AGENDA
REGIONAL MEETING OF THE MCA BOARD OF DIRECTORS
9:00 a.m., Wednesday, March 13, 1974
Del Monte Lodge, Pebble Beach, California

I. Opening Remarks and Introduction of Guests

II. Minutes of Meeting of February 12, 1974, Including Financial Statement for Eight Months ended January 31, 1974

III. Business Items:
- (a) Report of the Membership Committee
  - (1) NIPRO, INC.
  - (2) Weyerhaeuser Company, Chemical Division
- (b) Proposal to Retain Economic Consultant to Supply Chemical Industry Data in Reference to the Pending Industrial Reorganization Act (Attachment)
- (c) Proposed MCA Position Paper on Multinational Chemical Companies (Mailed to Directors on January 22, 1974)
- (d) Appointment of Committee Members (Attachment)

IV. Special Report Relating to EPA Effluent Limitations Guidelines for Chemical Manufacturing - Mr. George J. Hanks, Jr.

V. Report on Meeting of Executive Committee Members with EPA Administrator Train (Attachment)

VI. Report of Director of Government Relations

VII. Report of the President

VIII. Remarks of Guest Speaker - Mr. Charles de Bretteville, Chairman and Chief Executive Officer, The Bank of California

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Next Meeting of the Board of Directors - 3:30 p.m., Monday, April 8, 1974, The Madison, Washington, D. C.

CMA 070359

MINUTES of the two hundred twenty-ninth meeting of the Board of Directors of the Manufacturing Chemists' Association, Inc., held at the Del Monte Lodge, Pebble Beach, California, Wednesday, March 13, 1974, at 9:00 a.m. There were present:

Directors:

Werner C. Brown, Chairman
Harold E. Thayer, Vice Chairman
Warren M. Anderson
Harry W. Buchanan
C. C. Candee
E. E. Chipman
Thomas C. Dabovich
George S. Dillon
William C. Douce
William J. Driver
Carl A. Gerstacker
James M. Gill
John R. Hall
John W. Hanley
John M. Henske
James A. Hughes
William W. Huisking
Edward R. Kane
Lloyd G. Lillico
Robert H. Malott
Harry D. McNeeley
Robert L. Mitchell
Robert M. Morris
Donald D. Pascal
Robert T. Powers
Peter C. Reilly
George W. Russell
Jack B. St. Clair

Alternates:

James G. Affleck (for George W. Russell)
William H. Bricker (for James A. Hughes)
J. Earl Burrell (for Joseph A. Neubauer)
Orell T. Collins (for Robert T. Powers)
C. Preston Cunningham (for John W. Hanley)
Leo H. Johnstone (for William C. Douce)
Gordon Kiddoo (for Donald G. Stevens)
James E. Magoffin (for Harry D. McNeeley)
John M. Martin (for Werner C. Brown)
Thomas E. Reilly, Jr. (for Peter C. Reilly)
William S. Sneath (for Warren M. Anderson)
Raymond C. Tower (for Robert H. Malott)
E. A. Von Doersten (for John R. Hall)

General Counsel: Lloyd Symington
Secretary-Treasurer: George E. Best

By invitation:

David B. Barlow, Chevron Chemical Company
R. L. Brandenburger, Monsanto Company
David N. Clark, Neville Chemical Company
E. Philip Comer, Foote Mineral Company
Herschel H. Cudd, Amoco Chemicals Corporation
B. B. Daily, The Dow Chemical Company

