

PLAINTIFF'S
EXHIBIT

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Exhibit No.

Exam of

R. J. Merrell

Shannon Kernaghan
Official Reporter

131
QUEBEC ASBESTOS MINING ASSOCIATION

FALL MEETING - PALACE HOTEL, TORQUAY, ENGLAND

OCTOBER 4th - 8th, 1972

P R O G R A M M E

WEDNESDAY, October 4th

- 12:00 noon Assemble at Paddington Station, London, outside the barrier to platform 4
- 12:30 p.m. Train with reserved coaches departs. Lunch will be served en route
- 3:53 p.m. Arrive Torquay station. Coaches to Palace Hotel
- 7:00 p.m. The President and his lady will welcome Conference delegates and their wives in the Sun Lounge
- 8:30 p.m. Dinner - Hotel Restaurant

THURSDAY, October 5th

- Forenoon Free for Golf and Sightseeing
- 1:00 p.m. Lunch - Hotel Restaurant
- 2:15 p.m. Coach leaves Palace Hotel for Buckfastleigh for a ride by steam train through the River Dart Valley, returning by 5 p.m.
- 6:00 p.m. Coaches leave Palace Hotel for reception by the Mayor of Torbay at Oldway Mansion
- 7:30 p.m. Coaches leave Oldway Mansion for Palace Hotel
- 8:00 p.m. Dinner in Restaurant

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FRIDAY, October 6th

- 9:30 a.m. Business Meeting - Anstey Room
- 10:30 a.m. Coffee
- 1:00 p.m. Lunch
- 2:15 p.m. Golf tournament (pitch & putt) on Hotel course
- 6:45 p.m. Dinner in Restaurant
- 7:30 p.m. Coaches leave Palace Hotel for Princess Theatre where delegates will be the guests of Turner & Newall Ltd. for a performance of the "Dragon Variation" (a new thriller play starring Michael Denison and Dulcie Gray)
- 10:15 p.m. Coaches return delegates to the Palace Hotel

SATURDAY, October 7th

- 9:30 a.m. Business Meeting - Anstey Room
- 10:30 a.m. Coffee
- 2:30 p.m. Coach leaves Palace Hotel for Kingswear for a river trip up the Dart to Totnes, arriving back at the Palace Hotel at approximately 5 p.m.
- 7:00 p.m. Reception - Georgian Room - Black tie and jacket
- 8:00 p.m. Conference Dinner - East Section of Restaurant

SUNDAY, October 8th

- 10:25 a.m. Load coaches for return journey with delegates' luggage which should be in the hall of the Hotel by 10:15 a.m.
- 10:30 a.m. Leave for Dartmeet and Exeter
- 12:15 p.m. Lunch at Dartmeet (approx.)
- 3:00 p.m. Arrive at Exeter for tea at Royal Clarence Hotel and visit to Exeter Cathedral
- 5:00 p.m. Re-embus near Cathedral for Exeter St. Davids station
- 5:32 p.m. Travel in reserved coaches to Paddington, London Dinner will be served en route
- 8:25 p.m. Arrive Paddington Station

Delegates leave individually for their hotel and return journey.

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QUEBEC ASBESTOS MINING ASSOCIATION

FALL MEETING - PALACE HOTEL, TORQUAY, ENGLAND

LIST OF ATTENDANTS

ROOM NUMBER

ASBESTOS CORPORATION

Bill and June Oughtred
Ian and Beth Campbell
Andy and Lisa Johnson
Harry Foster

BELL ASBESTOS MINES

Parker Smith
Ralph and Yvonne Bateman
Marcel and Marcelle Dorais
Bill and Mary Emmeline Smith

CANADIAN JOHNS-MANVILLE

Bert and Marge Jobe
Bill and Marion VanDerbeek
Dimitry and Irina Poutiatine
Bob and Phyllis Hutcheson
Joe and Irene Eby
Noel and Olive Hendry

CAREY-CANADIAN MINES

Bob and Audrey Merrill
Ab and Charlotte Bagenstoss
Mike and Gaétane Prus

LAKE ASBESTOS OF QUEBEC

Michael and Isabelle Messel
Ralph and Mary Lou Hennebach and Margot
Lionel and Françoise Piuze
Rollie and Liette Gagnon

NATIONAL ASBESTOS MINES

Bob and Margaret Coleman
Ed and Mary Killian and daughter

ASBESTOS INFORMATION
ASSOCIATION - U.K.

