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Insulation Distributor-Contractors National Association, Inc.

1965

Annual Meeting Report

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A copy of Dr. Smith's talk is attached hereto, and marked EXHIBIT VII. An enthusiastic round of applause greeted Dr. Smith at the conclusion of his talk. He was warmly thanked by Mr. Breeding.

After the coffee break at 11:30 A.M., President Breeding introduced the Chairman of the National Joint Board for the Settlement of Jurisdictional Disputes, Mr. William J. Cour. Mr. Cour's talk is attached hereto, and marked EXHIBIT VIII. Mr. Breeding thanked Mr. Cour for coming from Washington to address the convention, and assured him of the continued support of the National Joint Board by IDCNA.

Then Mr. Breeding presented Mr. Joseph A. Courter, President of Courter & Company, Mechanical Contractors. Mr. Courter is the Safety Specialist of the Building Trades Employers Association of New York. Mr. Courter's address was entitled; "SAFETY AT THE JOBSITE." A copy is attached hereto, and marked EXHIBIT IX.

Mr. Breeding thanked Mr. Courter for his sage remarks about safety, and for the posters that he made available for distribution to IDCNA contractors.

The final speaker of the first session was Mr. Carl W. Sickles, General President of the International Association of Heat and Frost Insulators and Asbestos Workers of Washington, D. C.

Mr. Sickles stated that he was always happy to come to an IDCNA Convention; that he had missed only one; and that he was always available to the insulation contractors to help solve small problems before they become large ones.

A copy of Mr. Sickles' remarks are attached hereto, and marked EXHIBIT X.

Mr. Breeding thanked Mr. Sickles for his expressions of good will.

Mr. Brodie, Chairman of Hospitality, announced the social program for the week, and Mr. Breeding recessed the meeting at 1:00 P.M. to reconvene in the Astor Gallery on Wednesday, October 13, 1965 at 10:00 A.M.

SECOND SESSION

WEDNESDAY, OCTOBER 13, 1965

President Breeding called the second session to order at 10:00 A.M., and presented Mr. Duane C. Luse, Chairman of the Committee on Manufacturers Relations.

Mr. Luse's remarks are attached hereto, and marked EXHIBIT XI.

Mr. Luse introduced Mr. J. M. Barnhart, Executive Secretary of NIMA, whose address is marked EXHIBIT XII and attached herewith.

Mr. Breeding thanked both Mr. Luse and Mr. Barnhart for their remarks.

He then asked the Chairman of the IDCNA Committee on Standards, Education and Safety, Mr. Conrad L. Wiegers and his committee to come to the speaker's table, among whom were Director James P. Ennis, Co-Chairman for Standards and Mr. Stanley Stachelek, Co-Chairman for Safety.

Mr. Ennis spoke of the proposed Thermal Insulation and Reference Manual which the committee announced for the first time for the consideration of the IDCNA Board of Directors and General Membership. He distributed copies of the "Presentation", and asked all present to make a careful study of it. He suggested that the members discuss the preliminary text with the members of the Board of Directors, who will be charged with the entire matter of selecting an editor, the publishing, and the financing. Additional copies will be available from IDCNA's Philadelphia office, upon request. A copy of the "presentation" is attached hereto, and marked EXHIBIT XIII.

Mr. Stachelek spoke on Safety, adding to the remarks of Mr. Courter at the opening session. A copy of Mr. Stachelek's talk is attached hereto and marked EXHIBIT XIV.

Mr. Breeding warmly thanked Messrs. Wiegers, Ennis and Stachelek for their reports, and expressed his knowledge of the great amount of time that these volunteers had contributed to the preparation of their reports.

Mr. Breeding introduced Mr. James W. R. Brown, IDCNA Counsel, serving his third year as attorney for the Association. Mr. Brown's topic was "Suggestions on Estate Planning." A copy of Mr. Brown's address is attached hereto, and marked EXHIBIT XV. Mr. Breeding expressed to Mr. Brown the heartfelt appreciation of all the members of IDCNA, and their wives, for this most informative outline of suggestions to preserve personal estates.

After the coffee break at 12 noon, Mr. Breeding called upon Mr. A. Marvin Gibbons, Chairman of the IDCNA Committee on Labor Relations. A copy of Mr. Gibbons' report is attached hereto, and marked EXHIBIT XVI.

Mr. Gibbons called for questions from the floor on matters that his committee might be able to answer.

Mr. Gibbons then presented Dr. Irving J. Selikoff, M.D., who gave a slide presentation on "Lung Disease Among Insulation Workers." A copy of Dr. Selikoff's talk is attached hereto and marked EXHIBIT XVII.

Mr. Breeding thanked both Mr. Gibbons, and Dr. Selikoff for their fine presentations, and recessed the meeting at 1:00 P.M. to reconvene in the Empire Room of the Waldorf Hotel on Thursday morning, October 14, 1965 at 10:00 A.M.

THIRD SESSION

THURSDAY, OCTOBER 14, 1965

President Breeding called the final session to order at 10:00 A.M. and presented Director Roy C. Coffer to chair the Panel Discussion on the topic:

"What can IDCNA and the Regional Associations do to improve the Insulation Contracting Industry?"

Mr. Coffer announced that the following officers of eight of the nine regional associations were seated at the speakers table, and that they would comment briefly on the achievements of their regionals during the past year.

Mr. John Kelso Shipe, President of the MIDDLE ATLANTIC INSULATION CONTRACTORS ASSOCIATION (MAICA) was the first speaker. He said that "MAICA was incorporated in 1958 under the laws of the State of Delaware. It is bounded on the North by the New York State line, and on the South by a line below Washington; it includes all of New Jersey, Pennsylvania, Delaware, Maryland and the District of Columbia. Although small in area, employment of Asbestos Workers from thirteen locals is about equal to the man hours worked in the other regionals.

MAICA has thirty regional members of whom thirteen are IDCNA regional-national members. MAICA's last year was very active; a Trade Board Meeting at Hershey, and a "NEW PRODUCTS" Trade Show at Williamsburg. MAICA has compiled a red binder which includes all of the Collective Bargaining Agreements in the Middle Atlantic Area. We consider that the IDCNA NEWSLETTER is very important to our members. Our 1966 Spring Meeting will be held at The Inn, Buck Hill Falls, Pa., a Pocono Mountain resort, to which I cordially invite you all. Come and visit with us in April, 1966. And one word of public thanks to Ellwood Jones, our energetic Executive Secretary. Both IDCNA and MAICA are glad to have him."

Mr. Palmer Covil, Vice President of the S.E. regional association (AACSS) told of the activities of the S.E. "AACSS is one of the older regional associations, having been organized in 1948, and has forty-four regional members of which twenty-two are regional-national members of IDCNA."

He reported a severe labor shortage in the entire area, but had a very successful year as far as the regional activities were concerned.

"Jack Smith of North Brothers of Birmingham is the new President. The 1966 Spring Meeting will be held in Atlanta, and the Fall Meeting in Waynesville, N.C., to which all are invited."

Mr. Gordon W. Harrison, President of the Central States Insulation Contractors Association (CSICA) mentioned that they were a very young group, but have enjoyed their first year of affiliation with IDCNA. He reported on the help that CSICA had received from MAICA, who sent them a copy of their agreements in the red binder. They would like as much help as possible from the other regionals. This way CSICA can get the data to the many non-member contractors in the Central States, who are being urged to join CSICA and to support the activities of the association.

Mr. J. Spence Royer, President of MICA (Midwest Insulation Contractors Association) reported "progress". MICA's next meeting will be held at the Holiday Inn, Omaha, November 11-12.

Mr. Roy C. Coffer, Past President reported for the Southwest Insulation Contractors Association (SWICA). He reported that SWICA had 62 members comprised of 47 active contractor members and 15 associate members. There are 22 IDCNA regional-national members. The SWICA Labor Committee works through the Chairman with a Labor Board consisting of five men who make the decisions on labor problems. SWICA has an apprentice training program. Mr. Coffer believes that the regionals adjacent to each other should attend each others meetings, and knows that the information passed along would be beneficial to all the contractors.

Mr. James G. Noll, President of the Northeastern Insulation Contractors Association (NICA) reported on their specification program. Membership is good, but does not include all of the contractors of the area. There are five at-large members from the N.E. enrolled in IDCNA. These five are working to get an affiliation plan accepted by the regional.

Mr. Bert Kime, President of the New York State Insulation Contractors Association (NYSICA) told that the New York State association was formed in 1961. It consists of five city associations - not individual contractors, and this is one factor that has prevented affiliation with IDCNA so far. Active membership is about 20 members from the five cities: Buffalo, Albany, Syracuse, Rochester and New York City. There are at least 36 more who should join. NYSICA's main project has been working with the New York Department of Public Works re-writing specifications and trying to eliminate the five year guarantee. NYSICA would like all the help it can get from IDCNA, especially labor relations data.

Mr. Ian Dewar, President of the Thermal Insulation Contractors Association of Canada (TIAC) told of their young membership, and their desire to work with IDCNA as a regional, at least until their membership is larger. He stated that he would present colored slides of the coming 1967 Montreal World's Fair, and thanked IDCNA for sending Mr. Breeding up to their recent meeting.

Mr. Coffer, Chairman of the Panel, then asked for comments. Mr. Jones remarked that only about 50% of the membership of the regional associations were affiliated members of IDCNA. He urged all of the regional officers to try to get more regional-national members, as this would result in a lower per capita cost to all. He offered to help by sending information to any contractors whose names and addresses are given to him.

Mr. Breeding thanked Mr. Coffer for the excellent manner in which the regional portion of the program was conducted, and said that the enthusiasm of the regional officers who participated in it would have been pleasing to Vice-President Dixon, who was originally scheduled to chair the panel.

Mr. Breeding read a telegram from Mr. Dixon, who was recovering from an operation at his home in Texas. Mr. Breeding again thanked Mr. Coffer for substituting for Mr. Dixon, and instructed the Executive Secretary to send a replying telegram to Mr. Dixon.

Mr. Breeding then asked Treasurer E. Raymond Ashmore, Jr., Chairman of the IDCNA Committee on Finance and Budgets to present the Budget for 1966, which has been approved for submission to the general membership by the Board of Directors at the Board meeting held on Monday, October 11, 1965.

A motion was passed by the meeting approving the budget as presented.

A copy of this 1966 Budget is attached hereto, and marked EXHIBIT XVIII.

After the coffee break, Mr. Breeding presented Dr. Kenneth McFarland, termed as American's #1 platform speaker, author and educator. Mr. Breeding mentioned that Dr. McFarland spoke to IDCNA in 1958 at Las Vegas, and that the Executive Secretary has tried to get him back every year since. Dr. McFarland is so much in demand, that it was not until this year that we were able to schedule him again.

An abstract of Dr. McFarland's address is attached herewith, and marked EXHIBIT XIX.

After Dr. McFarland's speech, Mr. Ian Dewar, President of TIAC, presented colored slides of the proposed 1967 World's Fair at Montreal, and invited IDCNA to hold its TWELFTH ANNUAL NATIONAL MEETING in Montreal. Mr. Breeding asked for a show of hands and the result was practically unanimous to accept. He thanked Mr. Dewar for the invitation, which will be considered by the Board of Directors at its afternoon Board Meeting on October 14, 1965.

Then, Mr. Paul Gauer of the Chicago Association asked for the floor, and invited IDCNA to hold its THIRTEENTH ANNUAL NATIONAL MEETING in Chicago. Mr. Breeding expressed thanks for the invitation, which is to be considered by the Board of Directors at its afternoon Board Meeting on October 14, 1965.

Mr. Breeding thanked the Executive Secretary, his wife who assisted him, the Officers and Directors who helped make this the finest meeting in IDCNA's history.

As there was no further business to come before the meeting, Mr. Breeding at 1:00 P.M. said, "I now declare this very successful, informative, useful and entertaining meeting adjourned."

Respectfully submitted,

ELLWOOD F. JONES,
Executive Secretary

EFJ/vjc

EXHIBIT I

THE REPORT OF THE EXECUTIVE SECRETARY

WALDORF-ASTORIA HOTEL

October 12, 1965

"Mr. President, Members of IDCNA, and Guests:

As Napoleon said as he entered Josephine's boudoir: 'I did not come here to make a speech!' So, this is a report, not a speech.