Lee V. Dauler, Neville Chemical Company
Charles de Bretteville, The Bank of California
T. P. Dougan, The Upjohn Company
K. R. Fitzsimmons, Shell Chemical Company
William J. F. Francis, Kerr-McGee Chemical Corp.
John L. Gillis, Monsanto Company
Roger W. Gunder, Stauffer Chemical Company
G. J. Hanks, Jr., Union Carbide Corporation
Norman J. Hearn, Union Carbide Corporation
T. G. Hughes, Chevron Chemical Company
Emerson Kampen, Great Lakes Chemical Corporation
James W. Kent, Chevron Chemical Company
A. T. Look, The Dow Chemical Company
H. Barclay Morley, Stauffer Chemical Company
John Morrisroe, Pilot Chemical Company
Thomas B. Nantz, The B. F. Goodrich Company
R. E. Nippes, PPG Industries, Inc., Chemical Division
Donald C. Oskin, FMC Corporation, Chemical Group
William K. Park, E. I. du Pont de Nemours & Company
George L. Parkhurst (Retired), Chevron Chemical Company
D. C. Phinney, Productol Chemical Company
L. John Polite, Jr., Essex Chemical Corporation
George F. Polzer, Witco Chemical Corporation
R. Prideaux-Brune, Chevron Chemical Company
Luther S. Roehm, Merck & Co., Inc.
Fred Rosewater, FMC Corporation, Chemical Group
John Rutherford, Hooker Chemical Corporation
Walter H. Sachwitz, Airco, Inc.
R. Thorn Savage, Standard Oil Company of California
Burwell G. Shepard, Jr., Rohm and Haas Company
William M. Stover, MCA
H. O. Thomas, Stauffer Chemical Company
Norman J. Travis, United States Borax & Chemical Corporation
E. A. Vistica, Witco Chemical Corporation
Harry B. Warner, The B. F. Goodrich Company

Chairman Brown welcomed all to the Board's West Coast Regional Meeting, thanked the host companies and committees for their part in making it a most enjoyable occasion, and called for self-introduction of those present in turn.

CMA 070361

I. MINUTES OF FEBRUARY 12, 1974, MEETING

Minutes of the February 12th Board meeting, as distributed, which included the financial statement for eight months ended January 31, 1974, were duly approved.

II. REPORT OF THE SECRETARY-TREASURER

Exhibit A, attached hereto.

III. BUSINESS ITEMS

(a) Report of the Membership Committee As chairman of the Membership Committee, Mr. Candee reported the committee has examined the qualifications of two applicants and recommends their election.

ON MOTION, duly made and seconded, it was,

VOTED: That the following be elected to membership in the Association:

NIPRO, INC.

Weyerhaueser Company, Chemical Division

(b) Proposal to Retain Economic Consultant to Supply Chemical Industry Data in Reference to Pending Industrial Reorganization Act Subject proposal, made jointly by the Economic Policy Review Committee and the Legal Advisory Committee, was furnished in advance with the tentative agenda. In reporting on the Executive Committee's favorable recommendation, Chairman Brown indicated members of the Executive Committee place principal emphasis on updating the chemical industry statistics assembled some years ago by Jules Backman for general use as needed, rather than primarily in connection with pending legislation.

ON MOTION, duly made and seconded, it was,

VOTED: That the proposal to retain an economic consultant to supply chemical industry data as outlined in Exhibit B, attached hereto, be approved.

(c) Proposed MCA Position Paper on Multinational Chemical Companies This proposed position paper was mailed to Directors on January 22, 1974. Chairman Brown reported it has been considered and favorably recommended by the Executive Committee.

ON MOTION, duly made and seconded, it was,

VOTED: That the position paper, "Multinational Chemical Companies - A Positive Economic Force for the Nation," attached hereto as Exhibit C, be approved.

(d) Appointment of Committee Members Appointments were approved as listed in Exhibit D, attached hereto.

IV. REPORT ON MEETING OF EXECUTIVE COMMITTEE MEMBERS WITH EPA ADMINISTRATOR TRAIN

Distributed with the agenda was a record of the meeting of Executive Committee members with Russell E. Train, Administrator, Environmental Protection Agency, at his invitation, on February 21, 1974. This record, including Dr. Kane's prepared remarks and Mr. Driver's follow-up letter dated February 27, is attached hereto as Exhibit E.

Replying to a question about Mr. Train's reaction to the forceful industry presentation, Chairman Brown assessed it as sympathetically favorable, but with little inclination to depart from a relatively rigid pattern for effluent guidelines. Mr. Train's professed ignorance of MCA past criticism and recommendations was taken to manifest faulty internal communication within EPA. Mr. Train was said to be undisturbed by the possibility of legal challenge in this connection.

