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Industry Advocates Dynamic Collaboration

by M.J. MESSEL

For some time now, the "asbestos issue" has been very much in the news. Hardly a day passes without some media report, interview or commentary on the subject.

Given this flood of news, rumours and hypothetical considerations, it would be appropriate at this time to summarize the situation and recall the position adopted by the Association in the current debate.

First, we are in no way seeking a sterile confrontation with Québec authorities. On the contrary, we wish to enter into a constructive and productive dialogue.

The 1977 reality

As a first step, the facts should be set straight and certain "issue" elements should be placed in their proper perspective so that the analysis made of the situation facing the Québec asbestos industry conforms to the 1977 reality.

To this end, the industry is entirely agreeable to put at the disposal of public authorities, who apparently are currently preparing "scenarios and work assumptions" concerning the asbestos industry, all data constantly being updated and the expertise of specialists whose knowledge, experience and skill in

the matter are undoubtedly unequalled in the world today.

Realism and common sense

Once those responsible for preparing Québec's economic policies are aware of all the facts pertaining to an objective evaluation of the "asbestos issue" (progress in the fields of health and environment, investment programs, economic potentials, commercial trends, competition etc.), we are quite sure that common sense and realism will prevail.

To the extent that political motivation is not the overriding issue, and that Québec leaders, as we believe, are above all interested in finding the best means of promoting Québec's economic interests and in encouraging greater participation by Quebecers, individually and collectively, in industrial development, we feel the Government will want to explore all avenues to best attain these objectives.

New formulas

Under these conditions, we have good reason to hope that Québec leaders will agree to the timeliness of seeking new creative formulas

particularly tailored to the asbestos situation and conceived in such a way as to draw the maximum benefit from the great advantages that the industry can offer in terms of human and financial resources, experience, skill, know-how and leverage on a world scale.

In this perspective, we are convinced we can demonstrate that dynamic collaboration between the industry and the State is much more beneficial to Québec than the hypothetical advantages of a policy which would inevitably lead to the elimination of private capital inflow needed for the future expansion of the asbestos mining industry.



Mr. Messel, president of Lake Asbestos, is currently president of the Québec Asbestos Mining Association.

New Research Projects Concerned With Asbestos and Health

The Montréal Institute of Occupational and Environmental Health subsidizes four new studies totalling \$445 000

The Montréal Institute of Occupational and Environmental Health, created and supported by the Québec Asbestos Mining Association, recently approved four important research projects in the field of prevention and epidemiological studies. The amounts subsidized by the Institute total \$445 000.

Projects approved will attempt to identify and study new methods and means to further reduce the quantity of airborne asbestos dust, to identify the risks following exposure to various levels of dust, and to determine more accurately the causes of illnesses related to asbestos.

The projects

The first project concerns the reduction of airborne asbestos fibre concentrations in industry using charged and uncharged water aerosols; the second deals with fibre exposure, mortality, and radiographic changes of employees in the Québec chrysotile asbestos production industry.

A third project will concentrate in identifying the inter-relationships between the haemolytic effect of fibrous minerals *in vitro* and their effect on the alveolar macrophage and their fibre genicity *in vivo*. Finally, the fourth study will examine the distribution of particulate material in the rat lung following administration by inhalation and by

single and multiple intracheal installations.

The Institute's vocation

As we have just seen, all these projects have a common goal which is the elimination of the dangers of asbestos. This has been the Institute's objective since its inception by the Association in 1966.

For the record, the Institute's work, and particularly its policies regarding subsidies awarded to scientific and medical research, constitutes the most important contribution, world-wide, to the advancement of science in the field of asbestos biological effects.

The recently approved projects bring to over \$5 000 000 the total subsidies paid out by the Institute in the last few years. At the present time, the Institute is studying new requests from Québec and international research agencies.

Independence and objectivity

Research agencies, Institutions and universities receiving Institute subsidies have total freedom and independence. In addition, research findings are published whatever the conclusions may be.

