ANNUAL MEETING

OF THE

FRICTION MATERIALS STANDARDS INSTITUTE, INC.

WEDNESDAY, JUNE 10, 1959 AT 10:00 A.M.
AT THE
EDGEWATER BEACH HOTEL, CHICAGO, ILLINOIS

MR. VACHOUT, PRESIDENT, CALLED THE MEETING TO ORDER AT 10:00 A.M.

MEMBERS	REPRESENTATIVES
ASBESTOS MANUFACTURING COMPANY	T. BELL
ATLAS ASBESTOS COMPANY	W. H. JOHNSTON
AUTO FRICTION CORPORATION	S. A. COMINS
BRASBESTOS BRAKE LINING COMPANY	H. G. DUSCHEK (PROXY)
EMSCO ASBESTOS COMPANY	R. D. CONGER
GATKE CORPORATION	F. T. GATKE
GRIZZLY BRAKE DIVISION OF MARPRO, INC.	J. R. HEATH
JOHNS-MANVILLE CORPORATION	E. H. WELLS
H. KRASNE MANUFACTURING COMPANY	H. KRASNE
MARSHALL-ECLIPSE DIVISION BENDIX AVIATION CORPORATION	J. H. KELLY
MILEY COMPANY, THE L. J.	D. BAKER
MOLDED MATERIALS DIVISION CARLISLE CORPORATION	W. J. VACHOUT
RAYBESTOS-MANHATTAN, INC.	J. L. McGOVERN, JR.
REDDAWAY MANUFACTURING COMPANY, INC.	C. J. SULLIVAN
RUSSELL MANUFACTURING COMPANY	L. S. SULLIVAN
SCANDINAVIA BELTING COMPANY	C. B. WHITLEY
SILVER LINE BRAKE LINING CORPORATION	S. A. SMITH
SOUTHERN FRICTION MATERIALS COMPANY	H. SNOW
THERMOID DIVISION, H. K. PORTER CO., INC.	G. S. LAMSON
WELLMAN COMPANY, THE S. K.	W. E. CANFIELD
WORLD BESTOS	R. A. RILEY

OTHERS PRESENT	
AUTO FRICTION CORPORATION	A. J. COMINS
GRIZZLY BRAKE DIVISION OF MARPRO, INC.	H. H. SWAIN
MARSHALL-ECLIPSE DIVISION BENDIX AVIATION CORPORATION	H. C. HODSON
MILEY COMPANY, THE L. J.	H. NOLTE
RAYBESTOS-MANHATTAN, INC.	J. MacMURRAY
RUSSELL MANUFACTURING COMPANY	W. D. SCHNECK
SCANDINAVIA BELTING COMPANY	A. E. DALY
SILVER LINE BRAKE LINING CORPORATION	P. T. RAUEN
	J. N. RAUEN
WELLMAN COMPANY, THE S. K.	R. C. BRIGLEB
WORLD BESTOS	J. W. GREENAN
FRICTION MATERIALS STDS. INST. (CANADA)	D. POCOCK (OBSERVER)
FRICTION MATLS. STDS. INST., INC.	H. G. DUSCHEK, SECRETARY
STICKLES, HAYDEN, YOUNG & KENNEDY	L. D. STICKLES, COUNSEL

NOT PRESENT
LASCO BRAKE PRODUCTS CORPORATION, LTD.
RITESET MANUFACTURING COMPANY

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MR. VACHOUT, CHAIRMAN, EXPRESSED HIS PLEASURE AT THE REPRESENTATIVE ATTENDANCE FROM ALL SECTIONS OF THE COUNTRY AS WELL AS FROM THE CANADIAN INSTITUTE.

MINUTES OF PREVIOUS MEETING

IT WAS ANNOUNCED THAT THE MINUTES OF THE PREVIOUS ANNUAL MEETING HELD ON JUNE 18, 1958 HAD BEEN DISTRIBUTED BY MAIL AND UNLESS THERE WAS A REQUEST FOR A READING OR ANY CORRECTIONS OR ADDITIONS TO BE MADE THERETO, A MOTION WOULD BE ENTERTAINED FOR THEIR ACCEPTANCE.

UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY PASSED, IT WAS

RESOLVED: THAT THE MINUTES OF THE MEETING OF JUNE 18, 1958 BE ACCEPTED AS DISTRIBUTED.

PRESIDENT'S REPORT

THIS IS MY SECOND YEAR AS PRESIDENT OF YOUR INSTITUTE AND IT IS WITH A GREAT DEAL OF PLEASURE THAT I APPEAR BEFORE YOU ONCE AGAIN. AS YOU KNOW, LATER IN THE COURSE OF THIS MEETING, YOUR NOMINATING COMMITTEE WILL SUBMIT THE NAMES OF FOUR CANDIDATES TO SERVE ON THE BOARD OF DIRECTORS FOR TWO YEARS. THE NEWLY ELECTED BOARD WILL HOLD ITS MEETING THIS AFTERNOON TO ELECT A NEW PRESIDENT AND VICE-PRESIDENT FROM THE BOARD MEMBERSHIP.

THE WORK PERFORMED DURING THIS PAST YEAR AND THE ACTIONS TAKEN BY YOUR BOARD - ALL OF WHICH HAD FOR ITS ULTIMATE GOAL THE INTEREST OF EACH AND EVERY MEMBER - WILL BE READ TO YOU; THEREFORE IT IS UNNECESSARY FOR ME TO EXPLAIN IN DETAIL WHAT HAS TRANSPIRED BUT I DO WISH TO MENTION CERTAIN FEATURES OF THIS YEAR'S OPERATIONS THAT SHOULD BE EMPHASIZED.

LAST YEAR, I CALLED YOUR ATTENTION TO AN ARTICLE WRITTEN BY RAYMOND MOLEY THAT THE AVERAGE MEMBER OF AN ASSOCIATION DOES NOT TAKE HIS MEMBERSHIP VERY SERIOUSLY. THAT IS BECAUSE THE AVERAGE MEMBER OF ANY TRADE ASSOCIATION, UNLESS SERVING ON COMMITTEES OR ON THE BOARD OF DIRECTORS HAS NO IDEA AS TO THE AMOUNT OF WORK INVOLVED AND THE PROBLEMS THAT CONSTANTLY ARISE AND HAVE TO BE GIVEN SERIOUS CONSIDERATION. IT SEEMS THAT EVEN THOUGH WE, AS RESPONSIBLE EXECUTIVES WITHIN OUR OWN ORGANIZATIONS WHO DAILY MAKE ADMINISTRATIVE DECISIONS, NEVER THINK THAT AN ASSOCIATION - ITS STAFF AND THOSE APPOINTED TO HANDLE SUCH INVOLVEMENTS - HAVE THE SAME INTRICATE BUSINESS PROBLEMS AND DECISIONS. OF COURSE, IT IS NOT A QUESTION OF PROFIT IN THIS RESPECT, BUT THE MORE SERIOUS ONE OF OBTAINING SUFFICIENT INCOME IN ORDER TO RENDER THE MOST EFFICIENT SERVICE TO ALL - WHETHER OR NOT YOU ARE IN CONSTANT COMMUNICATION WITH THE INSTITUTE OFFICE FOR SUCH SERVICE. YOUR NEEDS, IN MANY CASES, HAVE BEEN ANTICIPATED THEREBY PRECLUDING THE NECESSITY OF YOUR GOING TO THE EXPENSE OF WIRING, TELEPHONING OR WRITING.

FOR EXAMPLE. SOME OF YOU MAY REQUEST ONE TO FIVE COPIES OF A DATA BOOK BULLETIN, POSSIBLY TWELVE PRINTS WITHIN A YEAR, ONE OR TWO COPIES OF CROSS-REFERENCES, SOME OR NONE OF THE BRAKE SHOE BULLETINS AND CATALOGS - BUT IT IS AVAILABLE WHEN YOU DO NEED THE INFORMATION AND YOUR INSTITUTE STAFF AND THE COMMITTEES HAVE TO PUT IN FULL TIME FOR ALL THESE FEATURES. FOR THE ELEVEN MONTHS ENDED MAY 31ST, GOING ALONG ON WHAT I HAVE MENTIONED, 3,283 BLUE PRINTS WERE RELEASED. TELEPHONED REQUESTS AMOUNTED TO 2,567 CALLS AND CORRESPONDENCE TOTALED 1,658 PIECES OF MAIL. THIS LATTER ITEM DOES NOT INCLUDE THE LETTERS ACCOMPANYING THE FORWARDING OF PRINTS. BULLETINS RELEASED ON SPECIFICATIONS AMOUNTED TO ELEVEN CONSISTING OF THIRTY-NINE PAGES AND 1900 COPIES OF THESE WERE DISTRIBUTED TO THE MEMBERSHIP. THERE WERE TWENTY-EIGHT GENERAL BULLETINS; THE SERIES CONSISTED OF TWENTY-TWO REAMS OF PAPER AND FOR THE CROSS-REFERENCES, FIFTY REAMS OF PAPER WERE INVOLVED. ALL OF THE PREPARATION, RUNNING AND COLLATING OF THESE BULLETINS, SERIES AND CROSS-REFERENCES WAS DONE BY THE OFFICE STAFF. THESE FIGURES DO NOT INCLUDE THE VARIOUS MEMOS OR MINUTES OF THE VARIOUS COMMITTEE MEETINGS AS WELL AS OF THE BOARD SESSIONS.

