ATI-137

ASBESTOS TEXTILE INSTITUTE MINUTES

1974

MS 006264

PRODUCED
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MT-005669

ATI-137

Minutes

BOARD OF GOVERNORS' MEETING

Asbestos Textile Institute

FEB 7-8 1974

MT-005670

ASBESTOS TEXTILE INSTITUTE

Board of Governors' Meeting

February 7, 1974 -- The Mills Hyatt House, Charleston, South Carolina

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A G E N D A

Call to Order - 3:30 PM - M. Q. Scowcroft, Chairman

Reading of Minutes of last stated meeting - Executive Secretary

Financial Report - E. A. Morris, Treasurer
- a. Exemption from Federal Income Tax granted by IRS
- b. Report of Funds - 9/1/73 thru 12/31/73

Guest Speaker & Other Visitors
- a. Cois M. Brown, Associate Assistant Regional Director for Technical Support, Region IV, OSHA
- b. Robert H. Mereness, Executive Director, Asbestos Information Association/North America

Social
- a. Acknowledgment from Mrs. George S. Fabel

Retirement
- a. D. T. (Tex) Austin will retire from Uniroyal - ATI will present him with Plaque at the Social Hour in appreciation of his contributions to the Institute over the years

ATI Technical Committee
- a. Certificate of Appreciation will be presented at General Meeting to J. W. Echerd, H. K. Porter Company, Inc., for chairing the Technical Committee in 1972 and 1973
- b. W. A. Mitchell, Raybestos-Manhattan, Inc., has agreed to serve as Interim Chairman through October 1974

Bausch & Lomb Portable Dust Counter **MS 006266**
- a. Insurance coverage now with Travelers - to 12/1/74
- b. Discussion toward final decision at October meeting - to retain or dispose of the equipment

Membership
- a. Atlas Textile Co., North Wales,Pa. - accepted as new Class E Associate Member - officially welcomed via letter of 12/3/73
- b. Invitation and follow-up sent to Asahi Asbestos Co. Ltd., Tokyo - no response to date - is eligible as a Class D Associate
- c. Standco Industries, Inc., Houston, Texas, expressed interest in joining the ATI - received invitation and follow-up - no response to date - is eligible as a Class E Associate
- d. Others eligible as Class E Associates will be contacted via letter from the Executive Secretary

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Publicity
 a. Sent letter and background data on ATI to E. L. Powers, Editor, Textile Marketing Letter (Clemson University) - awaiting draft of proposed article

ASTM Committee E-34
 a. Progress of Subcommittee of Task Group on Naturally Occurring Asbestos Fibers
  (1) G. Gagnon of LAQ is responsible for Test Methods on the Subcommittee - might be a good program if scheduled at the right
A time

Asbestos Information Association/North America
 a. Proposal to list ATI as an Affiliated Association of AIA/NA
 b. Proposed chapter on asbestos textile products for public information/public relations booklet to be issued by AIA/NA

National Safety Council
 a. Re proposal to study the high injury/illness frequency rate in the Stone, Clay & Glass Industry

Future Programs
 a. Open for suggestions, i.e., effective speakers or meaningful programs

Future Meetings - FIRM
 1974 June 6-7 - Twin Bridges Marriott, Washington, D. C.
 1974 Sept 25-27- The Cloister, Sea Island, Georgia
 1975 Feb 6-7 - Holiday Inn-Independence Mall, Phila., Pa.
 1975 June - Quebec City
 1975 Oct 1-3 - Ponte Vedra Club, Ponte Vedra Beach, Fla.
 1976 Feb 5-6 - New Orleans Marriott Hotel, New Orleans, La.

Future Meetings - OPEN FOR DISCUSSION
 1976 June 3-4 -
 1976 Oct 7-8 -
 1977 Feb 3-4 -

Discussion Period with Committee Chairmen
 4:00 PM - Air Hygiene & Manufacturing, B. E. Carden
 4:15 PM - Fiber Research & Testing, C. E. Stiefken
 4:30 PM - Technical, W. A. Mitchell
 4:45 PM - Environmental Health, L. F. Dieringer
 5:00 PM - Asbestos Advisory, E. W. Russell

MS 006267

Legal - E. J. Leff
 a. CW&T opened offices in London 1/1/74
 b. $100-million class action law suit filed 1/3/74 by Herman Yandle et al vs. PPG Industries, Inc., et al

Other Business

Reminder - ATI Board of Governors' Breakfast Meeting - February 8 - 7:30 AM in main dining room (buffet style)

Adjournment - 5:30 PM

ATI-137

ASBESTOS TEXTILE INSTITUTE

Meeting - Board of Governors

February 7 & 8, 1974
The Mills Hyatt House, Charleston, South Carolina

IN ATTENDANCE:

M. Q. Scowcroft (Chairman), Raybestos-Manhattan, Inc.
A. Kuzmuk, Garlock Inc.
E. A. Morris, Uniroyal, Inc.
J. L. Rainey, Amatex Corporation
J. K. Whittaker, Nicolet Industries, Inc.
E. C. Bratt, H. K. Porter Company, Inc.

E. J. Leff (Legal Counsel), Cadwalader, Wickersham & Taft
D. M. Fagan, Executive Secretary, Asbestos Textile Institute

MINUTES

1. The February 7, 1974, Meeting of the Board of Governors of the Asbestos Textile Institute was called to order at 3:30 P.M. by Chairman M. Q. Scowcroft.

2. Chairman Scowcroft welcomed J. L. Rainey, President of Amatex Corporation, who was representing his company at the Meeting in the absence of M. J. Scanlan.

3. It was duly noted that T. P. Jackson, Johns-Manville Corporation, was not in attendance.

4. Upon presentation, it was moved by J. K. Whittaker and seconded by A. Kuzmuk to dispense with the reading of the Minutes of the last meeting. The motion was unanimously carried.

5. The Financial Report as of December 31, 1973 (report attached hereto), was presented by E. A. Morris, Treasurer. In brief, for the period from September 1 through December 31, 1973, the Institute began with a total cash on hand of $16,118.56, received $1,334.76, and disbursed $4,141.43, leaving total available funds at December 31, 1973, of $13,311.89. Treasurer Morris also advised the Board that the Internal Revenue Service has granted the Institute an exemption from Federal Income Tax.

6. Chairman Scowcroft advised that the scheduled speaker for the General Meeting the next day, M. Chain Robbins, could not attend but that the presentation would be given by Cois M. Brown, Associate Assistant Regional Director for Technical Support, Region IV, Occupational Safety and Health Administration--headquartered in Atlanta, Georgia. Chairman Scowcroft stated he expected the talk would be pertinent and interesting as Mr. Brown would relate the OSHA Act

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specifically to asbestos textile manufacture. (It was noted by the Executive Secretary that Mr. Brown has visited some of the asbestos textile plants in Region IV and was knowledgeable about their facilities and problems.)

7. It was further advised by the Chairman that a welcomed visitor at the two-day ATI meeting was Robert H. Mereness, Executive Director of the Asbestos Information Association/North America--and that we were glad for the opportunity to meet him personally.

8. Chairman Scowcroft related to the Board that ATI had received an acknowledgment from Mrs. George S. (Frances) Fabel, thanking the Institute for the letter and floral arrangement sent in memory of her husband who had passed away September 23, 1973. In her note, Mrs. Fabel recalled the wonderful friendships and togetherness they had shared with the ATI and the great love that George had had for the Institute.

9. It was announced by Chairman Scowcroft that this would be the last meeting for D. T. (Tex) Austin, due to his retirement from the Uniroyal, Inc. His replacement in the ATI is Carroll S. Barnwell. Chairman Scowcroft showed the Board the handsome walnut, engraved plaque that would be presented to Tex Austin at the Reception that evening in appreciation for outstanding achievement in his field and for his many contributions to the Institute over the years.

10. The Board of Governors was shown the Certificate of Appreciation that would be presented to J. W. (Bill) Echerd, H. K. Porter Company, Inc., at the General Meeting to commemorate his excellent leadership during the past two years as Chairman of the Technical Committee.

11. Chairman Scowcroft stated that W. A. Mitchell, of Raybestos-Manhattan, Inc., had agreed to serve as Temporary Chairman of the Technical Committee. Unfortunately, however, a recent reorganization at R/M resulted in his being given a new assignment and he is unable to chair the Committee. In the absence of a Chairman, J. W. Hawkins, of R/M, will present the Committee report at the February General Meeting.

12. The Executive Secretary referred the Board to the afore-mentioned plaque and Certificate of Appreciation advising that the 12 x 14" walnut plaque cost $17.08 plus tax, including engraving costs, whereas the Certificate cost $41.80 plus tax due to the problems of exactly matching type and color of ink and obtaining a suitable frame. After a brief discussion, it was agreed by all present that the plaque was not only the less expensive of the two but also was a more impressive award and that in the future, the retiring Committee Chairmen should receive plaques and not Certificates.

13. It was advised by J. K. Whittaker that it would be necessary for the ATI to name a new Chairman for the Asbestos Advisory Committee, in view of the announcement that E. Wray Russell, the former Chairman, would sever his connection with Nicolet Industries, Inc., effective February 15, 1974. Mr. Whittaker stated that Mr. Russell would be

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employed in the Winston-Salem, North Carolina, area and would be involved mostly with glass and cotton textiles and would not be concerned with asbestos textiles in any way.

14. The next item brought before the Board of Governors was the Bausch & Lomb Portable Dust Counter. It was advised that the equipment and accessories were now insured by The Travelers Insurance Company until December 1, 1974. . . . The discussion was continued from the last Board Meeting as to retaining or disposing of the device. Following recollection of a former bid from a member company, it was moved by J. K. Whittaker, seconded by E. C. Bratt, and unanimously approved that if Raybestos-Manhattan, Inc., was still interested in purchasing the equipment, that it be sold to that company for the total sum of $750.00. The equipment consists of: Model 40-2 Portable Dust Counter, VOM-5 Recorder, Count Chart, Recorder Carrying Case, Chart Paper, Dust Cover and instructions. It was purchased new in 1967 for $4814.00

15. Concerning new members, Chairman Scowcroft announced that via ATI letter of December 3, 1974, and subsequent to a mail vote taken from the members of the Board of Governors who unanimously accepted the Application, Atlas Textile Company, North Wales, Pennsylvania, was welcomed as a new Class E Associate Member. Chairman Scowcroft stated that William H. Johnston, President of Atlas Textile, was regrettably unable to attend this meeting but is enthusiastic about attending future gatherings. . . . ATI had contacted Asahi Asbestos Co., Ltd., Tokyo, advising that it is eligible for membership in the Institute. The Executive Secretary then read a letter from Hajime Iwata, Senior Managing Director of Asahi Asbestos, which expressed definite interest in joining the Institute and advised that their Application was forthcoming. . . . On its own initiative, but through ATI member E. A. Farrell of Lake Asbestos of Quebec Ltd., Standco Industries, Inc., Houston, Texas, expressed interest in becoming a member of the Institute. Letters have been written to W. E. Warner, Standco's Plant Manager, but no response has been received to date. . . . It was agreed that the Executive Secretary will contact other companies that are eligible for Class E Associate Membership, specifically those listed in paragraph 16 of the Minutes of the ATI Board of Governors' Meeting of February 8, 1973. The Secretary asked to be alerted to other firms that may be eligible for membership, in any classification.

16. The current status of the proposed article on ATI for publication in "Textile Marketing Letter" was given by the Executive Secretary. Mr. E. L. Powers, Editor of TML, acknowledged his receipt of our letter of November 9, 1973, and its enclosures, giving background material on the Institute. We are now awaiting a copy of his draft of the proposed article. TML is published ten times a year by the College of Industrial Management and Textile Science, Clemson University, Clemson, South Carolina.

17. Chairman Scowcroft briefed the Board on the recently established ASTM Committee E-34 on Naturally Occurring Inorganic Fibers. He specifically referred to the various subcommittees that will be con-

cerned with producing a complete criteria document covering occupational health and environmental control for the asbestos industry which, when adopted by ASTM, will be a consensus document for submission to OSHA for its consideration. Among the many items on the Committee's agenda are to recommend more valid threshold limit values, to determine appropriate sampling strategy, to more precisely define the type of optical microscope used for making fiber counts and to develop quantitative analytical methods for the analysis of specimens collected on filter membranes. The matter of ATI becoming an active participant in the subcommittee was discussed and it was agreed it was sufficiently involved through its affiliation with the Asbestos Information Association/North America and through its Associate Members who also were members of the Quebec Asbestos Mining Association. At least one member of each of these two associations are delegates on subcommittees of E-34.

18. The Secretary distributed copies of a letter dated January 3, 1974, from Robert H. Mereness, Executive Director of AIA/NA. It proposed to list the ATI as an Affiliated Association of AIA/NA for the "obvious purpose of strength and accord in representation of common interest." By being listed as such, AIA/NA shall keep ATI advised on information collected and actions taken by AIA/NA in connection with asbestos-health and safety issues. In addition, ATI will be consulted on matters of particular concern to asbestos textiles. There is no financial obligation for taking on this Affiliated status. Legal Counsel stated that ATI becoming an affiliate of AIA/NA does not appear to present any problems from a legal point of view. The affiliation between these two organizations has no underlying business significance, so it doesn't raise any anti-trust problems. Since AIA/NA was in somewhat of a hurry to receive our decision, prior to this meeting the Executive Secretary of ATI contacted E. A. Morris, representative of Uniroyal, Inc., the one Regular Member company of ATI that was not an AIA/NA member, and received authorization from that company for ATI to become an Affiliated Association of AIA/NA. The Executive Director of AIA/NA was officially notified via ATI letter on January 14, 1974, of our agreement to the proposal. The consent of ATI to become an Affiliated Association of AIA/NA was ratified by the unanimous vote of those present at this February 7, 1974, meeting of the ATI Board of Governors. . . . The second proposal made by AIA/NA also was accepted by ATI in that a chapter on asbestos textiles be published "under the by-line of the Executive Secretary" in a public information/relations booklet to be issued by AIA/NA to define the industry and dispel public misunderstandings about asbestos and to otherwise enhance the public image of the industry.

19. It was announced by Chairman Scowcroft that the ATI had declined the offer by the National Safety Council to participate in its study of the high injury/illness rate in the Stone, Clay & Glass Industry (SIC Code 32).

20. Chairman Scowcroft solicited suggestions from the Board at any time for future, meaningful programs for ATI General Meetings. It was agreed that effective speakers would promote interest in attending meetings but that we should not feel obliged to schedule such a

program just to have a speaker to include on the agenda.

21. Firm and Tentative dates and sites for future ATI meetings:

1974
June 6 - 7 -- Twin Bridges Marriott, Washington, D.C. (firm)
Sept 25-27 -- The Cloister, Sea Island, Georgia (firm)

1975
Feb 6 - 7 -- Holiday Inn-Independence Mall, Philadelphia, Pa.(firm)
June -- Quebec City, Quebec, Canada (dates to be announced)
Oct 1 - 3 -- Ponte Vedra Club, Ponte Vedra Beach, Florida (firm)

1976
Feb 5 - 6 -- New Orleans Marriott, New Orleans, Louisiana (firm)
Jun 3 - 4 -- Sheraton National, Arlington, Virginia (tentative)
Oct 6 - 8 -- Savannah Inn & Country Club, Savannah, Georgia (tentative)

1977
Feb 3 - 4 -- The Mills Hyatt House, Charleston, S.C. (tentative)

22. COMMITTEE REPORTS & DISCUSSION:

a) Air Hygiene & Manufacturing -- report by Chairman B. E. Carden, Uniroyal, Inc. During the last three months the Committee Chairman has been following up the various pieces of literature and letters received from the ATI Executive Secretary, passing pertinent information on to other members of the Committee. Questions are handled either by telephone or are covered in greater detail at Committee meetings. . . .In an effort to create interest, a special program has been planned for the Committee meeting the next morning where B. D. Bittinger, Uniroyal, with the use of visual aids, will report on his recent trip to Europe that included visits to two asbestos textile plants in Germany and one in Italy, plus other textile manufacturing facilities. While in the plants, Mr. Bittinger made dust counts and checked the sound and noise levels.

b) Fiber Research & Testing -- report by the Executive Secretary in the absence of Chairman C. E. Stiefken, American Smelting and Refining Company. Mr. Stiefken was not due to arrive until early that evening. He will have with him the final, typewritten copy of the 3rd edition of the Chrysotile Asbestos Test Manual, about 95% completed. It looks as though the Manual will be printed in Canada as costs per manual are running about $1.00 less than in the U.S. Cost per manual is expected to run slightly over $9.00. It will contain 34 tests plus an introduction, or a total of about 225 sheets, printed on both sides. . . . Mr. Stiefken suggests that since he has chaired this Committee for over two years, that we consider appointing a new Chairman. He has offered to continue to be responsible for the Manual until its completion. He suggests that the new Chairman be a consumer rather than a producer, if at all possible.

c) Technical -- As stated previously in these Minutes, this Committee is currently without a Chairman and, therefore, no report will be presented at this Board meeting. Tomorrow morning, however, a complete report on the Committee's activities will be given by J. W. Hawkins, Raybestos-Manhattan, Inc., a working member of the Technical Committee.

d) Environmental Health -- report by L. F. Dieringer, Uniroyal, Inc. The members will meet as a Committee for a brief time the next morning and then will sit in on the Air Hygiene & Manufacturing Committee meeting to learn of the results of the tour made by B. D. Bittinger. . . . There has been a lot going on in the field of occupational health, although outside the realm of asbestos textile manufacture. Mr. Dieringer referred to asbestos-related publicity in national publications such as the New Yorker series by Paul Brodeur and the "Death From Dust" article that appeared in the January 28,1974, issue of Time Magazine, both concerned with conditions at the Pittsburgh Corning insulation plant at Tyler, Texas. The Bureau of National Affairs, Inc., reported that the New York State Board of Standards proposed a Standard on asbestos fiber exposure that outlines permissible levels of asbestos fibers in workplaces using a new method of measurement. The Occupational Safety & Health Reporter carried an item on the International safety and health standards for asbestos and for ILO designation of international reference laboratories for standardizing sampling and analysis techniques for asbestos dust. Another article, out of Czechoslovakia, entitled "Development of Pleural Hyalinosis in Long Term Studies of Persons Exposed to Asbestos Dust," reports there is only one known case of mesothelioma in Czechoslovakia . . . . Both the Heat Stress Standard and the Noise Standard have been forwarded to the Secretary of Labor for action. The Heat Stress Standard has been revised in that besides making measurements with the wet bulb globe temperature, the work load of the worker must also be considered. Another factor to be considered is if a worker is in an air movement, when carrying out his work, of 300 feet per minute or more. Also, WBGT values are to be based on the two hottest hours of the working period.

e) Asbestos Advisory -- no report was presented since, as stated earlier in these Minutes, this Committee is presently without a Chairman in view of the change in employment of the former Chairman, E. W. Russell, Nicolet Industries, Inc. It may be that this Committee will be dormant for a while, until such time as a meaningful project is selected.

24. There being no further business to be brought before the Board, the meeting was adjourned at 9:30 A.M., subsequent to a motion by E. C. Bratt, seconded by E. A. Morris, and so voted unanimously.

Respectfully submitted,

Doris M. Fagan

Doris M. Fagan
Executive Secretary
ASBESTOS TEXTILE INSTITUTE

ATI-137

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Minutes

GENERAL MEETING

Asbestos Textile Institute

FEB 8 - 1974

MS 006275

MT-005680

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ASBESTOS TEXTILE INSTITUTE

General Meeting
February 8, 1974
The Mills Hyatt House, Charleston, South Carolina

In Attendance

AMATEX CORPORATION
W. Maaskant
J. L. Rainey
H. H. Walter

GARLOCK INC.
S. G. Dixit
A. Kuzmuk

JOHNS-MANVILLE CORPORATION
J. P. Power (C.J-M)
W. B. Reitze

NICOLET INDUSTRIES, INC.
A. M. Weisberg
J. K. Whittaker

H. K. PORTER COMPANY, INC.
E. C. Bratt
D. E. Childers
J. W. Echerd
L. E. Moody

RAYBESTOS-MANHATTAN, INC.
J. A. Bettes, Jr.
P. G. Dolan
J. W. Hawkins
R. T. Matthew
M. W. Oliver
F. J. Puckhaber
M. Q. Scowcroft
W. S. Simpson

UNIROYAL, INC.
D. T. Austin
C. S. Barnwell
B. D. Bittinger
B. E. Carden
L. F. Dieringer
E. A. Morris

ASBESTOS CORPORATION LTD.
P. E. Leclerc

BELL ASBESTOS MINES LTD.
W. H. Smith

CASSIAR ASBESTOS CORPORATION LTD.
R. A. Kuntze

LAKE ASBESTOS OF QUEBEC LTD.
E. A. Farrell
C. E. Stiefken (Asarco)

NIPPON ASBESTOS CO. LTD.
K. Mori
Y. Sato

TBA INDUSTRIAL PRODUCTS LTD.
H. J. Corson, Jr.

ASBESTOS INFORMATION ASSOCIATION/
NORTH AMERICA
Robert H. Mereness,
Executive Director

OCCUPATIONAL SAFETY AND HEALTH
ADMINISTRATION
Cois M. Brown, Associate Assistant Regional Director for
Technical Support, Region IV

ASBESTOS TEXTILE INSTITUTE
Doris M. Fagan,
Executive Secretary

CADWALADER, WICKERSHAM & TAFT
E. J. Leff

Total attendance during the two-day Winter Meeting was 45 people, including 37 members, 4 wives, 1 staff member, 1 Legal Counsel, and 2 guests; representing 16 companies or associations.

M I N U T E S

1. President M. Q. Scowcroft, of Raybestos-Manhattan, Inc., called the General Meeting of the Asbestos Textile Institute to order at 1:00 P.M. on February 8, 1974, following a luncheon of the general membership. The President welcomed those in attendance and asked each of them to rise and state their names and company affiliations.

2. President Scowcroft introduced the following special guests:

William S. Simpson, President, Raybestos-Manhattan, Inc., saying it was a genuine pleasure and a distinct honor to have him with us;

John A. Bettes, Jr., retired Manager of the Asbestos Textile Division, Raybestos-Manhattan, Inc., citing the many fine, productive contributions he had made to the ATI in the past;

Robert H. Mereness, Executive Director, Asbestos Information Association/North America, expressing how pleased we were to have the opportunity to meet him. Mr. Mereness' informal comments to the membership are attached to these Minutes.

3. Upon presentation, it was moved by E. A. Morris, Uniroyal, Inc., seconded by P. E. Leclerc, Asbestos Corporation Ltd., and so carried, to dispense with the reading of the Minutes of the last stated meeting.

4. Treasurer E. A. Morris presented the Financial Report (see attached) stating that total assets and net worth of the Institute as of December 31, 1973, were $13,319.73. There being no questions, the Report was filed for audit.

5. The Legal Counsel address was given by E. J. Leff, of Cadwalader, Wickersham & Taft. His comments were concerned especially with the $100-million class action filed by Herman Yandle, et al., against PPG Industries, Inc., et al. The text of his remarks is attached to these Minutes.

6. P. E. Leclerc, Regional Sales Manager for Asbestos Corporation Ltd., presented the Fiber Producers' Report. His complete comments are attached hereto. In brief, Mr. Leclerc stated that total shipments of asbestos by member companies of the Quebec Asbestos Mining Association in 1973 increased 10.5% over the previous year. Sales of Group 3 Spinning Fibers were 24,354 tons, or 14.4% over 1972. There is a short supply of all long spinning grades and medium length spinning grades are not too easily available.

7. Committee Reports were presented to the general membership, as listed below, and each of these reports is attached to these Minutes:
Air Hygiene & Manufacturing - B. E. Carden;
Technical - J. W. Hawkins;
Fiber Research & Testing - R. A. Kuntze;
Environmental Health - L. F. Dieringer.

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ATI-137

8. J. W. (Bill) Echerd, H. K. Porter Company, Inc., received a much-deserved Certificate of Appreciation, proudly presented by President Scowcroft on behalf of the entire ATI membership, for his untiring efforts and excellent leadership over the last two years as Chairman of the Technical Committee.

9. President Scowcroft announced that the Institute had accepted an invitation from the Asbestos Information Association/North America to become an Affiliated Association of AIA/NA. This decision was approved by the representatives of the Regular Members of the ATI.

10. It was announced to the membership by the President that Atlas Textile Company, North Wales, Pennsylvania, had been accepted as a new Class E Associate Member and that its President, William H. Johnston, was looking forward to attending future meetings and toward personally meeting the members.

11. The next two meetings of the Institute were confirmed by President Scowcroft as follows:

June 6 - 7, 1974 -- Twin Bridges Marriott, Washington, D.C.;
Sept 25-27, 1974 -- The Cloister, Sea Island, Georgia.

12. It was advised by President Scowcroft that Dr. R. A. Kuntze, Cassiar Asbestos Corporation Ltd., had graciously agreed to chair the Fiber Research & Testing Committee through the balance of this year. C. E. Stiefken, the former Chairman, will continue to be responsible for the 3rd Edition of the Chrysotile Asbestos Test Manual until its completion.

13. The Guest Speaker for the afternoon was introduced by President Scowcroft. Mr. Cois M. Brown, Associate Assistant Regional Director for Technical Support, Region IV, Occupational Safety and Health Administration, spoke about "The OSHA Act and How It Relates to Asbestos Textile Manufacture." He detailed the problems created at the factories by noise and dust and his entire presentation is attached to these Minutes. Subsequent to his excellent and comprehensive speech, President Scowcroft expressed appreciation to Mr. Brown for giving of his time to speak before the membership and said that his comments were well presented and well received by those in attendance.

14. There being no further business to be brought before the membership, a motion for adjournment was made by E. C. Bratt, seconded by E. A. Morris, and unanimously approved. The meeting was adjourned at 3:00 P.M.

Respectfully submitted,

Doris M. Fagan

Doris M. Fagan,
Executive Secretary

MS 006278

MT-005683

ATI-137

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Report of Funds - Period from September 1, 1973 thru December 31, 1973

Balance on Hand September 1, 1973 --		
General Fund	$ 2,683.68	
Reserve Fund	13,346.91	
Petty Cash Fund	87.97	
Total on Hand at 9/1/73		$ 16,118.56
Receipts		
General Fund - Dues for Year 1973	$ 125.00	
Book Sales	41.49	
Reserve Fund - Dues for Year 1974	375.00	
Interest to 12/31/73	793.27	
Total Receipts		+ 1,334.76
		$ 17,453.32
Disbursements		
Legal Retainer & Expenses (3rd Qtr 1973)	$ 1,087.42	
Secretary's Gross Wages	652.00	
(Net Wages - $508.00)		
(Fed Inc Tax 101.19)		
(FICA - 30.72)		
(Pa Inc Tax- 12.09)		
Taxes on Wages Paid by ATI	39.06	
(FICA - $ 30.71)		
(Pa Unem - 5.25)		
(NJ/Year 72- 3.10)		
ATI Meeting Expense (October 1973)	978.10	
Secretary's Meeting & Travel Expense	272.07	
(Oct 73 Mtg- $230.99)		
(ASTM Mtg - 41.08)		
Telephone	125.60	
Printing Supplies & Services	168.61	
Postage	178.69	
Office Supplies & Misc.	74.66	
Revision of Test Manual	29.90	
Rental of Office Space	135.00	
Accountant (Caruso - FY 72/73)	300.00	
ASTM Dues for Year 1974	25.00	
Gifts/Flowers/Plaques, etc.	15.32	
Insurance	60.00	
Total Disbursements		- 4,141.43
BALANCE ON HAND DECEMBER 31, 1973 . .		$ 13,311.89
Funds as of December 31, 1973 --		
General Fund	$ 2,751.91	
Reserve Fund	10,515.18	
Petty Cash Fund	44.80	
TOTAL AVAILABLE FUNDS DEC. 31, 1973 .		$ 13,311.89
Assets as of December 31, 1973 --		
Total Funds, as listed above	$ 13,311.89	
Accounts Receivable (Book Sales)	6.84	
Furniture & Equipment (Nominal Value)	1.00	
TOTAL ASSETS		$ 13,319.73
TOTAL LIABILITIES		--
TOTAL NET WORTH		$ 13,319.73

MT-005684

MS 006279

1502 1341

COMMENTS TO THE GENERAL MEMBERSHIP

Robert H. Mereness, Executive Director
Asbestos Information Association/North America

(Presented at ATI General Meeting, February 8, 1974, The Mills Hyatt House, Charleston, South Carolina)

I'm new to the Asbestos Industry and I owe much of what I have learned to Doris Fagan, who has been very kind to me. I have read ASBESTOS Magazine backwards and forwards--going back 2 or 3 years.

Most of you are acquainted with the AIA/NA. You know what we are doing and I would like to say that we are doing our job, addressing ourselves to the problems that we have with regulatory agencies in Washington, D. C. As you know, the Association was located in New York City up until October of this year. It is now in Washington and we are trying to do a job for all of you in the Industry--to recognize what's going on and what we have to do to be vigorous in our approach to doing the best that we can do for you, under some rather difficult and trying times. I won't go into the public relations or governmental aspects, but they are all there and that's why we are in Washington and trying to do the job for you.

One final note. Early this week a group of 14 of your colleagues (our Technical Committee) met in Newark, New Jersey. Headed by Edmund M. Fenner, of Johns-Manville Corporation, we parceled out the jobs that have to be done with regard to helping OSHA in the rewrite of the Asbestos Standard. For me, as a neophyte to the group, to see the enthusiasm, experience and dedication of these men doing work on this very difficult task, was most rewarding.

You all have received a copy this afternoon of the little green booklet entitled "What Every Employee Should Know About Asbestos and What You Should Tell Others." It was prepared by J-M, with some input by us, and although similar to the OSHA booklet, we believe ours is perhaps a little more helpful. More copies are available for the asking, as is any service or information that we can give you on the work of AIA/NA and what we're trying to do for all of you.

-end-

ATI-137

1502 1342

FIBER PRODUCERS' REPORT
(Presented at ATI General Meeting, February 8, 1974, The Mills Hyatt House, Charleston, South Carolina)

Total shipments from the QAMA member companies in 1973 amounted to 1,516,340 tons, an increase in tonnage of 143,663 tons or 10.5% over 1972.

Total sales of group 3 or spinning fibres were 24,354 tons as compared to 21,293 tons for 1972 for an increase of 14.4%. The sales of spinning grades represent 1.6% of the total tonnage sold in 1973.

Although the final official year-end figures are not in yet, the total QAMA inventory is estimated at 120,000 tons as compared with 151,300 tons as of December 31, 1972, for a decrease of approximately 31,000 tons. Total inventory of all group 3 grades is estimated at about 10,000 tons at the end of 1973.

The outlook for 1974 at this early period of the year looks favorable to the asbestos mining industry. Export orders are in, in most cases releases are for months and months ahead. The big problem is to secure containers and bookings from the shipping lines. Some companies have stopped calling at the St. Lawrence ports during the coming season, other lines have cut off a number of ports around the world. Ocean rates are guaranteed for only short periods and surcharge costs can change daily.

Now a word on the asbestos supply situation. All long spinning grades are in short supply. The medium length spinning grades are not too easily available. William Smith told me that both Bell Asbestos & Cassiar Asbestos have a specific shortage of long spinning grades.

There is an acute shortage of group 4 grades, the supply of groups 5 and 6 is tight at this time and no doubt will get worse. Group 7 grades availability is better generally but not with all producers and especially in the more open or bulkier grades.

The Bureau of Mines of the U. S. Department of the Interior, reports that, in the first 8 months of this year, the Republic of South Africa exported to the United States 13,200 tons of crocidolite and 8,900 tons of amosite. This is better than 200% increase in crocidolite and 20% of amosite imports over 1972.

Paul E. Leclerc,
Regional Sales Manager
Asbestos Corporation Ltd.

MS 006281

MT-005686

1502 1343

M I N U T E S

AIR HYGIENE & MANUFACTURING COMMITTEE

Asbestos Textile Institute
February 8, 1974 -- The Mills Hyatt House, Charleston, South Carolina

The Committee met with fifteen members and guests and eleven companies represented. However, approximately ten "extra" guests, including Cois M. Brown, of the Atlanta, Georgia, office of the Occupational Safety and Health Administration, came in purposely for B. D. "Bill" Bittinger's special program. Members in attendance included:

Amatex Corporation
H. H. Walter

Canadian Johns-Manville Co. Ltd.
J. P. Power

Garlock Inc.
S. G. Dixit

Johns-Manville Corporation
W. B. Reitze

Lake Asbestos of Quebec Ltd.
E. A. Farrell

Nicolet Industries, Inc.
A. M. Weisberg

Nippon Asbestos Co. Ltd.
K. Mori
Y. Sato

H. K. Porter Company, Inc.
L. E. Moody

Raybestos-Manhattan, Inc.
C. A. Kennedy
R. T. Matthew

TBA Industrial Products Ltd.
H. J. Corson

Uniroyal, Inc.
B. D. Bittinger
B. E. Carden
L. F. Dieringer

B. D. "Bill" Bittinger, a former member of the Committee, presented the following interesting report on his recent trip to Europe, which included visits to two textile asbestos plants in West Germany.

In addition to showing slides and photographs of processes and equipment, Mr. Bittinger answered many questions asked by various Committee members and visitors. Following is Mr. Bittinger's report on his visit to one of the German plants:

"This is one of the cleanest plants I have visited. The plant, grounds and offices were clean and neat. The mill buildings appeared to be old buildings that have been modernized. The plant floors are terrazzo in opening and blending, concrete in the carding area and maple in the spinning area.

"This plant has Hergeth opening, blending, and storage equipment and spinnbau cards and spinning frames.

"Asbestos in palletized bags is stored on hand-operated lift trucks at each hopper so that the bag to be used is always at the operator's waist level. They were using Astestos Corporation's 3T fiber from Canada. The asbestos bag is placed into the covered conveyor tray before opening, and the empty bag is placed into an enclosed chute so that it falls into a plastic bag for later disposal.

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"The blending conveyor behind the blenders is totally enclosed and has clear plastic windows to permit the operator to observe the blended fiber as it is conveyed to the transfer blower.

"The fiber is transferred by air up to the Hergeth blending silo. The silo is composed of 10 rectangular boxes about 72"x12"x15' tall. The fiber is fed into the silo bins from the top by a traveling condenser. The condenser can be programmed to fill the silo compartments one at a time or any of several other variations to enhance blending. The compartments feed a conveyor belt that transfers the fiber to a blower. The fiber is thus supplied to the card hoppers.