Wilfred Howard

I.O.E.H.

George and Ellie Wright

Q.A.M.A.

George and Irene McCammon
Karl Lindell
Philippe Casgrain
Paul and Madeline Filteau

BA-7 etc.

MINUTES OF THE 122nd MEETING OF THE DIRECTORS OF THE

QUEBEC ASBESTOS MINING ASSOCIATION

HELD ON OCTOBER 6th and 7th, 1972,

AT THE PALACE HOTEL, TORQUAY, ENGLAND

FRIDAY, OCTOBER 6th, 1972

There were present:

Messrs.: J.R.M. Hutcheson

R.J. Merrill

M.J. Messel

R.S. Coleman

W.W. Oughtred

M. Dorais

Ph. Casgrain

G.A. McCammon

P.A. Filteau

President

Vice President

Director

Director

Director

Director

General Counsel for the Association.

Treasurer

General Manager and Secretary

There were also present:

Messrs.: W.H. Foster

I.C. Campbell

J.O. Eby

R.P. Gagnon

M. Prus

L.C. Pluze

K.V. Lindell

Chairman of the Uniform Classification & Grading, and Technical Committee

Chairman of the Legislation and Taxation Committee and of Public Relations Committee

Chairman of Industrial Relations Committee

Chairman of Traffic Committee

Chairman of Materials Handling Committee

Chairman of Environmental Control Committee

Chairman of Occupational and Environmental Health Committee

A.H. Bagenstose	Carey-Canadian Mines Limited
R.M. Bateman	Turner & Newall Limited
E.J. Killion	National Asbestos Mines Ltd.
H.W. Hendry	Can. Johns-Manville Co., Ltd.
R.L. Hennebach	American Smelting & Refining Co.
W.P. Howard	Turner & Newall Limited
J.B. Jobe	Johns-Manville Corporation
A.S. Johnson	Asbestos Corporation Ltd.
D. Poutiatine	Johns-Manville Corporation
F.P. Smith	Bell Asbestos Mines Ltd.
W.J.W. Smith	Bell Asbestos Mines Ltd.
W.L. VanDerbeek	Johns-Manville Corporation

The President of the Association, J.R.M. Hutcheson, 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.

The minutes of the 121st Meeting of the Directors of the Association held on May 29th, 1972, were duly approved.

Because of the early departure of one of the participants, Item number 4 was moved to the top of the agenda.

COMMENTS ON GENERAL BUSINESS CONDITIONS

As is well known, Industry has been faced with many problems

in the U.K.:

- high-rate of inflation;
- low productivity;
- lower demand for fibre and asbestos products;
- poor level of industrial investment;
- low level of asbestos consumption.

The asbestos-cement pipe business is a little better, although plastic pipe has made some inroads; the asbestos-cement pipe, however, is not on the way out, there is room for both asbestos and plastic.

In Continental Europe the position of the asbestos industry as a whole is better than in U.K.; the demand has been picking up.

In India, the demand is good, provided the money is available.

South Africa is in a pretty good state economically; both demand and production are strong.

In the emerging countries, the situation is not too bad at the present time.

In Japan, there are signs that the demand for asbestos should increase. This also goes for Australia.

The asbestos textile business has not recovered from its low level; the asbestos health problem has caused a great deal of damage, with a permanent loss of demand. It is not expected that the textile business will revert to the high level of previous years.

This year in U.S., business is quite good. Although industrial construction has been somewhat slow, there are indications that construction starts are picking up.

The asbestos-cement business is slow, but the asbestos-cement pipe business is very good. Plastic pipe is making inroads in the agricultural, irrigation and sewer markets.

The fibre glass business is strong as a result of the high insulation specifications sponsored by the Government to save energy. Industry is trying to cope with problems resulting from recent environmental control regulations. It seems that the five fpcf standard set by OSHA can be met by most plants; the two fpcf standard will force some marginal operations to close down. In spite of good business volume, there is a squeeze between profit and price increases as a result of government controls on prices. It is expected that 1973 will be as good a year as 1972.