PRESIDENT'S REPORT (CONT'D)

THIS PAST YEAR HAS BEEN ONE OF GREAT PRESSURE DUE TO THE WORK BEING PERFORMED ON THE BRAKE SHOE IDENTIFICATION CATALOG SO THAT IT WOULD BE RELEASED BY DECEMBER 1958 BECAUSE OF FIELD DEMAND. MANY OF YOU ARE NOT FAMILIAR WITH THE BACKGROUND OF THIS PARTICULAR PROJECT, NOR EVEN OF THE BONDING FIELD, BECAUSE IT GOES BACK MANY YEARS. ONE OF THE VEHICLE MANUFACTURERS, BACK IN THE 1930'S, HAD BEEN EXPERIMENTING WITH BONDING LINING TO A SHOE, AND AFTER SOME TEN YEARS OF SUCH EXPERIMENTATION, FINALLY PRESENTED ITS FINDINGS TO THE PREDECESSOR OF THIS INSTITUTE AT AN ANNUAL MEETING, IN ORDER TO GET THE REACTION OF THE BRAKE LINING MANUFACTURERS. CANS OF THE ADHESIVE WERE BROUGHT TO THAT MEETING FOR THOSE OF OUR MEMBERS WHO WANTED TO EXPERIMENT AND SEE WHETHER IT WOULD BE WORKABLE. IN 1941 BONDED LINING APPEARED AND THEN THE WAR CURTAILED THIS ACTIVITY. IT WAS NOT UNTIL 1946 THAT TWO VEHICLES APPEARED WITH BONDED LINING. ALTHOUGH OUR MEMBERS WOULD BE MAKING THE LINING AND NOT HAVING THE EXPENSE OF SETTING UP DRILL JIGS A PROBLEM WAS POSED FOR THIS INDUSTRY, IN THAT A SEGMENT OF THE FIELD WENT IN FOR THIS SORT OF WORK AND STARTED TO SELL LINED SHOES RATHER THAN BOXED SETS. SHOE IDENTIFICATION THEN BECAME A NECESSITY.

BENDIX, THE PRIME MANUFACTURER OF BRAKE SHOES, IN 1950 APPROACHED THIS INDUSTRY ON THE PROBLEM OF RELEASING SHOE IDENTIFICATION INFORMATION SO THAT THE VEHICLES WOULD BE PROPERLY SERVICED AND FIELD CONFUSION ELIMINATED. TWO OR THREE CONFERENCES WERE HELD WITH BENDIX/REPRESENTATIVES OF OUR INSTITUTE BUT THE DIFFICULTIES INVOLVED DID NOT BRING THIS TO A HEAD AND AGREEMENT UNTIL 1957. THEN THE WORK BEGAN AND THE PRESSURE ON YOUR DATA BOOK AND TECHNICAL COMMITTEE, PLUS THE INSTITUTE STAFF WAS ONE THAT ONLY SOMEONE ON THE COMMITTEE OR IN THE INSTITUTE OFFICE, COULD APPRECIATE. INFORMATION FOR THE TWELVE PREVIOUS YEARS, BECAUSE SUCH VEHICLES WERE STILL IN USE, HAD TO BE ACCUMULATED AND IDENTIFIED - NOT ONLY BY THE SHOE BUT ALSO BY THE LINING APPLICATION. THE CATALOG WAS PROMISED FOR 1958 AND WITHIN TEN MONTHS THAT BOOK WENT OUT. THE PROMISED DATE WAS KEPT, EVEN THOUGH YOU DID NOT GET YOUR CATALOGS UNTIL SOME TIME IN JANUARY BECAUSE OF SHIPPING. IT WAS NOT EASY AND THE EXPENSE INVOLVED, ESPECIALLY ON THE PART OF BENDIX, WAS CONSIDERABLE. LOOKING THROUGH THE CATALOG, ONE DOES NOT SUSPECT THE TIME AND EFFORT PUT INTO IT, NOT DOES ANYONE CASUALLY GLANCING AT IT, REALIZE THAT THE DRAWINGS ARE ALL ENGRAVINGS WHICH MAY BE USED FOR FUTURE EDITIONS IN ORDER TO SAVE EXPENSE.

WHAT I HAVE TOLD YOU WAS ALSO EXPLAINED TO THE REBUILDERS AT THEIR BRAKE CLINIC IN CHICAGO ON FEBRUARY 14TH BY OUR SECRETARY. I WAS PRESENT AT THAT SESSION AND REALIZED AT THAT TIME, THAT THE REBUILDERS LEARNED SOMETHING FROM OUR SECRETARY ABOUT THIS BUSINESS THAT THEY DID NOT KNOW BEFORE. MANY OF THEM, ALSO, WERE UNAWARE OF THE PHASES OF BRAKE SHOE IDENTIFICATION, THAT IS WHY THIS PROJECT WAS A NECESSITY AND WAS AN EDUCATIONAL MOVE ON THE PART OF OUR MEMBERS. IT HAS HELPED THE FIELD, NOT ONLY FROM THE STANDPOINT OF A UNIFORM NUMBERING SYSTEM SO THAT EVERYONE IS TALKING THE SAME LANGUAGE BUT IT HAS ALSO STANDARDIZED, THROUGH AUTHENTIC PRINTS AND APPLICATION DATA RECEIVED FROM THE ORIGINAL EQUIPMENT MANUFACTURER, ANOTHER PART OF THE AUTOMOTIVE INDUSTRY.

ANOTHER SERIOUS PROBLEM THAT HAS BESET THIS INDUSTRY FOR MORE THAT TWO YEARS AND WHICH HAS BEEN BROUGHT TO MY ATTENTION MORE AND MORE AS YOUR PRESIDENT, IS THE FINANCIAL SITUATION. YOU ARE FACED, WITHIN YOUR OWN ORGANIZATIONS WITH RISING COSTS AND THE INSTITUTE IS NO EXCEPTION TO SUCH ECONOMIC STRESS. FOR THE FISCAL YEAR ENDED 1958, WE WENT INTO THE RED BY $94.00 WHILE THIS YEAR WE SHALL HAVE A DEFICIT OF APPROXIMATELY $3,000. YOUR DEMAND FOR A REVIEW OF THE FEE FORMULA HAS BEEN MADE. THE PROPOSED FORMULA AS RELEASED TO YOU IN ADVANCE OF THIS MEETING, IS ALONG THE IDEAS THAT YOU HAVE PROPOSED - IN OTHER WORDS - FOR SERVICE RENDERED IN THE FIELDS IN WHICH YOU ARE ENGAGED. THE INSTITUTE CANNOT CONSTANTLY OPERATE WITHOUT SUFFICIENT INCOME TO COVER CURRENT COSTS. I REITERATE - YOU ARE CONTINUALLY BEING FACED WITH RISING COSTS. THIS SAME CONDITION EXISTS IN THE INSTITUTE OFFICE AND THIS YEAR YOUR BUDGET WILL BE REFLECTING SUCH INCREASES. IT HAS TO BE MET. THE WISE PROCEDURE FOR ANY BUSINESSMAN IS

PRESIDENT'S REPORT (CONT'D)

TO FIGURE A CERTAIN AMOUNT OVER AND ABOVE COSTS, IN ORDER TO HAVE A SURPLUS SO THAT IN TIMES OF NEED HE DOES NOT HAVE TO CLOSE SHOP BECAUSE OF LACK OF FUNDS OR BORROW MONEY IN ORDER TO CONTINUE. BORROWING ADDS TO HIS COST BECAUSE OF THE INTEREST TO BE PAID ON THE LOAN. AN ASSOCIATION HAS TO OPERATE THE SAME WAY OR WHEN FUNDS ARE NOT AVAILABLE BECAUSE OF UNFAVORABLE BUSINESS CONDITIONS, THEN SURPLUS IS USED. AT THE PRESENT TIME, IF BUSINESS CONDITIONS WERE SUCH THAT THE MEMBERS WERE UNABLE TO PAY THEIR FEES IN FULL OR NOT AT ALL, YOUR INSTITUTE COULD ONLY OPERATE FOR A LITTLE MORE THAN SIX MONTHS ON THE SURPLUS NOW ON HAND. IT IS NOT VERY PLEASANT FOR ME TO HAVE HAD SUCH DEFICITS OCCURRING DURING MY TWO YEARS IN OFFICE BUT THAT HAS BEEN THE DIRECT RESULT OF OPERATING WITHOUT SUFFICIENT INCOME TO COVER EXPENSES.