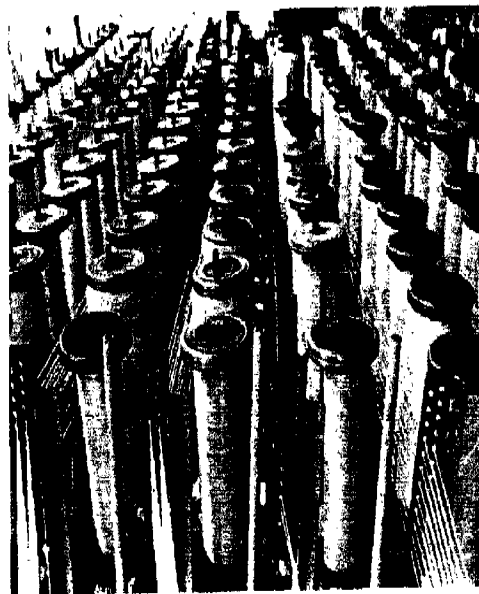
Furthermore, the Institute is directed by a committee formed of Canadian, European and American scientists who have a recognized

competence in relation to asbestos and health. However, they must not be related in any way to the asbestos industry.

Scope of work

The Institute's research projects, which benefit workers as well as users and manufacturers of asbestos products, include first, comparative epidemiological studies in chrysotile mines of Canada, chrysotile mines of Italy and anthophyllite mines of Finland. A second group of subsidies includes epidemiological studies in the asbestos-cement industries and in shipbuilding yards. A third group includes epidemiological studies on mesothelioma among the population in general. A fourth group includes studies on the physico-chemical state and transformation of asbestos fibres during the various technological stages from the mining until the final utilisation of the product, in relation with the study of the health of workers exposed to the fibres during these various stages. Finally, a fifth group includes studies on asbestos' dynamic *in vivo* and on the mechanism of the biological action of asbestos.

All these studies have led to the setting up of an extremely valuable data bank forming the basis for environmental control programs which have progressively been perfected by industry.



Canadian Exports of Asbestos Products

In 1976, Canada increased its exports of asbestos containing products. At year's end, the value of manufactured goods exported had reached \$15 107 000, up 3% over 1975 sales of \$14 631 273. Exports of asbestos products manufactured in Canada have risen sharply since 1972 when they totalled \$5 206 900.

To a large extent, 1976 exports consisted of asbestos-cement construction materials totalling \$8 514 000. Brake linings totalled \$1 457 000 while asbestos textiles, felts and sheets had a value of \$2 093 000. Other products amounted to \$3 043 000.

Innovation Presented in London

At this year's annual meeting in London, England, of the International Information Conference on Asbestos, Lionel Piuze, Vice-president and General Manager of Lake Asbestos, described to delegates the specifications and functioning of a new device permitting mechanical opening of bags containing asbestos. The device will soon be put to use at Lake Asbestos.

The International Information Conference on Asbestos brings to-

gether representatives of producers and consumers from all over the world. Its aim is to promote an exchange of technical data relating to research, especially in the fields of health hazards and new uses for asbestos products.

Mr. Piuze, who is a member of the Executive Committee of the Conference, is also chairman of the Committee on the Environment of the Québec Asbestos Mining Association.

Measuring Devices Are Put To Test

The report of the Committee for the Study of the Health Conditions in the Asbestos Industry recommends that dust content be measured in three distinct ways: continuous supervision, internal verification and inspection. The Beaudry report, named after the Committee chairman, also introduced, for the first time in America, time weighted average dust measurements in the asbestos industry. Certain of these time weighted measurement methods permit automatic determination of dust concentration levels rapidly and continuously.

All devices tested

Accordingly, in order to determine the situation existing in our mines and mills, as the Beaudry Committee also recommended time weighted average dust measurements and, mainly, in order to compile other than bibliographical data and knowledge on the various devices suggested, the Québec Asbestos Mining Association took on the responsibility of testing all continuous monitoring devices and, in turn, recommend to its members the equipment which proved to be the most adequate. Thus, all devices described in the Beaudry report were tested: the RDM-301, the APM, the PW 9790, the FH 62 A and the Tyndallometer.

Also, since internal verification requires similar devices, the RDM-101 and the TSI-3500 were tested in like manner.

A final report on the efficiency of each of these devices should soon be available, along with purchase recommendations for the asbestos mining companies.