With the fine program that we have prepared for you, it will be necessary for everyone to speak according to our time schedule, so I will make this short.

Financially, with the profit being made this year on the publication of the NEWSLETTER (and I ask you to take a minute sometime over the next three days here to inspect the display of the last 12 issues on the bulletin board here), and with our continued frugal spending, we will have lived within our budget during these last 12 months.

In the field of communications, I have re-printed all of the regional and local news that I could get. I have kept your Board of Directors aware of all matters of importance and concern by sending them each month, current Financial Reports, labor news, and items of national importance. In labor relations, this summer was more placid than last year. Your regional representatives have reported to your regional meetings on these news, and I feel that our communications have improved.

Mr. Breeding has attended all five of the regional spring meetings and all four of the fall meetings to date. There will be four more within the next month. He has been a good traveling ambassador, and he has done his share of communications in person.

I attended the meeting of our Board of Directors in Ft. Lauderdale in February. The March issue of the NEWSLETTER carried a full report of that meeting.

On March 26, I flew up to Syracuse, N. Y. to discuss affiliation with our good friends, the contractors of New York State. I told them that one of the purposes of this meeting here at the Waldorf was to show the NYSICA members the manner in which we put on a national meeting. Our meeting last year in San Francisco made a good impression on the Western contractors, and it is our hope that this New York convention will do the same for the New York State Association, and that they, too, will decide to affiliate with us.

IDCNA is now a member of NCSCA, where we have added our weight and worked for these three objectives.

1. Uniform Sub-Contract Forms
2. Reduction of retainage
3. Anti-bid shopping Legislation

I attended two meetings of NCSCA in Washington, worked with their registered lobbyist, and suggested the name of Dillard Breeding for Vice-President of NCSCA. We have also improved our national image with our continued membership in the U. S. Chamber of Commerce. I attended their 1965 Annual Meeting with Mr. Breeding. There we were accepted on an equal status with the finest and largest associations in the country.

I attended a meeting of the Participating Specialty Contractors of the National Joint Board, also in Washington, and was asked to serve on the new Appeals Board, under the Chairmanship of Dr. John Dunlop. I take no personal pride in this, but it certainly is evidence of recognition to IDCNA for our past service on the NJB. I declined to serve this year due to our limited budget, but next year, IDCNA will be again asked to assign a man to the Appeals Board, and our directors are now wrestling with the financial problems of accepting this assignment.

Your office has had new 1965 IDCNA Membership plaques made up. They are available at the registration desk here, for all members who pre-registered. Members who did not pre-register for this meeting, or who are not here, will have their plaques sent to them. However, if yours is here, be sure to pick it up and take it home with you. I don't want to have to take left over plaques back to Philadelphia.

Now after ten years, IDCNA and the regional associations are strong active organizations. We work closely but liaison could be better. I quote from Bill Heaston's last bulletin to the Midwest Association; 'It is becoming increasingly evident that if the insulation contractors of this country ever want to have a firm voice and respectable place in the construction field, they are going to have to do it through a very strong national organization.'

IDCNA, with the regionals, can make a very strong national organization.

ELLWOOD F. JONES,
Executive Secretary
IDCNA

EXHIBIT II

IDCNA FINANCIAL REPORT

9/30/65

Cash Balance in Banks 1/1/65				$12,982.23
Receipts:				
Dues paid by 8 at-large members		$ 1,875.00		
Dues paid by 5 regional associations				
SWICA	$3,600.00			
MAICA	3,600.00			
SE	3,600.00			
MICA	3,600.00			
CSICA	3,000.00	17,400.00		
			19,275.00	
Interest on 1964 deposit in Saving Fund 4%			505.32	
Advertising Income - 1965 contracts		9,765.64		
NEWSLETTER - Printing & Mailing 10 issues		5,895.37		
Surplus to date			3,870.27	
1965 Annual National Meeting Reservations		6,515.00		
1965 Annual National Meeting Expense paid		927.54	5,587.46	
Total Receipts				29,238.05
				$42,220.28
Disbursements:				
Salaries - Executive Secretary			6,300.00	
Clerical			2,632.50	
Taxes paid net			207.63	
Insurance			128.00	
Travel - Executive Secretary			486.86	
Other Officers			521.60	
Meeting Expense (Ft. Lauderdale)			98.29	
Office Rent 9 months			1,350.00	
Telephone			72.55	
Office Expense & Postage			330.40	
General Printing			140.21	
Plaques			129.70	
Dues & Subscriptions			2,937.63	
Auditing			200.00	
Legal			2,254.90	
Office Equipment			271.48	
1966 Annual Meeting Expense			362.92	
Total Disbursements				18,424.67
				23,795.61
Cash Balance				
Broad Street Trust Company, Checking Account			10,656.70	
Phila. Saving Fund Society Savings A/c 4%			13,138.91	
Total				23,795.61

Respectfully submitted,
(s) Ellwood F. Jones
ELLWOOD F. JONES
Executive Secretary

EFJ/vjc

EXHIBIT III

by

DILLARD BREEDING, PRESIDENT
OF IDCNA

"I am very happy to report a record attendance at this meeting which is very encouraging to all the Chairmen and Committees. I compliment the Chairmen and Committees on the good work they are doing. They are charged with the responsibility of getting the International to establish worthwhile apprentice training programs and of seeing that the International is encouraged to have the locals keep their ratio of mechanics to improvers proportional as per trade agreements. The Labor Committee is trying to convince the International of the serious shortage of asbestos workers throughout the U. S. and Canada, and has made recommendations to the International that negotiations between them and the locals be at the local levels. This administration proposes to compile an insulation manual. IDCNA will work in every way to improve the relations with the International. I ask that everybody present participate in this three day meeting."

EXHIBIT IV

talk by

FRANK R. HICKORY

"Mr. President, ladies, distinguished guests, fellow contractors, manufacturers' representatives, and our very patient executive secretaries, it is a pleasure to be here and to speak to you today. I may tread on a few toes before I'm through but I will speak frankly and without any inhibitions as to how anyone reacts. Either you agree with me or you don't, but at least you'll know how I feel.

My greatest regret is that our first two presidents are unable to be here to see the progress that has been made in our national association and to appreciate the stature we have attained. The first, Walter Campbell, had great vision but knowing him as I did he would have been impatient that more had not been accomplished during these ten years, and disappointed. The second, Leon Butler, would be proud that there is so much hope for greater achievements to come, but he would have been impatient with the lack of cooperation between our members and the failure of non-member contractors and contractor groups to join hands with us in our common effort. Both were dedicated men to the common welfare of this industry.

Lest anyone misunderstand me, I intend to cut deeply into the marrow of our problems and to lay the cards face up where no one can hide behind pretense or camouflage--where you can face facts or continue to mislead yourselves into thinking you know all the answers and that you're smarter than anyone else.

Gentlemen, our business is a jungle very little different than Viet Nam, and we have no one to blame but ourselves. There it is conflict between Buddhists, Catholics, politicians, and communists. Among ourselves it is greed, the law of survival, the fear of not paying bills and meeting payrolls, and the failure to think in terms of the good of our industry as a whole.

First in my specifics, I condemn the stronger independent members of local associations who have the philosophy that they must do all in their power to put their competition out of business. Competition is our way of American life, whether economic, sports, or otherwise -- but competition does not have to be the economic squeeze play, which is the very thing our industry has witnessed over the past five years. Competition means the largest working capital, better service, more sales contacts, the ability to do the job best, and a wider range of products because of franchise selection. But it does not mean that you have to drive the small independent out of business. The small insulation contractor has little to offer except price and personality -- but they will always be here. We hear the argument that there are too many contractors, but these same people argue that the locals should be larger and the supply of asbestos workers is not adequate. If there is a need for more workers, is there also not a need for more contractors than we had ten years ago?

Second, I condemn the various regional associations who have not joined IDCNA for being laggard in joining this association. By your hesitation you compound not only your own problems but the problems of every insulation contractor across the nation. What you hope to achieve by remaining an island unto yourself is a mystery no intelligent person could possibly unravel.

Third, and most importantly, I condemn the short sightedness and unwillingness to join hands of the members both small and large of practically every local association across the country. This condemnation boils down to the actions of you and I and every other contractor in this industry. We must join hands in every lawful way at every level to improve our business operations, raise our ethical standards and promote the interests of the insulation industry. It will not be easy, but here lies the real opportunity for the future welfare of ourselves, our industry, and IDCNA. Until this comes to pass we shall fight each other on all fronts -- we will be unable to live up to our code of ethics, we will continue to battle labor in the mistaken belief we are helping our immediate or long range position instead of securing their cooperation in upgrading the stature of their membership and thereby benefiting both groups, and we shall continue to have a poor return on our invested capital, and on our many years of experience and training.

Fourth, I condemn labor both nationally and locally. Their attitude, much like contractors between themselves on the local level, seems to be one of antagonism to the boss. They fail to recognize that it is as important to their welfare as it is to the boss that their major responsibility is to strive for understanding and peace with the boss. I use this word so repeatedly because our good friend Carl Sickles has never failed during the past fifteen years to greet me and most of the rest of you as Mr. Boss. It is time that word is shelved. It is time for labor to recognize that wage increases are no longer determined by the give and take of negotiations but are generally established by the Economic Councils in Washington or by the larger crafts in our area. It is time for labor to cooperate in every lawful way with the contractors on a national level for our mutual benefit and it is time for the headquarters of the International Association to move with determination and strength in controlling locals across the country to responsible action instead of speaking unmeaningful platitudes.

Fifth, I compliment the manufacturers in having faith and patience to put up with us. It is small wonder to me that they have not established more wholly-owned contract operations -- but those who have have fallen into the same category as the stronger independent contractors.

Gentlemen, we have great opportunities ahead of us but we must grow up. We are living in one of the great times of history -- a time when we should be bending our efforts to meaningful projects instead of devoting our time to the details of survival and the constant problem of getting work with a hope for profit. I say the time has come for a new look at our business -- a look at the forest instead of the every day tree. Look for a moment at history if you will. The fifty-six signers of the Declaration of Independence risked everything for freedom. Five were captured by the British, tortured, and were killed. Twelve had their homes ransacked and burned. Nine more fought and died in the war. All signed knowing full well that the penalty would be death if they were captured. When I reflect on the magnificence of these men I cringe at the shallowness of my life and of my contemporaries and of you fellow contractors. These signers were all in the stream of life like you and I -- twenty-four lawyers, eleven merchants, nine farmers and large plantation owners -- all men of means and well educated -- yet willing to sacrifice all for a principle, including family welfare and homes.

What can be the matter with us? Here we are in the middle of the greatest building boom in more than ten years and yet our industry is sick. Talk to any banker you wish and he will confirm that by and large all contractors are in the same boat. When are we going to be willing to sacrifice pride and past records, and start solving the problems that threaten our industry.

I think God has entrusted all of us with a real mission to perform but we must elevate ourselves to the point where it is possible to achieve these missions. We of all people are the last bastion of independent action yet we are trying mightily to destroy ourselves.

Communism, socialism, and all the tyrannical ideas embodied in the monolithic state is an attempt to go back, as is the monarchy, the all powerful oriental potentate, and the ruthless dictator. But must we go back, or must we stand still in the patterns of the past? What is the use of freedom or independent action if we make no use of it? We are not the ones who have chosen the security of big business or government -- we are the entrepreneurs. We can become good businessmen if we have the courage, the will, and the intelligence to meet the challenge. Well then -- where is our challenge? Is it really the day to day dog-fight? I think it is much more than that. I think the challenge lies in our willingness to join with each other through our associations and in every lawful way promote the best interests of the insulation industry as a whole. And when we have met that challenge then, we can perform the missions we have dreamed of, and our industry will be one that we can be proud to be a part of."

EXHIBIT V

talk by

WILLIAM J. DONAHOE

"President Breeding, Members of IDCNA, and Guests: I am very happy to address this growing national association of insulation contractors. I am glad to see how IDCNA has gone forward, since my administration, but we must have more participation by our members other than those who are the officers, chairmen and committees. The problems of the regionals should be brought to the attention of IDCNA so that they can do something about them. The individuals among us should try to sell IDCNA to other people in the locals of the country and get all in each territory into the organization. Thank you very much."