LAST JUNE, WE HAD TWENTY-THREE ACTIVE MEMBERS, TWO ASSOCIATES AND FIVE REGIONAL MEMBERS. THIS JUNE, OUR REGIONAL MEMBERSHIP HAS INCREASED TO SEVEN. THIS MEANS ADDED INCOME BUT WE SHALL BE LOSING $5,000. ANNUALLY FROM THE ASSOCIATES BECAUSE ONE IS RESIGNING AS OF THE END OF THIS MONTH AND THE OTHER IS TRANSFERRING TO ACTIVE STATUS. ALTHOUGH WE ARE GAINING ONE ACTIVE MEMBER BY TRANSFERRAL, WE ARE LOSING IN THE SAME CLASSIFICATION ONE MEMBER BY DISSOLUTION AND ANOTHER BECAUSE HE HAS BEEN OUT OF BUSINESS SINCE LAST YEAR. OUR MEMBERSHIP, THEREFORE, AS OF THE NEW FISCAL YEAR STARTING JULY FIRST WILL CONSIST OF ONLY TWENTY-TWO ACTIVE MEMBERS AND SEVEN REGIONAL MEMBERSHIPS. THE LOSS OF THE $5,000. ANNUALLY IN REVENUE FROM THE ASSOCIATE MEMBERS HAS TO BE MADE UP IN SOME OTHER WAY.

OUR MANUFACTURERS' TRADE GROUP HAD HELD A PREEMINENT POSITION IN THE AUTOMOTIVE INDUSTRY FOR MANY YEARS SINCE ONLY AUTHENTIC AND AUTHORITATIVE DATA IS RELEASED. THIS PRESTIGE IS GROWING AT A RAPID RATE WHEN YOU REALIZE THAT THE NUMBERING SYSTEM WHICH IS USED AS A STANDARD FOR LININGS, FACINGS, BLOCKS AND NOW SHOES IS RECOGNIZED INTERNATIONALLY AND ACCEPTED AS THE MOST EFFICIENT SYSTEM OF IDENTIFICATION. OUR SECRETARY TOLD ME THAT NOT SO LONG AGO SHE RECEIVED A CALL FROM DETROIT FROM ONE OF THE BIG THREE. THEY HAD RECEIVED AN ORDER FROM A FOREIGN COUNTRY, BY F.M.S. NUMBERS, BUT COULD NOT CROSS-REFERENCE THEIR OWN PART NUMBERS WITH OURS. COULD SHE HELP THEM OUT. THIS IS FIRST HAND CONFIRMATION OF THE FACT THAT THROUGH OUR UNITED EFFORTS TO STANDARDIZE THAT THE NUMBERING SYSTEM IS BEING USED EVERY WHERE AS THE COMMON DEMONINATOR. THAT IS WHY OUR COUNSEL IS SO WATCHFUL AND ADAMANT ON THE ENFORCEMENT OF THE COPYRIGHT. SUCH WIDE-SPREAD USAGE OF OUR SYSTEM, I AM SURE, MUST BE A SOURCE OF SATISFACTION TO YOU.

WE SHALL, AS TIME GOES ON, FIND THAT MORE AND MORE INDUSTRY SERVICE MEN WILL BE COMING TO US, AS INDIVIDUALS OR TO THE INSTITUTE, FOR HELP. THAT WILL BE EXCELLENT BECAUSE IT WILL MEAN THAT ALL OF THE TIME, EFFORT AND EXPENSE INVOLVED HAS MORE THAN BEEN JUSTIFIED. IT WILL PROVE HOW NECESSARY OUR ORGANIZATION IS.

THIS TRADE GROUP HAS HAD ITS TRIALS AND TRIBULATIONS BUT THE MEN WHO WERE INSTRUMENTAL IN FOUNDING IT BACK IN THE TWENTIES, KNEW WHAT THEY WERE DOING, THEY FORESAW THE NEED FOR AN ORGANIZATION OF THIS TYPE.

TO THE MEMBERS OF THE VARIOUS COMMITTEES AND THOSE WHO HAVE BEEN SERVING ON YOUR BOARD OF DIRECTORS, I WISH TO EXPRESS MY SINCERE APPRECIATION FOR THE TIME AND EFFORT EXPENDED IN THE INTERESTS OF THE INDUSTRY; TO OUR SECRETARY AND HER STAFF, FOR THE THOROUGH AND SPEEDY RELEASE OF INFORMATION THAT IS OF VITAL IMPORTANCE TO US; AND TO OUR COUNSEL FOR HIS PATIENCE AND GUIDANCE.

REPORT OF THE BOARD OF DIRECTORS

THE SECRETARY READ THE FOLLOWING:

FOR THE FISCAL YEAR STARTING JULY 1, 1958, FIVE STANDING COMMITTEES WERE APPOINTED TO TAKE UNDER CONSIDERATION THOSE PROBLEMS CONCERNING THE INSTITUTE ACTIVITIES THAT FELL WITHIN THEIR CREATION. A SPECIAL COMMITTEE WAS APPOINTED DURING THE YEAR TO CONSIDER THE PROBLEM OF THE USE, BY OTHER THAN MEMBERS, OF THE F.M.S.I. NUMBERING SYSTEM FOR UNLINED BRAKE SHOES. A SUMMARY OF COMMITTEE REPORTS AND THE ACTIONS TAKEN BY YOUR BOARD OF DIRECTORS ON THE MATTERS INVOLVED AS WELL AS OTHER MATTERS PRESENTED TO IT FOR CONSIDERATION, BOTH BY MAIL AND AT MEETINGS HELD JANUARY 7TH, FEBRUARY 16TH AND JUNE 8TH, ARE AS FOLLOWS:

DURING THE YEAR, THE MEMBERSHIP COMMITTEE RECEIVED SIX REQUESTS FOR MEMBERSHIP INFORMATION FROM FOREIGN MANUFACTURERS OF BRAKE LININGS OR CLUTCH FACINGS. NONE OF THESE COMPANIES HAD EVER INQUIRED BEFORE. OF THE SIX, FABRIEK OF HOLLAND, AFTER APPROVAL BY THE BOARD OF DIRECTORS AND UPON THE UNANIMOUS VOTE BY MAIL BALLOT OF THE ACTIVE MEMBERSHIP, BECAME A REGIONAL MEMBER AS OF APRIL 1, 1959.

ANOTHER APPLICATION, RECEIVED FROM BERAL-BREMSBELAG OF WEST GERMANY, ALTHOUGH ANNOUNCED TO THE INDUSTRY, HAS NOT BEEN PROCESSED UNTIL CERTAIN FACTORS HAVE BEEN CLEARED.

UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY PASSED, IT WAS

RESOLVED: TO ACCEPT THE REPORT OF THE MEMBERSHIP COMMITTEE.

THE HISTORICAL SALES COMMITTEE, AT THE REQUEST OF THE MEMBERSHIP AT ITS ANNUAL MEETING HELD ON JUNE 18, 1958, INVESTIGATED THE POSSIBILITY OF COLLECTING AND DISTRIBUTING SALES STATISTICS COVERING PASSENGER CAR AND LIGHT TRUCK SEGMENTS. A QUESTIONNAIRE WAS DEVELOPED AND MAILED TO ALL ACTIVE MEMBERS AND ASSOCIATE MEMBERS. THE RESULTS REVEALED THAT ONLY ELEVEN MEMBERS WERE INTERESTED AND OF THESE, ONLY EIGHT COULD OR WOULD SUPPLY HISTORICAL SALES INFORMATION AND UNIT DATA. THE SECRETARY CONTACTED THOSE WHO HAD NOT RESPONDED IN ORDER TO FIND OUT WHY BUT THE REPLIES WERE NOT ENCOURAGING. THE COMMITTEE THEREFORE RECOMMENDED THAT THE PROJECT BE ABANDONED.

ON THE OTHER TWO PROJECTS OF SALES STATISTICS, AS CONDUCTED BY ERNST & ERNST, SEVERAL MEMBERS HAVE COMMENTED FAVORABLY ON THE DATA RECEIVED AND ITS USEFULNESS.

AFTER CONSIDERATION, THE FOLLOWING MOTION WAS PASSED:

RESOLVED: THAT THE REPORT AND RECOMMENDATION OF THE HISTORICAL SALES COMMITTEE BE ACCEPTED.

