

**PLAINTIFF'S
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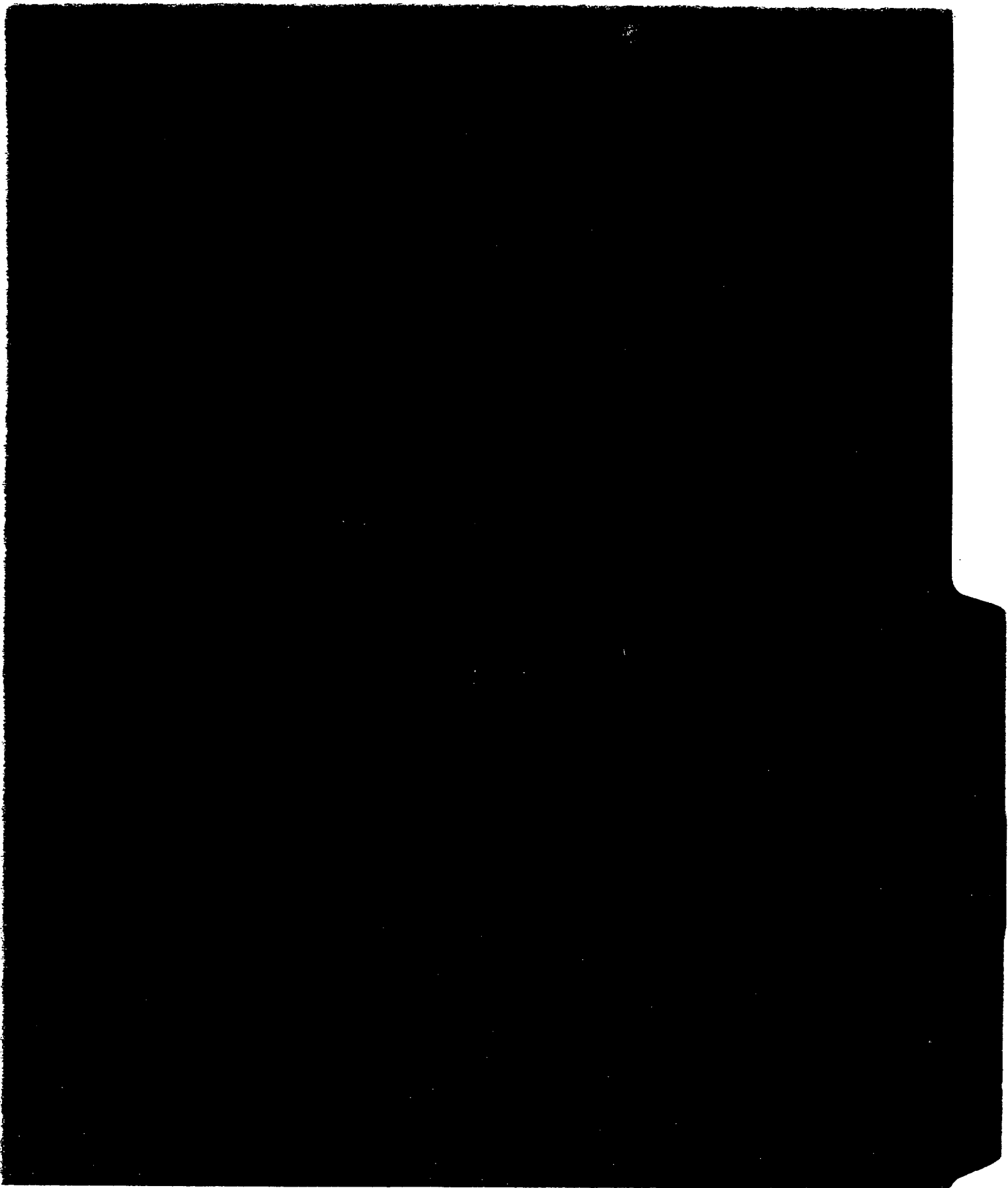
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ORIGINAL B-LEVEL BOX NO. 134th Board Meeting of QAMA

PRODUCTION BOX NO. ~~39~~ 39-AC

FILE NO. 7545

FILE NAME 134th Board Meeting of QAMA

MINUTES OF THE 134th MEE'ING OF THE DIRECTORS
OF THE QUEBEC ASBESTOS MINING ASSOCIATION
HELD ON OCTOBER 3rd and 4th, 1974 AT THE CASA BLANCA INN,
SCOTTSDALE, ARIZONA