A survey just completed shows that the asbestos-cement flat sheets for roofs demand is increasing strongly.

The \$75 million project at the Jeffrey Mine is almost completed; the new installations are almost all on computer.

The P.V.C. business is expanding; a new plant is being built in Valleyfield, Quebec. It seems that plants are being set up everywhere, although none appear to make any money. The services of a company environmental control group recently established are offered to any other member company who would like to call on their assistance.

The basic metal business in the U.S. has not been good in 1972 and the months ahead are viewed with a certain degree of apprehension. Cost increases, declining productivity, demand for environmental

standards are difficult to meet. These bring about fundamental changes in industry with major difficulty in the economy.

Price controls are forcing some companies to operate at a loss with the Government's refusal to entertain price increases.

Surrounding this situation, various states have proposed standards for environmental protection; E.P.A. has even initiated hearings. It is hoped that in the long run reason will prevail.

The economy is not expected to improve until next election. Hopefully 1973 will be as good as 1972, but 1972 has been so far disappointing, although the asbestos side of the business has been a shining contributor to company earnings.

So far this year the short fibre business has been very good, but there is some concern about the future. It is felt that not enough research is presently conducted in the field of new uses and applications for asbestos; this does not augur well. Possibly the industry as a whole should support a broad research program for new applications. Forecasts indicate that 1973 should equal at least 1972.

In the case of another company, 1972 has been the best year for a long time. Due to the efforts of the industrial development group - industrial relations personnel and people in the field - an average business increase of 4.4% was achieved with a 3.2% increase in productivity; 1973 is expected to be better than 1972.

The Committee Chairmen were then requested to report.

UNIFORM CLASSIFICATION & GRADING, AND TECHNICAL COMMITTEE

Uniform Classification & Grading: - In reviewing the recent activities of his committee, the Chairman asked the authorization of the Directors to extend the present agreement between the Association and Lynn MacLeod concerning the Q.S. Testing Machine for two years. The request was approved by the Directors.

The Committee on Research in the Use of Asbestos Tailings will submit a report to the original main group at a meeting to be held on October the 19th. This report makes recommendations as to the possible extraction of nickel-iron concentrate, the recovery of short fibre in the tailings and magnesium salts for use in fertilizers. It was pointed out that several companies had carried out considerable research in this field with extremely disappointing results. A consulting firm has been hired by the Quebec Committee to examine the economics of the above.

The whole matter was discussed during the recent visit of the Minister of Natural Resources, Hon. G. Massé, and Officials of his Department. It would seem that the latter wish somewhat closer liaison with the heads of asbestos mining companies. To this end, it was proposed that the General Manager set up an informal luncheon at a time convenient to the Directors, the Minister and his Deputy Minister.

Technical Committee: - The 3rd Edition of the Chrysotile Asbestos Test Manual is now in the hands of the A.T.I. to be passed on to the printers by March 1973.

The Chairman requested approval by the Directors of the revised tests D-1, D-6, F-7, D-2, C-5 and the new test C-5, for inclusion in the new edition of the Chrysotile Asbestos Test Manual. On a motion duly seconded, the above tests were approved.

In view of the proposed change in scope of ISO-TC/77, it is decided that the Association recommend a representative to the above committee in order to protect its interests in the upcoming problem of the asbestos fibre standards which the ISO plans to cover. The appointment of a representative for both C.J-M and Q.A.M.A. is proposed and accepted.

INDUSTRIAL RELATIONS COMMITTEE

The Chairman reported that as of October 1st, 1972, contracts had been signed with unions representing the hourly employee by all member companies.

He also pointed out that the C.N.T.U. is undergoing internal problems, with several groups breaking away and forming another Federation. The status of the Asbestos Syndicate is still uncertain and it is even possible that it would operate as a separate union.

The statistics of the Workmen's Compensation Commission for the years 1969, 1970 and 1971 were reviewed, the trend being slightly upwards as anticipated, due to the new base for compensation.