EXHIBIT VI

talk by

CHARLES T. VAUGHN

"President Breeding. Members of IDCNA, Guests, Ladies and Gentlemen: I, too, am very happy to be here at this meeting in New York. We have a strong trade association. There is no such thing as a loner anymore; the economy of the country is too large for the loner. The association with others is important in our business life of today. The trade association is an important help in running your business. We should try to seek out the loner and show him the advantages of joining the association. Thank you."

EXHIBIT VII

talk by

DR. GEORGE CLINE SMITH

"Mr. President, Ladies and Gentlemen: I am happy to be back and to try to bring you up to date in this fast moving economy of ours. Right now one of the big questions to the country and business is the Vietnam situation. The military build-up in the Viet War is an economic stimulant to the economy. However, Mr. Johnson does not know what the other countries are going to do, and no country knows what they will do, or what the others are going to do. Trouble can crop out anywhere but the feeling is that there will be no sharp drop-off in Viet. We are faced with a weak Congress - but 14-B fell yesterday. For the coming year we will have another round of wage increases and can look for more labor trouble.

The three things to look for next year in the administration of your business are: Plan A - Use your best judgment of what is going to happen both in foreign matters and the domestic outlook.

Plan B - If there is a sudden recession - in the next 12 months at least there is no danger of a recession - you'd best plan a program in this event.

Plan C - May-be an increase in the Vietnam war situation, perhaps the size of the Korean War. It is a possibility. You ought to be thinking of what this will do to the future of your business on the basis of what happened in the Korean War.

Construction Outlook: It is not a boom industry and out of step with other industries. The only boom in construction is a boom in the dollar figures. It is the most rapidly inflating industry in the entire country. Wages have gone up and there seems to be no ceiling on them. Altogether, it is a sick industry. Prices are expected to rise - material and labor going higher all the time. Plant and equipment building is at record levels. Industrial, commercial and office building are all booming and all will be near record proportions in the next year. It is a collosal market for the construction industry. It is up to you to take advantage of all this. The refinery industry is expected to be a big spender in the coming year. We should recommend a National Building Code so that a contractor has a guide as to what he can do.

Thank you very much for asking me to come to talk to you about the prospects in 1966."

EXHIBIT VIII

talk by
WILLIAM J. COUR

INSULATION DISTRIBUTOR-CONTRACTORS
NATIONAL ASSOCIATION, INC.

10th ANNUAL NATIONAL MEETING
October 12, 1965

It is a pleasure to be with you this morning and to speak to you briefly about the operation and activities of the National Joint Board for Settlement of Jurisdictional Disputes.

I wish that I could say that our jurisdictional dispute problems were all cleared up or at least that they were minimized.

That's not exactly the case. While we have made some progress in having International Unions adjust disputes directly, we still find it necessary to have weekly meetings. The Appeals Board is also meeting regularly.

I don't suppose that we can ever eliminate all jurisdictional disputes, but we should be able to minimize their harmful effects. That can be done by adherence to the Procedural Rules of the National Joint Board. We won't have time to go into any lengthy discussion of all of the Rules, but I would like to discuss a few points briefly.

As of March 31 of this year, the National Joint Board completed seventeen years of service to the building trades unions and the participating contractor associations -- and to the public, of course, which we all serve. The Joint Board during that period rendered thousands of job decisions, but, in my opinion, that is not its most important function. Its really important function is the day-to-day prevention of work stoppages by virtue of its procedural regulations and the adherence by both labor unions and contractors to these rules. Where they are followed and are administered in the spirit in which they were adopted there is rarely a work stoppage over a jurisdictional dispute.

While your program calls for a discussion of the national Joint Board, I always like to come back to the fundamentals on which this National Joint Board was established -- and to what it means to the affected parties.

To the Contractor it means that he can make an assignment of work in accordance with certain recognized criteria with the expectation that his assignment will be followed or that an orderly protest will be made without a stoppage of work.

To the Unions this plan provides a forum for protesting a wrong assignment of work or a place, outside of the NLRB or the Courts, to defend its claim to certain work without loss of manhours for its members because of work stoppages, picket lines and the like -- and costly legal fees.

To the public, of course, it means that the job will be completed on time -- or at least that the cause of any delay will not be a jurisdictional dispute between two building trades labor unions.

When all parties want to make this plan work, it works -- and it works well. As you know, a jurisdictional dispute is not like any other type of labor-management problem in this industry -- not like a strike or lockout over wages or working conditions. It is a family type dispute. For that reason it is more intense and frequently more bitter, since all of those affected know each other's strength and weaknesses so well. Most family type disputes are settled within the family -- and that is as it should be -- and that is what the National Joint Board encourages and seeks to accomplish. However, even family fights sometimes spill out into the streets and become real "Donny brooks." When this happens it usually calls for the "paddy wagon," the magistrates and perhaps peace bonds before order is restored. In a jurisdictional dispute in this industry the basic problem calls for "10 L's," "10 K's," and perhaps severe damage penalties.

I think this comparasion best explains the reason for the existence of the National Joint Board -- an attempt by the construction industry itself -- Labor and Management together -- to settle trade jurisdictional disputes within the family, so to speak, and without spilling them out for observation by the general public, the NLRB and the courts. The Joint Board, over the years, has kept countless jobs going through its procedural rules while the question of trade jurisdiction was being settled in a peaceful manner -- without strikes and picket lines and shutdowns or work by contractors because of jurisdictional disputes.

But somewhere along the line some of the elements which comprise this industry have lost sight of the real intent and purpose behind the extablishment of the National Joint Board. This remark applies equally to some contractor associations and to some unions which are trying to walk both sides of the street at the same time. That cannot be done if this Plan is to succeed and is to be preserved. Surely the brains and ingenuity on both sides of the table in the building and construction industry -- which has always prided itself on being able to do any job required of it -- should be able to solve its own disputes over trade jurisdiction.

I have no illusion that the Joint Board, the Joint Negotiating Committees, or any other person, agency or forum can eliminate jurisdictional disputes in this industry. I firmly believe, however, that by following the orderly procedures afforded by this Plan, their harmful effects can be eliminated and our disputes can be kept within the industry while we are attempting to solve them. All of this can be done without the unwarranted expenses in dollars and man-hours, which could be directed better and more profitably toward further organization and industry improvement programs -- prestige wise and otherwise.

Cases which go to the National Labor Relations Board are those in which the contractor for one reason or another refuses to stipulate that he will observe and be bound by the procedural rules of the Joint Board, including its job decisions, in the event that a jurisdictional dispute arises on his job. Local Unions can quickly correct this situation by inserting a provision in their local labor agreements which would require that disputes over trade jurisdiction be processed in accordance with procedural rules of the Joint Board.

In my opinion, resort to the NLRB is not the answer to jurisdictional disputes in the building and construction industry. While decisions rendered to date may appear to have been to the immediate advantage of a particular craft or employer, the NLRB approach to jurisdictional questions in this industry will not solve the long-range problems involved. Based on what the NLRB has done in this field to date, it is apparent that,

1. Their procedures are too slow to be of any real benefit insofar as most building trades projects are concerned because of job schedules, completion dates, and such considerations.

2. They are too costly in terms of time consumed by the parties themselves and in legal expenses involved.

3. The decisions rendered were in effect job decisions made long after the work in dispute was completed.

4. The decisions in practically every case made affirmative awards only to the extent that the contractor's assignment of the disputed work to his own employees was upheld.

We realize that the operations of the National Joint Board are not perfect and no claim to perfection is made for it. But, despite its lack of perfection, it is the industry's own plan and the best that we have been able to achieve. Only honest and intelligent perseverance by all concerned will improve it.

It is interesting to note that on one occasion the National Joint Board is condemned by a disputant and on another occasion the National Joint Board is praised by the same disputant. When a forum such as the National Joint Board is both commended and denounced by different persons at the same time and by the same persons at different times, the only conclusion that can be reached is that the criticisms are based on unreasonable self-interest or a lack of knowledge of the purposes, techniques and policies of that forum.

If the Unions and Employers in this industry sincerely believe in the principles on which the National Joint Board was established, it is up to them to make it work and to make it work well. If they do not make this plan work and some agency or forum from outside the industry -- unfamiliar with its traditions, practices and peculiarities -- takes over the function of settling the jurisdictional dispute problems of this industry, we have only ourselves to blame. The consequences, in my opinion, will not be to the liking of either the unions or the contractors -- and certainly not in the best interests of the building and construction industry as we know it.

As you know, the Procedural Rules of the Joint Board were amended effective April 1 of this year.

Some people seem to have the idea that since the new rules went into effect the NLRB has stepped out of the picture insofar as jurisdictional disputes are concerned. Don't make that mistake. It just isn't true. I wish it were and, frankly, we are working toward that end.

The NLRB's position, however, is still the same as it has always been. They hope that they do not have to settle jurisdictional disputes in this industry. They frankly admit that they do not have the experience and familiarity with the traditions of the industry to do so. But if we don't settle our own disputes they will settle them for us -- and in most cases we won't like it.

I will say, however, that the NLRB has given us the utmost co-operation to the limit of their legal ability.

There has been considerable criticism of the National Joint Board at various times and by various organizations. When you consider all of the elements in this industry -- each with its own axe to grind -- and the traditional and frequently bitter rivalries involved, I believe that the National Joint Board has done a fairly good job in a very difficult area during the last seventeen years.

As you know, many elements of the industry were dissatisfied with the National Joint Board for various reasons and demanded that certain changes be made in the agreement and in the Procedural Rules of the National Joint Board. Extensive negotiations were carried on for more than a year, and on February 2, 1965 an agreement was signed. I am sure that you are all aware that the Agreement was signed in the Cabinet Room of the White House; and in his remarks President Johnson stated that the agreement should limit the use of governmental dispute settlement procedures. Whether or not it will is up to us -- Labor and Management -- in this industry. Only time will tell.

The new agreement makes a number of significant changes in Joint Board procedures, most of them intended to give the panel more flexibility in deciding disputes.

The Agreement changes are:

1. The National Joint Board membership is reduced from nine to a total of five members including the Chairman. There are four members, two regular members representing labor and the two representing employers. The union members and alternates are equally divided between representatives of the basic and specialty trades, with a similar balance of representation existing between general and specialty contractors.

The two regular labor members appointed by the Executive Council of the Building and Construction trades Department are Frank Hanley of the International Union of Operating Engineers and John J. McCartin of the United Association. Their alternates are Joseph T. Power of the Plasterers and Cement Masons and Maurice Fancher of the Laborers.

The two regular employers members appointed to the Joint Board by the participating contractor organizations are Orval Auhl of Pittsburgh, selected by the Associated General Contractors, and Jack Zucker, painting and decorating contractor from New York City, who was named by signatory specialty contractors associations. Joseph R. LaRocca of the National Electrical Contractors Association was named an alternate member by the specialty contractors. The alternate selected by the Associated General Contractors is Robert Moyer of the Charles H. Tompkins Company, Washington, D. C.

2. Adoption of New Appeals Board -- An objection generally made by critics of the old plan was that a party dissatisfied with a decision of the Joint Board could only appeal for review by the same Board which had made the original decision. The amended Plan provides for a different and high level Board of Appeals where review of Joint Board decisions may be sought. The Appeals Board will be composed of five members, one General President or Representative from the basic trades, one General President or Representative from the specialty trades, one employer member from the Associated General Contractors and one employer member representing the specialty contractors.

On the Appeals Board, the two regular employer members are William E. Naumann, general contractor, from Tucson, Arizona, and Gilbert R. Olsen, mechanical contractor from Richmond, Virginia. Their alternates are Carl M. Halvorson, general contractor from Portland, Oregon, and Gerald B. Reed, Jr., Gypsum Drywall Contractor from Lowell, Massachusetts.

Appointed as the two regular labor members are General President S. Frank Raftery, who served as a member of the National Joint Board for twelve years, and William Sidell of the Carpenters. Their alternates are

John McCarthy of the Iron Workers and Homer E. Patton of the Boilermakers.

