RHP/AB

42/12-77

PRIVATE & CONFIDENTIAL

23rd December 1974

Report No. 2

Atlas Asbestos Co., Montreal
10th/11th December 1974

Mr. George Barge - President
Mr. H. Len Falle - Vice President, Sales
Mr. Russell B. Todd - Vice President, Production/Research
Mr. Joe A. Morton - Product Manager

I was given an excellent, friendly reception: the main topics are detailed below:-

1. Health & Safety: Mr. Barge and Mr. Todd

1.1 In response to their request, I gave a fairly detailed account of our Health & Safety Committee organisation, the general medical arrangements and the recent training seminars.

1.2 I was advised that they are "paying for conditions which were in being over the last 25 years" as 25% of the labour force (107 persons) have some degree of Asbestosis and receive various percentage disability payment; the total number of cases in the history of the Company is 155 persons.

1.3 A new medical officer was schedule to visit the plant on the 13th and, despite having a large number of fixed/transportable vacuum units, they were apprehensive about his possible reactions to their standards of housekeeping. However, they take 35/40 dust counts per month and have only two points where the readings are above 2 fibres/cc. - despite the recirculation of the filtered air.

1.4 They doubted whether more than 20% of the American asbestos textile industry could really get below 2 fibres/cc.

1.5 The decibel rating in Quebec is 90 [illegible] however, it will probably be reduced to 85 in the near future.

1.6 In addition to asbestos dust counts, laboratory tests are taken upon styrene, silica, carbon monoxide and noise levels; red warning slips are issued to Production supervision whenever the results (following retests, as appropriate) do not meet the specifications.

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PLAINTIFF'S EXHIBIT TN 2080

2. Works Tour: Mr. Todd

2.1 In general terms, the layout is very impressive and the standard of housekeeping appears to be quite reasonable, especially bearing in mind that it is almost an all-male labour force (whose absenteeism averages only 2%!).

2.2 The plant has been described by previous visitors and, therefore, apart from observing that it is an impressive layout, I do not intend to go into details. However, the following were of particular interest:-

2.2.1 Hydraulic/ventilated bag feed to the blender (similar to the TBA willow feed table) is followed by the empty bag (which has simply been cut by a knife) being passed into a plastic bag which is housed in a steel sleeve; at appropriate times, a vertical ram is brought down into action and it bales the empty bags which are still held in the plastic bag. This appears to be a very convenient way of disposing of empty fibre bags. *

2.2.2 Certain areas had operating instructions plus very attractive colour photographs which indicated the correct methods and any possible hazards which must be avoided.

2.2.3 They prefer a "screw feed opener" (lefthand and righthand) rather than their original idea of a "squirrel cage". (Possibility of the latter being spare at some time in the near future.)

2.2.4 They have developed small battery driven stand-on trolleys (from an original commercial design), mainly for use by maintenance men and supervisors: they are very efficient and one battery (under normal charging frequencies) has a life of one year.

* Detailed drawings have just been received from Mr. Todd.

3. General

I had a brief tour of the working areas and was certainly impressed with their diversity of activities: they have stopped cutting millboard (concerned about Dr. Selikoff's current investigation - stimulated by the Quebec Federation of Labour? - into environmental "asbestos and health" at Thetford) but they continue with their extensive CAF cutting operations.

The need to equalise the quality pattern of deliveries against their six months ordering was strongly emphasised: it is obviously felt that our best is still not good enough.

Mr. Chown said that they never mind being asked about over-makes (he considers that up to 10% should not be too inconvenient) or any "odds and ends" for that matter.

The Garlock Plant is on schedule - mid 1975 - "dry runs" with full production in one year..

R. H. Pearce

RHP/AB

To:- DFA(3)
Inf:- KHD

23rd December 1974

Report No. 4

Scapa Dryers (Canada) Ltd.
Joliette, Canada: 10th December 1974

Mr. James Haythornthwaite - Chairman and Vice President, North America
Mr. Brendan W. Kelly - President and General Manager
Mr. Jacques Normandin - Products Manager
Accompanied by Mr. J. A. Morton, Atlas Asbestos Co.

