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NATIONAL PRODUCTION AUTHORITY
Washington, D.C.

Minutes

Meeting of
ASBESTOS FIBRE AND TEXTILE MANUFACTURERS INDUSTRY ADVISORY COMMITTEE
October 18, 1951

Ray H. Coultrap, Miscellaneous Metals and Minerals Division, IPA
GOVERNMENT PRESIDING OFFICER

Committee Members
(*Present at Meeting)

- | | |
|--|--|
| * A. J. Scanlon
American Asbestos Textile Corporation
Norristown, Pennsylvania | Ernest Muehleck
Keasbey & Mattison Company
Jubler, Pennsylvania |
| * John G. Schoopf
Aston-Hall Manufacturing Company
Philadelphia, Pennsylvania | * J. A. Bottes, Jr.
Raybestos Manhattan, Inc.
Manheim, Pennsylvania |
| * C. H. Carlough
Carolina Asbestos Company
Davidson, North Carolina | * Gustav Walters
The Russell Manufacturing Company
Middletown, Connecticut |
| R. J. Hinkle
The Garlock Packing Company
Palmyra, New York | * George S. Fabel
Southern Asbestos Company
Charlotte, North Carolina |
| * Frank J. Waken
Johns Manville Corporation
New York, New York | * R. E. Cryor
Union Asbestos & Rubber Company
Chicago, Illinois |
| * H. E. Sunbury
United States Rubber Company
New York, New York | |

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Other Industry Representative

Richard C. Mcbonigal, The Garlock Packing Company, Palmyra, New York

Government Attendance

National Production Authority

Harry B. Sharpe, Miscellaneous Metals and Minerals Division
C. E. Roxbrough, Miscellaneous Metals and Minerals Division
Rex E. Greaves, Office of Industry Advisory Committees
H. R. Kaplan, Office of Public Information
Justin N. Feldman, Office of General Counsel
William A. White, Sr., Miscellaneous Metals and Minerals Division

Other Agencies

Joseph H. Chilcote, Department of the Navy
Wallace Barlow, Department of the Navy
H. D. Lytton, Defense Production Administration
Ralph Muir, Economic Cooperation Administration
L. E. Siefert, Department of the Navy
H. P. Walker, Department of the Navy
H. S. Spaulding, Department of the Navy
Lt. D. A. Moodham, Department of the Navy

PURPOSE OF THE MEETING

The Asbestos Fibre and Textile Industry Advisory Committee met on October 18, 1951, to discuss the current supply and inventory position of the industry; Navy requirements of asbestos cloth; export controls; and a proposed limitation order.

Mr. Ray H. Coultrap (Chief, Asbestos Section, Miscellaneous Metals and Minerals Division, NPA) was the Government Presiding Officer. Messrs. William A. White, Sr., Director, and Harry B. Sharpe, Deputy Director, Miscellaneous Metals and Minerals Division, participated in the meeting.

INTRODUCTORY REMARKS

Greater effort should be made in the coming months to divert the dwindling supplies of spinning grade asbestos fibre to the purposes for which it is most needed, Mr. Coultrap told the committee. He added that conferences held in Canada with the Canadian asbestos producers since the last meeting did not result in a promise of increased shipments. The Canadian producers did indicate, however, that there will be no decrease in shipments during the coming months.

SUPPLY PICTURE

A poll of the committee revealed that the industry is currently operating on a hand-to-mouth basis and that there is little hope that the supply of

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asbestos fibre will improve in the near future. The consensus of the committee was that the supply picture will be worse in 1952 than in 1951, and a few members feared that they may even be forced to cease production for a time in order to conserve fibre.

The principal mines in Canada, which normally sell asbestos fibre on a once-a-year basis, have failed to deliver all the fibre they have contracted to deliver in 1951, members reported. The growing consumption of asbestos textiles and the mining of leaner asbestos ores have probably contributed to the deficiencies in delivery to the United States.

Although asbestos deposits in British Columbia and Newfoundland may eventually become important sources of supply, they offer no immediate solution to the supply problem, Mr. Coultrap reported. The reluctance of the Canadian producers to commence shipments at this time, he continued, is due to a provision of the Canadian tax laws which allows a three-year tax exempt period from the date the first shipment is made. Producers, therefore, are reluctant to make a first shipment until they have their facilities in full operation following discovery of the ore. An effort is being made to obtain special dispensation from the Canadian Government for shipments prior to the commencement of the three-year tax-free period, Mr. Coultrap said.

In the case of Newfoundland, its Government has appropriated \$75,000 to assist in the development of the mine. Information regarding the possible development of the Newfoundland deposits should be available within 30 to 60 days.

INVENTORY POSITION

The Committee reported that the small inventories with which they began the year 1951 have been declining constantly and will be exhausted by the end of the year. Accumulation of new inventories, therefore, is unlikely, they said.