The term of all members will be for one year.

No members will participate in any case where the trade union or company of which he is an officer or representative is a party to the dispute.

The Appeals Board is empowered to review and decide any appeal from a decision or ruling of the National Joint Board or a Local Board recognized by Article IV of the Plan. There will be no appeals from Local Boards to the Joint Board.

The Appeals Board is authorized to prescribe rules as to the types of cases it will accept for review. This will enable the Appeals Board to reject frivolous or meaningless appeals and to ensure prompt action on pertinent cases.

Decisions of the Joint Board and the Appeals Board will continue to be job decisions only. The decisions of these Boards will not be considered decisions of record.

3. Rotating Membership -- Arrangements are being made to provide for a system of rotating membership on the Joint Board and the Appeals Board so that all unions and participating employer groups will have the opportunity from year to year to serve in the decision-making process.

4. Criteria for Decisions -- Criteria to be used by the Board in making job decisions, according to the new agreement, are: "Decisions and Agreements between affected International Unions attested by the Chairman of the Joint Board, established trade practices and prevailing practice in the locality." No order of priorities is fixed by the Plan.

5. The Public Interest -- The Plan declares that "The Joint Board should not ignore the interests of the consumer in settling jurisdictional disputes, but should give due regard to such factors as efficiency and economy of operation."

6. Employers to be Consulted by Unions when Making Agreements -- The new agreement also gives employers some voice in the making of jurisdictional agreements among unions. One of the complaints about the old system was that employers could be bound by agreements entered into by unions without regard to cost. The new agreement says:

> "In negotiating national agreements between international unions, consultation with appropriate management groups on the making of agreements between international unions is desirable and should be carried on."

Certainly, you, as affected contractors, should be consulted and given an opportunity to express your opinion on any agreement which is going to affect your industry.

In concluding, I feel that I would be remiss if I did not take this opportunity to extend the thanks of the Joint Board and my personal thanks to your association and especially to the representatives which you furnished to help in this important industry activity -- namely, Aertsen Keasbey and your Executive Secretary, Ellwood Jones.

I can assure you that they at all times did all in their power to protect the business interests of your members. I know that on many occasions the travel requirements from New York and Philadelphia and the time spent at Joint Board meetings were most inconvenient for both of them. They did so because they recognized the importance of the National Joint Board to your industry.

Don't kid yourselves. There are many other business interests employing a variety of other crafts which are constantly and increasingly competing for work which you have regarded as yours by tradition. Keep that in mind.

It has been a pleasure to be with you this morning. I thank you for inviting me and I extend my best wishes for a most successful meeting.

EXHIBIT IX

"SAFETY AT THE JOBSITE"

by

JOSEPH A. COURTER, PRESIDENT
Courter & Company, Incorporated
317 West 13 Street, N. Y. C.

Several months ago - Aersten Keasbey asked me to speak before this Convention on SAFETY AT THE JOBSITE - or Safety in Construction.

It was his thought that I present to you a Safety Program as developed in New York City.

I am not however, here to give you an easy solution, or a simple program which will prove effective.

I am outlining this Program with the hope that it will aid you in developing a similar one in your local Association areas - or where you may have influence.

Fortunately - I am able to start with a positive approach due to the success the Construction Industry has enjoyed in instituting the beginning of an effective Construction On-the-Job Safety Program here in New York City.

Certainly - getting the preliminaries off the ground was not easy. Perseverance did prevail however - as the Good Book states it will and should.

We now have in New York City what we feel is an effective Program - and where practiced, it has proven its worth.

FIRST -- we recognized a problem, troublesome and long with us - ACCIDENTS ON THE JOB.

SECOND -- something positive had to be done. This called for Education and Training. Management had to be made to understand its responsibilities. Labor had to be educated equally to recognize its share in these responsibilities.

To prevent occurrence and recurrence of accidents - calls for a constant alert on the part of both Management and Labor.

In the year 1960 - at one of the member meetings of the Business and Industry Division of the Greater New York Safety council, Inc. - AN IDEA WAS BORN. It was decided to make a breakthrough and inauguarate a SAFETY PROGRAM within the Construction Industry, considered then one of the worst offenders in the disregard of SAFETY-ON-THE-JOB.

We met on several occasions to discuss our problems. We found that over many years - many safety programs had been developed. Some for a given trade, others for a single segment of the industry.

We studied these programs and decided that to be successful, a SAFETY PROGRAM HAD TO COVER ALL PHASES OF THE CONSTRUCTION INDUSTRY. We decided that the only way a SAFETY PROGRAM could be successful - was to INCLUDE ALL SEGMENTS OF THE INDUSTRY.

We then made what proved to be an important decision - we decided that in order to get this Program on the road - we would begin with a CONSTRUCTION SAFETY CONFERENCE. If successful - this would be held annually.

Our initial Conference was held in October of 1962, originally to be sponsored by the Greater New York Safety Council and the Building Trades Employers' Association of the City of New York.

At about this time - I was invited to speak on Construction Safety at the Fourth Labor Management Conference sponsored by the New York State School of Industrial and Labor relations at Cornell University.

This presentation was received with great interest and a POWERFUL NUCLEUS was formed. Peter Brennan, President of the Building and Construction Trades Council, who was present at the Cornell Conference - became quite enthused with our Program and joined with the BTEA and the Greater New York Safety Council - in sponsoring Safety in Construction.

We needed no more - we had SAFETY - LABOR - MANAGEMENT. We were ready to go ahead.

Our first Conference proved encouraging, and with each Annual Conference -- interest seemed to grow. We are now preparing for the Fourth Construction Safety Conference. This is scheduled for the 28th of this month.

To make you familiar with the scope of activities at these Conferences, I will give you here the subjects discussed in Workshop Sessions during the day:

Conference held in 1962:

1. What can Contractors do to improve Employee Safety?

2. What are the safety techniques to reduce public liability hazards?

3. What can Insurance Companies do to assist Construction Safety Programs?

4. Where to go for Safety Know-how and Assistance.

Conference held in 1963:

1. Responsibilities of General Contractors and Subcontractors.

2. How do you prevent falls?

3. How to get employees to use protective equipment.

4. Practical Training Techniques for Safety-on-the-Job.

Conference held in 1964:

1. What the Business Agent can contribute to Construction Safety.

2. What the Foreman can contribute to On-the-Site Safety.

3. How Apprenticeship Training Programs can contribute to Greater Safety.

4. What is expected of Contractors in an Industry-Wide Construction Safety Program.

Finally - for 1965 - we have scheduled the following Workshop Sessions:

1. How Should employees be induced to work safely?

2. Should Trade Color Identification Practices be adopted for Greater Safety?

3. Should disciplinary action be taken for failure to follow Safe Practices, and if so - by whom?

4. What can be done to promote Inter-Trade Safety Considerations?

To augment our Program - through the sponsorship again of the Building Trades Employer's Association and the Greater New York Safety Council, a SAFETY DIRECTOR has been employed -- HIS RESPONSIBILITY -- concentrating on a Construction Safety Program, which to date, has given us some effective tools.

ONE - An EFFECTIVE POSTER PROGRAM has been instituted. These Posters are of new design. They have brought large acclaim from many directions. They have been distributed to Contractor-Members of the BTEA and have been placed on Construction Jobs throughout the City.

TWO - An EFFECTIVE CONSTRUCTION SAFETY COMMITTEE has been formed. Meetings are held monthly to review problems and further our Program. Many hazardous conditions have been corrected at Jobsites as a result.

On this Committee are representatives of Labor, Contractors and Insurance Companies.

The Building and Construction Trades Council has been most effective and most helpful in carrying out Safety-consciousness at the Jobsite.

The Building and Construction Trades Council has agreed to incorporate a Safety Course into their various Apprenticeship Programs.

THREE -- This Safety Committee has just recently authorized the development of a PROCEDURE or Practices PROGRAM. The first Procedures are now in the process of being written up. They will cover:

1. The use of Hard Hats.

2. Job Cleanliness.

These Procedures will be distributed through the various Contractor Associations - with the thought of disseminating this information throughout all Construction Projects.

FOUR -- We are concentrating on literature and monthly letters on Construction Safety.

FIVE -- We are running a series of Seminars for Construction Superintendents.

The first Seminar was held in the Spring of this year - the Fall Series was completed on September 30th.

These Seminars have proven very successful. The following subjects were covered in discussion:

Spring Sessions:

a. The Supervisor's Role in Jobsite Safety.

b. Key Elements of Safety.

c. "What's in it for me?" - Motivating Safety.

Fall Sessions:

a. Supervising Safety-on-the-Job.

b. Successful Methods of Jobsite Accident Reduction.

c. Safety Programs get results.

We are very encouraged. We find that we are on the right track.. TO EDUCATE THROUGH A PRACTICAL, PLANNED, CO-ORDINATED PROGRAM - the owner, the general contractor, the subcontractor and the employee to recognize their responsibilities respectively, in providing SAFETY-ON-THE-JOB.

THIS HAS BECOME A JOINT EFFORT . . . . SAFETY IS EVERYBODY'S BUSINESS! ---- THIS IS OUR SLOGAN.

Now - how can the Industry approach a Safety Program within its own ranks?

AGAIN - Management must make known its concern in this direction all the way down the line. Employees will then unconsciously begin to care themselves. Superintendents and Foremen must be trained to recognize their responsibility for the safety of men. This is just as sure as their responsibility for the proper and safe use of equipment and materials.

Once this attitude is accepted - SAFETY-ON-THE-JOB becomes a natural ingredient in the course of normal operations.

Management must impress that working SAFELY and in SAFETY IS PART AND PARCEL OF AN HONEST DAY'S WORK. This is Management's responsibility. This cannot be stated too often - for though we may succeed in the start of a Program ---- to backslide is too easy and there must be a continuing Program. No matter how much we have done or do, we must forge ahead into the future with the thought of minimizing accidents and the danger of accidents.

As part of your Program - you can:

1. Develop Safety-consciousness among employers and employees.

2. See that proper Safety Equipment is available for mechanics and is used.

3. See that Supervisory Personnel use and wear Safety Equipment when visiting Jobsites.

4. Provide Safe Tools for mechanics.

5. Clarify the Industry-Wide need for Organized Safety Effort.

6. Encourage and promote development of an Organized Safety Program within each firm.

7. Provide Posters, Signs, Rule Books, Leaflets for mechanics, Arrange Meetings, Lectures and Safety Pictures from a centralized source.

8. Take advantage of the help the National Safety Council, Inc. can give you.

You must consider long-range objectives as well - such as:

1. Incorporating Safety into all Apprenticeship Training Programs.

2. Integrating Safety Training and Retraining in all phases of the Insulation Industry.

3. Starting Joint Safety Committees on each location for each job.

4. Introducing a coordinated Program into specific areas where you have local Associations.

It has been our experience that the above suggestions, carefully studied, and prepared as part of a Program - inevitably will bring on a minimization of On-the-Job Accidents.

We must understand that unless our efforts are voluntary - compulsion by Government may well set in. The Federal Government has already shown an interest in accident prevention. You may be interested in learning that I was called upon in June of 1964 to speak at the President's Conference on Occupational Safety - discussing in detail our Program as practiced in New York City.

OVERALL - what is our final objective? - SAFETY!

This means that we must actively assume the responsibility to make possible a reduction in human suffering and the burdens such suffering places on the families of the injured. We too often forget the families of the injured. All of this is one part of a whole.

I repeat - SAFETY IS EVERYBODY'S BUSINESS! and I trust I have been successful in engendering in all of you here a feeling to go forward and become a part of the evergrowing PARADE TOWARD SAFETY-----

We in New York City, would of course, be glad to give you the benefit of our experience - and share our knowledge with you - TO HELP YOU ACHIEVE RESULTS!

THANK YOU!

10/10/65

/drc

EXHIBIT X

talk by

CARL. W. SICKLES

"President Breeding, Members of IDCNA and Guests; Thank you for asking me to bring the greetings of the Asbestos Workers to you contractors. I came up by jet and have to leave by jet in a few hours, but it is always good to see so many of my friends who are the employers of the Asbestos Workers. I think that I have missed only one of your conventions, ever since you began having them.

