

MINUTES of the one hundred and ninth meeting of the Directors of the Manufacturing Chemists' Association, Inc., held in the President Fillmore and Van Buren Rooms, The Greenbrier, White Sulphur Springs, West Virginia, on the evening of June 7, 1961. The meeting was preceded by cocktails and dinner, beginning at 6:00 p.m. (EST).

There were present:	Howard S. Bunn	Theodore Marvin
	Bennett S. Chapple, Jr.	R. C. McCurdy
	Roy F. Coppedge, Jr.	Warren H. Moyer
	R. L. Cunningham	Charles S. Munson
	J. Robert Fisher	George L. Parkhurst
	Kerby H. Fisk	Robert B. Semple
	A. E. Forster	Charles H. Sommer
	William B. Graham	Hans Stauffer
	John E. Hull	C. Y. Thomas
	Robert F. Huntley	Harry B. Warner
	R. W. KixMiller	James C. White
	W. G. Malcolm	M. F. Crass, Jr.

Alternates:	A. E. Albright (for Hans Stauffer)
	Henry Avery (for W. Kenneth Menke)
	C. W. Baldwin (for Bennett S. Chapple, Jr.)
	Bert Cremers (for Robert B. Semple)
	David H. Dawson (for George E. Holbrook)
	Henry L. Ford (for James C. White)
	John S. Gates (for L. G. Bliss)
	John L. Gillis (for Charles H. Sommer)
	Kenneth H. Hannan (for Howard S. Bunn)
	John A. Hill (for Charles S. Munson)
	Kenneth H. Klipstein (for W. G. Malcolm)
	W. P. Marsh, Jr. (for Roy F. Coppedge, Jr.)
	T. B. Nantz (for Harry B. Warner)
	W. T. D. Ross (for Peter C. Allen)
	Donald Williams (for Leland I. Doan)
	James H. Worth (for R. W. KixMiller)

General Counsel:	Marx Leva - Fowler, Leva, Hawes & Symington
	Lloyd Symington - Fowler, Leva, Hawes & Symington

Present by Invitation:	F. H. Carman - MCA
	Joseph Fistere - Mallinckrodt Chemical Works
	William C. Foster - Olin Mathieson Chemical Corporation
	Birny Mason - Union Carbide Corporation
	Robert C. Tyson - United States Steel Corporation
	William S. Vaughn - Eastman Kodak Company

Chairman McCurdy called the meeting to order at 8:00 p.m. (EST). He welcomed the alternates and guests and invited them to participate in the discussion. He then

expressed his appreciation to the Directors and staff for the cooperation and assistance which he had received from them during the past year in the discharge of his duties as Chairman of the Board of Directors.

I. MINUTES OF MAY 9, 1961, MEETING.

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

II. REPORT OF THE EXECUTIVE COMMITTEE.

Chairman Bunn reported that a short meeting of the Executive Committee had been held at 5:00 p.m. that day and that items discussed would be reported upon in their respective places on the Board agenda.

President's Contract. Mr. Bunn stated that the Executive Committee had approved extension of General Hull's previous contract for the additional term of one year subject to his re-election as President and Director at the Annual Meeting the next day. Terms are identical with those contained in the past contract.

III. REPORT OF THE TREASURER.

(a) Financial Report. The financial report of the Association for the period June 1, 1960 - May 31, 1961, was summarized as follows:

(1) Budgeted Program.

<u>Income</u>	
Membership Dues & Entrance Fees	\$851,532
Interest	26,712
Sale of Publications	46,421
Sale of CIAC Materials	181
Special Projects & Meetings	23,289
<u>Total Income</u>	<u>\$948,135</u>
<u>Expenses</u>	
Technical & Administrative	\$602,370
Public Relations	285,457
<u>Total Expenses</u>	<u>\$887,827</u>
Excess of Income Over Expenses	<u>\$ 60,308</u>

The Treasurer stated that all material had been taken from the annual audit report. Further, that the audit would be summarized at the Annual Meeting the next day and would be included in the Proceedings of the 89th Annual Meeting, which will be prepared and distributed to members during the latter part of June.