"The silo will hold about 2-1/2 shifts of fiber so the blending unit only has to be run one shift. The Hergeth feeder is equipped with a vibrating plate feeder.

"The totally-enclosed double cards are set over an opening in the floor that is about the same area as the card. All drops and the waste ends fall down into this hole or pit under the card and a conveyor/blower system automatically transfers all this material directly back to the card hopper. There are access doors in the basement into each of these pits for cleaning. Each door has a picture of a face with a dust mask affixed to it. This is the only warning sign noticed in the plant. Each card had 12 ducts coming from it where dust and lint were being removed. The Carding assignment was one card per operator; however, each card was equipped with a 128 end condenser. Leather aprons are used on the cards and the average life is one year. The cards were running roving weighing 630 grams per kilometer at 55 yards per minute. The cheeses doffed weighed 500 grams each.

"The air filter system has blowers ahead of the filter bags and four bags are attached to a manifold that has a plastic bag attached at floor level making changing a simple task. They "shake" the filter bags once per shift and the plastic bags are changed when they are full. The exhaust air from the filter bags is filtered again as it leaves the room through a traveling filter media unit and returned to the plant. They also have several small filter bag units around the plant to filter product transfer air. Changes air in plant 18 times per hour.

"The Spinnbau spinning frames have metal hinged (bifold) covers over the spindles and a suction system for each frame. The waste from each frame is accumulated in a plastic bag under the floor (in basement). They have two older spinning frames (using fly frames) that are simply enclosed in a plywood enclosure with counter-weighted access doors. These enclosures are exhausted to a waste collector in the basement.

"Their looms are totally enclosed with clear plastic windows in the counter-weighted doors. These enclosures reduce the sound level at the operator's level by as much as 4db (94 down to 90 db) when the doors are closed.

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"Some additional facts concerning this plant:

1. Their reworkable fiber amounts to approximately 20%.

2. They state that their waste amounts to 3 to 5%. Their figure is hard to believe since asbestos as received from the mines contains 9 to 12% dust.

3. Their blending line with 7 feed hoppers occupies an area 40 feet x 100 feet. Their cards are 15 feet wide and 30 feet long.

4. The ring size on the Spinnbau spinning frames is 140 MM. These frames are equipped with individual brakes and Pneumafil. A full spinning bobbin weighs 1 kilogram. They do not doff in boxes but onto a pin truck. The Spinnbau spinning frames have 80 spindles per frame.

5. The average yarn size is about 1000 TEX. (Grams/1000 meters= 4.96 Cut) and they run from 630 TEX to 1800 TEX. The spinning doffs every 3 hours on 1000 TEX. A full spinning bobbin weighs 1 kilogram.

6. They have 4 new rapier looms manufactured by STAUBLI-TRUMPELT. Most of their fabric was about 7 picks per inch. The fabric is split in the middle on the loom. They are weaving from pin creels. Job assignment is 2 looms per weaver."

SPECIAL NOTE: Mr. Bittinger made several dust counts in this plant with results on the high side. This is disturbing when you consider the modern enclosed equipment and the cleanliness of the plant.

L. F. Moody discussed his recent appointment by AIA/NA as chairman of a special committee to describe and set up a set of work practices (Asbestos Mfg.) for presentation to OSHA. Mr. Moody suggested that each plant should get this information as it applies to their operations. On receipt of this information, Mr. Moody and his committee will attempt to come up with the final set-up, but will get in touch with each plant involved before the report is released.

Respectfully submitted,

Buel E. Carden, Chairman

1502 1346

M I N U T E S

TECHNICAL COMMITTEE

Asbestos Textile Institute
February 8, 1974 - The Mills Hyatt House, Charleston, South Carolina

IN ATTENDANCE

Amatex Corporation - W. Maaskant
H. K. Porter Company, Inc. - J. W. Echerd
Raybestos-Manhattan, Inc. - J. W. Hawkins
Uniroyal, Inc. - D. T. Austin and C. S. Barnwell

The Round Robin test on Asbestos Roving (D-375), Asbestos Yarn (D-299) and Asbestos Lap (D-1061) have been completed and data has been statistically analyzed by Johns-Manville Corporation. The results between the five laboratories involved were very good. This information will be sent to ASTM D-1314 for incorporation into the new ASTM Book of Standards.

A Round Robin test is currently underway on Tubular Sleeving (D-628). An attempt will be made to have this test completed prior to the March ASTM meeting.

Additional Round Robin tests are being started on Asbestos Tape (D-315) and Asbestos Cloth (D-1571).

Wm. Maaskant told the Committee that Paul O. Nicodemus would like to have an ASTM meeting in the near future and plans are being formulated. This would be either in Williamsburg, Virginia, or Philadelphia, Pa.

Recommended changes in MIL-I-3053-E Insulation, Electrical, Asbestos Fiber, Treated and Untreated have been submitted to the Naval Engineering Center at Hyattsville, Maryland.

J. W. "Bill" Echerd has been requested by the Committee to summarize the work that has been done on Military specifications over the last few years so that the Committee may know the status of the specifications and determine if additional work is necessary.

No progress was reported on the J-M Tumbler Test for the determination of asbestos dustiness. Some doubts have been expressed over the reproducibility of this test and its value, and an alternative will be explored. It was recommended that the $500.00 allocated to this project be held pending a decision on the most useful test.

The Technical Committee acknowledges the services of Tex Austin over the last eight years. His assistance at future meetings will be greatly missed.

MS 006285

Respectfully submitted.

John W. Hawkins, Acting Chairman

1502 1347

M I N U T E S

FIBER RESEARCH & TESTING COMMITTEE

Asbestos Textile Institute
February 8, 1974 -- The Mills Hyatt House, Charleston, South Carolina

IN ATTENDANCE:
- American Smelting & Refining Co. - C. E. Stiefken
- Bell Asbestos Mines Ltd. - W. H. Smith
- Cassiar Asbestos Corporation Ltd. - R. A. Kuntze
- H. K. Porter Company, Inc. - D. E. Childers

The Fiber Research & Testing Committee considered three items at its meeting on February 8, 1974.

Firstly, Mr. Stiefken has completed his term as Chairman of the committee as of this meeting. Dr. Kuntze agreed to act as Interim Chairman until another Chairman could be found. The committee wishes to thank Mr. Stiefken for an excellent job which culminated in the new ATI Manual. The committee recognizes the extraordinary workload and the difficulties associated with the preparation of this Manual.

Secondly, Mr. Stiefken reported that the Manual is now ready for printing except for some editorial corrections. It is anticipated that the manuscript will be submitted to the printer by March. The book will have about 225 pages comprising 34 test methods of which 15 are in ASTM format. As mentioned previously, the book will be a green 5-ring binder with the title printed on both front and side. The price is estimated to be about $9.50. Mrs. Fagan will verify the orders placed so far once the final cost of the book is known. Fortunately, Mr. Stiefken has agreed to continue looking after all technical details until the book is available for distribution.

Thirdly, the committee discussed at length its terms of reference, its future role or purpose, etc. It was decided to meet in the future together with other committees--primarily the Technical Committee--in order to establish better communication between committees. It is felt that without this communication and participation, the Fiber Research & Testing Committee will no longer serve a useful function.

Respectfully submitted,

R. A. Kuntze, Interim Chairman

ATI-137

1502 1348

M I N U T E S

ENVIRONMENTAL HEALTH COMMITTEE

Asbestos Textile Institute
February 8, 1974 -- The Mills Hyatt House, Charleston, South Carolina

The Environmental Health Committee met for a short time on Friday, February 8, 1974. In attendance were E. C. Bratt, H. K. Porter Company, Inc.; L. F. Dieringer, Uniroyal, Inc.; and W. B. Reitz, Johns-Manville Corporation. The members also met for a short time with the Air Hygiene & Manufacturing Committee to hear B. D. Bittinger's interesting presentation on his visit to various asbestos textile manufacturing plants in Europe.

As of meeting time, the following is the status of various proposed OSHA health standards of interest to member companies:

1) Asbestos - No Action.

2) Noise - The OSHA Noise Standards Advisory Committee sent a recommended standard to the Assistant Secretary of Labor on January 11, 1974. Recommendations included adoption of present 90 dBA limit, audiometric testing for employees whose exposure exceeds 85 dBA, and a slightly more liberal interpretation of feasible engineering controls.

3) Heat Stress - The OSHA Heat Stress Standards Advisory Committee recommended a standard for hot environments to the Assistant Secretary of Labor on January 11, 1974. Briefly, the recommended standard is based on work practices to minimize the effects of hot environmental conditions on working employees based on WBGT values calculated by two alternate methods set forth in the standard.

Recent articles of interest include:

1) The Health of Chrysotile Asbestos Mine and Mill Workers of Quebec. J. C. McDonald, et al. Arch Environmental Health 28:61, February 1974.

2) Dust Fiber Relationships in the Quebec Chrysotile Industry. G. W. Gibbs, et al. Arch Environmental Health 28:69, February 1974.

Respectfully submitted,

L. F. Dieringer, Chairman

MS 006287

MT-005692

1502 1349

REMARKS OF LEGAL COUNSEL

Asbestos Textile Institute General Meeting
The Mills Hyatt House, Charleston, South Carolina
February 8, 1974

As most of you may know, the Asbestos Textile Institute has been sued in Tyler, Texas, in the Federal District Court.

Two complaints were filed in January. In the first, Herman Yandle and six others have sued ATI and a number of other defendants on behalf of a class which consists of all employees of the former Pittsburgh Corning asbestos plant in Tyler, Texas, and on behalf of survivors of employees who allegedly died from exposure to asbestos. In addition, thirteen other individuals have tried to join after the suit was brought initially. Secondly, there is a suit brought by Lester Kay, which is not a class action.

A class action is a suit brought by one or more individuals which, if won, would benefit all other people who fall within the category described in the class allegations. If these individuals are successful, any of the employees of the Tyler plant would be able to claim damages, assuming the suit is permitted to proceed as a class action. The total claim for the class is $100-million.

The basis of the claim is pulmonary diseases and deaths caused allegedly by exposure to asbestos. The charges have been brought against Pittsburgh Corning, which operated the plant, against PPG Industries, Corning Glass Works, Inc., Dr. Lee Grant, Industrial Health Foundation, certain amosite mining companies (North American Asbestos Corporation, E. G. N. E. P., Ltd., and The Cape Asbestos Co. Ltd.) and ATI.

I'd like to read to you the charges against PPG, Corning and Pittsburgh Corning. "Defendants PPG Industries, Inc., and Corning Glass Works, Incorporated, have been aware of the conditions existing at the Pittsburgh Corning plant at Tyler, Texas, which gave rise to the damages sustained by Plaintiffs. Said corporations, although knowing of the dangers and hazards, and being in a position to correct deficiencies at the said plant because of their beneficial ownership and right to control and manage Pittsburgh Corning Corporation have failed to correct such deficiencies or warn the employees thereat of the dangers of exposure to asbestos and the concentration present therein, such acts being of omission and commission and constituting negligence and gross negligence and the cause of the injuries and damages alleged herein." The key, then, is failure to correct alleged deficiencies or to warn of the existence of the alleged dangers.

The charges against ATI, are: "Asbestos Textile Institute...has carried on a practice of impeding the flow of information concerning the health hazards involved in asbestos manufacture and, as a result of such activities, has caused or contributed to the lack of information by employees of the said industry...", and that this caused the damage. The key, then is stopping others from warning the employees. These are the allegations.

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A recent development in another case, entitled Borel vs. Fiberboard Paper Products Corporation, deserves mention in connection with the Tyler lawsuits. The charge against PPG, Corning, and Pittsburgh Corning in Tyler is primarily failure to warn, which is similar to the charges that were brought by Borel. In the Borel case the employee won a judgment in the Federal District Court against six manufacturers of asbestos insulation which this particular employee installed over a period of 30 years. He was dealing with the products of these various manufacturers--one after another--each for a period of a few years.

Borel claimed that he was a victim of asbestosis and mesothelioma as a result of his exposure to these products. The Federal District Court granted judgment in his favor, which was affirmed by the Court of Appeals for the Fifth Circuit in September of last year. A motion for rehearing in that case is still pending.

The courts held that the manufacturers of the asbestos products were liable for failing to warn users or ultimate consumers of their products. The theory was that the dangers associated with the products that these companies made were foreseeable. The courts held that there is a duty to warn users and consumers of the products. The courts' theory was based on strict liability, which means no showing of fault or negligence is required. The courts held that a failure to warn was all that had to be shown.

The Court of Appeals for the Fifth Circuit said that as a minimum, a manufacturer must keep abreast of scientific knowledge and discoveries and advances and is presumed to know what is imparted thereby. According to the findings made by the District Court, the dangers of inhaling asbestos were known to the medical community as early as 1924. The court found that the manufacturers did not issue warnings, recommend wearing respirators, or check to see if their products were being inhaled in levels that exceeded private health standards.

Those are the extent of my remarks. I would welcome questions but I have to qualify that invitation to this extent. Because of the nature of this gathering, I cannot discuss the evidence in the Tyler case or any opinions I might have about the merits of complaints or defenses in the case. Any information that is needed can be obtained through your representatives on the ATI Board of Governors or your house counsel.

Questions from the floor:

1) Are you getting any help from the other companies involved?
Answer: Yes, indeed. In fact, there were discussions regarding ways in which cooperation between the defendants could proceed. Naturally, that's a goal to be desired.

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2) Could anyone be successful in obtaining suit against the source who supplied information for the complaints? Answer: I went into this in extensive detail at the Board of Governors' meeting, yesterday and again this morning, and I don't feel it would be proper for me to comment here.

(Interjection by President Scowcroft--Johns-Manville did not have a representative at the Board of Governors' meeting. I think that Gene Leff will take care of informing T. P. Jackson or someone at J-M and respond to that question.)

3) You use the term amosite but you do not use the terms crocidolite, tremolite or chrysotile. Is there any reason for that? Answer: The plaintiffs in the Tyler case have specified they are only going after amosite producers, in particular those who supplied asbestos to the Tyler plant.

4) Will you answer the question concerning liability at some future time, in your capacity as our attorney--or where will we get that information? Answer: I have already given it to the Board of Governors and, of course, will give further developments as each takes place. In addition, I welcome any inquiries, on an individual basis, by mail, phone or otherwise, from any of the companies represented in ATI.

5) As a member of ATI, I'm looking to ATI to tell me of my liabilities. We're in this together. Will ATI tell me my liability as a member? (President Scowcroft stated that this question was posed by an Associate Member, a category of membership that is not represented on the Board.) Answer: I prefer not to comment on the matter at this forum. May I be permitted to consider the appropriate way to handle the matter? I assure you of a response at a later time.

6) Will we get a copy of Legal Counsel's report (asked especially on behalf of an interested member who had to leave the meeting early)? Answer: The membership is assured that a complete copy of my remarks will be included with the Minutes of this meeting, which Minutes will be sent to the entire membership.

THE OSHA ACT
and How It Relates to Asbestos Textile Manufacture

By: Cois M. Brown

Presented to the Asbestos Textile Institute at its General Meeting held February 8, 1974, at The Mills Hyatt House, Charleston, S.C.

ABOUT THE SPEAKER . . . .

Mr. Brown is Associate Assistant Regional Director for Technical Support, Region IV, Occupational Safety and Health Administration, U.S. Department of Labor. He is headquartered in Atlanta, Georgia, and has been fulfilling the important duties of this Office since July 1971.

Prior to that time, from 1968 to 1971, Mr. Brown was Regional Industrial Hygienist for the Labor Department's South Atlantic Region.

He earned his B.S. Degree at Auburn University in 1949, taught school from 1949 to 1952, and was involved with occupational health for the U.S. Tennessee Valley Authority from 1952 until 1968, at which time he joined the Department of Labor.

Accompanying Mr. Brown was Mr. Bill Joiner, an OSHA, Region IV, Compliance Officer who resides in Charleston, South Carolina.

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It is a pleasure for me to be with you. As you know, I'm playing second fiddle but I'm just glad to be in the band. Your first request for a speaker was M. Chain Robbins, Special Assistant for Occupational Health and Senior Advisor to the Assistant Secretary of Labor for Occupational Safety and Health, OSHA. John Stender decided that Mr. Robbins' services could not be spared on this day and I was asked to take the appointment. Mr. Robbins is leaving the employ of OSHA effective March 1, 1974, to become associated with Republic Steel, of Cleveland, Ohio. I told him the same thing I would say to you -- that we look forward to working with him and Republic Steel and that we would much rather sit around the table with him and discuss matters than to meet with him at a hearing and let a jury decide who's right and who's wrong.

Since I have been here, I have to say that I have thoroughly enjoyed being in your company. I met a couple of ATI members who are industrial hygienists and we found we had much of mutual interest to talk about, even beyond asbestos. Asbestos will probably get a rest for a while as we are now getting into the study of polyvinyl chloride. The public hearings on PVC will be held in Washington a week from today. I'm asking that a representative from my Office be permitted to travel to Washington to sit in on the hearings, as an innocent

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bystander rather than a participant. We are most interested to hear what industry has to say about polyvinyl chloride exposure.

I might mention another thing in which you will be interested. Last May, we had two temporary emergency standards which lived the normal six months and then died a natural death. By artificial respiration, and heart massaging, the carcinogen standards have come back to life -- this time as 14 separate standards. This is something that you should look at because of the association of cancer with asbestos dust and these other cancer-producing materials. I recognize they are not one and the same, but still there is some relationship.

Now let us talk about the way we should operate -- you as an industry, and we as an enforcement agency dealing with you.

I'm not going to tell you any secrets, but I will tell you some ways I feel we can continue the good standing we have with one another, and yet get the job done.

First of all, the OSHA Act came into being because of a fragmented participation of 50 States in a safety program. This will assure us, I hope, of a uniform program that will be enforced nationwide, pretty much with the same standards and pressures that cause things to be done. We in Region IV have four of our eight states participating. We feel that the participating States will be looked at and will be expected to do exactly what the Act says -- and that is to carry out a program that is equally as effective as that which the Federal people were following at the time they took it over.

We will continue to monitor these people for some three years and if everything continues to go well, we will bid them adieu and let them deal with you. If things are not as we had hoped, then we will immediately re-engage ourselves into the program. So far, we have continually had good working relations with these people -- the same as we have had with you.

We just this week met with representatives of six of the eight States in Region IV (all eight were invited to participate in a meeting in Atlanta). We sat down around a table and discussed a subject in which you and I are interested, and that is a uniform standard interpretation. Right now, a standard interpretation is being made by three different groups of people -- by the National Office of OSHA, by the Regional Office of OSHA, and by the State OSHA program. All three should be saying the same thing if we all are "telling it like it is." We believe that some headway is being made in this endeavor.

Now I would like to relay how we feel we can enforce a program that will carry out the interest of the Act, which states that every working man and woman in the Country will have a safe and healthful environment in which to work. That's the entire justification for the existence of our programs.

There are two aspects of our program that apply to you and they are not something that we can take care of as we can the lights in the room, by turning the switch on and off. The situation did not happen over night and we are not going to solve it over night, just because we have some Federal standards and regulations that address themselves to the problem.

We recognize this and try to set forth a program whereby we will be just as patient as you will allow. The only way that we can be patient is for you to continue to show sufficient progress in these fields so we can keep everybody on all sides happy. We feel if we approach the matter in this way, that everyone can live with it.

We must think, first of all, about asbestos. I think it would be somewhat redundant for me to talk to you about the 1910.93c paragraph of the OSHA Act. If I want to know something about asbestos, I would come to you for the information. If anybody knows that portion of the OSHA Act that addresses itself to asbestos, you do. Therefore, I'm not going to bore you by reading and discussing this standard with you. However, if you have a question about it at the end of this presentation, I'll try to answer it. If I cannot give you an answer, then leave your name and address with me and I will see that you receive an answer in writing.

When we are thinking about asbestos dust, especially in the textile aspect, we recognize that we have a problem to deal with. For instance, it is difficult to card asbestos fibers where the whole purpose of the carding is, first, to remove foreign material and, second, to remove short fibers or fine dust so a good quality product can be obtained. This, within itself, is a dusty operation. If we could just remove ourselves from having been involved with all of the machinery and facilities that we now have, and start over, I think that all of us would be interested in looking into some of the facilities like we saw from the slides this morning of a tour made by one of your members of a modern facility in Germany. The problem, of course, is that we are not starting at the beginning. We are working with some facilities that do not lend themselves very well to effective control methods. For about 40 years we have been concerned with one thing, primarily -- turning out a good product and at an economical price.

Since 1970 we have had to be concerned with producing a good product at an economical price and in a safe and healthful environment. Now that another rule has been added to the game, we must inject another facet to the program. I face the same situation when dealing with cotton textiles. The difference between a cotton and an asbestos textile operation is that perhaps you received some of

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your equipment from the cotton textile manufacturer and apparently this equipment never wears out. In 1968 I looked at some brand new cotton cards that were placed right beside some 1900 models and the basic difference was the color that the machines were painted. The later models operate a little faster -- raising more dust and generating a little more noise. Also, having worked as a young boy in the textile industry, I found the difference in the industry between the early 1940's and the 1970's is that we now have about one-third more machines operating but in the same amount of floor space. That, too, makes more dust and more noise. So you see that really for the last few years, you might say we have been working against ourselves in accomplishing that which we now desire.

Recognizing we must start from where we are, we are willing to work with you in trying to accomplish compliance with the OSHA Act as expeditiously as you can, as long as you can bear it economically, and so long as you can accomplish it with the technology available to you. All of that is some fancy language to tell you that if you believe you have a long-range abatement program that will take over 30 days to accomplish, then we would be willing to work out a plan with you so that you could program it over an extended period of time. What we ask of you is that you develop a plan whereby you will accomplish this compliance and every 30 days you apprise us of what you have thus far accomplished, or what has been tried and proven ineffective. We then would petition the Review Commission stating we think this is reasonable and that, at the same time, we feel we are getting compliance.

There is a third party that occasionally enters into the picture -- the employee representative, or the union. They also have to be satisfied. I am not aware of any major problems in Region IV in satisfying the unions that we have taken a reasonable approach. They do not agree with the practice of fitting a man with a respirator and then telling him he only has 20 more years to work, - "so wear the respirator for the next 20 years and then maybe 25 years from now we will have a solution to the problem". That may be how long he has to wear a respirator, but we call this an interim period. It might only be 20 months or 20 days that he will have to wear the protective device until we discover a solution. At any rate, as an interim measure we want this man protected.

To elaborate just a bit -- I will remove your appendix for $30.00, but the local hospital charges $300.00. Is there anyone here who would like me to remove his appendix? No, you all want the $300.00 operation! Why? Because when somebody is to perform an operation on you, you want the best that money can buy. But when we begin to think about a respirator program, what do we do? We buy the cheapest respirator we can find. And when we buy that respirator, we then say we have a respirator program. But, that compares with a $30.00 appendectomy, not a $300.00 operation. What's the difference?

The difference is the difference there is between major surgery and minor surgery. Think about it. If it's your life, you want the best that money will buy. But when we're dealing with that employee out there, we want the cheapest respirator that we can get away with. We feel that a respirator program involves more than just buying a respirator. This is all outlined in the Standard and there is no use elaborating here.

So many times we talk to people who are buying personal protective equipment, but we are not talking about buying personal protective ewuipment at all. We are talking about buying a program of personal protection. There's a big difference.

Sometimes when we become involved in (what we call) personal protective programs, we buy a respirator, hand it to the worker, and say that we "hate to hand this to you but the Federal Government is requiring me to make you wear it". Gentlemen, I believe you can buy a respirator that will protect a man eight hours a day against asbestos dust. I'm not convinced you can hire a supervisor who can make that man wear it eight hours a day. There is a limit to what a man will stand. I've worn respirators for six and eight hours a day and know just how uncomfortable they are. They weren't intended for wearing 6-8 hours a day. There are a few things that will take us a while to engineer out, and dust control is one of them. So, for the time being, we may have to resort not to buying a personal protective respirator but to buying a personal protection program, issuing it to the worker and seeing to it that it is carried out.

Remember that the initial investment may not be all there is to it. Therefore, the cheapest respirator, in the long run may not be the most economical one to buy. And I know it is not the best one to buy. I did a little mathematics for a company one time in this direction and showed them that what they were buying was costing about twice as much as that which would offer proper protection. So, even the dollar figure was on the wrong side of the ledger.

Now, back to engineering control. We know there are many things we can do to decrease the level of dustiness in the plants, maybe not as we see them today but as we look back on them as conditions were a few years ago. While we are getting these things done, we will have to resort to some interim measures. A personal protective program is one of the measures we believe in.

I recently received a call from a hygienist asking for some of my philosophies. He asked about a maintenance man involved in this type of thing. I responded they should face the facts. Obviously there is something wrong, or a maintenance man wouldn't be called in. If there ever was a man with respect to whom it would be satisfactory to supply him with personal protective equipment and tell him "this is your personal protective equipment for this operation",

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it is a maintenance man. Maybe he will be working only one hour, or maybe 15 hours. You know when he is called in to fix a machine that has broken down during production, you don't want him to leave the job until everything is right again. We don't know how long that man is going to be in there, but he may need to use personal protective equipment. Not only that, you know it's awfully hard to develop an engineering control for a maintenance man because it takes about as long to install the engineering control as it would for the man to handle the required maintenance. So, we don't expect it in instances such as these.

But there are people working in the plants day in and day out, and we anticipate they should have engineering controls -- moving as fast as technology and economics will allow.

I don't want to spend the entire afternoon talking about dust, but let me just close by pointing out that between 1940 and 1960, our consumption of asbestos increased about twenty fold. It had reached the point where we had to have some asbestos in everything including the cereal we ate for breakfast. Then all at once we recognized that something may be a little bit wrong with this. So, we saw the start of a movement that received considerable publicity. It now has come to the point where we read that if I'm standing on the street corner and there is a big truck coming down the street, and the light turns red, that I must flee for my own protection, because that truck is going to be stopped by asbestos brake linings and I'm liable to develop asbestosis because of standing out there. That sounds a bit ridiculous, but then again, think about the policeman who stands on the street directing traffic for long periods and during rush hours--when lots of trucks are starting and stopping.

Now somewhere between eating it for breakfast and not even being able to stand on the street corner where trucks stop, there must be a happy medium with which we as an enforcement agency, and you as an industry, can live. I'm convinced there is much said about asbestos that would be better left unsaid, and that there are lots of things that ought to be said about asbestos that have not been said. There is room for improvement in our industry insofar as asbestos exposures are concerned and I feel that with time we will accomplish great progress.

Do you know what happened this morning? After 84 days, a crew of men has gone to the moon and come back. This is not the first time people have done this. Now you mean to tell me we have engineers who can develop a device that can go to the moon and stay that long a period of time and people can survive in a different atmosphere, and return to Earth, and everything still be all right? Just give us time and we, too, will effectively control asbestos dust. Believing this, we in this Region are going to be just as patient with you as you will let us be.

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We have many young lawyers on the staff who are anxious to earn a livlihood. When we get into the legal category, people play for keeps. Our attorneys are there to advise us as to what is and what is not legal. We want things to be done in a legal manner. (I've been told that I don't want justice, but that I just want to legalize everything--and that's partly right; I probably couldn't survive justice.) At any rate, let's keep this thing where you are making the progress that is required, expected and needed. As long as you are showing good faith, I think I would have to say that the lawyer representing the industry would have everything working in his favor when he went before a hearing judge.

Another problem that you have is noise. It is a problem typical in the entire textile industry and not just in asbestos textile manufacture. I remember going into a Ford Motor Company plant a few years back that had a long-range, long-term noise and hearing conservation program in operation. After we were briefed on what they were doing, someone asked how long the plant had had a noise problem. The answer was "May 20, 1969". That's when the first national noise standards were promulgated. A lot of us didn't have a problem until 1970 and then we found out we had a noise problem.

This is another problem that will require technological developments, and probably some that we do not have or that is not being used to best advantage at this point. This problem, too, will probably necessitate a long-range program. I guess it depends upon whether we're talking about control or reduction. (This would be the case for noise or dust.) So long as you are making a significant contribution to the reduction of noise, then we think you should proceed with your research.

So many times, what happens at informal hearings with industries such as textiles, woodworking and metal stamping, is that a man sits down and asks what we want him to do. We tell him to knock 5 decibels off the noise level. But, he says, "that's only 5 and is a long way from a 9-decibel reduction. Are you going to tell me I'm in compliance when I reach 100?" Well, you know, that's an interesting question. He isn't. But he may have done all he can do at the present time and perhaps he already has taken out about two-thirds of his noise, making a great contribution to noise reduction. Not only that, he probably has learned enough in accomplishing this 5 decibel reduction that if he's not careful he will discover he has reduced the noise level 8 decibels instead of 5. At any rate, we feel that that is what you should do. I am told that compliance is like pregnancy. There's no in-between -- you either are or you're not. But so far we have been able to get some of the "in-betweens." So long as a man can significantly reduce the noise level, we expect him to do it. If he has gone as far as he can, then he will have to resort to some interim measures such as personal protective devices.

Again it is easy to buy a 16¢ pair of ear plugs; they come small, medium and large and can be available to the worker for a quarter via a vending machine. You know the small ones are not nearly as uncomfortable as the large ones. So, what's the man going to get? My doctor tells me that because I need a size 11 shoe for my right foot, that I also need a size 11 for my left foot. But this is not necessarily true with my ear canals and I might not need the same size ear plug in both ears. In some cases, a man might take a large ear plug in one ear and a small one in the other.

Ear protection is just like respirator protection. We need to establish a continuing and effective hearing conservation program. As you will recall, the man now playing 1st fiddle for OSHA made a statement a couple years ago that no citations would be issued for the lack of audiometric testing. He was speaking as Deputy Assistant Secretary of Labor. We believed him and have not issued any. That doesn't mean we haven't cited anybody who doesn't have an audiometric testing program. We use a little different wordage in our citation, saying "failure to have a continuing and effective hearing conservation program."

How do you have a "continuing and effective hearing conservation program," without a way to measure noise? What do you do about soil conservation? What is done about all the other conservation programs in existence? Those people or companies running these other programs have ways to measure the effectiveness of their programs. And, there is a way to measure the effectiveness of a hearing conservation program. It's called audiometric testing. If you know of another way to measure, we would be glad to hear about it and to consider it. If it is better than audiometric testing, we will give you credit for it. However, if audiometric testing is better than your method, then that's the method we want you to follow to evaluate your hearing conservation program.

We anticipate there soon will be some new noise standards published. I have with me a copy of working draft #4 and I can tell you that audiometric testing will be required.

Not only will this method be required, but you will be told where to take the tests, how to take them, and the person who gives them will have to meet certain requirements. As you can see, we will be removing a lot of the questions from our noise standards.

I think there are a couple of other items I should mention, hurriedly. Both the dust and the noise control programs are recognized as having to be long-range projects.

If you have good, fast-growing programs, don't relax. We want you to keep them moving. We also want you to know that we are aware that technology moves just so fast, and we do not want you to get into trouble by outrunning the speed of technological progress.

Another program that I should mention to you is machine guarding. This is a program that you should get into immediately. You know what the standard says about machine guarding. Many of the machines have to be considered individually, but basically we have a barrel from which we can take a cup of machine guarding and we can tell where we stand. This is not something that requires a long-range program.

Another item is our electrical program. We have adopted the new electrical code as our standard and that's what we are measuring by unless you have an old plant. It is up to you to look at the standard and determine whether or not you have to meet this electrical code.

These are four things that I believe we in OSHA would be looking at if we were in an asbestos textile operation today. These are four things in which I think you people can make much progress. In the last two, you can move rapidly toward compliance. With the first two, you can develop your plan and a program. We do not have any secrets. If you develop a research program, then be sure that you document it and get benefit from it.

Another problem is caused by a lack of communication between corporate management and plant supervision. If we go into an asbestos textile plant and determine it has excessive dust and excessive noise, we obviously ask what the company has done about it. Do you know what we hear too many times from the plant managers? "Not a thing that I know of!" Well, you know, that's not even showing good faith. We've had two years to get something started on these programs. So, we feel we should cite you, and sometimes should cite you for a serious violation. But then when we sit down with the company, we are told about a fantastic program it has going. The problem was that they forgot to tell that particular plant about it.

Be sure that you inform your plant managers that you do have these programs going and that you are planning to do something about it. I would even go beyond that. Be sure that the plant manager informs the first-line supervisors and that they pass it on down so that even the man who sweeps the floors knows about it. Doing this would reduce the amount of complaints we receive.

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(Prior to opening the meeting to answer questions from the floor, Mr. Brown distributed two pieces of literature to the membership. The Executive Secretary of ATI has a limited "surplus" supply on hand and will be glad to send a copy of each or both to any member who requests same. They are:

1) Target Health Hazards/Asbestos: Airborne Danger, reprinted from the May-June 1972 issue of Safety Standards.

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2) Card showing locations and telephone numbers of OSHA's Southeastern Area Offices together with toll-free numbers for those calling from outside the area. It is for use in contacting your nearest OSHA Office for information about OSHA '70, Standards, enforcement procedures, and the like. This is a 24-hour information service.

Mr. Brown advised that his Office is responsible for coordinating the small business activity. If you can show you are a small company and that to comply with OSHA Standard puts a financial hardship on you, you can borrow money at a low-interest rate and obtain what is called "disaster funds" to finance the programs required)

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QUESTIONS FROM THE FLOOR

Question 1) L. E. Moody, H. K. Porter Company, Inc.--Would you consider work going on within an organization such as the ATI, of which all of our companies are members, as part of all of the companies' plans?

> Answer: Yes, so long as all of the companies are participating in the work and so long as the information is made available to all the members so that when information is developed it can be incorporated into programs at all of their plants. This certainly should be recorded and included in the compliance plan.

Question 2) J. W. Hawkins, Raybestos-Manhattan, Inc.--Do you have any immediate plans for the State of South Carolina?

> Answer: South Carolina has been carrying out an asbestos dust program for about a year. The State can address any issue in the Standard, but it cannot take parts of an issue. The four of the eight States in Region IV that are carrying out OSHA programs are South Carolina, North Carolina, Kentucky and Tennessee. What we are doing is monitoring the programs to be sure they are at least as effective as OSHA programs.

Question 3) R. T. Matthew, Raybestos-Manhattan, Inc.--Is it correct that so long as we have open Federal citations, the State will not step in?

