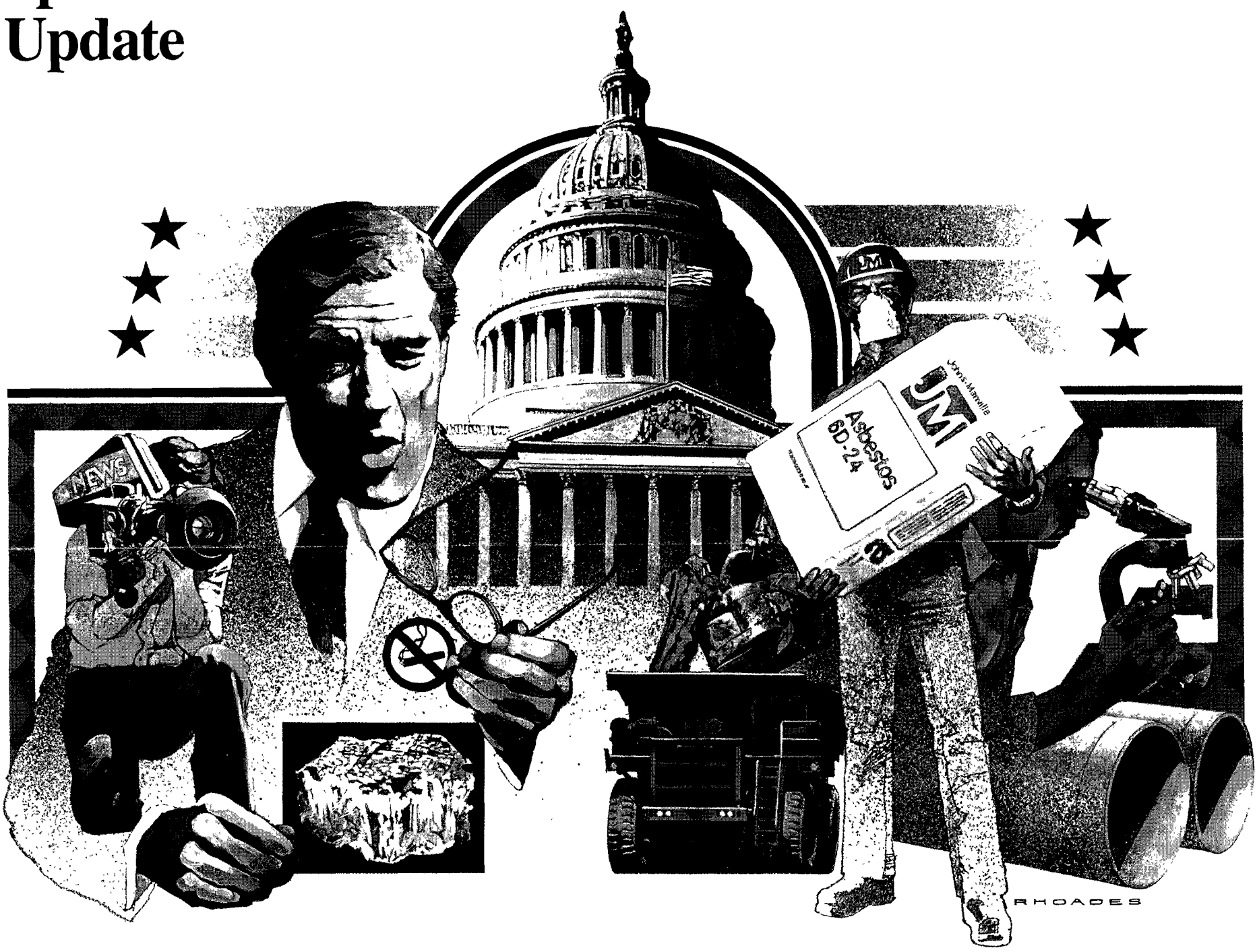
JM TODAY

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Johns-Manville Corporation Volume 2, Number 3 1980

Special Asbestos Update



J-M's Asbestos Policy: Bedrock for our future actions

The asbestos issue, in all of its complexity, touches many people, not the least of which are the thousands of J-M employees who produce and sell asbestos and asbestos-containing products. Actually, all J-M people are affected because asbestos is closely associated with the name Johns-Manville and the asbestos business segment contributes significantly to the sales and earnings of the company.

Since asbestos is a "people" issue with far-reaching ramifications, J-M has restated its policy on asbestos and its use to guide the company's future actions in this area.

Asbestos Policy
Johns-Manville Corporation

Asbestos is a useful mineral with many essential applications. In virtually all applications the asbestos is bound, locked in or encapsulated so that exposure to fiber is controlled and does not present a hazard to the health and safety of workers or the general public. Asbestos should continue to serve useful functions in our modern technological society and to play an important role in Johns-Manville's production of goods for that society.

Believing as we do that proper handling and use of asbestos fiber and asbestos-containing products do not pose health hazards, Johns-Manville will continue to promote those non-hazardous products and uses and to defend them against unjustified regulation.