"NO MATTERS HAVE COME TO THE COMMITTEE FROM THE MEMBERSHIP OR THE INSTITUTE OFFICE SINCE THE FEBRUARY MEETING OF THE BOARD. AT THAT TIME A DETAILED REPORT TO DATE WAS SUBMITTED TO AND ACCEPTED BY THE BOARD.

"AS I LEAVE THE BOARD AND ACTIVE PARTICIPATION IN THE INDUSTRY, I WISH TO URGE MOST SINCERELY THE CONTINUATION OF THE TWO SALES STATISTICAL REPORTS NOW BEING PROVIDED BY ERNST & ERNST.

"THE INDUSTRY NOW HAS, IN THESE REPORTS, A SOUND FOUNDATION FOR CONTINUED HISTORIC SALES STATISTICS WHICH COVER A HIGH PERCENTAGE OF THE INDUSTRY'S SALES.

"MANY FRICTION MATERIAL MANUFACTURERS FIND THIS DATA INVALUABLE IN THEIR CURRENT AND LONG RANGE PLANNING. SIMILAR STATISTICS ARE MAINTAINED AND USED BY A WIDE VARIETY OF GROUPS IN THE AUTOMOTIVE AND INNUMERABLE OTHER INDUSTRIES.

REPORT OF THE BOARD OF DIRECTORD (CONT'D)

"TO EACH OF YOU ON THE BOARD, AND TO THE OTHER OFFICERS AND MEMBERS OF THE F.M.S.I., TO OUR GOOD LEGAL ADVISOR, AND ESPECIALLY TO MISS DUSCHEK AND HER STAFF, I WISH TO EXPRESS MY DEEP GRATITUDE FOR YOUR COOPERATION OVER THE MANY YEARS. WE MAY NOT HAVE SEEN EYE-TO-EYE ON EVERY PROPOSITION, BUT WORKING TOGETHER WE HAVE, I BELIEVE, MADE THIS A BETTER INDUSTRY IN WHICH TO DO BUSINESS. THERE IS STILL MUCH TO BE DONE. SORRY I SHALL BE UNABLE TO ATTEND THE JUNE MEETINGS.

"MY SINCERE GOOD WISHES TO EACH OF YOU."

FRANKLIN A. MILLER, CHAIRMAN

THE BOARD PASSED THE FOLLOWING:

RESOLVED: THAT THE REPORT OF THE HISTORICAL SALES COMMITTEE BE ACCEPTED AS READ.

THE DATA BOOK AND TECHNICAL COMMITTEE, IN THEIR REPORT TO THE BOARD OF DIRECTORS ON JANUARY 7TH, GAVE A DETAILED ACCOUNT OF THE WORK PERFORMED DURING THAT HALF YEAR ON NOT ONLY THE PROBLEMS REFERRED TO IT BUT ALSO ON THE BRAKE SHOE IDENTIFICATION PROJECT. AT THAT MEETING, THE BOARD PASSED THE FOLLOWING:

RESOLVED: THAT THE REPORT OF THE DATA BOOK AND TECHNICAL COMMITTEE BE ACCEPTED WITH THANKS FOR THE SPLENDID WORK THAT HAD BEEN DONE AND THAT MISS DUSCHEK BE COMPLIMENTED ON THE TREMENDOUS AMOUNT OF TIME AND EFFORT WHICH SHE HAD EXPENDED ON THE COMPILATION OF THE BRAKE SHOE IDENTIFICATION CATALOG.

AT THAT MEETING, THE BOARD AGAIN CONSIDERED THE DEVELOPMENT OF BASIC SIZE INFORMATION FOR BONDED LENGTHS AND DECIDED THAT THE LINING LENGTHS SUPPLIED BY THE BRAKE LINING MANUFACTURER TO THE FIELD WAS THE INDIVIDUAL COMPANY'S SALES PROBLEM RATHER THAN AN ENGINEERING PROBLEM TO BE DECIDED BY THE INSTITUTE. THE COMMITTEE, THEREFORE, WAS ADVISED TO DISCONTINUE ANY FURTHER CONSIDERATION OF PROPOSED BONDED SEGMENT LENGTHS.

ON THE BRAKE SHOE IDENTIFICATION CATALOG, THE BOARD OF DIRECTORS DECIDED THAT THE SAME RESTRICTIONS APPLYING TO THE AUTOMOTIVE DATA BOOK WOULD APPLY TO THIS CATALOG. THESE RESTRICTIONS REFERRED TO THE POSSIBLE MUTILATION OF THE COVER BY THE SUPER-IMPOSITION OF A MEMBERS NAME OR BY ITS REMOVAL AND THE USE OF THE NUMBERING SYSTEM AND THE REPRINTING IN WHOLE OR PART OF ANY OF THE INFORMATION.

THE FOLLOWING MOTION WAS PASSED:

RESOLVED: THAT THE SAME RULES, REGULATIONS AND RESTRICTIONS APPLYING TO THE AUTOMOTIVE DATA BOOK AS TO THE REPRINTING IN WHOLE OR IN PART OF THE INFORMATION CONTAINED THEREIN OR THE MUTILATION OF THE COVER BY THE SUPER-IMPOSITION OF A NAME PLATE APPLY TO THE BRAKE SHOE IDENTIFICATION CATALOG.

THIS RESOLUTION WAS FORWARDED, IN BULLETIN FORM, TO THE MEMBERSHIP.

SINCE THE MEMBERS ARE GREATLY INTERESTED IN THE ACTIVITIES OF THE DATA BOOK AND TECHNICAL COMMITTEE, THE REPORT IS GIVEN HEREWITH IN ITS ENTIRETY:

AT THE MEETING OF THE BOARD OF DIRECTORS ON JANUARY 7, 1959, I REPORTED THAT AT THE TWO MEETINGS HELD ON AUGUST 1ST AND DECEMBER 4TH SUFFICIENT INFORMATION HAD BEEN WORKED OUT SO THAT THE BRAKE SHOE CATALOG COULD GO TO PRESS, ALTHOUGH THERE WERE SOME SHOES ON WHICH WE HAD BEEN UNABLE TO SECURE ANY DRAWINGS AND, THEREFORE, WERE UNABLE TO CATALOG.

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

SINCE THE ISSUING OF THE BRAKE SHOE DATA BOOK, THE SECRETARY HAS BEEN IN TOUCH WITH CHRYSLER, BENDIX, MORAINE, KELSEY-HAYES AND WAGNER IN AN ENDEAVOR TO SECURE DRAWINGS AND OTHER DATA IN CONNECTION WITH THE 1959 MODELS AS WELL AS IN AN ENDEAVOR TO SECURE INFORMATION REGARDING THOSE SHOES ON WHICH WE ARE STILL LACKING COMPLETE INFORMATION.

THE COMMITTEE MET ON APRIL 2ND AT THE INSTITUTE OFFICE, MOST OF THE TIME WAS GIVEN TO A DISCUSSION OF THE SHOE CATALOG, AND SOME MINOR CORRECTIONS WERE MADE IN THE INFORMATION. THESE CORRECTIONS WERE OUTLINED IN BULLETINS TO THE MEMBERSHIP.

ALONG WITH THE DRAWINGS OF AUTOMOTIVE BRAKE SHOES FROM BENDIX, THE INSTITUTE HAS A NUMBER OF DRAWINGS OF BRAKE SHOES WHICH ARE USED ON INDUSTRIAL APPLICATIONS AND SOME WHICH ARE HAND BRAKES AND SOME WHICH ARE TRACTOR BRAKE SHOES. IN VIEW OF THE FACT THAT THE FORD AND FERGUSON TRACTOR SHOES ARE BONDED AS EQUIPMENT, IT WAS THE COMMITTEE'S DECISION THAT NUMBERS SHOULD BE ASSIGNED TO THESE AS SOON AS THEY CAN BE TIED UP WITH THE CORRECT BRAKE LINING NUMBER. THE COMMITTEE'S OPINION, HOWEVER, WAS THAT FOR THE TIME BEING AT LEAST WE SHOULD NOT GET INTO THE INDUSTRIAL APPLICATIONS.

SINCE THE MEETING OF THE COMMITTEE, THE SECRETARY HAS RECEIVED ADDITIONAL SHOE DRAWINGS FROM THE CHRYSLER CORPORATION, BOTH FOR PASSENGER CAR AND TRUCK USE, AND ALSO FROM KELSEY-HAYES WHO ARE MANUFACTURERS OF THE FORD BRAKES.