> Answer: Yes. The State will wait until we have completed, after which we will turn it over to the State. The State may turn right around and decide to inspect that same company. On the other hand, the State may determine that since a Federal inspection had just been made, it will wait a year or more before scheduling a visit. That's their prerogative. On any

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open citations that we have, we like to stay with it and follow the matter until it is settled. That's the only enforcement activity, other than Maritime, that we will have in the State of South Carolina.

Question 4) E. A. Morris, Uniroyal, Inc.--Is that the relationship between the Federal and State inspections in Georgia?

Answer: Georgia went through its plan about a year ago. The Governor said he wanted nothing to do with it. The State of Georgia has been preempted. They have no inspectors any more. They could inspect elevators under some State regulation that OSHA does not address. We started the same thing in the State of Florida and in Mississippi. The latter learned the general rule that it was unconstitutional for a State employee to enforce a Federal Standard. As of January 31, 1974, the people in the State of Florida cancelled their contract with us.

Question 5) J. W. Hawkins, Raybestos-Manhattan, Inc.--Referring to South Carolina only, am I correct that you would like to see that the State issue additional citations, rather than from the Federal level?

Answer: Right, speaking strictly about South Carolina.

IN CONCLUSION:

Although OSHA is for real, at the same time it tries to be human and handle matters in a gentlemanly manner. Both the regional and area office people have been admonished to be sure that industry receives every possible benefit and still make industry aware of the fact that OSHA must fulfill its obligation to ensure a safe and healthful working environment. I would remind you that anyone from the industry level has the prerogative of an informal conference. We have had some industry people visit us who have been very upset about certain citations, but after an informal conference the matter was more clearly understood.

One more thing. Be careful who handles your asbestos sampling. A case in point is an informal conference held about 3 weeks ago in Atlanta. A man came in with his defense and he had a set of samples that had not been properly collected, weighed and calculated as to the number of fibers on the filter paper. His sampling resulted in a fantastically low count, about four decimal points over and then a one. Of course, we challenged his figures and the man agreed, saying he had just talked with his corporate headquarters and was advised that his samples were erroneous.

ATI-137

ASBESTOS TEXTILE INSTITUTE

SPECIAL LITIGATION MEETING

April 5, 1974

ATI-137

ASBESTOS TEXTILE INSTITUTE

FOUNDED 1944

MEMO TO: Amatex Corporation -- M. J. Scanlan
Garlock Inc. -- A. Kuzmuk
Nicolet Industries, Inc. -- J. K. Whittaker
H. K. Porter Company, Inc. -- E. C. Bratt
Raybestos-Manhattan, Inc. -- M. Q. Scowcroft
Uniroyal, Inc. -- E. A. Morris

Johns-Manville Corporation -- R. Von Wald

W. B. Alcorn -- Hull, Towill, Norman, Barrett & Johnson
E. J. Leff -- Cadwalader, Wickersham & Taft

Attached hereto is a transcript of our conference with Legal Counsel held in Charleston, South Carolina, on April 5th, 1974, to discuss the pending litigation in Texas.

You realize, of course, that the material contained therein should be held in strict confidence.

Doris M. Fagan
Doris M. Fagan,
Executive Secretary

May 6, 1974

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ATI-137

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ATI-137

SPECIAL MEETING

ASBESTOS TEXTILE INSTITUTE

April 5, 1974

The Mills Hyatt House, Charleston, South Carolina

SUBJECT: TEXAS LITIGATION

In Attendance: G. G. Gabrielson, Nicolet Industries, Inc.
M. Q. Scowcroft, Raybestos-Manhattan, Inc.
E. A. Morris, Uniroyal, Inc.
R. Von Wald, Johns-Manville Corporation
E. J. Leff, Cadwalader, Wickersham & Taft
W. B. Alcorn, Hull, Towill, Norman, Barrett & Johnson
D. M. Fagan, ATI Executive Secretary

Following a call to order, Attorneys Alcorn and Leff were respectfully requested to leave the meeting for the sole purpose of permitting the representatives of the ATI member companies in attendance to discuss financial matters specifically related to the litigation.

As Treasurer of the Asbestos Textile Institute, E. A. Morris reviewed the financial status of the ATI showing the situation at present, through the end of the Fiscal Year (August 31, 1974) and through the Calendar Year 1974. Financial Report as prepared by the Executive Secretary is attached hereto. The discussion went as follows:

MORRIS: A review of the Minutes of the February 8, 1974, meeting of the ATI Board of Governors established that we are obligated until the 31st of March (1974) for some $6000. Now we must determine what we should do beyond that point. For the purposes of this meeting, I asked Doris if she would pull together a financial statement; a posture of the organization, which she has done and of which everyone here has a copy. As you will see, the current net worth of the organization is around $24,000. I also asked Doris if she would put together an estimate of what it would cost to run the organization from now until the end of the calendar year 1974. Her figures show something like $12,000. I thought the smartest thing to do would be to set this money aside, see how much was left from the net worth & see how much the ATI could contribute toward the litigation fund, if possible.

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Her figures show that assuming that all Accounts Receivable are paid and that we do receive the expected interest on our savings account, that we conceivably could have $12,000, after expenses, through December 31, 1974 -- excluding any litigation costs. Then she called me and said she had gotten the lawyers' fees. Wendell Alcorn's costs through March 31, 1974, were something in the neighborhood of $2500; Hathaway's figures reached about $1562; and Cadwalader has come in with a bill of $5200. The three figures total approximately $9000 plus. (Later in the meeting the total was established at a minimum of $9595; i.e., $5250 for Cadwalader plus $233 expenses; $2500 for Alcorn plus $50 expenses; and $1562 for Hathaway.) If you subtract this $9000 from the estimated available $12,000 you come up with less than $3000. It is my opinion that we should hold on to this $3000 as a contingency and that we get the best estimate possible from Gene Leff and Wendel Alcorn as to what further funds would be required for the litigation through a specified period, such as to August 31, 1974. And this could be $10,000. And then we sit down and try to figure out a proper assessment we should make on each member company. This is the purpose of the meeting -- to find out where we stand financially. I think the financial back of the ATI has been broken and I personally feel, as was expressed in February, that maybe the ATI has outlived its usefulness. This may be so but I would certainly like to have the option of saying "allright, we have outlived our usefulness" and gracefully retire from the trade and not be forced out. It boils down to the fact that the Institute has no funds available and that psychologically or legally it is the consensus that we should not withdraw to the desert because of the possibility of a default judgment against us; that strategically we should stay in the litigation. We now must determine what it will cost us to stay in the litigation, for how long, and how much each member company should be assessed.

FAGAN: In accordance with the By-Laws of the ATI, we can only assess Regular Member companies and at a uniform percentage of the amount of Annual Dues now in effect for each such Member. A 100% special assessment would total $7500 -- $1500 on each of the four Class A Regular Members and $750 on each of the two Class B Regular Member companies. This, of course, does not include Johns-Manville who is no longer a Regular Member and whose membership classification has been changed to Class C Associate via Canadian Johns-Manville Company Ltd. The four Class A member companies are Amatex Corporation, H. K. Porter Company, Inc., Raybestos-Manhattan, Inc., and Uniroyal, Inc. The two Class B member companies are Garlock Inc. and Nicolet Industries, Inc.

GABRIELSON: Can we get a breakdown of the hours the attorneys have spent on the litigation?

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MORRIS: We have asked them to do this. When Doris advised that Cadwalader's bill was $5200 I asked Doris to go back to Gene and request that he compile and be prepared to discuss an itemized account of his expenses to date.

GABRIELSON: This is on the suit, only?

MORRIS: The suit only, yes sir.

VON WALD: The thing that concerns me, in essence, is what is Cadwalader doing in the suit anyway. Our trial counsel includes Alcorn and Hathaway.

FAGAN: Gene Leff told me that Cadwalader had done quite a bit of work at the outset, prior to our establishing Wendel as trial counsel. Plus, Gene's initial estimate (which was part of the $6000 expenses through March) did not include research toward sending the letter to the entire ATI membership concerning liability in the law suit to Associate Member companies.

MORRIS: Speaking off, or on, the record, my company (Uniroyal) feels that it cannot afford Cadwalader and that we should dispense with their services. If we were a big trade organization with a couple-hundred-thousand dollars in the treasury, and so forth, fine. But, basically, due to the size of the Institute and how much funds it has available, it cannot afford this kind of legal counsel. Uniroyal's attitude was to terminate Cadwalader's services entirely and hire Wendel Alcorn both as Trial Counsel and as General Counsel.

GABRIELSON: I'd go for that I think. You are talking about a lower overhead firm, not one out of New York City. And I do not know why we need two good firms.

MORRIS: I took the liberty of telephoning A. Kuzmuk and E. Bratt and expressed Uniroyal's position in this matter. They (Kuzmuk and Bratt) are in complete agreement.

GABRIELSON: Can the judge on the case reserve judgment on the motion to dismiss until the whole thing is over?

VON WALD: Yes, he can reserve motion for an extended period of time.

MORRIS: What concerns me is that the judge is allowing intervention of additional parties as time goes on.

FAGAN: Dick, don't you feel that eventually these suits will be consolidated under the one class action?

VON WALD: Oh yes, sure they will.

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GABRIELSON: But during this period of time, there is not much for our counsel to do.

VON WALD: That is right, except for answering any additional complaints that may arise, and pursuing the motion. There will be work coming up, however, as the indication I get is that the plaintiffs may be planning to further depose the ATI, and that someone will have to represent the Association in the jurisdiction question. . . . . I agree that we do not need two firms (Cadwalader & Alcorn). It is good to have Hathaway, however, because of the local aspects. As I understand it, Wendel is preparing the papers and sending them on to Hathaway, so Hathaway's bills ought to be reasonably low. Hathaway is acting as a local liaison and it is good to have someone in Tyler if we ever have to go to trial. . . . . We just cannot die on the deal. There are too many implications for this Association and its members and any other Associations that happen to exist in the U.S. of which an ATI member company is also a member. Also, I am quite sure that Johns-Manville will support the ATI in this thing.

GABRIELSON: I, too, am inclined to think that maybe the ATI should be wound up when this thing is over, but in an orderly fashion.

VON WALD: I would not like to see the ATI dropped at this time. It is a lot less costly for the member firms to proceed under the ATI than as individual companies.

FAGAN: One member company expressed the idea that if the ATI did consider certain of its Committee activities to be of sufficient importance to remain active, that a new committee be formed in another existing trade association such as the Asbestos Information Association/North America or the Fluid Sealing Association. Most Regular Member companies of the ATI also belong to both of these organizations.

GABRIELSON: It might be well to consider such a possibility for organizational continuity.

FAGAN: A few matters I would like to mention, just to get them on record, are: (1) Although the By-Laws restrict special assessments to Regular Member companies only, many of the ATI Associate Member companies may wish to make voluntary contributions toward the litigation costs. (2) Perhaps we should discuss whether or not to retain the 1974 dues paid by our brand new member -- Asahi Asbestos in Tokyo. Also, we might want to consider a similar action with respect to Atlas Textile Co., North Wales, Pa., who joined last year. (3) The two companies who have dues outstanding for the year 1974 are Ferodo in France

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and Hilados in Mexico. The initial dues invoice plus two statements have produced no response thus far.

SCOWCROFT: I have discussed with the President of my division company that we could be assessed as high as maybe $5000 before the end of the year on extraordinary litigation costs. He has accepted this fact without reservation. It is my opinion that only Raybestos-Manhattan, Inc., Uniroyal, Inc., H. K. Porter Company, Inc., and Johns-Manville Corporation have an obligation to the costs of litigation in that they were the Regular Member companies at the time the letters were written to Dr. Selikoff and to the New York Academy of Sciences back in 1964.

VON WALD: It has not been established that the letters are the only things involved. That is only our guess at this point. We have no legal basis to say that there is nothing else. As has been covered before, there may be an allegation of a continuing wrong here which will pick up every member in the ATI today.

SCOWCROFT: You are a lawyer and I will accept that. However, I do not agree with it. But let me say this. I repeat that the ATI is done for, in my opinion. You know that I have been ATI's strongest supporter over the years, but, really we have run the track. Most committees are having difficulty finding things to talk about. I dislike being President of the Institute at the time of its demise, but really, the Institute has, I think, outlived its usefulness. However, none of us can get out of the thing until the litigation is settled, including Johns-Manville, of course. So let's pay what we have to pay, but naturally not more than we have to pay.

GABRIELSON: But there is no reason we need three high-powered law firms to do the job. Cadwalader is good, but so is Alcorn. We do not need all this talent for something that basically, from a legal point of view, is pretty simple.

SCOWCROFT: Yes, but what is the public relations impact if we sever connections with Cadwalader in the middle of a law suit?

GABRIELSON: You can drop a law firm any time.

MORRIS: I think it is pretty smart. I've talked with Ernie Bratt and with Alex. Kuzmuk and Mike Scanlan and they are in sympathy with the idea of dispensing with Cadwalader's services.

SCOWCROFT: My point is still valid in that my company will pay whatever is necessary. However, if the rest of you are in agreement, it is okay with me that Cadwalader be dropped.

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GABRIELSON: I think that Cadwalader will appreciate our position especially since it appears that the ATI's activities will be wound down anyway. Cadwalader would not have another ten years or so to represent us in any event. We are trying to wind up our affairs in an orderly fashion and in an economical way and support the suit, but not waste our money on unnecessary items.

The matter being agreed upon that we support litigation costs but dispense with the services of Cadwalader, Attorneys Leff and Alcorn were asked to rejoin the meeting.

MORRIS: Following the agenda attached, Mr. Alcorn may we have a rundown on the situation to date?

ALCORN: The memorandum that I have prepared (see attached) I think states in general terms pretty well what has transpired to date, what the present posture of the case is, and some ideas of mine under the heading of future prospects. I apologize to Dick Von Wald in that some of the ideas are really my making suggestions to member companies. But I felt that I had to do that. To the best of my knowledge, there have been a couple of suggestions of possible alternatives for ATI in the future to avoid some of the expenses of litigation, and that was: fold tents and go away and take a default judgment; and assuming that is not acceptable, perhaps letting member companies' counsel represent ATI at court; and assuming that is not acceptable, defending the suit in ATI's name as we are doing at the present time. I have tried to be as objective as possible in thinking about these alternatives, and perhaps there are other alternatives which we could discuss this morning. I realize that I am an interested party, of course, since I am on your payroll. But I have known ATI for some time and I think we understand each other. I am certainly not looking to the ATI to preserve my livelihood over the next 20-25 years. But I really think that the second alternative, letting member companies' counsel defend the case is completely unacceptable both from ATI's viewpoint and from the viewpoint of the member companies themselves. And this is where I am a little bit presumptuous because I am putting myself in member company counsels' posture. I think from ATI's viewpoint it would be extremely difficult to put forward a coordinated defense if you had counsel from Raybestos and Johns-Manville and Uniroyal, and anyone else who would want to participate--in the courtroom, sitting at counsel table, preparing briefs, etc. I think in the long run, just looking at it from cold expenses, the individual companies would probably expend a lot more time that way than they would just paying out money to the Association to defend itself. Also, I think that member company counsel defending ATI would subject the member companies themselves to being brought into the litigation. It would just put a red flag before the plaintiffs

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saying "here we are" and probably the judge would insist on member companies who wanted to take part in such a representation to intervene as defendents rather than as representatives of ATI.

As far as the first alternative goes--that is folding tents, going away, taking a default judgment--that is completely unacceptable. As a former General Counsel for ATI, I would have advised you in my former role that if there is any future at all for the Association, obviously you cannot risk a default judgment. Secondly, if there is any future at all for the Asbestos Industry you still cannot risk a default judgment. But I refuse to state, because I think it is completely out of my bailiwick, the member companies' posture on what is the future of ATI.

MORRIS: Wendell, what are we now looking at insofar as expenditures are concerned?

ALCORN: I can speak only for myself. Gene has a more up-to-date picture of our local mailbox in Texas. I have put in time that I plan to bill out at $2500. That is through March 31.

TELEPHONE: At this point, Alex. Kuzmuk phoned in to be updated on what had transpired thus far at the meeting. The conversation was handled by Milt Scowcroft and Ed Morris. Wendell Alcorn proceeded with the following comments.

ALCORN: Assuming that you agree that ATI should and will stay in the suit, there are two ways to go as I see it. One is to continue defending the suit like we have been doing. As objectively as I can be, I must say that I think you have gotten a first-class defense job up to now. I mean that I think you have done everything that certainly you are required to do and I think we have done everything that we should have done. We can continue to do a very minimal defense job, and try to ride the coattails of PPG, Owens Corning and Pittsburgh Corning as much as possible, and let them carry the ball. That disturbs me a little bit because I like to fight and I would like to see ATI's position put forward in the best possible manner and not roll over and depend on somebody else. The second way to do it is to go in there and put all that we can into it. I think this is justifiable from the member companies' viewpoint if you assume that this case is going to be precedent for cases that may, and I think probably will, be filed against Johns-Manville, Raybestos, Nicolet, Uniroyal, etc. You are all open to that.

We have a case in the Fifth Circuit -- the Borel case -- which is a terrible precedent. This case is a quantum leap from Borel because this case is against an actual manufacturer, is against miners and is against a trade association. As a matter of fact, it is two cases with substantially identical claims. If this case is decided adverse to the defendants, there is no further that a plaintiff has to look for a precedent. An adverse decision in this case will lead to summary judgments -- in the

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Fifth Circuit, at any rate -- and if it is appealed to the Supreme Court, perhaps summary judgments will be used against defendents as long as they (the plaintiffs) can show the basic underlying facts.

The tort with which they are charging ATI is horrendous. It is an unheard of tort -- "impeding the flow of information". As I have stated in this memorandum (distributed at the meeting and attached to these minutes), I honestly do not believe there is any basis in law or fact for finding you guilty of the tort. But I think that this is a cause which the member companies can and should use to make sure that the defenses are presented in the best possible way, not only on ATI's behalf but also on behalf of the manufacturer defendants -- because if ATI was not a part of this case, I would venture to say that if we were in an executive board meeting, someone at that board meeting would say, "Let's file an amicus curiae brief. How much will it cost?". Well, we are in the suit -- and as honestly as I can state it I think it is an excellent opportunity for the member companies to have a forum and at least make sure the case is presented as well as it can be.

If you follow that second course of action -- that is, making sure the defense is presented correctly -- I would suggest, indeed beg, that the member companies' counsels keep in close contact with trial counsel on a continuing basis and make sure that we have a rapport, because I think that in this situation trial counsel is going to be representing the member companies as much as he will the ATI.

MORRIS: What are we looking at here, timewise? What is your best estimate as to how long of a period we are talking about?

ALCORN: If we get out on procedural grounds, and the judge ruled as early as he could, I would say that it would be the end of June. He is not going to rule as early as he can. No. 1, he is everything you have heard he is. He is pro plaintiff. He is very cautious about letting tortfeasors out of his jurisdiction. I would say that probably he will rule on this case after some pretrial discovery has taken place - toward the end of summer maybe.

It depends on who you listen to. One of the plaintiff's attorneys said, when this case was first brought, it is going to take ten years to litigate this case. Well, it is not going to take ten years. But it is going to take a lot longer than ten months because you can expect appeals in the Fifth Circuit and in the Supreme Court.

MORRIS: What would happen if we continue to have interventions? Would this tend to delay the case?

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ALCORN: No. They're already coming in, daily. Up to now, the intervenors have delayed the case in the sense that they have been coming in and, of course, various defendants have followed our lead and are requesting dismissal on grounds of lack of jurisdiction. They have delayed the case up till now in the sense that our motion has not been considered as early as it would have been if we had one plaintiff and one defendant. But once all issues have been joined, and by that I mean that once everybody has their answers and their motions out of the way, the judge is not going to allow future intervenors to delay the procedure. He is going to move the case along. If someone else comes in they just come in at that stage of the proceedings. The big legal expenditure that we are going to have, if we do not get out soon enough, is the motion by the plaintiffs in the Yandle case to determine class; that is, for the court to determine whether that case can proceed as a class action. That is a big briefing job. And, it is an important briefing job -- because if they succeed in making it a class action, then you will have a lot more exposure to damages than you would if it were merely individual plaintiffs. There is also another thing that would be done . . . .

MORRIS: I think what we are looking for is a time frame. Are we talking June 30, August 31, September 30, or what?

ALCORN: All right. There are so many variables here. If the judge rules in our favor on the procedural motion, I would think that you would be out maybe by the end of the summer. The main legal expense there would be our covering, as economically as possible, third party discovery proceedings. If they depose, for example, PPG. If we are going the second route, that is if we are defending as well as we can on behalf of future interest of member companies, then we would certainly be at those depositions and we would want to cross examine, even our fellow defendents, in order to make sure that the proper facts are brought out. Because, at some point in time, ATI is going to want to make a motion for summary judgment, I predict. I think you will concur with that, assuming that the facts turn out as we suspect they will. As I said initially, this is a horrendous charge that ATI is charged with. It is not a tort, in my book, to do what ATI did. And I think that is a matter of law. This is separate from our motion for dismissal for lack of jurisdiction grounds. As a matter of law, ATI should be dismissed from this case. But we have to get some facts on the record first. This will be done, No. 1, in response to the interrogatories which we expect in the Kay case on their discovery relating to our motion to dismiss--which was already filed. And No. 2, we may have to take some discovery ourselves, that is file some interrogatories on plaintiffs or defendants. If, in response to the initial, interrogatories in the Kay case, enough facts are brought out as to what ATI did and the context in which it did it, then

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we will not have to take any discovery ourselves and we will be in a position to file a motion for dismissal. The motion for dismissal, on substantive grounds, will say, "Your Honor, this is what the plaintiffs say that we have done; these facts are uncontroverted; there is no question about them; and we contend as a matter of law this is not a tort and we should be dismissed."

GABRIELSON: The original charge against ATI is ambiguous, is it not? If I remember correctly, it says the ATI "may have" done such and such.

ALCORN: That is right.

GABRIELSON: Would you comment on that and explain the legal consequences of such a vague charge.

ALCORN: The legal consequences are very important. In our brief, which was submitted in support of both motions to dismiss (in both cases), we point out the ambiguity of the charges. The reason we point them out in that context is because the Texas Long-Arm Statute includes a procedure for bringing into court in Texas defendents who, although they do not do business in Texas on a continuing selling-type manner, have committed a tort in Texas. Texas courts have construed that statute to include torts which are committed outside of Texas which cause damage or injury in Texas. And if all they are saying is that legal counsel sent a letter in 1964 saying "just be sure of what you are saying fellow" . . . . Incidentally, I had nothing to do with writing that letter, I am well aware of it and I would write it again. The alleged tort is ambiguous. The conduct that we are charged with is ambiguous. That is the weakness in the plaintiff's case against ATI.

LEFF: I would like to speak about one of the things that Wendell touched upon. The proof on the merits of the case of whether ATI had done anything tortious is essential to our jurisdictional motion. We are saying that the long-arm statute does not apply or would not lead to jurisdiction over us. Unfortunately, the judge has not yet made a preliminary decision on the merits of the case in order to agree with us. My own pessimism at this stage in the case about how early ATI can be dismissed from it is based on my fear that the judge is going to be unwilling to resolve that question which touches on the merits of the case without hearing the entire case and without going to trial.

ALCORN: You see, plaintiffs can always argue on that point -- that you really should reserve decision on that, your honor, because at trial facts may be brought out that show that ATI did commit a tort and, therefore, is within the jurisdiction of the Texas courts.

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MORRIS: I think what we are here for, though, is to try and figure out some sort of a time table. How long do you estimate it will be before some judgment is rendered, favorable or unfavorable?

ALCORN: My most optimistic estimate is that you may get a decision on our pending motions in June. My most realistic estimate is that you can probably expect some sort of ruling by the end of summer. We have alluded to this argument in one sentence in our brief: Your honor, ATI is a non-profit organization and it is unfair to hold them in this litigation indefinitely. I am prepared to make that argument a lot stronger. It is quite possible that the judge is going to deny the motion, but I do not think he will say "I deny the motion". I think he will say, as Gene mentioned, that it cannot be determined whether or not a tort has been committed until all discovery is complete, and we are going to reserve decision. At that point I think we would advise that it would be an appropriate time to file a motion to dismiss on the merits.

GABRIELSON: At the end of discovery?

ALCORN: Well, at the end of the initial wave of discovery, let us say that, which I assure you will bring out the details that the plaintiff is going to rely on to show what ATI did. And we are going to say to the court, your honor, assuming that it is all right, and all correct, we should be dismissed because that is not a tort.

MORRIS: Wendell, you know the financial posture of the ATI and primarily why we are here this morning. What is involved in terms of money.

ALCORN: This is completely out of my bailiwick and I am doing a lot more talking this morning than I had intended and that I should. So, I'll open the matter with a question to Gene: Gene, as counsel to the ATI don't you think that the only practical way to finance this litigation is through a defense fund?

LEFF: Well, that question involves other questions which you already touched upon such as whether it is essential to defend the case. On that score I agree completely with Wendell's suggestion but let me add one or two comments of my own. A default judgment in the event ATI decides to walk away from a defense of the case would, of course, subject whatever remaining funds are with ATI to immediate loss. Next, the matter which I discussed in the letter to all members -- that judgment could be parlayed into judgments against the member companies and quite possibly, and I think probably, could be parlayed into judgments against former Regular member companies. The means of defending a judg-

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ment against those member companies would be impaired by permitting ATI to be stuck with a judgment on the merits. If all this is true, then we are talking about very extensive exposure because your member companies are not as nearly judgment-proof as ATI and do not have as few assets as ATI. So, I think a defense is necessary. The financing of that defense is really, I would say, a "special expenditure" to use the terminology of the Constitution and By-Laws. The normal budget does not cover it, either in its intent or in the amount that exists in it. If a decision is made to defend and to authorize particular people to defend, it seems to me that that would be a case for a special assessment upon the members, and the By-Laws tell us how that is done. I think it has to be unanimous and in a total amount that is calculated to do the job that is necessary. Now how much money are we talking about? Wendell, I believe, has already told you what his charges to date are -- $2500 plus disbursements. Mr. Hathaway's total charges to date, in actual time, are $1562 plus disbursements. By disbursements, at least in Wendell's case, means such items as postage, telephone calls, photocopies, and the like. Cadwalader's expenses through the First Quarter of 1974 come to actual billable time charges of $5250, plus disbursements in the amount of $233 for telephone tolls, duplicating, mail, etc.

ALCORN: To add to that, my disbursements, not including all my telephone bills, totals about $50.

LEFF: The overall total through March 31st is somewhere around $9595. Now, before discussing a projection about the next quarter or beyond, let me just stop there and see if you have any response to that.

ALCORN: I have one response. When I talked to Gene the last of February he said ATI wanted an estimate of my billing time. I said, well, to the end of March I would estimate $1500. Believe it or not, that would have been right on the nose, if we had not these intervening defendants in the case. The only reason I am saying this is that percentage-wise that is a considerable varience from $1500 to $2500. It is really hard to focus.

SCOWCROFT: The feeling of those here seems to be that we fight it all the way, but as inexpensively as we can because we simply do not have that much money. What we talked about while you were out of the room is whether or not we need two top law firms to do it. Our questions is, do we need great, big, beautiful Cadwalader from here on out? Wendell Alcorn is a superb person and a great lawyer, as is Gene Leff. But in terms of economics and still get the job done well, could we go it alone with Wendell? Gene, were not you expecting this sort of a response from us?

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LEFF: Indeed, and I have given some thought to it. Perhaps we can look at the list of what actually has been occupying our time at Cadwalader. A large part of the charges I mentioned were incurred before Wendell appeared. I thought it was necessary, as soon as we heard we were going to be sued, to find out whether we could avoid getting dragged into it right at the outset. So I did initial research. And, of course, it took some time to determine who was the best lawyer in the country to handle the case and we finally settled on Wendell. So, that part is clearly not going to be repeated; that which was done in the pre-Wendell stage. Part of my work was liaison for ATI, intervening between Wendell and the organization. I think there is room for cutting back on that. For example, I was the one who described the complaint when it first came by. I responded to the rather serious, important questions asked at the last ATI meeting about what the potential liability of the member companies would be. And by the way, this factor is a major one in that bill. It came up after the estimate was given to you and I thought that the issues were particularly challenging and serious and that they really deserved a very thorough review -- and I hope the letter reflects that, at least in part. To the extent that Cadwalader is asked in the future to do that kind of a job, then we are going to have additional time. If we are not asked to do anything like that, then obviously we can cut back.

SCOWCROFT: Do you foresee us asking you to do the things that are not spelled out or are not necessary?

LEFF: Well, in a way, most questions, I think, can be quite appropriately directed to trial counsel. And here I am not talking about "qualification" but of who is responsible for answering a particular question. You might say it was not the responsibility of trial counsel, or even Cadwalader, to respond to those questions as to potential liability to member companies. But I do think it was more Cadwalader's responsibility than Wendell's. But here again there is some flexibility and I think that in almost all cases Wendell should be the person to handle any questions related to the suit.

MORRIS: May I go back to the question I asked originally. I want to go back to my company and say, all right we are looking at August 31st. What is your best estimate as to how much it is going to cost us to remain active in the case, as best we can? How much are we talking about in terms of money?

ALCORN: Something that I have been wanting to do, which is relevant to that, is that I want to pass around for you my litigation file of the two cases. This is the original case that was filed -- that is the thickness of it. This is the Kay case file. And if you will look at the index, Items 15 through 28 in the Kay case are complaints and intervention. That was the kicker that ran up my time.

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MORRIS: No one is disputing that.

ALCORN: No -- all I am saying is that there may be kickers in the future - things that we have no advance knowledge of. I would say that we have done all the work that we have to do in the way of filing the motion to dismiss on jurisdictional grounds, except for responding to discovery. I would estimate that we can respond to a set of interrogatories, if we carry the ball on that in my time, for easily $4000 (and I am going to rely on Doris a lot). That means $1000 a month for answering interrogatories. If we have to do no more than that, I would say that easily through August 31st, on the high side $5000 would cover you, including Hathaway's services. This includes a minimal participation in discovery on other parties, if there are any depositions. Maybe we attend and maybe we don't. If we have to attend, that is going to run your time up. If we have to get involved in other parties' discovery, there is no way of predicting what that discovery will be until August 31, but I would say that you had better crank in another $5000 on the high side. That is, if they gear up and start taking depositions and serving interrogatories, things of that nature, you can run up a sizeable figure.

MORRIS: I want to be able to go back and tell my company that we estimate that between now and August 31st, we are talking $10,000.

ALCORN: That is right. I think you ought to say that and I am just telling you between us chickens that I think that is hopefully on the high side. I hope it will come in a lot less than that. What I am saying is that it can be $10,000, depending on what kind of depositions we may have to attend. . . . Now let me say one other thing on Hathaway. As you know, I am from Texas and I know something about the Texas Bar. Hathaway is one of the two best trial attorneys in the Eastern District of Texas. The other best trial attorney is a man by the name of Jay Flock. And they both happen to be in Tyler, Texas. Jay Flock is representing the other defendants in this case -- or most of the other defendants, the insurance companies. I retained Hathaway because he is one of the few people in East Texas who can get along with that liberal judge. I say that because Judge Justice does not get along with most attorneys in East Texas because they are red-necks, if you will, and he is a very forward-looking liberal judge.

We are paying a little bit of a premium for that rapport, but I think it is well worth it because Hathaway can go in and ask Judge Justice what do you think about this. They get along and we have gotten readings on the Judge, before we ever answered the complaint, that I could not have gotten through another attorney.

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LEFF: To bring in a whole second response to your question, Ed, you want to know also if there are a few dollars coming in from Cadwalader on top of that estimate. Let me put a question in response -- I would like you to help me define Cadwalader's role, right now. The few items on my list which could be carried on would include such things as consultation with Wendell about strategic decisions in the case (for example, whether to bring the government in, and what type of motion to make and when, should we bring on the jugular motion right away or wait, that type of thing). That is one category. Another is reviewing all these papers that Wendell has compiled. I get copies of those things and keep myself abreast of where the case is, partly to be able to consult intelligently on the case. This would include telephone calls to Wendell on it. I would normally say it is appropriate for counsel to the organization involved to maintain that type of continuing role. I was talking to Dick about Johns-Manville's counsel and role he had in the Borel case. Our own experience is the same, that usually you have trial counsel with full authority to conduct the case, but house counsel normally maintains a supervisory, not necessarily a superior but a continuing, involvement in the case. I think that is the better way to do it. Wendell is flattering me by telling me he likes to hear what my thoughts are on the questions he has to decide. Wendell's working pretty much as a one-man operation, in his firm, and I do think two heads are better than one. Having said all that, I understand you want to reduce expenses as much as possible and if you feel that is necessary, for that reason, for me to not maintain that type of consulting role, I have no problems in following those instructions. If I cut back to that extent, I think I would have nothing significant to add to that figure. So, it is really up to you. It is a matter of balancing. How do we avoid a judgment in a law suit vs. how do we reduce our costs. If we are looking at the one side, I would definitely advise keeping a role for house counsel. But you are the only ones to make that balance, not I.

GABRIELSON: I will tell you how I see it, Gene. I think, although I do not know since I have not polled all the members, I think I am safe in saying that the only remaining function of ATI is to see this case through to its conclusion. In other words, there is not going to be any house for house counsel. And the way to do that most economically, I think, is just to have trial counsel and then wind this whole thing up. Now I admit it is helpful to Wendell to be able to talk to another attorney. But I think it is of doubtful value to us to get a lot more attorneys into the case. We have got the two best trial attorneys in East Texas. Wendell can talk to them and to counsel at PPG and Corning, etc. My own feeling is that ATI is not going to exist after this case is over. There are too many members who no longer have interest in the organization. And I think really we should confine the functions of ATI to doing a proper job on

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this case and then wind the thing up. And that way we reduce all of our expenditures. I would not spend money on any other thing, if we can avoid it. No public relations expenditures, or anything of the kind.

MORRIS: Well put.

ALCORN: On the subject of legal fees, I intend, unless I am instructed otherwise, to bill you quarterly so that you would get another concrete figure by the end of June. I do not mind at all giving you an interim reading, if you like, so we can tell whether my estimate is completely out of line or not. I can not imagine it happening, frankly, but if it looks like I am completely wrong and it is going to cost you, (let us pick a silly figure) $100,000 by the end of August, I am not going to sit there and run up time, I am going to tell you. That is one time I am going to make a phone call. As I have told Doris, I have instructed our Texas Counsel not to telephone. I have tried to cut expenses, and Gene has, and everybody involved in this has. I am even duplicating because Hathaway charges 25¢ a copy and I only charge 10¢ a copy. All I am saying is that I will let you know if it looks like we are going to get out cheaper by the end of August, or if it looks like we are getting pretty close to $10,000.