Johns-Manville's policy on asbestos is as follows:

1. We will continue to market asbestos and asbestos products which can be manufactured and used safely.
2. We will not sell asbestos or asbestos-containing products where adequate precautions are not likely to be observed.
3. We will continue to equip our plants with the best available technology to assure the highest degree of personal safety.
4. We will not engage in operations or product manufacture when dust control technology or work practices are not likely to result in a safe work place.
5. We will provide to users of asbestos and asbestos-containing products produced by the company guidance and work practice information appropriate to assure non-hazardous usage.
6. We will defend the responsible use of asbestos and asbestos-containing products.
7. We will continue to cooperate with competent medical and scientific authorities and appropriate government agencies to increase knowledge of the health aspects of asbestos exposure and to eliminate hazardous exposures and practices.

Asbestos has been an important part of Johns-Manville and the company has been a responsible leader in the industry. We will continue to provide that leadership.

Published by AsbestosClaims.Law
asbestosclaims.law/library/24501/1

Asbestos: Miracle or menace?

Fire hoses. Siding and roofing shingles. Seals on your oven doors. Floor tiles. And the brakes and gaskets of the family car. All share something in common . . . something produced by J-M since its beginnings in 1858.

The products mentioned above all contain asbestos fiber. Asbestos has many other uses, too. It is combined with cement to produce pipe that carries water to homes, offices and shopping centers and sewage to treatment plants.

Combined with latex, asbestos makes a strong flexible backing for vinyl flooring. With complex formulations of resins asbestos is the preferred material for use in friction products such as brake linings and clutch facings for automobiles, trucks, earth movers, locomotives and elevators. Asphalt binds asbestos felts for durable roofing materials. Asbestos, in fact, is used throughout the world in thousands of different types of products and, in practically all of those uses, the asbestos is bound in by cement, latex, plastics, resins or asphalts.

No other natural or man-made material shares the unique properties that make asbestos the desirable, economical choice for a multitude of uses where protection against the hazards of heat and fire are needed.

It's non-combustible and resists heat generated by friction.

It insulates against heat, cold, noise and will not conduct electricity.

Its tensile strength is as great as high quality reinforcing steel. But, unlike steel, it resists corrosion. It can be woven into flexible textiles, formed into rigid panels and made into paper as a base for multiple uses.

Asbestos occurs naturally in deposits throughout the world and has been mined continuously since it was discovered centuries ago.

The Athenians used it in wicks for continuous burning lamps in their temples. Emperor Charlemagne helped prevent a war by astounding and striking fear in audiences with "miraculous" demonstrations of its non-burning qualities. Marco Polo wrote of it as "a magical cloth" used by Eastern Siberians. And it's believed that knights found asbestos gave added strength and fire resistance to their body armor.

Throughout the 1900's, asbestos continues to perform "miracles" and to save countless lives. Following a disastrous fire in Vienna's Ring Strasse Theatre — where 800 lives were lost — the use of asbestos curtains, flooring and other construction was mandated in all U.S. theaters and other public places.

In World War I and II it was widely used in warships to provide fire protection and improved boiler and fuel efficiency.

Race car drivers, industrial welders and others have protected themselves over the years with asbestos-woven clothing.

And beginning in the 1960's, asbestos was applied to heat shields of space missiles in the NASA program to protect astronauts from the searing heat of their reentry through the earth's atmosphere.

"Asbestos products have served and continue to serve valuable, often life-saving purposes in our modern technological society," says Walt Cooper, J-M's manager of Environmental Communications. "We now know that excessive exposure to air-borne asbestos in the past resulted in increased health risks for some people. We also know that asbestos can be used today to preserve lives and property under conditions that need not create a future disease problem."

Today, while demand for asbestos remains relatively flat in the more industrialized countries of the world, demand continues to grow in many other countries, particularly in Brazil, India and Southeast Asia.

"Two of the first needs of developing countries," explains Monroe Harris, senior vice president, "include shelter for citizens and healthful water and sewer systems. Providing these with asbestos-cement products does not require sophisticated technology. It requires for the most part simply the importation of asbestos fiber — a material much less costly than substitute building materials such as steel, imported wood or petroleum-based plastics."

The advantage of asbestos-cement sheet and pipe is that it holds up under any adverse climatic condition, including that of the tropical zone and desert lands. Steel or wood, by contrast, are quickly attacked in such climates. Further, asbestos is by far the most cost-effective material that developing countries can use.

Another key consideration to today's use of asbestos — in developing and developed countries — is the low energy cost of producing asbestos-containing materials.

Products made with asbestos require much less energy to manufacture than do alternate products.

Obviously, as energy costs mount, asbestos cement will become more and more cost effective in comparison to its alternatives. Although a great deal of effort has been spent seeking alternatives, asbestos continues to have many hard-to-replace qualities.

"Nowhere else can you find or has anyone made a material that's non-combustible, resists all conditions of weather, and has generally provided outstanding long-term performance," adds John Swensen, Pipe Division general manager. "And," he adds, "in the vast majority of its uses, asbestos is locked in by cement, resins, plastics, latex or asphalt so that the hazard of excessive inhalation of air-borne asbestos fiber is virtually eliminated."



J-M remains the largest producer of asbestos fiber outside of the Soviet Union. Over 2,000 employees are involved in asbestos mining and milling at our Jeffrey Mine in Canada.



