MINUTES OF MCA EXECUTIVE COMMITTEE
Pinnacle Club, New York City
Monday, November 21, 1966

Following luncheon at 1:00 P.M., the meeting was called to order by Chairman Logan.

There were present:	Herschel H. Cudd	Kenneth Rush
	John O. Logan	Robert C. Swain
	David H. Dawson	Harry B. Warner
	George H. Decker	John E. Wood, III
	Harold W. Fisher	M. F. Crass, Jr.
	Joseph E. Rich	
General Counsel:	Lloyd Symington	
Present by Invitation:	George E. Best*	A. J. vonFrank*
	Charles S. Munson	R. A. Wentz, Jr.*
	Robert B. Semple	Jerome Wilkenfeld*
	John G. Tritsch*	

1. Report of the Secretary-Treasurer. At the conclusion of the first five months of the 1966-67 fiscal year, the financial condition of the Association continues favorable. Membership fee income has moderately exceeded earlier estimates, and supplemental income, principally from sales of publications, interest, and general meetings, is doing slightly better than expected.

With respect to operations expenditures, $453,327 has been disbursed for the first five months which is substantially below the prorated budget of $609,000 for that period. This difference is accountable, principally, to the low rate of expenditure so far in the contingency and environmental health accounts. As the latter program gains momentum, the flow of money will increase. All departmental budgets are in balance.

2. 16th Semi-Annual Meeting. At the request of the Chairman, Mr. Crass reported on program arrangements and registration for the 1966 Semi-Annual Meeting to be held in The New York Hilton the next day. He also reported advance attendance figures for the various panel sessions and stated that overall registration for the meeting approximated 1,230 from 162 member firms.

*Present for portion of meeting only.

3. ASTM Committee E-15, Extension of MCA Secretariat. Those present considered a staff recommendation that MCA continue to provide the Secretariat for ASTM Committee E-15 for the next two years, beginning December 1, 1966. This Committee, engaged in the development of standard methods of analysis of industrial chemicals, has operated under such arrangements for eight years.

Following discussion, it was the consensus that the proposal be approved and that a favorable recommendation be made to the Board of Directors at its meeting later in the day.

4. International Trade.

(a) U.S.-Canadian Free Trade Study. With the concurrence of the Executive Committee at its June 8, 1966 meeting, a special U.S.-Canadian Free Trade Study Subcommittee (ad hoc) was appointed by the International Trade Committee to consider the advisability of setting up a permanent subcommittee of the ITC to follow and evaluate trends in trade and government action that may lead to free trade agreements in chemicals between the two countries. The study subcommittee prepared a report which was considered by the parent committee with a recommendation that it be accepted and submitted to the Board of Directors for consideration. Copies of the report were transmitted to the Board and Executive Committee in advance of the November 21, 1966 meeting.

Briefly, the report recommended that individual member companies be requested to evaluate the possible effects of free trade with Canada on their own product lines; that interested companies, when requested, be in a position to make recommendations to the MCA staff; and that a standby U.S.-Canadian Chemical Trade Subcommittee be appointed, it being understood that no data would be compiled or other action taken without approval of the Board of Directors and that Terms of Reference be formulated and approved prior to any meeting of the subcommittee.

Following discussion, it was the sense of those present that the report be accepted and that a recommendation to this effect be transmitted to the Board of Directors later in the day.

(b) American Selling Price. Those present considered a proposal to transmit a letter to the U.S. Tariff Commission commenting on the Commission's Valuation Study under Investigation No. 332-48 and endorsing the stand of Synthetic Organic Chemical Manufacturers Association with respect to retention of the American Selling Price method of valuation for benzenoid chemicals. It was the consensus that the proposed letter should not be sent since it was felt that SOCMA had done a good job in presenting its case and was well equipped to carry on in the matter.

5. MCA Position on Pollution Abatement Incentives. Messrs. A. J. vonFrank, Jerome Wilkenfeld, and Roy A. Wentz, Jr., representing respectively the Water Resources, Air Quality, and Tax Policy Committees, appeared before the Executive Committee in company with George E. Best of the MCA staff, to discuss a possible Association position on pollution abatement incentives and effluent charges.

Following extended consideration, it was the consensus that a qualified group be appointed to study the matter and prepare a recommendation for transmittal to the Board of Directors. Such group should include representation from each of the above-named committees and the Environmental Health Advisory Committee, plus one or more economists supplied by member firms. It was suggested that in due course, an outside organization such as Resources for the Future might possibly contribute to the study.

