomas, Enjay Chemical Company
(c) Research Advisory Committee.
F. W. MacMullen, Stauffer Chemical Company
(d) Technical Committee on Rocket Propellant Safety.
R. H. Ossyra, Amoco Chemicals Corporation
- V. STAFF REPORT.
- VI. COMMITTEE REPORTS.
(a) Insurance Committee -- William L. Hollingsworth, Chairman
(b) Technical Committee on Rocket Propellant Safety -- Hans R. Neumark, Chairman

The next Directors' Meeting will be held on Tuesday, February 9, 1965, at the Union Club, New York City, beginning at 11:00 a.m.

CMA 068323

MINUTES of the one hundred forty-fourth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held at the Union Club, New York City, on January 12, 1965, at 11:00 a.m. (EST).

There were present:

Chester M. Brown	Charles S. Munson
F. L. Byrom	Joseph E. Rich
George H. Decker	Robert B. Semple
William P. Drake	Wesley H. Sowers
Harold W. Fisher	Joseph R. Stevens
J. Robert Fisher	Robert C. Swain
John L. Gillis	O. V. Tracy
Ralph K. Gottshall	Harry B. Warner
Thomas C. Jones	G. L. Weissenburger
Harry B. Marshall	W. N. Williams
C. B. McCoy	M. F. Crass, Jr.
R. C. McCurdy	

Alternates:

A. E. Albright (for Hans Stauffer)
 David H. Dawson (for C. B. McCoy)
 E. E. Fogle (for Kenneth H. Hannan)
 Hugh C. Land (for William P. Drake)
 P. C. Livesay (for Herschel H. Cudd)
 C. L. Randolph (for Hugo Riemer)
 John E. Wood, III (for Harold W. Fisher)

General Counsel:

Lloyd Symington

Present by Invitation:

E. B. Brooks - Columbian Carbon Company
 M. F. Granville - Texaco Inc.
 W. L. Hollingsworth - Olin Mathieson Chemical Corporation
 W. W. Huisking - Glyco Chemicals, Inc.
 Hans R. Neumark - Allied Chemical Corporation
 F. G. Stephenson - MCA

In calling the meeting to order, Chairman Gottshall welcomed the guests and invited them to participate in the discussion.

I. MINUTES OF DECEMBER 8, 1964, MEETING.

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

II. REPORT OF THE SECRETARY-TREASURER.

(a) Financial Report, June - December 1964. The financial report for the seven months ending December 31, 1964, 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) 14th Semi-Annual Meeting. The Secretary-Treasurer presented a final report with respect to the 14th Semi-Annual Meeting held in New York City on November 24 as follows:

Income	\$ 38,765
Expense	<u>23,930</u>
Bal. to Treasury	\$ 14,835

(c) On recommendation of the staff, the Board authorized Thomas S. Arms, Jr., Office Manager, to counter-sign checks issued against the Association's Commercial Account. The current authorization for the signature of William E. Chace was withdrawn.

III. BOARD OF DIRECTORS.

(a) Chem-Card Report. Mr. McCurdy stated that the chem-card program had been discussed at length at the Executive Committee meeting held earlier that day. The Committee had heard representatives of the interested MCA committees and others who had presented arguments, both pro and con, concerning continuance of the program. Also considered were written comments filed by several member companies. Consequently, the Committee is not yet ready to submit a final recommendation to the Board but wishes to give the over-all program further study. Mr. McCurdy stated that in the meantime it would be helpful if each Director would ascertain his company's evaluation of the program and submit this to the Association at any early date.

(b) Membership Committee. In the absence of Chairman Bryant, the Secretary-Treasurer reported that applications had been received from

Benzol Products Company
&
The Matheson Company, Inc. -- Matheson Coleman &
Bell Division

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

(c) New Orleans Regional Meeting and Executive Conference. The Secretary-Treasurer briefly reviewed arrangements for the Regional Directors Meeting and Executive Conference to be held at the Royal Orleans Hotel, New Orleans, La., on March 9, 1965. An Executive Committee meeting will be held at 8:00 a. m. followed by an open Board of Directors Meeting. Invited to the latter function will be the Executive Contacts of all member firms and the Directors of the Louisiana Chemical Association. At approximately 10:30 a. m., a program will be presented by technical committee chairmen and staff which will include reports or discussions on (1) Chemical Industry Council activities, (2) Mechanical Technical Committee operations and program, (3) Environmental Health, and (4) Federal Legislation. At the conclusion of the formal program, a brief reception will be scheduled followed by a luncheon at which Governor John McKeithen of Louisiana will be invited to speak.