J-M has been producing asbestos fiber for many important uses since the mid 1800's.



Asbestos is non-combustible and resists heat generated by friction. A chunk of unrefined asbestos is pictured.

J-M Today Staff

J-M Today is published every other month by the Corporate Relations Department for Johns-Manville employees. Address all correspondence to Editor, *J-M Today,* Johns-Manville Corporation Ken-Caryl Ranch (2-28), Denver, Colorado 80217

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Where does J-M stand on the issues?

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The following statements represent the position of Johns-Manville on several asbestos-related subjects. If more detailed information is desired, please write ASBESTOS, Corporate Relations Department, Ken-Caryl Ranch, Denver, CO 80217.

Sales

J-M is convinced that asbestos fiber can be produced and used safely in many products. We believe asbestos has a continuing place in today's world because the occupational environment and the end-product use can be controlled. Further, J-M reserves the right to refuse to sell asbestos fiber to customers who fail to meet applicable governmental regulations on asbestos exposure and, thereby, endanger the health of their employees and expose J-M to unwarranted liability.

Environmental Health

It is company policy to equip our plants for the highest degree of personal safety. When technology is not available or when it is not feasible economically from a practical point of view, we will discontinue a particular operation rather than knowingly endanger our employees.

A/C Pipe

There is no evidence that asbestos in drinking water (which naturally occurs in many parts of the country) creates a health risk. Asbestos/cement pipe when appropriately used represents a safe use of asbestos. Asbestos fibers are "locked in" by cement binders.

Schools

J-M did not recommend sprayed asbestos for use in schools, nor did it apply asbestos for this purpose. However, all available evidence leads J-M to the conclusion that asbestos-containing ceiling materials, when properly maintained, do not present an unreasonable risk of injury to health or the environment. Furthermore, the indiscriminate rip-out of such materials has the potential for creating a hazard where none now exists.

Hairdryers

There is no evidence to indicate that use of hairdryers with asbestos-insulating papers poses a health hazard of any degree, anywhere, anytime. The fiber concentrations emitted are, in fact, consistent with those found in urban environments for which there is no evidence of risk. The "great hairdryer scare" is a media fraud aided and abetted by the Consumer Products Safety Commission.

Cover-up

The evidence clearly shows J-M to have acted wholly consistent with available medical knowledge while at the same time supporting research to generate new data. The times that the so-called "conspiracy papers" have come to trial, judges ruled that, as a matter of law, there was no justification for consideration of cover-up charges. J-M sponsored research, shared results with the government, industry and the unions, paid workers' compensation claims, pioneered the engineering of pollution control equipment, worked with the federal government, and met all government standards — hardly the actions of a company trying to cover-up.

Compensation

J-M supports a uniform, equitable and comprehensive means of providing compensation for those suffering from asbestos-related occupational disease. Court costs and plaintiff lawyers' fees should not deprive those in need of fair compensation. The health hazards of asbestos were not foreseeable because of the long latency periods involved and the state of medical knowledge at the time.

Today, federal legislation is the only way in which those injured will be fairly and uniformly compensated without extraordinary delay and expense.

Litigation

Over 3,000 lawsuits are now pending against Johns-Manville and others in the occupational health area. J-M is fully prepared to defend itself, since the evidence clearly supports the conclusion that we acted positively and progressively, consistent with medical and scientific knowledge.

Financial

The financial impact of the lawsuits upon J-M will not have a material adverse effect. Appropriate reserves have already been established and sufficient insurance coverage has been purchased by the corporation over the years to cover most of the anticipated costs of such suits.

Smoking

No J-M employee who works with or around asbestos shall smoke on the job. The evidence is quite clear that, but for cigarette smoking, there would be no significant lung cancer related to asbestos. Cigarette smoking also contributes to the incidence and severity of asbestosis and other health problems.

Government's Role

In shipyard worker cases, the facts show that the government must accept responsibility for any asbestos-related disease. The government specified the product, controlled the work environment, enforced the work practices, and established the standard of exposure. (See story on page 6)

International

J-M will sell asbestos fiber to customers in international markets. This will continue as long as those customers are in compliance with all appropriate laws and regulations of their country.

Health Hazard of Asbestos Fiber

Asbestos can cause diseases. These include primarily asbestosis, lung cancer seen almost exclusively in smokers, and mesothelioma. But, asbestos can be used safely with proper precautions, and the evidence shows that an eight-hour, time-weighted average of two fiber per cubic centimeter of airborne particles is protective. All asbestos-using J-M facilities meet this standard except for isolated instances where technology is not yet available. In those cases employees use protective respiratory equipment.

Work Practices

Asbestos workers must follow specific safe work practices. They are provided adequate protective equipment when needed and are trained to work with asbestos properly. Every employee working with asbestos is offered a physical examination annually, is informed of the results and may, at the employee's discretion, have his personal physician review the medical records.

Engineering Accomplishments

J-M can document over 535 dust control programs innovated since 1929 at a cost of over $100 million. Often J-M had to create solutions to problems because no prior technology existed.

Labeling

Asbestos-containing products of J-M are labeled in conformity with the OSHA standards. Bags of fiber carry a warning message in six languages, as well as the international symbol for asbestos.

