

AGENDA
DINNER MEETING OF THE MCA BOARD OF DIRECTORS
6:00 P.M. (EDT), Wednesday, June 2, 1965
Fillmore and Van Buren Rooms, The Greenbrier
White Sulphur Springs, West Virginia

- I. MINUTES OF MAY 11, 1965, MEETING.
- II. REPORT OF THE SECRETARY-TREASURER.
 - (a) Financial Report for Fiscal Year Ended May 31, 1965. (Enclosed)
 - (b) Summary of Independent Audit.
 - (c) Capital Account and Inventory.
 - (d) Membership Fee Billings for Fiscal 1965-66.
- III. BOARD OF DIRECTORS.
 - (a) Resignation of Wesley H. Sowers.
 - (b) Annual Report for Fiscal 1964-65. (Enclosed)
 - (c) Annual Meeting -- Final Reports --
 - 1. Program and Registration (Enclosed)
 - 2. Future Annual Meeting Dates
 - 3. Nominating Committee
 - 4. Finance Committee
 - (d) Washington Advisory Committee - Rules of Organization and Procedure. (Enc.)
 - (e) Tank Car Mileage Compensation. (Enclosed)
 - (f) October 12-13, 1965, Regional Meeting in Montreal.
- IV. COMMITTEE APPOINTMENTS. (Enclosed)
- V. STAFF REPORT.

A brief meeting of the newly-constituted Board of Directors will be held in the Tyler Room of The Greenbrier on Thursday, June 3, immediately following conclusion of the Annual Business Meeting. Purpose will be to consider the appointment of Board Committees and technical and functional committee liaison for fiscal 1965-66.

NOTE: Next Regular Directors' Meeting -- 11:00 A.M. (EDT), Tuesday, September 14, 1965, Union Club, Park Avenue and 69th Street, New York City.

MINUTES of the one hundred forty-ninth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held in the Fillmore and Van Buren Rooms, The Greenbrier, White Sulphur Springs, West Virginia, on the evening of June 2, 1965. The meeting was preceded by cocktails and dinner, beginning at 6:00 p.m. (EDT).

There were present:

Chester M. Brown	Robinson Ord
F. L. Bryant	Donald D. Pascal
F. L. Byrom	Joseph E. Rich
Herschel H. Cudd	Hugo Riemer
George H. Decker	Robert B. Semple
William P. Drake	Wesley H. Sowers
Harold W. Fisher	Hans Stauffer
John L. Gillis	Joseph R. Stevens
Ralph K. Gottshall	Robert C. Swain
Kenneth H. Hannan	Harold E. Thayer
Thomas C. Jones	Harry B. Warner
William P. Marsh, Jr.	G. L. Weissenburger
C. B. McCoy	W. N. Williams
R. C. McCurdy	M. F. Crass, Jr.
Charles S. Munson	

Alternates:

A. E. Albright (for Hans Stauffer)
 S. H. Anonsen (for Harold E. Thayer)
 Bert Cremers (for Robert B. Semple)
 David H. Dawson (for C. B. McCoy)
 David L. Eynon, Jr. (for F. L. Byrom)
 Clifton C. Garvin, Jr. (for Harold W. Fisher)
 Robert E. Hulse (for William P. Marsh, Jr.)
 C. W. Humphreys (for R. C. McCurdy)
 Hugh C. Land (for William P. Drake)
 John O. Logan (for Thomas S. Nichols)
 Thomas B. Nantz (for Harry B. Warner)
 Donald Oskin (for W. N. Williams)
 W. T. D. Ross (for Robinson Ord)
 Charles H. Sommer (for John L. Gillis)
 Thomas F. Willers (for F. L. Bryant)
 John E. Wood, III (for Wesley H. Sowers)

General Counsel:

Marx Leva) Fowler, Leva, Hawes
 Lloyd Symington) & Symington

Present by Invitation:

