

AGENDA
JOINT MEETING OF MCA EXECUTIVE AND FINANCE COMMITTEES
12:00 Noon (EST), Monday, April 14, 1969
The Madison, Washington, D. C.

1. Report of Secretary-Treasurer for 10 months ended March 31, 1969.
2. Reallocation of \$20,000 from research on chlorination of organics (Project W-12) to study effects of chemicals on water uses (W-3).
3. Proposed Budget and Financing for Fiscal Year 1969-70.
4. Proposed Amendment of Article III- Membership, of Association's By-Laws (redraft to reflect Executive Committee's comments at March 11 meeting).
5. October Regional Board Meeting in Cleveland, Ohio.
6. MCA Position on H. R. 7489, Legislative Proposal of House Ways and Means Committee Chairman Mills to restrict conglomerate mergers.
7. Texas State Legislature proposed bill (supported by the Governor) to impose an occupation tax, based on the gross receipts from the sale of chemicals manufactured in Texas, to apply only to the chemical manufacturing business.
8. Administrative Matters.

MINUTES OF JOINT MEETING
MCA EXECUTIVE AND FINANCE COMMITTEES
The Madison, Washington, D. C.
Monday, April 14, 1969

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

There were present: F. Leonard Bryant, Chairman, Executive Committee
Charles W. Smith, Chairman, Finance Committee
George H. Decker Kenneth H. Hannan
Louis K. Eilers John O. Logan
Irb H. Fooshee Earl T. McBee
Clifton C. Garvin, Jr. Charles S. Munson
Carl A. Gerstacker L. J. Polite, Jr.
Robert D. Goodall Harry B. Warner
James R. Carnes

General Counsel: Lloyd Symington

Present by invitation: George E. Best, MCA
Frank H. Carman, MCA
William E. Chace, MCA
David H. Dawson, E. I. du Pont de Nemours & Company*
Bruce Harrison, MCA
Richard D. Lambert, MCA
Richard Moore, W. R. Grace & Co.*
James G. Morton, MCA
Hugh M. Robinson, MCA

*For portion of
meeting only.

1. Report of the Secretary-Treasurer. Mr. Carnes reported that income for the ten months ending March 31, 1969, was \$1,619,434, only \$566 short of the amount estimated for the entire year in the fiscal 1968-69 budget. Based upon this experience, it is believed that income for the entire year will exceed the budget figure by approximately \$15,000.

Operating expenses for the period were \$997,025, or 97% of the prorated budget for ten months. Expenditures on projects for the period were \$232,957, or 60% of the prorated budget.

Although combined operating and project expenses were approximately \$188,000 below the prorated budget for the first ten months, the proposed carry-forward into the new fiscal year of the unexpended balance of certain

1968-69 project accounts, together with the excess of budget authorizations for the year over estimated income, indicates the probability of an approximate balance between expense and income at the end of the current fiscal year.

It was also reported that, in keeping with past practice, the Board would be requested at its meeting on the following morning to authorize employment of Bond, Beebe, Bond & Bond, Certified Public Accountants, to conduct the annual audit of the Association's books prior to the end of the fiscal year. Arrangements would be made to close the books about the middle of May in order to permit completion of the audit report prior to the Annual Meeting.

2. Reallocation of Water Resources Committee Project Funds. Sent to Directors in advance of the meeting and reviewed by General Decker and George E. Best, MCA Technical Director, was a staff proposal to reallocate \$20,000, authorized for research on chlorination of organics, Water Resources Committee fiscal 1968-69 project W-12, to project W-3 concerning effects of chemicals on water uses. Due to delays in negotiation with the Federal Water Pollution Control Administration regarding co-funding of the research contemplated in project W-12, the funds involved cannot be committed in fiscal 1968-69 but can be applied effectively to supplement the current authorization for W-3 and reduce the amount of funds needed to continue this project in fiscal 1969-70. Following discussion, it was agreed to recommend to the Board of Directors at its meeting on the following morning that the proposed reallocation be approved.