MORRIS: Fair enough.

LEFF: If the sense of the group is as Mr. Gabrielson just presented it, my response is that Cadwalader will follow those instructions and I want to emphasize something I may have not touched on -- I am confident that Wendell is completely able to handle it himself. I do not feel that the Institute's interests are in bad hands, by any means, and I think it is a satisfactory arrangement.

ALCORN: I do think that it would be well for you people, as running or representing your companies, to consider a much stronger role by any house counsel that would be interested in this case. I do think that regardless of ATI's future, it is important from the member companies' individual interests to make sure that this case is presented in a correct manner, from a defense point of view. And I think that one of the best ways to do that is to establish a rapport between trial counsel and house counsel. Any house counsel or anybody else from your companies who wants to be directly copied in on pleadings from my office, just pass on the request. I would appreciate any suggestions from anybody.

LEFF: Can I take it a step further? I think I am going to raise a difference between Wendell and myself on one strategic question. Wendell touched on the significance of the case for

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your member companies in the event PPG and the other principal defendents are held liable in the case. I think you can define guidelines for Wendell to follow along either of these two lines. You can instruct Wendell to restrict all of his discovery activity solely to the issue of "impeding the flow of information" which was charged against ATI. Protect only the interest of the Institute with respect to that one charge. That is a minimal position, and it is essential to do that much. The other suggestion that I think Wendell is making is--perhaps do a little more. Perhaps get into the main dispute between the other parties, even though it is not between ATI and the plaintiffs. My own judgment on that is that we can be confident that PPG has adequate counsel, too, and you may wish to limit Wendell to the minimum position.

ALCORN: That is quite true. I think perhaps one way to balance this is if your companies' house counsels are copied in, they can read our proposed briefs in advance. They can read our pleadings and any suggestions that they want to put in as to the other issues of the case as affecting the manufacturers -- suggest them and that way I will not be taking the initiative but it will be somebody who is a member of ATI wanting to make a particular argument or to bring a certain tilt to the argument that PPG or Owens-Corning may not present. After all, they are in a situation which is different from a lot of you people. They have closed their Tyler plant. Their Tyler plant was an acquired plant. They have a different factual context and they may make a legal argument based on that kind of context. Johns-Manville may want to approach it a little bit differently even though they are phasing out domestic operations, as I understand it. Nevertheless, Manville has been operating for a long time.

VON WALD: The case is going to apply to a lot of other operations.

ALCORN: That is right. And that is why I say this is a quantum leap. It is not restricted to asbestos. Once this case is decided, you will see it cited in a lot of other industries.

GABRIELSON: I am not clear as to what either one of you are talking about, so let me ask a question or two. First of all, I can see our interest in litigating the issue of whether or not ATI impeded the flow of information. That is obvious. At the other extreme, we have a plant where dust conditions were deplorable and where the plant operators, and the predecessor corporation to Pittsburgh Corning as well, apparently, did very little to control the dust situation. I wish they had. I do not know that we can play any role in litigating the factual question of how bad the dust conditions were. I assume what you are talking about, the areas where we might have an interest, is perhaps defining the extent of employer obligations -- obligations to tell, the employer's duty to know things he may not actually

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know, is he presumed to know what scientific body of knowledge is available, and that sort of thing. Is this what you are talking about? Is this case going to break a lot of new ground in these areas? Is that what you mean?

ALCORN: Absolutely. It is my opinion that it will. There is also another type of presentation that we want to make to the courts. And that is defining the state-of-the-art, by year. This was done to some extent in the Borel Case.

GABRIELSON: By state-of-the-art, do you mean medical knowledge, engineering skills in controlling dust, or what?

ALCORN: Both technical skills and medical knowledge. We want to define that because we want to show that in 1969 there was a reasonable doubt as to the conclusion of existing medical knowledge. Borel, in its opinion, just glosses over an incident that occurred as early as the 1930's. Judge Wisdom made his mark in the Fifth Circuit by deciding oil and gas cases -- seriously. He is a great lawyer, a great judge, has a great legal mind, but he still falls back into oil and gas type "horn-book" law, at least that is my "at-a-distance" opinion. I think the facts have to be presented with more precision, in this case, than it possibly was in the trial of Borel.

GABRIELSON: But you do agree that we have no role to play as to what the condition of the plant was?

ALCORN: But we do have a role to play in what legal conclusion follows from that. In other words, what is the obligation of a manufacturer? At what period of time did this obligation kick in and what did they have to disclose?

GABRIELSON: You mean before a judge -- it is difficult to get the kind of result that we want?

ALCORN: It is difficult in the sense that he is not going to roll over and play dead for the defendents. He is going to make sure the plaintiffs have a complete opportunity to present all the facts they want to. I have seen Judge Justice, from a distance, hold defendants in cases where there was almost no way the plaintiff could succeed on his theory. He would hold them in to allow a full hearing of evidence before he made his determination. He often ultimately ruled for the defendants. In one case in particular, he made defendants go through a trial when he should not have, in my opinion. So in that sense, it is hard to win before him in our posture. But in a trial court, you not only want to win but you also want to make a good record for appeal. In my opinion, and here I again defer to Dick, the Borel trial record was lousy. And before I let this trial record get lousy I am going to resign from the case.

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GABRIELSON: If it is important to us, as companies in this industry, to see some of these issues properly litigated, issues as to the state of knowledge and employer obligation, and so forth -- let us assume our motion to dismiss is granted, should we then turn around and go back in as amicus curiae to be sure that these things are properly litigated? In other words, we have cut off potential liability but we still have an interest in the case.

ALCORN: My suggestion, and this is off my hip, is that if ATI gets dismissed, ATI should get out. But at that time I think that the companies who are interested in it should have a meeting, separate and apart from ATI, and determine whether or not to set up an ad hoc committee to file an amicus curiae brief. This movement should come from companies, not from ATI. At that point in time, the companies do not have to be the ones represented in ATI. They can include anybody who has any interest in the case.

GABRIELSON: I do not think we should run the risk of liability and stay in just to litigate the issue.

ALCORN: No, Sir. If we get out on a motion to dismiss or at any other stage in the proceedings, then the companies them--selves should consider an ad hoc committee to file an amicus curiae. ATI should not have the headaches of trying to finance it. "Amicus Curiae" means, of course, "Friend of the Court." It means that a person coming in has an interest in seeing the legal issues decided a certain way and he is offering to the court to submit a legal brief. The stronger way to come into a case, which I certainly do not suggest here, is to try to intervene as a defendant. The only course of action that I would think would be at all advisable would be to consider filing a friend of the court brief if ATI gets dismissed.

LEFF: One disadvantage of status merely as an amicus is that, in all but a rare case, you are not permitted to examine witnesses. And that is really the essential part of preparing the record.

ALCORN: That is why I said you could file a legal brief.

GABRIELSON: You cannot put facts in there like Dr. so and so discovered such and such.

ALCORN: You can argue facts that are already in the trial record.

GABRIELSON: Then you are depending on other defendants to bring those facts in.

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LEFF: Apart from your formal status in the court, an ad hoc committee of this type might reach some agreement with the existing defendants and consult with them and provide service in all the aspects of the trial.

ALCORN: PPG, Owens Corning and Pittsburgh Corning, and the mining companies for that matter, can be members of the ad hoc committee.

GABRIELSON: Have they shown any disposition not to defend this with vigor, simply because the plant is closed? Are they taking a "shrug of the shoulders" attitude?

ALCORN: I have not talked with PPG attorneys since my initial contact. I have written them one letter. They had a meeting in Pittsburgh, I think it was in February. Neither Hathaway nor I were invited to that meeting and I do not know really what they decided. I suspect they discussed the possibility of filing a motion to change venue to the Western District of Pennsylvania, which Hathaway had raised with the judge and the judge had said no way, nobody is going to get a change of venue out of my court on this case. My point is that PPG and Owens Corning may also have heard this and they just decided not to file a motion to change venue because they knew what the outcome would be. They have not done anything else to my knowledge to really gear up. It really is in the hands of the insurance company for PPG, Owens Corning and Pittsburgh Corning and Jay Flock, in Tyler, Texas, is carrying the entire ball for them.

House counsel, I hear, is not taking too active a role. There is a Pittsburgh firm that I talked with that was representing PPG originally which is taking an even less active part. My response is (it's the best reading I have and is really a sorry one) that PPG is turning it's back as far as direct involvement and is depending on a very good Texas counsel in Tyler, but whom I suspect does not have the background that can only be acquired over years of involvement in the asbestos industry. That is one of the reasons that I think that ATI may, at some point in time, want to conduct some additional discovery of its own, because a man who has not dealt with the asbestos industry over any period of time is not going to know the type of questions to ask as interrogatories.

GABRIELSON: Neither has PPG been in the asbestos industry that long.

ALCORN: That is right.

GABRIELSON: Were there any insurance companies in Borel?

VON WALD: Oh yes, they all were.

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GABRIELSON: How did they do such a poor job?

MORRIS: Dick, briefly what was the Borel case all about?

VON WALD: A case in Beaumont, Texas. It involved an asbestos insulation worker who allegedly had worked with asbestos insulation products manufactured by ten or so defendants. The worker alleged he worked with all of these asbestos products but could not say when he was exposed to a particular manufacturer's product, or that one product did it and another did not do it to him but he said that all the companies were liable to him. The court found that the companies were liable, found the companies failed to warn the worker and that they had adequate medical, scientific knowledge. They found Borel to be contributorially negligent in that he continued to work after he found out about the problems, but through a quirk of legal footwork, I think, that knocked out the negligence issue. It was never really pointed toward the contributory fault defense in the strict liability issue.

MORRIS: Does the Borel case in any way set a precedent for the hearing now in Texas?

VON WALD: Well, it does in some instances. The state of the medical knowledge is going to be a little different as far as it related to the PPG situation in Tyler because we are dealing with a manufacturing process as opposed to a finished product. Medical knowledge developed a lot sooner in the mining and the textile and the milling than it did in the insulation business. Although we knew about the problems in the mining and milling, it was not related to the insulation business, by our judgment, until 1964 or so when Selikoff did his study of insulation workers. In fact, in 1946, 1948 and in the 1950's, there were some medical studies that indicated, at least, that there was no problem in the insulation business.

MORRIS: But this could be cited as a precedent. MT-005730

LEFF: In a way, this case against Pittsburgh Corning is an easier case for the plaintiffs. The difference that Dick just discussed is the difference that would favor the insulation manufacturers, in that case. Here, where the medical knowledge was clearer, earlier, one additional defense is lacking that existed in the Borel case. So, Borel will apply "in spades" to this one.

ALCORN: As I pointed out in the memorandum, the plaintiffs are going to cite Borel all over the place. When it comes down to it, we cannot really kid ourselves. We have got a very rough row to hoe. But with the companies that are exposed to this type of legal precedent, even outside the asbestos industry, if

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I were viewing it from their viewpoint, I just could not roll over and play dead because even though we might say, at some point in time, the decision is almost certainly going to go for the plaintiffs, there are different types of decisions for plaintiffs. And as much as that decision can be limited to the facts, in Tyler, obviously you can distinguish it from a case that may be brought against another company much easier. But if it is a sloppy trial record, then it is much easier to cite it as precedent.

GABRIELSON: Did the comments re medical knowledge go unchallenged.

VON WALD: Some articles were cited such as in 1924 Cook, in England, reported on studies of asbestos textile workers and found diseases. It goes on and on. By the mid-1930's the hazards of asbestosis as a pneumonic disease were universally accepted, it said.

ALCORN: Dick, was Page Keaton retained only on appeal?

VON WALD: That is right.

ALCORN: Page Keaton is one of the best tort lawyers in the United States. He is a Professor, a Dean, at the University of Texas. He, along with a man by the name of Seavey, had made a lot of tort law and he was retained on appeal in the Borel Case. So far we do not have any heavyweights like that in this case. But that does not mean that they will not be retained on appeal by the plaintiffs.

MORRIS: Milt, may I recap here very quickly? It is the consensus that we are, as an ATI group, going to fight this thing as best we can. We are looking at a time frame, right now, of 31 August. Your best estimate, Wendell, is $10,000. If there is a change in this, you will certainly advise us as such. What I am trying to do is to go back to my management and say, all right, this is the picture as it looks now.

LEFF: As a legal formality, since the $10,000 is a special expenditure, I think it should be authorized by all of the Regular Member companies. I will hold this matter until Doris gets back. In the meantime, to change the subject, on Channel 13 in New York, two nights ago, and in South Carolina, we had a show about Tyler, Texas. In the 15-minute program, Dr. Selikoff appeared and discussed the medical knowledge that we were just talking about in Borel. The plaintiffs in Tyler, the two Yandles and a number of other people, told about their asbestosis conditions and the working conditions in the plant. They showed the bulldozers turning over the ground, burying the asbestos-laden machinery,

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and so on. Generally, it was very sympathetic toward the plaintiffs. The only attempt at balance was the simple statement that defendants deny negligence. The film was prepared in Dallas, by a television station there, so it is probable it was shown there and we are going to have to find out the extent to which potential jurors were exposed, or will be, to this type of publicity.

ALCORN: If it goes to trial, I shall make sure that not only that tape but also the tape that was run on NBC News in February are subpoened and shown to the judge. If he does not take proper action at that time, we shall move for a mistrial. There is no way that that case can be tried in Tyler, Texas, or anywhere in the United States, by an impartial jury. The show in February, which I personally saw, had a very inflammatory picture in it of a grave with flowers on it and an interview with the widow.

LEFF: Can we now pick up with the formalities? I raised the question before. I think that all Regular Members should be asked to vote to authorize the proposal which has come out of the consensus of this meeting. I think that includes authorizing defense of the Tyler litigation by Wendell Alcorn with Thomas Hathaway as local counsel on an indefinite basis. By this I do not mean there is a binding commitment which could not be reviewed at another date, but I want to avoid if possible, the need to summon a special meeting to expand something that is expiring. It will be something on the books which will be the governing subject to any further decision at another time. I think it should also be made clear to the people who are not here that the proposal includes eliminating Cadwalader's role with respect to this litigation. Then I think we would have full authorization.

GABRIELSON: I do not know how the other members feel, but I would eliminate Cadwalader. I do not think we need house counsel anymore, as I view the ATI (with all due respect to you, Gene). This is the way I see it. As soon as you have another lawyer, we are going to run up charges with that lawyer.

MORRIS: I agree.

SCOWCROFT: Are you suggesting that we should really and truly eliminate them? We have, in the budget, Cadwalader's normal legal fees until the next budget is made out.

GABRIELSON: I would use those funds to defend the case.

SCOWCROFT: Okay, I just wanted to clarify what you are suggesting.

LEFF: I am caught a bit by surprise and I think it is a question that deserves a little bit of thought on our part. From the point of view of Cadwalader's interests, no thought is required as far

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as Cadwalader is concerned. We could walk away from ATI with a little regret that the personal relationships will not continue, but in terms of business we have no interest in preserving the relationship to keep our profitability. From the point of view of ATI, even though, as you suggest, there is agreement to dissolve it in the near future, dissolution involves a legal question. It is not a terribly complex one but one has to look at the By-Laws and see how to wind the thing up.

GABRIELSON: My thought is - why not let Wendell handle the whole thing.

SCOWCROFT: I would like to keep ATI going until we just dissolve it. We have a meeting in June and another in September. We are committed to some funds for the next two meetings and should have Cadwalader involved in dissolving the group.

MORRIS: I think Guy raises a very good point though, Milt. We have got to look at this coldly, really. There is a certain amount of money involved here and I think we have all agreed that the ATI has reached a point of no return and that we should muster and utilize our resources as best we can. If there is a savings of $1500 or $2000, or whatever, then we ought to do it.

SCOWCROFT: I think Gene raised a very good point, too, that Wendell is involved in the specific case. Allright, put that aside. Now we have the dissolving of the ATI.

VON WALD: We are not going to dissolve the ATI right now, are we?

GABRIELSON: Not until the suit is over?

SCOWCROFT: Right, not until the suit is over.

LEFF: It is an easy thing to do, there is no question about it.

GABRIELSON: It is too expensive - to pay them a high sum just for dissolution.

SCOWCROFT: Then you are going to pay the high sum to Wendell to do it.

GABRIELSON: No, Wendell would be paid just for his time.

ALCORN: This is exactly why I wanted Gene here. Because this certainly affects Gene's relationship or his firm's relationship with you. We all have very personal feelings toward each other. This is something I really cannot address. I think that this is strictly between you and Cadwalader. Guy, if there is a

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response called for, it is an easy thing to do to dissolve an unincorporated association. Beyond that, I just do not feel I should say anything.

LEFF: I think, in the best interests of the Institute, choosing Wendell as attorney for general purposes as well as for the litigation is a good idea. I think it satisfies the hesitation of the remarks I made a minute ago because it leaves you with a lawyer, someone to whom you can turn if any legal question arises.

FAGAN: The By-Laws require that we have legal counsel at all of our meetings.

LEFF: That is true, too. That is a good point. You cannot hold a Board meeting of this Institute, under the Constitution, without legal counsel. There will still be the antitrust danger that has to be guarded against, even though it is unlikely that anything dangerous would happen. It is much better to have a lawyer present, in fact it is required by the Constitution.

GABRIELSON: The enthusiastic attendance at this meeting, leads me to think there are not going to be many more meetings. I think we will probably just meet in the future for purposes of this case. That is probably all we will do from now on. And then we will be meeting with Wendell.

MORRIS: To be perfectly blunt, I think you get the reading, the sense, of what we are saying. Would there be some problem in dissolving the relationship between the ATI and Cadwalader?

LEFF: I cannot think of any.

MORRIS: I know we are in the second quarter and there is a legal retainer involved. Perhaps there would be a sense of obligation there.

LEFF: Well, first let me remove any misconceptions about any apparent authority I might have to answer the question. I have no authority to discuss that type of a question. I am not a partner of the firm. The best I can do is say, my own personal view is that it would not be a problem and I will check on it when I get back.

FAGAN: We do have a meeting scheduled for June at which we could finalize this matter.

LEFF: It may well be that no further Board meetings or Institute meetings of a general nature will be held, but there again I think that should be raised with all the Regular Members. Cer-

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tainly this is tantamount to a dissolution, or it is a plan over a period of time for dissolution and it should be voted on by all the Regular Members.

GABRIELSON: Do the By-Laws require periodic meetings?

FAGAN: Yes they do.

GABRIELSON: Maybe we ought to meet in June and change the By-Laws to eliminate the meeting requirement and just have some kind of special meeting set up required for the suit, and let it go at that.

FAGAN: What do you do about some of the work that is in Committee? The Test Manual for one thing; the ASTM Standards work being done by the Technical Committee, that sort of thing?

GABRIELSON: A lot of these things could be done without using the ATI as an umbrella.

ALCORN: I would say on that point, Guy, there are certain things that I would advise against doing among companies outside the context of the trade association, because of antitrust problems. I would say that any joint efforts by the companies should be carefully reviewed by house counsel and they should be reviewed by antitrust counsel.

GABRIELSON: My own feeling would be if there are functions we wish to continue, I would suggest we switch them over to the Fluid Sealing Association or the AIA/NA or some organization like that, and perpetuate the ATI only for the purpose of carrying out this suit, and with the intention of dissolving it as soon as the suit is settled, leaving it with no other function. So we will not really be raising any antitrust questions in the ATI. And we will always have a lawyer there anyway.

ALCORN: As long as those joint efforts are performed in the context of another trade association that has antitrust counsel, that is fine.

LEFF: The By-Laws do specify there will be three meetings a year. Three meetings a year on the litigation may be a very good idea. So that I do not think an amendment is necessary if a resolution is adopted by all the Regular Members that the purposes of the organization as spelled out in the Constitution shall no longer be pursued but that the organization will remain inactive, then you can have your three meetings as scheduled but you will just deal with the litigation.

ALCORN: One caveat, or warning, about that. We are talking about a decision by the Board of Governors that is the only

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real governing body of the ATI. If you expect any contributions from Associate Members, it may be well for the Board to consider not announcing definite plans of dissolution but saying that the main purpose of ATI is going to be, in the future, the resolution of this litigation; that is, putting it in more of a positive sense to avoid stating outright we are going to dissolve next year or in August.

MORRIS: Strategically I do not think we should publicize the fact that we are going to dissolve the organization.

ALCORN: My next point is that, as trial counsel, I would advise you to not make any kind of announcement that can get out to plaintiffs in these cases. If you do, they may get scared that you are going to flake out and they are going to go after the individual companies.

GABRIELSON: I do not see any need for making any announcements of these things in any event. This is a very small association. The only people who are interested in what the ATI does are the members of the ATI.

LEFF: There is a problem, I think . . . . Where are we in respect to the dues-paying period?

FAGAN: The dues are billed on a calendar year, although our Fiscal Year ends August 31st. Dues are paid on an annual basis, not quarterly.

LEFF: If I am an Associate Member and I have not approved this proposal, I will have paid a full-year's dues and I expect the organization to function. Don't we owe an obligation to those members to clarify the fact and perhaps even refund that portion of the dues?

MORRIS: I do not think anybody is going to hold us up for that, though. Uniroyal certainly will not say, we want a refund.

LEFF: You are voting to approve a reduction in ATI's functions so your consent is going to be given. But the other people, so far, are not going to be asked.

ALCORN: I think that may be cured if you send out a letter to the general membership in a positive nature. Say that you have this litigation and while it is pending you are going to devote full effort to defending the suits and that the sole subject to be discussed at future meetings will be the conduct of the litigation. Put it in a positive sense.

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MORRIS: Wendell, let us do this. Let us get our heads together and get our own house in order as to the best way to approach the membership. I think that June, Milt, would be an ideal time to do it. We would have everybody there.

SCOWCROFT: Absolutely. They are expecting a meeting, it is scheduled, and they have included it in their plans. And . . . I would expect everybody on the Board to attend the June meeting.

LEFF: In the interim, I think before June we should clarify at least that portion of what we discussed that relates to the conduct of the defense of the suit, authorizing Wendell, and so on.

GABRIELSON: Wendell, would it be possible for you to prepare for the June meeting a memorandum describing the kind of defense you recommend in terms of the types of issues that we really ought to zero in on. Then we could perhaps use that as a basis or as guidelines for the ATI to follow.

MORRIS: Milt, would I be out of order if I asked that Wendell attend our Washington meeting in June?

SCOWCROFT: No.

FAGAN: In fact, he should probably address the members in attendance.

ALCORN: The same type of memorandum that I prepared for this meeting, I intend to prepare whenever it is called for. I have discussed this with Doris and I think it would address the strategy that we should follow in relation to the various issues.

GABRIELSON: You could say -- These are the types of issues that I think are important for this organization to see are properly litigated. For instance, state of medical knowledge, and the timetable as medical knowledge developed, and the state of engineering technology, or whatever else you may think. And, also, why it is important for member companies to be pertinent in other cases where they may be defendants. I think that would be most helpful, particularly to the lay people -- so they can see why we are going into this expenditure and why we are keeping the organization alive for this single purpose.

ALCORN: There has been a lot of questions directed to legal counsel. Now I want to ask one. How many of you knew about the Borel case before this case was filed against ATI?

GABRIELSON: I was wondering about that while we were talking because occasionally we have been served as one of a whole bunch of defendants, and I hate to say this but my response usually has been that the insurance company would take care of it.

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ALCORN: My point is that I am sure there are a lot of companies that would have an interest in this particular litigation that do not know that this case is going on. My suggestion is to not talk about a case on its merits to anybody, but refer those questions to me. If you have occasion to call attention to this case in Texas to other companies, it might not be a bad idea just to ask them if they have heard about this case. The purpose of it is perhaps there might be some companies that would take an interest in it and express interest in such a way that you could refer them to me. We might even get some additional legal help in the case.

GABRIELSON: You could help in that respect. For instance, you could say the law is unclear as to the extent of the employer's liability to tell an employee that the material he is working with has a hazard factor of .73, or whatever, and this case could come down and set some very difficult precedents. Then with something like that you could go beyond the asbestos industry and contact people who are working with chemicals, and so forth, and suggest they might think it is important that they join with us in seeing that the case is properly litigated.

SCOWCROFT: Time is of the essence and we have a couple of concrete items we should settle within the next few minutes. We are running out of money. We have a motion to go before the entire Board of Governors proposing that we vigorously defend the case. Now, how should we pay for this vigorous defense? Doris says we have already expended over $9000 for the litigation, out of a possibly-available $12,000 which leaves us with less than $3000 --and it is going to cost us maybe $10,000 more by August 31st. How shall we handle this?

MORRIS: I think we should retain the $3000 and set it aside as a contingency fund and look at a $10,000 assessment amongst the member companies.

FAGAN: First of all, everyone on the Board plus Johns-Manville will receive copies of the Minutes of this meeting, including the resolution authorizing Wendell Alcorn as trial counsel and Hathaway as local counsel. Now, to the end of March the litigation has cost us $9600 plus a small amount in miscellaneous disbursements. That is a good chunk of the $12,000 that we might have if all accounts receivable are received and provided we continue our normal activities until the end of the calendar year. From April 1st through the end of August we could possibly need $10,000. Where do we get that? This is where your special assessment would come in.

MORRIS: That is right. But I do not think the monies the ATI has in the treasury should be part of that litigation fund. I think we should save that and keep that aside for a contingency.

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FAGAN: All right, $7500 is 100% of annual dues special assessment on the six Regular Members. Perhaps we should consider a 125% special assessment.

MORRIS: We are talking what, $800 or $900 per member company?

FAGAN: No, you have four Regular Class A Members @ $1500 annual dues, and two Regular Class B Members @ $750 annual dues. This totals $7500 if these six companies are assessed 100% on their dues.

LEFF: There can be no formal action at this meeting. At most what is happening here is a recommendation for the polling. I think it would be well to decipher what this group intends to bring to the attention of all the Regular Members -- and you can do that by motion. But it does not bind the Board of Governors.

GABRIELSON: Although Johns-Manville is no longer a Regular Member, Dick, will they participate as if they are Regular Members?

VON WALD: Although I am employed by Johns-Manville, I am not here at this meeting in an official capacity for either Johns-Manville or for Canadian Johns-Manville. However, I mean to clarify that Johns-Manville will contribute toward litigation expenses. I am sure that they will but I need to go back and obtain official acceptance. I will let you know.

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MORRIS: What are the miners?

FAGAN: Class C.

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MORRIS: I think the miners should be included. I think that all members should participate equally, at least down through and including the Class C membership. The miners have a vested interest in this.

FAGAN: To remain in accordance with the By-Laws, beyond Class B it would have to be a voluntary contribution as special assessments are restricted to Classes A and B.

LEFF: What are the figures that we come down to?

FAGAN: A 100% special assessment on the six Regular Members would be $7500. If we included $1500 for Johns-Manville as a former Regular Member, it would total $9000.

LEFF: Ed, is it your view that the special assessment should cover the entire estimated cost of the litigation?

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MORRIS: No, I will say $10,000. My company deals in facts and figures and they do not like open-end contracts and so forth. I want to go back to them and say, all right, between April 1st and August 31st we are looking at a $10,000 fee. And I want to be able to say, all right, we are going to split this up between the four Class A members, the two Class B members, Johns-Manville and the miners.

FAGAN: Class C (the miners) would have to be by voluntary contribution, according to the By-Laws.

MORRIS: I am going to say the heck with the By-Laws. Everybody ought to get in this together -- and this is your share.

ALCORN: You can bring up the matter June and propose an amendment to the By-Laws to include assessments against Class C. That might cause a floor fight. I would suggest, as an alternative, to call for voluntary contributions and make the call based on a lot of the facts that we discussed here today -- that this case is important to miners.

FAGAN: If you ask for voluntary contributions, it would not be necessary, but if you propose a revision in the By-Laws to allow mandatory assessments, some sort of advance notice would have to be given.

ALCORN: That is right, it would.

GABRIELSON: Why don't we make a 125% assessment on the ATI Regular Members to ensure enough money for us to work with, then try our best to get the others to kick in an additional amount. After all, if we receive too much, we can always dissolve and pay the money out at the end of the time.

LEFF: Ed, you did not intend that the expenses for the past quarter should not be covered by the existing money?

MORRIS: No, I am looking at a $10,000 fee through August.

FAGAN: And this you would want to act upon at the June meeting? You would not want me to do anything by mail?

MORRIS: I think we ought to do it as quickly as we can. We have an obligation here.

FAGAN: That is what I want to know.

LEFF: Items to be included in the resolution are: authorization of counsel for the defense, special assessment funds, proposal to eliminate further regular activities of the ATI (pool all resources for the litigation), substitution of Wendell Alcorn as counsel to the association generally. Are there any other major points?

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FAGAN: Wendell, will you accept that responsibility?

ALCORN: Of course. After all I have accepted the position of trial counsel and the sole purpose of the ATI, the way I understand it, is to work on the litigation. You may have some other legal problems it might involve. I really would cast the letter in a positive manner when you send it out. I would say that we are going to devote all our resources and efforts to the litigation during the pendency of the suits.

GABRIELSON: It is easy to explain. It is going to be costly.

ALCORN: That is right, and it is really going to take a lot of time on the part of the member companies if they do the job I would like them to do, in information-gathering, in talking to me, and things of that nature. So I do not think that you, the representatives of ATI, are going to have time in your function as ATI representatives to do much else. It is a matter of time as well as of money. I think the litigation is the first order of business.

LEFF: I must say I am still troubled about the dues for Associate Members question. I think that probably it is mainly a matter of courtesy to consult those members and at least attempt to get their consent and understanding that it is necessary to devote the dues they paid ostensively for the various research and other functions of the organization to the litigation. And second, if not courtesy, from a formalistic point of view, I do not want the association to have to face a claim for refund of dues.

MORRIS: I think it can be very simply handled if Milt gets up at the general meeting and we dispense with all the committee reports and he says, Gentlemen, here it is -- and lays it out cold turkey.

GABRIELSON: I do not really see your concern, Gene. If I am a member of a club and I pay my dues, and the club is sued I cannot complain if they use my dues money to defend themselves. Certainly I would not have any stand or claim for a refund of my dues simply because the organization wanted to use the money to defend itself in court.

LEFF: True, that is an argument. I still think there is merit to the point . . . .

GABRIELSON: It may be the courteous thing to do, certainly. I think perhaps we should advise them of the decision to devote all resources to the defense of the suit. That is entirely in order.

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ALCORN: And I think that would cure it from your point of view, Gene, if full disclosure was made that the dues money is going to be used to defend the suit.

MORRIS: And I do not think there will be any argument at all.

LEFF: Okay, so there would be a June meeting scheduled for one day rather than two? And do not we also want to inform all members, including Associates, that we are not going to have all their committee meetings and do not send three or four people as you normally would. Save that money. Just send one representative. So I think that is another point to add when discussing it with the Regular members. The Regular members should authorize the plan to conduct the June meeting solely as a litigation meeting without any committee meetings at all. Then, once you have that authorization your notice to all members about the June meeting will state that. You tell them that you only need to send one representative.

ALCORN: I think a one-day meeting makes a lot of sense.

FAGAN: It sure does.

LEFF: I wonder about the best way to poll each of the Regular Members, those who are not here. It might be best done by phone. Perhaps Doris can call each of the men and tell them what we discussed and determined. Doris, you are going to send each of them Minutes of this meeting, are you not?

FAGAN: Yes, of course, but that obviously could not be done as quickly as phone calls.

LEFF: Right. I think it would be best to phone right away and then we can follow that up with a simple form saying the following decisions were taken and then signatures underneath that for each of the six Regular Members.

FAGAN: Then an official notice of the meeting and its intent would go to the entire membership about a month prior to the June meeting.

There being no further business to be discussed, it was moved by E. A. Morris and seconded by G. G. Gabrielson that the meeting be adjourned. The motion was approved by all members present and the meeting adjourned at approximately 12:00 Noon.

Transcript prepared by Doris M. Fagan
and approved by W. B. Alcorn, Jr.,
E. J. Leff and M. Q. Scowcroft

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Minutes

BOARD OF GOVERNORS' MEETING

Asbestos Textile Institute

JUN 6 - 1974

ATI-137

ASBESTOS TEXTILE INSTITUTE
Board of Governors' Meeting
June 6, 1974 -- Twin Bridges Marriott, Arlington, Virginia

A G E N D A

Call to Order - 4:00 p.m. -- M. Q. Scowcroft, Chairman

Welcome to Visitors -- M. Q. Scowcroft

Reading of Minutes of last stated meeting -- Executive Secretary

Financial Report -- E. A. Morris, Treasurer
  a. Report of Funds - 9/1/73 thru 5/15/74 (ATI regular activities)

Membership
  a. Change from Regular to Associate Member - Johns-Manville
  b. New Class D Associate Member - Asahi Asbestos - as of 3/28/74
  c. 1974 dues outstanding - Ferodo

Bausch & Lomb Portable Dust Counter
  a. Status on Raybestos-Manhattan's purchase of the equipment

American National Standards Institute
  a. ANSI Committee L-18 on Protective Occupational Clothing, under the American Petroleum Institute Committee on Safety and Fire Protection - reactivated and reorganized

Environmental Protection Agency
  a. EPA preparing report on potential environmental hazard of asbestos - ATI requested copy and granted permission to reprint in the report, provided proper credits are given, the tables of physical, chemical and mineralogical properties of asbestos appearing in the Handbook of Asbestos Textiles, 3rd edition

The Future of ATI
  a. Shall we assume a "wait and see" attitude and continue regular activities of the ATI for the time being?

MT-005745

Publicity
  a. Shall ATI permit or cancel the proposed feature story on ATI planned for Textile Marketing Letter (Clemson University)

Nominating Committee

  a. M. Q. Scowcroft to appoint a Chairman and two additional members
  b. Committee to present, at the 9/25/74 Board Meeting, a Slate of Officers for 1974-75 and recommend Committee Chairmen replacements

Presentations
  a. Plaques for presenting at 1974 Annual General Meeting to:
    1) C. E. Stiefken for work on Test Manual;
    2) B. E. Carden, retiring Chairman, Air Hygiene & Mfg. Committee;
    3) L. F. Dieringer, retiring Chairman, Environmental Health Comm.