V. SPECIAL REPORT RELATING TO EPA EFFLUENT LIMITATION GUIDELINES FOR CHEMICAL MANUFACTURING

As indicated in Exhibit F, attached hereto, Mr. G. J. Hanks, Jr. (Union Carbide Corporation) reported on circumstances leading to legal action by a number of chemical companies, collectively and separately, contesting the present course of effluent guidelines development and seeking judicial review. Specifically, the suits already entered pertain to guidelines for inorganic chemicals manufacturing, already published, with similar action contemplated for the organic chemicals and plastics categories when these guidelines issue if they are likewise unacceptable.

Mr. Hanks expressed conviction that there is ample basis for challenging the inorganic chemicals guidelines on technical grounds, and that a sufficient number of companies is involved to bring out all of the points of criticism to be made.

Chairman Brown indicated there is no present plan to have MCA enter into this litigation. Comments of several Directors from companies not now participating made it clear that they would appreciate an arrangement whereby other MCA members can be apprised of developments. Accordingly,

> ON MOTION, duly made and seconded, it was,
>
> VOTED: That Mr. Symington establish liaison with the legal firm handling the companies' suits against EPA on effluent limitation guidelines for chemicals manufacturing, in order to serve as a point of reference for information and guidance to interested member companies.

Chairman Brown also urged that member companies inform Mr. Driver of actions taken on this matter.

VI. REPORT OF DIRECTOR OF GOVERNMENT RELATIONS

Mr. Stover's report is attached hereto as Exhibit G.

Referring to pending trade legislation and, in particular the aspect of export controls, Chairman Brown indicated that if queried at Senate hearings, the Chemical Industry Trade Advisor plans to respond that the chemical industry opposes all types of control.

VII. REPORT OF THE PRESIDENT

Mr. Driver supplemented his Staff Report, attached hereto as Exhibit H, with a brief description of research projects - concerning environmental or occupational aspects of fluorocarbons, phosgene, and vinyl chloride, funded by voluntary subscriptions from both member and non-member companies, being conducted under MCA administration. Findings in each case will be publicly disclosed.

VIII. REMARKS OF GUEST SPEAKER

As arranged at the behest of the Program Committee, Mr. Charles de Bretteville, Chairman and Chief Executive Officer, The Bank of

California, addressed the Board on the current and prospective economic climate on the West Coast. His prepared remarks are attached as Exhibit I.

* * *

Chairman Brown adjourned the meeting with an expression of appreciation to Mr. de Bretteville and to all in attendance for their participation.

George E. Best
Secretary-Treasurer

Certified correct:

Werner C. Brown
Chairman of the Board

EXHIBIT A

REPORT OF THE SECRETARY-TREASURER
March 11, 1974

Dollar amounts rounded from tabular details

($000)

INCOME & EXPENSE
June 1, 1973 - February 28, 1974 - 9 months (75%)

				Percent of budget
Income -	Membership Fees	$1,767		100.113%
	Other	263		103.14%
			$2,030	100.49%
Expense -	Operations	$1,362		73.74%
	Projects	136		47.89%
			$1,498	70.30%

ASSETS
(As of February 28, 1974)

Cash	$ 71	
Investments	2,230	
Miscellaneous	4	
		$2,305

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MANUFACTURING CHEMISTS ASSOCIATION

STATEMENT OF FINANCIAL POSITION
February 28, 1974

BALANCE SHEET

Assets

Cash		
National Savings & Trust - Commercial Account	$ 63,556	
National Savings & Trust - Payroll Account	6,000	
Imprest Funds (Petty Cash, Chem. Forum Luncheon Fund & Postage)	1,800	$ 71,356
Investments		
Bank Certificate of Deposit	$ 100,000	
U. S. Government Securities	997,373	
U. S. Government Agency Securities	777,109	
Corporate Securities	355,300	2,229,782
Deposits		
U. S. Government Printing Office	$ 200	
American Airlines	425	625
Accounts Receivable		
Travel Advances	$ 663	
OCITA	2,159	2,822
		$2,304,585

