

ACCION INTERNATIONAL

Minutes
of
Postponed Annual Meeting of Directors

The Postponed Annual Meeting of the Board of Directors of ACCION INTERNATIONAL was held at No. 500 Park Avenue, in the Borough of Manhattan, County, City and State of New York, on the 25th day of June, 1968, at 12:30 o'clock in the afternoon.

There were present:

Messrs. Berent Friele

Henry R. Geyelin

Donald M. Kendall

Forrest D. Murden, Jr.

Rodman C. Rockefeller

Milton C. Rose

being a quorum.

Messrs. Michael Agar, General Manager of ACCION en VENEZUELA; Joseph H. Blatchford, Executive Director of the Corporation; John C. Duncan, Executive Vice President of W. R. Grace & Co.; Dale Harrison, Associate Director of the Corporation; J. Curtis Herge, of Nixon Mudge Rose Guthrie Alexander & Mitchell; Terry Holcombe, Associate Director of the Corporation; William Inglis, Assistant Treasurer of the Corporation; Michael Mehrer, Assistant Director of the Corporation; Moshe Shapiro, the Corporation's representative in Venezuela and

Bruce Tippet, Executive Director of ACAO COMUNITARIA do BRASIL, were present by invitation.

Mr. Kendall, President of the Corporation, presided at the meeting and called it to order. Mr. J. Curtis Herge was designated to serve as Secretary of the Meeting.

The Chairman presented to the meeting a copy of the Notice of Meeting of the Board of Directors and an original Affidavit of Service, which certified that notice of said meeting had been mailed to the last recorded address of each Director in accordance with the By-laws. The Affidavit of Service was approved and ordered filed in the Minute Book of the Corporation.

The Chairman then presented the Minutes of the Special Meeting of the Board of Directors, held on December 11, 1967, which had been circulated among the Directors. The Minutes were summarized by Mr. Herge, approved and ordered filed in the Minute Book.

The Chairman stated that the next order of business was the election of Directors of the Corporation for the ensuing corporate year. He explained that Article II of the By-laws of the Corporation, as amended by the Board of Directors on June 23, 1965, provides that each Director shall hold office until the annual meeting of the Corporation next following his election and until his successor shall have been elected and shall qualify, or until his death, resignation or

removal. The Chairman further explained that Article III of the By-laws of the Corporation provides that every meeting of the persons who are both the Members and Directors of the Corporation shall be deemed to be a meeting of the Corporation and of the Board of Directors. Therefore, it was appropriate for the persons present to elect the Directors for the ensuing corporate year.

In that connection, the Chairman stated that it seemed desirable to amend the By-laws of the Corporation to increase the number of Directors to twenty (20). After discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the first paragraph of Article II of the By-laws of the Corporation be, and it hereby is, amended to read as follows:

"The Board of Directors shall be twenty (20) in number but may be increased to no more than thirty (30) and may be decreased to not less than three (3) by amendment of these By-laws."

Upon a call for nominations, the Chairman reported that he was advised Mr. William B. Barlow, a present member of the Board of Directors, had reported that his other responsibilities would require him to withdraw his name from consideration for reelection. Thereupon, the following were duly nominated as Directors to serve until the next annual meeting and until their successors shall have been elected and shall have qualified.

Edmundo Barbosa Da Silva
 James P. Delafield
 Alphonse de Rosso
 John C. Duncan
 Guillermo Espinosa
 Paulo Ayres Filho
 Berent Friele
 Henry R. Geyelin

Donald M. Kendall
 William S. Lindsay
 Forrest D. Murden, Jr.
 Hans Neumann
 Crocker Nevin
 Rodman C. Rockefeller
 Milton C. Rose
 Albert G. Sims

No other nominations having been made, upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the following individuals be, and they hereby are, elected Directors of the Corporation to serve until the next annual meeting and until their successors shall have been elected and shall have qualified:

Edmundo Barbosa Da Silva
 James P. Delafield
 Alphonse de Rosso
 John C. Duncan
 Guillermo Espinosa
 Paulo Ayres Filho
 Berent Friele
 Henry R. Geyelin

Donald M. Kendall
 William S. Lindsay
 Forrest D. Murden, Jr.
 Hans Neumann
 Crocker Nevin
 Rodman C. Rockefeller
 Milton C. Rose
 Albert G. Sims

The Chairman observed that there were three vacancies on the Board of Directors, which would probably be filled at a subsequent meeting.

The Chairman stated that the next item on the agenda was the election of officers of the Corporation for the ensuing corporate year and until the election and qualification of their successors. Upon motion duly made and seconded, the following persons were unanimously elected to fill the offices set opposite their respective names until their successors are elected and have qualified:

President	Donald M. Kendall
Secretary	Milton C. Rose
Treasurer	Crocker Nevin
Assistant Secretary	J. Curtis Herge
Assistant Treasurer	William Inglis
Executive Director	Joseph H. Blatchford

The Chairman next presented to the meeting a copy of the financial statement of the Corporation for the year ended December 31, 1967, as prepared by the auditors of the Corporation, Messrs. Price Waterhouse & Co. After discussion, the foregoing financial statement was approved as and for the financial report of the Corporation for the calendar year 1967. The Executive Director was then asked to secure, if possible, and to deliver to the Corporation's Treasurer copies of the financial statements of ACCION en VENEZUELA and ACAO COMUNITARIA do BRASIL.