6. Congressional Liaison Study Committee. Mr. Rich reported that his committee had met that morning and discussed the matter of improved congressional liaison in general terms. The committee believes that general direction should remain with the staff but that a more active program should be considered, with the Board assuming a greater role, particularly with respect to high-level contacts with individual members of Congress. No substantive changes in staff procedures were suggested. Mr. Rich agreed to prepare a written report of his committee's findings and recommendations to be presented to the Board at an early meeting.

7. Recommendations Relating to Future Annual Meetings. Last spring, it was suggested to the Executive Committee that a relatively painless way to increase Association income would be to raise the registration fee for each individual attending annual meetings from $40 to $100 -- thus providing some $50,000 additional income. Misgivings had been expressed by the staff as to whether this might not discourage the representation and the attendance of some of the smaller member firms. While there was strong feeling that no action should be taken to discourage attendance of any member company at annual meetings, the Committee felt that the proposed increase in registration fee would not have that result since it was relatively insignificant in comparison with the transportation, hotel, and other costs of attending the meeting. After further discussion, the Committee approved an increase in registration fee to $75 a person, subject to ratification by the Board of Directors. Should there be any adverse reaction on the part of smaller companies, prompt steps to meet any such problem should be considered.

The Education Activities Committee has suggested that wives of recipients of MCA Teacher Awards should be invited to attend Association annual meetings at Association expense. While wives of recipients have attended past meetings in some cases, general invitations have not been extended. After discussion, it was agreed that invitations should be sent to the wives of all recipients to attend annual meetings, at Association expense. The staff will make the arrangements either at the hotel or at nearby motels, depending on circumstances at the time of the meetings.

8. Environmental Health Budget for 1967-68. For the information of those present, Mr. Fisher reported that the deliberations of the Environmental Health Advisory Committee indicate that a budget for fiscal 1967-68 in the area of $600,000 to $750,000 might be forthcoming. Mr. Fisher's suggestion that EHAC be requested to present a preliminary recommendation on this subject at the Committee's January 10, 1967 meeting, was approved. Mr. Fisher also raised the question as to whether government funds might be available to help finance certain EHAC research projects and, if so, whether the Association would be willing to accept such funds. Consideration of this question was deferred to the December 13, 1966 meeting of the Executive Committee.

9. Ammonium Nitrate Technical Committee. It was reported that representatives of the Committee would present recommendations as to its future status at the Executive Committee's December 13, 1966 meeting.

10. Administrative Matters.

(a) Successor for Retiring Secretary-Treasurer. General discussion was held concerning a replacement for M. F. Crass, Jr., who is scheduled to retire on June 30, 1967. It was agreed to defer decision on the matter until the December 13, 1966 meeting.

(b) Policy as to Retention of Employees Past Age 65. Inasmuch as Frank H. Carman, who will become 65 next year, has indicated a desire to remain on the job beyond that time, there was discussion concerning possible exceptions of this type from the Association's policy of retirement at age 65. Section 4 of the MCA Pension Trust Agreement provides that with the consent of the Board of Directors an employee may remain in the employ of the Association after obtaining the normal retirement date. It was the consensus of the Committee members, based on experience in their own companies, that such exceptions were not generally desirable.

(c) Environmental Health Communications Program. General Decker recommended that effective immediately, E. Bruce Harrison, Manager of Community Relations, be given the additional responsibility for environmental health activities in the internal public relations program. His new title would be "Manager of Community Relations and Environmental Health Information." Following discussion, the recommendation and salary increase for Mr. Harrison was unanimously approved.

(d) Pension Fund Payments for Mr. Crass. Since, at the urging of the Committee, Mr. Crass had deferred his requested retirement date from December 31, 1966 to June 30, 1967, it was suggested that consideration be given to awarding Mr. Crass benefits as if he had remained in employment either to December 1, 1967 or December 1, 1968. Figures were quoted from a letter from Mutual Benefit Life Insurance Company, the pension carrier, indicating the cost to the Association of adoption of either alternative. It was pointed out that either proposal, if approved, would require amendment of the pension plan. General Decker was requested to confirm the figures quoted by the pension carrier; to determine action necessary to amend the pension plan; and to explore an alternative method of compensating Mr. Crass, as a basis for further consideration at the December 13, 1966 meeting.

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

M. F. Crass, Jr.
Secretary-Treasurer