The feasibility study was announced at a press conference held in Montreal on February 15. From left to right: Ivan Bergeron, Vice-president of Sorès Inc., M.J. Messel, President of the Québec Asbestos Mining Association and Paul Filteau, Executive Vice-president and Secretary of the Association

Comprehensive Study to Develop Asbestos Manufacturing in Québec

*An indispensable decision-making tool for
developing the asbestos manufacturing sector*

Specialists commissioned to carry out a market and feasibility study on manufacturing asbestos fibres in Québec are already at work and every effort is being made to adhere to the projected time-table. As foreseen, a preliminary report will be published in mid-June.

All-embracing study

As known, the Québec Asbestos Mining Association has commissioned an important economic and scientific research firm, Sorès Inc. of the SNC Group, to undertake a comprehensive study of all possibilities and conditions for optimum development of a Québec asbestos manufacturing industry. This news was released February 15 at a

press conference chaired by Mr. Messel, President of the Association.

The mandate given to Sorès, which has insured the collaboration of A.D. Little of Cambridge (Massachusetts) in carrying it out, is the first ever to involve an exhaustive evaluation of the possibilities of manufacturing asbestos products in Québec and of the economic viability of establishing new facilities.

Expansion parameters

The object is to determine, scientifically and objectively, parameters for expansion, on a solid and realistic base, of the asbestos manufacturing sector, to the benefit of all Québécois.

This initiative of the Association follows on a move first taken in 1974, when the industry then made a similar offer to the Québec government which did not pursue it.

As a matter of fact any program aimed at the fullest possible integration in Québec of primary and manufacturing sectors of the asbestos industry, cannot reasonably be put into action without a complete market and feasibility study on a world-wide basis. It is precisely an all-embracing study of this type that the Association commissioned, at a cost of \$225 000.

Collective goals

During the press conference, Mr.

Messel pointed out that the decision "testifies to the determination of the industry, as a whole, to unite in a concerted effort directed at contributing constructively to the attainment of collective economic goals".

Though the Association is financing the project, it is pledged not to intervene in any manner or form in the work of Sorès, the latter having given all warranty of impartiality on the findings of the study whose final report will be submitted in October, 1977.

It has also been agreed that progress and preliminary reports, as well as the final conclusions of this study, which represents a major step towards increasing the manufacturing of asbestos in Québec, will all be made public.

Program and scope of the study

The market and feasibility study which Sorès is conducting on the Association's behalf deals mainly with the following aspects:

Opportunities Assessment

- Assessment of the opportunities for manufacturing asbestos products in Québec and analyzing their competitiveness in domestic and foreign markets

- Selection of most promising products and markets from asbestos fiber and asbestos products supply/demand matrices, inter-regional shipments and estimated production costs.

- Order-of-magnitude of demand forecast from 1977 to 1985.

- Analysis of existing trade patterns, links and potential constraints which might affect the opportunity for Québec marketing.

- Possible implications of health and environmental regulations in the manufacture of asbestos throughout the world.

- Identification of technological progress, new products or new trade trends which could influence the future of asbestos products.

Economic Feasibility

- Definition, using an exhaustive list of possible products and their use, of fabrication processes, production units and sales strategies in relation to possibilities for market penetration

- Definition, by geographic area, of the market importance and its growth rate for selected products.

- Evaluation of investment and operating costs for the manufacturing of technological process alternatives: environmental measures, energy and new material requirements

- Assessment of the economic and infrastructural environment for new plant investment in Québec.

- Assessment of manpower requirements.

- Establishment of profit and loss forecasts, cash flow needs and potential returns on investment over a 20-year period.

General

- Characteristics of selected production units.

- Schedule of implementation of the production units.

- Industrial development strategies and action program.

- Marketing strategies.

- Export and import policies.

- Socio-economic impact studies

Comprehensive Study to Develop Asbestos Manufacturing

The Project Managers

Sorès Inc. is member of the Montreal-based SNC Group. It was founded in 1963 to promote the application of the techniques of management science to financial, economic, social and industrial planning.

Sorès Inc.'s multidisciplinary staff, brings together economists and specialists in operations research, cybernetics, marketing and organization. The team also includes mathematicians, sociologists and urbanists.