TRAFFIC COMMITTEE

The greater part of the discussion revolved around the Japanese container movement via Vancouver or the St. Lawrence and East Coast ports. In view of the continuous decrease of the Canadian share in the Far East asbestos market, it was recommended that the Committee attempt to negotiate new rates on the basis that tonnage

from various companies would be pooled. To this end, authorization was given in principle by the Directors to the Committee to start negotiations. It is felt that by using both the East Coast and West Coast Ports, a healthy competition can be maintained in that trade.

Freight rates to the United Kingdom and the Continent will also be investigated. So far the Committee has not been successful in negotiating rates to the United Kingdom on parity with Continental Europe. The feeling is to promote a non-conference carrier to compete with present carriers and forcing the Conference to reduce its rates.

Canadian Railways will no longer publish rates that would include unloading and handling at the ports of Quebec and Trois-Rivières. They feel that the Q.A.M.A. can negotiate better rates with the Stevedoring Company. As a consequence, the tonnage will be trucked 100% to Three-Rivers and Quebec and transported by rail to Montreal, as railways perform their own handling at that port.

MATERIALS HANDLING COMMITTEE

As pointed out in his report, the Chairman emphasized that the most important problem facing the Committee is "Bags and Pallets". There are several sizes of bags and a great number of models of pallets used in the Industry. The objective of the Committee is to study those two matters and reduce the number of bag sizes and pallet models to a more practical range.

LEGISLATION AND TAXATION COMMITTEE

Four new pieces of legislation were briefly reviewed by the Chairman, namely:

Bill C-202 - The Arctic Pollution Prevention Act - which through regulations may eventually stipulate that water pollutants could be not only oil but possibly asbestos.

The Clean Air Act - under the Department of the Environment. As a first step in the establishment of National Emission Standards for pollutants such as lead, beryllium, mercury and asbestos, a firm of environment engineers had been hired to compile an inventory identifying the major sources.

Bill 38 - Quebec Corporations Tax Act - which is designed to revise the provincial income tax and the corporation tax act with a view to bringing such law into line with the new federal income tax act.

Bill 34 - Environment Quality Act - which has been tabled by the Minister Responsible for the Environment in the Province of Quebec. It is the understanding that a Committee composed of, amongst other people, representatives of industry will be formed to review the proposed legislation.

PUBLIC RELATIONS COMMITTEE

The Chairman stated that more and more requests for specific and technical information on the question of asbestos and health are received by the Information Service. Presently in the case of an industry customer, correspondence on the subject is circulated to the various Sales Managers. Guidance is solicited from the Directors as to articles appearing in the Press criticizing the use of asbestos and asbestos products. It is felt that a letter should be sent to the Editors giving the true facts. This approach is agreed by the Directors.

In preparation for the Industry Centennial in 1976, steps are being taken to arrange for the issue of a commemorative stamp by the Canadian Post Office. This Centennial could possibly be developed

into an international affair and thus spark extensive press coverage and editorial surveys in newspapers. The matter is to be pursued further.

The French-English Lexicon is progressing quite well and its contents should be ready for review by a lexographer by the end of 1972. It appears that publication could take place in the Spring of 1973. The Chairman requested guidance as to the operating level of employees who are expected to receive a copy of the lexicon. It is estimated that the cost for 10,000 copies would be \$5,000 approximately. On a motion duly seconded authorization is given by the Directors to spend an amount of \$5,000.

CARRIED.

As a result of the renewed agitation for increased product manufacturing in Quebec, the Public Relations Committee was directed to secure increased media attention for the position of the Industry and to provide facts through a standard letter to the Editor to any newspaper publishing reports in support of increased products manufacturing.

ENVIRONMENTAL CONTROL COMMITTEE

Number 8710 3M's dust mask is now available in commercial quantities to all the companies.

In connection with the growth of vegetation on tailings a representative of the mining and metallurgical processes of Environment Canada visited the asbestos mines. She will prepare a report on her observations on the natural re-vegetation and on the physical, chemical and vegetation aspects of the wastes and asbestos tailings for the information of the Directors. It was agreed in principle to go ahead with the study and to come back with a budget figure, once the costs are determined.