Insurance Litigation

Because of diverse provisions in the policies of insurance purchased by the company since 1934 and the large number of carriers involved, J-M has sued for a declaratory judgment interpreting the provisions of those policies. The suit asks the court to declare the obligations of the insurance carriers to the company. A prime question to be resolved is whether the insurance applies to the time when exposure occurred or when the disease was diagnosed. Due to the long latency period of asbestos-related disease, it would not be equitable to require the insurance company having coverage in the year when the disease struck to bear the entire cost burden of events which occurred decades earlier when other insurers received payment for coverage in those years.

Cancer: Opportunism and opportunity

SCIENCE Magazine
October 5, 1979
Volume 206, Number 4414

When people are unable to evaluate the magnitude of risks in a situation, many are inclined to fear the worst. This has been especially true in attitudes toward the health hazards associated with chemicals. A tendency for some people to be "spooked" has been exploited by opportunists who have talked of a cancer epidemic allegedly created by chemicals. Some chemicals in the workplace are carcinogenic, but their contribution to cancer prevalence is small in comparison to that of smoking and probably to that of natural substances in raw and cooked foods.

Talk of a cancer epidemic seems to owe much to misinterpretation of a statement made by John Higginson of the International Agency for Research on Cancer. He has written, "between 80 and 90 percent of all cancers are dependent directly or indirectly on environmental factors." However, Higginson recently emphasized that the principal basis for his estimate was such factors as lung cancer from smoking and carcinogens such as aflatoxins in foods. He estimated that one to five percent of cancers are due to the occupational environment.

The cancer stampede has created opportunities for people in politics and others yearning for publicity. It has also been tempting to some scientists in government. A group from the National Cancer Institute, the National Institute of Environmental Health Sciences, and the National Institute for Occupational Safety and Health gave then HEW Secretary Califano alarmist estimates which he used in a speech on 15 September 1978. The speech, which was widely quoted, included the statement that during the next 30 to 35 years, 17 percent of all cancer deaths will be associated with previous exposure to asbestos. The back-up report for the estimate (not in a peer review journal) was flimsy. For example, an important component of the cohort cited as being at future risk was people who had worked in shipyards during World War II. The authors provided no data about the age distribution of the workers. However, because of the military draft, the average age of working males was probably 40 to 45. By now, these people must already have made most of their contribution to cancer statistics. The report was attacked by many epidemiologists. Richard Doll, Regius Professor of Medicine at Oxford, wrote, "I regard it as scientific nonsense." An editorial in the British medical journal *Lancet* criticized the report, concluding with, "it is sad to see such a fragile report under such distinguished names."

The effort to prove a big role for industrial chemicals diverts attention from what is probably the best hope for reducing cancer incidence — careful study of foods and effects of cooking. It has long been known that the incidence of gastrointestinal cancers is highly variable, both temporally and geographically. For example, a variation of the incidence of esophageal cancer by a factor of 100 has been observed in China, and there is a strong correlation between prevalence and food. Yet expenditures to examine the role of food in cancer has been comparatively small here. Leadership has been seized by Takashi Sugimura, director of the National Cancer Center in Tokyo. He has used the Ames test and other related procedures to detect mutagens and carcinogens in raw foods. He has also conducted experiments on the effects of elevated temperatures on proteins and amino acids and has observed the resulting formation of strong mutagens and carcinogens. He has pointed to differences in food preparation as the reason why incidence of stomach cancer in Japan is twice that here. Sugimura and colleagues have also studied mutagenic effects of flavonoids, including the highly mutagenic quercetin and kaempferol, which are present in many edible plants, vegetables, and fruits.

All people ingest the mutagens and carcinogens of food daily. Far fewer are exposed to hazards in the workplace. It is now feasible to monitor the mutagens naturally present in food and to evaluate changes arising from cooking. A comprehensive investigation of foods and the products of cooking should have high priority.

— Philip H. Abelson, Science Magazine, October 5, 1979

Published by AsbestosClaims.Law
asbestosclaims.law/library/24501/3

An interview on asbestos with John McKinney and Paul Kotin

(Editor's note: John A. McKinney, Chairman and Chief Executive Officer, and Dr. Paul Kotin, Senior Vice President, Health, Safety and Environment, respond to critical questions about asbestos.)

If the government regulators force J-M out of the asbestos business, what will be the effect on J-M and its employees?

McKinney: First of all, I am confident that the regulators will not be successful in forcing J-M out of the asbestos business. Though there will likely be increased regulation and perhaps reduced usage of the product, there is no medical or scientific evidence to support a ban on asbestos. Asbestos can be and is being used safely. The many valuable products made with asbestos cannot be regulated out of existence unless there is a demonstrated and overriding benefit to the public in doing so. With regard to employees, J-M employs 2,600 at our Jeffrey Mine in Canada and many more workers are employed at our asbestos-using operations here in the U.S. Even if there is a curtailment of asbestos use in the U.S., it will be gradual so the work force could be reduced through attrition rather than dramatic dislocation.

What have been the circumstances of the injuries resulting from asbestos-related diseases?

