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W.L.V.

MINUTES OF THE 131st MEETING OF THE DIRECTORSOF THE QUEBEC ASBESTOS MINING ASSOCIATIONHELD ON APRIL 4th and 5th, 1974AT THE MIJAS HOTEL, MIJAS, SPAINTHURSDAY, APRIL 4th, 1974

There were present:

Messrs.:	W.W. Oughtred	President
	M. Dorais	Director
	J.R.M. Hutcheson	Director
	M. Prus	Director
	M.J. Messel	Director
	P. Casgrain	General Counsel for the Assoc.
	Dr. M. Lesage	Medical Advisor
	P.A. Filteau	General Manager & Secretary

There were also present:

Messrs.:	J.O. Eby	Chairman of Industrial Relations Committee
	R.P. Gagnon	Chairman of Traffic Committee
	I.C. Campbell	Chairman of Legislation & Taxation Committee and of Public Relations Committee
	L.C. Piuze	Chairman of Environmental Control Committee
	K.V. Lindell	Chairman of Occupational and Environmental Health Committee
	A.H. Bagenstose	Carey-Canadian Mines Limited
	N.W. Hendry	Johns-Manville Corporation
	R.L. Hennebach	American Smelting & Refining Co.
	A.S. Johnson	Asbestos Corporation Limited
	D. Poutiatine	Johns-Manville Corporation



W.J.W. Smith	Bell Asbestos Mines Limited
W.L. Stribling	Jim Walter Company
W.L. VanDerbeek	Johns-Manville Corporation
J.S. Autry	ACPPA

The President of the Association, W.W. Oughtred, acted as Chairman and P.A. Filteau as Secretary of the meeting.

The Chairman declared that a regular notice of meeting had been mailed to all the Directors of the Association and said notice was ordered to be entered at length in the minute book of the Association.

There being a quorum, the Chairman declared the meeting duly constituted.

On behalf of the Directors of the Association, the Chairman extended a cordial welcome to Mr. J.S. Autry, Chairman of the Board of the Asbestos Cement Pipe Producers Association (ACPPA) and to Dr. M. Lesage, newly appointed Medical Advisor to the Association.

The minutes of the 130th Meeting of the Directors of the Association held on January 28th, 1974, were duly approved as read.

The Committee Chairmen were then requested to report.

UNIFORM CLASSIFICATION & GRADING, AND TECHNICAL COMMITTEE

New printers' quotations have been requested for the Third Edition of the Chrysotile Asbestos Test Manual and it is expected that the printing cost will be somewhat higher.

The Subcommittee on the Quebec Standard Test has made revisions of the Q.S. Machine which should reduce the manufacturing cost by some \$750.

INDUSTRIAL RELATIONS COMMITTEE

The Workmen's Compensation assessments for 1973 and 1974 have increased considerably due to the indexing of compensations to cost of living and the change in wage ceiling coverage from \$6,000 to \$9,000. This also resulted in an increase of \$0.30 in the mutual rate to \$1.10 for 1973. The provisional rate for 1974 is \$3.00 per \$100 of payroll.

A meeting of Drs. Duval, Bellemare, Cartier and Grainger was held recently to review the awarding of miners' certificates. 35 cases were held in abeyance and requested to submit a S-9 form. It would seem that Dr. Duval is trying to foresee possible developments in the diagnosis of industrial diseases. He contends that if there is a slight change in the X-ray photograph, the employee should submit a claim to the W.C.C.

Recent moves by the Department of Social Affairs would lead us to believe that there is a concerted effort to take over the Industrial Clinics. In this regard a preliminary meeting of Counsel, the Medical Advisor, a C.J-M representative and the General Manager was held in Quebec City to review and discuss certain attempts to force local doctors in joining the C.L.S.C. It is planned to meet with Government authorities on this question, in the near future.

The Unions are giving considerable publicity to the coming negotiations. The Chairman of the Committee pointed out that the employers should stress the difference in salaries paid by the mining industry versus other industries. It was suggested that the Producer "prepare articles on comparable salaries and wages paid by various companies in the Province of Quebec and in Canada."

TRAFFIC COMMITTEE

The Chairman of the Committee recalled that he had reported difficulties in negotiating shipping rates at the last meeting and that

he had to say that matters had not improved.

To obtain space on vessels it would seem that the solution is "chartering". There is an urgent need to meet with the Japanese to solve this shipping problem. Eternit and Pont-à-Mousson Corporations might even join our Association in negotiating shipping rates. If a separate company is formed, then the latter is subject to all sorts of Government controls. What is really needed is a forwarding agent.

