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Confidential

August 25, 1949

R. W. Lee

Asbestos Union Arbitration Proceedings

NOTED
V. B.

You are familiar with the meeting that was held in Montreal on August 12, attended by Mr. Daquet and Mr. Campbell, the lawyers for the Asbestos Corporation, as well as Mr. Morrow, representing Tom Kerr, the lawyer for the Johnson's Company, and Mr. Freshly, legal representative for the Flintkote Company in Canada. In addition to this, Mr. Alfred Peshale, President of the Asbestos Corporation, and the following John-Manville men were present:

Vandiver Brown
E. W. Allen
C. W. Rite
G. E. Foster
Ivan Sebourin
A. R. Fisher

At this meeting the transcripts, in French, of the testimony submitted by the union in the arbitration case held against the Asbestos Corporation, Johnson's Company, and the Flintkote Company, held at Thetford, were reviewed. Mr. Daquet high-spotted the results of this meeting, and there seemed to be three main points:

1. The dust question
2. The subject of wages
3. The Rand Formula

The Companies plan to present their side of the story at a meeting to be held in Montreal on September 13, 14, and 15. We offered our services in any way possible to help them prepare their case, as we are fully cognizant that whatever happens in this hearing will affect us in some way or other.

At the present time we do not know definitely that we will have to go to arbitration. Negotiations at Asbestos begin the week of September 4, but I believe this will probably only be a formality, as I can not conceive of our reaching an agreement in all respects so that a new contract will be signed before the decision is rendered in the case of the Thetford operators.

There was one point that came out at the meeting held in Montreal, and that is the Asbestos Corporation had considered bringing in an economist and presenting their balance sheet for the year 1948, in an endeavor to prove that they could not afford to put in any substantial wage increase. We explained to the Asbestos Corporation people that, in our opinion, the ability to pay should have no part in determining whether there should be a wage adjustment, but that this should be influenced by the cost of living and the going rate for labor in the areas from which our labor is drawn. I believe that they saw this point. I do not believe that we need an economist at our arbitration, for we certainly do not want to have anything to do with deciding what the rate of pay should be from an economic standpoint.

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With reference to the health authorities, the Thetford group are planning to present the Allaire Case, which involved an employee from the Thetford area in connection with an asbestosis claim. The hearing in connection with this case was held in Quebec City, and expert testimony was presented by Dr. Vervald of The Trudeau Foundation at Saranac, Dr. Tony Lanza and Dr. Vidal, as well as Dr. Cartier of Thetford. This case was favorable to the Company, and it was our feeling it would be helpful in connection with the dust part of the arbitration. It is possible that these doctors may be called upon as witnesses at the arbitration hearing for the Thetford group, and I believe, if necessary, we could also use them in our arbitration case.

It is our plan to have our arbitration case held in Montreal, and the hearings should be in English.

We discussed with Mr. Vandiver Brown yesterday the point Mr. L. H. Brown raised in connection with having a capable lawyer present our case, and I understand Mr. Vandiver Brown plans to discuss this with Mr. Sabourin and with the old firm of Gordon MacDougall's (now Scott, Ragessen, Mackleier, Chisholm & Hyde), and then recommend a lawyer who should be used.

It is important, as Mr. L. H. Brown has brought out, that if we do go to arbitration, we not only be well prepared, but present the very best side of our story that can be done.

A. R. FISHER

✓ cc V. Brown
C.W.Hite