ATLAS ASBESTOS COMPANY LTD.

35/17-8

PLAINTIFF'S EXHIBIT TN 2085

Minutes of the Meeting of the Executive Committee of Atlas Asbestos Company Ltd., held at 5600 Hochelaga Street, Montreal, on Tuesday, February 27,1979.

PRESENT: Messrs: W. Gallant
L.J. Adams
F.A. Betts
E. Cotran
H. Hamelin

3875 CHAIR:

Mr. W. Gallant took the Chair; Mr. F.A. Betts acted as Secretary of the Meeting.

3876 MINUTES:

The Minutes of the Meeting of the Executive Committee held on January 30,1979 having been circulated to the Members were taken as read and duly signed by Mr. Gallant.

Items arising in last Minutes: The Chairman advised the Committee Members that as a result of further discussions with the Company's auditors concerning the deferred tax position, it was felt in light of the Canadian Institute of Chartered Accountants recommendations, the full amount of the deferred taxes should be removed from the financial statements. The Group Controller has been advised of the necessary entry and the accounts have been adjusted by a $1,136,001 credit to the profit and loss reducing the net loss for the year to $1,841,695. *

The Engineering Manager advised the Committee Members that he is actively seeking an additional Engineer to assist in completing tasks originally put back until 1980, however, agreed at the previous Meeting (Minute #3871), to move forward due to immediate savings upon completion of same.

The quotation for Certain-teed is being prepared (Minute #3851) and will be forwarded immediately for the supply of 10,000 tons of pipe as well as 48,000 fittings. The Vice President-Marketing advised the Committee Members that the pipe order if received, may be split between raw pipe and finished pipe depending upon the requirements of Certain-teed.

3877 FINANCIAL STATEMENTS:

Financial Statements drawn up to February 3,1979 and a report on operations for the five weeks ended on that date were reviewed by the Committee.

Net sales for the month were 34% of Plan and standard margin for the month, excluding strike cost, was 44% of Plan. The rate standard margin for the month was 7.6% points over budget. The cost of the strike for the period January 1, until January 18,1979 was $318,300.

The trading loss for the month was $181,700 and the loss for the month, including the cost of the strike and interest on the bank loan was $509,100.

Cash flow for the month was a negative $479,000, however, a review of the items on the cash flow statement indicated a positive cash flow from the operations excluding the cost of the strike and capital expenditures.

3878 CUSTOMER ADJUSTMENTS:

A schedule detailing 14 customers adjustments in excess of $100 for the period was reviewed and approved by the Committee. These adjustments totalled $18,620.98 of which the approximate cost to the company is $18,000.

3879 EMPLOYEE HEALTH & WELFARE:

There were 6 accidents in the Plant during the period under review of which 5 of the accidents resulted in lost time. The percentage of lost time to scheduled work for the period was 0.09 and for the corresponding period last year the percentage was 2.28. The considerable reduction is a result of an increased awareness on the part of the foremen to ensure proper safety precautions are taken by the works employees. There were no new asbestosis cases reported during the period and at February 3,1979 cases numbered 207.

The Vice President-Marketing advised the Committee Members that the Marketing Technical Service Manager will be taking a lead role in the information discussions which will be held with various Canadian Governmental authorities on the asbestos content in asbestos cement pipes. A preliminary meeting has been held with Johns Manville Canada Inc, The Asbestos Cement Pipe Producers Association and ourselves to compile a submission to the Alberta Department of Labour who had issued a draft Bill covering the use of asbestos based products.

The Chairman advised the Committee Members that a second notice had been received from the City of Montreal concerning the dumping through our sewer system of excess solids into the city system. The Engineering Manager advised that he had already spoken to the city on this matter,and requested sufficient time for the various environmental projects presently underway to curtail this problem, be implemented, however, it would appear a second notice was automatically sent. The Production Manager and the Engineering Manager have undertaken to meet with the city officials and to receive in writing from the city officials the necessary time delay to permit proper instalation of the environmental control machinery.

3880 ACCOUNTS RECEIVABLE:

The Members examined a statement showing the average days outstanding at 59 as compared with 59 days at the end of December, 1978.

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3890 CLERICAL STAFF SALARY SCALE:

The Director of Human Resources presented to the Committee schedules detailing revised Clerical Staff Salary Scales effective March 1,1979. The cost of living index for the previous twelve months was an increase of 8.9% and the proposed salary scale increase is 8%. The Committee approved the proposed increase of 8% effective March 1, 1979.

3891 KEY TASKS:

The respective Members of the Executive Committee gave a verbal summary of the progress of their key tasks for 1979. The Chairman advised the Committee Members that a purchase/sales agreement has been forwarded to National Polymer Concrete Corporation for the purchase of 80% of the outstanding common shares of Plastibéton Inc. as well as the purchase of the goodwill and know-how with respect to polymer concrete held by National Polymer Concrete Corporation. The Chairman will be preparing in draft for review by legal counsel, the required submission to the Foreign Investment Review Agency prior to the purchase/sale being completed.