Kotin: Excessive exposure to asbestos has accounted for asbestos-related disease. We know that of the three major types of disease, asbestosis need not be fatal, lung cancer which is primarily a problem only for those who smoke is curable only in certain instances, and mesothelioma, a rare disease, is fatal. The incidence of these diseases reflects the lack of knowledge in the past both in terms of exposure levels, controls, and the understanding of disease development. What we are faced with today is a tragic legacy of that incomplete knowledge.

What is the scope of the health problem?

Kotin: As for the number exposed to asbestos fiber or dust-generating asbestos products, estimates are that there have been 30,000 insulation workers and 250,000 workers in mines, mills or factories. In government controlled environments, such as shipyards, the estimates of people directly exposed to and working in the vicinity of asbestos work range up to 4 million. As with all toxic agents, only a small fraction of those exposed become afflicted, and this varies with the agent. We know that there is a level at which no adverse health effects occur. The incidence of lung cancer and asbestosis is declining in response to control efforts over the past several decades. Though there is little evidence available on mesothelioma, we have every reason to believe it too is declining. Finally, I am satisfied that existing standards for occupational exposure to asbestos provide a workplace that need not lead to any new asbestos-related diseases.

McKinney: Let me add to that by saying, if it were not for smoking, lung cancer would not be a significant health problem today. Do you agree, Paul?

Kotin: Completely. And asbestos disease is limited to people with occupational and para occupational exposure and with high dosage; for example, the heavy persistent exposure sometimes encountered in a family relationship with an asbestos worker. There is no demonstrated asbestos disease problem for the general population.

You stressed the words, "high dosage," why was that?

Kotin: Low level potential exposures as they may occur incidental to everyday living in the general population are clearly unrelated to occurrence of asbestos-related disease. Exposure to excessively high levels of asbestos fibers in the air, as observed decades ago prior to establishment of standards and installation of engineering controls and the development of appropriate work practices, has resulted in asbestos-related disease. This is in marked contrast to current levels of exposure.

J-M has been accused of covering up knowledge of asbestos hazards. Has that been completely disproved?

McKinney: As far as I am concerned it has. The evidence clearly shows that J-M led the way in research on the health hazards of asbestos, made that information available to government, industry and unions, and certainly did not cover up anything. I believe Johns-Manville and its past management acted responsibly in light of available medical knowledge and demonstrated its concern for its employees by advancing the knowledge of asbestos and health.

Since tobacco plays such a large role in the asbestos disease problem, why is the tobacco industry getting off the hook?

McKinney: I think there is a growing recognition of the role of tobacco in the creation of many of our health problems. Unfortunately, there are a number of reasons why tobacco is exempted from many of our nation's regulatory health, safety and environmental laws. Some of them have to do with the political clout of the industry, the historical acceptance of tobacco in our society and the voluntary nature of tobacco use.

How much liability will the Navy accept for its use or misuse of asbestos in shipyards?

McKinney: That's a good question. As of now, the Navy has been unwilling to accept any legal responsibility. The U.S. District Court in Virginia has ruled that, though the government was negligent in many areas, it does not have to share in compensating injured government employees. The facts are that the government specified the product, controlled the work environment and the work practices, and established the exposure standards. J-M is appealing that decision. It's pretty difficult for a rational man to say that the Navy doesn't have some responsibility. (See story Page 6)

Why hasn't more been written or published about the value of asbestos?

McKinney: Generally, the industry has felt that the inherent qualities of the product and the implementation of proper work practices would be enough to satisfy our critics, but obviously that's not the case. During the next few months J-M and the industry will be trying to tell some of the positive aspects of asbestos through the media. Bear in mind, however, that the government agencies have created massive public relations organizations, paid for by tax money, to promote their jaundiced view of the issue. Keeping up with their propaganda blitz will be a costly and perhaps futile effort.

If J-M does not win most of its lawsuits, will the company go bankrupt?

McKinney: No, I believe that is very remote. Our judgment is, first of all, that we will not lose most of the lawsuits. Our record in litigation is good. Those we do lose will be due to an occasional jury's need to provide some type of compensation to injured or disabled people and their dependents. Secondly, the company has purchased insurance coverage over the years which we believe is adequate to cover the liability we might incur. We believe that the financial impact on earnings will not be material.

Are J-M employees presently involved with asbestos mining and processing safe from related health hazards?

Kotin: Absolutely! We are firmly convinced that we are not creating any future health problem for our employees as long as we are in full and unvarying compliance with both government and company-set standards, approved work practices and workplace monitoring. Our careful surveillance of the workplace shows that we are significantly lower than the standard in all our operations. Indispensable to a safe workplace is commitment and vigilance on the part of all employees, because adherence to dust control procedures and enforcement of proper work practices, such as the no-smoking rule, require employee participation. We are in full compliance with the exposure limits necessary for protection.

Why does the media portray J-M as such a villain when the record shows essentially the opposite?

McKinney: Excessive exposure to asbestos does cause disease. The plight of injured workers is real and demonstrable. It is difficult to defend or explain the asbestos situation without attaching several qualifiers to



John McKinney, chairman and chief executive officer, left, and Dr. Paul Kotin, senior vice president, Health, Safety and Environment.