3. Proposed Amendments of Article III of the By-Laws Regarding Membership. Furnished to Directors in advance of the meeting was a draft of proposed amendments to Article III of the By-Laws regarding membership, including those agreed to by the Executive Committee at its March 1969 meeting and an additional amendment providing for election of members by the Board of Directors, which the Executive Committee had requested the Membership Committee to draft at that meeting. Following discussion, it was agreed to recommend to the Board of Directors at its meeting on the following morning that the proposed amendments be approved for presentation to the membership at the next Annual Meeting.

4. Fall 1969 Regional Board Meeting, Cleveland, Ohio. Messrs. Warner and Carnes reported that, subsequent to the approval by the Executive Committee at its previous meeting of the dates of October 13-14 for the Fall 1969 Regional Meeting of the Board of Directors in Cleveland, Ohio, it had been discovered that, because of previous commitments, adequate hotel accommodations would not be available on those dates. Following discussion, it was agreed to recommend to the Board of Directors that the meeting be rescheduled for Monday and Tuesday, October 20 and 21, 1969.

5. Proposed Position on H. R. 7489 to Restrict Conglomerate Takeovers.

6. Proposed Position on Texas Chemical Manufacturing Tax. Sent to Directors prior to the meeting were statements of the positions proposed to be taken by the Association on H. R. 7489, introduced by Chairman Mills of the House Ways and Means Committee, for the purpose of restricting takeovers by conglomerates and on a recommendation by the Governor of Texas that the State Legislature impose an occupation tax on the business of manufacturing chemicals in Texas at the rate of one-half of one percent of the value of such manufactures. Following discussion, it was agreed to recommend to the Board of Directors that the proposed positions be adopted and that letters be sent to Chairman Mills and to key officials of the Texas Legislature setting forth the Association's views.

7. Proposed Budget and Financing for Fiscal Year 1969-70. Sent to members of the two committees on April 1 was a letter outlining in detail a staff-recommended budget for the fiscal year beginning 1969 together with proposals for financing it. Included was a statement of estimated income totaling \$1,665,000; an explanation of the operating expense budget of \$1,387,510; a project budget totaling \$303,300 supported by a summarized tabulation of projects and individual project descriptions setting forth costs, committee priorities, and recommendations of the staff departments and of the President. Furnished those present was a revised appendix to the April 1 letter listing twelve Technical and two Information Service 1968-69 projects having a total unexpended balance as of March 31, 1969, of \$133,570. It was proposed that the unexpended portions of these project accounts which, as of the end of fiscal 1968-69, have been obligated by letter of intent, contract, approved estimates or similar commitments be carried forward into fiscal 1969-70 as Restricted Funds to be disbursed at the proper time in discharge of the obligations concerned.

Public Relations Chairman, Richard L. Moore, presented a brief appeal from Management's decision not to recommend \$12,000 requested for additional staff and \$14,000 for radio and television expenses in connection with Consumer Information activities.

Following discussion, it was agreed to recommend to the Board of Directors that the budget be approved as presented, with the understanding that attention will be given to minimizing expenditures and the membership informed that, if spending continues at the level represented by the fiscal 1969-70 budget plus fiscal 1968-69 project funds carried forward, it will probably become necessary with respect to 1970-71 to either increase the scale of membership fees, change the policy of maintaining a surplus of not less than six months' expenses, or curtail Association programs.

8. Administrative Matters. General Decker reported that in view of the appointment of Bruce Harrison as Director of Public Relations, it was proposed to designate Bruce M. Barackman, now serving as Staff Counsel and a member of the Government Relations staff, as Assistant Secretary-Treasurer. It was also reported that John G. Tritsch had joined the MCA Technical staff on April 1 as prospective replacement for Raymond C. Johnson, who will retire on October 1, 1969.

General Decker also reported that, because of conflicting requests for certain of the Greenbrier cottages during the Annual Meeting, the staff proposed to hold a drawing by representatives of the member companies concerned to determine the order in which each representative on behalf of his company, would select the cottage desired from those remaining available when his turn is reached.

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


James R. Carnes
Secretary-Treasurer

Certified Correct:


F. Leonard Bryant
Chairman