

The RUBEROID Co.

HYDE PARK, VERMONT

For Attention Mr. W. G. Neel - New York

Date June 15, 1965

Copy to Messrs. Sweeney, Limerick, Sell,
Laskoski

Reference

Subject ASBESTOS FIBER REPORT - MAY 1965

Just as a matter of clarification, I would like to point out that we are still "not out of the woods" regarding Hooker fiber orders. According to the information we have, we are scheduled to ship 52.2 tons of Hooker #1 and 3R between now and July 5th. Our inventory at 8:00 A.M. June 14th, was 4.8 tons. With 18 operating days remaining, I would estimate that we could just about meet these commitments providing we do not make any other ^{Hooker} shipments.

The Hooker #2 is even more critical because of the 300 tons of 4K which is scheduled to be shipped about July 1st. This is a little too early to estimate just how we are coming out on this grade, however, right now the situation does not look too good.

On the second page of your report you mention "to clean up the fiber". Any equipment that we might install to make our short fibers more suitable for use in the manufacture of floor tile would not be for the purpose of cleaning up or reducing the pan material. It would be used to refine the fibers and to improve them so that they would be acceptable for use in floor tile. It might even be that some of the short streams which we are now discarding would have to be added back to the shorts flow to come up with the desired results.

I. E. Matthews

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IEM/vv

PLAINTIFF'S
EXHIBIT

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The Chairman referred to the resolution passed at the November 29, 1955 (No.10) meeting of the Executive Committee, in which he and the President were authorized, at their discretion, to proceed with the Los Angeles project involving an expenditure of approximately \$1,235,000. He pointed out, however, that for various reasons, including the fact that we have not yet been able to make arrangements to secure an adequate supply of dry felt, both he and Mr. Woodward recommended that we give prior consideration to the erection of a dry felt mill at Savannah, Ga. (with the addition of certain changes in our Gloucester felt mill facilities) referred to in the minutes of the meeting of the Board of Directors (No.4) held on November 29, 1955. The total expenditure is estimated to be \$4,000,000, involving the following average annual profits (over a 10-year period):

<u>Savannah:</u>	Profits on felt contract with Johns-Manville	\$105,240
	Savings in freight on our own requirements	114,000
<u>Gloucester:</u>	Profits on proposed felt contract with Mannington Mills, Inc.	63,000
	Reductions in felt cost on our own requirements	72,000
	Total.....	\$354,240

After full discussion, on motion duly made and seconded, it was unanimously resolved that an I.A. for approximately \$4,000,000 be approved and charged against our accrued earnings through 1955 (in place of the Los Angeles project).

The Chairman pointed out, in this connection, that the approval of \$4,000,000 for the Savannah-Gloucester felt mill project exceeded the amount remaining available for capital improvements out of 1955 net earnings (i.e. \$1,092,000) by \$2,908,000.

The Chairman submitted an analysis of the total I.A.s approved during the years 1952 through 1955, as follows:

<u>Year</u>	<u>Total Appropriated</u>	<u>Capital</u>	<u>Maintenance</u>	<u>Operating</u>
1952	\$3,720,957.99	\$3,422,061.27	\$298,896.72	—
1953	4,682,141.00	4,029,492.00	627,649.00	\$25,000.00
1954	3,668,697.00	3,184,843.00	483,854.00	—
1955	6,941,060.00	6,379,060.00*	562,000.00	—

* Includes approximately \$4,000,000 for the Savannah-Gloucester felt mill project authorized above.

On motion duly made and seconded, the following improvement authorizations were unanimously approved:

	<u>Capital Additions (Incl. Replacements)</u>	<u>Repairs (Alterations)</u>
<u>Baltimore</u>		
No. 352 - Electric tachometer-#3 saturator.....	\$ 1,300	
" 353 - Paint filling equip. & raising mix. tanks....	5,000(a)	
" 354 - New Howe scale dial.....	3,200	\$ 600
	<u>\$ 9,500</u>	<u>\$ 600</u>
<u>Bound Brook</u>		
No. 903 - Air conditioning-all offices.....	\$ 43,800	
" 904 - Repl. blueprinting mach.-Gen. Mfg. Dept.....	2,200(b)	
" 905 - Changes to saturator.....	11,228(c)	\$ 3,742(c)
" 906 - Repair fence, addl. fencing-guard house.....	2,120	1,950
" 907 - Addl. asph. heater-rf. mach. saturator.....	28,230(d)	
" 908 - A.C. sheet cut-off mechanism.....	2,000	
" 909 - Saturator installation.....	105,000 *	70,000 *
	<u>\$194,578</u>	<u>\$ 75,692</u>