



ASBESTOS INFORMATION ASSOCIATION

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12 May 1975

Memorandum For: MEMBERS

Subject: Pending legislation concerning sale of chrysotile asbestos from the national stockpile

On April 8, Representative Millicent Fenwick (R-NJ) introduced a bill (H.R. 5683) which would authorize the General Services Administration (GSA) to dispose of about 9,900 s.t. of chrysotile asbestos from the national stockpile. This amount is in excess of the nation's current chrysotile stockpile objective of 1,100 s.t. GSA has advised that such disposal, if approved, would be by sealed bidding. The basic justification offered in support of this legislation pertains to the current unemployment situation in the United States which is expected to be further aggravated by the shortage of asbestos available from Canada in 1975. (News & Notes, 4/28/75) A copy of Congresswoman Fenwick's bill and pertinent excerpt from the Congressional Record for 8 April are attached. A detailed inventory of the chrysotile asbestos in the national stockpile that would be affected by this legislation is also attached.

H.R. 5683 has been referred to the Sea Power and Critical Material's subcommittee of the House Armed Services Committee, chaired by Rep. Charles E. Bennett (D-Fla). A date for subcommittee consideration has not yet been announced.

As may be noted in the appended copy of Rep. Fenwick's letter of 5 May, the Association has been requested to provide general comment on the pending bill and, specifically, advise as to what affect the current shortage of asbestos will have on members. Members may wish to communicate directly with Congresswoman Fenwick's office. Additionally, members may wish to express their interests in this matter to members of Congress representing those districts where company plants are located for co-sponsorship of the bill, as may be desired. Related to the bill is interest in rebuilding the stockpile from the points of view of strategic and economic interests should the legislation be passed.

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Contact in Representative Fenwick's office for this matter is William Canis, 1610 Longworth House Office Building, Washington, D.C. 20515; (202) 225-9546.



R. H. Mereness
Executive Director

Enclosures

FMSI 03104

94TH CONGRESS
1ST SESSION

H. R. 5683

IN THE HOUSE OF REPRESENTATIVES

APRIL 8, 1975

Ms. FENWICK introduced the following bill; which was referred to the Committee on Armed Services

A BILL

To authorize the disposal of asbestos chrysotile from the national stockpile and the supplemental stockpile.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That the Administrator of General Services is hereby
4 authorized to dispose of, by negotiation or otherwise, approxi-
5 mately nine thousand nine hundred short tons of asbestos
6 chrysotile now held in the national stockpile established
7 pursuant to the Strategic and Critical Materials Stock Piling
8 Act (50 U.S.C. 98-98h) and the supplemental stockpile
9 established pursuant to section 104(b) of the Agricultural
10 Trade Development and Assistance Act of 1954 (68 Stat.
11 456, as amended by 73 Stat. 607). Such disposition may be

1 made without regard to the requirements of section 3 of the
 2 Strategic and Critical Materials Stock Piling Act: *Provided,*
 3 That the time and method of disposition shall be fixed with
 4 due regard to the protection of the United States against
 5 avoidable loss and the protection of producers, processors,
 6 and consumers against avoidable disruption of their usual
 7 markets.

87TH CONGRESS
 1ST Session

H. R. 5683

A BILL

To authorize the disposal of asbestos chrysotile
 from the national stockpile and the supple-
 mental stockpile.

By Mr. FENWICK

APRIL 8, 1975

Referred to the Committee on Armed Services

April 8, 1975

**SAVING JOBS ON DISPOSAL OF
ASBESTOS CHRYSOTILE FROM
THE NATIONAL STOCKPILE**

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Jersey (Mrs. Fenwick) is recognized for 5 minutes.

