Johns-Manville

Internal Correspondence

CONFIDENTIAL

To J. A. McKinney

Date January 12, 1979

From C. G. Linke

Copies F. J. Solon, Jr.

Subject ASBESTOS

The situation confronting Johns-Manville and asbestos has changed dramatically in recent days. Instead of defending against a "legacy of the past", now the integrity of present-day management is being severely challenged.

This shift in the thrust of public opinion is crucial in that favorable legislation on compensation will not be possible if the credibility of the corporation and its management is questioned by Congressmen and, importantly, their constituents.

I believe the seriousness of the situation has now gone beyond the implementation of a communication effort, though that should be done. We must now face reality and ask ourselves whether or not we are playing semantic games in constructing our defense which may be appropriate for a court of law, but fade into incredulity under the stare of public opinion.

From an "average man" point of view, here are a few examples:

1. JM position: Prior to 1964 we lacked scientific knowledge about cancer hazards of asbestos.

   FACT: In mid-50's JM officials knew of scientific studies showing a relationship between cancer and asbestos.

2. JM statement to North Carolina judge: So called "cover-up letters" not available.

   FACT: Letters had been used in a New Jersey trial several weeks before. (Result-new trial declared.)

3. JM position: Though sprayed asbestos inappropriate for use in schools, we see no evidence of danger.

   FACT: If no problem, then why an inappropriate use?

4. JM position: There will be no future problems with asbestos workers.

   FACT: Workers in Mexico are not being protected.

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5. JM position: Knoxville trial shows there was no conspiracy.

   FACT: Knoxville judge tells the Associated Press "off the record" that his ruling on punitive damages does not clear the company of a "cover-up" charge.

6. JM position: Since 1964 JM has "come clean" with employees about asbestos hazards.

   FACT: A current 41-year employee of JM has called me to say that he has a spot on his lung according to the Littleton Clinic, but no one at JM has ever communicated with him about it or warned him of dangers.

7. JM position: There was no cover up.

   FACT: A current employee (same as above) says his father worked for JM for 35 years at Manville and was never told about dangers. Father was dismissed because of "miner's asthma" and later (in 60's) he had to take JM to court to get compensation for an asbestos-related disease.

8. JM position: We have communicated openly with employees about illnesses.

   FACT: A current JM employee tells me it was company practice into the early 70's not to tell a person about his illness.

9. JM position: JM has taken precautions to prevent excessive exposure to fiber glass workers.

   FACT: Plant manager, located in Elkhart, is reluctant to post HS & E bulletin because precautions not taken at his plant (although exposure not excessive he says).

John, looking at this company and its statements from a general public point of view, I can easily see why we have members of Congress calling us liars. It is time to stop rationalizing our position and determine from the reasonably prudent man's viewpoint what is reality.

What can we do? Any action must be significant if it is to impact the negative forces working against JM. Some recommendations to consider, in addition to the 28-point plan I previously recommended, are:

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1. Hire an outside, respected consulting firm, such as Arthur D. Little, McKinsey or A. T. Kearney, to completely review the asbestos situation from past practices to current ones, giving them complete autonomy by having them report to an outside member of the board of directors.

2. Form an in-house task force to work solely on the day-to-day problems related to asbestos, headed by Francis May.

3. Form a board-level committee made up of outside directors and provide staff for a thorough and continuing review of the health aspects of JM products.

4. Establish a "flying squad" of technical experts to assist schools and other public institutions in determining if they have an asbestos problem and offering solutions.

5. Prepare a corporate advertising campaign showing our concern and offering help through the Asbestos Information Center.

6. Hire an independent industrial hygienist firm to make surprise inspections at current locations.

7. Re-evaluate how JM can be more effective in Washington. (I question whether JM should have even testified in Washington on the school issue since we do not recommend asbestos for that use; and, if so, certainly the testimony should have been more carefully prepared, the participants better rehearsed and the content carefully reviewed by appropriate persons -- all for consideration of probable public reaction and its impact on the company's public relations posture.)

8. Hire an outside public relations consulting firm to review all available material, evaluate JM's communications, and recommend a course of action.

9. Begin monthly luncheons with employees to answer questions and to give personality and credibility to top management.

10. Clearly establish one source as the approving point for all information to be made public.

11. Publicly announce the outside consultant's study, the results, and what we're going to do about it.

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John, we must stop acting like the wronged woman and begin communicating and demonstrating what I believe to be your genuine concern for the general well-being and health of our own and our customers' employees and the general public.

C. S. Linke

C. G. Linke

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Enc.

P. S. Attached for your further review are two clippings regarding the Leineweber's Washington testimony.

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