The Marketing Vice President advised the Committee Members that the key tasks for January were all started on time, however, the strategic marketing plans which were projected for completion as of January 31,1979 were still in preparation.

The Chairman advised the Committee Members that the accounts receivable objective set by the Finance Division will in all probability be delayed by one month.

Considerable discussion took place concerning the Technical Department task of using more Quebec fiber to replace the Cassiar fiber in 1980. The Production Manager was concerned that the progress todate has fallen behind and requested the Chairman to discuss the matter with the Technical Department Manager since fiber bids for 1980 must be made in July of 1979. Prior to bid date, the company must be satisfied with the furnish for pipe production made from using more Quebec fibers and less Cassiar fibers.

All other tasks were on schedule and as a result of the Management Conference on February 22, the Committee felt that there was a great awareness by all Managers of key tasks in each department and of the company's overal objectives for 1979 and preliminary objectives for 1980.

3892 PUBLIC LIABILITY ACTIONS AGAINST THE COMPANY:

The Secretary reported the following actions in which plaintiffs were claiming compensation for health damages caused by asbestosis;

PLAINTIFF	AMOUNT ($)
Roy Jones, Action in the State of Ohio	$3,000,000
Frank M. Houlehan, Action in the State of Ohio	3,000,000
Paul C. Quinton, et ux, Action in the State of Tennessee	2,500,000
Joseph G. Maloney, Action in the State of Ohio	3,000,000
Bill G. White, Action in the State of Ohio	3,000,000
Robert E. Getz, Action in the State of Ohio	3,000,000
Kay Meece, Action in the State of Tennessee	1,000,000
Richard McClarnon, Action in the State of Ohio	3,000,000
Constance G. Osteen, Action in the State of Nebraska	1,000,000
Robert L. Tice, Action in the State of Ohio	Not quantified
Curtis L. Myles, Action in the State of Ohio	4,000,000
Leo F. Gorie, Action in the State of Ohio	3,000,000
Glenn H. Adams, et ux, Action in the State of Tennessee	2,500,000
George Arthur Rose, Sr., Action in the State of Tennessee	2,500,000
Harold & Robbie Colston, Action in the State of Tennessee	5,000,000
R.L. McKenney, et ux, Action in the State of Tennessee	5,000,000
Samuel David Disney, Action in the State of Tennessee	3,000,000
George D. Maloney, Action in the State of Ohio	2,500,000
Lester Frye, et ux, Action in the State of Tennessee	3,000,000
Allen Joe White, et ux, Action in the State of Tennessee	1,500,000

Also, the following actions in the State of South Carolina in which the plaintiffs were claiming compensation for health damages caused by asbestosis have been dismissed;

PLAINTIFFS

John S. Ruff
John E. White
Charles Donald Turner
Evelyn White
Earl Tuck
William J. Buff
Charles S. Mullenix
Vinson P. Millhollan
Oliver Hancock
Raleigh A. Hodges
Clyde Taylor
Ralph Wilson
James Preyer, Jr.
Kenneth E. Stevens
Larry A. Hill
Moye N. Chancey & Virginia T. Chancey
Leon Davis
William Dudley
Doss P. Arrowood
Ocie Huggins & Elizabeth Mae Huggins
Gary L. Smith
Levy J. Scott
Robert W. Quattlebaum
Clarry Donald Brown
Bobby R. Taylor & Margaret F. Taylor
Jerome Kaminski
Wayna B. Duncan
Radford Eller
James William Parker
John David Brinson
Lawrence R. Ashburn
Hoke Shirley

PLAINTIFF

Larry A. Hill
Billy Joe Bowers
J.E. Crouch
Peter L. Crouch
Raleigh A. Hodges
Oliver Hancock
James H. Wicker

The total amount of actions where damages which were quantified which have been dismissed in South Carolina during the period under review were $26,500,000. h

It was noted that actions against the company totalled 341 and damages (which were quantified) amount to $837,676,000. h !!!

3893 TURNERS BUILDING PRODUCTS LTD.:

The Members examined the financial statements for the five weeks ended February 3,1979 and a report on operations. Sales for the period under review were $291,700 and the pre-tax profit was $40,500. The planned pre-tax profit was $50,000, however, as a result of the Cassiar strike in December 1978, Bell Asbestos Mines, Ltd. fiber was purchased for this location and the increase of raw material cost resulted in a profit 20% less than the plan. Cash flow was positive for the month and the excess cash not required for the operation was loaned to Atlas Asbestos Company Ltd.

3894 DATE OF THE NEXT MEETING:

It was agreed that the next Meeting should be held at 5600 Hochelaga Street, Montreal, on Monday, March 26,1979.

THERE BEING NO FURTHER BUSINESS TO TRANSACT, THE MEETING WAS ON MOTION, TERMINATED.

Chairman