On the evening of March 8, all registrants will be guests of the Louisiana Chemical Association for cocktails. On March 10, a field trip will be arranged if sufficient interest is shown. Invitations to the Executive Contacts or their designated officers will be mailed within the next ten days.

IV. COMMITTEE APPOINTMENTS.

At the request of the Chairman, the Secretary-Treasurer explained the requirements for membership on MCA committees and the procedure to be followed in nominating candidates. The following committee appointments were then approved by those present:

- (a) Industrial Relations Advisory Committee.
E. W. Dwyer, Monsanto Company, as Chairman
H. W. Stull, Olin Mathieson Chemical Corporation, as Vice Chairman
W. B. Billock, Gulf Oil Corporation, replacing Robert S. Lemon
- (b) Public Relations Committee.
David Thomas, Enjay Chemical Company
- (c) Research Advisory Committee.
F. W. MacMullen, Stauffer Chemical Company
- (d) Technical Committee on Rocket Propellant Safety.
R. H. Ossyra, Amoco Chemicals Corporation

V. STAFF REPORT.

General Decker presented a report 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.

VI. COMMITTEE REPORTS.

- (a) Insurance Committee. William L. Hollingsworth, Chairman, reported on projects and activities of this Committee. Copy of this report is appended to these Minutes as Exhibit B.

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(b) Technical Committee on Rocket Propellant Safety. Hans R. Neumark, Chairman, reported on projects and activities of this Committee. Copy of this report is appended to these Minutes as Exhibit C.

There was considerable discussion following presentation of the reports. At its conclusion, Chairman Gottshall thanked both gentlemen for their excellent presentations.

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

M. F. Crass, Jr.
Secretary-Treasurer

APPROVED: Ralph K. Gottshall
Chairman

Attachments

CMA 068327

MCA STAFF REPORT
Delivered by General G. H. Decker

January 12, 1965

Federal Legislation

As you know, the 89th Congress convened on January 4. In view of the President's Messages on the State of the Union and Health, it can be expected that prompt consideration will be given to legislation pertaining to the general area of environmental health, with particular attention to air and water pollution. Hearings have already been scheduled for January 18th by Senator Muskie's Subcommittee on S. 4, which passed the Senate last year as S. 649. MCA, the American Iron and Steel Institute, and the Pulp, Paper and Paperboard Institute are the only industry representatives invited to appear at what are planned to be very limited hearings.

Senator Muskie has also introduced S. 306, which would amend the Clean Air Act to provide Federal standards on motor vehicle exhausts and facilitate improvement of municipal solid waste disposal practices, but no hearings have yet been scheduled.

Tax Matters -- Reserve Ratio Problems

Last month a Treasury Department representative requested that an additional questionnaire on the reserve ratio problem be submitted to members of the MCA Tax Policy Committee. With the questionnaire was a revised method for applying the reserve ratio test. The revised method, currently being considered by Treasury, is intended to level out the results of uneven acquisition practices of a company as they affect the Treasury Department's reserve ratio depreciation test. About half the completed questionnaires have been received to date. Results will be forwarded to the Treasury Department to aid in the development of Treasury policies on the reserve ratio problem.

The Tax Policy Committee is meeting today. One of the principal items on its agenda is the discussion of a permanent solution of the chemical industry's depreciation problems, including possible alternatives to the reserve ratio test.

MCA has learned that a number of other industry groups have contacted the Treasury Department concerning this problem. It is believed that if a change in Government depreciation policies can be brought about only by legislative action, this effort will receive wide industry support.

International Trade

On December 16, 1964, Office of the Special Representative for Trade Negotiations met in Washington with Technical Specialists representing industry, labor and agriculture appointed to advise on trade matters during the Kennedy Round of negotiating sessions. Reports on this briefing are expected to be made public. Those who are conversant with plans for negotiating tariff and non-tariff barriers and who were active in early 1964 hearings received little new information from Governor Herter's office. It should be noted that those previously designated as industry advisors are now referred to as technical specialists.

At the same meeting, announcement was made of the appointment of Louis C. Krauthoff as Chairman of the Trade Information Committee, a post formerly held by William H. Rodd. Mr. Krauthoff had been Treasurer of the Committee for a National Trade Policy.