Mrs. FENWICK. Mr. Speaker, the Labor Department announced on April 4 that during March, unemployment in the United States increased substantially. Whereas in January and February of this year 8.2 percent of the labor force was without a job, during March the figure jumped to 8.7 percent. This means that 8 million Americans have no jobs. Both the President and the Congress recognize the severity of the economic crisis and are searching for programs which will lead to employment without stirring inflation. Congress has passed, and the President has signed, landmark tax legislation to stimulate the economy and the President has proposed an 18-month extension of unemployment benefits for jobless workers.

I think we all agree that our goal at this time is to get people back on the job. The unemployed from New Jersey who have visited my office are not looking forward to another year or more of unemployment payments. They want productive jobs.

At this time we should do all in our power to see that these unemployment lines do not lengthen. One way Congress can act to save jobs is to authorize the disposal of asbestos chrysotile from the national stockpile. Disposal of this asbestos would prevent the further erosion of jobs and would be one Federal employment program that would cost the taxpayers nothing. Today I am introducing disposal legislation because of the sudden short supply of asbestos chrysotile in the United States.

The United States imports 100 percent of its asbestos chrysotile. Over 98 percent comes from Quebec, Canada. The major Canadian asbestos mine—which is the largest in the free world and is operated by the American-owned Johns-Manville Corp.—suffered a landslide in January 1975, thus effectively eliminating the major U.S. source of this industrial ore. Other supplies of the asbestos ore are not presently available on the world market. In fact, according to the U.S. Bureau of the Mines, there is a worldwide shortage of asbestos mining capacity and consequently a shortage of the ore. The effects of this sudden interruption in supply are obvious. Many of the two dozen major primary producers of asbestos products—who manufacture such articles as textiles, brake linings, fire-protective clothing, roofing, insulation, and other fire-retardant building materials—will be forced to curb production and lay off personnel. Production cutbacks could affect many of the 142 factories in the asbestos products industry throughout the United States, including the Johns-Manville plant located in my own congressional district at Manville, N.J., which employs 2,100 people. Other States which have asbes-

tos products firms include: New Hampshire, 3; Massachusetts, 5; Connecticut, 2; New York, 13; New Jersey, 15; Pennsylvania, 15; Ohio, 8; Indiana, 5; Illinois, 11; Missouri, 5; Virginia, 2; North Carolina, 4; South Carolina, 2; Georgia, 2; Florida, 2; Kentucky, 2; Tennessee, 1; Alabama, 3; Mississippi, 2; Louisiana, 4; Texas, 6; California, 10; and Arizona, 1.

The additional unemployment that will be created is unnecessary for two reasons. First, the demand for asbestos chrysotile has not declined. Unlike in the automobile industry, where demand for new cars has dropped substantially, demand for asbestos products has not slackened with the recession.

Second—and most important to us in Congress—the Federal Government maintains a vast stockpile of asbestos chrysotile for national defense needs. It is, of course, altogether fitting that the Government maintain such a stockpile. Yet, the present 11,000-ton stockpile is far in excess of a prudent supply.

The defense requirements of asbestos chrysotile are quite limited. The major military uses of this kind of asbestos are in the production of certain gaskets for tanks and for hoods of jet engines. The Johns-Manville Corp.—the major defense supplier—estimates that less than 1 percent of its total production is military related.

The General Services Administration has recognized that our defense needs for this natural resource are more than met by the present stockpile. GSA recently completed a thorough review of our requirements for asbestos chrysotile, based on the needs of the first 3 years of a war. GSA determined that 1,100 short tons of the asbestos would be adequate and that 9,900 short tons was in excess of stockpile needs. I think my colleagues will agree that the proximity of the Canadian mines and a 1,100 ton stockpile are sufficient for our defense preparedness.

Mr. Speaker, under present law, our stockpiling system does not provide for disposal when domestic industries are critically in need of short-supply materials. This is the situation in which we now find ourselves: a major U.S. industry is deprived of its supplies of a raw material and consequently faces the prospect of diminished output and unemployment of many of its workers. In the case of asbestos chrysotile, there was no malicious Canadian embargo. The mine was closed by a landslide. The only available source—until the mine can be reopened later this year—is the U.S. stockpile. The only way the domestic asbestos users can get the asbestos they need is through a congressional grant of authority such as the one I am introducing today.