Reports available in Mr. Coultrap's office, he said, indicate that the inventory position of the industry at the end of 1949 was 5,168 tons of crude 1, 2, and all other grades of Canadian chrysotile, that, at the end of January 1950, the inventory had shrunk to 4,264 tons, a decrease of 17½ percent, and that at the end of June 1951, the inventory figure had shrunk to 2,496 tons, a decrease of 41½ percent. Production during the first six months of 1951 represented 61 percent of the 1950 total, while consumption was 70 percent of the 1950 total.

The members stated that the difference between the production and the consumption figures may be due to the use of less wire, with weighting by another element on the one hand, and a lower grade of fibre on the other. The use of lower-grade fibre is uneconomical, they said; asbestos consumption increases as the grade of fibre decreases.

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NAVY ASBESTOS CLOTH REQUIREMENTS

Mr. Stanley Spaulding (Department of the Navy) distributed a tabulation which indicated that the Navy has firm requirements for 885,200 square yards of asbestos cloth for the period November 1951 to June 1952. Contracts for 170,000 square yards have been awarded, but the Navy has been having difficulty in obtaining bids for the remaining 701,500 square yards. Bids for an additional 183,000 square yards will be offered soon, he added.

A member reported that he had received a large order from the Central Procurement Office in New York, purportedly covering asbestos cloth required in the conversion of a carrier located at Newport News, and four others. Other information indicates that the cloth ordered for the conversion at Newport News had been ordered previously. The member therefore suggested the possibility of duplication in the Navy's placing of orders. Mr. Spaulding stated that 102,000 square yards of cloth is needed in the conversion of each carrier. He will communicate with the office which originated the order in question to determine whether any duplication is involved.

EXPORT CONTROLS

To help increase the availability of spinning grade asbestos fibre for use by the industry, Mr. Coultrap stated, OIT is preparing an order which will limit the issuance of export licenses by the Office of International Trade, and only after consultation with NPA. He explained that about 1,398 long tons of Canadian crude and spinning fibres were exported from this country during each quarter of 1950. Through cooperation between NPA and OIT, that figure has shrunk to 488 long tons in the first quarter of 1951; 394 long tons in the second quarter; 170 long tons in the third quarter; and, in the fourth quarter, extremely little asbestos fibre will be exported. It is anticipated, Mr. Coultrap continued, that the reduction of exports will soon improve the availability of crude and spinning fibres for domestic use.

An export control order to be issued shortly will require NPA concurrence before an export license may be issued. Open end control would be of particular advantage in connection with applications from the military departments for approval of proposed exports to the allied and the occupied countries. The alternative of specifying a quantity that might be exported in a given period would not be sufficiently effective in controlling exports, Mr. Coultrap explained.

Committee members endorsed the proposed export control order and recommended that its issuance be expedited.

PROPOSED LIMITATION ORDER

For the purpose of obtaining the committee's advice and recommendations, Mr. Coultrap distributed copies of a proposed limitation order which would restrict the use of spinning grades of chrysotile asbestos fibre to specified end uses.

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In answer to a question, Mr. Coultrap stated that he was unable to estimate the actual savings that could be achieved by the proposed limitation order. There is a difference of 5,000 tons between the amount of asbestos imported and the reported domestic consumption and exports, he continued. Even if the proposed order succeeds in doing nothing other than diverting these 5,000 tons to essential uses, the order will have served its purpose.

Type 32.--As to whether Canadian Type 32 should be included in the order, the members pointed out that this fibre was not included in WFB Order M-283; that only limited quantities of it are used; that the asbestos textile industry would be unable to absorb large quantities; and that this might conflict with the distribution pattern of Canadian miners. Type 32 is used, however, by magnesia pipe insulation manufacturers and lime silicate manufacturers to compensate for the shortage of amosite. The consensus of the group was that the Magnesia Association should be consulted before the order is issued.

Waste.--The members stated that this section should be made a little more restrictive, possibly by placing a ceiling price on waste. Mr. Coultrap pointed out, however, that price fixing is not an NPA function.

Schedule A.--It appeared to be the consensus of the committee that, since some of the proposed prohibited uses would affect production in certain segments of the industry, three alternative courses of action should be considered. These alternatives are: (1) To leave Schedule A in its present form; (2) to eliminate it in its entirety; or (3) to permit each user of asbestos to manufacture up to a certain percentage of a base period level.

In discussing a representative base period, members pointed out that production of civilian-type end items has been reduced voluntarily, and military-type end item production has been similarly increased in 1950. Miners' strikes decreased the supply of asbestos fibre during 1949 and, consequently, the fibre inventory in 1950. It was pointed out if any individual company were to feel that the base period was not representative as to that company, they could apply for an adjustment or exception.

After full discussion it was the consensus of the committee that the order is needed and should be issued. Mr. Coultrap thanked the committee for its suggestions and stated that they would be studied further.

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