In the International office we always want to try to settle any disputes with you that cannot get settled at the local level. We want to prevent small troubles from becoming big ones.

As my predecessor as International President always said, 'we are partners - the contractor and the Asbestos Worker - neither can do any work without the other.'

I notice that you have a large attendance here, and I wish you much success in this convention. Thank you for asking me."

EXHIBIT XI

talk by

DUANE C. LUSE

Report to IDCNA members attending the Tenth Annual Convention held October 10-14, 1965, at the Waldorf-Astoria Hotel, New York, New York

Gentlemen:

Your Manufacturers Relations Committee, composed of Mr. William Wilkes, Boston, Massachusetts; Mr. Frank Rutherford, St. Louis, Missouri; and myself, Mr. D. C. Luse, Chicago, Illinois met Monday afternoon with representatives of NIMA. Legal counsel for both groups were in attendance. This was the first meeting between our committee and representatives of NIMA.

Long and interesting discussions were held regarding ways and procedures of working together for the improvement of our industry.

The development of methods of arriving at Insulation standards was discussed. In this connection, copies of the report by the Standards Committee were given to NIMA for review and study by its 16 man Technical Committee. They will then determine if they can assist in this project.

Other possible areas of mutual action were explored, including insertion in the IDCMA Newsletter of articles submitted by manufacturers dealing with new products, new processes, means of preventing substitute materials not meeting specifications, and other ways of protecting the consumer and to improve our image in the construction industry.

No conclusions were arrived at and no further action can be taken until after a NIMA meeting on Thursday.

The committee believes that progress has been made in outlining areas where the two associations can properly pool their efforts to promote the industry.

At the end of two years on this committee, I am confident that we are going to make much greater strides in the very near future.

Mr. President, Members of IDCNA, this concludes our report at this time.

Respectfully submitted,

Duane C. Luse, Chairman
Manufacturers Relations Committee
IDCNA

EXHIBIT XII

REMARKS PRESENTED
by
J. N. BARNHART, EXECUTIVE SECRETARY
NATIONAL INSULATION MANUFACTURERS ASSOCIATION
at
THE 10TH ANNUAL NATIONAL MEETING
of the
INSULATION DISTRIBUTOR-CONTRACTORS NATIONAL ASSOCIATION
October 13, 1965 Waldorf-Astoria Hotal
New York, N. Y.

Gentlemen - NIMA brings you greetings - We bring you greetings because

1. of a mutual interest and desire to increase the economic potential of the industry

2. of a genuine desire to cooperate in areas that are consistent within the laws of our country

3. because you are our customers and our friends.

In our desire to increase the economic potential of the industry perhaps the most impressive undertaking of NIMA has been our promotion of the concept of "Economic Thickness of Insulation". Thousands of dollars have been spent in publicizing this. This new method of determining the proper thickness of insulation is now being used on many major construction projects. Over 4,000 "Economic Thickness Manuals" have been published and distributed to principal companies and engineering firms. The Manual has also been distributed to insulation distributors and contractors by manufacturers. Many of the manufacturers have conducted training and promotional programs to help the contractor utilize this new concept to develop more business. I have presented the "Economic Thickness" story to your membership. Our promotion of this new concept can result in an increase of 20% to 30% in volume of insulation installed and thus contribute materially to the welfare of our industry.

As you are aware, NIMA has allocated the sum of $2,500 for the promulgation of the IDCNA Insulation Manual. We have also agreed to help edit the material to be presented in the manual. On the negative side we felt that we could not collaborate in the direct preparation of the manual inasmuch as it will cover competing products and systems, thus involving some conflicts of interest amongst the individual members of the NIMA.

Further, many members of NIMA have indicated their willingness and are participating in the MAICA Meeting in Williamsburh, Va.

Our specification writing with various government agencies (GSA, Veteran's Administration, Bu Ships, Bu Yd and Docks, BRAB, etc.) have been worthwhile by producing documents that are up to date and by following the economic approach to thicknesses have upgraded the industry.

There are many areas of mutual cooperation open to question and our legal counsel has advised us that any formal liaison between the two groups is necessarily limited. Even in matters where joint efforts can be considered, primarily technical in nature, they also must be carefully scrutinized by counsel since they lie in the area of law that requires a well defined understanding of the relationship between the two associations.

As manufacturers, we recognize and appreciate the importance of your group in the marketing of our products. As such, we propose to do everything possible to be of assistance to the distributor-contractor in the sound development and growth of our industry.

EXHIBIT XIII

PRESENTATION BY: IDCNA COMMITTEE ON STANDARDS

PLANS FOR THERMAL INSULATION AND REFERENCE MANUAL

October 11, 1965

President Breeding
Members of IDCNA
and NIMA

Gentlemen:

We must face our problems as contractors just as we do as individuals.

As individuals and as contractors the two essentials of success are a group relation and pride of accomplishment. We must maintain a strong regional group for our individual balance. Immediately a shrinking world indicates the need for a group relation of regionals. Hence, I.D.C.N.A.

A manual of insulation standards and contractor-engineer guides to enhance the regional group relation and to be the voice and footprints of all the associations is what has been conceived by Chairman Con Wiegers and Former President Charles Vaughn.

If, as contractors, we are grouped we are balanced, if balanced strong. If strong, we help the labor and union situation that we face. We help labor because labor leadership is created by opposition. Rather than having the union and labor manage our business due to the management vacuum that we leave behind us labor can deal exclusively with labor's affairs.

It is fair to say that the trouble with labor and unions is that we do not manage our business.

Locals that lack leadership - headless bodies - are the ones of whom not enough has been required in areas of responsibility and loyalty from employers. The bosses!

It is fair to say, too, that most of the troubles manufacturers have is due to the fact that as contractors we do not manage our business. Organized labor lays itself directly across the path of manufacturers when it is forced or allows tradition to raise the cost of the job, archaic practices to be perpetuated at the expense of the consumer and the image of the whole industry.

The manufacturer (and the contractor!) are in direct competition with labor on the job for each insulation dollar spent by the consumer. We must help the manufacturer, engineer design their job to stay in the middle because the cost of materials will be the larger part of job costs soon whether we stay in the middle or not. There is less and less "middle" for an independent contractor as a broker every day.

A manufacturers' representative who has a splendid, unique new product that he could not sell to a large contractor that needed his product, that could upgrade the job and reduce the cost, asked the other day, "How do you tell a reasonably intelligent man that he is a fool?" Obviously, you do not - - - but as to what would help this man - - - only a comprehensive, endorsed, approved reference manual on specifications, materials, guidelines for application, and guidelines for management and installed selling. This manual to be complete in scope, of unquestioned integrity, and in the hands of every producer, installer, specifier and major user in the United States.

Increasing volume to cure contractors' business ills is like taking a drink to cure a hangover. Selection and proper use of materials available now can upgrade the job, reduce cost, extend manpower now available to the point where it could probably be adequate, improve profit, reduce overhead and eliminate the source of most of our labor conflicts.

The cost of material is not what governs profit and volume in insulation contracting.. The cost of labor is not what governs profit. The mark-up is not what governs profit! Production using quality materials is what governs profit!

In our business having a 2-1/2 labor cost factor to 1 for material if you control your estimated labor cost by only 5% downward and re-extend your estimate you will have the profit equivalent of double your volume!!

A contractor always tries to beat material price when material is only 30% of the job. If the jobs were specified so that application was 30% of the cost - - - !! Imagine the new vistas that would be opened to the manufacturers for volume and profit and better business. Again, the manufacturer and contractor are now in competition with the insulation mechanic on the job for the smallest portion of the dollar volume of insulation purchased.

Summary: The final solution to our problems (contractors-manufacturers-labor) is new products and the proper use and application of the best of today.

As contractors we cannot follow tradition (a curse on costs!) in design and application and remain under the umbrella afforded by a service contract with the union. Thermal insulation and spiraling labor cost cannot be stopped by the "road block method." They can only be outrun.

Nearly all self-styled "Insulation Experts" are usually "Islands of Ignorance." Probably 30% of the insulation contract dollar is wasted on at least 50% of installed work that is incorrectly designed and completed.

The manual will have complete integrity without compromising labor, the contractor, the manufacturer of thermal insulation. However, laggings and applications that should not be used except for wrapping mummies will be delt with fairly too.

This manual is late. The overwhelming, universal, compounded, absolute demand for it now makes it too ridiculous to discuss any further.

Your constructive comments and necessary support are solicited.

J. P. Ennis
Sub-Chairman, Standards Committee

I. FUNCTION OF THERMAL INSULATION

Insulation is a material, or an assembly of materials, which retards the flow of heat. This flow, which is from one object to another object at a lower temperature, may be from an enclosed space out to its surroundings, or from its surroundings into an enclosed space.

The many things affecting the proper functioning or insulation will be described. Some of these are surrounding ambient temperature, chemical environment, physical demands and abuses, temperature levels and emittances of surfaces, location, size and shape. In addition, the service requirements must be known, as they also affect the proper selection of insulation materials and their application. The major funtions of insulation, such as those listed below, will be presented:

1. Reduction of amount of lost energy in either heating or cooling.

2. Control of heat transfer.

3. Control of surface temperature.
   a. Hot - maximum surface temperature.
   b. Cold - minimum surface temperature.

4. Control of Temperature.
   a. Process Temperature - Storage Temperature.
   b. Transportation of very hot or very cold products.
   c. Tracer Systems.

5. Retardation of freezing.

6. Fire Protection.

7. Protection from injury from burns.

8. Human comfort.

II. HEAT TRANSFER

The theory of heat transfer will be presented. As heat energy is transmitted by three methods - radiation, convection and conduction, the fundamentals of the relationship of these in respect to the function of insulation will be described.

The mathematical equations for calculations of heat transfer will be presented. Mathematical methods for the calculation of the following will be included:

1. Heat transfer - outward (hot).

2. Heat transfer - inward (cold).

3. Surface temperatures.
   a. Effect of surface emmitance.
   b. Effect of air convection.

4. Due point thickness.

As the moisture content of insulation affects the heat transfer, the effect of moisture on insulation conductivity and the consequent need for vapor barriers to control moisture will be discussed.

III. ECONOMICS

The purpose of insulation is to control heat flow, or stated another way, it is used to conserve energy. All energy is of value. Unfcrtunately, for ease of calculation of the economics, all energy does not have the same value. Even though insulation is produced, sold, installed and used for reasons of economics, the results obtained by its use are not well known. To illustrate: a conventional installation of insulation on industrial hot pipe will give the purchaser a return on investment of several hundred to several thousand percent the first year. Based on actual results obtained in practice, industry cannot afford uninsulated hot or cold surfaces. These economics and how they are used to determine insulation thickness for the following will be presented:

A. Industrial

   1. Conservation of Energy.

      a. Savings in capital investment.

      b. Return on Investment.

      c. Controlled environment.

   2. Product Production

      a. Necessity for temperature control.

      b. Conservation of energy.

3. Conservation of Product

a. Storage of hot material.

b. Storage of liquified gases.

c. Highly volatile fluids.

d. Storage of foods.

4. Personal protection.

5. Fire Protection.

B. Commercial

1. Conservation of Energy.

2. Control of Temperature.

a. Buildings

(a) Constant temperature rooms.

(b) Cold or hot rooms.

b. Ducts

c. Piping and equipment.

C. Transportation.

1. Conservation of energy.

2. Control of temperature.

3. Fire or explosion protection.

4. Special considerations.

a. Weight

b. Space

IV. INSTALLATION REQUIREMENTS.

The economic considerations must justify the use of insulation, but then the installation must be designed and installed in such a manner as to ensure its functioning properly. Selection of materials and their application must be based on the service requirement; otherwise an unsatisfactory installation can be expected. In many cases this is a function of the consumer's Engineers, however, the Contractor must be aware of these requirements to make a good installation, or to recognize improper design. As there is no perfect material for any one set of installation requirements it is necessary to evaluate each set of conditions to determine the paramount requirements which must be fulfilled.