Peter C. Allen, Imperial Chemical Industries Limited
 L. G. Bliss, Foote Mineral Company
 Paul Chambers, Imperial Chemical Industries Limited
 B. S. Chapple, Jr., United States Steel Corporation
 L. duP. Copeland, E. I. du Pont de Nemours & Co.
 T. L. Cabbage, Phillips Petroleum Company
 Lee V. Dauler, Neville Chemical Company
 F. H. Carman, MCA

Present by Invitation:

P. M. Dinkins, Geigy Chemical Corporation
 Earle S. Ebers, United States Rubber Company
 Henry L. Ford, Eastman Chemical Products, Inc.
 D. S. Frederick, Rohm & Haas Company
 R. L. Hershey, E. I. du Pont de Nemours & Co.
 J. A. Hughes, Diamond Alkali Company
 John E. Hull, MCA
 R. F. Huntley, Cowles Chemical Company
 David E. Jones, Canadian Chemical Producers' Assn.
 W. W. Keeler, Phillips Petroleum Company
 R. W. KixMiller, Celanese Corporation of America
 K. H. Klipstein, American Cyanamid Company
 W. K. Menke, United States Steel Corporation
 Max A. Minnig, Witco Chemical Company, Inc.
 Edward A. O'Neal, Monsanto Company
 S. B. Penick, Jr., S. B. Penick & Company
 P. C. Reilly, Reilly Tar & Chemical Corporation
 R. W. Thomas, Phillips Petroleum Company
 Robert I. Wishnick, Witco Chemical Company, Inc.

Following conclusion of dinner, Chairman Gottshall called the meeting to order at approximately 8:00 p.m. He welcomed the past Directors, alternates, and guests who were present and invited them to participate in the discussion.

I. MINUTES OF MAY 11, 1965, MEETING.

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

II. PRESIDENT'S CONTRACT.

Mr. Gottshall stated that at a meeting of the Executive Committee held earlier that day General Decker's contract for a further one-year term had been approved, subject to his election as President and a Director at the Annual Meeting the next day.

III. REPORT OF THE SECRETARY-TREASURER.

(a) Financial Report. The financial report of the Association for the period June 1, 1964 - May 31, 1965, was summarized as follows:

(1) Budgeted Program

<u>Income</u>	
Membership Dues & Entrance Fees	\$1,067,959
Interest	40,648
Sale of Publications	44,625
Special Projects and Meetings	40,463
<u>Total Income</u>	<u>\$1,193,695</u>

<u>Expense</u>	
Management	\$ 273,981
Technical	264,474
Public Relations	224,539
Information Service	129,562
Government Relations	98,382
Office Administration	87,230
Education	42,561
<u>Total Expense</u>	<u>\$1,120,729</u>
Income Less Expense	<u>\$ 72,966</u>

The Secretary-Treasurer stated that the above data had been excerpted from the Annual Audit Report which had been submitted to the Association on May 31 by the firm of Bond, Beebe, Bond & Bond, certified Public Accountants. Further, that the audit would be summarized at the Annual Meeting the next day and would be included in the proceedings of the 93d Annual Meeting, which will be distributed to the membership during the latter part of June.

- (2) Schedule of Expenses Versus Budget - Fiscal 1964-65. A comparison between budget and actual expenditures for the 1964-65 fiscal year follows:

	<u>Budget</u>	<u>Actual</u>
Management	\$ 281,170	\$ 273,981
Technical	270,990	264,474
Public Relations	214,375	224,539
Information Service	132,795	129,562
Government Relations	94,745	98,382
Office Administration	83,900	87,230
Education	50,810	42,561
Totals	<u>\$1,128,785</u>	<u>\$1,120,729</u>

- (3) Surplus. The Association ended the year with an over-all and uncommitted surplus of \$595,028. This compares with the June 1, 1964, surplus of \$521,853.

ON MOTION duly made and seconded, it was

VOTED: That the Secretary-Treasurer's report be accepted and placed on file.

