

AGENDA
MEETING OF THE MCA EXECUTIVE COMMITTEE
8:00 a. m., Tuesday, September 10, 1974
The Links Club, 36 East 62nd Street, New York City

1. Financial Report for Three Months Ended August 31, 1974.
2. Proposed Financial Support of National Academy of Sciences Symposium on Specifications for Food Ingredients (\$2,000).
3. American Chemical Society Solicitation of MCA Members to Fund the ACS Centennial Exhibit.
4. Toxicological Research on Industrial Chemicals.
5. Data Bank on Chemical Risk Characteristics.
6. Report by Chemical Industry Trade Advisor.
7. Legal Advisory Committee.
8. Administrative Matters.

MINUTES OF MEETING
MCA EXECUTIVE COMMITTEE
The Links Club, New York City
Tuesday, September 10, 1974

Following breakfast at 8:00 a.m., the meeting was called to order by Chairman McNeeley. There were present:

Harry D. McNeeley, Chairman	
James G. Affleck	Robert D. Goodall
Warren M. Anderson	Edward R. Kane
Earle B. Barnes	Joseph A. Neubauer
Frederick L. Bissinger	Robert T. Powers
C. Preston Cunningham	Jack B. St. Clair
(for John W. Hanley)	Harold E. Thayer
William J. Driver	

Marx Leva, General Counsel
George E. Best, Secretary-Treasurer

By invitation: David H. Dawson, Chemical Industry Trade
Advisor
Richard E. Manning, E. I. du Pont de Nemours
& Company
Charles S. Munson

Note: Mr. Manning was present only during the discussion
with which he is identified in the minutes, and Mr.
Leva was excused during this same period.

1. Financial Report for Three Months Ended August 31, 1974

Mr. Best reported the information shown in Exhibit A, attached. Additionally, he stated there have been no membership resignations attendant to fee payments and that all fees due for the current fiscal year have been paid except that of Commonwealth Oil Refining Company, Inc., whose Executive Contact has indicated payment will be forthcoming.

2. Proposed Financial Support of National Academy of Sciences Symposium on Specifications for Food Ingredients Subject proposal, involving an MCA contribution of \$2,000 as recommended by the Food, Drug, and Cosmetic Chemicals Committee, was distributed in advance with the tentative agenda.

It was agreed to recommend Board approval.

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3. American Chemical Society Solicitation of MCA Members to Fund an ACS Centennial Exhibit Mr. Driver explained this matter was brought before the Executive Committee because one company that was solicited inquired about the alternative of a single contribution by MCA on behalf of the chemical industry. Comments revealed a consensus preferring to leave this to individual company consideration.

4. Toxicological Research on Industrial Chemicals Mr. Driver summarized the paper on this item which was distributed in advance with the tentative agenda, attached as Exhibit B.

After discussion, it was agreed to approve the recommendations contained therein, namely, (1) to continue with MCA administration of projects funded by voluntary subscription of interested member and non-member companies for the development of toxicological information on particular industrial chemicals as in the past, and (2) to provide that henceforth funding of subscribed projects shall include reimbursement to MCA for staff overhead as well as direct staff expenses involved subsequent to Board approval in each case.

At the same time, it was recognized that such activities relate to the broader matter covered in the next minute item and should receive further consideration in that connection.

5. Data Bank on Chemical Risk Characteristics Mr. Driver related that, as requested at the May 1974 meeting of the Executive Committee, the MCA staff consulted representatives of several member companies on the question of whether MCA should develop and manage a data bank of scientific information on chemicals, mainly drawing on member-company data, pertaining to occupational and environmental considerations. The consensus so derived recognizes the desirability of a centralized source of such information, but opinions regarding a role for MCA are divergent. Accordingly, it was recommended that an ad hoc committee be formed to study the matter, comprised of representation from the Board and from research, medical, and management disciplines.

Mr. St. Clair distributed copies of an analytical paper which emphasized the potentially broad range and complicated policy implications of such an undertaking, characterizing the paper as merely a "chopping block" for discussion purposes. After extensive comments, Chairman McNeeley proposed that a small group of Executive Committee members confer to delineate a suggested scope for the guidance of ad hoc committee consideration. His suggestion was accepted, and he said he would soon be in touch with several members for this purpose.

6. Report by Chemical Industry Trade Advisor Dr. Dawson expressed doubt about enactment of trade legislation by this Congress,

especially if it does not reconvene after the election recess. He commented on the consideration being given by the Senate Finance Committee to several provisions of the Trade Reform Act as passed by the House which are of greatest concern to the chemical industry.

Dr. Dawson mentioned the preference of the Department of Commerce for utilizing only formal channels for receiving advice, through an appointed advisory structure, in which event any role for the Office of the Chemical Industry Trade Advisor (OCITA) would be largely negated. On the other hand, the Special Trade Representative was said to favor continuation of informal discussion with industry groups adjunctive to the formal mechanism.

Because it does not appear that preparation for negotiations on a substantial scale are likely to ensue for some time in the future, Dr. Dawson plans a retrenchment of OCITA activities for the coming months, pending further developments.

7. Legal Advisory Committee Just prior to his departure and Mr. Manning's entrance, Mr. Leva commented briefly on the desirability of a more dynamic role for MCA and MCA's General Counsel in the Association's legislative and regulatory affairs, stating his firm had encouraged such a course periodically in the past. He observed that because of budgetary constraints, his firm had not been called upon to serve as General Counsel in an overall sense, but had its role confined mainly to that of antitrust counsel.