Mr. Speaker, Congress passed similar legislation in 1970 which authorized the disposal of 2,384 tons of asbestos chrysotile from the national stockpile. The asbestos was sold off through an open bid process. This disposal was completed in 1974, and no further asbestos can be sold until Congress authorizes it.

As a concluding note, I would like to point out that asbestos is used in the production of home insulation. I have joined with many of my colleagues who have urged tax deductions and credits for homeowners who insulate their homes

and who thereby aid our energy conservation effort. Unless our manufacturers have the raw asbestos to work with, there will be no asbestos insulation for Americans homeowners to buy.

Mr. Speaker, we are all serious about putting people back to work and keeping present employees on the job and we have here an opportunity to affirm this commitment with prompt and positive action. I ask the support and cooperation of my colleagues in seeing that this legislation is speedily enacted into law.

The text of my bill follows:

H.R. 5683

A bill to authorize the disposal of asbestos chrysotile from the national stockpile: the supplemental stockpile

Be it enacted by the Senate and House Representatives of the United States of America in Congress assembled, That the Administrator of General Services is hereby authorized to dispose of, by negotiation or otherwise, approximately nine thousand one hundred short tons of asbestos chrysotile held in the national stockpile established pursuant to the Strategic and Critical Materials Stock Piling Act (50 U.S.C. 93-9) and the supplemental stockpile established pursuant to section 104(b) of the Agricultural Trade Development and Assistance Act of 1954, 68 Stat. 456, as amended by 73 Stat. 697. Such disposition may be made with regard to the requirements of section 7 of the Strategic and Critical Materials Stock Piling Act: *Provided*, That the time and method of disposition shall be fixed with regard to the protection of the United States against avoidable loss and the protection producers, processors, and consumers against avoidable disruption of their usual market.

FMSI 03107

CHRYSTILE ASBESTOS IN THE NATIONAL STOCKPILE
AFFECTED BY H.R. 5683

<u>GRADE</u>	<u>QUANTITY (SHORT TONS)</u>
C & G-1	1628
C & G-1 MIR TYPE 4	761
C & G-2	1258
C & G-2 MIR TYPE 4	170
3K	1200
CRUDE 1	898
CRUDE 1 MIR TYPE 2	71
CRUDE 2	154.4
CRUDE 2 MIR TYPE 2	550
CRUDE 3	2
ASBESTOS LAP 1500 GRAIN	.3
ASBESTOS ROVING 7 CUT	.2
ASBESTOS ROVING 10 CUT	.3
3K MIR TYPE 2	.185
3K MIR TYPE 4	1545
GRADE 2 MIR TYPE 2	429
GRADE 3 MIR TYPE 2	513
3T MIR TYPE 2	501
TOTAL	9866.2

FMSI 03108

MILLICENT FENWICK
9th DISTRICT, NEW JERSEY

COMMITTEES:
BANKING, CURRENCY AND
HOUSING
SMALL BUSINESS

Congress of the United States
House of Representatives
Washington, D.C. 20515

May 5, 1975

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Gentlemen:

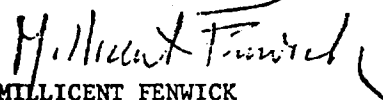
On April 8, I introduced a bill to allow for the release of asbestos chrysotile from the national stockpile. A Canadian landslide has wiped out most of our supply of asbestos and the damage cannot be repaired for many months. The unemployment that could result warrants action by Congress as soon as possible.

I thought that your association might be interested in this legislation and I would like to know your thoughts on the problem--as described in my attached statement--and in the proposed bill. Will a shortage of asbestos affect the firms you represent?

I would appreciate any help you can give me on this subject.

With all good wishes,

Sincerely yours,


MILLICENT FENWICK
Member of Congress

MF:ck