- (b) Audit Report. The audit of the Secretary-Treasurer's books was presented and a summary follows:

ASSETS

<u>Cash in Bank and on Hand</u>		
Regular Account	\$ 76,187	
Payroll Account	6,000	
Savings Account	315,732	
Petty Cash	500	
Washington Representatives Change Fund	250	\$ 398,669
<u>Investments</u>		
U. S. Government Obligations		
Sinking (Special Retirement Fund)	148,000	
General Fund	336,209	484,209
<u>Deposits</u>		
Government Printing Office	150	
Post Office	500	
Airlines	425	1,075
<u>Accounts Receivable</u>		
Unreimbursed Expenses -		
Special Projects and Meetings	332	
Travel Advances	1,243	1,575
<u>TOTAL ASSETS</u>		<u>\$ 885,528</u>

LIABILITIES AND SURPLUS

<u>Liabilities</u>		
D. C. Use Tax	58	
Payroll Tax & Savings Bond Withholding	9,740	9,798
<u>Deferred Income</u>		
Special Projects and Meetings	85,942	85,942
<u>Reserve - Special Retirement Fund</u>		148,333
<u>Surplus</u>		
Restricted - Plastics Program	46,427	
Unrestricted	595,028	641,455
<u>TOTAL LIABILITIES & SURPLUS</u>		<u>\$ 885,528</u>

In their report, the auditors found the Association records to be well kept, supporting evidence readily available, and that cooperation received from the staff enabled them to complete their examination promptly.

(c) Sale of Publications. As set forth under Item (a)(1) above, income during the year from the sale of publications and films totaled \$44,625. As of May 31, 1965, the Association carried an inventory of publications totaling \$55,365. Under the system of bookkeeping which the Association follows, this inventory is not included under assets, since printing costs are charged to expense as made.

(d) Fixed Assets. The Association also charges acquisition of such fixed assets as furniture and office equipment to expense as purchased, and therefore, they are not reflected on the balance sheet. As of May 31, 1965, the book value of such items approximated \$68,000, representing the depreciated cost of \$121,000 of fixed asset acquisitions.

(e) Membership Fee Billings. The Treasurer stated that, subject to approval of the budget and method of financing at the Annual Meeting the next day, membership fee invoices for fiscal 1965-66 would be mailed to the Executive Contacts from the Washington office on June 7.

IV. BOARD OF DIRECTORS.

(a) Resignation of Wesley H. Sowers. The Chairman reported that he had received a letter from Mr. Sowers, dated May 21, tendering his resignation from the MCA Board of Directors as of May 31, 1965.

ON MOTION duly made and seconded, it was

VOTED: That Mr. Sowers' resignation be accepted with regret, with an expression of thanks for the contribution he had made during his term as Director.

(b) Annual Report for Fiscal 1964-65. Those present were handed copies of the Annual Report for the year ended May 31, 1965. Copies of the report will be mailed to Executive Contacts and Members of the Technical and Functional Committees on June 3 -- the day of the Annual Meeting.

(c) Annual Meeting -- Final Reports.

1. Program and Registration. Distributed to those present were copies of the printed program and attendance list of the meeting. The Secretary-Treasurer stated that as of that date 961 registrants from 176 firms were expected at the meeting. There is a possibility that because of inclement weather and last-minute changes this record attendance may not be realized.

2. Future Annual Meeting Dates. Arrangements have been made with The Greenbrier management for early June meeting dates over the foreseeable future. Listed below are the dates for the next five years:

1966	June 9-11
1967	June 8-10
1968	June 6-8
1969	June 12-14
1970	June 4-6

3. Nominating Committee. In behalf of his Committee, Mr. Williams presented the name of Dr. Jesse Werner, President, General Aniline & Film Corporation, as a candidate for a Director in the Class of 1968. This nomination rounds out the Class for that year and supplements the Nominating Committee's report presented at the May 11, 1965, meeting.

