PLAINTIFF'S EXHIBIT

ASA-457

Minutes
BOARD of GOVERNOR'S MEETING
Asbestos Textile Institute
Held at the CAROLINA HOTEL
Pinehurst, N.C.
February 11, 1965

EXHIBIT
Nelson #16
9th 11/11/65

In attendance:

J.A. Brown,Jr. - Raybestos-Manhattan,Inc.
J.T. Griffis --- H.K. Porter Company,Inc.
W.S. Rough ---- Johns-Manville Sales Corp.
E.A. Schuman --- " " " "
S.J. Peele,Jr. - United States Rubber Company
Ted D. McCluskey - Tallman- McCluskey Fabrics Company
J.L. Rainey - - - American Asbestos Textile Corp.
P.Jay Flocken - - Cadwalader, Wickersham & Taft (Legal Counsel)
H.E. Sunbury - - Asbestos Textile Institute (Secretary)

1. The meeting was called to order by President Brown.

2. The minutes of the last meeting were presented for reading. It was moved by Mr. Hough and seconded by Mr. Schuman, that the minutes be accepted without reading. Agreement was unanimous.

3. The Financial Report as of January 11, 1965 was presented by the Institute's Treasurer,Mr. E.A. Schuman, who suggested that we consider splitting our Savings Fund into two accounts. Mr. Rainey suggested that we look into advantage of Investment Savings Account to gain ½% interest. It was agreed that the Treasurer and Secretary would follow thru on these suggestions and report at the next meeting. Mr. Hough moved, and Mr. Griffis seconded, that the Financial Report be accepted. Agreement was unanimous.

4. Old Business

a.) Carried forward from our October meeting was the request from Cadwalader, Wickersham & Taft for an increase in their Legal Retainer Fee. Messers Peele and Hough, who were appointed to discuss this matter with Counselor George Reycraft, reported that they had met with Mr. Reycraft and he had suggested that if the Institute would be agreeable to having Mr. P.Jay Flocken to serve in his place as Legal Counsel, that his firm could go along with us on the basis of $2000 per year instead of the $3000 originally asked for.(The rate has been $1500 per year.) After discussion, Mr. Hough moved, and Mr. Rainey seconded, that we agree to the appointment of Mr. Flocken as Legal Counsel, and that the Legal Retainer Fee be $2000.00 per year. Agreement to this motion was unanimous.

b.) President Brown brought up the unfavorable publicity which has resulted from the Coference on "Biological Effects of Asbestos", held in October,1964 at the Waldorf-Astoria Hotel under the auspices of the New York Academy of Sciences. As anticipated at our last meeting, there have been adverse results to our industry, in fact the entire asbestos industry, from this conference.

Mr. Brown pointed out the need for formulating standardized answers to questions regarding the alleged adverse effects of asbestos to those who handle or fabricate the products of our industry. He suggested that we should enlist the help of Dr. Cralley, U.S.

Public Health Service, in shaping these answers.
Mr. Griffis stated that he had just learned that the major producers of asbestos fiber in Canada had very recently authorized the formation of an organization to check the health of their employees and also, to deal with the economics of adverse publicity. Suggested that we should try to work with this new organization,(Industry Sponsorship) and asked if there was any way that we could participate in the Canadian effort.
Mr. Brown again stressed that our industry should know what to tell customers who inquired about the alleged harmful effects of handling asbestos products, and he felt that Dr. Cralley could be most helpful.
Mr. Hough agreed that we should ask Dr. Cralley's help.
Mr. Peele suggested that we should offer our data and experience to the new Canadian Organization for our mutual benefit, tell Dr. Cralley of the newly formed Producers Organization in Canada,and ask him for his ideas and suggestions. Mr. Flocken pointed out that the more use we made of the Public Health Service,the better.
Dr. Cralley was then called into the meeting, and a general discussion ensued.

5. New Business

a.) It was noted that Dr. K.W. Nelson,Director,Hygiene Dept., American Smelting & Refining Company(Asarco) was attending the General Meeting by invitation, and desired to become a member of our Air Hygiene & Mfg. Committee. It was moved by Mr. Peele,and seconded by Mr. Rainey, that Mr. Nelson be approved for membership in that committee. So voted.

b.) Mr. Hough had requested that the agenda for this meeting should include a review of the Quarterly Report in respect to possible revision of categories, and to determine if all members were using a uniform basis for reporting. He pointed out that the form of the report had been in existence for some time and that it may be appropiate to update the form in the near future. Mr. Hough pointed out that any improvement in the reports submitted to the certified accountant who prepares the general industry totals would naturally improve the accuracy of the report and enhance its value to the members.
After a discussion which reflected that there was no general concensus on what changes,if any, should be considered in the report form, the Board accepted Mr. Hough's suggestion that the matter be tabled and continued under the heading of "old business" at our next meeting.

c.) Mr. Brown stated that he had been informed that one of our members had reported seeing 15 or 20 rolls of Japanese-made cloth, AA Grade,in a customer's place of business. Actual markings were seen on the cloth to identify it as of Japanese manufacture. Offers to sell cloth,from a Japanese manufacturer,have been received by at least one of our members. No other reports of Japanese asbestos textiles in this country was made.
Counsel was requested to preliminarily review existing Federal import policies and statutes relating to the importation of products which do or may incorporate materials originating in Communist-controlled areas, in the event that subsequent developments indicate that any such materials in asbestos textile products may be reaching the U.S.A.

d.) The Secretary reported that the large four section exhibit was now at the Royal Ontario Museum in Toronto, and arrangements for it to be there had been effected thru the courtesy and assistance of Mr. J.D. Christian, of Cassiar Corp. Also that the Secretary and Mr. Christenbury, Chm. of the Sales Promotion Committee, were endeavoring to arrange for future placements of the exhibit, and could appreciate all suggestions regarding same.

e.) Mr. Schuman raised for discussion an invitation to Standco to become a member of the Institute but no decision on the matter was reached. The Secretary pointed out that Garlock, Inc., had been discussed as a prospect for membership at a prior meeting and Mr. Brown stated that he would undertake to extend an invitation to Garlock on behalf of the Institute.

f.) It was agreed that the next meeting would be held on June 2-4, 1965, and that we would accept the expected invitation from the Producers of Asbestos fibre to hold this next meeting in Canada, at Thetford Mines, Que.

g.) There being no further business to come before the meeting it was adjourned.

Respectfully submitted,

H.E. Sunbury
Exec. Secretary