Some of the service requirements which will be discussed are:

A. Industrial

1. Mechanical Requirements

a. During application.

b. In service

(1) Mechanical abuses

(2) Expansion - Contraction

2. Chemical Resistance Requirements

a. Reaction - compatibility

b. Auto-ignition

c. Corrosion

d. Toxic effect

3. Absorbance and adsorbance resistance.

a. Liquids

b. Vapors

4. Temperature Resistance Requirements.

a. Maximum

(1) Service

(2) Fire (protection)

b. Minimum

c. Cycle

5. Thermal Resistance Requirements.

6. Weather Resistance Requirements.

B. Commercial - Buildings, etc.

1. Mechanical Requirements

2. Absorptance and Adsorptance Resistance.

3. Temperature Resistance Requirements

4. Thermal Resistance Requirements.

5. Weather Resistance Requirements.

C. Transportation

1. Mechanical Requirements

2. Absorption and adsorption resistance

3. Temperature Resistance

4. Thermal Resistance

5. Weather Resistance

6. Weight considerations.

7. Space considerations.

V. PROPERTIES OF MATERIALS

Evaluation of the properties of materials is a study so complex that there is no accepted authority as totheir proper evaluation, nor a simple listing of the properties of the insulations, weather-vapor barriers, and accessories produced and used in the insulation industry. However, the relationship of methods of laboratory testing of insulation materials to their service performance will be discussed. Some of the basic properties of the more common insulations will be presented.

As there is an almost complete lack of test information available on weather and vapor barriers, most evaluations of these materials must be based on service experience and application knowledge. The need for reliable test methods and suggestions for field evaluation will be discussed.

As a high precentage of insulation installation failures are caused by the weather (or vapor) barriers and accessories, a knowledge of these materials, methods of application, limitations and their effects on the insulation is essential.

A limited listing of the properties of the following will be presented.

A. Insulation Materials

B. Weather, weather-vapor, Barriers

1. Jackets

2. Mastics

C. Accessories

VI. RELATION OF INSTALLATION REQUIREMENTS AND PROPERTIES OF MATERIALS.

Properties of Materials:

This section will provide suggestions as to selection of insulation materials, weather, weather-vapor barriers and accessories to utilize their properties to best fulfill the installation requirements. It will also present some of the common causes of insulation failures.

VII. SPECIFICATIONS

Any single individual specification can become outdated rapidly due to changing materials and application methods. For this reason and the fact that for individual conditions the potential number of proper specifications would number several hundred, this section will present the philosophy of specifications and a format showing how they should be presented. This will include:

A. Purchase Specifications

1. Insulation

2. Weather, Weather-Vapor Barriers and Accessories.

B. Application

1. Equipment

2. Piping

3. Building

a. Floors, Ceilings, Walls, Partitions

b. Ducts

c. Fire Protection

d. Cold Storage Spaces

4. Transportation

a. Trucks

b. R. R. Tank Cars

c. Ships

C. Typical sample specifications for some common services will be prepared.

D. "Do and Don't" guidelines for writing insulation specifications.

VIII. CONTRACTS

Contracts are the legal documents which provide that the furnishing of the materials and the performance of the work specified be the responsibility of the Contractor. Many detail factors should be mentioned and some of present difficulties resolved.

Note: The contractors will set up a committee to study and prepare this section.

This section will list the responsibility for things necessary in the contract, such as, power, tools, scaffolding, method of measurement.

IX. FIELD APPLICATION

This section can be as small or as large as the committee desires. It may be as general or as detailed as desired. Many contractors have "tricks of the trade" which they may not wish to have published. Yet common application problems may be described and methods of correction suggested. For this reason the following is given as a suggested outline as to what this section should contain.

A. Procurement

B. Storage

C. Handling

D. Supports or Pre-Installation requirements

E. Prefabricated or Preformed materials.

1. Dimensions

2. Marking

3. Changes

F. Installation - Industrial Installations

1. Fitting of Insulation

2. Securement of Insulation

3. Protection of Insulation during construction

4. Workmanship

5. Safety Considerations

6. Changes - Salvage of materials

7. Installation of Weather-Barriers

8. Uses of Special Tools

a. Stud Guns

b. Sprayed Insulation

c. Foamed Insulation

G. Underground Installation (Special)

H. Heat Tracing (Special)

1. Attachment

2. Installation of heat transfer cements.

I. Vapor Sealing

1. Insulation

2. Vapor-Barriers

J. Weather-Barriers

1. Mastics

a. Reinforcements'

b. Trowel, Brush or Palm

c. Spray

(1) Spray equipment

2. Jackets

a. Felts and Plastics

b. Metal

K. Buildings

1. Walls, ceilings, floors, roofs

2. Ducts

3. Pipes and Equipment

4. Cold storage or constant temperature rooms.

X. MAINTENANCE

1. Repairs

2. Replacement

3. Weather Barriers

4. Vapor Sealing

5. Caulking

6. <u>Economics of Good Maintenance</u>

XI. APPENDIX

1. Tables and Charts (as desired by committee)

a. Sizes

b. Dimensions

c. Heat Transfer

d. Surface temperature

XII. DEFINITIONS

EXHIBIT XIV

talk by

STANLEY STACHELEK

"Mr. President and Insulation Contractors;

Compensation rates somewhere between 1 and 4% of the job. Accidents on jobs are costly to contractor. An average accident where the employee falls off a scaffold runs in compensation cost around $750.00. Lung cases cost anywhere up to $30,000.00. We should watch out for court judgments and awards for aggravation of pre-existing injuries. Courts now tend to award full judgment to an employee and the contractor who last hired him is liable. There are many other causes of lung cancer than asbestosis - cancer could be brought on by smoking, dust inhalation, flying particles, etc. We should have conventional safeties. Solvents are a particular danger and bring on lung disease. New products have a danger too- people working for us don't know how to handle them. We have to do something about this.

Simple cases - Everyone should be safety conscious. Many small cases come out and cost a lot of money in the overall accident picture. Little things happen on the job that we all are aware of and which could be avoided.

Suggestion - Have a safety chairman in each company - a responsible person and get a good report. A list should be made of the workmen who are accident prone, especially the older mechanics, to see what accidents various workmen have had and what chance he has for another accident. Insist upon a full physical examination for an older mechanic. Try sending out periodical news letters to your employees on safety. Get consciousness of accidents to mechanics by little suggestions in the pay envelope. Dust is a major problem and the foreman and supers should be made aware of this danger to health. Cements are dangerous their inhalation is serious to health - and when bags are opened they should not be turned upside down but slit at either end and used without dumping. Government agencies have many pamphlets available on safety factors in construction."

EXHIBIT XV

"SUGGESTIONS ON ESTATE PLANNING"

by

JAMES W.R. BROWN, ESQ.

Ladies and Gentlemen -

As the title of my talk makes clear, this is not going to be a technical discussion of the law of wills, property, taxation, gifts, trusts and the other areas involved in estate planning. Rather, I would like to do these five things:

First - explain briefly what we mean by estate planning,

Second - Emphasize its importance to you,

Third - Review with you some of the questions you will need to answer in planning your estate and make some suggestions that may be helpful in deciding them,

Fourth - Point out a few of the major tax considerations,

Fifth - Discuss some of the special problems you have because of the fact that a major asset of your estate is a contracting business.

What is Estate Planning?

For our purposes, I think a good definition of estate planning is the ordering of your business, financial and personal affairs in a manner that will, in the event of your death, best assure the maximum use of your assets to accomplish your desires. This means that you must take appropriate steps:

1. To see that the assets go to the persons you want to receive them.

2. To see that the assets go to these persons at the time and and in the manner, whether outright or in trust, that best suits their circumstances;

3. To see that proper arrangements are made and instructions given in connection with the continuation, liquidation or sale of any business operation;

4. To see that there is no waste of assets through avoidable tax assessments or other exactions and, in this connection, to see that properties held or acquired are titled properly;

5. To see that the management of the estate is placed in competent and reliable hands;

6. To see that there is sufficient liquidity to meet obligations without undue liquidation.

7. To see that the members of your family are, to the extent this can be, prepared to cope with the problems that will be theirs in the event of your death.

Obviously, then, estate planning involves a lot more than making a will. It requires continued attention. For example, every time you acquire an asset, the manner in which you take title affects your estate planning.

I would like to emphasize, also, that estate planning is essentially family planning. This is particularly true where business interests are involved. This means that family goals should be established and that the wills of both the husband and wife should be coordinated to accomplish these objectives. It means also that your estate planning should be tailored to fit your particular family. Generally there is a way to meet any problems of your particular family if adequate thought is given to them.

Importance of Estate Planning

I doubt if I need say anything about the importance of estate planning. Everyone is interested in seeing that his estate does the best job possible of protecting his family. While tax saving is only one factor, it can serve to dramatize the benefits of proper planning. For example, a husband and wife with \$120,000 of assets could pay \$9,500 in federal estate taxes, and with \$160,000 of assets could pay \$21,700, and with \$275,000 of assets could pay \$65,280 of estate taxes.

With the most elementary kind of planning, the tax on the \$120,000 of assets could be entirely eliminated. The tax on assets of \$160,000 could be reduced from \$21,700 to \$3,200 and the tax on \$275,000 of assets could be reduced from \$65,280 to \$28,800. Moreover, these savings could, for the most part, be accomplished without sacrificing any of your personal lbjectives. Where more assets are involved, or with a little more than basic planning, the savings to be obtained are proportionately greater. Notwithstanding these large savings many people, although they realize the importance of estate planning, just never seem to get around to doing anything about it. If you wives prefer that these available savings go to you rather than the tax collector, you can do something about it.

With this general but basic background, I would like to move on to some of the specific problems you will face and decisions that you will be called on to make.

Selection of Counsel

The first thing you will need to do, if you have not already done so, is select competent counsel. While this is, and should be, strictly a personal matter, I feel that it is appropriate to mention a few observations. First, it seems to me that a businessman is generally better served by a law firm than by an individual lawyer. With the pyramiding of government regulations, the tremendous increase in the importance of taxes, and the development of realtively new fields of law, it has become difficult, if not impossible, for an individual lawyer to serve a business client adequately. Secondly, it would seem to be advantageous to have the same lawyer or firm who handles your business law handle your estate planning. Your business planning will frequently affect your estate planning, and vice versa.

I feel also that your counsel ought to be schooled in the fields of federal estate and income taxes.

The Marital Deduction

One of the most important tools that you or your counsel will have in planning your estate is the marital deduction. This provision of the federal estate tax law permits a deduction for property passing in specified ways from the decedent to his surviving spouse. The maximum deduction so permitted is one-half of the decedent's estate. The effect, of course, is to cut the estate in half for tax purposes.

A simple little illustration will show how the marital deduction works. Assume that you have net assets of $120,000. In the absence of the marital deduction, your estate would receive a specific exemption of $60,000, (this exemption is granted to every estate) and the tax on the remaining amount, $60,000, would be $9,500. Now -- if you give half of your assets to your spouse in a manner that qualified for the marital deduction, your estate will have no tax at all to pay. Thus, the marital deduction cuts your estate down from $120,000 to $60,000. From this you are permitted to deduct the specific exemption of $60,000, with the result that there is no taxable estate remaining.

There are some situations in which it will not be advisable to use the full marital deduction. No purpose would be served by getting into these refinements in this discussion. The point I want to make is that the marital deduction is a tremendously important tool in estate planning, and, unless you have utilized it to the greatest advantage, your planning is greatly deficient.

An important decision you will need to make is the manner in which the assets pass to your spouse in satisfaction of the marital deduction. Essentially, the rules are drawn so as to assure that the surviving spouse receives the benefit of the property and that any part of the assets remaining at her death are taxable in her estate.

Obviously, if the property goes to her outright with no strings attached, such a bequest will qualify for the marital deduction. But this kind of bequest may not be advisable from the family standpoint. For instance, your wife may not be capable of handling substantial funds and investments, she may not want that responsibility even if she if capable, you may want to protect her against the importunings of the children or other relatives, or there may be other sufficient reasons why she should not receive substantial assets outright.

