

MINUTES of the one hundred seventy-first meeting of the Directors of the Manufacturing Chemists' Association, Inc., held in the Board Room of the American Iron and Steel Institute located on the 38th floor of the Socony Mobil Building, New York City, on Monday, November 20, 1967 at 4:00 p.m. (EST).

There were present:	F. Leonard Bryant	W. Kenneth Menke
	Allan B. Clow	Max A. Minnig
	David H. Dawson	Charles S. Munson
	George H. Decker	Joseph A. Neubauer
	George S. Dillon	Jack M. Pope
	Earle S. Ebers	W. T. D. Ross
	Louis K. Eilers	Edward R. Rowley
	Irb H. Fooshee	Charles H. Rybolt
	Carl A. Gerstacker	Charles W. Smith
	Maurice F. Granville	Henry A. Thouron
	Kenneth H. Hannan	Jesse Werner
	Alexander Lewis, Jr.	John E. Wood, III
	John O. Logan	James R. Carnes

Alternates:	Chester M. Brown (for Irb H. Fooshee)
	J. E. Burrell (for Joseph A. Neubauer)
	Bland B. Button (for Thomas M. Ware)
	John W. Clinton (for W. Kenneth Menke)
	John L. Gillis (for John L. Christian)
	Elmer F. Hinner (for Henry A. Thouron)
	Frank A. Hopkins (for Earle S. Ebers)
	James A. Hughes (for Raymond F. Evans)
	Harry D. McNeeley (for Louis K. Eilers)
	D. C. Phinney (for E. E. Chipman)
	Frank J. Pizzitola (for John W. Brooks)
	Derek Richardson (for Charles W. Smith)
	Robert C. Swain (for Allan B. Clow)
	Nels E. Sylvander (for Charles H. Rybolt)
	William Wishnick (for Max A. Minnig)

General Counsel: Marx Leva

Present by invitation: Frank H. Carman, MCA
 John T. Connor, Allied Chemical Corporation
 Thomas L. Cubbage, Phillips Petroleum Company
 Lee V. Dauler, Neville Chemical Company
 Harold W. Fisher, Standard Oil Company of New Jersey
 J. Robert Fisher, Ashland Oil & Refining Company
 Ralph K. Gottshall, Atlas Chemical Industries, Inc.
 Ernest Hart

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John A. Hill, Air Reduction Company
Kenneth H. Klipstein
James G. Morton, MCA
Thomas S. Nichols, Olin Mathieson Chemical Corp.
D. C. Oskin, FMC Corporation
Donald D. Pascal, National Starch and Chemical Corp.
S. B. Penick, Jr., S. B. Penick & Company
P. C. Reilly, Reilly Tar & Chemical Corporation
Robert B. Semple, Wyandotte Chemicals Corporation
Allan E. Settle, MCA
Hans Stauffer, Stauffer Chemical Company
Joseph R. Stevens, J. T. Baker Chemical Company
Harry B. Warner, The B. F. Goodrich Company

I. OPENING REMARKS.

In calling the meeting to order, Chairman Logan welcomed past Directors, alternates and guests and, at his request, those present stood and introduced themselves.

II. MINUTES OF OCTOBER 10, 1967 MEETING.

The Minutes of the previous meeting of the Board of Directors were duly approved as submitted to the members.

III. REPORT OF THE SECRETARY-TREASURER.

Financial Report -- June 1-October 31, 1967. The financial report for the five months ending October 31, 1967 was summarized by the Secretary-Treasurer.

ON MOTION, duly made and seconded, it was

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

IV. BOARD OF DIRECTORS.

(a) 1967 Semi-Annual Meeting. Mr. Logan called on the Secretary-Treasurer for a final report on the 17th Semi-Annual Meeting scheduled for the next day. Overall registration for the meeting approximated 1130 from 154 companies. Those present were handed a copy of the printed program and attendance list.

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(b) 1968 Regional Meetings.

March 11-14. -- San Francisco and Pebble Beach,
California.

Mr. T. G. Hughes has been appointed Chairman of the West Coast Arrangements Committee. It is expected that the Executive Committee and Board Meetings will be held in Pebble Beach on Wednesday morning, March 13; Mr. Hughes has been requested to outline the other aspects of the program at the December Board Meeting.

April 8-9. -- Washington, D. C.

At noon on April 8, a joint luncheon meeting of the Executive and Finance Committees will be held at the Madison to discuss budget and finances for fiscal 1968-69. That evening, the annual reception for Members of Congress and government officials will be held at the Army-Navy Club. At 8:30 a.m. the following day, the Directors will meet at the Madison for breakfast and the regular business meeting.

