

AGENDA
JOINT MEETING OF MCA EXECUTIVE AND FINANCE COMMITTEES
12:00 Noon (EST), Monday, April 8, 1968
The Madison, Washington, D. C.

1. Report of Intercommittee Task Group on Transportation Hazards
Information Program -- Mr. A. L. Cobb.
2. Report of Secretary-Treasurer.
3. Consideration of Budget and Financing for Fiscal Year 1968-69.
4. Report on Board Action in Connection with Proposal to Oppose General
Rail Freight Rate Increase.
5. Proposed Position by MCA on the Direct Investment Aspects of the
Balance of Payments Program.
6. Terms of Reference and Membership for Policy Study Committee.
7. Congressman's Dingell's proposed legislation which would permit the
use of Federal funds for operation of pollution control facilities
(H. R. 16044).
8. Administrative Matters.

MINUTES OF JOINT MEETING
MCA EXECUTIVE AND FINANCE COMMITTEES
The Madison, Washington, D. C.
Monday, April 8, 1968

Following luncheon at 12:00 Noon, the meeting was called to order by Chairman Gerstacker.

There were present: Carl A. Gerstacker (Chairman, Executive Committee)
F. Leonard Bryant John O. Logan
George H. Decker W. Kenneth Menke
L. K. Eilers M. A. Minnig
Irb H. Fooshee Charles W. Smith
Kenneth H. Hannan John E. Wood, III
James R. Carnes

General Counsel: Lloyd Symington

Present by invitation: F. H. Carman, MCA
William E. Chace, MCA
A. C. Clark, MCA *
A. L. Cobb, Eastman Kodak Company *
J. F. Bryd, The Procter & Gamble Company *
James G. Morton, MCA
James H. Rook, American Cyanamid Company *
Allan E. Settle, MCA

1. Report of the Secretary-Treasurer. Mr. Carnes reported that income for the first ten months was \$1,594,560, only \$5,440 below the total estimated for the entire fiscal year. Expenditures for the ten months are \$1,112,555 or 83.2% of the overall prorated budget. Operating expenses have been 93.2% of the prorated budget and expenditures for special projects 57.5%. While the percentage of expenditures to budget will increase as the end of the fiscal year approaches, a substantial surplus at May 31 appears a certainty.

2. Budget and Finance for Fiscal 1968-69. Sent to members of the two committees on March 27 was a letter outlining in detail a staff-recommended budget for the fiscal year beginning June 1, 1968, together with proposals for financing it. The material consisted of a statement of estimated income totalling \$1,620,000; a basic budget of \$1,244,415 which included salaries, rent, retirement, travel, taxes, and other operating expenses; a management-recommended project budget totalling \$377,810; and a summarized itemization of special projects tabulated according to project description, cost, committee-accorded priority, and recommendations of staff and management. The management-recommended overall budget of \$1,622,225 is 1.1% greater than the current budget of \$1,604,842. Financing of this budget could be accomplished without an increase in the membership fee structure.

* Present for portion of meeting only.

The basic and special project budgets were reviewed and approved as recommended by management, except as indicated below:

(a) Special Projects F-2, F-3, F-4, L-2, and TRI-COM-1, Travel Expenses of MCA-Sponsored Industry Participants in Conferences. Following discussion, it was agreed that, as a policy, MCA should pay travel expenses of member company employees serving as Association representatives at conferences outside the North American Continent, when such representation is approved by the President and the member company concerned. Accordingly, Special Projects F-2, F-3, and TRI-COM-1 were included in the project budget.

(b) Special Project OH-1, Advisory Bulletins on Health Problems. A letter from Chairman Dernehl of the Occupational Health Committee appealed from the decision by management not to fund this project because the information can be disseminated in Pilot. After discussion, it was agreed to authorize the President to determine whether or not it is feasible to disseminate the information in Pilot and, if not, to fund the project from funds made available for contingencies.

(c) Special Project W-11, Microbiological Acclimation. Chairman Rook and J. F. Bryd of the Water Resources Committee appeared briefly to present an appeal from management's decision to defer this project. Following discussion, it was agreed to fund the project at \$20,000.

(d) Contingency. In order to provide for the additional projects approved within a balanced budget, it was agreed that \$30,000 provided for contingencies in the management-recommended budget should be eliminated and the President given authority to use not to exceed \$10,000 of Surplus for such contingencies as may arise during the fiscal year.

It was decided not to act on the proposed plastics activities budget at this meeting in view of its further consideration by the Plastics Committee at a meeting scheduled for May 2. It was the consensus, however, that the proposed increase in current assessment should be limited to 10%.