We have lost complete control over the rates and routing on our Japanese shipments, expected to be between 150,000 and 200,000 in 1974. We are still short of space for 100,000 tons. Consequently we must sit with the Japanese companies and count to a satisfactory arrangement. It is important that we negotiate at the group on total volume of shipments. Accordingly the Chairman wishes to be authorized to call a meeting with the Japanese in Vancouver, with the Vice Presidents for Sales and the members of the Traffic Committee in attendance, in an effort to obtain better rates and sufficient space on their vessels. This request was agreed to by the Directors.

All mines are experiencing difficulties in getting containers. While railroads are trying to keep them rolling with all sorts of penalty charges for delays, it seems that this problem will exist for some time.

MATERIALS HANDLING COMMITTEE

Tests conducted by the CPR on bulk loading with standard Hopper car, equipped with Vibrascrew feeder have been successful; unloading of 6-D and Floats was equally successful without blockages and arching of fibre. At present, there is no general policy as how to charge for shrink wrapping of asbestos. The Materials Handling Committee would like to recommend that the cost be paid by customers and that

common rules be established for this purpose. It is therefore moved that the members of the Materials Handling Committee and Sales representatives hold a meeting to review the cost of the highest shrink wrapping used for export purposes (including steel wrappings and pallets). The Directors suggested to go ahead with the meeting.

LEGISLATION AND TAXATION COMMITTEE

The Chairman reviewed briefly the new B.C. Royalty Act proposed by the Minister of Mines of that Province. Basically, the Act provides for an initial royalty of 2.5% on the "net value" of a "designated mineral" rising to 5% in 1975. In addition to the basic royalty there will be an additional royalty of 50% levied on the excess of the "gross value" over 120% of a predetermined "basis value", i.e. a sort of excess profits tax. The fear, of course, is that other Provinces will follow soon. It would seem however that the Province of Quebec is not interested in following B.C.; moreover it would not apply to the older asbestos mines since they were established prior to 1880, where the land is held in fee simple.

Bill C-4 "An Act to Amend the Export and Import Permits Act", is a first blow from the Federal Government in the war for further processing of natural resources in Canada. The new Act would provide export control on any article processed in Canada from a natural resource produced in Canada, which control is not rendered ineffective by reason of the unrestricted exportation of that natural resource. In theory the weapon is thus at hand in the event that the Government wishes to control the export of asbestos with a view of encouraging further processing at home.

PUBLIC RELATIONS COMMITTEE

In view of the unfavorable publicity as regards further processing of asbestos, marketing board, etc., it is recommended, pointed out the Chairman, that the Industry take a more positive and aggressive

plan. In a memorandum dated February the 27th, the Chairman requested that basic financial data be provided by member companies on a confidential basis in order that such information may be used to correct the situation through articles in the press. It seems that two companies object to the completion of the questionnaire submitted and the Chairman plans to review the matter with the people concerned.

The President and Counsel reported on their meeting with the Prime Minister concerning the asbestos marketing board. This is a hot issue at the Cabinet level, even at the Federal Cabinet level. Obviously the Provincial Government wishes to attract or expand secondary industry in the Province through possibly a double price structure in the case of asbestos. Through the assistance of Counsel, the President was able to submit to the Prime Minister the idea of setting up a committee of industry and Government representatives to study the economics of manufacturing in Quebec. A consulting firm such as Arthur D. Little of Canada Limited could be retained by the Committee to do the leg work. The Association and the Government would pay the expenses of the study on a 50-50 basis. If it is shown that additional processing can be carried out in Canada, then the industry should try to convince some of its customers to establish plants in Quebec or elsewhere in Canada.

It is therefore moved and seconded that a study on the manufacturing of all asbestos products (including asbestos-cement products) be carried out jointly by Industry and Government as per above. Adopted.

The General Manager reported that three Federal and Provincial Departments were actively conducting studies on the further domestic processing of asbestos, namely the Federal Department of Energy, Mines and Resources, the Federal Department of Industry, Trade and Commerce, and the Provincial Department of Natural Resources. People from these various Departments have been contacting the Association and member companies in this connection.

ENVIRONMENTAL CONTROL COMMITTEE

The Threshold Limits for Dust Concentration inside the Plants, as adopted by the Directors as of September 28, 1973, were submitted and favorably received by the Provincial Department of Natural Resources. The Threshold Limits, however, established by Ottawa for controlling particulate matter in ambient air are extremely strict. In Ottawa, the Environment Department has a very large staff and seems to be determined on imposing rigid specifications for the quality of ambient air with a maximum of 120 micrograms per cubic meter for a 24-hour period and a maximum of 70 micrograms per cubic meter on an annual or monthly duometric average. Apparently the only filter acceptable at the Federal level is the bag filter system.