96th Annual Meeting. -- White Sulphur Springs, West Virginia

This meeting will again be held at The Greenbrier on Thursday through Saturday, June 6-8. Executive Committee and Board Meetings will be held on the afternoon and evening of June 5.

Other Meetings for 1968-69.

The location of Regional Meetings in the Fall of 1968 and Spring of 1969 will, in keeping with past practice, be determined next spring. Houston, Wilmington, Detroit, and Cleveland have been suggested as possible sites and it would be appropriate to consider these cities along with others between now and next spring when this subject will be before the Board for decision.

(c) Resignation and Replacement of Board Member.

Chairman Dawson of the Nominating Committee reported that Thomas M. Ware had resigned as a Director of the Association on

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October 11, 1967 and, on behalf of the Committee, nominated Nelson C. White, President, International Minerals & Chemical Corporation, to fill the vacancy created by Mr. Ware's resignation until the next Annual Meeting of the Association.

A second to the nomination not being required, it was

VOTED: That Nelson C. White be elected a Director of the Association until the next Annual Meeting.

(d) Appointment of Alternates. The Chairman advised that the following Directors had requested the appointment of alternates:

<u>Board Member</u>	<u>Alternate and Company</u>
Jack M. Pope	D. C. Oskin, FMC Corporation
Edward R. Rowley	Henry J. Whitson, National Lead Company

(e) Water Resources Committee -- Amended Rules of Organization and Procedure. General Decker presented the proposed revision of the Rules of Organization and Procedure of the Water Resources Committee, attached hereto as Exhibit A, to provide for a limitation on the number and rotation of members.

ON MOTION, duly made and seconded, it was

VOTED: That the Rules of Organization and Procedure of the Water Resources Committee be revised as proposed.

(f) Mechanical Technical Committee Recommendation for Support of USA Standards Institute. Chairman Gerstacker of the Executive Committee reported that, at its meeting earlier in the day, that Committee had approved the recommendation of the Mechanical Technical Committee that the attention of the Board of Directors be invited to the fact that, because of inadequate support, voluntary standardization activity in this country is in jeopardy of being replaced by government standards which would not be in the best interest of the chemical industry. The MTC recommends that MCA member companies vigorously support the voluntary standards system by acquainting themselves with the objectives and program of the USA Standards Institute, by requesting membership therein and by encouraging qualified personnel to participate in its work (this would not involve standardization of chemical products).

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Following discussion,

ON MOTION, duly made and seconded, it was

VOTED: That the recommendation of the
Mechanical Technical Committee be approved.

V. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Air Quality Committee.
J. Harold Yeager, Mallinckrodt Chemical Works
- (b) Education Activities Committee.
Gerald E. Ottoson, Allied Chemical Corporation, replacing
Thornley B. Wood
- (c) Labels and Precautionary Information Committee.
David E. Brown, Mallinckrodt Chemical Works, replacing
Chester L. French
- (d) Public Relations Committee.
Aubrey O. Cookman, Universal Oil Products Company
Jack F. Gow, General Aniline & Film Corporation, replacing
J. Robert Bonnar
- (e) Safety and Fire Protection Committee.
W. S. Wood, Sun Oil Company
- (f) Transportation Equipment Committee.
T. H. Arnott, E. I. du Pont de Nemours & Company,
replacing B. H. LaMotte
Paul Mount, International Minerals & Chemical Corporation
Robert E. Wilson, Stauffer Chemical Company, replacing
Robert J. Carey

VI. STAFF REPORT.

General Decker presented a report of developments in the Association's program of projects and activities since the last meeting, copy appended as Exhibit B.

In connection with Ambassador Roth's letter of November 14 concerning the MCA position on elimination of ASP, as mentioned in the Staff Report,

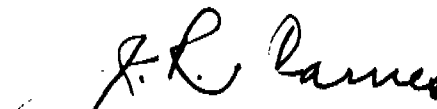
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General Decker reported that, at its meeting earlier in the day, the Executive Committee had recommended that he make a brief reply to Ambassador Roth in order to negate any impression of acquiescence in the Ambassador's position pending legislative hearings on the matter.

General Decker also reported that the survey of water and air pollution control and solid waste disposal facilities was still lagging behind the results obtained in a similar survey in 1962. Mr. Granville, Board liaison member with the Environmental Health Advisory Committee, reported upon the deep concern expressed by that committee at its meeting on November 16 that the incomplete coverage obtained in the current survey will not only be embarrassing but highly damaging to the chemical industry since it is likely to be taken, rightly or wrongly, as reflection of shame about shoddy performance. Chairman Logan announced that he had asked General Decker to give him a list of member companies which have not responded to the survey in order that further communications to them may be considered.