The Chairman then presented to the meeting a copy of the financial statement of the Corporation for the period from January 1, 1968 through May 31, 1968. After discussion, a copy of the foregoing financial statement was ordered filed with the records of the Corporation.

The next item of business to come before the meeting was a proposal to ratify and confirm the action of the Executive Director in executing a lease on behalf of the Corporation relating to certain office space located at No. 151 East 50th Street, New York, New York. After discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the execution of a lease by the Executive Director of this Corporation for the offices located on the sixth floor of No. 151 East 50th Street, New York, New York, for a period of ten years, commencing as of the 1st day of May, 1968 and continuing up to, and including, the 30th day of April, 1978, at a rental of Fourteen Thousand (\$14,000) Dollars per annum for the first five years, and a rental of Fifteen Thousand (\$15,000) Dollars per annum for the second five years, the said lease containing the usual covenants set forth in office leases in this city, be, and the same hereby is, ratified, confirmed and approved.

The next item on the agenda was a report of the Executive Director on the operation and administration of the Corporation since the date of the last meeting of the Board of Directors. The Executive Director reported on the recruitment program, which, for the first time in the history of the Corporation, was centered on the recruitment of program executives, rather than staff trainees or field workers. In that connection, Mr. Rockefeller cautioned that, if the Corporation withdrew American field workers from the barrios and favelas, it might negate the ability to teach the essential principles of self-sufficiency to their inhabitants. The Executive Director reported that this had been experienced, to a degree, in Venezuela, where the Corporation continued to maintain six American field workers.

The Executive Director then reported on the fund raising program with the assistance of Mr. Holcombe. The latter pointed out that, to the date of the meeting, renewed applications for financial support had been submitted to each

of the corporations which had contributed in prior years. Mr. Holcombe stated that, as a result, emphasis could be placed on raising funds for special projects, submitting applications to new potential donors and submitting progress reports to prior contributors. He stated that the objective in 1968 was to raise approximately \$300,000.

The next item on the agenda was a report by Mr. Agar on the programs and activities of ACCION en VENEZUELA. Mr. Agar reported that 1967 was a year of stabilization, in which a budget deficit of approximately 200,000 bolivars at the beginning of the year had been changed to a surplus of approximately 200,000 bolivars by the close of the year. He reported that the recently organized Finance Committee had raised approximately

800,000 bolivars in 1968 to the date of the meeting. Mr. Agar stated that, in 1967, programs sponsored by ACCION en VENEZUELA were responsible for the building of schools and of water, and sewerage systems. He stated that forty-eight individuals had been graduated from the technical training centers supported by that corporation. He also reported that Foreign Resource Services, Inc. had concluded its participation in the small industry development program with the submission of a report that recommended that emphasis be placed on the development of specified service industries.

With respect to 1968, Mr. Agar reported that ACCION en VENEZUELA plans to continue to reassess its programs to

determine how it might most effectively contribute toward the alleviation of the problems in the barrios. He stated that current programs include the establishment of savings and loan associations, job placement bureaus, technical training centers and small industry development projects. Mr. Agar also reported that several countries, including Ecuador and Bolivia, had requested that ACCION en VENEZUELA organize and administer community action programs, but that facilities were not available to warrant such an undertaking. Mr. Agar concluded his report with a request that the Board of Directors continue to provide financial support for the programs of ACCION en VENEZUELA; that it consider providing fellowship aid for the purpose of training Venezuelan supervisory personnel in this country; and, that it provide the funds necessary to enable Mr. Moshe Shapiro to act as Executive Director of ACCION en VENEZUELA. Mr. Agar stated a Venezuelan could function as the General Manager of that Corporation.

The Chairman stated that the next business to come before the meeting was a report by Mr. Tippet on the programs and activities of ACAA COMUNITARIA do BRASIL. Mr. Tippet reported that, in 1967, ACAA COMUNITARIA do BRASIL raised approximately \$201,500; increased its staff from two to fifty individuals; initiated community organization, training and health programs; and, was responsible for the

construction of a school, a police station and sewer, water and electrical systems in selected favelas. He stated that the programs for 1968 appeared to be well organized and administered, supported by a budget of approximately \$250,650, of which \$96,700 had been raised in 1968 to the date of the meeting.

The Executive Director thereupon reported that, at the Postponed Annual Meeting of the Board of Directors held May 1, 1967, he had been granted the authority to spend \$5,000 for the production of a black and white film on the problems of Brazilian favelas if outside financing could not be found. He reported that \$11,000 had been contributed to the Corporation by the Tinker Foundation for that purpose, but that the cost of the film, as ultimately produced, exceeded the amount budgeted. After discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that the expenditure by the Executive Director of \$18,262.96 for the production of a thirty minute black and white film, with a Portuguese sound track, on the problems of Brazilian favelas and the programs of ACAO COMUNITARIA do BRASIL be, and the same hereby is, ratified, confirmed and approved.

