MINUTES OF MCA EXECUTIVE COMMITTEE
Holiday Inn, Montreal, Canada
Wednesday, October 13, 1965

Following breakfast at 8:00 a.m., the meeting was called to order by Chairman Brown.

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| There were present: | Chester M. Brown | Thomas C. Jones |
| | George H. Decker | Kenneth Rush |
| | Harold W. Fisher | Robert B. Semple |
| | J. Robert Fisher | Harry B. Warner |
| | John L. Gillis | M. F. Crass, Jr. |
| General Counsel: | Lloyd Symington | |
| Present by Invitation: | E. B. Brooks | |
| | John O. Logan | |

1. Report of the Secretary-Treasurer. Since the last meeting, the two delinquent members have paid their dues. Additional income of somewhat over $50,000 will be needed to meet the budget, but this is expected to be collected during the year through our various sources of miscellaneous income.

Over-all operations continue in the black, and all departmental budgets are in balance for the four months' period, excepting technical operations. This department should ultimately balance out since its present status is due to heavy initial expense for chem-cards, the environmental health study, and the water research effort at Washington University.

2. Forthcoming Meetings.

a. Semi-Annual Meeting, November 23, 1965. It was reported that an illustrated program brochure and registration forms were sent to member representatives on September 24 with covering letter. The program was briefly reviewed, and members were urged to forward their company registration lists promptly to the Washington Office.

b. West Coast Regional Board of Directors Meeting.

(1) Arrangements Committee. Mr. Semple stated that, at the Directors meeting later in the day, he would present for approval the appointment of a West Coast Arrangements Committee to plan the March 7-10, 1966, Regional Meeting of the Directors at San Francisco and Pebble Beach. The recommended Committee will consist of the following:

Ernest Hart, Chairman
Roy Brandenburger
Christian de Guigne
L. A. Doan
T. G. Hughes
G. L. Parkhurst

(2) Proposed ASW Briefing by U.S. Navy. Sent to Directors in advance of the meeting was a description and resume of a classified advanced briefing for the Association's Board of Directors in the area of anti-submarine warfare problems, technology, and related subjects. The course would be provided by the Navy at the Naval Training Center, San Diego, California, on March 3, 4, and 5, 1966, immediately preceding the West Coast Directors Meeting. The Navy proposes an intensive summarized course to emphasize to industry the vital importance and potential threat of the situation as it exists and what is being done about it.

Following discussion, it was agreed to defer consideration until the Board meeting later in the day.

3. Report of Ad Hoc Committee on West Coast CIC. Distributed to Directors in advance of the meeting was a final report of the Ad Hoc Committee on West Coast CIC, submitted by Ernest Hart, Chairman, covering implementation of the initial report considered by the Board at its January 14, 1964, meeting. Of the three items covered in the initial report, two have been completed; i. e., (a) new CICs have been organized in the three recommended areas -- Pacific Northwest, Northern California, and Southern California -- and are now operating; and (b) after a period of voluntary effort, each CIC has retained professional PR assistance and programs are now in operation

With respect to Item (c), the setting up of a staff MCA office on the West Coast, no action has been taken by the Committee since Association policy is involved. The Ad Hoc Committee suggested that serious consideration be given to this matter at some appropriate time.

Following discussion, it was the consensus that the Executive Committee recommend to the Board that (1) the report be accepted with thanks, (2) the Ad Hoc Committee be discharged in accordance with its request, and (3) the setting up of a staffed MCA West Coast office be held in abeyance pending conclusion of the staff study now under way.

4. National Water Conference. It was reported that an invitation had been received from the Chamber of Commerce of the U. S. inviting the Association to participate in a National Water Conference in Washington on December 8-9, 1965. In sending the invitation, the Chamber specifically requested MCA to provide a member company executive to participate in a panel presentation on

the subject of industry and water. Following discussion, it was agreed that a favorable recommendation be made to the Board later in the day and that John O. Logan be considered as the Association's panel representative.

5. Tax Treatment of Research and Development Expenditures. In accordance with discussion at the last meeting, Committee members under date of October 1 were sent copies of correspondence and memoranda, including the view of the Tax Policy Committee transmitted by its Chairman, excerpts from statements of MCA witnesses testifying on the subject, and correspondence between Harry B. Warner and General Decker initiated last February. Methods of undertaking a statutory revision program leading to more beneficial treatment were discussed at some length by those present. In view of the substantial amount of study and preparation required, it was the consensus that action should await a forthcoming general revision of the tax laws rather than sponsoring amendatory legislation prior to such revision.

In the meantime, Mr. Semple will confer with Treasury Secretary Henry H. Fowler and Mr. Gillis with Congressman Thomas B. Curtis. The subject will be discussed again at the November 22 meeting and then taken up with the Tax Policy Committee.

6. Environmental Health. Mr. Logan advised those present that the final report on the Booz, Allen & Hamilton Study is scheduled for submittal November 11 to the Environmental Health Advisory Committee which plans to meet in Washington on that day. This should enable the Environmental Health Advisory Committee to facilitate its report to the Executive Committee and Board, including recommendations relating to program, budget, and future Committee status. Additional copies will be distributed promptly to the Executive Committee. Discussion made it clear that the EHAC's report should be expedited in order that the Executive Committee could give it preliminary consideration if possible on November 22. Following careful study, the Executive Committee would then report to the Board at a subsequent meeting. Recognizing that there are several MCA committees considering proposed courses of action, it was the feeling of the Executive Committee that the EHAC is the appropriate committee to develop an action program covering the entire field of environmental health. The President was directed to so inform the EHAC.

7. Committee-Board Liaison. J. Robert Fisher reported that, in his capacity as Board liaison with the Safety and Fire Protection Committee, he had attended a recent workshop and meeting of that group in Boston. He remarked on the high qualifications and dedication of Committee members, their appreciation of Board interest manifest through the liaison arrangement, and the substance and quality of their efforts. He urged that whenever possible all Directors, through their liaison assignments, attend meetings of the respective committees; that there be greater recognition of committee efforts by management; and that timing of meetings be checked by the staff with Board liaison to assure attendance wherever possible.

Mr. Fisher's remarks were endorsed by others present, who pointed out the advantages that would accrue if Board liaison with a specific committee could continue unchanged for the full three-year term of the Director.

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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