Tank Car Mileage Allowance Rates

The ICC declined to act favorably on the Petitions for Suspension of the new AAR tank car mileage allowance compensation rates scheduled to become effective January 1, 1965. Petitioners had sought to "freeze" the lowest rates at 5.5 cents per mile, pending completion of the ICC's overall investigation of all tank car mileage proposals that have been put forth by rail carriers to date. The rates now effective are 4.8, 6 and 9 cents, depending on value of the car.

Press Relations

In a recent swing around the country by the Media Relations Manager, conversations with business editors of 22 daily newspapers evidenced no discernible antagonism toward the chemical industry; but neither was any real knowledge of the industry expressed by these editors. As anyone who reads the business pages of newspapers outside the New York City area may have noted, there is a strong need for recognition by newspaper

publishers of the importance and value of factual, concise business news reporting. The lack of trained, experienced business news reporters available to metropolitan daily newspapers is of concern to business editors, and evidently is apparent to everyone but the publishers, according to the MCA survey.

Chemical Industry Councils

On the Chemical Industry Council front, I'm pleased to report that Pennsylvania has become the 15th state with organized activity. Organizing groups have been formed in the Pittsburgh and Philadelphia areas, with Lee Dauler of Neville as chairman of the Western group comprised of more than 35 companies. In the Eastern part of the state 18 companies have formed the nucleus for a CIC, and the nominating committee for selecting officers is at work.

In Connecticut an interesting event on January 28 in Norwalk will feature Senator Ribicoff as the principal speaker. This is part of the program of the Connecticut CIC, working cooperatively with other groups in that state, to further the program of chemical technology curriculum in the technical institutes in the state.

Education Activities

Responding to a long expressed need on the part of U. S. secondary schools, MCA has produced 5,000 sets of twelve multi-colored 12-by 18-inch chemical laboratory safety posters. The posters are adaptations of those prepared by Canadian Industries Limited for institutions in Canada. The American Chemical Society has cooperated with our EAC in this project, and its Sections as well as the Chemical Industry Councils are undertaking the initial promotion. This will be followed by announcement of the posters' availability to high-school chemistry teachers throughout the nation and to our Member Companies that may wish to present them to institutions in their plant communities. In order to recover as much of the project cost as possible, the sets are being sold at \$2.00 each, parcel post prepaid.

Workshops and Symposia

An Air Pollution Workshop, planned by the Association's Air Quality Committee, will be held at The Royal Orleans Hotel, New Orleans, on January 27, 1965. MCA is being joined in sponsorship by the Louisiana Chemical Association and the Chemical Industry Councils of Louisiana. To permit uninhibited discussion, attendance is being limited to industry representatives. Details are being distributed, through the Louisiana Chemical Association, to all MCA member firm installations in Louisiana as well as to other industries in the state. Industrial attendees from other industries and other parts of the country will be welcome. Program particulars may also be obtained from the Washington office.

The Industrial Relations Symposium, co-sponsored by MCA and the Texas Chemical Council, was held in Houston, Texas, on December 15, 1964. The Association's initial symposium effort in this sensitive field was an outstanding success with an overall registration of 239. As a result of this fine reception, it is likely that the Industrial Relations Advisory Committee will organize similar regional conferences on an annual basis in the future.

REPORT OF THE CHAIRMAN OF THE INSURANCE COMMITTEE
MCA BOARD OF DIRECTORS MEETING
JANUARY 12, 1965

The Insurance Committee of the Manufacturing Chemists Association consists of a Chairman, a Vice-Chairman, and twenty-one members. Members are rotated on a four-year scheduled basis, subject to re-election if other qualified personnel are not available.

The Committee, as part of its activities, issues a newsletter, two of which have already been issued, and a third one is in process. It also conducts a Fire, Explosion and Business Interruption Loss Survey, begun in 1959 with 77 members reporting, and this has been issued annually since that date. The last report included information furnished by 125 members.

Symposiums are held on various timely insurance subjects on an average of about three times a year. The subjects are presented either by members of the Insurance Committee, selected insurance personnel of MCA member companies, representatives of insurance brokerage concerns, or personnel of the insuring companies.

Following symposiums, an insurance committee meeting is held, at which various insurance subjects are discussed, any questions by member companies in the insurance area are reviewed, plans made to assist the company in the area of concern, broad plans for subjects for future programs are made, and general insurance trends and problems discussed.