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Chrysotile Asbestos Test Manual, 3rd Edition
  a. Should be available in about six months; must discuss financing printing costs until receipts are in from orders; will need $20,000 plus for printing bill

Next Meeting
  a. The Cloister, Sea Island, Georgia, 9/25-27/74
    1) Must decide if Annual Meeting to be held, as usual, or if strictly a "Litigation" meeting - a $75.00 deposit for each room reserved is mandatory by mid-August 1974

June 1975 ATI Meeting in Quebec City
  a. Hosted by ATI mining company members - preliminary report to come from W. J. W. Smith (Bell Asbestos) via D. M. Fagan

Other Future Meeting Sites & Dates - All Firm Except One
1975 Feb 6-7 -- Holiday Inn-Independence Mall, Philadelphia, Pa.
1975 Oct 1-3 -- Ponte Vedra Club, Ponte Vedra Beach, Florida
1976 Feb 5-6 -- New Orleans Marriott, New Orleans, Louisiana
1976 Jun 3-4 -- Sheraton National, Arlington, Virginia (tentative)
1976 Oct 6-8 -- Savannah Inn & Country Club, Savannah, Georgia
1977 Feb 3-4 -- The Mills Hyatt House, Charleston, South Carolina

Texas Litigation -- W. B. Alcorn, Jr.

  a. W. B. Alcorn, Jr., has officially accepted posts of General and Trial Counsel; firm will bill quarterly on basis of time and expenses; no retainer

  b. Status of Special Assessment - 4/1/74 thru 8/31/74
    1) Johns-Manville voluntarily contributed as a Regular Member
    2) Five paid - Two outstanding

  c. Update of events to date; response, if any, to ATI motions; content of written interrogatories that have been or might be served

  d. Costs incurred from 4/1/74 thru 6/5/74

  e. Forecast of future prospects including possible expenses

  f. Decide on unified policy to present at June 7th meeting, including immediate future of ATI insofar as regular committee activities are concerned, decisions made at this Board Meeting and criteria for the 1974 Annual Meeting

  g. Discuss establishing an ad hoc committee to unite Regular and Associate Members; committee would consider litigation matters and issue recommendations to the Board; action would allow Associate Members a voice and a vote on litigation matters and would be the proper medium to suggest voluntary financial contributions from other than Regular Members

    1) If the ad hoc committee idea is adopted, that body should be organized and set in motion at the June 7th meeting

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Other Business

Reminders: Social Hour, 6:30 p.m., South Room/Lower Lobby

Litigation Meeting, 9:00 a.m., South Room/Lower Lobby

Luncheon, 12:15 p.m., Lee Room/Lower Lobby

Adjournment - 6:00 p.m.

ASBESTOS TEXTILE INSTITUTE

Meeting - Board of Governors

June 6, 1974
Twin Bridges Marriott, Arlington, Virginia

IN ATTENDANCE:

Raybestos-Manhattan, Inc. -- M. Q. Scowcroft, Chairman
Amatex Corporation -- M. J. Scanlan
Garlock Inc. -- A. Kuzmuk
Nicolet Industries, Inc. -- G. G. Gabrielson, Jr.
Southern Asbestos Company -- E. C. Bratt
Uniroyal, Inc. -- E. A. Morris

R. B. Von Wald, Esq., Johns-Manville Corporation
W. B. Alcorn, Jr., Esq., Hull, Towill, Norman, Barrett & Johnson

D. M. Fagan, Executive Secretary, Asbestos Textile Institute

MINUTES

1. The June 6, 1974, Meeting of the Board of Governors of the Asbestos Textile Institute was called to order at 4:00 p.m. by Chairman M. Q. Scowcroft.

2. Chairman Scowcroft officially welcomed W. B. Alcorn, Jr., as the ATI's newly-engaged General Counsel and Trial Counsel.

3. Upon presentation, it was moved by E. C. Bratt and seconded by A. Kuzmuk to dispense with the reading of the Minutes of the last meeting. The motion was unanimously carried.

4. The Financial Report as of May 15, 1974 (report attached hereto), was presented by E. A. Morris, Treasurer. Funds available as of the beginning of the 1973-74 Fiscal Year (September 1, 1973) were $16,118.56. Total receipts through May 15, 1974, were $15,279.98 and disbursements amounted to $21,028.58, leaving total available funds at $10,369.96. Adding expected accounts receivable to the figure leaves a total net worth of the organization as of May 15, 1964, at $10,757.42. Treasurer Morris specifically brought attention to the breakdown in the list of disbursements that showed regular legal retainer and expenses at $4805.98, plus a total charge of $9965.09 for legal services concerned with the Texas Litigation during the 1st quarter of 1974.

It was pointed out by the Treasurer that ATI's total net worth should be further reduced by $1937.49 which is the amount billed by Cadwalader, Wickersham & Taft for professional services from March 31, 1974, through May 7, 1974, and which covered expenses incurred for the Special Litigation Meeting of the Board in April.

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CW&T's hourly charge was higher during this billing period due to the consultation and professional services of senior members of the firm.

In answer to a query from A. Kuzmuk, it was confirmed that the figures in this financial report do not include the Special Assessment on the Regular Members for the period April 1, 1974, through August 31, 1974, which when all payments are received will total $11,250.00 and which are to be used solely for the legal services during that period of W. B. Alcorn, Jr., and T. W. Hathaway.

It was noted by Chairman Scowcroft that ATI seemingly has sufficient funds for regular, anticipated expenses through December 31, 1974. A motion to accept the financial report as presented was made by A. Kuzmuk, seconded by G. G. Gabrielson, Jr., and so moved unanimously. The report will be filed for audit.

5. Concerning membership changes, Chairman Scowcroft reported that Johns-Manville Corporation had ceased to become a Regular Member but that Canadian Johns-Manville Co. Ltd. had simultaneously joined the ATI as a Class C/Associate Member. The change is in effect for the Calendar Year 1974 and was officially confirmed via letters on May 1, 1974, from the Executive Secretary to Noel W. Hendry, Johns-Manville Corporation, Denver, Colorado, and to J. R. M. Hutcheson, Canadian Johns-Manville Co. Ltd., Asbestos, Quebec.

It was also advised that Asahi Asbestos Co. Ltd., Tokyo, Japan, had joined the ATI as a Class D/Associate Member with dues paid in full for the Calendar Year 1974, and that the new member was officially welcomed on April 23, 1974, by a letter from the Secretary to Hajime Iwata, Senior Managing Director.

It was reported by the Secretary that Ferodo had not yet paid its membership dues for 1974 although an invoice and two statements had been sent to the company. The Secretary was, therefore, instructed to contact the member company in an attempt to determine definitely if it wishes to drop its membership in the ATI. Written confirmation of the company's desire in this regard will be requested.

6. Chairman Scowcroft advised that he had received a letter from I. H. Weaver, of Raybestos-Manhattan, Inc., stating that R/M no longer was interested in purchasing the Bausch & Lomb Portable Dust Counter but that the company would buy the VOM-5 recorder for $100.00 if ATI was willing to sell that accessory. It was agreed by all present that ATI should not sell any part of the equipment but should retain the dust counter complete with accessories for use by any Institute member. It was further agreed not to renew the floater policy on the equipment which expires December 1, 1974. The machine is currently in the custody of John Magenheimer at the R/M plant at Stratford, Connecticut.

7. Vice President Kuzmuk posed the question that perhaps the quarterly asbestos textile production report as compiled by D. A. Caruso, C.P.A., would be more valuable if in addition to that produced for sale to outside markets the statistics were expanded

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to also include production for internal use. After some discussion it was decided the idea had merit and should be tabled and rediscussed at some future Board meeting.

8. The Executive Secretary read a letter to the Board from D. E. Miller, Mobile Oil Corporation, in which he advised that the American National Standards Committee L-18 on Protective Occupational Clothing is being reactivated and reorganized under the Secretariat of the American Petroleum Institute Committee on Safety and Fire Protection. The Committee will be responsible for setting standards for occupational wearing apparel which provides protection against environmental hazards, excluding lineman's rubber protective equipment, protection of head, eyes, hearing and respiratory organs and footwear.

9. The Secretary alerted the Board to advice received from W. R. Switky of the U.S. Environmental Protection Agency, in that EPA's Office of Toxic Substances is preparing a report on the potential environmental hazard of asbestos and that to complete the report he would like ATI's permission to reprint the tables of the physical, chemical and mineralogical properties of the varieties of asbestos that appear on pages 3-11 of the Handbook of Asbestos Textiles, 3rd edition. Via letter of May 7, 1974, ATI granted the requested permission provided proper credit is given to the Institute. Also, the ATI requested a draft and/or final copy of the EPA report, when available.

10. After lengthy and detailed discussion, it was unanimously agreed that the ATI Annual Meeting should be held, as scheduled, September 25-27, 1974, at The Cloister, Sea Island, Georgia. It will include the usual reports to the Board of Governors by Committee Chairmen, pertinent Committee meetings and the usual General Meeting complete with Committee reports and Fibre Producers' report. Since the ATI is involved in litigation, it will continue to endeavor to minimize normal expenses wherever possible and, therefore, the Institute will not underwrite any receptions, luncheons or dinners during the three-day Annual Meeting.

11. Concerning featuring ATI in a future issue of Textile Marketing Letter, published by Clemson University's College of Industrial Management and Textile Science, W. B. Alcorn, Jr., agreed to contact the Editor, E. L. Powers, to discuss the matter, particularly in light of the pending Texas Litigation.

12. G. G. Gabrielson, Jr., made a motion to adopt the following resolution: The ATI Board of Governors should not appoint a Nominating Committee at this meeting, pending decision on the Texas Litigation. The decision to either nominate and elect new officers for the year 1975 or to retain the present administration and amend the By-Laws accordingly, if necessary, can be made at the Fall 1974

Board of Governors' meeting. The motion was seconded by M. J. Scanlan, and after discussion, so moved unanimously.

13.It was agreed to proceed with the presentation of plaques at the Fall 1974 General Meeting to the following retiring Committee Chairmen: B. E. Carden, Air Hygiene & Manufacturing; L. F. Dieringer, Environmental Health; and C. E. Stiefken, Fiber Research & Testing (especially for work done on the Chrysotile Asbestos Test Manual, 3rd edition).

14.The matter of ATI's inability to advance payment for the over-$20,000 cost of printing the test manual was brought before the Board. Based on a discussion as to the possibility of QAMA advancing the total cost of printing, a formal motion was made by E. C. Bratt, seconded by M. J. Scanlan, that the test manual printing be delayed until such time as prepayment has been made to cover the entire printing cost. The motion was carried unanimously. As an alternative, it was generally agreed that ATI would have no real objection to lending its original text of the manual to QAMA for that association to reproduce it via any method it so desired.

15.The Secretary gave an account of what had transpired insofar as the June 5-6, 1975, ATI meeting in Quebec City was concerned. The event is to be hosted by the mining member companies of ATI and the liaison between the miners and the Institute is Wm. J. W. Smith, of Bell Asbestos Mines Ltd. Mr. Smith has tentatively reserved fifty rooms, with a few held prior to and after the meeting, at the new Quebec Hilton. He has asked the Secretary to send official, written confirmation to the hotel. Since ATI is presently involved with the Texas Litigation, the Secretary was instructed to write to the Quebec Hilton, tentatively reserving the 50 rooms over the night of June 5, 1975, and advising that a firm commitment cannot be made until after the 1974 Annual Meeting.

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16.TEXAS LITIGATION

Attorney Alcorn proceeded to advise the Board with regard to the Texas Litigation. In the course of this consultation, he distributed and discussed a memorandum dated June 6, 1974. Following the sequence of his General Recommendations as listed in the memo, Mr. Alcorn offered additional comments which have been recorded in a "Memorandum of Attorney-Client Conference, June 6, 1974" and which is available for inspection by members of ATI at the Office of the Executive Secretary.

17.Upon conclusion of Legal Counsel's report, Chairman Scowcroft discussed the possibility of forming an ad hoc committee, as suggested by Attorney Alcorn. It was reiterated that the members of the committee should include both Regular and Associate Members

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of the ATI. The activities of the committee would be strictly related to the conduct of the litigation and would not be expanded beyond that. It would form a proper structure to keep all interested ATI members, of all categories, advised and informed and give them a central referral point through which to channel questions and recommendations to the Board of Governors and to Trial Counsel. It was moved by E. A. Morris, seconded by G. G. Gabrielson, Jr., and unanimously approved that the ATI follow its Attorney's recommendation and form an ad hoc committee to include representation of the Associate Members, especially the miners. R. B. Von Wald agreed to chair the ad hoc committee, with E. C. Bratt as Vice-Chairman. ATI Chairman Scowcroft will announce the establishing of the new activity at the June 7th General Meeting and will, at that time, invite representation from all member companies on the committee.

18. There being no further business to be brought before the Board of Governors, the meeting was adjourned at 6:30 p.m., following a motion by E. A. Morris, seconded by M. J. Scanlan, and so carried.

Respectfully submitted,

Doris M. Fagan

Doris M. Fagan
Executive Secretary

ATI-137

ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Report of Funds — Period: September 1, 1973, thru May 15, 1974

Balance on Hand September 1, 1973 --		
General Fund	$ 2,683.68	
Reserve Fund	13,346.91	
Petty Cash Fund	87.97	
Total on Hand at 9/1/73		$ 16,118.56
Receipts		
General Fund - Dues for Year 1973	$ 125.00	
Book Sales	86.71	
Magnetite Samples	25.00	
Reserve Fund - Dues for Year 1974	14,250.00	
Interest to 12/31/73	793.27	
Total Receipts		+ 15,279.98
		$ 31,398.54
Disbursements		
Legal Retainer & Expenses (to 3/31/74)	$ 4,805.98	
Secretary's Gross Wages	1,448.00	
Taxes on Wages Paid by ATI	123.16	
ATI Meeting Expense (10/73 & 2/74)	1,444.85	
Secretary's Meeting/Travel Expense	469.05	
Telephone (8/73-4/74)	471.76	
Printing Supplies/Services	406.81	
Postage	394.84	
Office Supplies & Miscellaneous	138.09	
Revision of Test Manual (J.L.Tucker)	96.99	
Rental of Office Space	405.00	
Accountant (Caruso - F/Y 72-73)	300.00	
ASTM Dues for Year 1974	25.00	
Gifts/Flowers/Plaques, etc.	63.34	
Insurance	125.00	
Litigation: Office Expenses	189.05	
Sec'y Travel Expenses (4/74)	149.39	
ATI Meeting Expenses (4/74)	7.18	
Legal Services (1st Qtr 74)	9,965.09	
Total Disbursements		- 21,028.58
BALANCE ON HAND MAY 15, 1974		$ 10,369.96
Funds as of May 15, 1974 --		
General Fund	$ 1,473.55	
Reserve Fund	8,890.18	
Petty Cash Fund	6.23	
TOTAL AVAILABLE FUNDS MAY 15, 1974 .		$ 10,369.96
Assets as of May 15, 1974 --		
Total Funds, as listed above	$ 10,369.96	
Accounts Receivable - Book Sales	6.46	
Magnetite Samples	5.00	
1974 Dues	375.00	
Furniture & Equipment (Nominal Value)	1.00	
TOTAL ASSETS		$ 10,757.42
TOTAL LIABILITIES		..
TOTAL NET WORTH MAY 15, 1974 . .		$ 10,757.42

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Recapitulation — 9/1/73 thru 5/15/74

GENERAL FUND

Balance August 31, 1973	$ 2,683.68	
Receipts - Dues for Year 1973	125.00	
Receipts - Book Sales	86.71	
Receipts - Magnetite Samples	25.00	
Receipts - From Reserve Fund	19,500.00	
	$ 22,420.39	
Expenditures	- 20,946.84	
Balance May 15, 1974		$ 1,473.55

RESERVE FUND

Balance August 31, 1973	$ 13,346.91	
Receipts - Dues for Year 1974	14,250.00	
Receipts - Interest for Year 1973	793.27	
	$ 28,390.18	
Withdrawals - For General Fund	- 19,500.00*	
Balance May 15, 1974		$ 8,890.18

PETTY CASH FUND

Balance August 31, 1973	$ 87.97	
Receipts - From General Fund	250.00**	
	$ 337.97	
Expenditures	- 331.74	
Balance May 15, 1974		$ 6.23
TOTAL CASH ON HAND MAY 15, 1974 . .		$ 10,369.96

* $ 7,000.00 as of 3/31/74
  1,000.00 transferred 4/15/74
  6,000.00 transferred 4/23/74
  4,500.00 transferred 4/26/74
  1,000.00 transferred 5/10/74
  $19,500.00

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**$ 200.00 as of 3/31/74
  50.00 transferred 4/1/74 via Check #1136
  $ 250.00

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Expenditures Against Budget — 9/1/73 thru 5/15/74

	Expended	Budgeted
Legal Retainer & Expenses (to 3/31/74)	$ 4,805.98	$ 5,000.00
Secretary's Gross Wages	1,448.00	2,100.00
Taxes on Wages Paid by ATI	123.16	77.00
ATI Meeting Expense (10/73 & 2/74)	1,444.85	2,000.00
Secretary's Meeting/Travel Expense	469.05	500.00
Telephone (9 months)	471.76	450.00
Printing Supplies/Services--$406.81 Office Supplies & Misc.---+138.09	544.90	800.00*
Postage	394.84	300.00
Revision of Test Manual	96.99	300.00
Rental of Office Space (9 months)	405.00	540.00
Caruso (Accountant)	300.00	300.00
ASTM Dues for Year 1974	25.00	25.00
Gifts/Flowers/Plaques, etc.	63.34	200.00
Insurance	125.00	250.00
Tumbler Testing Machine	..	500.00
ATI REGULAR ACTIVITIES - - - - - -	$ 10,717.87	$ 13,342.00
Litigation: Office Expenses	189.05	..
Mtg & Sec'y Travel Expenses	156.57	..
Legal Services & Expenses	9,965.09	..
	$ 21,028.58	$ 13,342.00

*Printing Services--$200.00	$ 13,342.00	$ 13,342.00
Office Sup. & Misc- 300.00	- 10,717.87	- 21,028.58
Petty Cash 300.00	+ 2,624.13	(- 7,686.58)
$800.00		

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Disbursements Voucher — 9/1/73 thru 5/15/74

CK #	DATE	AMOUNT	PAYEE	FOR
Balance Forward 12/31/73		$ 4098.26		
1100	1/ 3/74	135.00	ASBESTOS Magazine	Office Rent 1-3/74
1101	1/ 7/74	18.10	Classic Trophies	Plaque/Tex Austin
1102	1/ 7/74	3.98	ASBESTOS Magazine	15 Address. Plates
1103	1/ 7/74	12.00	Suburban Typo'rs	Type/Echerd Cert.
1104	1/ 9/74	48.02	Brett Bus. Mach's	Mimeo. Supplies
1105	1/11/74	17.92	J. J. Balis	Framing Echerd Cert.
1106	1/14/74	33.43	Bell of Pa.	Telephone - Dec 1973
1107	1/14/74	162.62	IRS	Income & FICA Taxes - 4th Qtr 73
1108	1/14/74	12.09	Pa. Dept. Revenue	Inc Tax - 4th Qtr 73
1109	1/14/74	5.25	Pa Unem Comp Fund	Unem Tax- 4th Qtr 73
1110	1/14/74	12.18	IRS	Fed Unem Tax - ""
1111	1/25/74	50.00	Cash	For Petty Cash Fund
1112	1/28/74	15.26	Worstall Station'y	Badge Supplies
1113	1/30/74	127.00	Doris M. Fagan	Net Wages - Jan 1974
1114	1/31/74	22.27	ASBESTOS Magazine	Postage - Jan 1974
1115	2/ 1/74	5.73	Sir Speedy	2/74 Mtg Notices
1116	2/11/74	20.14	Sir Speedy	Repro's/Litigation
1117	2/13/74	50.00	Cash	For Petty Cash Fund
1118	2/13/74	71.46	Bell of Pa.	Telephone - Jan 1974
1119	2/22/74	2.54	Mabel Baudoux Inc.	8 Address. Plates
1120	2/25/74	57.01	Mills Hyatt House	Sec'y Exp - 2/74 Mtg
1121	2/25/74	133.77	Doris M. Fagan	Sec'y Exp - 2/74 Mtg

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Disbursements Voucher 9/1/73 thru 5/15/74

CK #	DATE	AMOUNT	PAYEE	FOR
1122	2/25/74	$ 466.75	Mills Hyatt House	ATI Exp - 2/74 Mtg
1123	2/28/74	16.86	ASBESTOS Magazine	Postage - Feb 1974
1124	2/28/74	127.00	Doris M. Fagan	Net Wages - Feb 1974
1125	3/ 1/74	50.00	Cash	For Petty Cash Fund
1126	3/ 8/74	39.19	J. L. Tucker	Test Manual - Feb 74
1127	3/11/74	34.77	Bell of Pa.	Telephone - Feb 1974
1128	3/11/74	1459.34	Cadwalader, W&T	Legal Svcs/4thQtr73
1129	3/20/74	46.19	Postmaster	Mailing 2/74 Minutes
1130	3/20/74	20.00	Postmaster	Balance Due """
1131	3/21/74	4.20	Brett Bus. Mach's	Stencil Film
1132	3/25/74	4.75	The Polyglot Co.	Spanish Translation
1133	3/26/74	31.06	Sir Speedy	Repro's/Litigation
1134	3/29/74	127.00	Doris M. Fagan	Net Wages - Mar 1974
1135	3/29/74	17.46	ASBESTOS Magazine	Postage - Mar 1974
1136	4/ 1/74	50.00	Cash	For Petty Cash Fund
1137	4/ 2/74	135.00	ASBESTOS Magazine	Office Rent 4-6/74
1138	4/ 9/74	88.75	Bell of Pa.	Telephone - Mar 1974
1139	4/15/74	12.09	Pa Dept Revenue	Inc Tax - 1st Qtr 74
1140	4/15/74	5.25	Pa Unem Comp Fund	Unem Tax/1st Qtr 74
1141	4/15/74	162.62	IRS	Income & FICA Taxes - 1st Qtr 74
1142	4/22/74	7.55	ASBESTOS Magazine	Office Supplies
1143	4/22/74	149.39	Doris M. Fagan	Sec'y Mtg Exp-4/74
1144	4/22/74	27.90	J. L. Tucker	Test Manual Exp-3/74

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Disbursements Voucher — 9/1/73 thru 5/15/74

CK #	DATE	AMOUNT	PAYEE	FOR
1145	4/23/74	$ 7.18	Mills Hyatt House	Coffee-4/5/74 Mtg
1146	4/23/74	65.00	Donahue Bros. Inc	Insurance/Counter
1147	4/26/74	2,259.22	Cadwalader, W&T	Legal Svcs/1st Qtr 74
1148	4/26/74	5,483.32	Cadwalader, W&T	Legal Svcs/1st Qtr 74 - Litigation
1149	4/26/74	127.00	Doris M. Fagan	Net Wages - Apr 74
1150	4/29/74	68.68	Postmaster	Mailing 6/74 Mtg Notices&Directories
1151	4/29/74	21.63	Sir Speedy	Directory Covers
1152	5/ 1/74	10.57	Mabel Baudoux Inc	32 Address. Plates
1153	5/ 1/74	83.69	E. Thomas Brett	Mimeo Supplies
1154	5/ 1/74	19.64	ASBESTOS Magazine	Postage - Apr 74
1155	5/ 6/74	2,594.27	Hull,Towill......	Legal Svcs/1st Qtr 74 - Litigation
1156	5/ 6/74	1,887.50	Hathaway	" " "
1157	5/ 6/74	4.24	Sir Speedy	6/74 Mtg Notices
1158	5/ 9/74	117.75	Bell of Pa.	Telephone - Apr 74
		$20,946.84		

Total Disbursements - Checking Account -	$20,946.84
Petty Cash Fund -	+ 331.74
	$21,278.58
*Less Checks drawn for Petty Cash -	- 250.00
ACTUAL TOTAL DISBURSEMENTS:	$21,028.58

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*Drawn for Petty Cash
Fund & not an expense

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ASBESTOS TEXTILE INSTITUTE

Estimated Expenses — Thru 8/31/74 and 12/31/74

	To 8/31/74	To12/31/74
Legal Services & Expenses ($100/month)	$ 400.00	$ 800.00
Secretary's Gross Wages (from 5/74)	700.00	1,400.00
Taxes on Wages Paid by ATI	40.00	150.00
ATI Meeting Expenses	100.00	1,100.00
Secretary's Meeting/Travel Expenses	100.00	400.00
Telephone ($50/month)	200.00	400.00
Printing & Office Supplies	240.00	480.00
Postage ($50/month)	200.00	400.00
Revision of Test Manual	25.00	25.00
Rental of Office Space	135.00	270.00
Accountant/Caruso (F/Y 73-74)	..	300.00
ASTM Dues for Year 1975	..	25.00
Gifts/Flowers/Plaques, etc.	..	100.00
Insurance/Fidelity Bond & Liability	..	60.00
Litigation/Office & Sec'y Tvl Exp/ $75/month excluding Trial Counsel Services & Expenses	300.00	600.00
	$ 2,440.00	$ 6,510.00

Checking Account as of 5/15/74	--	$ 1,473.55
Savings Account as of 5/15/74	--	8,890.18
Petty Cash Fund	--	6.23
Known Accounts Receivable	--	387.46*
		$10,757.42 -- Assumed sufficient to cover Normal Expenses, excluding Trial Counsel billings

*Includes $375.00 due from Ferodo for 1974 Dues

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MT-005759

ASBESTOS TEXTILE INSTITUTE

RE: TEXAS LITIGATION

PERIOD: APRIL 1, 1974, through AUGUST 31, 1974

A "125%-Of-Annual-Dues SPECIAL ASSESSMENT" invoice was sent, May 6, 1974, to each of the following Regular Member Companies of the ATI:

AMATEX CORPORATION	CLASS A	$ 1,875.00
GARLOCK INC.	CLASS B	937.50
NICOLET INDUSTRIES, INC.	CLASS B	937.50
H. K. PORTER COMPANY, INC.	CLASS A	1,875.00
RAYBESTOS-MANHATTAN, INC.	CLASS A	1,875.00
UNIROYAL, INC.	CLASS A	1,875.00
		$ 9,375.00
JOHNS-MANVILLE CORPORATION (Letter of May 13, 1974, from Richard Von Wald, Esq., advises that a Class A/Voluntary Contribution is forthcoming)		+ 1,875.00
	TOTAL DUE	$ 11,250.00

NOTE: This total of $11,250.00 is sufficient to cover estimated expenses of Trial Counsel at $10,000.00 from 4/1/74 thru 8/31/74.

ATI-137

CADWALADER, WICKERSHAM & TAFT

Normal Legal Expenses 9/1/73 thru 3/31/74 -- Excluding Litigation costs

	Quarterly Retainer	Extra Hours	Travel Expenses	Tele-phone	Repro's	Car-fares	Late Work Expense, Postage & Misc.
3rd Qtr 73	$ 750.00	$ 250.00	$ 55.78	$13.65	$ 3.80	$5.60	$ 8.59
4th Qtr 73	750.00	525.00	164.25	3.06	4.90	--	12.13
1st Qtr 74	750.00	1,250.00	237.61	15.97	3.80	--	1.84
	$2,250.00	$2,025.00	$ 457.64	$32.68	$ 12.50	$5.60	$ 22.56

$2250.00
2025.00
457.64
32.68
12.50
5.60
22.56

$4805.98

$1087.42 -- for 3rd Qtr 73 - Paid via ATI Check #1084 11/6/73
1459.34 -- for 4th Qtr 73 - Paid via ATI Check #1128 3/11/74
2259.22 -- for 1st Qtr 74 - Paid via ATI Check #1147 4/26/74

$4805.98

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LITIGATION EXPENSES

1/22/74 thru 3/31/74

	Legal Services	Telephone	Travel	Repro's	Postage
Cadwalader, Wickersham & Taft	$5250.00	$ 128.72	$ --	$ 92.20	$ 12.40
W.B.Alcorn	2500.00	32.67	34.10	14.00	13.50
Hathaway	1562.50	38.90	--	266.05	20.05
	$9312.50	$ 200.29	$34.10	$372.25	$ 45.95

	$9312.50
	200.29
	34.10
	372.25
	45.95
	$9965.09

Cadwalader --	$5483.32
Alcorn ------	2594.27
Hathaway ----	1887.50
	$9965.09

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MT-005762

ATI-137

One Wall Street, New York, N.Y. 10005

ASBESTOS TEXTILE INSTITUTE
P.O. Box 471 (131 N. York Rd.)
Willow Grove, Pennsylvania 19090 April 12, 1974

To Cadwalader, Wickersham & Taft, Dr.

FOR PROFESSIONAL SERVICES rendered in connection with Yandle, et al. v PPG Industries, Inc., et al and Kay v. PPG Industries, Inc., et al. for the quarterly period ending March 31, 1974; including the following.

Legal research at time of commencement of the suit regarding jurisdiction, venue, capacity to be sued, and service of process; office and telephone conferences regarding selection of trial counsel and local counsel; and telephone conferences with counsel for PPG Industries, Inc. before ATI trial counsel was engaged.

Preparation of letter to members describing the complaint; research of law and preparation of letter to members regarding potential liability in Texas litigation; correspondence in response to special inquiries by members; and preparation of report to Board of Governors regarding status of the case.

Drafting of affidavit for Mrs. Fagan regarding activities in Texas and assistance to trial counsel in preparing motion to dismiss; search of all past minutes for activities in Texas; consultation with trial counsel regarding strategic decisions, including impleader of Department of Labor, defense motions, etc.; reading and summary of asbestos health series in The New Yorker magazine; and review of all papers filed in the case.

For all of the foregoing..................	$5,250	00

DISBURSEMENTS AND CHARGES

Telephone tolls..................	$128.72		
Duplicating documents.............	92.20		
Registered mail and extra postage.	12.40	233	32
TOTAL		$5,483	32

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PAID VIA ATI CK# 1148 – $5483.32 – 4/26/74

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IDENTIFICATION NUMBER 13-4980350

MT-005763

APR 1 5 1974

ATI-137

Minutes
GENERAL MEETING
Asbestos Textile Institute

JUN 7 - 1974

ATI-137

ASBESTOS TEXTILE INSTITUTE

General Meeting

June 7, 1974
Twin Bridges Marriott, Arlington, Virginia

In Attendance

AMATEX CORPORATION
J. L. Rainey
M. J. Scanlan

GARLOCK INC.
P. S. Hanke
A. Kuzmuk

NICOLET INDUSTRIES, INC.
G. G. Gabrielson, Jr.

RAYBESTOS-MANHATTAN, INC.
W. A. Guenther
M. Q. Scowcroft

SOUTHERN ASBESTOS COMPANY
E. C. Bratt

UNIROYAL, INC.
L. D. Lenihan (Arthur, Dry & Kalish)
E. A. Morris

ASBESTOS CORPORATION LTD.
P. E. Leclerc

CANADIAN JOHNS-MANVILLE CO. LTD.
N. W. Hendry (J-M)
R. B. Von Wald (J-M)

CASSIAR ASBESTOS CORPORATION LTD.
D. B. MacDermott

LAKE ASBESTOS OF QUEBEC LTD.
E. A. Farrell
C. E. Stiefken (Asarco)

NIPPON ASBESTOS CO. LTD.
K. Mori
Y. Sato

TBA INDUSTRIAL PRODUCTS LTD.
H. J. Corson

HULL, TOWILL, NORMAN, BARRETT & JOHNSON
W. B. Alcorn, Jr. (ATI Attorney)

ASBESTOS TEXTILE INSTITUTE
D. M. Fagan, Executive Secretary

Total attendance during the two-day 1974 Spring Meeting was 24 people including 19 members, 3 wives, 1 staff member and 1 Legal Counsel; representing 12 companies, plus 2 representatives of the ATI.

M I N U T E S

1. The Spring 1974 General Meeting of the Asbestos Textile Institute was called to order at 9:00 a.m., June 7, 1974, by President M. Q. Scowcroft, of Raybestos-Manhattan, Inc.

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31, 1974

Report of Funds — Period: September 1, 1973, thru May 15, 1974

Balance on Hand September 1, 1973 --		
General Fund	$ 2,683.68	
Reserve Fund	13,346.91	
Petty Cash Fund	87.97	
Total on Hand at 9/1/73		$ 16,118.56
Receipts		
General Fund - Dues for Year 1973	$ 125.00	
Book Sales	86.71	
Magnetite Samples	25.00	
Reserve Fund - Dues for Year 1974	14,250.00	
Interest to 12/31/73	793.27	
Total Receipts		+ 15,279.98
		$ 31,398.54
Disbursements		
Legal Retainer & Expenses (to 3/31/74)	$ 4,805.98	
Secretary's Gross Wages	1,448.00	
Taxes on Wages Paid by ATI	123.16	
ATI Meeting Expense (10/73 & 2/74)	1,444.85	
Secretary's Meeting/Travel Expense	469.05	
Telephone (8/73-4/74)	471.76	
Printing Supplies/Services	406.81	
Postage	394.84	
Office Supplies & Miscellaneous	138.09	
Revision of Test Manual (J.L.Tucker)	96.99	
Rental of Office Space	405.00	
Accountant (Caruso - F/Y 72-73)	300.00	
ASTM Dues for Year 1974	25.00	
Gifts/Flowers/Plaques, etc.	63.34	
Insurance	125.00	
Litigation: Office Expenses	189.05	
Sec'y Travel Expenses (4/74)	149.39	
ATI Meeting Expenses (4/74)	7.18	
Legal Services (1st Qtr 74)	9,965.09	
Total Disbursements		- 21,028.58
BALANCE ON HAND MAY 15, 1974		$ 10,369.96
Funds as of May 15, 1974 --		
General Fund	$ 1,473.55	
Reserve Fund	8,890.18	
Petty Cash Fund	6.23	
TOTAL AVAILABLE FUNDS MAY 15, 1974 .		$ 10,369.96
Assets as of May 15, 1974 --		
Total Funds, as listed above	$ 10,369.96	
Accounts Receivable - Book Sales	6.46	
Magnetite Samples	5.00	
1974 Dues	375.00	
Furniture & Equipment (Nominal Value)	1.00	
TOTAL ASSETS		$ 10,757.42
TOTAL LIABILITIES		..
TOTAL NET WORTH MAY 15, 1974 . .		$ 10,757.42

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2. President Scowcroft officially welcomed the small but select group in attendance. He stated that the reason for the lesser amount of attendees was, of course, that the subject of the meeting was the Texas Litigation and that none of the usual committee activities had been scheduled. He then requested that each in attendance rise and give his name and business affiliation. The list is as per page 1 of these Minutes.