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


James R. Carnes
Secretary-Treasurer

APPROVED: John O. Logan
Chairman

PROPOSAL FOR REVISION

Subject: Water Resources Committee's Rules of Organization and Procedure
Purpose: To provide for limitation and rotation of membership
Details: (Parenthetical text to be deleted; underscored text to be added)

III
MEMBERSHIP

All members of The Committee shall be full-time personnel of industrial organizations which are members of the Manufacturing Chemists Association, except for the Secretary, who shall be a full-time staff employee of the Association designated to serve as the Board's administrative representative on The Committee. Members shall be appointed by the Board from member companies interested in such representation, and should be persons whose usual duties are closely allied with water resource and industrial waste problems, to assure a substantial interest in The Committee's work. The nomination of each proposed committee member to the Board for appointment shall include his name, company affiliation, and his major area of activity within his company. (Such nominations, and recommendations as to replacements, additions, or change in numbers on The Committee, shall be made to the Board by current members of The Committee.)

The Committee roster shall not exceed 35 members. If there are additional qualified applicants, up to six members shall be replaced annually. The Chairman, Vice Chairman, and standing subcommittee chairmen shall be exempt from such membership rotation so long as they hold office, and shall be constituted as a membership review board. In this capacity, they shall have authority to approve or disapprove the Secretary's recommendations as to which members should be replaced. Meeting attendance and current participation in The Committee's program shall be prime factors in the development of such recommendations. Members rotated off The Committee shall become eligible for reappointment after a two-year interval.

Comments: This revision is recommended by formal action of the Water Resources Committee taken at its meeting on October 3-4, 1967. Present membership is 28, so the objective is to be prepared in relation to future expansion. The proposed revision has been reviewed and cleared by staff counsel and general counsel.

November 2, 1967

CMA 068781

STAFF REPORT
November 20, 1967

Presented by General G. H. Decker

My report on Association activities will highlight a few of the events of importance that have occurred since the October meeting. Some of them are covered in more detail in the General Bulletin which you have probably seen.

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On the Federal legislative front we think that prospects for a tax surcharge have all but vanished for this year, but talk still persists in the Senate. Senate Majority Leader Mike Mansfield recently declared that a tax increase is necessary and indicated legislation was still possible before adjournment. Minority Leader Everett Dirksen a few days ago proposed a \$4 billion tax increase contingent upon a \$4 billion reduction in Federal expenditures. As you know, tax legislation must originate in the House. Chairman Mills of the Ways and Means Committee apparently has no intention of bringing a tax bill out of committee this year. There is a good probability that one will be enacted early next year. It is noteworthy that the U. S. Chamber of Commerce, following a national survey, has now taken a dollar-for-dollar position on the proposed tax surcharge -- a dollar reduction in expenditures for a dollar increase in taxes. MCA first proposed this formula when Leonard Bryant, Chairman of the Board of Hooker Corporation, testified on behalf of the Association before the House Ways and Means Committee last August.

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The Air Quality Act of 1967, S. 780, has been passed by the Congress and sent to the White House for signature. MCA had a key part influencing this legislation while under consideration by the Congress. Special problems were encountered in the House, including a proposed amendment to set national emission standards on manufacturing plants and other fixed facilities. One feature of the bill with which we were concerned was a provision that would vest in the Secretary of Health, Education, and Welfare what would amount to licensing power for fuel additives. This and other points at issue were satisfactorily resolved in line with the MCA position.

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I believe most of you are aware of the letter written to the Special Representative for Trade Negotiations in refutation of an allegation he made in

a public appearance in Detroit. He declared "The recent stand against ASP's repeal by the Manufacturing Chemists' Association was taken hastily and without due consideration of the interests of every stockholder who owns a share in the American chemical industry". This letter was brought to the attention of key members of the House and Senate and produced an interesting comment from Senator Dirksen: "It seems to me that our Special Representative for Trade Negotiations has not only acted hastily, but has been making some rather reckless accusations in defense of his actions at Geneva and also in condemning certain proposals now pending before the Senate Finance Committee".

Last Thursday I received a reply to my letter from Ambassador Roth, declaring he still stands by his remark. The less than two week period which he claims MCA was able to spend in studying the ASP agreement struck Mr. Roth "as wholly inadequate time to come to any deliberate and thoughtful conclusion about its impact". For this and other reasons, he said his impression had been reinforced "that the chemical industry has, as in the past, continued to approach the issue of ASP in a dogmatic way".

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MCA was joined by the Synthetic Organic Chemical Manufacturers Association in a message to the Senate Finance Committee urging that any legislation enacted in connection with import quotas should be broad enough to deal with injury or threat of injury from chemical imports as well as other specific commodities for which import quotas were being considered. It now appears that no action will be taken during this session of Congress on the vast majority of Quota bills that have been introduced.