- (2) Schedule of Expenses Versus Budget -- Fiscal 1960-61. A comparison between budget and actual expenditures for the 1960-61 fiscal year follows:

	<u>Budget</u>	<u>Actual</u>
Technical & Administrative	\$600,235	\$602,370
Public Relations	300,800	285,457
Totals	<u>\$901,035</u>	<u>\$887,827</u>

The over-all budget was underexpended by \$13,208. In the year under review, technical and administrative expense included \$10,000 for the production and distribution of a safety film. Only \$4,445.50 of this amount had been disbursed as of May 31, 1961. The balance of \$5,554.50 was set up as a special liability reserve to cover commitments made but not yet paid for during the fiscal year.

- (3) Education Program.

<u>Balance - June 1, 1960</u>			\$ 94,875
<u>Receipts</u>			
Contributions	\$154,699		
Sale of Publications	6,648		161,347
<u>Total Available Funds</u>			\$256,222
	<u>Budget</u>	<u>Actual</u>	
<u>Deduct Expenses</u>	\$204,705	\$184,105	184,105
<u>Balance - May 31, 1961</u>			<u>\$ 72,117</u>

Included in Education Program expense is an amount of \$55,000, representing contractual and estimated cost in connection with production and distribution of two films. No disbursements have yet been made with respect to this commitment, and a liability reserve of this amount was established in order that bills might be met after the start of the new fiscal year.

The balance of \$72,117 will revert to the general operating fund effective June 1, 1961, and will be utilized to pay expenses for the general 1961-62 program, including education.

- (4) Surplus. The Association ended the year with an over-all and uncommitted surplus of \$485,804. This is somewhat less than the six-month operating expense total previously approved by the Board.

ON MOTION duly made and seconded, it was

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

(b) Audit Report. The audit of the Treasurer's books by the firm of Bond, Beebe, Bond & Bond, Certified Public Accountants, was presented, and a summary follows:

ASSETS

<u>Cash in Banks and on Hand</u>			
National Savings and Trust Company			
Regular	\$ 59,120.50		
Payroll	6,000.00		
Savings	<u>366,004.61</u>	\$431,125.11	
Petty Cash		<u>400.00</u>	\$431,525.11
<u>Investments</u>			
U. S. Government Obligations			
Sinking (special retirement fund)		105,000.00	
General Fund		<u>219,448.37</u>	324,448.37
<u>Deposits</u>			
U. S. Superintendent of Documents			
		150.00	
American Airlines		425.00	
Railroad		<u>58.70</u>	633.70
<u>Accounts Receivable</u>			
Special Projects and Meetings			
Unreimbursed Expenses		3,739.12	
Travel Advances		<u>348.00</u>	4,087.12
<u>TOTAL ASSETS</u>			<u>\$760,694.30</u>

LIABILITIES AND SURPLUS

<u>Liabilities</u>			
Taxes Withheld from Employees			
	\$ 7,390.34		
Savings Bond Withholding	<u>71.25</u>	\$ 7,461.59	
<u>Deferred Income</u>			
Membership Fees			
	1,900.00		
Special Projects and Meetings	<u>25,352.13</u>	27,252.13	
<u>Reserve - Unexpended Funds</u>			
Safety Film			
	5,554.50		
Educational Films	<u>55,000.00</u>	60,554.50	
<u>Reserve - Special Retirement Fund</u>		108,333.32	
<u>Surplus</u>			
Restricted			
Education Program (transferred to general fund)	72,116.68		
Plastics Program	(828.25)		
Unrestricted	<u>485,804.33</u>	557,092.76	
<u>TOTAL LIABILITIES AND SURPLUS</u>			<u>\$760,694.30</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 totaled \$46,421. As of May 31, 1961, the Association carried an inventory of publications totaling \$42,297, valued at cost. 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) Physical Inventory. 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, 1961, the depreciated value of such assets totaled \$39,745, of which \$3,882 constituted new purchases during fiscal 1960-61.

(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, invoices for membership fees for fiscal 1961-62 would be mailed from the Washington office on June 12.