THURSDAY, OCTOBER 3rd, 1974

There were present:

Mr. W.W. Oughtred	President
Mr. M. Dorais	Vice President
Mr. J.R.M. Hutcheson	Director
Mr. M. Prus	Director
Mr. M.J. Messel	Director
Mr. P. Casgrain	General Counsel for the Association
Dr. M. Lesage	Medical Advisor
Mr. P.A. Filteau	General Manager and Secretary

There were also present:

Mr. R.B. Gresham	Chairman of Industrial Relations Comm.
Mr. R.P. Gagnon	Chairman of Traffic Committee
Mr. L.C. Piuze	Chairman of Environmental Control Comm.
Dr. K.V. Lindell	Chairman of Occupational and Environmental Health Committee
Mr. A.H. Bagenstose	Carey-Canadian Mines Limited
Mr. N.W. Hendry	Johns-Manville Corporation
Mr. R.L. Hennebach	American Smelting & Refining Co.
Mr. D. Poutiatine	Johns-Manville Corporation
Mr. W.J.W. Smith	Bell Asbestos Mines Limited
Mr. W.L. Stribling	Jim Walter Corporation
Mr. W.L. VanDerbeek	Johns-Manville Corporation
Dr. G.W. Wright	Chairman, Scientific Committee - IOEH

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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 duly 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. R.B. Gresham, recently appointed Chairman of the Industrial Relations Committee, attending an outside meeting of the Association for the first time.

The minutes of the 133rd Meeting of the Directors of the Association held on August 16th, 1974 were duly approved.

Since one of the attendants had to leave early, item number 4 was moved to the head of the agenda.

COMMENTS ON GENERAL BUSINESS CONDITIONS

Johns-Manville is enjoying a good year in 1974 with sales running close to \$1.1 billion, as compared to \$905 million last year. Company earnings are expected to reach \$85 to \$90 million in 1974. The Pipe Division is the fastest growing business; the problem is to get proper pricing; as a producer of both PVC plastic pipe and transit asbestos-cement pipe, expected sales in 1974 will amount to 700,000 tons of pipe valued at \$164,000,000.

The company is increasing very actively its asbestos producing capacity and, by 1976-1977, its overall output of fibre should reach one million tons from its several operating mines. Another

expansion of \$5 million is on its way at the Jeffrey Mine in order to increase group 7 capacity. The company will also be opening a new talc mine in Canada sometime next year. On the whole the Canadian Division is very strong.

It might also be mentioned that the platinum development in Montana is coming on very well and has great potential.

Nevertheless, J-M's mining operations on the international scene have taken on broad dimensions in recent years, with a total network of 14 mines throughout the world.

As regards Asarco the first six months of operations indicate a record year in the metal business. Admittedly the automobile industry is down by some 40% and as a result the demand on metal products suffers. The cost of wage negotiations is in the order of \$3.00 per hour and employment cost will reach some \$10,000. per man in 1975. In general, costs are increasing in excess of 15% every year; yet, on the whole, the metal business has been excellent.

The fibre business is good and with the present expansion of operations at Lake Asbestos, the plant should reach a capacity of 240,000 tons in 1975. Internationally the outlook is also very promising with people looking for long-term contracts. The only fear is the labour problem which the Industry will face at the end of the year.

Bell Asbestos expects to produce 65,000 tons of fibre in 1974 on a six-day week basis. The company is presently modernizing its mill.

Business at Atlas Asbestos in Montreal is reported as being good.

Cassiar Asbestos, unfortunately, is having production problems and it is expected that Clinton operations will be closed by end of 1978.

Jim-Walter Company is also having a very good year. Sales are up 15% to \$1.25 billion and earnings from \$54 million to \$68 million or \$3.75 per share. There is, however, a softening in the demand for building products, as a result of the decrease in housing starts. Unless housing starts pick up in the coming year, the situation might be very damaging to the tile business. Over the long term, however, residential housing should take off with a fantastic demand.

Up-to-date in 1974, the fibre business has been very good for Carey-Canadian Mines, although there are indications of an oversupply of short fibre used in tile manufacturing possibly due to a shortage of resins. In general 1975 should be a better year than 1974 with an expected 15% increase in the production of asbestos tiles.

At this point, in answer to a question, it was reported that United Asbestos (Allied Mining) was expected to start production at its Midlothian Township Mine in April 1975 and to reach full production by July of the same year.