How do you get the marital deduction and still solve this problem? The best answer is, of course, by having the assets go into trust for her benefit. The two requirements that must be met by such a trust in order to obtain the marital deduction are (1) that the spouse get the income at least annually (which is no problem,) and (2) that she have a power to appoint the assets to herself or to her estate. This power of appointment can be restricted to the assets remaining in the trust at her death and to a power that is exercised in her will. You can provide in your own will how the assets in the trust shall be distributed after her death in the event she does not exercise the power which you have given her.

<u>The Residual Trust</u>

So much, then, for the marital bequest. Now let us take a look at the remaining assets which, for convenience, are usually referred to as the "residual half" or the "residue."

Generally, a husband wants these assets available for the support of his wife as long as she lives.

Again, tax considerations enter the picture. Assume, for example, that you decide that your wife is a good business woman and can properly receive all of your assets outright. At her death, all of these assets which she then retains will be taxed in her estate. Moreover, unless she remarries, her estate will have no marital deduction. If she received assets from your estate totaling $275,000 and if she lived off the income, the tax to her estate will be $55,200. If half of the amount she received from your estate could be kept out of her taxable estate, the tax would only be $14,400, or a saving of $40,800.

The question is -- can you devise a plan whereby every last dollar of this residual half will be available for her support and care but still not be taxed in her estate? This would seem at first blush to be a pretty big order.

The answer is, however, that it can be done. This result can be achieved by the use of a trust. Generally, this trust will provide that all of the income go to your wife, or be distributed among the family, and that the trustee may use whatever principal is needed for the care, support and comfort of your wife. The only limitation is that your wife cannot be the one who determines how much of the principal is paid over to her.

It is hardly necessary to state that the residual trust is a very important planning tool.

Distribution to Children

Now let us direct attention to provisions for the children. Assuming that you have set up a residual trust in the manner just described, you will need to provide for the distribution of the assets remaining at your wife's death. One method would be to provide that the assets go outright at that time in equal shares. However, if the children are minors or immature, you may not want such an outright distribution. Some people prefer to withhold distribution until a child attains a little more maturity, such as 25 years of age. Likewise, some people prefer to give the child more than one chance. For example, you could provide that at the age of 25 years the child receives one-half of his share, and at age 30 receives the balance. The purpose of this would be to permit him to have some experience with the first half from which he might learn. If he has squandered it, he will be given a second chance.

Liquidity

Another matter that will require careful attention is liquidity. Death of the husband generally shuts off a regular and substantial source of family income, either by way of salaries of business earnings. In addition, there will be new obligations, particularly estate taxes and administration expenses that must be met. Suitable plans must be made to provide these funds without undue liquidation of assets by your executor.

Life insurance proceeds are an important source of part of these needs. If you rely on life insurance proceeds, however, certain precautions must be taken to make sure that they are available. One method is to name your estate as the beneficiary. This has certain undesirbble results, however. For example, frequently executor's commissions and counsel fees are based upon the amount of probate assets and this will increase these expenses. Also, life insurance Proceeds payable to beneficiaries other than the estate are frequently exempted from creditor's claims. Ordinarily, if the wife survives, you can be pretty well assured that even if she is named the beneficiary on the insurance, the funds will be available to the estate either through loans from her or by her purchasing assets from the estate. Proper executor provisions should be included to authorize such transactions, particularly if she is one of the executors.

If you intend that the insurance proceeds should be available for estate purposes, it is not advisable that the children be named as contingent beneficiaries unless they are of age and can be relied upon to make the funds available for estate needs. Generally, it is my thought that some minimum amount of the insurance should be payable to the estate and that reliance can be placed upon the wife's making additional funds available.

I should add that while life insurance is a good method of supplying liquidity, it is by no means the only one. The proper answer will be supplied by an examination of the client's assets. A buy-sell arrangement on a business interest may serve the same purpose. Ordinary marketable securities may also. This problem does serve to emphasize the need of continued attention in estate planning. Thus, the use of liquid funds for new investments or borrowings against insurance policies may materially affect the planning with respect to liquidity.

Selection of Executor

Another decision you will need to make is the naming of an executor or executors. Frequently this involves a choice between a member of the family such as your wife or son, or the designation of a bank engaged in the trust business, or a combination of the two. The executor's duties are generally to collect the assets, pay obligations, see that tax returns are filed, take advantage of all tax saving opportunity and to manage the affairs during the period of probate. This is ordinarily a period of one to three years, depending upon the circumstances.

Probably the most important consideration in your case is that your executor will succeed you as stockholder of your company and will thus have control of that company.

Ordinarily, the attorney does most of the work in the probate of an estate and the services of a professional executor are not as essential as in the case of a trusteeship.

Selection of Trustee

The trustee's duties usually extend over a number of years and the use of a professional trustee, such as a bank, is ordinarily desirable. In certain situations there will be members of the family who are competent to serve in this function and willing to expend the time and work necessary. In those cases, the cost of a professional trustee may be saved. Even in these situations, however, it is best to name a bank as a successor or substitute trustee. I should add that in those instances in which a bank or trust company is acting as trustee, it is frequently advisable to name a member of the family as co-trustee. This will assure that the family interests and desires are considered in trust decisions, and it will also serve to acquaint the family with the problems that the trustee must face. This should tend to keep the relations between the trustee and the beneficiaries on a proper plane.

Executor's Powers

One of the most important parts of your will is the paragraph that enumerates the powers of the executor. The executor is a fiduciary and is very narrowly limited in what he can do in the absence of specific powers given to him in the will. For example, in many states, in the absence of a provision in the will, an executor would not be empowered to sell real estate without going through a special court proceeding and meeting certain requirements. Likewise, there are certain elections with respect to taxes that can be very important but which the executor may be reluctant to exercise in the absence of a provision conferring full discretion in making the elections. These are just a few examples. The point is that your will should contain an executor clause conferring full and complete powers and discretions, and you should not be satisfied with anything else.

Trustee Powers

The same comments made with respect to the executor's powers are equally applicable to those conferred upon the trustee. Adequate powers and discretions are even more important in the case of the trustee since, ordinarily, his duties extend much farther into the future.

Occasionally testators attempt to confine the trustees within narrow limits and over long periods of time. Circumstances frequently change and defeat the testator's ultimate goals. We simply cannot see far enough down the road to set up a rigid plan.

In my opinion, it is much better to pick a good trustee and give him adequate powers and discretions to meet circumstances as they arise.

Your Contracting Business

Now let us turn to your contracting business. I assume that most of the contracting businesses are in corporate form and you are the holder of some or all of the stock of that corporation. In most instances this will be the major asset on which your family's future will depend.

What should you do to realize the most out of this asset for your family?

There are a number of alternatives.

1 - Continue the business. One of these is to have your estate retain the interest and continue the operation of the business. Many of you, I believe, would not make this choice. As you are most painfully aware, yours is a risky business. You will no longer be there to guide the operation and the family picture has drastically changed. The emphasis has switched from building an estate to preserving the protection that you have built up in your lifetime.

In some instances where a son or other member of the family with adequate experience can step into the top management, this may, of course, be the answer. But even then it would be advisable that some protection be provided for your wife so that her protection is not subject to the risks of the contracting business.

Where there are two or more substantially equal owners, it would, I believe, be desirable from the standpoint of both the estate and the surviving owner to liquidate the interests of the estate.

2 - Buy-Sell Agreements. Where there are two or more owners or where there are employees who are interested and financially able, perhaps with help, to buy your interest at your death, probably the best plan is to enter into a buy-sell contract during your lifetime. The two principal problems here are in arriving at a price or method of determining the price and in financing the purchase.

The matter of price is probably not as difficult in your business as it is in many others. Where the great bulk of your work is on a lowest-bid basis, there would probably be little room for an element of good will. If the company has substantial negotiated contract work or material sales, there could be some intangible values.

Generally, fixed assets are not a big item in your business. If a particular company owns a warehouse or other real estate or a substantial amount of equipment, it may be necessary in fixing a price to adjust book value to actual values of these assets.

Subject to exemptions, such as those I have just mentioned, book values would usually fairly well approximate actual value if proper accounting procedures are used. An important factor would, of course, be whether you held a majority or a minority interest.

The matter of financing the purchase may be more difficult. Whereever the financial condition of the corporation permits, it can be very effectively and, from the tax standpoint, safely, be used to finance the purchase. For example, if you have a two-man corporation with a good financial picture, the buy-sell agreement may well provide for the purchase by the corporation of all or a part of your stock. Part of the price could be funded by the purchase of life insurance by the corporation. Part of the purchase price could be paid in the form of a distribution of corporate assets such as a warehouse that is then leased back. Part of the price can be evidenced by an installment note. This would permit the new owners to purchase the business in part out of future earnings. These are simply general suggestions and each situation would have to be examined to come up with the plan that would be most suitable.

4 - Liquidation. Now, what about a liquidation? Assume that there is no one in your organization that desires or is able to enter into a satisfactory buy-sell agreement. Does a liquidation of the business pose a threat of serious loss? I very much doubt it. As we have seen, you are probably not going to realize much for good will. You should be able to realize about as much through a liquidation as you would through a sale. This means, it seems to me, that you are not under any heavy pressure to enter into a buy-sell agreement unless it is a fair one.

One problem your estate will have is the completion of contracts pending at the time of death. It may be necessary to obtain a manager for this temporary purpose. I would venture to say that a call by your executor to any neighboring members of this group would result in obtaining such temporary assistance.

Valuation of the Contracting Business

In connection with the possible sale of the contracting business, I mentioned the problem of valuation. Valuation will also be necessary for estate purposes. The most likely problem will be the attempt of the Internal Revenue Service to include an element of good will.

As previously mentioned, it would seem doubtful that good will would be found where the bulk of the business is obtained from competitive bidding.

The only federal tax case which passes on this question is a decision of the Tax Court in 1963. That case involved the value of an interest in a partnership engaged in the road construction business. Approximately 85 per cent of the company's business was with the state of Louisiana and its political subdivisions and was obtained as the result of competitive bidding.

The Tax Court held that there could be no good will associated with this part of the business even though the firm had been in operation for 28 years under the same name, at the same location, with the same management and in the same business. This was so held despite the fact that the firm had earned substantial profits in 26 of the 28 years and those profits for the immediately preceding ten years averaged $312,795 a year.

The Court held that there was some good will connected with the 15 percent of the business that was received as a result of negotiated private contracts. The Court determined that the good will associated with this part of the business was 1.9 times the average yearly earnings from this portion of the business.

Wife's Estate Planning

As I previously mentioned, estate planning is not individual planning; it is family planning. It is especially important that the wife be brought into the planning procedures while you are still living. In most cases, she should participate in decisions or at least know what your objectives are and coordinate her planning with yours.

She should, of course, have her own will. Even in those situations where she does not have substantial separate assets, she may receive assets from you either in the form of insurance proceeds or bequests under your will.

It is especially important that you and your attorney discuss with her some of the problems she will face in the event of your death. For example, she should know what your desires are with respect to the disposition of any business interest.

Another example is what we refer to as post-death planning. Almost unbelievable tax results can be obtained from post-death planning. Just a few examples include (1) tax free liquidations of corporations, (2) Tax free partial liquidations, (3) tax free redemptions of stock to pay estate taxes and administration expenses, (4) elections to take administration expenses as income tax or estate tax deductions, (5) selection of the estate fiscal year, (6) partial estate distributions, and (7) timing of distributions to and by trusts. In any sizable estate, very substantial savings can be had or lost by taking advantage of or failing to take advantage of these and other opportunities.

The point is that your wife should be alerted to these opportunities. She must understand that while your planning makes these opportunities available, they must be taken advantage of after your death. Therefore, she must complete your planning and reap the benefit.

Another example is the matter of gifts. Because of the availability of the marital deduction, you may not be under pressure tax-wise to make gifts to your children. However, after your death your wife, unless she remarries, will not have the marital deduction. Therefore, she may be under much greater pressure to make gifts. Your residual trust, which will not be taxed in her estate, may provide the protection to permit her to make gifts of her own assets. This should be pointed out to her while you are living. Experience shows that this type of mutual planning while the husband is alive is most helpful.