3. Upon calling for the reading of the Minutes of the last stated meeting, it was moved by E. A. Morris, seconded by G. G. Gabrielson, Jr., and so carried, to dispense with the reading of said minutes.

4. The President called for the Financial Report. Treasurer Morris gave the report, briefly as follows and in detail as per the attached Report of Funds as of May 15, 1974. Total on Hand as of September 1, 1973 (the beginning of the current Fiscal Year) was $16,118.56; receipts from book sales, dues, etc., were $15,279.98; disbursements amounted to $21,028.58 (the bulk of which were for litigation costs and attorneys' fees); and the Balance on Hand as of May 15, 1974, amounted to $10,369.96. This figure should further be reduced by some $2000.00 for an unanticipated litigation expense which means as of today the net worth of the organization is approximately $8000.00. It was moved by C. E. Stiefken, seconded by A. Kuzmuk, and so carried, to accept the Financial Report as presented. The report will be filed for audit.

5. It was reported by President Scowcroft that the 1974 Annual Meeting of the Institute will be held, as scheduled, at The Cloister, Sea Island, Georgia, Wednesday through Friday, September 25-27, 1974. The meeting will include regular committee meetings and reports and a Fibre Producers' Report. He further advised the Executive Secretary will mail the meeting notices to the general membership earlier than usual since The Cloister has recently established the policy of requiring a $75.00 advance deposit for each room by mid-August.

6. The following matters concerning membership were announced by the President.

Johns-Manville Corporation has changed its status in the ATI in that it has dropped its Class A/Regular Member classification, but the membership has been picked up by Canadian Johns-Manville Co. Ltd. C.J-M is now the ATI member company as a Class C/Associate, which is the category for miners of asbestos spinning fibers.

The President expressed it was his pleasure, on behalf of the Institute, to welcome Asahi Asbestos Co. Ltd., Tokyo, Japan, as a new Class D/Associate Member.

7. C. E. Stiefken informed the President that the Chrysotile Asbestos Test Manual, 3rd edition, should be available in about six months' time. President Scowcroft said that further information will be at hand at the 1974 Annual Meeting on Sea Island.

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8. It was announced by the President that the Board of Governors had voted to form an ad hoc committee. It will operate within the present structure of the Institute and its function and sole purpose will be to provide a forum composed of representatives of both Regular and Associate Members, including the miners, to consider litigation matters and to make recommendations to the Board of Governors concerning the defense of the pending litigation. This will give the Board the benefit of the thinking of the Institute's total membership. The President emphasized that such representatives who sit on the ad hoc committee will have an equal vote on that committee and that the recommendations passed by that committee will be made to the Board of Governors. It is planned that a meeting of the ad hoc committee will take place prior to each ATI Board of Governors' meeting.

President Scowcroft advised he had appointed R. B. Von Wald, of Johns-Manville Corporation, as Chairman of the ad hoc committee, with E. C. Bratt, of Southern Asbestos Company, as Vice-Chairman. He then named the following member companies as having expressed the desire to have representation on the ad hoc committee: Amatex Corporation, Asbestos Corporation Ltd., Bell Asbestos Mines Ltd., Cassiar Asbestos Corporation Ltd., Lake Asbestos of Quebec Ltd., Nicolet Industries, Inc., Nippon Asbestos Co. Ltd., Garlock Inc., Raybestos-Manhattan, Inc., Southern Asbestos Company, TBA Industrial Products Ltd. and Uniroyal, Inc. He requested that each of these companies designate its representative to sit on the ad hoc committee and that other member companies who are interested in being represented on the ad hoc committee should so advise Mr. Von Wald, himself or the ATI Executive Secretary.

As Chairman of the ad hoc committee, Mr. Von Wald said that the committee is designed as a means by which Associate Members can obtain information about the Texas Litigation and can provide input into the Board of Governors of any thoughts concerning the defense and posture of the case and actions they think may be necessary with respect to the litigation. The committee is designed strictly for the litigation and not for any other purpose. He hopes initially to make contact with everyone who is interested--or they may write him at Johns-Manville Corporation, Greenwood Plaza, Denver, Colorado 80217. He said the litigation is important to each company, even though it may not have individual exposure, and that it is a critical litigation for industry in general, as well as for the asbestos industry in particular.

Following an inquiry from the floor, Mr. Von Wald concurred that the lawyers active on the ad hoc committee would represent ATI member companies and would consider positions that ATI should take.

In answer to another question, Mr. Von Wald stated it is not the intent of the ad hoc committee to supervise the litigation. The litigation is supervised by the ATI Board of Governors. The ad hoc committee is designed as a medium through which the Associate Members can have a voice in what goes on and can get specific information about the litigation. Under the present structure of the ATI, the primary responsibility for the Institute lies with the Board of Governors only.

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9. President Scowcroft confirmed the information that previously had been sent to the general membership in that ATI has redesignated its legal counsel from Cadwalader, Wickersham & Taft to Hull, Towill, Norman, Barrett and Johnson, or more specifically, to Wendel B. Alcorn, Jr. This change was made with the unreserved blessing of Cadwalader, the primary reason being that Cadwalader had recommended Wendell Alcorn as Trial Counsel for the Texas Litigation and that as that litigation proceeded it became clear both to ATI and to Cadwalader that the substantial function of ATI's counsel, at least for the short term, would be to defend these cases. It became obvious that the most efficient and economical method of conducting the defense was through the retention of one law firm to act both as Trial Counsel and as General Counsel. On behalf of the ATI, President Scowcroft expressed delight in having Wendell Alcorn again working with us.

10. President Scowcroft reiterated that the 1974 Annual Meeting of the Institute will be held as scheduled. It is the intent of the Board of Governors to keep the Institute going but it must marshall its resources in order to be able to afford the cost of the litigation.

11. The President then turned the meeting over to Trial Counsel for a briefing on the progress of the cases pending in Tyler, Texas. His remarks are recorded in a "Memorandum of Attorney-Client Conference, June 7, 1974" and which is available for inspection by members of ATI at the Office of the Executive Secretary.

12. There being no further business to be brought before the membership, a move for adjournment was made by A. Kuzmuk, seconded by C. E. Stiefken, and so carried. The meeting was adjourned at 11:30 a.m.

Respectfully submitted,

Doris M. Fagan
Executive Secretary

ATI-137 12-2578-002

Minutes

BOARD OF GOVERNORS' MEETING

Asbestos Textile Institute

SEP 25 1974

ASBESTOS TEXTILE INSTITUTE
Board of Governors' Meeting
September 25, 1974 -- The Cloister, Sea Island, Georgia

AGENDA

Call to Order - 3:30 p.m. -- M. Q. Scowcroft, Chairman

Welcome to Visitors -- M. Q. Scowcroft
Aaron C. F. Finkbiner, III, Esq., Johns-Manville Corporation (Chairman, ATI Ad Hoc Committee)

Minutes of Last Stated Meeting -- Executive Secretary

Financial Report -- E. A. Morris, Treasurer
- a. Report of Funds for Fiscal Year 9/1/73 to 8/31/74;
- b. Auditor's Report for Fiscal Year to 8/31/74;
- c. Proposed Budget for ensuing Fiscal Year to 8/31/75;
- d. Chrysotile Asbestos Test Manual, 3rd Edition --
  1) Available for shipment late 1974 ($12.25 per copy);
  2) QAMA has advanced $2100.00 and will prepay for all orders from its member companies;
  3) ATI member companies responsible for payment either in advance or immediately upon receipt of invoice; official Order Request Forms to be issued by the Secretary in early October;
  4) ATI responsible for overrun which is guesstimated at about $1500.00 (125 copies @ $12.25-$1531.25).

Membership --
- a. Name change from H. K. Porter Company, Inc., to Southern Asbestos Company (Regular Member);
- b. Additional representative from Garlock Inc. (Regular Member), i.e., Robert B. Pilmer, General Manager, Garlock of Canada Ltd.;
- c. Resignation of FERLAM Division of S.A. Francaise du Ferodo (Associate Member).

Plaques to be presented at Annual General Meeting --
- a. B. E. Carden, retiring Chairman, Air Hygiene & Mfg.;
- b. L. F. Dieringer, retiring Chairman, Environmental Health;
- c. C. E. Stiefken, retired Chairman, Fiber Research & Testing-- and for work on the Chrysotile Asbestos Test Manual.

Film Presentation at Annual General Meeting --
Asbestos At Work - produced by the U.K. Asbestosis Research Council, on loan from AIA/NA

Publicity -- Textile Marketing Letter, Clemson University --
Outcome of discussion between W. B. Alcorn, Jr., Esq., and E. L. Powers, Editor

Roster Availability to Non-Members --
Request from Chesapeake Products, Inc., Denton, Maryland, for names and addresses of ATI member companies

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Environmental Protection Agency --
Up-date on potential-environmental-hazard-of-asbestos report being prepared by EPA's Office of Toxic Substances

ANSI Committee L-18 on Protective Occupational Clothing --
Initial meeting of reactivated Committee to discuss scope of the Committee and to review ANSI Z89.1-1969/Safety Requirements for Industrial Head Protection and ANSI J-66-1971 (ASTM D120-70)/ Specifications for Rubber Insulating Gloves

Discussion Period with Committee Chairmen
4:00 p.m. - J. W. Hawkins, Technical Committee
(Congratulate them on a "job well done" as Chairman) --
4:15 p.m. - B. E. Carden, Air Hygiene & Manufacturing Committee;
4:30 p.m. - R. A. Kuntze, Fiber Research & Testing Committee
and C. E. Stiefken, Chrysotile Asbestos Test Manual;
4:45 p.m. - L. F. Dieringer, Environmental Health Committee.

ATI Winter Meeting - February 6-7, 1975
(Holiday Inn-Independence Mall, Philadelphia, Pennsylvania) --
Discussion -- Normal Procedure or Litigation Meeting?

ATI Spring Meeting - June 5-6, 1975
(Hosted by ATI mining member companies at Quebec Hilton, Quebec) --
ATI to officially confirm or cancel the dates tentatively being held by the hotel

Other Future Meeting Sites & Dates - All Firm Except One --
1975 Oct 1-3 - Ponte Vedra Club, Ponte Vedra Beach, Florida;
1976 Feb 5-6 - New Orleans Marriott, New Orleans, Louisiana;
1976 Jun 3-4 - Sheraton National, Arlington, Virginia (Tentative);
1976 Oct 6-8 - Savannah Inn & Country Club, Savannah, Georgia;
1977 Feb 3-4 - The Mills Hyatt House, Charleston, South Carolina.

Nominations - Officers & Committee Chairmen --

a. Elect Officers for Year 1975: President--A. Kuzmuk, Garlock
Vice President-E. A. Morris,Uniroyal
Treasurer--M. J. Scanlan, Amatex

b. Appoint Committee Chairmen for Years 1975 & 1976:

Air Hygiene & Manufacturing--L. E. Moody, Southern Asbestos;

Environmental Health--W. B. Reitze, Johns-Manville;

Fiber Research & Testing--R. A. Kuntze is Temporary Chairman through 1974; could ask him to continue for another year; other possibilities are W. H. Smith of Bell Asbestos Mines and E. A. Farrell of Lake Asbestos of Quebec;

Technical--C. S. Barnwell, Uniroyal;

Ad Hoc--assume the following are firm through 1976: Chairman-- A. C. F. Finkbiner of Johns-Manville; Vice-Chairman--E. C. Bratt of Southern Asbestos.

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Incorporation of ATI -- W. B. Alcorn, Jr., Esq.

Tyler Litigation -- W. B. Alcorn, Jr., Esq. --
  a. Actual Expenses - 4/1/74 thru 8/31/74;
  b. Estimated Expenses - thru September and December 1974;
  c. Current Status and Projections;
  d. Report from Ad Hoc Committee.

Other Business --

Reminders --
  a. Reception - Spanish Lounge - 6:30 p.m. - Wednesday, 9/25/74;
  b. Board of Governors' Breakfast - in Private Dining Room off Patio Dining Room - 7:30 a.m. - Thursday, 9/26/74.

Adjournment -- 5:30 p.m.

ATI-137

ASBESTOS TEXTILE INSTITUTE

Meeting - Board of Governors

September 25, 1974
The Cloister, Sea Island, Georgia

IN ATTENDANCE:
Raybestos-Manhattan, Inc. -- M. Q. Scowcroft, Chairman
Amatex Corporation -- M. J. Scanlan
Garlock Inc. -- A. Kuzmuk
Nicolet Industries, Inc. -- G. G. Gabrielson, Jr.
Southern Asbestos Company -- E. C. Bratt
Uniroyal, Inc. -- E. A. Morris

A. C. F. Finkbiner, III, Esq., Johns-Manville Corporation
W. B. Alcorn, Jr., Esq., Hull, Towill, Norman, Barrett & Johnson

D. M. Fagan, Executive Secretary, Asbestos Textile Institute

MINUTES

1. The September 25, 1974, Meeting of the Board of Governors of the Asbestos Textile Institute was called to order at 3:30 p.m. by Chairman Milton Q. Scowcroft.

2. Chairman Scowcroft welcomed Aaron C. F. Finkbiner, III, Esq., who represented member company Johns-Manville Corporation and who is serving as Chairman of the ATI Ad Hoc Committee.

3. Upon presentation, it was moved by Alex Kuzmuk and seconded by Guy G. Gabrielson to dispense with the reading of the Minutes of the last Meeting and to accept them as written. The motion was approved, unanimously.

4. Edward A. Morris, Treasurer, presented the Financial Report of the Institute (attached hereto) for the Fiscal Year from September 1, 1973, through August 31, 1974. The figures discussed pertain solely to the Institute's regular, general finances and do not relate in any way to the Special Litigation Fund which was established as of April 1, 1974. The Special Litigation Fund is covered in Item #19 of these Minutes. Briefly, Mr. Morris' comments were as follows: The balance on hand at the start of the F/Y was $16,118.56. Taking into account receipts of $29,164.08, disbursements of $31,231.20, accounts receivable of $14.32, furniture and equipment at the nominal value of $1.00, and no liabilities, the total net worth of the organization as of August 31, 1974, was $14,066.76.

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Treasurer Morris distributed copies of a letter dated September 19, 1974, from H. J. Warmoth, C.P.A., which indicates that the financial records of the ATI were reviewed according to appropriate accounting and auditing standards and were found to present fairly the financial condition of the Association for the Fiscal Year 1973-74.

The proposed budget for the Institute for the coming Fiscal Year 1974-75 was presented by the Treasurer. It reflects the thinking of the entire Board of Governors in that while the ATI is in anticipation of extraordinary expenses related to the litigation, it should cut back on normal operating costs wherever practicable. (Assistant Treasurer's Note: The proposed budget does not include the guesstimated expense of $1500.00 to cover the unit copy cost of $12.25 for the 125 Test Manuals that will be printed as an overrun. This expense will be paid as a normal expense of the ATI, to be returned as future orders for the Manual are received.)

It was moved by A. Kuzmuk, seconded by G. Gabrielson, that the Financial Report for the Fiscal Year 1973-74 and the proposed budget for the 1974-75 F/Y be approved as presented. The motion was so carried, unanimously.

5. As previously reported via memo from the Executive Secretary on August 12, 1974, the Board of Governors was again advised of the demise of J. Carroll Johnston, Founder and Chairman of the Board of Atlas Textile Company, North Wales, Pennsylvania. Mr. Johnston died July 19, 1974, and shortly thereafter, a memorial contribution was made by the ATI to the North Penn Hospital, Lansdale, Pennsylvania. Chairman Scowcroft expressed the deep regret felt by all of the Governors, stating that Mr. Johnston was truly a recognized pioneer in the asbestos textile industry in the United States. He further stated that the members would have the opportunity to extend personal condolences to Mr. Johnston's son, Bill, who was in attendance at this three-day meeting.

6. The following Membership changes were reported by Chairman Scowcroft and accepted by the Board of Governors:

Regular Member H. K. Porter Company, Inc., has been changed to Southern Asbestos Company;

Regular Member Garlock Inc. has added a new representative to the ATI roster, i.e., Robert B. Pilmer, General Manager, Garlock of Canada Ltd.;

The Ferlam Division of S.A. Francaise du Ferodo has resigned as an Associate Member. The Executive Secretary will write a letter to Mr. Robert Vivien, of Ferlam, officially accepting the resignation, expressing regret for the necessity of the decision.

7. Chairman Scowcroft reported several changes in Committee Chairmen, stating that each retiree had performed admirably and had directed his respective Committee in an able and effective manner.

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The retiring Chairmen include Buel E. Carden (Uniroyal, Inc.)--Air Hygiene & Manufacturing Committee; Lawrence F. Dieringer (Uniroyal, Inc.)--Environmental Health Committee; and Charles E. Stiefken (American Smelting and Refining Company, Inc.)--Fiber Research and Testing Committee (most especially for his work on revising the Chrysotile Asbestos Test Manual, 3rd edition). In appreciation for their time and efforts, Messrs. Carden and Stiefken will be presented with plaques at the Annual Meeting on Friday, September 27th. Since he will not be present at that gathering, Mr. Dieringer will receive his plaque by mail, together with a letter of appreciation from Chairman Scowcroft.

8. Chairman Scowcroft advised that the film, Asbestos At Work, recently produced by the British Asbestosis Research Council, would be shown to the general membership at the Annual Meeting on September 27th. The 15-minute film was on loan from the Asbestos Information Association/North America. It covers a variety of work situations such as application and stripping of insulation, machining, drilling and cutting asbestos products, the use of dust extraction equipment, vacuum cleaning, waste disposal and protective clothing.

9. Wendell B. Alcorn, Jr., Esq., reported on the outcome of his conversation with Edward L. Powers concerning the proposed article on ATI for publication in Textile Marketing Letter, a publication of the College of Industrial Management and Textile Science, Clemson University, Clemson, South Carolina. Attorney Alcorn stated that he had talked with Mr. Powers by telephone and explained that he was Legal Counsel for ATI and that the Institute was involved in pending litigation -- and that it would be appreciated if he would consult with the Institute before he ran an article on ATI. Mr. Powers said he understood the situation perfectly and we have his word that he would contact us before he proceeds to finally edit any kind of article. It is assumed the article is not nearing publication as we have heard nothing further from Mr. Powers.

10. The Executive Secretary read a letter sent to the ATI by Mr. Richard N. Walton, President of Chesapeake Products Inc., Denton, Maryland. The company requested a list of the names and addresses of ATI member companies so that it could contact each of the firms about its disposable protective clothing apparently for the purpose of promotional advertising. It was unanimously agreed that the ATI roster should not be given to Mr. Walton but that ASBESTOS Magazine should be suggested to him as an advertising medium through which to reach companies in the Asbestos Industry.

11. The status of the potential environmental-hazard-of-asbestos report, in preparation by the Office of Toxic Substances, Environmental Protection Agency, was given by the Secretary. Upon con-

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tacting Frank Kover of that Office, the Secretary was advised that the report has not advanced much beyond its initial preparation and it appears likely that it will be more of an "in-house" study and probably will not be made available to anyone outside of the EPA. The Board of Governors was reminded that EPA had requested and received permission from ATI to reprint, in the report, the tables of physical, chemical and mineralogical properties of asbestos that appear on pages 3-11 of the Handbook of Asbestos Textiles, 3rd edition, provided proper credit is given to the ATI.

12. Chairman Scowcroft brought up for discussion the advisability of sending the Secretary to the initial meeting of the American National Standards Institute's reactivated Committee L-18 on Protective Occupational Clothing. The meeting is scheduled for October 9, 1974, at ANSI headquarters in New York City. Its agenda will include how the scope of the Committee can best be accomplished and a review of the content of ANSI Z89.1-1969/Safety Requirements for Industrial Head Protection and of ANSI J-66-1971 (ASTM D 120-70)/Specifications for Rubber Insulating Gloves. After complete discussion it was determined that ATI would not be represented at the meetings but that a request should be made for a copy of the proceedings of that meeting. A subsequent review of the proceedings would enable a future determination as to whether or not ATI could be of any real value by actively serving on ANSI Committee L-18.

13. COMMITTEE REPORTS & DISCUSSION:

a) Technical -- report by Temporary Chairman John W. Hawkins, of Raybestos-Manhattan Industrial Products Company. ASTM specifications are subject to review every five years and three concerned with asbestos textile products are now up for revision. The Committee has round-robin tests underway on lap, roving and braided tubing. The information secured therefrom will be sent to Wm. Maaskant, of Amatex Corporation, to form the basis of a statistical study. New tests for asbestos tapes and asbestos fabrics have been started. . . . On October 16th, in New York City, Paul Nicodemus will be honored at a special luncheon of ASTM Committee D-13 on Textiles to publicly acknowledge the service he has rendered to ASTM for many years. . . . At the request of the ASTM Statistical Committee, ATI will be represented at that Committee's semi-annual meetings. Wm. Maaskant will attend when the meetings are held in the Philadelphia-New York area. J. W. Echerd, of Southern Asbestos Company, will attend when the meetings occur in or near Charlotte, North Carolina. ATI's concern is the recent emphasis being placed on statistical work and the variation between laboratories on various test procedures jointly established by ASTM and ATI. . . . Revisions are planned for U.S. Coast Guard Specification Draft #164.009 on Noncombustible Material and the ATI Technical Committee has been asked to review the draft and to offer any suggestions or

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modifications it deems necessary or advisable. . . . Mr. Echerd has just completed a review of a variety of military specifications that the Committee had worked on over the past few years. The custodian of those specifications has submitted comments on most of them but the Committee is still awaiting comments concerning packing, wick, rope and braided products. . . . Chairman Scowcroft thanked Mr. Hawkins for his report and expressed appreciation for so capably serving as Temporary Chairman of the Technical Committee during the past few months.

b) Air Hygiene & Manufacturing -- report by Chairman Buel E. Carden, of Uniroyal, Inc. The Committee meeting scheduled for the next morning has two items on its agenda. First off, Lawrence E. Moody, of Southern Asbestos Company, will lead a discussion concerning proposed changes in manufacturing. The second portion of the meeting will be a discussion of recent OSHA inspections and the the follow-up work that has been done. . . . Chairman Scowcroft commented on the wonderful record made by Mr. Carden as Chairman and thanked him for his untiring effort during the past two years.

c) Fiber Research & Testing -- report by Chairman Richard A. Kuntze, of the Ontario Research Foundation (Cassiar Asbestos Corporation Ltd.) Mr. Kuntze's flight schedule did not permit an early arrival and, therefore, he was not able to present his report to the Board, as scheduled.

1) Chrysotile Asbestos Test Manual, 3rd Edition -- Charles E. Stiefken, American Smelting and Refining Company. The Manual should be off the press and ready for distribution by December 1, 1974. Prices have not increased and the base price per Manual will be about $12.30. It will contain approximately 250 pages, printed on both sides. Mr. Stiefken exhibited a sample of the deep green, five-ring binder which will serve as the cover for the Manual. The title of the Manual appears in white on the front as well as on the spine of the binder. The inside pages will be punched with seven rings to accommodate other methods that companies may utilize to preserve the written tests. The Secretary has in her possession the official list of orders placed by QAMA member companies. After she secures firm orders and advance payments from QAMA and ATI, the distribution list will be sent to the printer who, in turn, will handle the actual mailing. Shipping and postage costs, per mailing, will be billed individually by the Secretary shortly after mailing date. At Attorney Alcorn's request, Mr. Stiefken will send Legal Counsel advance proof of the title page and its overleaf which will contain the copyright information. On behalf of the ATI and its Board of Governors, Chairman Scowcroft thanked Mr. Stiefken for undertaking the enormous responsibility of revising the Manual.

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d) Environmental Health -- Lawrence F. Dieringer, Uniroyal, Inc. An ailing back preempted Mr. Dieringer's attendance at the meeting, consequently no report was presented at this gathering of the Board.

14. A total discussion as to a realistic, effective criteria for future ATI meetings resolved in the following decisions --

a) Since there is an overlapping of interests, the Environmental Health Committee will be merged into the Air Hygiene & Manufacturing Committee and the resultant new group will be known as the Environmental Committee.

b) Since it is looking for new direction at this time and plans to sit in on other Committees for the time being, it was decided that the Fiber Research & Testing Committee should become a part of the Technical Committee.

c) Committees will convene only when they have projects or activities that are sufficiently important to warrant their scheduling a work session at a regular ATI meeting. The Chairman of the Board of Governors of ATI will contact each Committee Chairman a month prior to each ATI meeting in an effort to determine whether or not a particular Committee has vital business to transact, after which the Secretary will be alerted as to what meeting space should be made available.

d) The 1975 Winter Meeting will be held, as scheduled, February 6-7, 1975, at Holiday Inn-Independence Mall, Philadelphia, Pennsylvania.

e) The site of the 1975 Spring Meeting will be changed to Atlanta, Georgia. Via letter from the Secretary, the Governors' reasons for not holding the meeting in Quebec City, as planned, will be made known to Wm. J. W. Smith, of Bell Asbestos Mines Ltd., and consequently to the mining member companies of ATI who so graciously offered to host the 1975 Winter Meeting in Quebec.

f) For reasons of economy, the following ATI meetings were cancelled: October 1-3, 1975, at Ponte Vedra Club, Ponte Vedra Beach, Florida; and October 6-8, 1976, at the Savannah Inn & Country Club, Savannah, Georgia.

15. A specific thought that was submitted for consideration by Mr. Morris was that perhaps the efforts of the ATI should be redirected. Although it has always been asbestos oriented, could it be that the Institute should be looking at additional materials, and perhaps become a high-temperature, heat-resistant fabric or yarn organization, making it possible to compare asbestos textiles with competitive materials? It was agreed the idea was worthy of further consideration and should be re-discussed in greater detail at a future date.

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16. Upon the recommendation of Chairman Scowcroft and a motion by Mr. Gabrielson, seconded by Ernest C. Bratt, the following Officers were unanimously elected to serve the Institute for the year 1975:

President--Alex Kuzmuk, of Garlock Inc.;
Vice President--Edward A. Morris, of Uniroyal, Inc.;
Treasurer--Michael J. Scanlan, of Amatex Corporation.

17. The Board of Governors also approved the recommendations of the Chairman that Lawrence E. Moody, of Southern Asbestos Company, serve a two-year term as Chairman of the Environmental Committee and that Carroll S. Barnwell act for a similar period as Chairman of the Technical Committee. It was further agreed that through 1976 the Ad Hoc Committee would be chaired by Aaron Finkbiner, with E. C. Bratt as Vice-Chairman.

18. Chairman Scowcroft referred to the suggestion by Legal Counsel that consideration be given to incorporating the ATI. Attorney Alcorn advised that incorporation would not protect individual members for acts that have been done in the past. The only reason to consider incorporation at this point is for acts that ATI may take henceforth. The cost of incorporation would be $300.00 to $350.00. If ATI continues as an association and takes any action that might possibly subject it to any type of litigation, then incorporation is recommended. The prime reason that trade associations were not incorporated in years past was that the antitrust law was vague on whether the Federal Trade Commission had as broad a jurisdiction over unincorporated associations as it did over corporations. It was considered advisable to remain unincorporated. Since that time, however, it has become unquestioned that the FTC has full jurisdiction over unincorporated associations. There is no advantage, from an antitrust viewpoint, to remain as an unincorporated body -- but there are a lot of advantages to being a non-profit corporation. If ATI were to become a corporation, it would still qualify under the Internal Revenue Code as an untaxable, non-profit body.

The incorporation process, if it were handled in Georgia, would involve a $350.00 legal fee plus payments of less than $100.00 to the Secretary of State. The procedure in Georgia is that a petition is prepared to and filed by the Superior Court, by-laws are written based on ATI's current by-laws, then the petition for a charter is approved by the Court, and then a certificate is sent to the Secretary of State, after which ATI is henceforth a viable, ongoing corporation.

In answer to a query by Mr. Gabrielson as to whether ATI would have to qualify in Pennsylvania since its headquarters are in Willow Grove, Attorney Alcorn said yes, but the Institute probably would not be subjected to any taxes because it is a not-for-profit corporation. The fee would be minimal; probably less than $100.00.

Attorney Alcorn also clarified that from the point in time that ATI becomes a corporation, it starts cutting off individual company liabilities for what it does henceforth.

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After a complete review of the situation, it was moved by Mr. Morris, seconded by Mr. Kuzmuk, that Attorney Alcorn proceed with the necessary work involved toward incorporating the Institute. The motion was unanimously approved.

19. THE TYLER LITIGATION --

a) Treasurer Morris presented a picture of the financial posture of the ATI Special Litigation Fund for the period April 1 through August 31, 1974. A special assessment was placed upon the six Regular Members of the ATI based on 125% of annual dues. In addition, Associate Member Johns-Manville Corporation voluntarily contributed a like percentage amount. The remittances from these seven companies generated a total of $11,250.00. Disbursements to August 31, 1974 (for the period through June 1974), included $2,304.43 to Trial Counsel Alcorn and $856.59 to Hathaway & Jackson leaving a balance on hand as of August 31st of $8,088.98.

Based on expected costs through September 1974 of $1,080.64 for Hathaway and $2,600.00 for Alcorn, and on projected possible expenditures through February 1975 of nearly $12,000.00, the Fund would need over $7,500.00 in excess of expected available funds. After full discussion on the matter, it was unanimously agreed that a second "125%-of-annual-dues special assessment" was in order and would net the Fund an additional $11,250.00.

It was also agreed that Treasurer Morris, when presenting the financial report to the general membership at the 1974 Annual Meeting should alert the member companies as to the extraordinary costs of the Tyler Litigation, the special assessments that have been imposed upon the Regular Members and the reasons why the Associate Members of the ATI also have a vital stake in the outcome of the litigation and that they should deem it imperative to voluntarily contribute toward the financing of the Tyler Litigation.

Additionally, the Board of Governors decided that a letter should be sent by the Chairman of the Institute to all member companies of the ATI, of all classifications, setting forth the reasons for their requested active financial support. All member companies have a potential exposure to similar liability and it is in the best interests of all concerned to present a good trial record in the Tyler Litigation. It was further thought that a certain percentage of Associate Members' dues should be specified as a proper contribution. At the suggestion of the Board, Attorney Alcorn will draft the letter, subject to editing and approval.

b) Attorney Alcorn advised that he had been in contact with Clifford E. Sheckler, PSE. The case in Tyler is getting to the point where he has been forced to begin looking for the best way to present evidence in the event ATI does go to trial. In discussing the matter with Mr. Sheckler, it was discovered that he has been consulting with Dr. Lee Grant, an individual defendant in the Tyler Litigation.

Mr. Sheckler will be in Augusta during the next month, consulting with another client. Since he is in the consulting business,

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he would be pleased to meet with ATI Trial Counsel while in Augusta. His fee is $150.00 per day or portion thereof. Travel expenses would not be incurred since he will already be in the area.

The advantage of such a consultation is to gain an overview of what is being done in other cases throughout the country. Mr. Sheckler is personally acquainted with a number of such cases and is in position to assess the best medical experts who could be put on the stand in Tyler. It is of vital importance that ATI puts the best medical man on the stand, one who knows the history of the development of asbestos research in the United States and abroad.

In addition, one of the most important things that ATI could do for its individual companies, not in the context of the Tyler litigation, would be to coordinate how medical testimony is being presented in other cases as they come to trial and to get some sort of orderly presentation in the courtroom.

It was the consensus of the Board of Governors that a motion was not necessary but that Trial Counsel should proceed with arranging the suggested meeting with Mr. Sheckler while the latter is in Augusta.

20. There being no further business to be brought before the ATI Board of Governors, the meeting was adjourned at 5:30p.m., following a motion by Mr. Bratt, seconded by Michael J. Scanlan, and so carried.

Respectfully submitted,

Doris M Fagan

Doris M. Fagan,
Executive Secretary

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Company and individual participation at ATI committee level 1963-1974

Air Hygiene & Manufacturing

9/72	to 6/74	--	B. E. Carden	Uniroyal
2/72	to 6/72	--	K. A. Roberts	Johns-Manville
10/70	to 10/71	--	H. M. Willingham	Uniroyal
2/70	to 6/70	--	H. Fleming	Uniroyal
2/68	to 10/69	--	H. H. Walter	Amatex
10/67		--	W. C. Atkinson	Johns-Manville
2/64	to 10/65	--	L. C. Williams	Raybestos-Man.
10/63		--	J. L. Mitchell	H. K. Porter

Environmental Health (first mentioned as a committee, October 1969)

9/72	to 6/74	--	L. E. Dieringer	Uniroyal
10/69	to 6/72	--	C. L. Sheckler	Johns-Manville

Fiber Research & Testing

2/74	to 6/74	--	R. A. Kuntze	Cassiar
2/72	to 2/74	--	C. E. Stiefken	Asarco
2/70	to 10/71	--	D. E. Childers	H. K. Porter
2/68	to 10/69	--	G. F. A. Brink	Asbestos Corp.
2/66	to 10/67	--	J. P. Wronski	Raybestos-Man.
9/61	to 10/65	--	I. Barnett	Johns-Manville

Technical

2/74	to 6/74	--	J. W. Hawkins	Raybestos-Man.
2/72	to 10/73	--	J. W. Echerd	H. K. Porter
2/70	to 10/71	--	S. G. Dixit	Garlock
2/68	to 10/69	--	J. W. Hawkins	Raybestos-Man.
2/66	to 10/67	--	J. D. McCluer	H. K. Porter
2/64	to 10/65	--	W. Maaskant	Amatex
10/63		--	J. L. Tucker	

Asbestos Advisory (Temporarily Inactive as of 2/74)

6/73	to 2/74	--	E. W. Russell	Nicolet
2/73		--	M. S. Lindstrom	Johns-Manville
2/72	to 9/72	--	E. A. Morris	Uniroyal
6/70	to 10/71	--	M. Q. Scowcroft	Raybestos-Man.
2/70		--	R. E. Carpenter	Garlock
2/68	to 10/69	--	M. Q. Scowcroft	Raybestos-Man.
6/67	to 10/67	--	E. A. Schuman	Johns-Manville
2/66	to 2/67	--	W. S. Hough	Johns-Manville
2/64	to 10/65	--	J. W. Christenbury	Amatex
10/63		--	J. T. Griffis	H. K. Porter

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ATI Officers - Must Be Regular Members - 1963-1974

PRESIDENT

1973 & 1974	M. Q. Scowcroft	Raybestos-Manhattan
1971 & 1972	L. E. Moody	H. K. Porter
1969 & 1970	E. A. Schuman	Johns-Manville
1967 & 1968	J. L. Rainey	Amatex
1965 & 1966	J. A. Brown, Jr.	Raybestos-Manhattan
1963 & 1964	S. J. Peele, Jr.	Uniroyal

VICE PRESIDENT

1973 & 1974	A. Kuzmuk	Garlock
1971 & 1972	M. Q. Scowcroft	Raybestos-Manhattan
1969 & 1970	L. E. Moody	H. K. Porter
1967 & 1968	E. A. Schuman	Johns-Manville
1965 & 1966	J. L. Rainey	Amatex
1963 & 1964	J. W. Weber	Amatex

TREASURER

1973 & 1974	E. A. Morris	Uniroyal
1971 & 1972	A. Kuzmuk	Garlock
1969 & 1970	M. Q. Scowcroft	Raybestos-Manhattan
1967 & 1968	H. L. A. Martucci	Garlock
1965 & 1966	E. A. Schuman	Johns-Manville
1963 & 1964	J. A. Brown, Jr.	Raybestos-Manhattan

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NOTE: Officers are elected for a one-year term, although they usually serve for two years. Consequently, the three above Offices should be filled by new gentlemen for the year 1975.