A TOTAL OF THREE BULLETINS HAVE BEEN PREPARED SHOWING SOME SUPPLEMENTAL DATA CONCERNING BRAKE SHOES, AND I BELIEVE THE SECRETARY HAS SUFFICIENT INFORMATION ON HAND AT PRESENT TO PREPARE A FOURTH BULLETIN. THE COMMITTEE FELT THAT, IN ORDER FOR THESE BULLETINS TO BE OF THE UTMOST VALUE TO THE MEMBERSHIP, THEY SHOULD INCLUDE SMALL SCALE DRAWINGS OF THE NEW SHOES AS THEY WERE ANNOUNCED IN THE BULLETINS. THIS, HOWEVER, DELAYS THE ISSUING OF THE BULLETINS TO SOME EXTENT, AND IT IS A QUESTION AS TO WHETHER THE BULLETINS ARE THE MOST VALUE THROUGH BEING ISSUED PROMPTLY OR WHETHER THAT ARE THE MOST VALUE BY HAVING THE SHOE DRAWINGS. I BELIEVE THAT THE SECRETARY AND FUTURE COMMITTEE SHOULD BE GUIDED SOMEWHAT BY COMMENTS RECEIVED ON THE BULLETINS AS THEY ARE ISSUED.

IT IS YOUR CHAIRMAN'S BELIEF THAT THE INSTITUTE HAS HAD A REASONABLE DEGREE OF SUCCESS IN OBTAINING THIS BRAKE SHOE INFORMATION FROM THE VARIOUS SOURCES, AND NOW THAT THE INFORMATION HAS STARTED TO FLOW THAT THE SECRETARY WILL NOT HAVE TOO MUCH DIFFICULTY IN OBTAINING SUBSEQUENT DATA. IT APPEARS, HOWEVER, THAT THERE MAY BE SOME DIFFICULTY IN AVOIDING DUPLICATIONS. FOR EXAMPLE, IN THE CASE OF THE SAME BRAKE SHOE BEING MADE BY TWO MANUFACTURERS, SUCH AS BENDIX AND KELSEY-HAYES, AND WHICH MAY BE USED ON CARS PRODUCED BY GENERAL MOTORS, CHRYSLER AND FORD, IT IS CONCEIVABLE THAT DRAWINGS OF THE SAME SHOE COULD BE RECEIVED FROM FOUR OR FIVE DIFFERENT COMPANIES. THESE SHOES MAY OR MAY NOT CARRY FIVE DIFFERENT PART NUMBERS AND, BEING DRAWN BY DIFFERENT DRAFTSMEN, WILL NOT ALWAYS BE READILY RECOGNIZED AS THE SAME SHOE.

YOUR SECRETARY IS DOING AN OUTSTANDING JOB IN SORTING OUT THESE PRINTS, BUT MANY TIMES A SHOE ASSEMBLY PRINT RECEIVED FROM A COMPANY WHO ARE MERELY USING THE SHOE AND NOT MANUFACTURING IT WILL NOT HAVE THE DETAILS NEEDED BY THE SECRETARY TO DETERMINE THE SHOE DIFFERENCES. BY THIS I MEAN WEB THICKNESS, THROAT WIDTH, AND THINGS OF THAT SORT.

THERE HAS ALSO BEEN THE REQUEST FOR SHOE DRAWINGS FOR FOREIGN CARS. THIS IS UNDERSTANDABLE WITH THE INCREASED NUMBER OF FOREIGN CARS BEING IMPORTED TO THIS COUNTRY. IT IS THE COMMITTEE'S OPINION THAT THE DIFFICULTY IN OBTAINING DRAWINGS OF THESE SHOES WOULD PRECLUDE THE PUBLISHING OF ANY DATA. THERE ARE SOME FOREIGN CAR SHOES BEING MANUFACTURED IN THIS COUNTRY, HOWEVER, FOR THE REBUILDERS AND, UNDOUBTEDLY, SOME CONFUSION IS GOING TO EXIST BECAUSE THERE ARE MINOR DIFFERENCES IN SOME OF THESE SHOES THAT WILL CONFUSE THE MECHANICS OR BRAKE SERVICE PERSONNEL. IT IS YOUR CHAIRMAN'S OPINION THAT, IF THERE IS ENOUGH CONFUSION THAT THE MEMBERSHIP DESIRES SOMETHING TO

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

BE DONE ABOUT FOREIGN CAR BRAKE SHOES IN THE WAY OF CATALOGING, THIS WILL PROBABLY HAVE TO BE AN INSTITUTE PROJECT WHEREBY SHOE DRAWINGS WOULD BE MADE FROM ACTUAL ORIGINAL EQUIPMENT SHOES OBTAINED THROUGH AUTHENTIC SOURCES.

ALSO AGAIN DISCUSSED AT THE APRIL 2ND MEETING WAS THE MATTER OF THE SIZE OF RIVETS FOR TIMKEN BLOCKS. AS NEAR AS THE COMMITTEE CAN DETERMINE, THERE ARE THREE BASIC SIZES OF RIVETS BEING USED, THE STANDARD 3/16" SHANK, SEVEN OR EIGHT SERIES RIVET, THE OVERSIZE SHANK .190/.200" WHICH IS THE 20-SERIES RIVET, AND IN SOME CASES 1/4" RIVETS. IT IS THE COMMITTEE'S OPINION THAT MOST OF THE 1/4" RIVETS ARE BEING PUT IN BY DRILLING OUT THE HOLES IN THE BRAKE SHOES, AND TIMKEN HAVE RECOMMENDED THIS IN THEIR REPLACEMENT SERVICE. AS NEAR AS WE CAN FIND, HOWEVER, COMPARATIVELY FEW ORIGINAL EQUIPEMNT BLOCKS ARE USING 1/4" RIVETS, AND UNTIL FURTHER INFORMATION CAN BE OBTAINED IT WAS THE DECISION TO CONTINUE CATALOGING THE FABRICATED SHOE TO USE A 20-SERIES RIVET AND THE CAST SHOE TO USE THE 8-SERIES RIVET.

THE MEMBERS OF YOUR DATA BOOK & TECHNICAL COMMITTEE HAVE BEEN VERY DILIGENT AND FAITHFUL IN ATTENDING MEETINGS AND HAVE BEEN VERY HELPFUL IN GETTING THE BRAKE SHOE DATA BOOK UNDERWAY. AS CHAIRMAN OF THIS COMMITTEE, I WOULD LIKE TO ADD MY HOPE THAT THE BRAKE SHOE DATA BOOK MEETS WITH THE APPROVAL OF THE MEMBERSHIP AND WILL PROVE HELPFUL TO THE INDUSTRY.

THE CHAIRMAN ADVISED THAT EVERY EFFORT WAS BEING MADE TO SECURE BRAKE SHOE DRAWINGS FOR FOREIGN VEHICLES AND THAT THE SECRETARY HAD CONTACTED THE BRITISH ASSOCIATION FOR SUCH DRAWINGS. FURTHER EFFORTS ARE BEING MADE TO SECURE SUCH INFORMATION BECAUSE OF THE NUMBER OF FOREIGN VEHICLES BEING IMPORTED.

UPON MOTION DULY MADE AND SECONDED, IT WAS

RESOLVED: TO ACCEPT THE REPORT OF THE DATA BOOK AND TECHNICAL COMMITTEE AND THAT THE COMMITTEE BE COMPLIMENTED FOR THE EXCELLENT WORK PERFORMED ON BRAKE SHOE IDENTIFICATION.

ON THE USE OF THE F.M S.I NUMBERING SYSTEM APPLYING TO THE UNLINED BRAKE SHOES BY MANUFACTURERS WHO ARE NOT MEMBERS OF THE INSTITUTE, THE FOLLOWING MOTION WAS PASSED:

RESOLVED: THAT THE PRESIDENT APPOINT A COMMITTEE OF THREE, WHO, TOGETHER WITH COUNSEL, REEXAMINE THE ENTIRE SITUATION OF THE F.M.S.I. NUMBERING SYSTEM AS SET UP FOR BRAKE SHOE IDENTIFICATION AND REPORT TO THE BOARD WITH REASONABLE DISPATCH.

THIS SPECIAL COMMITTEE REPORTED THAT THEY HAD HELD TWO MEETINGS AND RECOMMENDED:

1. A SPECIAL MEMBERSHIP CLASSIFICATION SHOULD BE ESTABLISHED FOR SHOE MANUFACTURERS WHO SELL UNLINED SHOES IN ORDER THAT THE INSTITUTE CAN CONTROL THE USE OF THE COPYRIGHTED NUMBERS.

2. THOSE WHO ARE NOT MEMBERS WOULD BE GIVEN AN OPPORTUNITY TO BECOME MEMBERS.

3. A FEE BE ESTABLISHED FOR SUCH SPECIAL MEMBERSHIP.

4. THIS SPECIAL MEMBERSHIP BE NON-VOTING SINCE THE INSTITUTE IS A FRICTION MATERIALS MANUFACTURING GROUP AND NOT ONE ENGAGED IN THE MANUFACTURE OF STEEL PRODUCTS.