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Asbestos Corporation is doing better than in any previous year. Earnings are at a record high of \$4.00 per share. Sales are expected to reach \$110 million in 1974 and possibly \$140 million in 1975, on the basis of an expected overall tonnage of 480,000 tons.

Nordenham is operating on three shifts as of September at an annual rate of 140,000 tons. A second unloader is to be erected at the plant in order to have enough material to continue operating on a three-shift basis.

ACL is making money, but all of it must be plowed back into the business. Markets are strong, with long-term contracts, but receivables are a problem and pressure must be brought to bare through threat of no supply in order to activate payment of invoices.

In the case of Asbestos Hill cost of going underground will amount to some \$30 million with a capacity of 4,000 tons per day; as regards the Penhale orebody underground development is estimated at \$30 million for a capacity of 7,700 tons and should be ready by 1981.

The Committee Chairmen were then requested to report.

UNIFORM CLASSIFICATION AND GRADING COMMITTEE

In the absence of the Chairman, the General Manager asked for approval of a cost-of-living adjustment granted to all University of Sherbrooke employees for the period of June the 1st, 1973 to May 31st, 1974, as well as of an annual increase of about 4% for Sherbrooke Lab employees. The amount of the cost-of-living adjustment for the Sherbrooke Lab personnel is some \$4,049.

Since authorizing such payments is automatic, as per contract with the University, approval was given by the Directors.

TECHNICAL COMMITTEE

In his review of present activities the Chairman advised in his written report that four test methods had received full standard status and had been accepted by ANSI, namely the Sampling (A-1), McNett (C-1), Dyckerhoff (D-2) and Rapid Surface Area (D-3) tests. Four more are about to be accepted by ANSI, i.e. Definitions (A-2), Screen Analysis (B-2), Color (G-1), Moisture (G-4). Finally six more QAMA tests are being processed by ASTM D30.03: Quebec Standard (B-1), Wet Classification (C-5), Crudy Content (E-1), Freeness (D-7), Strength Unit (F-2), Rheology (G-7/8).

At the 13th Plenary Meeting of ISO/TC-77 in Copenhagen May 13-17th, 1974, the representatives of QAMA and Canada expressed opposition to the proposed change in scope of this Technical Committee to include the specification of asbestos fibre. The matter was differed to a Consultative Committee to report at the next meeting.

INDUSTRIAL RELATIONS COMMITTEE

According to the Chairman, all unions seem to prepare for early negotiations, with emphasis on substantial wage increases and cost-of-living escalators.

The Committee wishes to recommend that the present services of the Safety Consultant, Neil George, be continued.

The Chairman wishes to emphasize that a number of pneumoconiosis claims have increased tremendously, probably as a result of union pressure and publicity accorded recently to some outstanding awards. Claims are even filed by ex-employees several years after retirement.

Following a study of the possible impact of W.C.B. internal directive number 102, which implies advance assessments for the benefit of possible survivors in cases of permanent partial disability

awards, representations were made by the Committee to exclude member companies from such assessments and be charged only at time of death of said incapacitated people. In view of the above,

IT IS THEREFORE RESOLVED THAT Q.A.M.A. request to be excluded from Directive number 102 and THAT member companies agree to redistribute among themselves on an equitable basis pension costs payable in the future to survivors, as well as their share of the deficit (\$247,000) in the industrial disease capital account, so as not to affect the Merit Rating System in its present application. Seconded and carried.

At this point, the Chairman proposed on behalf of the Directors and the members of the Committee a vote of appreciation to Mr. J.O. Eby who has served as Chairman of the Committee for the past ten years. The General Manager will inform Mr. Eby accordingly.

TRAFFIC COMMITTEE

The Committee has met on September the 24th to discuss the following questions:

- a) Star Bulk 1975;
- b) Our approach towards Japanese conference in 1975;
- c) Service to Australia;
- d) Possibility of charter to both Continental Europe and United Kingdom;
- e) CP/CN terminal charge;
- f) Truck rates 1975 (They request a further increase of 20%);
- g) Container shipments to the United States.

Minutes of meeting on above topics will be mailed to all the Directors and committee members very shortly.

MATERIALS HANDLING COMMITTEE

The Materials Handling Committee has conducted studies on bulk loading and wrapping of palletized asbestos bags.

The Materials Handling Committee would like to see more standardization, not only in the field of packaging of asbestos, but also in the field of pallets and wrapping. All members are still experimenting, in the areas of bag sizes, types of bags, pallet changes, several methods of wrapping or strapping of different sizes and weights of units. Several member companies are also experimenting with high density blocks which will require no covers, others are trying production of asbestos in the form of pellets using different additives.