Evidence shows that, but for cigarette smoking, there would be no significant lung cancer related to asbestos.

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anything one might say. Thus, the answers to any media questions become long and complex, and the media traditionally doesn't have the time or the attention span to go into detail on a complex subject. Also, the facts simply don't make good headlines. The history of the American media shows that the practice is to print or report the sensational or the unusual, not the normal or routine. As far as some of the past reporting on asbestos goes, we have been on occasion the victim of headline-seeking reporters, rather than the subject of thoughtfully considered analysis, but that situation is changing, I'm happy to say. With time, I think we can anticipate more balanced reporting including the full story of J-M's responsible actions over the years.

Is there anything employees can do to assist the company in the asbestos issue?

McKinney: Yes, I'm certain that it has to be wearisome to read all the negative publicity about J-M and asbestos. I know it is for me. But, the facts support our contention that J-M has not acted in any way other than responsibly. As more time passes, I believe this fact will become apparent to everyone including the media. What our employees can do is to share their knowledge and faith in the corporation with friends, relatives and anyone who will listen.

How much money is J-M spending on our legal defense costs?

McKinney: Too much. For 1979 our legal costs related to asbestos were about $2 million. That does not include the major commitment provided by our insurance carriers.

Is there reason for concern about drinking water that is carried by asbestos-cement pipe?

Kotin: There is no evidence that asbestos in drinking water has any kind of impact on increasing the risk of cancer. Studies on populations exposed to asbestos in drinking water from natural sources in areas where asbestos is a part of the earth's crust and on populations receiving drinking water through asbestos-cement pipe have uniformly failed to demonstrate any risk associated with the ingestion of asbestos in water. Furthermore, the contribution of asbestos to the water from asbestos-cement pipe is so small as to be practically nonexistent.

Why don't we just get out of the asbestos business?

McKinney: Asbestos can be used safely and serves a valuable role in our society. There is no need to get out of the asbestos business. The health issues we are all reading about now are the result of excessive exposures of the past. Frankly, as a society, I think we are better off dealing with a product where the health hazards have been extensively studied, are well-known and manageable, rather than dealing in unknowns. And substitutes, like cast iron pipe with linings containing polyaromatic hydrocarbons, should be of at least as great a concern for the demonstrated carcinogenicity of that material.

How can we be sure that present standards are protective when history shows that past standards which we thought at the time were safe turned out not to be?

Kotin: Because the state of medical knowledge, scientific testing procedures and the body of knowledge of specific health hazards related to excessive asbestos exposure is so much further advanced that we can be relatively secure in our judgments. The profound interest in asbestos-related health problems has resulted in extensive research and clinical studies on which to base our position.

What is the company's policy on permitting an employee to see medical records?

Kotin: Any employee can see his medical records, and we will show those records to the employee's personal physician and consult with the physician upon written request of the employee.

Compensation legislation has been proposed in Congress for people disabled by asbestos disease. Isn't that a bail out for Johns-Manville?

McKinney: No, it isn't. The costs to J-M resulting from compensation legislation will be about the same or even more than what our costs would be if we continue to fight every case in the courts. What is important about the compensation legislation is that it would provide a fair, equitable and speedy means for delivering compensation to those who deserve it. The alternative is for the money that could go for compensation to be eaten up in court costs and legal fees . . . with the persons needing compensation, in actuality, ending up with very little. It's appropriate that the government share in the costs of such legislation because it did set the standard and, in the case of shipyard workers, controlled the workplace and use of the product.

Is J-M trying to find substitutes for asbestos?

McKinney: Yes, both on the basis of improved product quality, as well as health and safety factors. We have eliminated certain products such as spackle and modeling clays for health reasons, and we have developed new products such as T-12, a substitute for asbestos in thermal insulations. We have refused to sell asbestos fiber to others where proper precautions were not being observed. We continue to look for *the* substitute for asbestos, but so far we haven't come up with one, and neither has anyone else. And remember, despite the media hype, asbestos is a useful economic mineral. Banning its use in the majority of locked-in, non-hazardous products would not generate any offsetting public health benefits.

Has the asbestos issue had a harmful effect upon our stock?

McKinney: Yes, it has. According to some security analysts, J-M stock is discounted 20-30 percent because of the asbestos issue. We are telling our story directly to the investment community through meetings and personal visits, and I feel we are making some progress in placing the issue in proper perspective with them.

What is the chance that Congress will pass some type of compensation legislation?

McKinney: There is growing recognition that some type of legislation is needed on this subject. While I can't be positive how long it might take, my guess is that it might take two to three years for such a measure to clear both houses of Congress.

Do you think the rule-making proceedings of the EPA or some other agency will result in a ban on the use of asbestos?