5. SUCH SPECIAL MEMBERS BE PERMITTED TO ENGAGE IN DUSCUSSIONS CONCERNING BRAKE SHOES BUT NOT HAVE THE RIGHT TO VOTE AS TO INSTITUTE POLICIES OR FUTURE ACTIVITIES.

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

6. SUCH SPECIAL MEMBERS MAY BE APPOINTED TO SERVE ON COMMITTEES BUT NOT ON THE DIRECTORSHIP.

7. SUCH SPECIAL MEMBERS BE ENTITLED TO RECEIVE ANY DATA, CIRCULARS OR INFORMATION RELEASED BY THE INSTITUTE INVOLVING BRAKE SHOES.

8. THE FEE FOR SUCH SPECIAL MEMBERSHIP BE AT THE RATE OF $300. PER ANNUM AS THEY WOULD BENEFIT FROM THE WORK INVOLVES IN SETTING UP THE NUMBERS AS WELL AS THE PRIVILEGE OF USING THE NUMBERING SYSTEM.

THESE EIGHT POINTS WERE AGREED TO UNANIMOUSLY BY THE COMMITTEE AND AT THE SAME TIME THE COMMITTEE, BY THE AID OF COUNSEL AND THE SECRETARY OF THE INSTITUTE, MADE CERTAIN RECOMMENDATIONS FOR CHANGES IN OUR CONSTITUTION AND BY-LAWS, WHICH CHANGES ARE NECESSARY TO SET UP THIS NEW MEMBERSHIP CLASSIFICATION AND THE NEW FEE. YOU HAVE A COPY OF THE CHANGES RECOMMENDED IN OUR CONSTITUTION.

THE BOARD PASSED THE FOLLOWING:

RESOLVED: THAT THE REPORT OF THE SPECIAL COMMITTEE ON THE F.M.S.I. SHOE NUMBERING SYSTEM BE ACCEPTED.

COUNSEL REPORTED IN DETAIL, INCLUDING HIS EFFORTS TO PROTECT THE INSTITUTE'S COPYRIGHT, HIS ATTENDANCE AT MEETINGS AND HIS ASSISTANCE IN COLLECTING CERTAIN INFORMATION FOR COMMITTEES AND FOR THE BOARD OF DIRECTORS IN ORDER TO AID THEM IN THEIR DELIBERATIONS, AND PASSED UPON CORRESPONDENCE PERTAINING TO MEMBERSHIP AS WELL AS TO OTHER INSTITUTE MATTERS.

THE FEE FORMULA COMMITTEE, DURING THE FIRST HALF OF THE FISCAL YEAR, HELD TWO MEETINGS AT THE JANUARY 7TH, 1959 MEETING OF THE BOARD OF DIRECTORS, THEY ADVISED THAT THEY HAD TWO RECOMMENDATIONS BASED UPON INFORMATION RECEIVED FROM THE MEMBERS BY COUNSEL, AND A SUMMARY OF THE REPLIES PREPARED BY HIM.

1. A STRAIGHT FEE OF OVER $1,000. ANNUALLY FOR EACH MEMBER; AND

2. A FEE BASED UPON PRODUCT CATEGORY. ANY COMPANY NOT REPORTING WOULD BE ASSESSED THE MAXIMUM.

BASED UPON TWENTY-TWO MEMBERS, THEY RECOMMENDED A BASIC FEE OF $500. AND $250. FOR EACH OF THE FOLLOWING CATEGORIES - (1) BRAKE LININGS (2) BRAKE BLOCKS (3) CLUTCH FACINGS (4) LINED BRAKE SHOES.

THE BOARD, AFTER CONSIDERING THIS RECOMMENDATION, PASSED THE FOLLOWING MOTION:

RESOLVED: THAT THE BOARD OF DIRECTORS APPROVE THE FEE FORMULA COMMITTEE'S RECOMMENDATION OF A FEE BASED UPON PRODUCT CATEGORIES BUT IN ORDER TO AID THE BOARD OF DIRECTORS IN DETERMINING A SATISFACTORY CHARGE FOR EACH CATEGORY TO MEET THE INSTITUTE'S BUDGET, A RECHECK BE MADE OF THE MEMBERS AS TO PRODUCT CATEGORIES; AND

THAT A LETTER BE SENT TO THE ACTIVE MEMBERS DEFINING EACH OF THE CATEGORIES AND REQUESTING THAT EACH MEMBER FILE A CONFIDENTIAL DECLARATION AS TO CATEGORIES ENGAGED IN AND RETURN THE INFORMATION TO MR. STICKLES BY FEBRUARY FIRST 1959.

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

ON FEBRUARY 16TH, THE BOARD HELD A SPECIAL MEETING AT WHICH THE FEE FORMULA COMMITTEE PRESENTED A REPORT. THE SUMMARY OF THE DECLARATIONS SENT TO COUNSEL REVEALED THAT TWENTY-ONE MEMBERS WERE ENGAGED IN BRAKE LININGS, SEVENTEEN IN BRAKE BLOCKS, TEN IN CLUTCH FACINGS AND ELEVEN IN BRAKE SHOES. IN VIEW OF THIS, THEY FELT THAT FOR THE FEE BASIS, THREE CATEGORIES BE ESTABLISHED - (1)BRAKE LININGS AND BRAKE SHOES (2) BRAKE BLOCKS (3) CLUTCH FACINGS. THE BOARD CONSIDERED INCOME THAT WOULD BE NECESSARY TO MEET THE INSTITUTE'S BUDGETARY REQUIREMENTS AS WELL AS THE FOLLOWING FACTORS:

1. THE MERGER OF THREE COMPANIES INTO ONE REDUCING THE ACTIVE MEMBERSHIP BY TWO.

2. THE LOSS OF ONE MEMBER NO LONGER ENGAGED IN MANUFACTURING.

3. THE TRANSFER OF AN ASSOCIATE MEMBER TO ACTIVE STATUS AS OF JULY 1, 1959.

4. THE RESIGNATION OF AN ASSOCIATE MEMBER AS OF JUNE 30, 1959.

5. THE INCREASED COST OF INSTITUTE OPERATION.

TO MEET THE BUDGETARY DEMANDS, THE BOARD CONSIDERED THE MANY SUGGESTED WAYS OF ASSESSING THE MEMBERS, AND AFTER CONSIDERABLE DISCUSSION THE FOLLOWING RESOLUTIONS WERE PASSED:

RESOLVED: THAT FOR THE FISCAL YEAR STARTING JULY 1, 1959, THE FEE FORMULA FOR THE ACTIVE MEMBERS SHALL BE AT A BASIC FEE OF $500. PLUS AN ADDITIONAL FEE OF $300. FOR EACH OF THE FOLLOWING THREE PRODUCT CATEGORIES - (1)BRAKE LININGS AND LINED BRAKE SHOES (2) BRAKE BLOCKS (3) CLUTCH FACINGS - AS REPORTED ON THE DECLARATIONS TO COUNSEL UNDER DATE OF JANUARY 13, 1959 AND THAT IT BE FURTHER

RESOLVED: THAT THIS BOARD RECOGNIZES THAT THE CONSTITUTION AND BY-LAWS OF THE INSTITUTE SHOULD BE AMENDED SO THAT AS SOON THEREAFTER AS PERMISSABLE, THE FEE OF THE REGIONAL MEMBER SHALL BE RAISED TO $1,000. ANNUALLY AND FOR A TRADE GROUP $1,750 ANNUALLY.

THE TREASURER HAS REPORTED THAT AS A RESULT OF INCREASING COSTS, PLUS NON-PAYMENT OF DUES, THE BANK BALANCE IN THE WORKING ACCOUNT AS OF MAY 31ST, OR AFTER ELEVEN MONTHS OF OPERATION, WAS $8,980.38

FOR THE TWELVE MONTHS ENDED JUNE 30,1959 IT IS ANTICIPATED THAT THE TOTAL COST OF OPERATION WILL BE $30,788. OR $3,000. MORE THAN THE PRESENT SCALE OF FEES PROVIDES. THE CURRENT BUDGET WILL BE EXCEEDED BY APPROXIMATELY $2,500. AND THE CASH BALANCE AS OF JUNE 30TH APPROXIMATELY $5,000. THE BOARD

RESOLVED: TO ACCEPT THE TREASURER'S REPORT AND THE FINANCIAL STATEMENT FOR THE ELEVEN MONTHS ENDED MAY 31, 1959.