The Materials Handling Committee is planning to call a meeting with sales representatives, as soon as more precise facts about the costs of these different methods of handling asbestos can be presented.

LEGISLATION AND TAXATION COMMITTEE

A) TAXATION

As indicated in previous reports there is no doubt that the mining industry is going to end up paying higher taxes in 1975 than before. The previous federal budget, over which the Government fell last Spring, anticipated considerably higher taxes on the mining industry, but in the light of action taken by Ontario and British Columbia, the October federal budget will likely make some allowances for a higher rate of provincial tax now being paid by the mining companies in those two provinces.

The extent, however, to which higher taxes will be paid by the Quebec mining industry in 1975 and future years depends on how

much additional revenue Quebec wants from the mining industry. In this connection, meetings have been held with Quebec taxing authorities and the Joint Committee of the Q.A.M.A. and the Q.M.M.A. in an attempt to exchange views on the subject. A joint brief to the Provincial Government will be submitted, putting forth the ideas of the Industry in this connection.

B) LEGISLATION

The Chairman attached to his report a copy of the Canadian Manufacturers' Association bulletin number 4454, which sets forth in the absence of specific regulations the interpretation of the Association of Bill 22 and its effect on the business in the Province of Quebec. Counsel also tabled the interpretation of his firm as regards the provisions of Bill 22 of interest to persons carrying on business within the Province of Quebec and advised all present to study same carefully. It is important to note that the Act might be applied and perhaps interpreted in accordance with regulations that have not yet been published. Indications are that it will be at least two months before they are published. The Chamber of Commerce of the Province of Quebec has also prepared an interpretation of Bill 22 as to the obligations of business presently operating or of persons expecting to set up in business in this Province. Copies of the document can be obtained from the head office of the Chamber in Montreal.

PUBLIC RELATIONS COMMITTEE

The Chairman of the Committee in his written report, read by the General Manager, reviewed briefly the program and the discussion which took place at the AIA/NA Meeting in Washington, September 10th to 12th, last, which he attended. His remarks dealt more specifically with the contribution of the QAMA in the field of integrated research on the biological effects of asbestos in the past eight years

through the I.O.E.H. of Montreal. It appeared that the US Government Agencies concerned with the asbestos/health hazard are spending a great deal of time on providing rules and regulations to protect the worker and the general public. The major area of concern seems to be the question of asbestos in water and other fluids, exemplified by the Reserve Mining case in Duluth.

As had been proposed at a previous meeting of the Association, and following a survey of wages paid in other industries, it was agreed not to publish in the Producer a comparative review of earnings and salaries paid in a number of geographical areas as compared to the asbestos mining sector, since the industry is no more the leader and a story of this nature might raise some contention against which the Industry would have little defense.

At this point, the General Manager briefly reviewed the Industrial Minerals Tour conducted on the occasion of the 10th Commonwealth Mining Congress from September 8th to September 14th, 1974, and on behalf of the participants expressed a message of appreciation and thanks to the officials of the mining companies and the people of the mining communities for their tremendous hospitality and fraternity. The visitors insisted on stating how favorably impressed they were by the unrestricted exchange of information during their tour of mining and milling operations.

As announced at the meeting of August the 16th, 1974, an International Conference of Professional Associations and Asbestos Information Bodies will take place in Paris, November 28th and 29th next, as a successor to the Conferences held in London in 1969 and 1971.

Many events have taken place since, both at national level and at international level, such as the I.A.R.C. Conference on the Biological Effects of Asbestos (Lyon - October 1972) and the I.L.O. Meeting of Experts on the Safe Use of Asbestos (Geneva - December 1973). National Government Departments and international organi-

zations are showing growing interest in occupational safety and hygiene and in general environment problems, and this interest results in all sorts of inquiries, surveys and legislative measures. The media everywhere have continued to attack asbestos and asbestos products, regardless of the fact that the asbestos/health problem is now more clearly understood and that international authorities do not support sensational interpretations of the medical facts.

The Asbestos Information Committee and Chambre Syndicale de l'Amiante (C.S.A.) have therefore decided to organize another international conference of asbestos associations and information bodies, to assess the current situation, to exchange information and experience, and to consider the possibility of taking constructive and practical measures to foster international co-operation for the benefit of the asbestos industry everywhere.

As regards the attendance of Q.A.M.A. and I.O.E.H. delegates to this Conference, the Directors agreed to leave the matter to the Public Relations Committee for their recommendations at an early date.