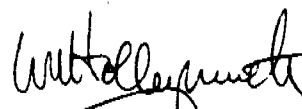
The outlook for the chemicals industry in the field of insurance is not a particularly happy one. Inflation and changes in the philosophy of courts are leading to more claims, higher demands and higher settlements, with the obvious result of increased liability insurance costs. Fire and explosion losses have been on the increase. The insurance industry in this area is looking for and insisting upon greater protection, higher premiums, deductibles, and waiting periods. The boiler and machinery carriers are now adding their concern to the chemical picture, due to the potential long business interruption losses which can result from single pieces of equipment unique to the chemicals industry, and they are indicating a desire for some efforts to be made for standby equipment to be made available to member companies to reduce the severity of such losses.

One of the major aims of the Insurance Committee, composed of full-time insurance managers, is to assist member companies whose insurance activities are handled on a part-time basis by executives devoting the majority of

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their efforts in other areas, in recognizing new trends in insurance availability for the hazards peculiar to the chemicals industry, and to assist them in more specific insurance problems. This is done through the symposiums conducted by the Committee, as well as by direct contact with the Committee or one of its members.



Wm. L. Hollingsworth

WLH:see - 1/12/65

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REPORT OF THE TECHNICAL COMMITTEE
ON ROCKET PROPELLENT SAFETY
TO
MCA BOARD OF DIRECTORS
JANUARY 12, 1965

In 1961 MCA formed a sub-committee to its General Safety Committee to assemble and disseminate the industry's information and recommendation on chemical propellant safety. In May 1963 the MCA Board agreed to change the Sub-Committee into an independent committee, "The Technical Committee on Rocket Propellant Safety". Our major objectives have been to make available to the military services, NASA and other government agencies authoritative technical information on the handling, storage and transportation of chemical propellant materials and to assist these agencies in developing adequate standards of safety for chemical propellents.

Our Committee consists of representatives of 16 member companies. During 1964 we held five meetings, one at the invitation of the Air Force at Edwards Air Force Base. To implement our objectives, we assisted in the preparation and editing of the Department of Defense Manual, "The Handling and Storage of Liquid Propellents". Representatives of the Air Force and other government agencies have frequently attended our meetings as guests.

Our Committee sponsored visits by two Air Force safety study teams to various propellant production plants. These visits, as well as our visit to Edwards Air Force Base, proved to be very instructive and profitable to both parties and resulted in a better understanding of the various problems encountered in industrial plants as well as in Air Force facilities.

One area receiving our special attention during the last year has been the transportation of hazardous propellents by truck, rail or water-way. We developed and introduced the so-called transportation emergency guides -- more commonly known as "Chem-Cards". Our "Chem-Card" program has not only received enthusiastic support from the transportation industry, but also from the Directorate of Aero Space Safety at Norton Air Force Base. They are reprinting the "Chem-Cards" for use in their own educational program.

Last September, the Army, Navy, Air Force and NASA decided to coordinate their various independent safety activities in the Inter-Agency Chemical Rocket Propulsion Group -- Working Group on Hazards, ICRPG for short. The scope of this working group is to cover operational and near-operational liquid and solid propellents with respect to

fire, toxicity and acoustic hazards as they relate to manufacturing, handling, storage, transportation and ultimate use of these propellents. The actual work is carried out by five committees reporting to a four-man Technical Steering Committee. Both government and industry personnel are participating in the ICRPG working group, and some members of our MCA Committee have been invited to serve on the ICRPG committees. This, to my knowledge, is the first time that a government agency has asked representatives of industry to participate in this type of committee activity. It is a significant step forward and will enable industry to make its voice heard prior to the establishment of new safety criteria and government regulations and not after the fact, which has been the practice in the past.

In view of the formation of the ICRPG, the Committee re-assessed its activities at the December meeting. In order to avoid duplication of effort, we decided to disband our four sub-committees previously charged with studies of such factors as short-term exposure tolerances, quantity distance requirements, etc. Instead, we have formed two ad hoc sub-committees with specific and limited objectives. One is concerned with toxicity. It will operate as a source of information on toxicological aspects of rocket propellant chemicals and keep the Committee advised of the activities of other groups, such as the American Industrial Hygiene Association, in this area. The second committee will review the 1963 edition of the DOD Manual and make recommendations for changes.

Our future aim will be to maintain close liaison with the ICRPG and to establish our Committee as spokesman and technical information center of the chemical industry covering all aspects relating to the work of the ICRPG.

In summary, the activities of our Committee have resulted in the establishment of an excellent working relationship with the various government agencies responsible for the safe handling of chemical propellents. We will continue to further strengthen and improve this relationship, and our active participation in the ICRPG program should be of great help in establishing safe but realistic rules and regulations without unnecessary and excessive restrictions to industrial operations.

H. R. Neumark
Chairman,
Technical Committee on
Rocket Propellant Safety