ON MOTION duly made and seconded, it was

VOTED: That the nomination be accepted for presentation to the membership at the Annual Meeting the next day.

4. Finance Committee. In behalf of this Committee, Mr. McCurdy stated that there was nothing further to report, the budget and financing for fiscal 1965-66 having been favorably considered by the Board on May 11 for presentation to the membership at the Annual Meeting.

(d) Washington Advisory Committee -- Rules of Organization and Procedure. Sent to Directors in advance of the meeting were revised Rules of Organization and Procedure for the above Committee. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the revised Rules be approved.

(e) Tank Car Mileage Compensation. At the May 11, 1965, Board Meeting, it was reported that the Executive Committee had considered the recommendation of the Transportation and Distribution Committee and staff that favorable consideration be given to an additional special assessment to continue financing the tank car mileage allowance study and investigation, including the current ICC proceeding. This recommendation was deferred for further consideration and, in the meantime, the Directors were supplied a memorandum providing additional information and justification for the special assessment.

Mr. McCurdy stated that at a meeting held earlier that day the Executive Committee had re-considered the matter and, on the basis of the additional information submitted, had voted to recommend to the Board that favorable action be taken.

Following discussion,

ON MOTION duly made and seconded, it was

VOTED: that the special assessment be approved.
Such assessment will be at the rate of \$3 per
chemical car operated.

(f) October 12-13, 1965, Regional Meeting in Montreal. At the request of the Chairman, Mr. Ross discussed briefly tentative plans for this meeting which will be held on Tuesday and Wednesday, October 12-13. The Canadian Chemical Producers' Association is cooperating in the planning of this meeting.

V. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Environmental Health Advisory Committee.
W. S. Wood, Sun Oil Company
- (b) Labels and Precautionary Information Committee.
C. B. Shaffer, American Cyanamid Company, as Chairman
E. J. Masek, Diamond Alkali Company, as Vice Chairman
- (c) Plastics Committee.
Werner C. Brown, Hercules Powder Company, Inc., as Chairman
Richard G. Askew, Phillips Petroleum Company
H. Harold Bible, Monsanto Company
Earle S. Ebers, United States Rubber Company
James W. Ferguson, Hooker Chemical Corporation
George M. Hale, Shawinigan Chemicals Limited
Thomas B. Nantz, B. F. Goodrich Chemical Company
Frank M. Norton, Allied Chemical Corporation
- (d) Research Advisory Committee.
Glenn A. Nesty, Allied Chemical Corporation, as Chairman
R. A. Charpie, Union Carbide Corporation, replacing A. B. Kinzel
- (e) Water Resources Committee.
T. G. Cocks, Nalco Chemical Company

Brought to the attention of the Directors as a matter of information:

- (f) Advisory Subcommittee for the Research Project.
Richard W. King, Sun Oil Company, replacing S. S. Kurtz, Jr.

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.

Following presentation, Mr. Keeler discussed the proposed repeal of Section 14(b) of the Taft-Hartley Act at length and urged a special effort to retain this Section on the statute books.

VII. CALIFORNIA REGIONAL MEETING -- MARCH 1966. As previously advised, the next regional meeting of the Directors on the West Coast will take place in San Francisco and Pebble Beach, California, on March 7-10. Preceding this meeting and beginning on Friday afternoon, March 4, the Navy has proposed that MCA Directors participate in a classified Anti-Submarine Warfare School to be conducted at San Diego. At the request of the Chairman, the Secretary-Treasurer briefly discussed the proposed course which would resemble, both in scheduling

and operations, the courses previously attended by the Directors at the Army's CBR School at Dugway, Utah. Since interest was indicated by those present, discussions concerning the San Diego course will be progressed and Directors will be kept advised of developments.

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

Attach.