I met the breezy Mr. Haythornthwaite for a few seconds only and also had lunch with Mr. Kelly: the commercial discussions were with Mr. Normandin who initially adopted a rather superior attitude but came down to earth soon afterwards. I had hoped to have a brief look at this modern operation but the invitation was not forthcoming.

The main points (some of which were covered by way of an immediate telex to Mr. F. Ashworth) were:-

1. ZU.901

This is their most immediate cause for concern and they are not at all happy with the lead time of 40 weeks: an appeal was made to better this and it was stated that they would contact Wayeross about transferring some yarn. (There appears to be a distinct lack of liaison between these companies - and ourselves! - as Waycross could not understand why preference was being given to this yarn for them instead of YU.178!) However, they may well have contacted Wayeross but Mr. Potts did not "let on" when I visited him on 13th December.

2. XA.427

I am advised that the negotiation for the (as yet) untreated 12,500 lb lot is 0.58 p/lb: they will probably settle at that but firstly require an estimate of the completion date for delivery following treatment. Their requirement for 1975 would be this lot plus 20,000 lb and then 30,000 lb/year 1976 onwards. However, they are not at all enamoured at the guidance price which I gave for the 20,000 lb for 1975 - at £1.04/lb to £1.16/lb and this will have to receive further consideration/negotiation.

3. Price Increases

I went through all the major items which make up the works costs but these seemed to fall on rather stony ground: I believe that there are some very hard bargaining periods ahead.

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Atlas did distribute some literature and samples over that period but Mr. Falle would welcome literature, samples, prices (the last price-list he has is 1972) and recommended contacts. (He referred to a project re - pre-fabricated houses for the north shore of Alaska.)

Summing up, Atlas certainly are interested and require up-dating in order to make further progress.

Filon: New Zealand Fibre Glass Ltd.

Mr. Falle gave me a copy of a letter issued by Filon (Vistron Corporation California) - 2nd December - which refers to an exclusive licence for the manufacture and sale on Filon panels in Australasia and nearby countries. Separate copies have been sent to Glass Fibre Division for general interest.

PTFE Threadseal Tape

Mr. Falle handed me a letter which they had received from Iraco Falls Ltd., New Barnet, UK offering regular deliveries of spools packed "2,000 in strong export cartons". A price is not quoted; Atlas do not intend to follow up and Mr. Falle asked me to pass it on to PTFE Division (done) "for general information".

H. Pearce

RHP/AB

To:- DFR(3)
Inf:- KHD

23rd December 1974

Report No. 3

Albion Asbestos Packings Ltd., Montreal
9th December 1974

Mr. Roger A. Chown - President
Mr. James Dunn - Secretary/Treasurer

This company had already received notification of price increases and I expanded upon the major cost elements; there was little comment and I rather think that "judgement was being reserved!" In stating that their demands do not fluctuate to any significant degree, the following points were made:-

1. Conventional

Twisted Rope. ZYS.501 ($\frac{1}{4}$")

They were surprised to suddenly have a 500/600 lb overstock situation and wondered whether TBA was having a number of cancellations: I thought the more likely answer was the clearance of some overmakes (a guess and I could be completely wrong).

Cloth

Albion do not seem to be as concerned about this position as has previously been the case - perhaps there has been some weakening but this was not stated. The point was made that JM used to have some cloth available "off the shelf" but that this was not now the case.

Fibre Rope

There is a firm requirement for more TRP.622. $\frac{1}{2}$". Mr. Chown emphasised, yet again, Thermo-Pac 1000 (pure) rope and said that delivery averaged one week.