FOR THE FISCAL YEAR STARTING JULY 1, 1959, THE BUDGET COMMITTEE HAS PRESENTED A BUDGET OF $32,755. THE COMMITTEE FELT THAT SOME OF THE BUDGETED AMOUNTS ARE LOW BUT THEY HAVE PROVIDED FOR INCREASES IN THOSE ITEMS WHERE THE COSTS ARE CONSTANTLY RISING. THE BOARD PASSED THE FOLLOWING:

RESOLVED: TO RECOMMEND TO THE ANNUAL MEMBERSHIP MEETING A BUDGET OF $32,755. FOR THE FISCAL YEAR STARTING JULY 1, 1959.

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

OTHER MATTERS CONSIDERED BY THE BOARD WERE:

THE UNPAID FEE DUE BY RITESET MANUFACTURING COMPANY AMOUNTING TO $725. COUNSEL WAS INSTRUCTED TO CHECK INTO THE MATTER BEFORE ANY ACTION BE TAKEN ON THE WRITING OFF OF THIS UNPAID ITEM.

THE BOARD APPROVED, BY MAIL BALLOT, THE REQUEST OF A.P.R.A. TO HAVE THE SECRETARY ADDRESS THEIR BRAKE SHOE CLINIC ON FEBRUARY 14, 1959.

THE BOARD GRANTED PERMISSION TO RIM AND WHEEL SERVICE, INC. OF CINCINNATI, OHIO TO REPRINT THE PAGE OF THE DATA BOOK SETTING FORTH BRAKE DRUM OVERSIZES.

ON THE PROPOSED AMENDMENTS TO THE CONSTITUTION AND BY-LAWS, PROVIDING FOR THE ESTABLISHMENT OF A NEW CLASSIFICATION OF MEMBER KNOWN AS A BRAKE SHOE MANUFACTURING MEMBER AND FOR AN INCREASE OF $250. PER ANNUM IN THE REGIONAL MEMBERSHIP FEE, AFTER LENGTHY DISCUSSION THE BOARD

RESOLVED: TO RECOMMEND TO THE ANNUAL MEMBERSHIP MEETING ON JUNE 10, 1959 THE ADOPTION OF THE PROPOSED AMENDMENTS TO THE CONSTITUTION AND BY-LAWS.

THE RESIGNATION OF INLAND MANUFACTURING DIVISION OF GENERAL MOTORS CORPORATION AS OF JUNE 30, 1959 WAS ACCPTED.

THE BOARD, IN CONSIDERING THE ELIGIBILITY FOR REGIONAL MEMBERSHIP OF A COMPANY PARTLY OWNED OR LICENSED BY AN INSTITUTE MEMBER AND WISHING TO EXPORT TO THE ACTIVE MEMBER, ON THE ADVICE OF COUNSEL, FOUND THAT UNDER THE CONSTITUTION AND BY-LAWS SUCH A COMPANY IF A SEPARATE CORPORATE ENTITY, COULD NOT BE ACCEPTED AS A REGIONAL MEMBER.

HOWEVER, BECAUSE OF THE IMPORTATION OF SO MANY FOREIGN VEHICLES INTO THIS COUNTRY WHICH WILL REQUIRE PROPER SERVICING AND THE MANY FACTORS ENTERING INTO SUCH LICENSE AGREEMENTS IT WAS DECIDED THAT A FURTHER STUDY IS NECESSARY TO INVESTIGATE ALL PHASES OF THIS PROBLEM. AFTER DISCUSSION, IT WAS

RESOLVED: THAT THE PRESIDENT APPOINT A COMMITTEE TO INVESTIGATE ALL PHASES OF LICENSE AGREEMENTS AND ACTIVE MEMBERS' INTERESTS IN FOREIGN MANUFACTURERS COMPANIES AS AFFECTING THE ELIGIBILITY OF SUCH FOREIGN MANUFACTURERS FOR REGIONAL MEMBERSHIP.

UPON WRITTEN NOTICE, THE CHANGE IN NAME OF THE THERMOID COMPANY TO THERMOID DIVISION, H. K. PORTER CO., INC. WAS ACCEPTED BY THE BOARD.

UPON NOTICE, THE DISSOLUTION OF EMSCO ASBESTOS COMPANY WAS ALSO ACCEPTED AND THE SECRETARY INSTRUCTED TO RECORD, IN THE INSTITUTE RECORDS, THAT AS OF JULY 1, 1959 THIS MEMBERSHIP WOULD CEASE.

THE BOARD RECEIVED A LETTER OF APPRECIATION FROM THE A.P.R.A. FOR THE TALK GIVEN BY THE INSTITUTE'S SECRETARY AT THEIR BRAKE CLINIC MEETING IN FEBRUARY.

ON THE QUESTION OF GRADING FRICTION MATERIALS, AS REQUESTED BY THE A.P.R.A., THE BOARD

RESOLVED: THAT THE QUESTION OF GRADING FRICTION MATERIALS IS AN INDIVIDUAL MEMBER'S PROBLEM ON THE PRESENTATION OF HIS PRODUCT TO THE FIELD.

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

THE REQUEST OF AMERICAN BRAKEBLOK DIVISION OF AMERICAN BRAKE SHOE COMPANY FOR A CHANGE OF MEMBERSHIP FROM THAT OF ASSOCIATE TO ACTIVE STATUS AS OF JULY 1, 1959 WAS APPROVED.

FURTHER INQUIRY SHALL BE MADE, BY COUNSEL, REGARDING THE PAST DUE FEE OF RITESET MANUFACTURING COMPANY BEFORE THIS UNPAID ITEM IS WRITTEN OFF THE INSTITUTE'S BOOKS.

SINCE MR. F. A. MILLER OF RAYBESTOS-MANHATTAN, INC. RETIRED AS OF MAY 31, 1959, THE BOARD INSTRUCTED THE SECRETARY TO SEND HIM A LETTER OF APPRECIATION FOR HIS EFFORTS, OVER THE YEARS, IN THE INTERESTS OF THE INSTITUTE AND ITS MEMBERS.

THE FOLLOWING RESOLUTIONS OF APPRECIATION WERE ALSO APPROVED:

WHEREAS, ~~FREDERICK C. WEYBURNE~~ James L. McGregor, HAS DISPLAYED AN ACTIVE INTEREST IN THE ACTIVITIES OF THE INSTITUTE AND HAS SERVED IN NUMEROUS CAPACITIES AS MEMBER OF SEVERAL COMMITTEES; AS A MEMBER OF THE BOARD OF DIRECTORS, AND AS VICE PRESIDENT AND PRESIDENT; AND

WHEREAS, THE MEMBERS OF THE INSTITUTE AND THE INDUSTRY AT LARGE HAVE BEEN GREATLY BENEFITED BY HIS FORESIGHT AND UNDERSTANDING OF THE MANY PROBLEMS IN THE FRICTION MATERIALS INDUSTRY;

NOW, THEREFORE, BE IT

RESOLVED, THAT THE MEMBERS OF THE FRICTION MATERIALS STANDARDS INSTITUTE, INC. HEREBY EXPRESS THEIR APPRECIATION OF ONE WHO HAS UNSTINTINGLY GIVEN OF HIS TIME, EFFORT AND ADVICE OVER THE YEARS IN CONTRIBUTING TO THE WELL-BEING AND PROGRESS OF THE FRICTION MATERIALS INDUSTRY.

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WHEREAS, WILLIAM J. VACHOUT HAS DISPLAYED AN ACTIVE INTEREST IN THE ACTIVITIES OF THE INSTITUTE AND HAD SERVED IN NUMEROUS CAPACITIES AS MEMBER OF SEVERAL COMMITTEES; AS A MEMBER OF THE BOARD OF DIRECTORS, AND AS VICE PRESIDENT AND PRESIDENT; AND

WHEREAS, THE MEMBERS OF THE INSTITUTE AND THE INDUSTRY AT LARGE HAVE BEEN GREATLY BENEFITED BY HIS FORESIGHT AND UNDERSTANDING OF THE MANY PROBLEMS IN THE FRICTION MATERIALS INDUSTRY;

NOW, THEREFORE, BE IT

RESOLVED, THAT THE MEMBERS OF THE FRICTION MATERIALS STANDARDS INSTITUTE, INC. HEREBY EXPRESS THEIR APPRECIATION OF ONE WHO HAS UNSTINTINGLY GIVEN OF HIS TIME, EFFORT AND ADVICE OVER THE YEARS IN CONTRIBUTING TO THE WELL-BEING AND PROGRESS OF THE FRICTION MATERIALS INDUSTRY.