Joint Tenancies

I do want to say one sentence about joint tenancies. That advise is -- have nothing to do with them. For anyone who is in the federal estate tax area, that is, whose assets are more than $60,000, joint tenancies will cost money, and in many cases can cost a lot of money. Wives and husbands should keep their properties titled separately and should keep the income separately. It is really surprising to me to see the number of husbands and wives who know the importance of keeping their properties divided and separate but who mingle the income. This, of course, defeats much of the purpose of dividing up the properties and the making of gifts.

Gifts

Gifts are, of course, important tools in estate planning. I do not have time to go into much of a discussion of gifts but I do want to make a few suggestions.

1. Before making a gift for tax saving purposes, make sure that you are under pressure to do so. The importance of the marital deduction in tax planning has in many cases eliminated pressure for the making of gifts.

2. The annual exclusion of $3,000 to any one donee or $6,000 if both husband and wife join in an information return, is much more important than the lifetime exemption of $30,000. Usually it is best to take advantage of the annual exclusions and save the lifetime exemption until the situation calls for drastic and immediate action.

Conclusion

In conclusion, I want to say that any discussion of the estate planning in the time available here can only touch the surface. I have tried to hit some of the salient points and to stimulate your thinking. Hopefully this will bestir you to action. If it does, your family will inherit the benefits.

EXHIBIT XVI

REPORT OF THE LABOR RELATIONS COMMITTEE

by

A. Marvin Gibbons

Chairman of the Committee on Labor Relations

Last year in San Francisco when President Breeding asked me to be Chairman of the Labor Relations Committee, my first thought was to say "No." For, having served the past two years with Granny Drowns, I knew the tremendous responsibility that the job entails. However, it is a job that had to be done and being located in Washington gives me close contact with the International Union.

It was suggested that the new Labor Relations Committee should try to heal the old wounds that we suffered in our dealings with the International. In this I did not concur because what some might feel were wounds to the International by the last Labor Committee, we feel was a great achievement for IDCNA in standing up against Articles 6 and 11. At the same time our committee felt that we should not be called upon to negotiate.

The Committee this year consists of labor chairmen from the Regionals. They are:

T. G. Stewart (MAICA)
Jack Smith (SOUTHEAST)
Jack McInnes (MIDWEST)
Claude Foster (SWICA)
Robert Bright (CENTRAL STATES)
Thomas Douglas - San Francisco
Theodore H. Brodie - Boston

It was agreed that the regional chairmen would handle labor problems in their regions and send labor information to our Executive Secretary for publication to all of our members. I think the members of the committee have done a good job in supplying information to Ellwood this year, which you have all received.

As chairman of the committee I agreed to handle complaints at the International level. Many complaints have been received during the year both from members of IDCNA and from the International Union about members of IDCNA. In one case, about IDCNA in particular. I would like to list some of the complaints that we have received during the year, as follows:

1. Complaint from the contractors - There seems to be inadequate manpower in a great number of our Locals. In discussing this with President Sickles, he stated that the International has been trying to have all locals maintain adequate manpower to service their area. He brought out an interesting point - that many of the local associations do not push this issue. This is the contractors' prerogative to see that locals have adequate manpower -- but, we do nothing. In some cases we make half-hearted attempts. Along these lines the question comes up about a 3 to 1 ratio instead of the present day 4 to 1 ratio. I have been advised by the International that this cannot be changed until the next International Convention to be held in 1967. But, in cases where the work load has been heavy this ruling has not been enforced. There are a great many locals around the country today that have a much higher ratio than the 4 to 1.

2. The next complaint deals with Production - In discussing this with President Sickles he again feels and I must wholeheartedly concur, that this is part of management's responsibility as well as the unions' responsibility. When you consider that our Astronauts can make three complete orbits of the earth in the time it takes one of our pipe coverers to install 100 feet of finished pipe covering, you can see that we are living in a fast changing world. What are we doing about it as contractors? Practically nothing! It is time for <u>us</u> to instigate the "workbreak." We have the coffee break, the soft drink break, the "look at the firls" break. It is high time that we get the "work break"! Let us ask ourselves as contractors where truthfully can we increase production? Last year, in San Francisco, you heard the vice president of a major steel company tell us what he thought of pipe coverers. If you go to the architect or the engineer he will tell you what he thinks not only of pipe coverers byt insulation contractors, included in the same group.

I have a letter in my file sent to me my a major general contractor accusing the pipe coverers of corrupting the bricklayers and laborers on a major job. This may sound funny at first but it took me so by surprise and shock to think that anybody could corrupt the bricklayer and laborer that I immediately called this general contractor to find out exactly what he meant. Boy! did he give it to me with both barrels. His complaint was that the pipe eoverers arrived late, took a half hour coffee break, engaged at lunch time in playing Poker with the bricklayers and laborers and got them in the habit of returning to work at 1:00 instead of 12:30. He also complained about the 3:30 leaving time, and the demoralizing effect this had on other trades on the job. He went on to tell me that this was not the craftsmens' fault but the fault of the insulation contractor doing the job. Most all of us have outside superintendents. We expect them to cover many jobs during the day. We also expect them to be in the office at 4:00 so they can answer questions and phone calls from the men. The men in the field are well aware of this so they take advantage of the opportunity to leave early. With today's labor approximately 60 percent of our cost of doing business, I think it is time that we as contractors give serious thought to revamping our policy of policing our jobs and strive to gain back the respect that the insulation contractors once held with the architect and the engineer.

Many of you are saying to yourselves now, that I can't fire the men because when I request men to replace them I will get more of the same. All of our Agreements include Trade Boards. It has been suggested by the International that mencaught doing the above-mentioned wrongs not only be docked but be brought before the Trade Board. Gentlemen, this will have a great effect on the leaving early situation.

3. The third complaint has to do with "fringe benefits." - Many of our members have complained during the year that they are constantly losing work because of the traveling time that is being paid to our mechanics. The International insists this is a major problem. They are looking at this time to establish an additional local in one area of the country where this is causing a great deal of trouble. I feel that this is more of a local problem. The individual local should waive traveling time when a heavy loss of work is occurring. This has been done by some of the locals.

We have also handled complaints dealing with contractors having trouble with local business agents, and contractors doing work in another territory and not being able to get manpower. I think these have been resolved to the benefit of the contractor in most cases.

Now, to the other side of the picture. Complaints coming from the International.

1. Some of our Union contractors supposedly have had a dual shop operation. I have talked with these contractors. They say it just isn't so, and everyone seems happy with the answer so we will not go into this any deeper.

2. The operation of Fab Shops - Their complaint is that many of the operators of these shops will not let the local business agent in to see what is going on and to check whether or not any of their work is being done by other craftsmen. There is not much I can say along this line. I have just passed the complaint on to the contractors and let it go at that.

3. Our last complaint from the International was over the August Newsletter. In this instance the International President called up and wanted to know just what was going on that on every page to which he turned that did not have advertisements, was some ruling against labor or some article against it. I was taken by surprise and while I had Mr. Sickles on the phone, I turned to the Newsletter and sure enough he was right. I advised Mr. Sickles that the Newsletter is our way of conveying information to our members, and that IDCNA was certainly not anti-union; and, that it was unfortunate in this particular case that the news to our members, did, indeed, all seem to go against the union. Further, that we also published all information to our members where rulings were in favor of the unions, and that we were simply trying to keep our members apprised of the current decisions being handed down in cases before the NLRB and the courts.

Dillard requested me to keep this short because he does not like drawn-out reports. I think I have said too much already so I would like to conclude by saying that it has been a pleasure serving as chairman of the Labor Relations Committee. And, I would like to add that our committee has had outstanding cooperation from President Sickles and the International.

Thank you.

Arthur M. Gibbons,
Chairman,
Labor Relations Committee

EXHIBIT XVII

talk by

Dr. Irving J. Selikoff, M.D.

"It is a common problem for all of us. Serious health hazard to men on the job for a long time. There are various forms of cancer but the one we are concerned with is lung cancer in asbestos workers which has been commonly called Asbestosis. The cause of cancer is unknown, but asbestos is a prime suspect and it affects older men - those who have been on the job for over twenty years. X-Rays taken of those cases where the patient died and asbestosis was a suspect showed that there was asbestos in the lungs. This can be a dormant disease and be in the lungs for many years before it is known and forming cancerous tissues all the time. Other things on the job may cause cancer also, such as inhalation of dirt, oil, smoke, various odors.

Thnings to be done on the job to prevent cancer: - Dust should be kept at a minimum on the job - especially cement dust. Respirators should be used. A broad program of research should be undertaken and a survey of new materials coming on the market made. Periodical examinations of all insulation workers is very important, and those workers on the job over twenty years should be examined every six months. Young workers should be examined every three years and those on the job between ten - twenty years, every year. These examinations should be set up by a common council between the IDCNA and the International and a program worked out. The labor supervisory force should be included in this program."

Dr. Selikoff also said "he would be available in an advisory capacity for any program set up between the common council."

EXHIBIT XVIII

APPROVED BUDGET FOR 1966

Salaries - Executive Secretary	(12 months @ $800.00)		$ 9,600.00
Clerical	(53 weeks @ 67.50)		3,577.50
Insurance & Surety Bond			164.00
Payroll Taxes			550.00
			$13,891.50
Legal Expense			3,000.00
Office Rent			1,800.00
Dues and Subscriptions;			
	NJB 4/1/65 to 3/31/66	$3,000.00	
	NJB 4/1/66 to 12/31/66	2,250.00	
	Other	502.00	5,752.00
Travel;			
Executive Secretary to Spring Board Meeting		500.00	
Attorney " " " "		500.00	
Luncheon		100.00	
Small Meetings Expenses		200.00	1,300.00
Office Expense, including postage & Convention report			1,400.00
Auditing			200.00
Standards Manual (Same as 1965)			2,500.00
TOTAL:			$29,843.50

This budget does not provide any traveling expense to officers or any funds for representative to NJB Appeals Board, or any further funds for the committees.

EXHIBIT XIX

SPEAK UP FOR AMERICA!

Abstract of an address by
Dr. Kenneth McFarland.

In front of the new Travelers Life Insurance building in Hartford, Connecticut, stands a statue entitled "The Safe Arrival." It depicts a pioneer father kneeling in prayer. Beside him stands his small daughter. In the background his wife holds the baby. The inscription on the monument reads, "The Power That Brought Us Here Sustains Us Still."

The power that brought America to its present state of greatness will sustain us if we will sustain it. We Americans are born free but we do not inherit the basic understandings and attributes that will keep us free. These must be learned by each new generation and kept learned. This means the magnificent facts of American freedom must be constantly told, and constantly sold, and persistently taught.

The biggest job we Americans have is to keep our own people informed, and therefore enthused about America. Thomas Macaulay, the British historian who died midway in the last century, wrote this warning to America:

> " . . . your republic will be fearfully plundered and laid waste by barbarians in the Twentieth Century as the Roman Empire was in the Fifth, with this difference; that the Huns and Vandals who ravaged the Roman Empire came from without and your Huns and Vandals will have been engendered within your own country, by your own institutions."

To prevent Macaulay's prediction from coming true we must again imbue our people with old-fashioned patriotism. We must teach Americans that it is not corny to love their country. We have too many people who think they cannot be partiotic and sophisticated. We have too beatniks desecrating freedoms which they have never lifted a finger to earn nor to preserve. They must be made to comprehend that our precious freedom was won by the blood of patriots, not by the poster paint of "protestors."

The "ugly American" has been replaced by the "guilty American". We have too many "Americans" who pick up the slanderous attacks made upon us by our enemies anywhere in the world, and parade them down our own streets in every conceivable kind of high-sounding "crusade."

Each section of America can justifiably be proud of its own, because all sections make their own contribution to the mighty total that is America.

We must find a way to teach every child and every adult that our freedom is "Freedom Under God." This is the way our nation was born, this is the thing that gave us strength beyond all others, and this is the only concept that can "sustain us still."

There are only three great nations in the world today, the Soviet Union, Red China and the United States of America. America alone is a "Nation under God." The other two do not even recognize the Deity. America alone has decreed that human personality is sacred because the individual is created in the image of God, and derives his freedom directly from his Creator. Any intelligent American who fully understands this fact will love his country, and come to realize that this nation deserves his devotion. But the truth must be hammered home to our own lest we be plundered by the products of our own institutions.