2. FORTEX

As ever, the most serious problem is the tremendous short-fall in cloth deliveries. Mr. Chown again raised the point that he had picked up some Novatex from JM and one particular customer is pressing him for more: this multifilament cloth is being sold at more or less the same price per yard as FORTEX and is definitely a superior cloth so far as appearance and flexibility are concerned. (I have a small sample - almost certainly a repeat of previous samples - and I saw many more at Charlestown where - see my separate report - I was told that they had been losing money on this operation since its inception though their current investment plans should alter the situation).

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3. Commercial Discussions: Mr. Falle and Mr. Morton

I agreed to the photocopying of the order position, as tabulated for me by Mr. Ashworth: the main discussions points were:-

3.1 Conventional

T.23 (⅛") is in a very tight situation and it appeared thatthe January shipment would not be on time. "S.2778. 7th November 1974. T.23. 40"/42" - 4,000 lb required in January 1975". I agreed to follow up on return to Rochdale.

T.17, T.50 and T.51 Safety clothing cloths are also in a tight position; it was stated that Atlas are working on only a 5% margin. Thus, the future of these cloths (and T.23 and FC.880 for that matter) depends to quite a degree on what other manufacturers do with their prices(e.g. JM could be going up by 20% and Southern Asbestos and Asbestonus have indicated +10% in the near future) t t the latter (brake lining and clutch facing manufacturers) might well have to close down (at least temporarily) due to "asbestos and health" problems.

I understand Rochdale already know of Mr. Morton's purchase of 1 ton of cloth from Southern Asbestos (lost 500 Canadian dollars on duty!)

Hindustan Ferodo Ltd. Cloth

A number of questions were raised:-

KP.407. Have they a light testing machine in India.

KP.437 "off-shoot". Not keeping Atlas going; could handle much more than is being received.

Dust suppression. To what extent is this being done? Initial reaction is that there is some dust suppression and that it is equal to that provided by Canadian JM. Even so, Mr. Falle is rather apprehensive about the degree of dust suppression which is being applied to many cloths which are on the market.

3.2 FORTEX

Cloth

The main problem areas are undoubtedly FC.880 and FC.973.

Reference was made to spray painted cloth where I was advised that there is a danger of going from duty free to 25%; thus, it may well be that the spray painting would, according to Atlas, have to be done in Canada.

A brief reference was also made to a requirement (already known at Rochdale) for a "hard FORTEX cloth" for the construction of hot air tubes.

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It is considered that future fiscal policies could underline the need for heavier weights of FORTEX cloth.

Webbing/Listing

I said that any additional supplies might well be more easily obtained in listing rather than webbing qualities: there are enquiries in for "1,000/1,500 rolls per month" of listing but credit worthiness is being examined by Atlas at present.

3.3 General

Asbestos Corporation Mill Fire, Thetford. (8th December)

Brief details were available from the Press and I sent a telex to Mr. Dixon prior to my departure from Canada on the 10th; photocopies of two Press statements are attached.

TBA Price Increases

Atlas considered that these might be just about bearable if only TBA "could deliver the goods".

Glass Fibre

Mr. Falle does not feel that there is much scope for glass fibre versus Fibre Glass Canada due to a combination of price and exact product specification: he does pass some price information to Mr. Graham from time to time and hopes that this is a satisfactory procedure.

JM

The JM Industrial Sales Division is closing down and business will be conducted at the Mines as from 1st January 1975. They are picking up some "slack" on cloth orders and are offering 4/6 weeks delivery on standard cloth: they are also producing some specialities.

DURAFORM

In response to a request from Mr. Bennett, I asked Mr. Falle for an indication of the extent to which Atlas would be interested in representing TBA: the following points were made in reply:-

Atlas were originally "put off" by the licencing arrangement re - continental oil.

Atlas did try to do business in Canada but said that Mr. Huscher was much more interested in promoting corrugated rather than plain DURAFORM i.e. the product competed with asbestos cement: however, Atlas then heard in late 1972 that there had been a decision to pull out re - Kaykor.

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