A request has been submitted by Dr. Gibbs of McGill University for the testing of respirators for the Industrial Safety Equipment Association of America. This will be conducted in the McGill University Lab using mannequins and equipment under an atmosphere of 25 f.p.c.c. Once this phase is completed the eight best respirators are to be tested in the plants by employees at work for the asbestos companies. Four of the member companies have agreed to co-operate with Phase II of the proposed test; the cost to be borne by the I.S.E.A. The Chairman was therefore authorized to advise Dr. Gibbs accordingly.

NEW BUSINESS

Resignation of Mr. F.P. Smith as Director of Q.A.M.A.: -

WHEREAS Mr. F.P. Smith has retired as President of Bell Asbestos Company, a member of the Quebec Asbestos Mining Association;

WHEREAS Mr. Smith has submitted his resignation as Director of the Association in a letter to the President dated July 1, 1972;

IT IS THEREFORE MOVED THAT the Board of Directors of Q.A.M.A. accept the resignation of Mr. Smith and convey to him the unanimous appreciation of the Board for his genuine contribution, wise counselling, meticulous and reliable scrutiny of Association matters and cordial friendship during his many years as a Director of this Association;

AND THAT his colleagues on the Board extend their best wishes for many happy and healthy years of leisure to him and his gracious wife, Ruby.

The motion was seconded and carried.

Ratification of Mr. Marcel Dorais as a Director of Q.A.M.A.: -

IT IS ALSO MOVED THAT Marcel Dorais be elected as Director, as per appointment as nominee by Bell Asbestos Mines in Mr. Smith's letter of July 1, 1972.

CARRIED.

The outgoing Director in a few well chosen words thanked the Board of Directors and expressed how much he had enjoyed being associated with the Q.A.M.A.

Peking Solo Fair: - Mr. N.W. Hendry on behalf of the delegation from the asbestos companies reported on his trip to China. This was the largest Canadian Trade Fair ever held abroad with over 210 companies and over 500 businessmen taking part. The asbestos producers were well represented: M. Pharo (A.C.L.), G. Verreault (Lake), C.H. Schoch (Bell), and N.W. Hendry (C.J.M). The Trade Exposition was open by the Canadian and Chinese Ministers of External Affairs. Visitors to the Fair included the Premier, Mr. Chou En-Lai, and the Trade Minister, Mr. Pai Hsang-Kuo, as well as technicians and experts from the Chinese State Trading Agencies.

The objective of the Fair was to establish direct contact between Canadian exporters and Chinese trade officials, trade corporations and end-users. One of the major factors in achieving this objective was the presentation of more than 400 technical papers. The whole project was more informative for Chinese than for Canadians. The Chinese were quite impressed with Canadian asbestos ore samples, fibre grades and asbestos-cement pipe, sheets and textiles.

Many Canadian delegates went over on the idea that this was a selling venture. It did not turn out that way at least for the asbestos people, although certain other companies contracted more than \$25 million of new business (nickel, aluminium, wood pulp, electronics).

On the whole the Chinese people seem to be happy and well fed. The people were quite friendly to the visiting Canadians. It must be said that the Chinese are tough bargainers and are well informed on prices, world trends, etc.

COMMENTS ON POLITICAL CLIMATE IN QUEBEC

The recent B.C. election returned a socialist government in that province. One wonders how meaningful this change is.

The federal election campaign is in progress and the Separatists issue has been brought to the fore. Other provinces seem to react and will not let Quebec opt out. As a result, the Liberals may lose some seats in Quebec and Ontario, but gain some in the Maritimes.

The Provincial Government of Quebec has announced the signing of a contract with Bechtel Corporation for the development of the James Bay Project. Such action shows that the Government has no fear in inviting American capital to invest in Quebec.

The May-June confrontation between the Unions and the Government seems to have affected the credibility of the Unions on political grounds.

1973 WINTER MEETING

The General Manager announced that the Winter Meeting of the Association would be held at the Cerromar Beach Hotel, Dorado, Puerto Rico, March 15 - 18, 1973.

A list of possible locations for Winter and Fall Meetings of the Association for the years 1974-1975 was submitted by the General Manager and the Directors were requested to express their preference before the Meeting to be held next day, October 7th.

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The latter were made aware of the selections agreeable to the majority the following day and advised that a formal letter from the General Manager would confirm their selections.

ADJOURNMENT

There being no further business, the meeting then adjourned.

CERTIFIED CORRECT

Secretary

Chairman