was agreed that a continuing international body representing the industry should be established. An Ad Hoc working group was formed to study the matter and, upon its recommendations, a Standing Committee of International Conference of Asbestos Associations was established on July 9, 1975 with AIA/NA being a charter member, representing the U.S. Mr. Marsh then read excerpts from a report of the Standing Committee's activities in 1975 and 1976 and outlined future work of the Committee as presented at the Hamburg meeting. (Note: A report of the Hamburg meeting, including the foregoing report, was forwarded to members by AIA/NA Memo. of 11/24/76.)

Mr. Marsh reviewed actions taken at the Hamburg meeting affecting the newly defined International Asbestos Information Conference and distributed a pertinent report. (Copy attached for directors not present at meeting.) He spoke of advantages to the industry that stem from the international organization and emphasized the "indivisibility of the industry problem," i.e., adverse situations occurring in one country invariably impact on other countries . A discussion followed and Mr. Marsh provided further assessment of the work and importance of the international body. Mr. Dougherty expressed appreciation to Mr. Marsh for his excellent report and thanked him for his representation of AIA/NA in the deliberations of the international group. At the Hamburg Conference Mr. Marsh was designated a member of the IAIC Executive Committee.

Association Captive Insurance Co.

Mr. Gabrielson invited attention to his letter to Directors dated November 12 which addressed the concept of an AIA/NA captive insurance company. He spoke to problems confronting the industry in regard to cancellation of product liability insurance coverage, increases in product liability insurance premiums and higher deductable features. He explained that there is reason to believe that some customers of Association members view the product liability problem as an indication that an impartial judge, i.e., the insurance companies, has come to the conclusion that asbestos is a more hazardous material than industry has told them. Unavailability of such insurance could also accelerate the search for substitute materials.

Mr. Gabrielson said the Executive Committee had concluded that it might be desirable to contract for a feasibility study to further explore the concept of AIA/NA incorporating its own captive insurance company. He outlined the concept stating that he was not an expert in insurance matters and suggested the following questions for resolution by the Board: (1) would the Directors be interested in a captive insurance company for purposes of obtaining their respective company product liability insurance? (2) do directors think that creation of an AIA/NA captive insurance company would be of interest to their customers, slow the search for alternative materials, and thereby be of assistance in the marketplace? He stated that the Executive Committee had recommended that the Association retain a consultant to conduct a study covering the

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said the gathering of this data was important to the industry as the results could lend support to a recommendation for limiting the applicability of an asbestos standard for the construction industry. When data is obtained from contractors it should be telephoned to EEH, (Dr. Philip LeClare - (516) 364-8500).

Mr. Gabrielson then commented on cooperation received by EEH with the manufacturing industry in gathering essential information. He said a gap existed in data pertaining to the flooring industry. Mr. Gabrielson urged AIA/NA members in this segment of the industry to supply EEH with the requested data at the earliest possible date, otherwise, the lack of data in this area will have an adverse impact on the total effort.

Mr. Gabrielson said the Association is deeply indebted to Dr. Rhodes, Union Carbide Corp. and co-chairman of the AIA/NA Ad Hoc Committee for Construction, for his selfless and tireless contribution to this complex and demanding project. (Dr. Rhodes also serves as chairman of the AIA/NA Standards & Technical Committee.)

A general discussion followed concerning problem areas and anticipated results of the EEH study.

Revision of Association By-Laws

Mr. Dougherty reviewed the background for which the Executive Committee felt revision of Association By-Laws was in order. He referred to consideration of this matter at the June 10 and September 8 Directors meetings. He said some administrative corrections are necessary, ambiguities exist, and Association membership is now restricted to one class. A draft revision of the the By-Laws was forwarded to Directors by AIA/NA Memo dated 10/22/76. AIA/NA Memo of Nov. 15 advised that a vote on revision of the By-Laws would be taken at the Dec. 9 meeting of directors. Following discussion, and on motion, the proposed revision to Association's By-Laws was unanimously approved, a quorum of Directors being present.

Legal-Medical Research Program

Mr. Gabrielson reminded Directors that the primary purpose of the Legal/Medical Research Program is to improve the quality of defenses for asbestos companies involved in third party liability suits in tort. He explained briefly the specific research work now ongoing in the legal area by Cadwalader, Wickersham & Taft and Philip Enterline, Ph.D., University of Pittsburgh, in review of medical literature.