3. Report of Board Action on Proposal to Oppose Freight Rate Increase. General Decker reported that, on recommendation of the Transportation and Distribution Committee, the Board of Directors by a mail vote of 23-1 had approved MCA participation in hearings on a proposed general increase in rail freight rates and had authorized spending not to exceed \$80,000 of the Association's Surplus for the purpose of evaluating the railroads' position and presenting counterproposals. Efforts are being made to obtain cooperation of other interested associations in order to reduce the cost to MCA.

4. Proposed MCA Position on Direct Investment Aspects of Balance of Payments Program. Handed to those present was a proposed MCA Position on the direct investment aspects of the Balance of Payments Program which General Decker requested be studied for the purpose of submitting any comments which they might have concerning it. It is not presently intended to make a public

release of this position but to use it as background for statements by Association spokesmen before the Trade Information Committee or the Senate Finance Committee to present the Association's position on future foreign trade policy.

5. Terms of Reference and Membership for Policy Study Committee.

Furnished to those present was a proposed directive for a Policy Study Committee which would review the objectives, programs, and policies of the Association to determine their current appropriateness, together with an examination of the structure or functioning of its committees, and the organization, personnel, and facilities of the Washington headquarters to determine the adequacy of staff and effectiveness of operating procedures. The following Directors and Alternates would constitute the proposed committee:

Kenneth H. Hannan, Chairman
Chester M. Brown
David H. Dawson
Raymond F. Evans
John L. Gillis
Robert C. Swain

The Chairman of the Board, the Chairman of the Executive Committee and the President would be ex-officio members of the Committee.

Since the Board of Directors had been informed regarding this matter at its previous meeting, it was agreed that the Committee should undertake its work without delay, its terms of reference and membership to be ratified by the Board at the May 14 meeting.

6. H. R. 16044, Congressman Dingell's Bill to Permit Use of Federal Funds for Operation of Pollution Control Facilities. A copy and explanation of the proposed legislation having been provided those present at the request of a member of the Executive Committee, General Decker invited discussion of an MCA position regarding it. The consensus was that Federal financial support for operational expenses of public waste treatment works would considerably accelerate the reduction of water pollution. Hence, it was agreed that, if the Water Resources Committee recommends MCA support of the proposed legislation, the bill and explanation should be sent to member companies in order that they might individually take such action as they wish to support it in connection with hearings scheduled in April.

7. Administrative Matters. General Decker reported that the Reactive Metals Group had proposed to hold a business meeting on Wednesday afternoon, June 5, and a reception and dinner on the evening of Thursday, June 6, during the 96th Annual Meeting. General Counsel had expressed some reservations on the ground that the holding of both a business meeting and a dinner as separate occasions would go beyond the intention of the Board resolution establishing the Group. Following discussion, it was agreed that the Chairman of the Reactive Metals Group should be advised to conform to the Board resolution and combine the proposed business meeting with the scheduled dinner.

Chairman Gerstacker proposed and it was agreed that, in view of the cancellation of the Board of Directors Meeting scheduled for April 9, the following appointments appearing on the agenda for the Board of Directors be approved:

A. Appointment of Director's Alternate.

Robert J. DeLargey, International Minerals & Chemical Corporation (for Nelson C. White)

B. Committee Appointments.

- (a) Education Activities Committee.
Cecil E. Johnson, Monsanto Company
- (b) Food, Drug, and Cosmetic Chemicals Committee.
Richard F. Philpitt, Olin Mathieson Chemical Corporation
- (c) Industrial Relations Advisory Committee.
John Oliver, E. I. du Pont de Nemours & Company, as Vice Chairman
John J. Radigan, Merck & Co., Inc., as Chairman
- (d) International Trade Committee.
Thomas D. Kent, Allied Chemical Corporation
- (e) Mechanical Technical Committee.
D. Hartley, Esso Research and Engineering Company
J. W. Nagle, Gulf Oil Corporation
- (f) Public Relations Committee.
James S. Freeman, Union Carbide Corporation
Victor H. Peterson, Hooker Chemical Corporation
- (g) Transportation Equipment Committee.
Donald L. Long, Pennsalt Chemicals Corporation, as Vice Chairman

8. Report of Intercommittee Task Group on Transportation Hazards Information Program. Mr. A. L. Cobb gave an illustrated presentation of a proposed MCA Transportation Hazards Information program which would eventually replace the Chem-Card program. Following discussion, the program was approved in principle subject to final approval after exploration of some indicated objections on legal grounds and by other industry groups.

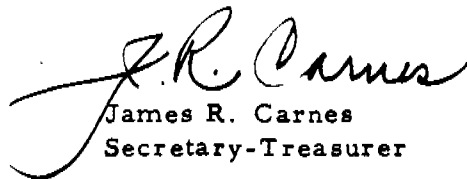
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There being no further business to come before the meeting, it was unanimously resolved to adjourn.

Certified Correct



Carl A. Gerstacker
Chairman, Executive Committee



James R. Carnes
Secretary-Treasurer