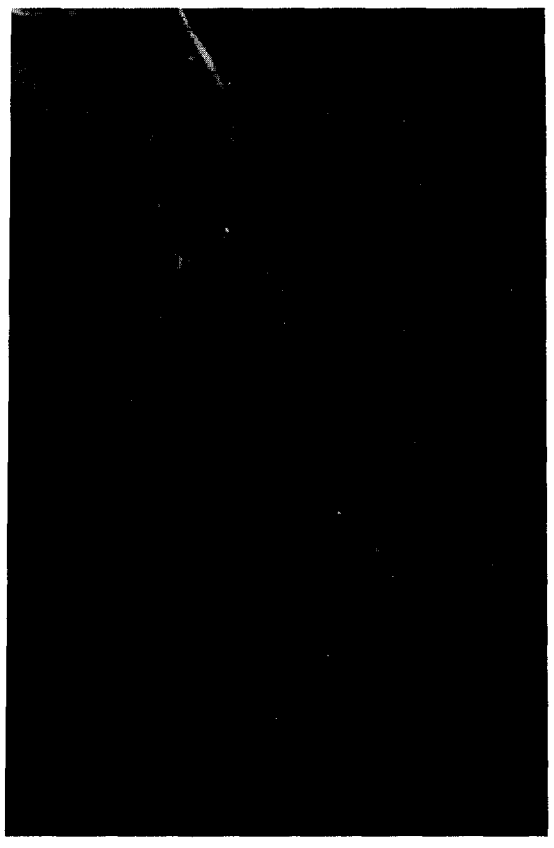
McKinney: No, I do not think that will be the case. In the first place, the proposed rule making of the EPA and CPSC is really only a request for information. When evidentiary hearings are held, the agencies should recognize that the medical and scientific evidence simply doesn't support such a proposed ban. However, certain restrictions may be implemented on the importation of fiber and its use in certain products with dust-creating potential. At this time, I do not foresee that having a significant adverse impact upon J-M.

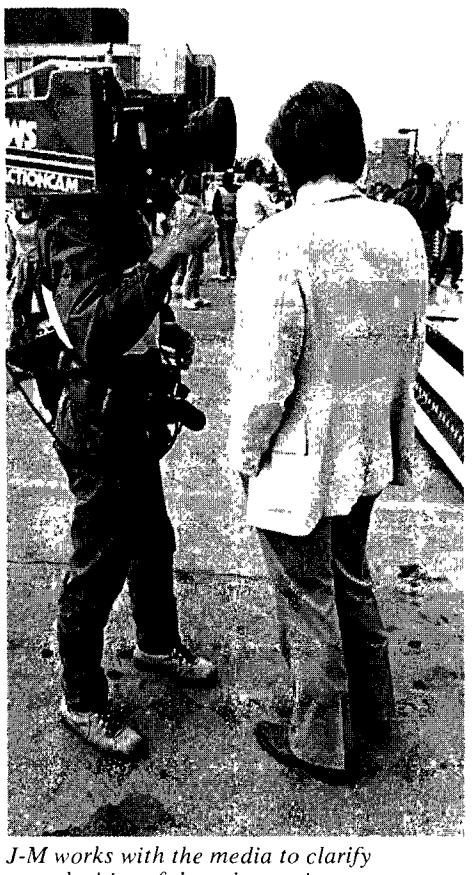
How much of our sales and earnings come from asbestos?

McKinney: In 1979 the asbestos business segment accounted for over $168 million in sales and over $56 million in earnings.

Has the adverse publicity about asbestos hurt asbestos sales?

McKinney: Last year the Asbestos Fiber Division had near record sales and earnings. That is somewhat misleading, though, since it includes the results of international sales. In the U.S. there has been some adverse effect on sales, but not in areas that cause us concern. Because there are few if any viable substitutes, there has been no major decline in asbestos sales at this time.





J-M works with the media to clarify complexities of the asbestos issue.



J-M supports legislative compensation programs that will provide fair, equitable and speedy aid to those who have been disabled by asbestos disease.

Published by AsbestosClaims.Law
asbestosclaims.law/library/24501/5

Lawsuit asks court to cut confusion



G. Earl Parker



Richard B. VonWald

J-M has filed a suit in Sacramento Superior Court against 27 of its past and present insurance carriers in an effort to clarify certain policy provisions relating to its product liability coverage including that relating to the asbestos litigation.

Johns-Manville's principal primary insurer, the Travelers Insurance Company, was not named as a defendant. Travelers has agreed with J-M's position with respect to the principal issues involved in the case.

According to G. Earl Parker, senior vice president, Law and Public Affairs, "Johns-Manville is seeking to have the court eliminate the confusion and controversy which exists between the company and its various insurers over the types of injuries and losses covered. We are asking the court to clarify the method of allocating losses to the applicable policies of insurance and the full scope of the duties of the carriers to the company."

The most significant aspect of the suit centers on J-M's position that losses from asbestos-related injuries are to be spread over the years in which the injured parties were exposed to excessive levels of airborne asbestos fiber, as opposed to having such losses allocated exclusively to the year in which the injury was discovered.

Richard B. VonWald, corporate counsel, will direct the company's legal action and expects the litigation to extend over several years.

"We are confident that the court will support our position and thus the eventual outcome of this suit need not be of great concern to employees," VonWald says. "However, we cannot take this matter lightly. An unanticipated negative outcome could have serious ramifications."

J-M's position: Government must share responsibility

Does the government have a responsibility to protect the health of workers in government-owned or managed operations?

That question is now being reviewed by a Federal Appeals Court because of actions taken by Johns-Manville.