Mr. Manning was received as the chairman of a special five-member committee which had been requested to review the functioning of the Legal Advisory Committee and General Counsel.

He commented on the past inactivity and hence the ineffectiveness of the Legal Advisory Committee, and the potential benefit from utilizing it in support of the Association's legal, legislative, and regulatory interests. He distributed copies of a paper containing "Proposed Resolutions as to Duties and Functions of Legal Advisory Committee."

In respect to General Counsel, Mr. Manning reported his committee had interviewed five legal firms, including Leva, Hawes, Symington, Martin & Oppenheimer.

The matter was discussed at some length, then left with the understanding that the special committee would consider the matter more in depth and report further, preferably at the next Executive Committee meeting.

8. Administrative Matters

(a) Release of MCA Papers on Vinyl Chloride Toxicology

Mr. Driver told of the request of CBS for certain Association papers pertaining to MCA-administered research and related attention on vinyl chloride toxicology, all of which were given earlier to the National Institute of Occupational Safety and Health, and of the delays involved in obtaining company-by-company clearance among the sponsors. He reminded that such delay of itself tends to create a bad impression through an appearance of reluctance or evasion. He indicated his desire to proceed with the release.

There was ready agreement that Mr. Driver should abide by his judgment in such matters, seeking advice from Executive Committee and Board officers as seems warranted.

(b) MCA Policy Statement on Environmental Health Chairman

McNeeley requested that MCA's policy statement concerning the environment be reviewed and action initiated for updating if needed to make it currently applicable.

(c) MCA Testimony on Energy Conservation

Mr. Driver distributed copies of a draft of MCA testimony intended for presentation at a Government hearing in October on energy conservation relative to Project Independence. He indicated the proposed testimony is consistent with the MCA policy statement on energy issued some months ago, and invited comments on it.

George E. Best

George E. Best
Secretary-Treasurer

Certified correct:

Harry D. McNeeley

Harry D. McNeeley, Chairman
Executive Committee

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER

September 10, 1974Dollar amounts rounded from tabular details
(\$000)

INCOME & EXPENSE

June 1, 1974 - Aug. 31, 1974 - 3 Months (25%)Percent of
Total Budget

Income - Membership Fees	\$2,011		101.361%
- Other	<u>116</u>		39.322%
		\$2,127	93.330%
Expense - Operations	\$ 438		22.021%
- Projects	<u>60</u>		13.953%
		498	20.587%

ASSETS

(As of Aug. 31, 1974)

Cash	\$ 76	
Investments	3,322	
Miscellaneous	<u>6</u>	
		\$3,404

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TOXICOLOGICAL RESEARCH ON INDUSTRIAL CHEMICALS

An inquiry was posed by the chairman of the Public Affairs Committee of The Society of the Plastics Industry requesting clarification of MCA policy in respect to "collection, collation, and/or initiation of toxicological work on industrial chemicals." This question was raised because of SPI's interest in chemicals used in the manufacture of various plastics, and because of lack of understanding, in some quarters, about MCA's continuing to administer research on the toxicology of vinyl chloride. It was indicated SPI favors having the development of such information proceed under the auspices of MCA.

As administration in recent years of projects involving toxicological search and research on phosgene, phthalic acid esters, and vinyl chloride would indicate, there is ample precedent for such attention organized through MCA, and there has been no thought or suggestion to discontinue.

Such projects have not been prompted or initiated by MCA, nor has MCA solicited supportive participation. In each case, they have been suggested to MCA as being of potential interest for collective support, and MCA has afforded all its members an opportunity to express such interest, after which each project's development and funding has proceeded in accord with the prospective sponsors' desires. Opportunity for participation has been extended to non-member companies, also. Defined projects have been subject to Board approval, as to both substance and extent of funding.

It is recommended that this practice be approved for continuation, specifically providing that funding be provided by voluntary subscription of participating sponsors as in the past, so that the cost may be borne and shared by those interested in having the information developed.

At the same time, it is recommended that for all future subscribed projects, whatever the subject, there be provision for reimbursement to MCA of staff overhead as well as direct staff expenses subsequent to Board approval of the project, such costs in estimated amount to be included in the stated funding. This is in the interest of equity, so that Association funds are not being applied to serve the special interests of a limited number of companies, including non-members in some instances. Heretofore, this diversion was not of such magnitude as to be significant, but recently has become so.

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7. Legal Advisory Committee

From his committee's investigation of the five legal firms, Mr. Manning said three members were prepared to recommend Cleary, Gottlieb, Steen & Hamilton, while the other two members would prefer to interview additional firms.

- A. Inasmuch as Cleary, Gottlieb is SOCMA's General Counsel, there followed considerable discussion of the pros and cons of having the same firm for MCA. Mr. Manning suggested that in the infrequent instances where different positions were to be taken, the Legal Advisory Committee would doubtless recommend employment of special counsel.
- B. Mr. Manning indicated that whatever firm is employed, it was estimated a minimum retainer would be about \$50,000 a year in order to serve the purposes visualized. He mentioned SOCMA's budget for General Counsel is \$125,000, with about \$50,000 additional expended in the last year.
- C. An 8 to 4 vote in favor of accepting the recommendation to employ Cleary, Gottlieb, Steen & Hamilton was then rescinded unanimously with general agreement that a broader consensus is desirable as the basis for action. The matter was left with the understanding that the special committee would conduct additional interviews.

George E. Best
George E. Best
Secretary-Treasurer