Vast experience

The list of projects and mandates carried out by Sorès over its fourteen-year life-span, attests to the company's experience in economic and scientific research, market and feasibility studies, on both national and international scales. Whether it

be planning industrial development in Africa, Asia or Latin America, or evaluating numerous specific large-scale projects in Canada, such as the Bay James territory development study, Sorès' experience is on a par with its reputation.

The asbestos industry is not unknown to Sorès which has already carried out for the Québec Government, three major studies on asbestos gaskets, papers and textiles.

A.D. Little

A.D. Little of Cambridge (Massachusetts) is assisting Sorès for this mandate. The American company is world-renowned in the field of scientific studies and research. It has carried out numerous studies on asbestos production and conversion.

Background

Québec produces about 30% of the world production of asbestos fiber. Its annual production is of the order of 1.4 million short tons for a total value of more than \$300 million.

The raw material is mined and refined in Québec and the fiber is exported to more than 80 countries. Nearly 95% of the asbestos production is earmarked for export.

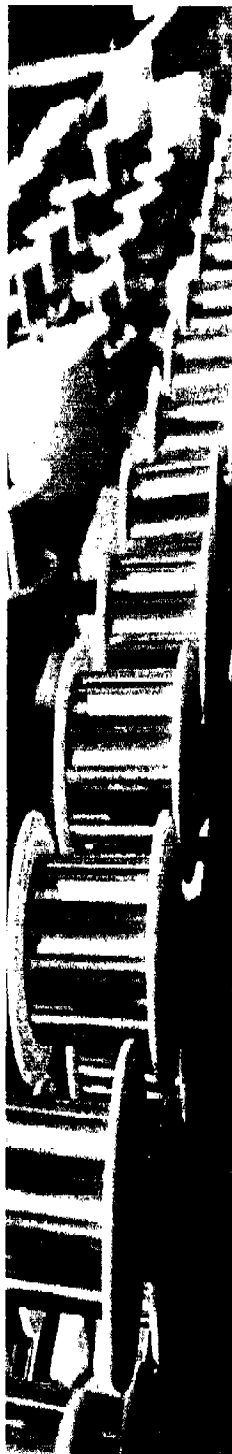
Québec which uses only 3% of the annual production (6% for Canada) is one of the smallest consumers of asbestos products.

There are 21 plants in Québec which manufacture products made

with asbestos fibers and 20% of their production is exported.

On the other hand, Québec imports annually 15% of its requirements of asbestos products for its domestic markets.

The mining companies of Québec are essentially engaged in mining, although some of them have manufacturing activities of relative importance. Nonetheless, all the asbestos mining companies grouped together process less than 15% of the total production of asbestos fiber, which is transformed into finished products by hundreds of manufacturing companies spread throughout the world.



Asbestos Corporation's President Confident in The Future

Maurice Taschereau, the new President and Chief executive officer of Asbestos Corporation, recently appeared as a guest on the CTV network's *Canada AM* and stated that his company intends to actively pursue its air purification program in its mines and mills and for this purpose to invest some \$30 million over the next few years.

Concerning healthy and safe working conditions, Mr. Taschereau stated that considerable improvement had been made in the last few years and that he was confident the industry will be able to meet the objectives set by the Québec Government.

A useless step

When questioned on reactions to statements made by the Québec Premier on possible nationalization of asbestos companies, the President

replied that Mr. Lévesque had spoken of nationalization "as an ultimate solution if necessary". In Mr. Taschereau's opinion, it will be possible to demonstrate to the government that such a measure is absolutely unnecessary to attain the goals of Québec leaders, especially on the matters of the manufacturing of asbestos fibre in Québec and the environment.

On CBC

Mr. Taschereau expressed the same opinions on the CBC's French-language network show *Ce Soir*, adding that an "in-depth" feasibility study should be made before undertaking major investment programs in the manufacturing sector.

Prior to becoming President of Asbestos Corporation Ltd., Maurice Taschereau was President and a member of the Board of Direc-



Maurice Taschereau

tors of Gaspé Copper Mines Ltd. His career with the latter company, a subsidiary of Noranda Mines Ltd., began in 1953 when he completed his mining engineering studies at McGill University.