The Chairman stated that the next order of business was to consider, and take action upon, three resolutions proposed by the Corporation's accountants for Board action.

After discussion, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that payment to ACAO COMUNITARIA do BRASIL/GUANABARA, of \$1,500 in October 1967, for the undertaking of a public opinion and attitudinal survey of favela inhabitants, and determined now to be a grant to ACAO COMUNITARIA do BRASIL against which no further accounting to ACCION INTERNATIONAL is necessary, be, and the same hereby is, ratified, confirmed and approved; and be it

RESOLVED FURTHER, that payment to ACAO COMUNITARIA do BRASIL/GUANABARA of \$1,000 in January 1968, for a training and planning seminar for favela leaders and determined now to be a grant to ACAO COMUNITARIA do BRASIL against which no further accounting to ACCION INTERNATIONAL is necessary, be, and the same hereby is ratified, confirmed and approved.

RESOLVED FURTHER, that certain payments to ACAO COMUNITARIA do BRASIL/SAO PAULO, during the first six months of 1968, equalling \$9,000, and determined now to be a grant to ACAO COMUNITARIA do BRASIL for general operating expenses against which no further accounting to ACCION International is necessary be, and the same hereby is, ratified, confirmed and approved.

The Executive Director explained that the following payments had been made to ACAO COMUNITARIA do BRASIL/SAO PAULO on the dates indicated:

March 1, 1968	\$2,000
April 29, 1968	2,000
June 3, 1968	5,000
	<u>\$9,000</u>

The Chairman stated that the next order of business to come before the meeting was to consider, and take action upon, a proposal that the Corporation establish a community development program in the barriadas of Peru. At the Chairman's request, Mr. Tippett, Mr. Holcombe and Mr. Blatchford

reported that research had indicated the need and interest for a program in Peru. Mr. Blatchford reported that the Corporation has the funds and personnel necessary to undertake a limited program. After further discussion, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Executive Director of the Corporation be, and he hereby is, authorized and directed to establish a community development program in the barriadas of Peru, the initial phase of which includes the assignment of four advisors to organize such a program over the next six months' period with a budget of \$30,000; and be it

RESOLVED FURTHER, that a budget for such programs of \$60,000 for the period from January 1, 1969 through June 30, 1969 be, and the same hereby is approved, provided that the sum of not less than \$25,000 be committed to such program by sources located in Peru; and be it

RESOLVED FURTHER, that the Executive Director of the Corporation be, and he hereby is, authorized to expend, or cause to be expended, the sum of \$40,000 over the next twelve months' period in connection with the implementation of such program.

The Chairman then referred to the action taken at the Special Meeting of the Board of Directors held November 9, 1967, authorizing the Executive Director to investigate the feasibility of establishing a community development program in the United States, and circulated copies of a report dated June 24, 1968, entitled "Study of United States Poverty Programs". After discussion, and upon motion duly made and seconded, the following resolution was unanimously adopted:

RESOLVED, that Mr. Rodman C. Rockefeller and Mr. Forrest D. Murden, Jr. be, and they hereby are, appointed as a Committee of the Board of Directors to study the Report entitled "Study of United States Poverty Programs", and to present their recommendations, regarding the feasibility of establishing a community development program in the United States, to the Directors at a subsequent meeting.

At the request of the Chairman, Messrs. Agar, Blatchford, Harrison, Holcombe, Mehrer, Shapiro and Tippet excused themselves from the meeting. The Chairman then recommended that the salaries of the Corporation's administrative staff be reviewed. After discussion, and upon motion duly made and seconded, the following resolutions were unanimously adopted:

RESOLVED, that the Salary Committee of the Corporation (Messrs. Nevin, Friele and de Rosso) be, and it hereby is, authorized and directed to review the salaries of the Corporation's administrative staff and to make such adjustments in any such salary or salaries as it may deem appropriate; and be it

RESOLVED FURTHER, that the President of the Corporation be, and he hereby is, authorized and empowered to authorize the payment or payments to the Executive Director, now on a leave of absence, of such sums, not totaling in the aggregate to more than one-twelfth of such Executive Director's annual salary as such existed prior to the commencement of his leave of absence, as reimbursement of expenditures incurred or in payment of services rendered, as he may, in his discretion, determine.

The Chairman, thereupon, presented to the meeting a report of the Corporation's activities, as required by Section 46 of the New York Membership Corporations Law. This report had been approved and signed by the President

and Assistant Treasurer of the Corporation. The Chairman explained that, pursuant to the provisions of said Section 46, a copy of the report would be filed with the records of the Corporation and that a conformed copy thereof would be filed with the minutes of the meeting.

No other business coming before the meeting, it was, upon motion duly made and seconded, adjourned.

J. CURTIS HERGE
Assistant Secretary