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MCA has filed a statement on the exposure draft of the Accounting Principles Board opposing the proposed requirement that a company amortize the investment credit over the useful life of the acquired property on which the tax benefit was claimed. The proposal would cause many American companies to change their method of accounting for the investment tax credit. A recent study indicated that 80% of American industry treats the credit as a reduction of tax expense under the flow-through method of accounting. MCA advocated continuation of the choice of methods permitted by the Accounting Principles Board Option No. 4 that is currently in use. This permits a company to deduct the tax benefit in a single year or amortize it over the useful life of the property.

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MCA views on the Kennedy Round GATT Negotiations, the supplemental package relating to the elimination of ASP, and other aspects of foreign trade policy were submitted to the Senate Finance Committee on November 1. This statement will be included in a compendium of papers serving as a base for legislative oversight review by the Finance Committee. Executive Contacts have been furnished copies of MCA's statement.

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Despite two appeals (July 5 and September 19), it now appears that fewer member companies will contribute data to MCA's survey on control of air and water pollution and solid waste disposal than five years ago. In response to a questionnaire mailed last January 13, 91 companies have reported on 850 plants. This compares with returns from 138 companies on 898 plants in 1962. To allow time for a few companies to complete their forms, we propose to close out the survey December 31. Considerable time will be needed for tabulation and analysis, and further extension will greatly lessen the data's value.

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Association comments on the proposed revision of FDA Food Additives Procedural Regulations were filed November 3. Rapid or automatic acceptance was urged for most food additives in packaging materials in small quantities. Deletion of a section relating to confidentiality of certain data and analytical methods was recommended.

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Sixty-five attended the November 9 Workshop on Water Pollution Control, held in Atlanta. The next one, in Cleveland in late January, will be devoted principally to program developments on Lake Erie.

The Air Quality Workshop held in San Francisco, October 26 during Clearer Air Week, was marked by high quality papers and lively participation of those attending.

Excellent news media coverage of both the Atlanta and San Francisco workshops was stimulated by our Public Relations representatives.

As in all past instances, capacity registration has already been reached for the next Technical Seminar on Water Pollution Control at Vanderbilt University, Nashville, December 4-8. Reservations are now being taken for the seminar at the University of California (Berkeley) January 22-26, and for three others in the current series.

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An interim report received from the Ad Hoc Committee on Economic Assistance to Industry for Pollution Control will be considered at the December meeting of the Executive Committee. The report recommends postponing resolution of an Association position on economic incentives until after Federal studies on this subject have been released in January.

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The Ad Hoc Task Group on the Photoreactivity of Trichloroethylene met in Pasadena, California October 23, and also visited the SRI project. Although delays in equipment delivery have slowed up the program, it now appears that progress on an acceptable schedule will be made.

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The Organic Solvents Sales Inventory conducted by MCA on request of New York City air pollution control officials, is being closed. The returns, received from over 80 members, including almost all of the larger organizations with substantial solvent sales, will be submitted to New York City officials shortly.

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MCA and many of its members participated in Cleaner Air Week the last week in October. Specially prepared Association packets and TV kits on air pollution control were provided to community relations personnel throughout the industry and our environmental health publication, PILOT, called attention to the event. Distribution of that monthly has grown steadily, the November issue going to more than 3,000 individuals in both the U. S. and Canada. The increasing number of technical queries to PILOT regarding solution of industry pollution problems indicates the two-way function this publication can perform.

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The first two books in the "Chemistry in Action Series", a major project undertaken by the Education Activities Committee in cooperation with Doubleday & Company, are now off the press. Flyers describing the undertaking and the initial volumes, one on chemical engineering and the other on silicon compounds, have been sent to key industry personnel. Paperback copies of the volumes themselves will be put in Executive Contacts' hands. It is our hope that every company will order copies, at special discount prices, for distribution to students, teachers, industry employees and science-minded citizens in their plant areas. Successful sales will help to assure continuation of this activity, so important to our industry and education.

Copies of the 1967-68 edition of "An Industry Helps Our Schools," the booklet which presents a bird's-eye picture of our total aid-to-education effort, have been sent with a request form to the directors of science in American schools and to the industry's community relations personnel. Among the listings are a new pamphlet "Chemistry Projects and Science Fairs," a guide to students entering chemically-oriented exhibits in these events, and a timely manual entitled "Scientific Experiments in Environmental Pollution."

At the close of this month we will mail the announcements and nomination forms for the 1968 College Chemistry Teacher Award Program to all US and Canadian institutions offering baccalaureate degrees in chemistry or chemical engineering. Our other educational award program, administered by the CICs for teachers in secondary schools, will be conducted next year by a record number of Councils.

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