

Manufacturing Chemists' Association, Inc.

(FOUNDED 1872)

1825 Connecticut Avenue, N. W.

WASHINGTON 9, D. C.

Minutes of Meeting
Legal Advisory Committee
MCA Office
Washington, D. C.
March 13, 1959

MEMBERS PRESENT:

Henry H. Fowler, Chairman

Lawrence S. Apsey

Lawrence A. Coleman

Edwin J. Putzell, Jr.

William V. Roth (for Charles
Maddock)

Francis Zugehoer

J. F. King, Secretary

Manufacturing Chemists' Association,
Inc.

Celanese Corporation of America

Allied Chemical Corporation

Monsanto Chemical Company

Hercules Powder Company, Inc.

E. I. du Pont de Nemours & Co., Inc.

Manufacturing Chemists' Association,
Inc.

OTHERS PRESENT:

Thomas J. Connors

E. W. Gamble, Jr.

Thomas Laffey

B. G. O'Connor

James Wyer

Chas. Pfizer & Co., Inc.

Monsanto Chemical Company

Atlas Powder Company

Food Machinery and Chemical
Corporation

American Cyanamid Company

MEMBERS ABSENT:

James G. Flanagan

Richard Furlaud

Frank Lyon

Charles Maddock

Iver McDougall

S. B. Penick & Company

Olin Mathieson Chemical Corporation

Union Carbide Corporation

Hercules Powder Company, Inc.

Stauffer Chemical Company

Chairman Fowler convened the meeting at 10:10 A. M.

S. 11

The Chairman asked for comments on the draft of his proposed statement to the Subcommittee on Antitrust and Monopoly of the Senate Judiciary Committee regarding S. 11, a bill to amend Section 2(b) of the Robinson-Patman Act.

The principal result of the ensuing discussion was to agree to drop point five on pages 9 and 10 of the 1957 statement and substitute a new point five, stressing the effect which S. 11 might have upon the ability of chemical companies to meet competition from imports. (A copy of the new statement which Mr. Fowler presented to the Kefauver Subcommittee on Thursday, March 19, is attached for your information.)

There was also discussion of the Committee's position regarding possible attempts to reintroduce the 1958 Judiciary Committee amendments to S. 11. It was decided to oppose S. 11 even if amended to be limited to food, drugs, and cosmetic products, or restricted to the secondary level of distribution, on the grounds (1) that no change in the present Robinson-Patman Act is necessary or advisable, and (2) that, particularly in the chemical industry, such distinctions are so unclear as to render the bill unworkable.

S. 138

The Chairman asked whether there was any objection to S. 138, a bill to define the application of the Clayton and Federal Trade Commission Acts to certain pricing practices. The consensus was that, although no amendment of existing law is desirable, S. 138 constitutes an unobjectionable restatement of present case law except for the phrase "or should have known" in that part of the bill which reads: "PROVIDED, HOWEVER, That a seller shall not be deemed to have acted in good faith within the meaning of that term as used in this section if he knew or should have known that the competitor's offer or price was unlawful, and nothing in this section shall make lawful any contract, combination, or conspiracy in restraint of trade or any act to monopolize, or conspiracy or attempt to monopolize, trade or commerce among the several States."

S. 215

The Chairman inquired as to the interest in S. 215, a bill to supplement the antitrust laws of the United States by requiring that corporations, in so-called industries of heavy concentration, file advance notice and make public justification before effectuating price increases. He asked whether the Committee should recommend that MCA oppose the bill. Mr. Apsey said the Celanese Corporation of America would like MCA to do so. After discussion, however, it was decided that the persons present needed to recheck with their companies before they could make a recommendation.

S. 716, S. 1003

The bills, S. 716 and S. 1003, to authorize the Attorney General to compel the production of documentary material required in civil investigations for the enforcement of antitrust laws were discussed.

S. 1003 was thought to be the less objectionable of the two. The MCA staff was asked to continue to report to the membership any activity in the Congress concerning these bills.

The New Legal Advisory Committee

The Chairman distributed a memorandum giving his views as to the objectives of the new Legal Advisory Committee, copy attached.

Mr. Putzell, commenting on the memorandum, suggested that the Committee should not be limited "to legislative policy problems that are not the responsibility of specific standing committees." He said MCA needs an expert group to advise the Board on legislative matters, including the relative importance or urgency of legislative proposals. He added that other trade associations, and individual companies, have found it helpful to organize their legislative programs in this fashion.

Mr. Coleman said he was in general agreement with Mr. Putzell. He said the Legal Advisory Committee should be careful not to become a bottleneck but it could be effective as an advisory and coordinating mechanism. He added that perhaps the Committee should consider only matters referred to the General Counsel by the Board of Directors.

Mr. Apsey suggested that other MCA committees might find it beneficial to make a practice of checking with the Legal Advisory Committee as to "tactics" concerning matters which have legislative aspects.

The Chairman concluded the discussion with the statement that he would attempt to arrange an early meeting of the Legal Advisory Committee with General Hull in an effort to clarify further the role of the new Committee.

The meeting adjourned at 3:30 P. M.



J. F. King

JFK:hbw
Attachments
April 6, 1959

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