Liabilities & Fund Balances

Liabilities			
D. C. Use Tax			$ 75
Reserve			
Deferred Compensation			100,000
Fund Balances			
Restricted (Schedule I (e))		$ 350,192	
Unrestricted - From Previous Fiscal Years	$1,322,156		
- Current Fiscal Year	532,162	1,854,318	2,204,510
			$2,304,585

INCOME & EXPENSE

	To Date 9 Months	Budget For Year
INCOME		
Membership Dues & Entrance Fees	$1,767,156	$1,765,000
Income from Investments	126,631	120,000
Publication Sales	69,368	82,000
*(1)Meetings & Special Funds (Schedule I (d))	66,653	53,000
Miscellaneous	193	-
Total Income	$2,030,001	$2,020,000
EXPENSE		
Management	$ 303,155	$ 371,690
*(2)Technical - General	429,565	664,420
Technical - Chemtrec	119,708	158,490
Public Relations	303,451	442,050
Government Relations	153,232	235,270
Information Service	53,020	75,480
Office Administration	135,708	183,290
Total Expense *(3)	$1,497,839	$2,130,690
Income less Expense	$ 532,162	$ (110,690)

FOOTNOTES:

*(1) Net Income on Completed Projects

*(2) Budget increase approved by Board of Directors October 1973, for support of the Office of the Chemical Industry Trade Advisor (OCITA) $70,000

*(3) Total General Program Expense to Date -

Fiscal Year 1973-74 Budget Program Expense (above)	$1,497,839
Expenditures from Project Funds carried over from previous Fiscal Year (Schedule I (c))	1,000
	$1,498,839

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SCHEDULE I - RESTRICTED FUNDS & MEETING ADVANCES

February 28, 1974

	Balance June 1, 1973 (a)	Current Fiscal Year Receipts (b)	Current Fiscal Year Expenditures (c)	Current Fiscal Year Transfers To Income (d)	Balance February 28, 1974 (e)
Carry-Over of Budgeted Funds					
Information Service	$ 1,000	$ -	$ 1,000	$ -	$ -
Non-Budgeted Funds & Meetings					
Meetings, Workshops & Symposia	$ 71,928	$141,794	$126,544	$ 66,653	$ 20,525
Tank Car Mileage Compensation	27,395	1,148	4,195	-	24,348
Epidemiological Investigation	4,797	(2,667)	2,130	-	-
Odor Threshold Determination Fund	-	1,400	1,400	-	-
Mercury in the Environment	3,632	(3,114)	518	-	-
Vinyl Chloride Research - Inhalation	62,852	62,500	42,307	-	83,045
Vinyl Chloride Research - Epidemiological	-	91,940	49,213	-	42,727
Phosgene Safety Research	34,095	3,500	17,087	-	20,508
Fluorocarbons Research	6,000	104,000	67,110	-	42,890
Phthalate Esters Research	16,000	2,000	2,676	-	15,324
Total - Non-Budgeted Funds & Meetings	$226,699	$402,501	$313,180	$ 66,653	$249,367
Plastics Group Financial Package	$ 80,502	$ 60,000	$ 39,677	$ -	$100,825
	$308,201	$462,501	$353,857	$ 66,653	$350,192