MCA STAFF REPORT
Delivered by General G. H. Decker
June 2, 1965

The time since the last meeting of the Board has been relatively short. My report today likewise will be brief, but there are a few items worthy of mention.

Federal Legislative Matters

On May 18, the President sent his long awaited Labor Message to Congress. Its principal provisions are: extension of the Fair Labor Standards Act to an additional 4-1/2 million workers; double pay for overtime; strengthening of the unemployment insurance program through wider coverage, extended benefit periods and increased benefits amounts; and repeal of Section 14(b) of the Taft-Hartley Act which permits states to enact "right to work" laws. House hearings on these proposals began promptly on May 24. MCA may not request an opportunity to appear at these hearings, since most of the features of last year's legislation which the Association found objectionable have apparently been eliminated.

Early this month, Senator Muskie announced that his Special Senate Subcommittee on Air and Water Pollution will hold hearings in Washington and other cities during the period May 19 through June 24. The purpose will be to determine the effectiveness of Federal water pollution control legislation. The Subcommittee will be particularly interested in testimony on the construction grant program for sewage treatment plants, and on technological problems involved in industrial waste treatment. Upon recommendation of the Water Resources Committee, MCA has offered to testify regarding the industry's experience with technological waste disposal problems and related matters.

Conferees on S. 4, the Water Quality Act of 1965, have still not been appointed by the House and Senate, indicating continued lack of success in reaching a preliminary compromise on their differences on this legislation.

Inter-Association Meeting on Depreciation

On May 19 an MCA-sponsored meeting was held in Washington regarding possible future industry action with respect to Government depreciation policy as treated in the Treasury Department's Guidelines. Twenty-two individuals attended, representing some twelve different associations and groups concerned with depreciation problems. The current situation, as well as alternative plans for future action were considered. It was decided that MCA would issue a summary of comments made at the meeting, followed possibly by MCA proposals for action on the depreciation problem.

Uniform Government Patent Policy

Today Mr. E. G. Peterson, Chairman of the MCA Patent Committee and Manager of Hercules' Patent Division, is scheduled to testify tomorrow for the MCA at a Senate Hearing on Uniform Government Patent Policy Legislation. The hearing will be held before Senator McClellan's Patents, Trademarks and Copyrights

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Subcommittee of the Senate Judiciary Committee. Three bills, S. 789, S. 1809, and S. 1899, relating to Uniform Government Patent Policy were considered by the Subcommittee, as well as S. 1047 relating to Defense Department purchases of products protected by American patents. Mr. Peterson will support Chairman McClellan's bill, S. 1809, but will suggest some amendments.

Media Relations

Some of you may have seen the issue of the SATURDAY REVIEW week before last, which devoted a major section to the theme "The Fouling of the American Environment." Although the chemical industry in this case was not the target of any derogatory handling, the fact that a magazine of this type devoted so much space to the subject is only another evidence of increasing public concern with the subject. It is expected that ten members of the Fourth Estate will attend the Annual Meeting. In addition to the chemical industry trade press, there will also be news representatives from the New York Times and Forbes Magazine.

Reactive Metals Activities

Representatives of the Reactive Metals Advisory Committee and the Washington Staff met recently with Commerce Secretary Connor and then with Governor Buford Ellington, Director, Office of Emergency Planning, to advise on the current impact of imports on the ferroalloy industry. This was a follow-up on a request submitted to OEP several years ago to obtain relief from injury due to imports. Secretary Connor and Governor Ellington have the matter under consideration.

Safety Standards by NFPA

MCA delegates to the Annual Meeting of the National Fire Protection Association opposed the adoption of a proposed classification of flammable and combustible liquids as a permanent standard. This position was taken following careful consideration by interested Technical Committees. It was the general consensus that the classification should be studied further by the NFPA Committee because of the implication that regulatory agencies may be forced to adopt similar classifications. Such classifications, it was felt, would have unwarranted impact on packaging, labeling, and transportation of chemical products.