Wendell Alcorn, Esq., Cadwalader, Wickersham & Taft, special counsel to the Association was introduced. Mr. Alcorn reviewed his background and interest in asbestos-related litigation cases. He said that the asbestos industry has served as a guinea pig

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of American jurispudence with respect to occupational diseases. He spoke in detail to the liability problem confronting the industry and the history of this problem as it has evolved through the courts. Mr. Alcorn said he expected three or four additional memoranda of law prepared by his office for members and associate members of the Legal-Medical Research Committee would be available by Dec. 31. (Two memoranda have already been distributed.) Reference was made to progress in developing a clearing house of information on asbestos-related cases that have been litigated in the United States to date. Mr. Alcorn spoke to the interface of his work with that of Dr. Enterline.

The Executive Director invited attention to the list of members and associate \members on the AIA/NA Legal/Medical Research Committee and suggested that Association members who have not designated a committee member for purposes of providing a contact with special counsel should consider doing so by advising the Executive Director who would notify special counsel, in turn. In regard to Dr. Enterline's project, Mr. Gabrielson said work on the bronchogenic cancer portion of the literature review is complete with exception of about 20 German papers now pending translation and review. A large segment of the mesothelioma literature review is also complete. Mr. Gabrielson explained that a decision to include asbestosis in the literature review had been made to determine when this disease was related to different products, industries or processes. In addition, the decision has been made to include literature review of other types of cancer sometimes related to asbestos exposure, e.g., laryngeal and gastrointestinal. Mr. Gabrielson said Dr. Enterline has completed most of the literature review for the period 1930-1968 and that he estimates the total project is 50% complete. The final product will consist of (1) complete file of all papers reviewed; (2) critical quotations from each paper; (3) card file index with brief summary of each paper; and (4) a scholarly paper.

Mr. Gabrielson said special counsel had commenced with interviews with various physicians suggested by Dr. Weill for recognized knowledge in asbestos-related disease who might qualify as expert witnesses in any injunctive proceeding initiated by the Association or in other litigation. It was suggested that two types of witnesses may be required in court cases in order that both condition of plaintiff and state of the medical art could be addressed.

1977 Proposed Budget

Mr. Barge reviewed in detail the Association's proposed budget for fiscal (calendar) year 1977. He explained that total dues income for 1977 should be $370,000 to support regular operating expenses plus special projects now approved and under-way or proposed. (Legal-Medical Medical Research Program -- $25,000; EPA technological feasibility and economic impact

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intermediate product or a finished product;

B) Consumer Industries -- those industries that purchase a finished asbestos-containing product and apply, install, erect or consume the asbestos-containing product without further physical modification of the product. (By-Laws)

Following discussion and on motion, the dues formula as proposed by Mr. Dougherty were approved.

Canadian Situation

Mr. Pilmer referred to a recent determination by the Workmen's Compensation Board in Ontario relating asbestos with gastrointestinal cancer as a compensable disease. He suggested that this ruling might have a significant impact on workmen's compensation boards elsewhere in Canada and the U.S.

Mr. Barge spoke to the recently published report of the Beaudry commission in Quebec. The three-member commission, headed by Judge Réne Beaudry, was named to study health conditions in the asbestos industry. The impact that the report will have on legislation is not known. He said thus far no public statement has been made by the Government of Quebec as to its planned reaction to the Beaudry Report; however, the Report has been used as a basis for extensive adverse reporting in the press regarding the industry. Among recommendations in the Report are : (1) an average permissible level of exposure to asbestos dust of 2fp/cc should be established, with certain qualifications pertaining to measuring methods, and (2) employment in the asbestos industry be so ruled as to prohibit the hiring of people who are tobacco users. Mr. Barge said the report concerns itself with exposure to chrysotile and the statement is made, "As far as crocidolite and amosite -- the committee is of the opinion that the use of these two types of fiber must be totally banned. No exposure should be tolerated for any worker." Mr. Barge also spoke of the possible impact of recent elections in Quebec and concerns with "nationalization" of the asbestos industry.

Remarks of the Executive Director

In the interest of time, the Executive Director said he would confine his remarks to a brief review of the asbestos situtation within Federal regulatory agencies, excepting OSHA which was reported on by Mr. Gabrielson.

In EPA, current emphasis is on implementation of the new Toxic Substances Control Act. It is not expected that provisions of Act will affect asbestos in the immediate future. Emphasis

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