A dummy of the proposed Asbestos English/French Lexicon was shown by the General Manager explaining that he hoped that the pocket-book publication would come off the press by the end of October. Copies will be distributed to all employees.

ENVIRONMENTAL CONTROL COMMITTEE

The Chairman informed the meeting that Environment Canada was in the process of distributing its final asbestos emission questionnaires to individual companies. It is suggested that each company file one complete questionnaire by the end of October for each operating plant.

Environment Canada has also made a preliminary survey of emissions from primary drills, crusher house and mill at C.J-M. This study will be repeated on a larger scale during the first two weeks of October at Canadian Johns-Manville and the last two weeks of October at Lake Asbestos of Quebec, Limited.

In recent months several plants have completed major improvements in suppressing exhaust dust emissions and the Committee recommends that other plants should make an all-out effort to improve their control of dust on tailings dumps and to use bag filters on the exhaust of their drying plants. The overall image of the industry depends on the individual dust control performance of each and every plant.

TREASURER

A request for an advance of \$2,000. (without interest) was submitted by the General Manager on behalf of the General Committee of the Third International Conference on the Physics and Chemistry of Asbestos Minerals, which will be held at Laval University in Quebec from August 17th to the 21st, 1975. This money is to allow the Committee to undertake printing of publicity material as well as copies of technical papers for advance distribution to interested participants. The Association will be reimbursed as soon as registration fees are received in the coming months. There will be a visit of asbestos operations during the Conference.

The Q.A.M.A. statement of taxes, dues and donations for 1973 will be released as soon as certain missing data from member companies are filed with the auditors, Riddell, Stead & Co.

REMARKS BY THE PRESIDENT OF THE ASSOCIATION

The meeting was informed that the proposal made by the Q.A.M.A. to the Quebec Government to undertake a joint study on the feasibility

of further processing of asbestos in Quebec had been deferred at the request of the Minister of Natural Resources, Mr. Gilles Massé, on the grounds that the Department of Natural Resources had already undertaken such a study on its own and consequently did not at the present favour the idea of a concurrent study. Counsel added that the question of an asbestos marketing board under the Provincial Government had been dismissed as a solution and that the Minister or his Deputy of Natural Resources would advise him as soon as their report and recommendations were completed and ready for submission to the Provincial Cabinet. Counsel is awaiting further notification and plans to meet with several members of the Cabinet accompanied by the General Manager. It should be noted here that the Federal people are interested and would be willing to have an outside engineering firm conduct a joint study on the various aspects of further domestic processing of asbestos.

NEW BUSINESS

Provincial Mines Ministers' Conference: - The General Manager plans to attend said Conference which will be held in Moncton, N.B., October 6-8, 1974. The main topics on the agenda are mining taxation, reporting and exchange of exploration data, and the poor performance of Statistics Canada in their reporting of mineral statistics. A Joint Meeting of the Provincial Mining Associations will also be held on this occasion; this meeting provides an opportunity to exchange views on recent and proposed Provincial and Federal legislative actions.

COMMENTS ON POLITICAL SITUATION IN CANADA AND QUEBEC

With Liberal Governments both in Ottawa and Quebec, the political situation, according to Counsel, should be fairly stable in the coming months. There is, however, some opposition to the recently enacted Bill 22 as well as some pressure from the various political parties in the matter of controlling and filtering future foreign

investments in Canada. The coming Federal budget, it is hoped, may alleviate the temptation of a political confrontation between the two levels of Government, provided that the Federal Government will make sufficient allowance for Provincial levies on the mining industry, thus resulting in greater economic benefits to the Provinces from their natural resources.

FUTURE MEETINGS

December 9, 1974 - Chateau Frontenac, Quebec City: - This meeting will be preceded by a reception on December the 8th at the Chateau Frontenac from 6:30 p.m.

April 2nd to the 6th, 1975 - Mauna Kea Beach Hotel, Hawaii: - Direct daily service by mainland air carriers to and from Hilo Airport.

October 2nd to the 5th, 1975 - Southampton Princess Hotel, Bermuda

March 10th to the 14th, 1976 - Ponte Vedra Beach Club, Florida

Suggestions have also been made for Denver, Colorado, in the fall of 1976, Mexico City for the spring of 1977 and Geneva for the fall of 1977.

ADJOURNMENT

There being no further business, the meeting then adjourned.

CERTIFIED CORRECT

Secretary

Chairman

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