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NOTE RE COMMITTEE CHAIRMEN: Buel Carden should be replaced on the Air Hygiene & Manufacturing Committee -- Larry Dieringer should be replaced on the Environmental Health Committee -- Dick Kuntze may be willing to continue as Interim Chairman of the Fiber Research & Testing Committee -- John Hawkins may be willing to continue as Temporary Chairman of the Technical Committee -- It is not necessary to appoint an Asbestos Advisory Committee Chairman since that function is temporarily inactive.

GUESSTIMATED LITIGATION FUND EXPENSE PICTURE THROUGH FEBRUARY 1975

Receipts as of August 31, 1974	$ 11,250.00
Disbursements as of August 31, 1974 -- Alcorn -- $2304.43; Hathaway- $ 856.59	- 3,161.02
Balance on Hand August 31, 1974	$ 8,088.98
Projections: Hathaway, 6/12-9/10/74	- 1,080.64
	$ 7,008.34
Alcorn, 7-8-9/74	- 2,600.00
	$ 4,408.34
Hathaway & Alcorn, 10/74-2/75. . . .	- 12,000.00
PROJECTED ADDITIONAL NEEDS THROUGH FEBRUARY 1975 . . .	($ 7,591.66)

It would appear feasible that a second "125%-Of-Annual Dues SPECIAL ASSESSMENT" would be in order at this time. Doing so would net us as follows:

Amatex Corporation	Class A	$ 1,875.00
Garlock Inc.	Class B	937.50
Nicolet Industries, Inc.	Class B	937.50
Raybestos-Manhattan, Inc.	Class A	1,875.00
Southern Asbestos Company	Class A	1,875.00
Uniroyal, Inc.	Class A	1,875.00
		$ 9,375.00
Johns-Manville Corporation		+ 1,875.00
	TOTAL:	$ 11,250.00

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MS 006380

MT-005785

Winnsboro, South Carolina
September 19, 1974

Mr. E. A. Morris, Treasurer
Asbestos Textile Institute
c/o Uniroyal, Incorporated
Winnsboro, South Carolina 29180

Dear Mr. Morris:

I have examined the records of the Asbestos Textile Institute for the period September 1, 1973, through August 31, 1974, have reviewed the system of accounting, and have examined or tested accounting records to the extent deemed appropriate. The examination was made in accordance with generally accepted auditing standards applicable in the circumstances and included all procedures which were considered necessary.

In my opinion, the attached Report of Funds presents fairly the recorded cash transactions for the period September 1, 1973, through August 31, 1974.

Yours very truly,

J. H. Warmoth

J. H. Warmoth, C.P.A.

JHW/sss

Att.

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ASBESTOS TEXTILE INSTITUTE Fiscal Year ending August 31, 1974

Report of Funds - (Period: September 1, 1973, thru August 31, 1974)

Balance on Hand September 1, 1973 --		
General Fund	$ 2,683.68	
Reserve Fund	13,346.91	
Petty Cash Fund	87.97	
Total on Hand at 9/1/73		$16,118.56
Receipts		
General Fund - Dues for Year 1973	$ 125.00	
Book Sales	159.13	
Magnetite Samples	25.00	
Reserve Fund - Dues for Year 1974	14,250.00	
Interest to 6/30/74	1,238.15	
Special Litigation Fund	11,250.00	
QAMA Test Manual Deposit	2,116.80	
Total Receipts		+29,164.08
		$45,282.64
Disbursements		
Legal Retainer & Expenses (to 6/30/74)	$ 5,755.98	
Secretary's Gross Wages	2,100.00	
Taxes on Wages Paid by ATI	159.12	
ATI Meeting Expense (10/73, 2/74 & 6/74)	1,737.39	
Secretary's Meeting/Travel Expense	619.85	
Telephone (8/73 thru 7/74)	607.22	
Printing Supplies/Services	484.61	
Postage	547.51	
Office Supplies & Miscellaneous	215.14	
Revision of Test Manual (J.L.Tucker)	171.84	
Test Manual/printing deposit	2,100.00	
Rental of Office Space	540.00	
Accountant (Caruso - F/Y 72-73)	300.00	
ASTM Dues for Year 1974	25.00	
Gifts/Flowers/Plaques, etc.	307.24	
Insurance	125.00	
Litigation: Office Expenses	215.13	
Sec'y Travel Expenses (4/74)	149.39	
ATI Meeting Expenses (4/74)	7.18	
Legal Services (to 6/30/74)	15,063.60	
Total Disbursements		-31,231.20
BALANCE ON HAND AUGUST 31, 1974. . .		$14,051.44
Funds as of August 31, 1974 --		
General Fund	$ 1,416.83	
Reserve Fund	12,601.86	
Petty Cash Fund	32.75	
TOTAL AVAILABLE FUNDS AUGUST 31, 1974. .		$14,051.44
Assets as of August 31, 1974--		
Total Funds as listed above	$14,051.44	
Accounts Receivable - Book Sales	9.32	
Magnetite Samples	5.00	
Furniture & Equipment (Nominal Value)	1.00	
TOTAL ASSETS		$14,066.76
TOTAL LIABILITIES.		--
TOTAL NET WORTH AUGUST 31, 1974 . . .		$14,066.76

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Total Net Worth:	$14,066.76
Litigation Fund:	- 8,088.98
Actual Net Worth:	$ 5,977.78

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31,1974

Recapitulation — 9/1/73 thru 8/31/74

GENERAL FUND		
Balance August 31, 1973	$ 2,683.68	
Receipts - Dues for Year 1973	125.00	
Book Sales	159.13	
Magnetite Samples	25.00	
From Reserve Fund	29,600.00	
	$32,592.81	
Expenditures	-31,175.98	
Balance August 31, 1974		$ 1,416.83
RESERVE FUND		
Balance August 31, 1973	$13,346.91	
Receipts - Dues for Year 1974	14,250.00	
Interest/1973 & 6/30/74	1,238.15	
Special Litigation Fund	11,250.00	
QAMA Test Manual Deposit	2,116.80	
	$42,201.86	
Withdrawals - For General Fund	*-29,600.00	
Balance August 31, 1974		$12,601.86
PETTY CASH FUND		
Balance August 31, 1973	$ 87.97	
Receipts - From General Fund	** 400.00	
	$ 487.97	
Expenditures	- 455.22	
Balance August 31, 1974		$ 32.75
TOTAL CASH ON HAND AUGUST 31, 1974		***$14,051.44

* $19,500.00 as of 5/15/74
2,000.00 transferred 6/ 7/74
1,000.00 transferred 6/14/74
2,100.00 transferred 7/15/74
4,000.00 transferred 7/26/74
1,000.00 transferred 8/ 9/74
$29,600.00

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** $ 250.00 as of 5/15/74
50.00 transferred 5/21/74 via Check #1159
50.00 transferred 7/11/74 via Check #1172
50.00 transferred 8/ 8/74 via Check #1189
$ 400.00

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***$14,051.44 total cash on hand 8/31/74
\- 8,088.98 earmarked for Litigation Fund
$ 5,962.46 actual total cash on hand 8/31/74

B

LITIGATION FUND

Period: April 1, 1974, through August 31, 1974

RECEIPTS

Johns-Manville Corporation	5/20/74	$ 1,875.00
Garlock Inc.	5/20/74	937.50
Amatex Corporation	5/21/74	1,875.00
Uniroyal, Inc.	5/31/74	1,875.00
H. K. Porter Company, Inc.	6/ 3/74	1,875.00
Nicolet Industries, Inc.	6/13/74	937.50
Raybestos-Manhattan, Inc.	6/17/74	1,875.00
		$11,250.00

DISBURSEMENTS

Wendell B. Alcorn, Jr. - ck #1186	8/ 8/74	- 2,304.43
		$ 8,945.57
Hathaway & Jackson - ck #1187	8/ 8/74	- 856.59
BALANCE ON HAND AUGUST 31, 1974		$ 8,088.98

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ATI-137

ASBESTOS TEXTILE INSTITUTE -- ESTIMATED EXPENSES, INCOME & BUDGET
FISCAL YEAR: SEPTEMBER 1, 1974, thru AUGUST 31, 1974

	Budget 1973 - 1974	Actual 1973 - 1974	Anticipated 1974 - 1975
INCOME:			
Members' Dues	$14,750.00	$14,375.00	*$14,250.00
Interest on Savings	550.00	1,238.15	900.00
Book/Magnetite Sales	300.00	184.13	200.00
Currency Exchange	..	16.80	..
	$15,600.00	$15,814.08	$15,350.00
EXPENSES:			
Legal Services/Expenses	$ 5,000.00	$ 5,755.98	$ 4,800.00
Secretary's Gross Wages	2,100.00	2,100.00	2,100.00
Taxes on Wages Paid by ATI	77.00	159.12	160.00
ATI Meeting Expense	2,000.00	1,737.39	1,000.00
Secretary's Travel Expense	500.00	619.85	600.00
Telephone	450.00	607.22	600.00
Printing/Office Supplies	800.00	699.75	700.00
Postage	300.00	547.51	600.00
Revision of Test Manual	300.00	171.84	100.00
Test Manual Overrun	..	..	1,200.00
Rental of Office Space	540.00	540.00	540.00
Accountant (Caruso)	300.00	300.00	300.00
ASTM Dues	25.00	25.00	25.00
Gifts/Flowers, Plaques, etc.	200.00	307.24	100.00
Insurance	250.00	125.00	160.00
Tumbler Testing Machine	500.00	..	..
	$13,342.00	$13,695.90	$12,985.00
Litigation Expenses for Office/Travel/Meetings	..	371.70	500.00
	$13,342.00	**$14,067.60	$13,485.00
Income:	$15,600.00	$15,814.08	$15,350.00
Expenses:	-13,342.00	-14,067.60	-13,485.00
Income Over Expenses:	$ 2,258.00	$ 1,746.48	$ 1,865.00

NOTE: The above figures exclude extraordinary Litigation Legal Fees of $11,902.58 and QAMA Advance of $2100.00 for Test Manual...... If Litigation Legal Fees were included, the Actual figures for 1973 -1974 would be:

	**$14,067.60
Litigation Legal Fees:	11,902.58
Actual 1973-74 Expenses:	$25,970.18
Income:	$15,814.08
Expenses:	-25,970.18
Expenses Over Income:	($10,156.10)

*Anticipated Members' Dues for F/Y 1974-75:

Class A - 4@$1500:	$ 6,000.00
Class B - 2@$ 750:	1,500.00
Class C - 5@$ 750:	3,750.00
Class D - 7@$ 375:	2,625.00
Class E - 1@$ 375:	375.00
	*$14,250.00

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ASBESTOS TEXTILE INSTITUTE

Estimated Expenses 9/1/74 thru 12/31/74

Legal Services & Expenses	$ 1,200.00
Secretary's Gross Wages	700.00
Taxes on Wages Paid by ATI	110.00
ATI Meeting Expense	300.00
Secretary's Meeting/Travel Expense	400.00
Telephone	200.00
Printing & Office Supplies	240.00
Postage	200.00
Revision of Test Manual	60.00
Rental of Office Space	135.00
Accountant/Caruso (F/Y 73-74)	300.00
ASTM Dues for Year 1975	25.00
Gifts/Flowers/Plaques, etc.	100.00
Insurance/Fidelity Bond & Liability	60.00
Litigation/Office & Travel Expenses/ Excluding Legal Fees	200.00
	$ 4,230.00

Approximate Net Worth 8/31/74:	$ 5,900.00
Estimated Expenses to 12/31/74:	- 4,230.00
Approximate Overage for Unanticipated Expenses:	$ 1,670.00

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ASBESTOS TEXTILE INSTITUTE — Fiscal Year ending August 31,1974

Disbursements Voucher — 9/1/73 thru 8/31/74

CK #	DATE	AMOUNT	PAYEE	FOR
Balance Forward May 15, 1974		$20,946.84		
1159	5/21/74	50.00	Cash	Petty Cash Fund
1160	5/22/74	20.81	Sir Speedy	DMF Memo Pads
1161	5/31/74	1.91	Mabel Baudoux Inc	Six Add. Plates
1162	5/31/74	127.00	Doris M. Fagan	Net Wages - May 1974
1163	6/ 4/74	28.81	ASBESTOS Magazine	Postage - May 1974
1164	6/14/74	46.55	Bell of Pa.	Telephone - May 1974
1165	6/17/74	1,937.49	Cadwalader,W&T	Litigation 3/31-5/7/74
1166	6/25/74	75.80	Doris M. Fagan	6/74 mtg tvl expenses
1167	6/25/74	292.54	Twin Bridges/ Marriott	ATI Exp - 6/74 Mtg.
1168	6/28/74	127.00	Doris M. Fagan	Net Wages - June 1974
1169	7/ 3/74	23.35	J. L. Tucker	Test Manual - May 1974
1170	7/10/74	11.94	ASBESTOS Magazine	Postage - Jun 1974
1171	7/11/74	43.47	Bell of Pa.	Telephone - Jun 1974
1172	7/11/74	50.00	Cash	Petty Cash Fund
1173	7/15/74	5.50	The Polyglot Co.	French Translation
1174	7/19/74	2,100.00	Interstate Printing Corp.	Test Manual/10% down
1175	7/17/74	23.06	Kwick Print	Promo/1974 Annual Mtg
1176	7/18/74	73.73	Postmaster	6/74 Minutes; 9/74 Notices
1177	7/23/74	135.00	ASBESTOS Magazine	Office Rent 7-9/74
1178	7/23/74	12.09	Pa Dept Revenue	Pers Inc Tax/2nd Qtr74
1179	7/23/74	5.25	Pa Unem Comp Fund	Unem Tax/2nd Qtr 74
1180	7/23/74	162.62	IRS	Inc/FICA Taxes; 2nd Qtr 74

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Page 2 - Asbestos Textile Institute   Fiscal Year ending 8/31/74

Disbursements Voucher   9/1/73 thru 8/31/74

CK #	DATE	AMOUNT	PAYEE	FOR
1181	7/24/74	$ 127.00	Doris M. Fagan	Net Wages - Jul 1974
1182	8/ 7/74	3.46	Iraqi Stdds Board	Book Sale Refund
1183	8/ 7/74	51.50	J. L. Tucker	Test Manual/Jul 1974
1184	8/ 7/74	4.81	Mabel Baudoux Inc	Ten Add. Plates
1185	8/ 8/74	950.00	W. B. Alcorn, Jr.	Legal Svs/2nd Qtr 74
1186	8/ 8/74	2,304.43	W. B. Alcorn, Jr.	Litigation/2nd Qtr 74
1187	8/ 8/74	856.59	Hathaway&Jackson	Litigation/2nd Qtr 74
1188	8/ 8/74	218.90	Service Awards	Gift for President
1189	8/ 8/74	50.00	Cash	Petty Cash Fund
1190	8/ 9/74	45.44	Bell of Pa.	Telephone - Jul 1974
1191	8/12/74	75.00	The Cloister	Reservation/Executive Secretary/Sep 74 Mtg
1192	8/12/74	25.00	North Penn Hosp.	J. Carroll Johnston/ In Memoriam
1193	8/30/74	127.00	Doris M. Fagan	Net Wages - Aug 1974
1194	8/30/74	36.09	ASBESTOS Magazine	Postage - Jul/Aug 74
		$31,175.98		

Total Disbursements - Checking Account -	$31,175.98
Petty Cash Fund -	+ 455.22
	$31,631.20
*Less Checks Drawn for Petty Cash -	- 400.00
ACTUAL TOTAL DISBURSEMENTS:	$31,231.20

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*Drawn for Petty Cash
Fund & not an expense

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74

August 31, 1973 - Balance at end of Fiscal Year 1972-73 (Vouchers #01 thru #34)		$ 87.97
35 -- Repro's of Workmen's Comp. Act	$ 2.65	
36 -- Repro's of Financial Records for Annual Audit	3.50	
37 -- Postage to mail ATI Records to Treasurer for Annual Audit	2.03	
38 -- Batteries for Tape Recorder	7.55	
39 -- Repro's of ANSI Metric Council appeal for Board Meeting 10/3/73	.96	
40 -- Repro's re EPA, OSHA, National Safety Ccl & Textile Machinery Seminar - for ATI Board Meeting 10/3/73	3.51	
41 -- Postage to mail ATI literature to Asahi, Tokyo, Japan	1.45	
42 -- Postage due ASBESTOS' Secretary for month of September 1973	1.60	
		-- 23.25
Balance September 30, 1973		$ 64.72
43 -- Repro's of Auditor's Report and asb/health items for 10/73 Annual Meeting	$ 5.47	
44 -- Repro's of AIA/NA matters	4.67	
45 -- Tapes for Recording minutes of ATI meetings (reusable)	13.20	
46 -- Get well card for P. Nicodemus	.27	
47 -- Repro's re indus. health & safety ...	3.40	
48 -- Repro's of AIA/NA letter to OSHA re Stdds Advisory Committee	3.18	
49 -- Repro's - minutes of 8/73 Adv'y Comm on Noise for L. Dieringer	.75	
		- 30.94
Balance October 31, 1973		$ 33.78

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74
Page 2

Balance carried forward from October 31, 1973			$ 33.78
50	-- Repro's - AIA/NA matters mailed to ATI Member Companies 11/1/73	$14.10	
51	-- Repro's - Draft of talk by Dr. McDonald given at 10/73 ATI General Meet'g.	3.61	
52	-- Repro's - 7-page article from 10/73 Occupational Hazards (9 copies)	6.68	
53	-- Repro's - National Safety Council letter for ATI President	.53	
54	-- Repro's - AIA/NA letters to Today's Health & Occ'l Hazards........	2.87	
55	-- Repro's - NY Senate Stdd Comm on Labor & OSHA Heat Stress Mtg Minutes	3.40	
56	-- Repro's - 9/24-25/73 OSHA Noise Stdds Advisory Committee Minutes	1.06	
			- 32.25
Balance November 30, 1973			$ 1.53
Deposit in Petty Cash Fund via ATI check #1090 12/7/73 ..			+ 50.00
Balance December 7, 1973			$ 51.53
57	-- Repro's - Report of NIEHS-EPA Conference - 11/18-20/73...............	$ 2.55	
58	-- Tip - typehouse.........................	1.00	
59	-- Repro's - AIA/NA letter re FDA/non-asbestos filters proposal.....	3.18	
			- 6.73
Balance December 31, 1973			$ 44.80
Deposit in Petty Cash Fund via ATI check #1111 1/25/74 ..			+ 50.00
Balance January 25, 1974			$ 94.80
60	-- Tip - mimeo (printing) supplies	$ .50	
61	-- Repro's - Income Tax Return	1.59	
62	-- Repro's - Tyler clip/3-page AIA letter	6.91	
63	-- Repro's - AIA/NA data	2.97	

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74
Page 3

Balance carried forward from January 25, 1974		$ 94.80
64 -- Repro's - Tyler clips	$ .96	
65 -- Repro's - Insurance policies/E.J.Leff..	3.28	
66 -- Repro's - Tyler summons #1............	4.67	
67 -- Repro's - Tyler Motion for Adjoinder...	2.44	
68 -- Repro's - QAMA/ASTM E34 Chmn List......	.64	
69 -- Repro's - Tyler/Saffil/Census Form.....	.75	
70 -- Repro's - Heat Stress Stdd Recom.	8.27	
71 - Notary for Tyler Affadavit............	4.00	
72 - County Clerk Certification/Affadavit...	20.10	
		- 57.08
Balance January 31, 1974		$ 37.72
Deposit in Petty Cash Fund via ATI check #1117 2/13/74 ...		+ 50.00
		$ 87.72
73 -- Repro's -Legal/Health/OSHA Speaker.....	$ 4.99	
74 -- Repro's - Legal	9.12	
75 -- Repro's - Tyler papers for Board	7.42	
76 -- Repro's - FR 2/19/74 on Noise	.22	
77 -- Repro's - minutes, etc., from 10/64 ...	.96	
78 -- Repro's - AIA/NA & FR items	4.56	
79 -- Repro's - Legal papers for Board	20.78	
80 -- Repro's - Committee reports to Pres....	1.16	
81 -- Repro's - Minutes/legal matters	2.02	
		- 51.23
Balance February 28, 1974		$ 36.49
Deposit in Petty Cash Fund via ATI Check #1125 3/1/74		+ 50.00
		$ 86.49
82 -- Kay/Yandle Affadavits Notarized	$ 8.00	
83 -- Kay/Yandle Notarizations Certified	24.42	

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74

Balance carried forward from March 1, 1974		$ 86.49
84 -- Postage to mail Handbooks to C.J-M	$ 5.05	
85 -- Repro's - J-M's ltr re membership chg..	.32	
86 -- Repro's - Tyler/$2.23 - Health/85¢	3.08	
87 -- Tapes/Batteries for Tech Comm Mtg	15.76	
88 -- Transportation/ATI Tech Comm Mtg	6.20	
89 -- Repro's - Tyler/$2.97 - Tariff/$4.88 ..	7.85	
		- 70.68
Balance March 31, 1974		$ 15.81
Deposit in Petty Cash Fund via ATI Check #1136 4/1/74		+ 50.00
		$ 65.81
90 -- Repro's - Tyler Litigation	$ 6.68	
91 -- Repro's - Budget for Litigation Mtg ...	8.48	
92 -- Repro's - AIA/NA info for Dieringer ...	3.40	
93 -- Repro's - Litigation	2.97	
94 -- Repro's - Legal Bill/1st Qtr 74	.32	
95 -- Repro's - Tyler Litigation	1.38	
96 -- Repro --- Litigation/OSHA item/Alcorn .	.10	
97 -- Repro's - Noise item for Carden&Dier ..	.43	
		- 23.76
Balance April 30, 1974		$ 42.05
98 -- Office Supplies (notebooks, paper, etc.)	$ 2.52	
99 -- Repro's - 33-page AIA/NA memo..........	10.50	
100 -- Repro's - Indus Hlth/85¢ - Lit'n/10.60.	11.45	
101 -- Repro --- Alcorn letter for Morris.....	.10	
102 -- Repro's - Health items	10.72	
103 -- Repro's - Litigation (to complete set).	.53	
		- 35.82
Balance May 15, 1974		$ 6.23

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74

Balance carried forward from May 15, 1974		$ 6.23
Deposit in Petty Cash Fund via ATI Check #1159 5/21/74......		+ 50.00
		$ 56.23
104 -- Repro's - Litigation (JM & Yandle Motion)..	$ 1.49	
105 -- Repro's - Cadwalader 4/74 invoice	.64	
106 -- Repro's - Litigation/Financial Breakdown ..	4.77	
107 -- Repro's - Nominating & Agenda for Board ...	1.70	
108 -- Repro's - Legal Billing Background	2.12	
109 -- Tape cartridges for 6/74 meeting	10.56	
		- 21.28
Balance May 30, 1974		$ 34.95
110 -- Repro's - Clemson Letter for Alcorn	$ .85	
111 -- Repro's - Copyright Info Stiefken/Alcorn ..	1.70	
112 -- Repro's - AIA/NA info Dier/Carden/Morris ..	5.62	
113 -- Repro's - EPA Adv'y Comm. Mtg. re textiles.	2.02	
114 -- Repro's - Financial Litigation breakdown ..	3.51	
115 -- Repro's - 6/74 draft minutes	2.97	
116 -- Repro's - 6/74 draft minutes	6.79	
		- 23.46
Balance June 30, 1974		$ 11.49
Deposit in Petty Cash Fund via ATI Check #1172 7/11/74		+ 50.00
Balance July 11, 1974		$ 61.49
117 -- Repro's - Litigation/DMF Affadavit, etc. ..	$3.18	
118 -- Repro's - AIA/NA items for Committee Chmn..	1.06	
119 -- Repro's - Litigation/$2.12-Membership/10¢..	2.22	
120 -- Repro's - Test Manual letter to Board	1.17	
121 -- Repro's - Litigation/$4.87-Test Manual/$1.59	6.46	
122 -- Clerical Services	20.00	

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ASBESTOS TEXTILE INSTITUTE
PETTY CASH FUND

F/Y 9/1/73-8/31/74

Balance carried forward from July 11, 1974		$ 61.49
123 -- Repro's - AIA Asb Stdd info to Committees..	$ 8.06	
124 -- Repro's - Litigation/Atty-Client Conf......	.95	
125 -- Repro's - Myers' article to Alcorn.........	1.17	
		- 44.27
Balance July 31, 1974		$ 17.22
Deposit in Petty Cash Fund via ATI Check #1189 8/8/74.......		+ 50.00
Balance August 8, 1974		$ 67.22
126 -- Repro's-Litigation/21¢; Membership/21¢....	$ .42	
127 -- Repro's-Litigation/2.22; Books/43¢	2.65	
128 -- Repro's-Annual Meeting/Reservations.......	6.46	
129 -- Repro's-AIA/NA info to Dier. & Morris.....	3.18	
130 -- Postage/Reservation List/Annual Meeting...	2.10	
131 -- Repro's-AIA/NA info to Dier. & Morris.....	7.00	
132 -- Trucking/Handbooks.........................	10.00	
133 -- Repro's - AIA/NA info to Dier. & Morris...	1.81	
134 -- Repro's - Fall 1974 IHPR for Alcorn.......	.85	
		- 34.47
Balance August 31, 1974		$ 32.75

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Minutes

GENERAL MEETING

Asbestos Textile Institute

SEP 27 1974

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LEGAL SERVICES

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ASBESTOS TEXTILE INSTITUTE

Annual Meeting

September 27, 1974
The Cloister, Sea Island, Georgia

IN ATTENDANCE

AMATEX CORPORATION
- W. Maaskant
- M. J. Scanlan
- H. H. Walter

GARLOCK INC.
- A. Kuzmuk

NICOLET INDUSTRIES, INC.
- G. G. Gabrielson, Jr.

RAYBESTOS-MANHATTAN, INC.
- M. N. Brooks
- P. G. Dolan
- J. W. Hawkins
- R. T. Matthew
- R. O. Moebius
- M. Q. Scowcroft
- W. S. Simpson

SOUTHERN ASBESTOS COMPANY
- E. C. Bratt
- D. E. Childers
- J. W. Echerd
- L. E. Moody

UNIROYAL, INC.
- C. S. Barnwell
- B. E. Carden
- E. A. Morris

ASBESTOS CORPORATION LTD.
- G. F. A. Brink
- P. E. Leclerc

ATLAS TEXTILE COMPANY
- W. H. Johnston

BELL ASBESTOS MINES LTD.
- W. H. Smith

CANADIAN JOHNS-MANVILLE CO. LTD.
- A. C. F. Finkbiner,III, Esq.(J-M)
- J. P. Power

CASSIAR ASBESTOS CORPORATION LTD.
- R. A. Kuntze (Ontario Research Foundation)

LAKE ASBESTOS OF QUEBEC LTD.
- E. A. Farrell
- R. Lefebvre
- R. J. Muth (Asarco)
- C. E. Stiefken (Asarco)

TBA INDUSTRIAL PRODUCTS LTD.
- H. J. Corson, Jr.

ASBESTOS TEXTILE INSTITUTE
- W. B. Alcorn, Jr.,Esq., Legal Counsel (Hull, Towill, Norman, Barrett & Johnson)
- D. M. Fagan, Executive Secretary

Total attendance during the three-day 1974 Annual Meeting was 50 people: 31 members, 1 legal counsel, 1 secretary and 17 spouses; representative of 13 member companies plus the ATI.

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M I N U T E S

1. The 1974 Annual Meeting of the Asbestos Textile Institute was called to order by President Milton Q. Scowcroft at 8:30 a.m., September 27, 1974.

2. President Scowcroft welcomed the attendees to the 30th Annual Meeting of the Institute and following traditional procedure, asked each member to stand and state his name and company affiliation.

3. The following special delegates were welcomed by the President:
   a) William S. Simpson, Chairman of the Board and Chief Executive Officer, Raybestos-Manhattan, Inc.;
   b) Carroll S. Barnwell, a new representative of Uniroyal, Inc.;
   c) Aaron C. F. Finkbiner,III, Esq., Johns-Manville Corporation; and new Chairman of the ATI Ad Hoc Committee;
   d) Richard O. Moebius, Raybestos-Manhattan, Inc., Manheim, Pennsylvania;
   e) Robert J. Muth, Esq., American Smelting and Refining Company, Inc., and its wholly-owned subsidiary, Lake Asbestos of Que-
   f) William H. Johnston, President of ATI's newest member company -- Atlas Textile Company, North Wales, Pennsylvania;
   g) Robert B. Pilmer (not in attendance) was welcomed as a new representative in the Institute; he is General Manager of Garlock of Canada Ltd.

4. Upon President Scowcroft's calling for the reading of the Minutes of the last General Meeting, it was moved by Lawrence E. Moody and seconded by Charles E. Stiefken, and so carried, to dispense with the reading of same.

5. Treasurer E. A. Morris presented the Report of Funds of the Institute for the Fiscal Year to August 31, 1974. On September 1, 1973, the ATI had a balance on hand of $16,118.56. Taking into account receipts during the year of $29,164.08, expenditures of $31,231.20 and nominal amounts for accounts receivable and furniture and equipment, the total net worth of the organization at year-end was $14,066.76.

The latter figure is somewhat misleading because included therein is a Special Assessment to cover the cost of the Tyler Litigation. The actual net worth of the Institute is $5,977.78.

Looking at the projected budget for the new Fiscal Year, to August 31, 1975, the Institute can reasonably expect to generate an income of $15,350.00 from annual dues, book sales, bank interest and other miscellaneous items. However, even with a realistic cutback in expenses, it appears the ATI will just about break even after necessary disbursements are made.

Combined with this are additional expenditures which must be made to cover the Tyler Litigation; estimated to cost in the neighborhood of $12,000.00 through February 1975. This will necessitate

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a second Special Assessment on the Regular Members. The first such assessment on the six (6) Regular Members constituted 125% of each company's regular annual dues. In addition, Johns-Manville Corporation voluntarily contributed a like percentage of the dues it would have paid if it had been a Class A/Regular Member.

It must be obvious to all members that ATI will need all the financial help it can get toward proper handling of the Litigation. Within the next few weeks, all members of the ATI will be receiving a letter from the President of the Institute requesting contributions which will be applied against Litigation costs. It is hoped that each member will cooperate to the best of its ability.

The complete Report of Funds for the F/Y 1973-74 is attached to these Minutes. Alex Kuzmuk moved that the Report be accepted as presented. The motion was seconded by Guy G. Gabrielson, Jr., and so voted, unanimously.

6. The Fiber Producers Report was presented by Walter H. Smith, having been prepared by William J. W. Smith and approved by all member companies of the Committee. Mr. Smith reported that demand for all grades of asbestos fiber, with the possible exception of certain Group 7 fibers, remains extremely strong. Although news accounts report some new orebodies will be put into production in the next few years, there is no indication that any of the mines will be producing Group 3 Spinning Grade fibers. The entire Report is attached hereto.

7. The membership was afforded the opportunity to view the excellent film entitled "Asbestos At Work," produced by the British Asbestosis Research Council and on loan to the ATI via the Asbestos Information Association/North America. The film covers a variety of work practices and situations involving asbestos, some textile and some other, drilling and stripping of insulation, etc. It graphically describes the effective use of dust extraction equipment, vacuum cleaning, waste disposal, and so forth, and illustrates how proper housekeeping techniques ensure the safety and health of the worker who handles asbestos-containing materials.

8. Upon confirming that much of the vital work undertaken by the Institute is accomplished by the Committees, President Scowcroft asked for Committee Reports by the respective Chairmen (a copy of each Report is attached hereto):

Air Hygiene & Manufacturing -- Buel E. Carden, Chairman;
Fiber Research & Testing -- Richard A. Kuntze, Chairman;
  Chrysotile Asbestos Test Manual -- Charles E. Stiefken;
Technical -- John W. Hawkins, Temporary Chairman.

Following Mr. Carden's report, President Scowcroft presented him with a plaque as an expression of ATI's appreciation for the fine job he did as Chairman of the Air Hygiene & Manufacturing

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Committee. Mr. Carden accepted the plaque, giving credit to the members of the Committee and stating it had been a pleasure and a privilege to serve as Chairman for the past two years.

After the report by Mr. Stiefken, President Scowcroft presented him with a plaque, publicly recognizing his service as Chairman of the Fiber Research & Testing Committee. Especially cited was Mr. Stiefken's outstanding work on the Test Manual, one of the most difficult and time-consuming chores of the ATI.

President Scowcroft acknowledged Mr. Hawkins' ably acting as Temporary Chairman of the Technical Committee over the last few months and thanked him for "pitching in" during the interim period until a new Chairman had been secured.

Due to illness, Lawrence F. Dieringer was not in attendance at the meeting. However, President Scowcroft stated that a plaque and letter of appreciation would be mailed to Mr. Dieringer for the excellent leadership he had performed as Chairman of the Environmental Health Committee during 1973 and 1974.

9. President Scowcroft reminded the membership that the Ad Hoc Committee had been established at the last meeting to permit and, in fact, encourage a flow of information between Associate Members and the Board of Governors. A report on the initial meeting of the Ad Hoc Committee was given by A. Kuzmuk in the absence of Aaron Finkbiner, who had to leave the meeting early. The Ad Hoc Committee report is attached to these Minutes.

