AGENDA
MEETING OF THE MCA EXECUTIVE COMMITTEE
9:00 a.m. (EDT), Tuesday, May 8, 1973

1. Financial Report for Eleven Months Ended April 30, 1973.

2. Proposed Epidemiological Study on Vinyl Chloride. (Enclosure)

3. Proposed MCA Position on the Compulsory Licensing of Patents. (Enclosure)

4. MCA Marketing Study Proposal. (Enclosure)

5. Discussion of Report of Subcommittee Studying Means to Increase MCA Effectiveness, Particularly in Government Relations Area.

6. Administrative Matters.

MINUTES OF MEETING
MCA EXECUTIVE COMMITTEE
The Links Club, New York City
Tuesday, May 8, 1973

Following breakfast at 9:00 a.m., the meeting was called to order by Chairman Thayer.

There were present:	Harold E. Thayer, Chairman
	H. Harold Bible
	Werner C. Brown
	John T. Connor (for F. L. Bissinger)
	Herschel H. Cudd
	William J. Driver
	Edward R. Kane
	Robert L. Mitchell (for John W. Brooks)
	Charles S. Munson
	Jack B. St. Clair
	F. Perry Wilson
	James R. Carnes
General Counsel:	Lloyd Symington
Present by invitation:	George E. Best, MCA

1. Financial Report for Eleven Months Ended April 30, 1973. Mr. Carnes reported that income for the eleven months ended April 30 was $1,873,188 which is $1,812 short of the budget estimate of income for the entire year. Expenses for the period were $1,644,008, or 94 percent of the prorated overall budget. A twelve-month projection of these figures indicates a year-end surplus of income over expense on the order of $80,000.

2. Proposed Epidemiological Study on Vinyl Chloride. Sent to members in advance of the meeting and summarized by Mr. Driver was a proposal to supplement the animal testing program on vinyl chloride (monomer), approved in January 1973, by an epidemiological study of the medical records of industrially exposed workers. The cost, estimated to be in the range of $72,000 to $92,000, would be paid from funds volunteered by the companies which supported the earlier phase of the program; management by MCA would follow the pattern of the animal testing program, and Tabershaw-Cooper Associates, Inc., Berkeley, California, would perform the study. Following discussion, it was agreed to recommend to the Board of Directors that the proposed study be approved.

3. Proposed MCA Position on the Compulsory Licensing of Patents. Forwarded to members in advance of the meeting and summarized by Mr. Driver was a proposed MCA position regarding the compulsory licensing of patents developed by the Patent and Trademark Committee and submitted for adoption by the Board of Directors. The position would oppose compulsory licensing of patents in any form but, if the demand for such licensing of pollution control technology makes legislation appear inevitable, the Association would recommend inclusion of provisions requiring evidence related to the public need prior to granting of compulsory licensing, together with safeguards to minimize the impact on future inventive efforts. In the discussion which followed, opposition was expressed to any weakening of the long-established patent system, it being pointed out that relief from unreasonable withholding of patented technology is available through judicial channels where damage to the public interest would ensue. It was the consensus that the position taken by the American Bar Association in August 1972 in opposition to compulsory licensing was sound and that it was tactically unwise to indicate the possibility of compromise if faced with strong pressure for compulsory licensing of patents. Accordingly, it was suggested that the Patent and Trademark Committee should consider resubmitting for Board approval a revised position in conformity with the consensus described.

4. MCA Marketing Study Proposal. Furnished to those present at the preceding meeting were copies of a proposal that MCA consider the establishment and support of a continuing marketing cost survey to be conducted by the Marketing Cost Institute, a division of The Conference Board. It had been requested that the proposal be studied in preparation for consideration at the present meeting. A brief discussion disclosed a consensus in opposition to further consideration of the proposal because of reservations concerning both its feasibility and its possible legal implications; accordingly, the proposal was withdrawn.

5. Report of Subcommittee Studying Means to Increase MCA Effectiveness, Particularly in Government Relations Area. Pursuant to agreement at the preceding meeting, consideration of the final report of the special committee appointed at the February meeting to study means to increase MCA effectiveness, particularly in the government relations area, was undertaken. In response to the concern expressed by some members regarding the proposal to eliminate the Board Liaison Committees, it was pointed out that any resulting loss of communication with the technical and functional committees could be counteracted by the more direct lines of communication contemplated. These would include the appearance of committee chairmen before the Executive Committee, where deemed necessary, to present their views for review and guidance in advance of reporting to the Board. In connection with the recommended optional Executive Committee meeting in July or August, it was agreed that planning be started for an Executive Committee breakfast meeting in Washington during the forthcoming July or August to be followed by a golf outing to which selected Senators and Representatives would be invited as guests. Other

decisions agreed upon were as follows:

> (a) Board meetings in Washington should be scheduled to start at 10:00 a.m., followed by the Chemical Forum at 12 Noon; (b) the two-hour Board meeting pattern would not be followed at the June Greenbrier meeting; and (c) firm scheduling of the times of meetings to be held in Washington in April would be deferred pending discussions between Mr. Driver and Dr. Kane.

Subject to the foregoing, the report of the special committee was approved and it was agreed that a smooth copy would be forwarded to Directors prior to the June Board meeting for final action at that time.

With respect to that portion of the report dealing with Executive Committee functions, Chairman Cudd of the Finance Committee pointed out that changes in the Association's activities or program which would have a financial impact on the budget for the forthcoming fiscal year should be decided upon prior to the preceding January when development of the budget begins.

Chairman Thayer expressed the appreciation of the Executive Committee to Dr. Kane and the other members of the special committee for the contribution represented by their study and report.

6. Administrative Matters.

(a) S. 40, Act to Control Federal Expenditures and Upgrade Priorities. Mr. Driver reported that the Chamber of Commerce of the United States is actively supporting this measure, introduced by Senator Brock of Tennessee, which would provide for formulation of a legislative budget to evaluate the Federal Budget in terms of national priorities, require the projection of all major expenditures over a five-year period, require all major spending programs to be evaluated at least once every three years, require pilot testing of proposed major federal programs, and require all federal expenditure programs to be appropriated annually by Congress. It has been proposed that MCA endorse the position of the Chamber of Commerce in supporting this legislation and a poll of the Economic Policy Review Committee has resulted in a recommendation that this be done. Following discussion, it was agreed that MCA would give a general endorsement of the legislation in principle and that a more detailed study of the measure be made available for consideration at the June meeting of the Executive Committee.

(b) Revision of Committee Rules of Organization and Procedure with Respect to Appearances Before Legislative or Regulatory Bodies. Mr.

Brown invited attention to provisions of paragraph 7.5 of the proposed Rules of Organization and Procedure of both the International Trade and the Insurance Committees, scheduled for consideration by the Board of Directors at its meeting later in the day, which stipulate that appearances before any legislative or regulatory body or other organization on MCA's behalf shall be made only as authorized by the Board of Directors. It was proposed and agreed that the provision concerned be revised to provide for such authorization by the Board of Directors or the Executive Committee. It was further agreed that this revision be made applicable across-the-board in the future rather than by amendment of the Rules of Organization and Procedure of the two committees awaiting Board approval at the meeting later in the day.

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

J. R. Carnes

James R. Carnes
Secretary-Treasurer

Certified correct:

Harold E. Thayer

Harold E. Thayer, Chairman

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