IV. BOARD OF DIRECTORS.

(a) Annual Report for 1960-61. Those present were handed copies of the printed Annual Report for the year ended May 31, 1961. The design of this 54-page document has been changed, and the report now appears as a 7" x 10" booklet.

(b) 89th Annual Meeting Arrangements and Attendance. Printed copies of the program and attendance list were handed to those present, in addition to an information sheet. The Secretary reported a net registration of 847 from 165 member firms, the last figure setting a record for number of firms represented. Of these registrants, all staff members and a limited number of member company representatives were quartered outside of the hotel.

(c) Future Annual Meeting Dates. Arrangements have been made with the hotel for early June meeting dates over a period of approximately ten years. The 1962 meeting will be held on Thursday through Saturday, June 7 - 9. Balance of the commitments, while tentative and not binding upon the Association, are necessary in order to preserve priority with the hotel. The Secretary has been advised by The Greenbrier management that the new hotel addition will be completed by April 1, 1962, and that approximately 70 additional guest rooms will be available to the Association for its 1962 Annual Meeting.

(d) Finance Committee -- Budget and Financing. Chairman Fisher stated that, on the basis of approval already accorded by the Directors, he was prepared to present both proposals to the membership at the Annual Meeting the next day. Copies of the budget and financing proposals were sent to the membership by the Secretary on May 17. The method of financing previously approved by the Directors involves a 5%

across-the-board reduction of classified fees and utilization of the \$72,117 education fund surplus for general operating expense -- the latter in view of incorporation of education activities within the regular MCA program and budget. Mr. Fisher stated that anticipated revenue from membership fees, supplemental income, and education surplus would fall short of balancing the budget by approximately \$14,000.

(e) Nominating Committee. Committee Chairman Munson stated that the Executive Contacts of member firms had been sent the Board-approved Nominating Committee slate of Officers and Directors by the Secretary on May 17. He reported that all nominees had agreed to serve if elected and that ballots would be available at the Annual Meeting in case further nominations were received from the floor.

(f) Forthcoming Regional Directors Meetings. Those present were reminded by the Secretary that, according to schedules already approved, the next regional meeting of the Directors would be held in New Orleans, Louisiana, on Monday and Tuesday, October 9 and 10, 1961, and that the January 1962 meeting was scheduled for Chicago, Illinois. The 1962 California meeting has been set for Monday - Wednesday, March 19 - 21. Registrants will convene in San Francisco on the evening of March 19 (Monday) and will be transported to Pebble Beach on the 20th, staying through until departure day, March 22.

V. COMMITTEE APPOINTMENTS.

The following committee appointments were approved:

- (a) Food Additives Committee.
Adrien L. Ringuette, Abbott Laboratories.
Joseph D. Becker, Allied Chemical Corporation, as Vice Chairman.
- (b) Government Liaison Technical Committee on Metals.
James S. Murray, Metal Hydrides Incorporated.
- (c) Mechanical Technical Committee.
C. W. Hubbell, Phillips Petroleum Company.
- (d) Nuclear Committee.
James S. Murray, Metal Hydrides Incorporated.
- (e) Plastics Committee.
Walter H. Salzenberg, E. I. du Pont de Nemours & Co., Inc., as
Chairman.
T. T. Miller, W. R. Grace & Co., as Vice Chairman.
H. R. Dinges, Spencer Chemical Company.
A. R. Marusi, The Borden Chemical Company.
H. W. Mason, Jr., Reichhold Chemicals, Inc.
R. K. Mueller, Monsanto Chemical Company.

(f) Reactive Metals Steering Committee.

R. A. Quadt, National Distillers and Chemical Corporation.
 W. E. Remmers, Pittsburgh Metallurgical Company, Inc.
 G. L. Weissenburger, Vanadium Corporation of America.
 G. S. Wheaton, American Potash & Chemical Corporation.

(g) Water Pollution Abatement Committee.

Jerome Wilkenfeld, Hooker Chemical Corporation, as Chairman.
 Jack T. Garrett, Monsanto Chemical Company, as Vice Chairman.