Improvements to The Environment

In 1976, Asbestos Corporation Ltd. completed work totalling \$2 500 000 at its four mines at Thetford Mines, Black Lake and Coleraine. Among the projects carried out, Asbestos Corporation installed new dust control equipment at its King Beaver mine in Thetford Mines, its No. 1 and No. 2 British Canadian at Black Lake and at its Normandie mine at Coleraine. A clothes-drying facility was built at the King Beaver No. 3 mine, and a new air sweeping system was installed at the Normandie mill and at the Beaver King secondary mill.

These improvements do not take into account other projects currently being carried out representing investments of several million.

Information Campaign in Great Britain

Last June, the U.K. Asbestos Information Committee launched a large scale publicity campaign to inform the public on asbestos products. Aimed at readers of the British press, the campaign will cost close to a million dollars. It consists in supplying the latest information on the asbestos health issue, and on the industry's efforts to assure safe use of the mineral.

Advertisements published in newspapers answer up-to-date questions

and invite readers to contact the Asbestos Information Committee for further information. The Committee received over 5,000 reply-coupons after the first two ads appeared. Opinion research conducted since the start of the campaign reveals that the public is now more interested in the possible uses of asbestos and realizes that, when properly used, asbestos products do not constitute a health hazard.

1976 Asbestos Production

In Québec

Québec asbestos fibre deliveries totalled 1 373 941 short tons in 1976, an increase of 55.4% over the preceding year (884 023 tons). On the other hand, in 1975, a seven-month work stoppage occurred in the Thetford Mines area. When compared to 1974, deliveries decreased by 162 715 tons or 10.6%. However in 1976, during the hundredth anniversary of discovery of asbestos deposits in the Thetford Mines area, the estimated value of fibre deliveries reached an alltime high of close to \$340 million.

In Canada

For the whole of Canada, asbestos deliveries also increased, by 45.5%, from 1 163 674 tons to 1 693 742 tons in 1976. When compared to 1974, these deliveries show a 6.5% decrease or 117 007 tons. However, Canadian sales should set a new record of close to \$425 million.

Naturally, Québec still leads the Canadian provinces, with 81% of deliveries originating from eight mines (six are open-pit and two are underground) located in the Eastern Townships. Some 6 500 workers produce 150 types or mixtures of fibres and ensure their sale to over 80 countries. Other Canadian producers are located in British Columbia, the Yukon, Newfoundland and Northern Ontario.

World production

Canada accounts for approximately 30% of the world's chrysotile asbestos production. It is estimated that world demand for asbestos was

close to 5 176 million tons in 1976. Other producing countries include the Soviet Union, South Africa, Rhodesia, Italy, the United States and Australia. Asbestos is also found in Cyprus, in India and in Brazil.

WORLD ASBESTOS PRODUCTION 1976	
	Short Tons
USSR	2 528 000
Canada	1 694 000
(Québec 1 373 941)	
South Africa	720 000
(Including Rhodesia)	
Europe	320 000
China	145 000
United States	135 000
South America	75 000
Australia	70 000
Other countries	25 000
	5 712 000

ASBESTOS USES	
	Worldwide
Asbestos-cement products	69%
Anti-friction products	2.2%
Asbestos papers and felts	7.4%
Tiles	3.8%
Paints, putties, etc.	1.6%
Asbestos textiles	7%
Plastics	6%
Fire-proof cement	3%
Fittings and fire-proof joints	1.0%
Other	13.4%
	100%

Main outlets

Asbestos cement products are still the main market for asbestos fibre. They represent approximately 70% of production and in the past, this sector had the strongest growth rate. Paradoxically, there is little demand for this type of product in Canada and in Québec.

These products are in strongest demand in developing countries mainly as the cost of facilities required to manufacture asbestos cement construction materials is relatively low. If consumers had to import these materials in the form of finished products, costs would be such as to lead very simply to the disappearance of the market for fibre cement products in the countries where Canadian asbestos is presently sold.

Because of the elasticity of demand for products containing asbestos and of unit production costs, a larger domestic market is an essential condition for reducing costs and, consequently, for increasing exports.

Bulletin

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