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SCHEDULE II - EXPENSE

BUDGET PROGRAM

	MANAGEMENT		TECHNICAL				PUBLIC RELATIONS		GOV'T RELATIONS		INFO SERVICE		OFFICE ADMIN		TOTAL TO DATE 9 MONTHS	
			GENERAL		CHEMTREC											
	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET	EXPENSE	BUDGET
Employees (Actual	10		19		7		12		9		3		11		71	
Authorized		10		18		7		12		8		3		11		69
OPERATING EXPENSE																
Salaries & Related Expense	$181,761	$181,238	$255,558	$253,312	$ 76,610	$ 74,775	$140,760	$142,650	$ 96,840	$111,000	$ 35,736	$ 36,075	$ 94,945	$ 90,225	$ 882,210	$ 889,275
Retirement Plan	20,014	26,962	23,141	32,236	-	-	8,934	11,325	6,319	12,757	6,342	7,778	4,530	8,693	69,280	99,751
Hosp. Ins. & Health Plan	1,549	2,453	3,042	4,200	486	1,560	1,693	2,715	838	2,025	471	885	1,380	2,385	9,459	16,223
Legal Fees & Expense	58,294	19,875	1,090	7,500	-	-	-	-	11,208	11,250	-	-	-	-	70,592	38,625
Consultants&Investment Serv.	-	1,875	-	-	-	-	-	-	-	-	-	-	-	-	-	1,875
Audit	2,750	1,725	-	-	-	-	-	-	-	-	-	-	-	-	2,750	1,725
Rent & Premises Expense	8,488	8,558	16,696	16,913	4,835	4,882	14,326	14,415	8,285	8,348	5,231	5,243	12,319	12,405	70,180	70,763
Taxes & Insurance	4,963	5,917	9,509	10,672	22,400	18,397	5,760	7,132	4,535	4,755	1,496	1,770	6,054	6,525	54,717	55,169
Supplies & Gen. Office Exp.	4,106	3,750	12,429	10,275	1,796	2,400	6,243	6,450	4,248	4,875	488	525	4,695	6,187	34,005	34,462
Furniture & Equipment	520	750	1,003	1,050	499	750	124	562	-	375	56	517	5,587	4,635	7,789	8,639
Printing	2,328	1,800	-	-	-	-	3,363	2,513	417	525	42	-	1,009	750	7,159	5,588
Telephone & Telegraph	3,506	4,065	8,885	7,545	10,732	13,028	6,317	5,228	4,265	3,486	1,005	1,162	3,526	4,642	38,236	39,150
Postage	1,640	1,687	14,249	14,625	361	675	24,878	24,750	3,777	4,125	515	900	1,515	750	46,935	47,512
Travel & Entertainment	4,485	3,750	15,168	18,000	1,671	2,063	18,018	10,875	5,618	4,875	533	750	39	150	45,532	46,463
Meeting Expense	5,429	8,250	507	675	-	-	83	547	1,380	1,500	-	-	-	-	7,399	10,972
Periodicals, Books, etc.	282	300	992	1,125	260	263	1,071	1,125	5,226	5,625	1,066	975	34	60	8,931	9,473
Organizational Memberships	1,421	2,063	2,575	1,912	58	75	752	750	276	937	39	30	75	60	5,196	5,827
Contingency	1,619	3,750	-	-	-	-	-	-	-	-	-	-	-	-	1,619	3,750
Operating Expense Totals	$303,155	$278,768	$364,844	$380,040	$119,708	$118,868	$232,322	$237,017	$153,232	$176,452	$ 53,020	$ 56,610	$135,708	$137,467	$1,361,989	$1,385,242
PROJECTS																
Technical																
Air Quality			227	15,000											227	15,000
Water Resoures			10,000	11,250											10,000	11,250
Multi-Committee Transportation			1,474	2,025											1,474	2,025
Multi-Committee Publications			23,020	37,500											23,020	37,500
* Trade Advisor			30,000	52,500											30,000	52,500
Public Relations																
Community Relations							8,910	9,750							8,910	9,750
Consumer Information							11,209	18,000							11,209	18,000
Environmental Quality							15,883	18,000							15,883	18,000
Internal Publications							14,959	16,500							14,959	16,500
Media Relations							5,619	4,500							5,619	4,500
Audio/Visual							-	2,250							-	2,250
Academic - Industry Study							1,621	1,500							1,621	1,500
College & High School Awards							3,225	9,750							3,225	9,750
Education Exhibits							1,953	3,000							1,953	3,000
Education Publications							7,750	11,250							7,750	11,250
Project Totals	$ -	$ -	$ 64,721	$118,275	$ -	$ -	$ 71,129	$ 94,500	$ -	$ -	$ -	$ -	$ -	$ -	$ 135,850	$ 212,775
COMBINED TOTALS	$303,155	$278,768	$429,565	$498,315	$119,708	$118,868	$303,451	$331,517	$153,232	$176,452	$ 53,020	$ 56,610	$135,708	$137,467	$1,497,839	$1,598,017

* Reflects budget increase approved by Board of Directors October 9, 1973, for support of the Office of the Chemical Industry Trade Advisor $70,000

CMA 070369