VI. STAFF REPORT AND MISCELLANEOUS ITEMS.

(a) Federal Legislation. On May 24, Directors received a summary of S. 1552, the Kefauver Bill, together with recommendations for MCA action submitted by an ad hoc committee comprised of representatives of the Patent Committee, Food Additives Committee, Association counsel, and staff. Because of major changes proposed by the bill in the patent system, the basic antitrust laws, and provisions relating to drugs and chemicals used in their manufacture, the ad hoc committee recommended that MCA should actively oppose this legislation. Hearings are not expected to begin until the latter part of June at the earliest. Mr. Graham, acting as liaison between MCA and Pharmaceutical Manufacturers Association, brought those present up to date on plans being made by PMA with respect to S. 1552 and related bills. Following discussion,

ON MOTION duly made and seconded, it was

VOTED: That the Association should oppose this legislation.

With respect to the Administration's tax proposals, General Hull reported that two Association witnesses had already appeared before the Ways and Means Committee of the House to present testimony on cooperatives and tax treatment of foreign income. At the Executive Committee meeting earlier that day, those present considered a proposed Association letter addressed to the Ways and Means Committee covering additional MCA recommendations dealing with investment incentive, withholding taxes on dividends and interest, dividend credit and exclusion, and travel and entertainment expense. Those present affirmed the Executive Committee's action in approving the letter for transmittal to the Ways and Means Committee on June 9.

(b) Ammonium Nitrate Test Project. General Hull stated that, in accordance with action taken at the May 9, 1961, Directors' meeting, letters had been sent to member ammonium nitrate producers concerning the financing by voluntary subscription of a \$60,000 research program to be conducted by the U. S. Bureau of Mines in an effort to determine reason for recent incidents. He stated that all firms contacted had agreed to participate financially in the program; that the type of program had been decided upon and that no further action by the Board appeared necessary at this time.

(c) Federal Hazardous Substances Labeling Act. Copies of the proposed regulations were transmitted to member representatives in conjunction with the May 8 issue of the General Bulletin. The Labels and Precautionary Information Committee is now considering these proposals and, because of objectionable features, has requested the Food and Drug Administration to hold public hearings within the near future. An official HEW publication, "How to Comply with the Federal Hazardous Substances Labeling Act," has been issued in advance of the effective date of the regulations and also contains objectionable material which the LAPI Committee does not consider to be in keeping with the statute itself. The Association is keeping in close touch with FDA concerning these proposals.

(d) Petrochemical Survey. Distributed to those present were copies of an exchange of correspondence between General Hull and Mr. Bruce K. Brown, consultant to the National Petroleum Council's Committee on Petrochemicals, which is making a survey of the petroleum industry on the production capacity of petrochemicals at the request of the U. S. Department of the Interior. Mr. Brown's letter was written to acquaint the Association with the Council's plans and pointed out the jurisdictional problem presented because a substantial tonnage of chemicals produced from petroleum and natural gas is manufactured by companies which are not classified as petroleum or gas companies and, hence, do not come under the jurisdiction of the National Petroleum Council. He did not solicit assistance at this time.

It was agreed by those present that a jurisdictional problem was present, inasmuch as the U. S. Department of Commerce collected data on similar chemicals from non-petroleum sources. The jurisdictional matter is between Government agencies, and recommendations have already been presented with respect to a cut-off point in order that confusion and duplication of effort be kept at a minimum.

(e) Trade with Soviet Bloc. Those present were handed copies of a letter sent by MCA President Hull to the Secretary of Commerce on May 19, transmitting press excerpt concerning the sale to Soviet Russia of advanced chemical technology and plant equipment by European chemical firms. In his letter, General Hull reiterated the recommendation of MCA that the U. S. Government not relax such controls and that it exert its leadership in order to influence other Western countries to adopt similar policies. The reply, signed by John G. Borton, Acting Director, Bureau of Foreign Commerce, advised that the Government shares the Association's concern and enumerated the restrictions now in force and administered by the U. S. Department of Commerce. While the letter was considered most encouraging insofar as U. S. policy was concerned, it did state that to date the U. S. Government has been unsuccessful in persuading other governments to adopt a like policy.

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

M. F. Crass, Jr.
Secretary

APPROVED: R. C. McCurdy
Chairman

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