10. Wendell B. Alcorn, Jr., Esq., presented Remarks of Legal Counsel. The full text of his remarks is attached hereto. In essence, Attorney Alcorn discussed one of the significant changes in the relationship between employers and employees, brought about by OSHA '70; namely, the creation by Federal legislation of a National Commission on State Workmen's Compensation Laws.

11. It was announced by President Scowcroft that the following Officers were elected by the Board of Governors to serve the Institute for the year 1974-75: President--Alex Kuzmuk, Garlock Inc.; Vice President--Edward A. Morris, Uniroyal, Inc.; and Treasurer--Michael J. Scanlan, Amatex Corporation.

12. Also, Chairman Scowcroft announced important committee changes. The Air Hygiene & Manufacturing Committee will be chaired by L. E. Moody and the new Chairman of the Technical Committee is Carroll S. Barnwell. It was further advised that following a long discussion by the Board of Governors concerning possible changes in ATI's committee structure to make it more meaningful and contributory, it was decided to combine the efforts of the Air Hygiene & Manufacturing Committee with those of the Environmental Health Committee. The resultant group will be known as the Environmental Committee. In addition, the Fiber Research & Testing Committee has become a part of the Technical Committee; however, further thought

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will be given to how the committee should be structured so that the Fiber Research & Testing group does not lose its identity.

13. President Scowcroft welcomed Atlas Textile Company, North Wales, Pennsylvania, as a new Class E/Associate Member. The official representative of the firm is its President, William H. Johnston.

14. President Scowcroft sadly advised the membership of the death of J. Carroll Johnston, Founder and Chairman of Atlas Textile Company. Mr. Johnston is well recognized as one of the pioneers and early leaders in the asbestos textile industry in the United States.

15. It was regrettably announced by the President that S.A. Francaise du Ferodo, Ferlam Division, Paris, France, had cancelled its Associate Membership in the ATI.

16. On behalf of the Board of Governors, President Scowcroft announced that ATI's Legal Counsel had been instructed to begin the necessary process toward incorporating the Asbestos Textile Institute.

17. In the interest of economy, President Scowcroft announced that the Board of Governors had determined that future meetings of the ATI should be held in large cities. The necessity for the decision, of course, is based on the serious financial condition of the Institute and especially on the extraordinary expenses that will be incurred as a result of the pending litigation in Tyler, Texas. The President expressed sincere regret that, consequently, the ATI must decline the kind offer of the mining member companies of the Institute to host the June 1975 Spring Meeting in Quebec City. That meeting will be held June 5-6, 1975, probably in Atlanta, Georgia. Other sites cancelled are the 1975 Annual Meeting in Ponte Vedra Club, Ponte Vedra Beach, Florida, and the 1976 Annual Meeting at Savannah Inn & Country Club, Savannah, Georgia.

18. At this point in the meeting the gavel was turned over to Alex Kuzmuk, the new Chairman of the Board of Governors and President of the Asbestos Textile Institute. Mr. Kuzmuk accepted the responsibility with a great amount of pleasure, expressing much awareness of the legal and financial problems which the ATI is currently facing.

19. As his first official duty, President Kuzmuk presented an Atmos Clock to Mr. Scowcroft, in acknowledgment of his two years of hard work and a job well done as Chairman of the Board and President of ATI for 1973 and 1974. Upon accepting ATI's token of esteem and appreciation, Mr. Scowcroft expressed pleasure in receiving such a beautiful gift, read the inscription to the members present, and thanked all the members for the great friendships he has established within the Institute. He said it had been a true pleasure to

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work on Institute matters and that he would continue to attend meetings and to support the ATI in any way that he could.

20. President Kuzmuk's second pleasant duty was to present a token of appreciation, in the form of a lovely terrarium, to "the strong woman behind a strong leader -- Carolyn Scowcroft." Mrs. Scowcroft read the note that accompanied the gift which expressed the sentiments of the members of the ATI and their wives. She accepted the gift with pleasure, stating it would be a beautiful addition to their new home in Charleston, South Carolina.

21. The final announcement made by President Kuzmuk was that the next Winter Meeting of the Institute will be held February 6-7, 1975, at Holiday Inn-Independence Mall, Philadelphia, Pennsylvania.

22. There being no further business to be brought before the membership, E. A. Morris moved for adjournment. The motion was seconded by M. J. Scanlan and unanimously approved by the attending members. The meeting was adjourned at 10:30 a.m.

Respectfully submitted,

Doris M. Fagan

Doris M. Fagan,
Executive Secretary

FIBER PRODUCERS' REPORT

(Presented by Walter H. Smith, of Bell Asbestos Mines Ltd., at the ATI Annual Meeting, September 27, 1974, The Cloister, Sea Island, Georgia)

Demand for all grades of asbestos fibres, possibly with the exception of certain 7 Group fibres, remains extremely strong. In groups 4, 5 and 6, producers are not able to fill all of the requirements. While the demand in Group 3 fibres is also strong, requirements seem to be being met except in the very long spinnings.

While the possibility of some recession in certain parts of the world has been mooted by some economists, fibre producers do not seem to have an indication as yet that this will have any marked effect on their shipments for the balance of 1974. By early 1975, this situation could change but here again there are no familiar indications that such will be the case.

While we have no private knowledge concerning new orebodies said to be coming into production in the next few years, newspaper accounts indicate that United Asbestos are anticipating first production from their Midlothian Township Mine after mid-year 1975. Quoted figures are in the order of 100,000 tons, but spinning fibres have not been mentioned as being part of this production.

Some newspaper accounts would indicate that the Brinco Organization are close to reaching a decision to proceed with the exploitation of the Abitibi Mine in Northern Quebec, with the production of at least 100,000 tons. First production is indicated for some time in 1976 or 1977. Here again, there has been no mention of spinning fibres.

The new Australian mine is currently said to be producing but under receivership conditions. No spinning fibres have been reported in this orebody.

We understand that Pacific Asbestos in California is currently not producing but, of course, this mine did not produce any spinning fibres.

In summary, then, it may be said that although new orebodies would appear to be going into production, so far we have not heard of any which would be producing Group 3 fibres.

W. J. Smith,
Vice President - Marketing
Bell Asbestos Mines, Ltd.

M I N U T E S

AIR HYGIENE & MANUFACTURING COMMITTEE

Asbestos Textile Institute
September 26, 1974 -- The Cloister, Sea Island, Georgia

The ATI Air Hygiene & Manufacturing Committee met on September 26, 1974, with sixteen members and guests present, representative of nine Institute member companies, i.e.:

Amatex Corporation
H. H. Walter

Atlas Textile Company
W. H. Johnston

Canadian Johns-Manville Co. Ltd.
A. C. F. Finkbiner, III (J-M)
J. P. Power

Garlock Inc.
A. Kuzmuk

Lake Asbestos of Quebec Ltd.
E. A. Farrell
R. Lefebvre
R. J. Muth (Asarco)

Raybestos-Manhattan, Inc.
M. N. Brocks
P. G. Dolan
R. T. Matthew
R. O. Moebius

Southern Asbestos Company
E. C. Bratt
L. E. Moody

TBA Industrial Products Ltd.
H. J. Corson

Uniroyal, Inc.
B. E. Carden

A report on a recent OSHA inspection at a member company's plant was discussed -- specifically concerning the weaving area where the dust level was measured by OSHA as being over "5", thus requiring the employees to wear respirators. Having received a request for their assistance and cooperation, the employees worked with management and were able to reduce the dust counts to a point low enough, for a period of three months, so that it was permissible for the workers to remove their respirators.

After due consideration and a full discussion, the Committee respectfully submits the following recommendations to the ATI Board of Governors for further action:

1) In order to improve the time-weighted average, it is the Committee's recommendation that a different method be used to obtain dust samples, i.e.--

   a) In the taking of dust counts, the filter intake valve should be placed in the breathing zone area;

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   b) Dust-count checks on a time-weighted average should be based on a number of 1/2-hour checks over an 8-hour period;

2) Audiometric readings should be used to determine noise levels.

L. E. Moody, a member of the Committee, presented a comprehensive and informative report on the work of the Standards and Technical Committee of the Asbestos Information Association/North America. A written account of his presentation is affixed as Attachment I to this Report.

During the past two years it has been a real pleasure to serve as Chairman of the Air Hygiene & Manufacturing Committee. I had an outstanding group of people with which to work and my thanks go to the Committee and to the ATI for their fine interest, help and cooperation.

Respectfully submitted,

Buel E. Carden, Chairman

Attachment I

Minutes/Air Hygiene & Manufacturing Committee - 9/26/74

RE: STANDARDS AND TECHNICAL COMMITTEE, ASBESTOS INFORMATION ASSOCIATION/NORTH AMERICA

Prepared and Presented by L. E. Moody, Southern Asbestos Company

Late in 1973, the Board of Directors of the Asbestos Information Association/North America decided to form a committee to assist them in matters concerning Standards and technical information. Accordingly, Edmund M. Fenner, of Johns-Manville Corporation, was assigned to chair the Committee and each AIA/NA member company designated a representative to serve as a Committee member.

A Committee Organization Meeting was called by Mr. Fenner for February 6, 1974, at Newark, New Jersey. At that gathering, the first major assignment was given to the Committee, i.e., working with the U.S. Occupational Safety and Health Administration; and more specifically, working directly with the Standards Division of OSHA concerning Standard 1910.93a -- the Asbestos Standard. The assignment was to include the preparation of "Work Practices" for the asbestos industry.

The responsibility of preparing "Work Practices" for the asbestos textile industry was assigned to Larry Moody, with assistance to be given by C. Kennedy, the representative on the Committee from Raybestos-Manhattan, Inc. At the February 1974 meeting of the Asbestos Textile Institute, held at Charleston, South Carolina, assistance was also solicited from Hans H. Walter, of Amatex Corporation, and from Buel E. Carden, of Uniroyal, Inc., to prepare information concerning asbestos textiles.

Since Mr. Kennedy and Mr. Moody were geographically located near each other (Charlotte and Monroe, North Carolina), they met briefly on two occasions before calling together the group of four at Charlotte on February 25, 1974. They soon learned that although they all had departments called Preparation, Carding, Spinning, Twisting and Weaving Departments, there were substantial differences in each area. They, therefore, prepared a "Recommended Work Practice," very general in nature but one that was adaptable to all methods known to be in use.

Mr. Fenner called a four-member Task Group meeting in the offices of AIA/NA, at Washington, D.C., on April 9-10, 1974. The four individuals concerned were Messrs. Fenner and Moody, John P. McGinley

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of Certain-teed Products Corporation, and Frank H. Zimmerman of National Gypsum Company. The Task Group discussed progress to date concerning the preparation of the "Work Practices." On the next day (April 10th), the Task Group met with John P. O'Neill and Harry Gilbert at the OSHA Standard Office. (Mr. O'Neill is Chief of the Division of Health Standards. Mr. Gilbert is the Project Officer in charge of the Asbestos Standard.)

The purpose of the meeting was to review progress and to submit to Mr. O'Neill rough drafts of six typical "Work Practices" for his review and comment. It was understood that this was only rough material and was not to be considered as "submitted" work. Any work or material submitted formally would require the approval of the AIA/NA Board of Directors. Basically, the Task Group wanted to know if the material it was working on would be useful and was the type of information that could be incorporated into standards, if it were prepared in the proper manner. At the time, OSHA was contemplating a complete revision of the Asbestos Standard 1910.93a, or at least was gathering all available information to that end.

Another meeting was held April 24th in Washington, D.C., attended by the entire AIA/NA Standards and Technical Committee and by Mr. Gilbert. (Mr. O'Neill was ill at the time.) At the start of the meeting it was immediately apparant that a major change had taken place. On April 15th, the U.S. Court of Appeals had handed down a decision in favor of OSHA in the Industrial Union Department (AFL/CIO) suit. This court decision vastly decreased the emphasis on "Work Practices." The Asbestos Standard 1910.93a had been upheld.

Rewriting or revising the Asbestos Standard is not now deemed advisable. There may be amendments made to the Standard, such as a reference to "Work Practices," that would apply to all segments of the asbestos industry -- housekeeping, entering fiber to process, waste or scrap disposal, etc.

The AIA/NA Standards and Technical Committee will proceed with the preparation of "Work Practices" on a recommended basis. In all probability the writings will be recognized and/or recommended by OSHA, but will not be mandatory. It is possible that where a recognized "Work Practice" is in use, less monitoring would be required.

During the most recent meeting of the Committee, on September 10th, again held in Washington, D.C., a review was made of all written

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material, recommendations, etc., that it had submitted to date. It was reaffirmed that the Committee would continue with "Work Practices," in line with procedures and methods of manufacturing asbestos-containing products and to provide information for customers or users of asbestos-containing products.

The Committee was invited to remain in D.C. to attend the Industry-Government Conference, sponsored by the AIA/NA and held at the Mayflower, September 11-12, 1974. The format of the Conference was a series of speakers, with question/answer periods following each presentation. The speakers included:

The Hon. John H. Stender, Assistant Secretary of Labor (OSHA);
Sheldon W. Samuels, Industrial Union Department (AFL/CIO);
Leo Teplow, Special Consultant, Organization Resources Counselors;
Paul Kotin, M.D., Johns-Manville Corporation;
Ian C. Campbell, Quebec Asbestos Mining Association (and Vice-President & Secretary-Treasurer, Asbestos Corporation Ltd.);
Michel Lesage, M.D., Medical Advisor, QAMA;
Maurice R. Eastin, Special Consultant to the Administrator (Industrial Affairs), U.S. Environmental Protection Agency;
Daniel P. Boyd, Ph.D., Director, Office of Standards, OSHA;
Lloyd B. Tepper, M.D., Associate Commissioner for Science, Food and Drug Administration (HEW);
Robert Join, Executive Director, Chambre Syndicale de l'Amiance (The French Asbestos Information Association);
Wilfred P. Howard, Asbestos Information Committee (U.K.) (and Group Public Relations Advisor, Turner & Newall Ltd.);
Noel W. Hendry, Vice President and General Sales Manager, Asbestos Fiber Division, Johns-Manville Corporation;
Richard B. Berman, Director of Labor Law, the Chamber of Commerce of the United States.

There were many interested persons in attendance at the Conference, representing other than the regular AIA/NA membership, i.e.:

A/C Pipe Producers Association
ASBESTOS Magazine
Asbestos Textile Institute
Cadwalader, Wickersham & Taft
Commerce Clearing House, Inc.
Frank C. Frantz & Company
Friction Materials Standards Institute
Government Research Corporation

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Hill and Knowlton, Inc.
Job Safety and Health Report
National Association of Filter Manufacturers, Inc.

Asbestos Information Committee (U.K.)
Chambre Syndicale de l'Amiante (France)
Department of the Environment (Canada)
Quebec Asbestos Mining Association

U.S. Bureau of Mines, Department of the Interior, Department of Labor, Environmental Protection Agency, Food and Drug Administration, Occupational Safety and Health Administration -- and several members of the Press.

The Conference was the first of its kind. It was, beyond question, a successful venture and it is hoped that meetings of this type can form a common ground whereby Industry, Government and Labor can define the problems they share and provide the possible means toward establishing "working" answers.

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M I N U T E S

FIBER RESEARCH & TESTING COMMITTEE

Asbestos Textile Institute
September 26, 1974 -- The Cloister, Sea Island, Georgia

The Fiber Research & Testing Committee, ATI, met on Thursday, September 26, 1974, with the following members in attendance:

G. F. A. Brink, Asbestos Corporation Ltd.;
D. E. Childers, Southern Asbestos Company;
C. E. Stiefken, American Smelting and Refining Company;
W. H. Smith, Bell Asbestos Mines Ltd.;

R. A. Kuntze, Chairman -- Ontario Research Foundation
(Cassiar Asbestos Corporation Ltd.)

The main subject discussed was the impending merger with the ATI Technical Committee.

After considerable deliberation, it was agreed to join the Technical Committee in the form of a sub-committee. This would retain the identify of the Fiber Research & Testing group and would permit the formulation of a suitable and meaningful technical program. After the completion of the Chrysotile Asbestos Test Manual, 3rd edition, a new technical program must be established and in this respect, any input from other ATI members would be appreciated.

The first technical subject that has been submitted for consideration is the poor reproducibility of the fiber count procedure via the membrane filter method. The Fiber Research & Testing Subcommittee intends to concern itself with the development of better methods of identifying and counting asbestos fibers. However, the Subcommittee will not deal with hardware or with specification problems.

The above approach has been discussed with John W. Hawkins, of the Technical Committee, and with Larry E. Moody, of the Environmental Committee, and there seem to be no objections.

Respectfully submitted,

R. A. Kuntze, Chairman

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M I N U T E S

TECHNICAL COMMITTEE

Asbestos Textile Institute
September 25 & 26, 1974 - The Cloister, Sea Island, Georgia

IN ATTENDANCE:

Amatex Corporation	-	Wm. Maaskant
Southern Asbestos Company	-	J. W. Echerd
R/M Industrial Products Co.	-	J. W. Hawkins
Uniroyal, Inc.	-	C. S. Barnwell

Comments have been received from the Editorial Committee of ASTM on the Asbestos Roving (D-375) and Asbestos Yarn (D-299). These will be reviewed at the October 16-17 meeting.

The sample of lap being used in the Round Robin test has been lost between Southern Asbestos and Amatex. If not found, this test will be restarted.

U. S. Coast Guard Specification Draft #164.009 on noncombustible material was reviewed. Wm. Maaskant will advise the Coast Guard of our comments. The only change noticed in this draft from the original version was the introduction of the metric system.

The major work during this meeting was the revision of D-628 (Tubular Sleeving). This specification was completed and will be forwarded to the Editorial Committee.

The Fall ASTM meeting will be held in New York, October 16-17. D-13.14 is scheduled to meet at that time. Special recognition will be paid to Paul Nicodemus, chairman.

It was announced that the Fiber Testing Committee will merge with the Technical Committee and an agenda of interest to all must be drawn up for future meetings.

Respectfully submitted,

John W. Hawkins, Acting Chairman

AD HOC COMMITTEE REPORT

Asbestos Textile Institute

Reported to the General Membership on September 27, 1974, by Alex Kuzmuk (Garlock Inc.) for the Chairman, Aaron C. F. Finkbiner, III, Esq. (Johns-Manville Corporation).

The Ad Hoc Committee for the Tyler, Texas, lawsuits convened on Wednesday afternoon, September 25, 1974. The meeting was chaired by Aaron Finkbiner and, of course, the status of the Tyler cases was the principal item on the agenda. A report from Wendell B. Alcorn, Jr., ATI's Trial Counsel in the Tyler cases, was submitted to the Committee and formed part of the basis of the discussion.

As you know, the Tyler cases are two lawsuits in which ATI is one of several defendants. Specifically, ATI is charged with "impeding the flow of information" about health hazards associated with the industrial use of asbestos. ATI has denied the claims of the plaintiffs and also has taken steps seeking to have ATI dismissed from the suits on the ground that the Institute is not subject to suit in Texas.

In July the Court in Tyler held oral arguments on several matters of court procedure. Attorney Alcorn attended the sessions. The Court recognized that the cases could become quite complicated and, therefore, will issue an order shortly concerning the procedure to be followed in the cases. In the meantime, the Court has entered a stay order, effectively halting all procedures in the cases. Once the Court has entered its order on procedure, there are two pending motions awaiting determination.

The first motion which will probably be decided is the motion by one of the plaintiffs to have the case proceed as a class action, with that plaintiff acting as the representative of all former workers at the Tyler plant.

The next motion for consideration is ATI's motion to dismiss because ATI is not subject to suit in Texas. We believe the Court will allow plaintiffs some discovery (that is, steps taken to learn facts held by different persons or organizations) on this question. It was the consensus of the Ad Hoc Committee members that if a deposition (oral questions and answers taken under oath) of ATI is sought, the Executive Secretary of the ATI would be an appropriate witness. A ruling on these motions may not be forthcoming until the end of 1974. Wendell Alsorn will keep the Ad Hoc Committee posted on all significant developments.

At the close of the meeting, the financing of the Tyler Litigation was discussed. The topic received further consideration by the ATI Board of Governors. It was decided that a second Special Assessment on the Regular Members of ATI would be appropriate and that Associate Members would be encouraged to contribute in a like manner.

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REMARKS OF LEGAL COUNSEL
Asbestos Textile Institute Annual Meeting
September 27, 1974; The Cloister, Sea Island, Georgia

This morning, I wish to call your attention to a recent change in the legal relationship among employers, employees and third parties.

In 1970, the Occupational Safety and Health Administration was created and you are familiar with the national legislation that created it. We have had many discussions in the past concerning the effects of OSHA regulations upon the activities and conduct of the business of your companies.

I. WORKMEN'S COMPENSATION

There is another aspect, however, of the OSHA legislation besides items such as inplant inspections, safety standards and asbestos dust exposure regulations. The 1970 federal legislation created a National Commission on State workmen's compensation laws. That Commission has made a study of workmen's compensation laws throughout the 50 States of the Union and has come up with a final report.

The Commission's report is not merely a piece of paper. Various State legislatures are changing their workmen's compensation laws on the basis of facts and recommendations contained in that report. One of the States that has acted is Texas. The reason I focus on Texas is because much of the asbestos-health-hazard litigation has been initiated in the State of Texas, has been decided by courts in Texas, and one of the landmark cases which was decided adversely to the Industry has been affirmed on appeal by the U.S. Court of Appeals for the Fifth Circuit, which sits in New Orleans.

The Texas law governing compensation of employees for injuries sustained on the job and for occupational diseases contracted in connection with their work was changed substantially for the first time since it was enacted in 1913. Many of these changes are irrelevant in the context of the Asbestos Textile Institute, but there are certain pertinent ones which we shall review this morning.

One major change was the broadening of the coverage of the Texas workmen's compensation statute. For example, under prior Texas law, companies having no more than three employees were not covered. Well, that is no longer so. Also, employees of State agencies and political entities were not covered. They now can be.

There also are substantially increased benefits under the workmen's compensation law. An example: The maximum weekly benefit has been

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raised to $63.00 while the minimum weekly benefit has been increased to $15.00. Of perhaps greater long-term significance is the fact that there has been built into the Texas workmen's compensation law an inflation factor which will result in higher maximum and minimum weekly benefits as the Cost of Living Index rises.

There is one very important change that is deserving of our special attention. Prior to September 1, 1973, the insurance carrier, (that is, the one with whom the individual manufacturer or other type of business has its workmen's compensation insurance), had the right to choose the doctor and the medical facilities which would treat an injured or diseased employee. There were certain limitations which affected the right of the insurance carrier to make this choice -- for example, the worker had the right to choose a doctor to render first-aid in an emergency situation. But, generally, the sole choice lay in the insurance carrier. Under the Texas workmen's compensation statute, as now amended, the employee has the "sole right" to choose the doctor and the medical facility.

That's all well and good. However, there has been much criticism raised in the halls of the Texas Legislature to the effect that the employee's new right to choose will encourage the proliferation of what are, perhaps unkindly, referred to as "plaintiffs' doctors".

The Texas Legislature also enacted significant changes in that State's compensation laws with regard to third-party actions. A third-party action is like the lawsuit in which ATI is involved in Tyler, Texas. It is an action not against the worker's employer but against a third-party entity -- such as a miner that supplies asbestos fibers to a production plant in Texas; such as a trade association like ATI which the worker claims impeded the dissemination of information about the health hazards of working with asbestos.

Before September 1, 1973, an employee who allegedly had been harmed by such a third party could not pursue simultaneously an action against his employer <u>and</u> the third party. Now he can do so. He can bring a workmen's compensation claim against his employer in Texas to be decided by the Industrial Accident Board and, at the same time, he can file a third-party suit in the Texas District Court or the Federal District Court if the jurisdiction is appropriate. The third-party action would probably seek damages far beyond the maximum recovery allowed by the Texas workmen's compensation statute.

This has affected the time when an aggrieved worker must bring a lawsuit. Under prior Texas law, the worker could file a workmen's compensation claim with the Industrial Accident Board, wait until

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that claim was adjudicated (that is, finally decided) and then, within two years, sue the third party -- the person who supplied the fiber, or the trade association, or whatever other entity might be connected with the particular industrial accident or occupational disease. The reason the employee had to sue within two years is that the general statute of limitations in Texas that governs the time in which one must bring suit after he has suffered a personal injury is two years. The effect of this on companies doing business in Texas is that a worker who now files a compensation claim in Texas and waits until that claim is finally adjudicated, which may take over two years, and then seeks to bring a third-party action against a supplier, for example, is subject to being barred from pursuing that case by the applicable statute of limitations.

It is possible under the new Texas law, which is not too dissimilar to compensation laws which have been adopted in other States, that the worker may sue a third party and choose not to claim against his employer. If the worker has already received compensation benefits from the employer's insurance carrier, the insurance company may be subrogated to the rights of the worker in the third-party action. Let us say, for example, worker John Doe had his arm severed in an industrial accident. He brings a claim for statutory workmen's compensation, which is allowed. He then sues the manufacturer of the machine that had the nerve to cut off his arm. He claims the machine was poorly manufactured and did not incorporate appropriate safety factors. The insurance company that paid the original compensation benefits can now intervene in the third-party lawsuit and take up the sword against the manufacturer of the machine.

There is also an obligation under the new Texas legislation for compensation insurance carriers to undertake "loss prevention services". I predict that anyone doing business in Texas, or in another State that has adopted a similar provision, will learn about this in the very near future (if they have not already done so).

The Texas Insurance Code, in conjunction with the Workmen's Compensation Act, has been amended to require carriers to provide accident prevention facilities as a prerequisite to writing insurance in the State of Texas. This includes educational programs which the insurance companies must offer to insured employers and present to employees through field safety representatives. The State Board of Insurance of Texas has authority to enforce this requirement against the insurance companies. I think particularly in industries such as those producing asbestos materials and asbestos products, insurance carriers are going to be very careful to present what they view as programs to help prevent occupational disease. The individual companies who operate in States

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that adopt this approach are possibly going to be at odds with some of the presentations which are prepared by insurance carriers.

The term "occupational disease" has been redefined in the Texas workmen's compensation statute, pursuant to recommendations by the previously mentioned OSHA Commission. Under the old Texas statute there were listed approximately 31 different occupational diseases (and, incidentially, asbestosis is one of them). The amended definition is open-ended and, therefore, is subject to broad interpretation.

No longer is there a list of specific occupational diseases to which an employee must refer in order to file a claim for workmen's compensation benefits. Occupational disease is now defined as including "damage or harm to the physical structure of the body occurring as a result of repetitious, physical, traumatic activities extending over a period of time." This means that anything which occurs in the workplace long enough that has any adverse, physical effect upon the body is compensable under the workmen's compensation statute. This, at least theoretically, does away with the requirement, which existed under the old law governing workmen's compensation cases, that the employee prove that the alleged occupational disease was the result of an "accident".

II. COMPARATIVE NEGLIGENCE

There is another subject I would like to address in addition to workmen's compensation. It is directly related to the cases pending in Tyler.

The date September 1, 1973, has a good deal of significance for Texas lawyers because many legislative changes became effective at that time. In addition to the changes in the workmen's compensation statute discussed previously, the State of Texas did away with the doctrine of contributory negligence.

In the area of tort law, the doctrine of contributory negligence was developed in England many years ago. Essentially, the doctrine says that if an injured person who comes to the court as plaintiff is found to have contributed to the harm of which he complains, he is guilty of contributory negligence. Under the old English common-law viewpoint, it is somewhat analogous to saying that the plaintiff has "unclean hands" with respect to the particular accident -- and therefore should not be able to recover any of his damages from the defendant. That remained the law in Texas until September 1, 1973, when Texas adopted the doctrine of comparative negligence.

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The practical application of comparative negligence, among those of the various States which adopted it, varies greatly. There are several versions of comparative negligence statutes. Texas enacted a modified comparative negligence statute and adopted a relatively conservative approach, compared to some other States.

Generally, the Texas Statute provides: The plaintiff, in order to recover any damages, must be found to have been no more negligent than the defendant. That is, if both the plaintiff and the defendant are guilty of 50% negligence, the plaintiff can still recover. If the plaintiff is 51% negligent (and bear in mind that this is usually a question for the jury) and the defendant is only 49% negligent, the plaintiff is barred from recovery. Remember the common-law doctrine of contributory negligence -- if the plaintiff was 1% negligent and the defendant 99% negligent, the plaintiff was barred from recovery. So the adoption of comparative negligence is a big change.

Where there are multiple defendants in a Texas case, such as the Tyler litigation, the plaintiff's negligence (for example, if he failed to wear a respirator after he had been instructed to do so), in order for him to recover, cannot exceed the combined negligence of all the defendants. If the plaintiff is awarded judgment against several defendants, each defendant must contribute toward satisfying the judgment in proportion to the percentage of his causal negligence.

For example, assume a plaintiff is found to have been 30% negligent in the cause of the subject accident; Defendant A was 15% negligent; Defendant B 15% negligent; and Defendant C 40% negligent. In this hypothetical situation, the plaintiff could recover and Defendant A would be required to contribute 15% of the actual damages suffered by plaintiff, Defendant B 15%, and Defendant C 40%. If actual damages to plaintiff were $50,000, Defendant A would have to contribute $7,500, Defendant B $7,500, and Defendant C $20,000 -- making a total of $35,000. The plaintiff could not recover the remaining difference ($15,000 between actual and awarded damages) due to his 30% causal negligence.

This does not mean, however, that a defendant's liability for damages to the plaintiff is necessarily limited to his percentage of total negligence. The Texas statute retains the common-law rule that defendants are jointly and severally liable for the entire amount of the judgment awarded. However, the statute contains an important exception: If a defendant is less negligent than the plaintiff, he is liable only to the extent of his individual negligence. This exception to the general rule of joint and several liability of multiple defendants does not apply in cases where the

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negligence on the plaintiff's side is less than that of each defendant.

Obviously, the recent adoption in Texas of comparative negligence may have important significance for ATI as a defendant in the Tyler cases. We shall continue to keep you advised as developments in those lawsuits occur.

Respectfully submitted,

Wendell B. Alcorn, Jr.,Legal Counsel

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ASBESTOS TEXTILE INSTITUTE Fiscal Year ending August 31, 1974

Report of Funds - (Period: September 1, 1973, thru August 31, 1974)

Balance on Hand September 1, 1973 --		
General Fund	$ 2,683.68	
Reserve Fund	13,346.91	
Petty Cash Fund	87.97	
Total on Hand at 9/1/73		$16,118.56
Receipts		
General Fund - Dues for Year 1973	$ 125.00	
Book Sales	159.13	
Magnetite Samples	25.00	
Reserve Fund - Dues for Year 1974	14,250.00	
Interest to 6/30/74	1,238.15	
Special Litigation Fund	11,250.00	
QAMA Test Manual Deposit	2,116.80	
Total Receipts		+29,164.08
		$45,282.64
Disbursements		
Legal Retainer & Expenses (to 6/30/74)	$ 5,755.98	
Secretary's Gross Wages	2,100.00	
Taxes on Wages Paid by ATI	159.12	
ATI Meeting Expense (10/73, 2/74 & 6/74)	1,737.39	
Secretary's Meeting/Travel Expense	619.85	
Telephone (8/73 thru 7/74)	607.22	
Printing Supplies/Services	484.61	
Postage	547.51	
Office Supplies & Miscellaneous	215.14	
Revision of Test Manual (J.L.Tucker)	171.84	
Test Manual/printing deposit	2,100.00	
Rental of Office Space	540.00	
Accountant (Caruso - F/Y 72-73)	300.00	
ASTM Dues for Year 1974	25.00	
Gifts/Flowers/Plaques, etc.	307.24	
Insurance	125.00	
Litigation: Office Expenses	215.13	
Sec'y Travel Expenses (4/74)	149.39	
ATI Meeting Expenses (4/74)	7.18	
Legal Services (to 6/30/74)	15,063.60	
Total Disbursements		-31,231.20
BALANCE ON HAND AUGUST 31, 1974. . .		$14,051.44
Funds as of August 31, 1974 --		
General Fund	$ 1,416.83	
Reserve Fund	12,601.86	
Petty Cash Fund	32.75	
TOTAL AVAILABLE FUNDS AUGUST 31, 1974. .		$14,051.44
Assets as of August 31, 1974--		
Total Funds as listed above	$14,051.44	
Accounts Receivable - Book Sales	9.32	
Magnetite Samples	5.00	
Furniture & Equipment (Nominal Value)	1.00	
TOTAL ASSETS		$14,066.76
TOTAL LIABILITIES.		--
TOTAL NET WORTH AUGUST 31, 1974 . . .		$14,066.76

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Total Net Worth:	$14,066.76
Litigation Fund:	- 8,088.98
Actual Net Worth:	$ 5,977.78

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ATI-137

DENNY MARKUSON.

ASBESTOS TEXTILE INSTITUTE -- LITIGATION DEFENSE FUND

ESTABLISHED: APRIL 1, 1974 PERIOD: 2/5/75 THRU 4/30/75

CASH BALANCE ON HAND AS OF FEBRUARY 5, 1975		$ 17,260.53
RECEIPTS --		
2/14/75 - Lake Asbestos of Quebec Ltd. . . .	$ 937.50	
3/10/75 - Asberit S/A	468.75	
TOTAL RECEIPTS 2/5/75 THRU 4/30/75		+ 1,406.25
		$ 18,666.78
DISBURSEMENTS --		
4/17/75 - W. B. Alcorn,Jr./part of Checks #1274 & 1275 . .	$ 1,523.54	
4/29/75 - Transcript of Deposition of Dr. Grant . .	325.58	
TOTAL DISBURSEMENTS 2/5/75 THRU 4/30/75		- 1,849.12
		$ 16,817.66
Less Office Expenses 9/1/74 thru 4/30/75		- 381.69
CASH BALANCE ON HAND AS OF APRIL 30, 1975 . . .		$ 16,435.97

RECAP SHOWING PICTURE OF ENTIRE LIFE OF THE FUND:

Total Receipts	$ 28,128.13
Total Disbursements	- 11,692.16
	$ 16,435.97

UP-DATE TO SHOW FINANCIAL STATUS AS OF 5/30/75:

Cash Balance as of 4/30/75	$ 16,435.97
Check #1290, 5/21/75, for Transcript of Deposition/Dr. Johnson .	- 240.00
	16,195.97
Check #1289, 5/21/75, to Hathaway & Jackson for Legal Services 1/1/75 thru 4/28/75 .	- 1,073.81
Cash Balance as of 5/30/75	$ 15,122.16

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