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WHEREAS, LEO S. SULLIVAN HAS DISPLAYED AN ACTIVE INTEREST IN THE ACTIVITIES OF THE THE INSTITUTE AND HAS SERVED IN NUMEROUS CAPACITIES AS CHAIRMAN AND MEMBER OF SEVERAL COMMITTEES; AS A MEMBER OF THE BOARD OF DIRECTORS, AND AS VICE PRESIDENT AND PRESIDENT; AND

WHEREAS, THE MEMBERS OF THE INSTITUTE AND THE INDUSTRY AT LARGE HAVE BEEN GREATLY BENEFITED BY HIS FORESIGHT AND UNDERSTANDING OF THE MANY PROBLEMS IN THE FRICTION MATERIALS INDUSTRY;

NOW, THEREFORE, BE IT

REPORT OF THE BOARD OF DIRECTORS (CONT'D)

RESOLVED, THAT THE MEMBERS OF THE FRICTION MATERIALS STANDARDS INSTITUTE, INC. HEREBY EXPRESS THEIR APPRECIATION OF ONE WHO HAS UNSTINTINGLY GIVEN OF HIS TIME, EFFORT AND ADVICE OVER THE YEARS IN CONTRIBUTING TO THE WELL-BEING AND PROGRESS OF THE FRICTION MATERIALS INDUSTRY.

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UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY PASSED, IT WAS

RESOLVED: TO ACCEPT THE REPORT OF THE BOARD OF DIRECTORS

ONE OF THE MEMBERS EXPRESSED THE DESIRE TO HAVE THE COMMITTEE REPORTS READ IN THEIR ENTIRETY. COUNSEL ADVISED THAT THE BOARD REPORT MAY BE DISCUSSED BUT THAT THERE WERE ONLY THREE MATTERS ON WHICH THE ACTIVE MEMBERSHIP COULD VOTE - THE PROPOSED BUDGET, THE RECOMMENDED FEE FORMULA AND THE AMENDMENTS TO THE CONSTITUTION. UPON REQUEST, THE MEMBERSHIP COMMITTEE REPORT WAS READ.

IN DISCUSSING THE RECOMMENDED FEE FORMULA A MEMBER QUESTIONED - (1) THE FORMULA BEING BASED ON BUYING OR SELLING SINCE SOME MEMBERS BUY FROM OTHERS; (2) THAT SEGMENTS OF 1/2" THICK ARE CLASSIFIED AS BLOCKS WHEREAS THEY SHOULD BE CLASSIFIED AS BRAKE LININGS; AND (3) THAT A MEMBER NOT A MANUFACTURER OF BLOCKS BUT AN OCCASIONAL BUYER OF ONE TO TWO FROM OTHER MEMBERS IN ORDER TO ACCOMMODATE A CUSTOMER, HAS TO PAY $300. FOR THE BRAKE BLOCK CATEGORY.

THE CHAIRMAN OF THE FEE FORMULA COMMITTEE EXPLAINED THAT THE FORMULA WAS BASED ON WHAT A MEMBER OFFERED FOR SALE IN HIS CATALOG SINCE THERE WAS NO WAY OF DETERMINING WHAT HE BOUGHT. HE FURTHER EXPLAINED THAT THE COMMITTEE CLASSIFIED BLOCKS AS STARTING WITH A THICKNESS OF 1/2" SINCE THE HISTORICAL SALES COMMITTEE, THE TECHNICAL COMMITTEE AND SOME MEMBERS WHO MANUFACTURED SEGMENTS 1/2" IN THICKNESS CONSIDERED THEM AS BLOCKS.

AFTER A LENGTHY DISCUSSION, THE DETERMINATION OF WHAT BASIC THICKNESS SHALL CONSTITUTE A BLOCK BE REFERRED TO THE INCOMING ADMINISTRATION.

PROPOSED AMENDMENTS TO THE CONSTITUTION AND BY-LAWS

THE CHAIRMAN ADVISED THAT THE PROPOSED AMENDMENTS, WHICH HAD BEEN DISTRIBUTED IN ADVANCE OF THE MEETING, ESTABLISHED A NEW CLASSIFICATION OF MEMBERSHIP. THE PROPOSED AMENDMENTS WERE READ TO THE MEETING.

THE CHAIRMAN EXPLAINED THAT IT APPLIES TO THE MANUFACTURER WHO IS EXCLUSIVELY A BRAKE SHOE MANUFACTURER AND NOT ENGAGED IN ANY OTHER ENDEAVOR. IT DOES NOT APPLY TO THE PARENT COMPANY OF AN INSTITUTE MEMBER OR AN INSTITUTE MEMBER WHICH IS KNOWN AS A DIVISION AND NOT AS A SEPARATE CORPORATE ENTITY, EVEN THOUGH THEY MANUFACTURE SHOES.

THE REASON FOR THE PROPOSED NEW CLASSIFICATION OF MEMBERSHIP IS THE PROTECTION OF THE COPYRIGHT SINCE SOME BONDERS MADE SHOES AND USE THE NUMBERS BECAUSE THEY BUY BRAKE LININGS. COMPLETE MEMBERSHIP HAS NOT BEEN GIVEN SINCE THE SHOE SITUATION IS A ADJUNCT OF THE FRICTION MATERIALS BUSINESS BUT THEIR RIGHT TO SERVE ON THE TECHNICAL COMMITTEE WAS AGREED TO SINCE THEIR EXPERIENCE AND KNOWLEDGE WOULD BE OF BENEFIT TO THE INDUSTRY.

ONE MEMBER FELT THAT IN VIEW OF THIS TYPE MEMBERSHIP, THE FEE FORMULA FOR THE ACTIVE MEMBERS SHOULD HAVE A FOURTH CATEGORY FOR THOSE MEMBERS WHO MANUFACTURE SHOES.

PROPOSED AMENDMENTS TO THE CONSTITUTION AND BY-LAWS (CONT'D)

AFTER A LENGTHY DISCUSSION, UPON MOTION DULY MADE, SECONDED AND UNANIMOUSLY PASSED, IT WAS

RESOLVED: THAT THE REVISIONS TO THE CONSTITUTION AND BY-LAWS BE ACCEPTED.

ONE MEMBER WISHED TO KNOW WHETHER A MANUFACTURER WHO MAKES SHOES FOR AN INSTITUTE MEMBER WOULD BE REQUIRED TO BECOME A BRAKE SHOE MANUFACTURING MEMBER EVEN THOUGH HE SOLD THE SHOES ONLY TO THAT MEMBER UNMARKED AND UNNUMBERED. THIS MATTER WAS REFERRED TO THE INCOMING BOARD OF DIRECTORS.

REPORT OF THE NOMINATING COMMITTEE AND ELECTION OF OFFICERS

MR. SULLIVAN, CHAIRMAN, REPORTED THAT THERE WERE FOUR TWO-YEAR VACANCIES TO BE FILLED. THE FOLLOWING WERE PRESENTED AS NOMINEES FOR THE BOARD OF DIRECTORS FOR A TWO-YEAR TERM:

MR. E. H. WELLS
MR. W. J. VACHOUT
MR. J. L. McGOVERN, JR.
MR. S. A. SMITH

UPON MOTION DULY MADE AND SECONDED, IT WAS UNANIMOUSLY

RESOLVED: TO ACCEPT THE REPORT OF THE NOMINATING COMMITTEE

THE CHAIRMAN CALLED FOR FURTHER NOMINATIONS AND THE NAME OF MR. J. HEATH WAS PRESENTED. UPON MOTION DULY MADE AND SECONDED, IT WAS UNANIMOUSLY

RESOLVED: THAT NOMINATIONS BE CLOSED.

A WRITTEN BALLOT WAS TAKEN AND MR. STICKLES, APPOINTED AS TELLER, REPORTED THAT THE FOLLOWING WERE ELECTED:

MR. E. H. WELLS
MR. W. J. VACHOUT
MR. J. L. McGOVERN, JR.
MR. S. A. SMITH

FUTURE MEETINGS

ONE OF THE MEMBERS RECOMMENDED THAT AT FUTURE ANNUAL MEETINGS THE INDIVIDUAL COMMITTEE REPORTS BE READ TO THE MEMBERSHIP EVEN THOUGH THEY HAD BEEN ACCEPTED BY THE BOARD OF DIRECTORS.

AFTER LUNCHEON, THE NEWLY ELECTED OFFICERS OF THE BOARD OF DIRECTORS WERE ANNOUNCED:

PRESIDENT	GEORGE S. LAMSON
VICE-PRESIDENT	RICHARD A. RILEY
TREASURER	HAROLD C. HODSON
SECRETARY	HARRIET G. DUSCHEK
COUNCIL	LESTER D. STICKLES

NO FURTHER BUSINESS WAS BROUGHT TO THE ATTENTION OF THE MEETING. UPON MOTION DULY MADE, SECONDED AND PASSED, IT WAS UNANIMOUSLY

RESOLVED: TO ADJOURN

ADJOURNED AT 3:00 P. M.

H. G. DUSCHEK
SECRETARY