At a meeting of the Committee held on March 26th, 1974, an asbestos emission questionnaire proposed by the Federal Air Pollution Control Directorate was reviewed and comments forwarded to W.A. Lemmon, of Ottawa, and it is expected that a new form will be submitted in due course.

The ASTM Committee E-34 is looking into the OSHA regulations; it is possible that the membrane filter may be set aside and replaced by the best technical control equipment available.

Dust filters on dryer exhaust are being installed at several plants and it is evident that member companies will have, in addition, to make an effort to control dust emissions from mining operations in order to meet the requirements of both the Federal and Provincial Departments for the Protection of the Environment.

Bill C-3 recently tabled by Environment Canada proposes the setting up of a Federal Advisory Committee; it is hoped that a representative of the Industry will be appointed to this Committee.

TREASURER

The Treasurer tabled revised figures regarding distribution of 1974 I.O.E.H. expenditures.

It was moved and seconded that the appointment of Dr. M. Lesage, as Medical Advisor to Q.A.M.A. be ratified as per letter of the President W.W. Oughtred dated March 25, 1974. Salary and other expenses of Dr. Lesage to be charged against allowable I.O.E.H. budget. Carried.

NEW BUSINESS

The General Manager briefly reported on his meeting with business associations of Thetford Mines and delegations from various surrounding locations to discuss further domestic processing of asbestos. In his opinion, the overall discussion was quite successful and it is hoped that some light has been shed on the question. Judging from the coverage in the media the general reaction was positive.

COMMENTS ON GENERAL BUSINESS CONDITIONS

Johns-Manville sales and earnings reached all-time highs in 1973. The asbestos-cement pipe business is very good in U.S. and Canada and should increase by 20% in 1974. There is a tremendous expansion of asbestos-cement production around the world. Johns-Manville has now some 102 plants around the globe. The paper business is also very good and calcium-silicate insulation cannot be produced in sufficient quantities to meet the demand. Things are going quite well. It is also hoped that a new process will make it possible to put 30 to 40% of group 7 fibre in P.V.C. pipe. In U.S.A. consumption of fibre glass products has increased by 15%.

In the case of Asarco, the metal business in 1973 was a banner year with sales of over \$1 billion. 1974 projections are so good that it is terrifying, in spite of the lower automobile business. In the coal industry OSHA regulations, etc., have raised the cost of production and lower the productivity of employees, resulting in a loss of \$11 million for a production of 23 million tons in 1973. Even with good asbestos demand, there are still some problems. Let's hope that all companies will work together to face common problems. 1974 is the 75th Anniversary of Asarco.

As regards Turner & Newall from England the political and economic climate is very difficult. Bell Asbestos production has increased by 20% in 1973 and the management hopes to meet health standards in its asbestos processing plant.

The Jim Walter Corporation is rather dependent on the residential market. Sales in 1974 might increase by some 10%, but earnings only by 5 or 6%. It is a year of development especially in coal production. Contracts, however, are now on a fixed price basis in case same continue to escalate. The Federal Government has challenged the acquisition of Panacon, because of the existing competition in the roofing business. 1973 has been a very good year for Carey-Canadian. Forecast for 1974 and 1975 is optimistic, the only cloud being the negotiations for a new labour agreement.

As for Asbestos Corporation things are going better and the first quarter of 1974 has been very encouraging. Another problem has been experienced at Nordenham, Germany, but no delay expected and repairs should be completed by July in time for shipments from Asbestos Hill. Asbestos production for 1974 is sold out and committed for a full year.

COMMENTS ON POLITICAL SITUATION

The Provincial elections turned out a little better for the Liberal Party than forecasted, but the new Government must be very careful.

The P.Q. has recently founded a newspaper called "Le Jour"; its contents, however, are below expectation. If René Levesque quits as President of the Party, the P.Q. will lose a great many supporters.

There might be an election in Ottawa possibly in October and even sooner and it would seem that the Liberals might obtain a working majority.

The increasing use of French as the working language in Quebec has not been contested to any great extent and should be generally accepted as a normal requisite by business and industry.

1974 FALL MEETING

The Fall meeting of the Association will be held at the Casa Blanca Inn, Scottsdale, Arizona from October 2nd over the 6th, 1974.

ADJOURNMENT

There being no further business, the meeting then adjourned.

CERTIFIED CORRECT

Secretary

Chairman