It is an issue that concerns the corporation because many of the claims for compensation made against the company come from people who would not have been injured but for the negligence of the government. Asbestos insulation materials were specified by the U.S. Navy during and following World War II for ship construction and millions of shipyard workers were exposed to excessive levels of asbestos in operations controlled by the government.

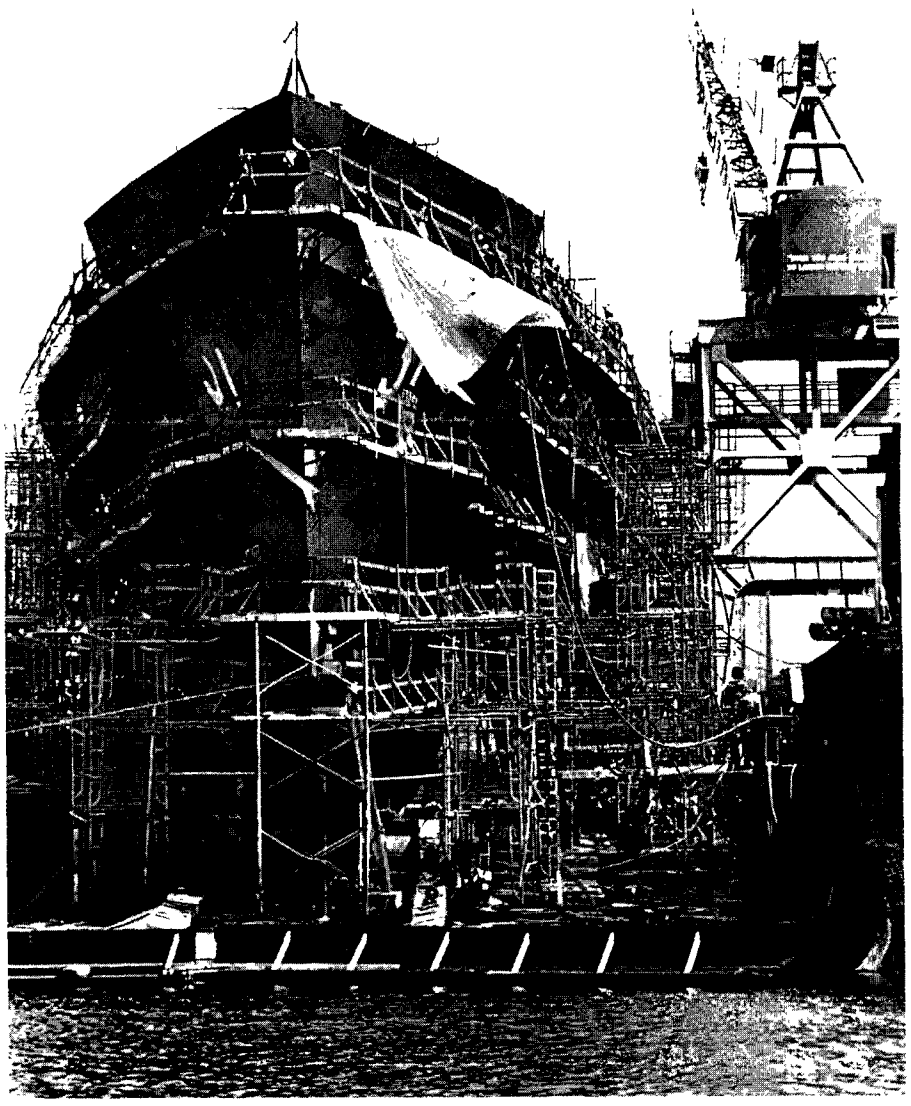
"Our position," explains Dennis Markusson, J-M's associate general counsel, "is that Johns-Manville and the other manufacturers of asbestos insulations are not at fault in these shipyard cases.

"Although we lost the first round in this trial court, we have appealed the decision," says Markusson. "We continue to believe the government must bear the responsibility for injuries that resulted because it did not properly use our product or provide a safe workplace."

The original case involved a suit by nine asbestos manufacturers, including J-M, against the federal government to recover money the companies paid in an out-of-court settlement to a Norfolk Naval Shipyard pipe coverer.

"We based our claim on the fact that the federal government, as the man's employer, had breached its duty to provide him with a safe work environment," Markusson says.

On December 21, 1979, the judge ruled in favor of the United States, and J-M immediately appealed that decision to the U.S. Court of Appeals for the Fourth Circuit.



J-M has appealed a court decision involving Norfolk Naval Shipyard workers who during WWII were exposed to excessive levels of asbestos.



Dennis Markusson

Markusson says the company's appeal is based on, among other things, these following facts:

- As medical information developed the federal government knew of the potential hazards of asbestos-containing thermal insulations and knew of the appropriate means to control those hazards and could have prevented the injuries.
- The federal government failed to adopt and enforce uniform standards for controlling hazardous uses of asbestos in thermal insulations.
- The federal government specified asbestos-containing products.
- Asbestos thermal insulations continued to be used in shipyards after the U.S. Navy adopted regulations which would have discontinued use.
- The Norfolk Naval Shipyard failed to carry out government-mandated safety measures for working with asbestos thermal insulations.
- The U.S. Government failed, even though it had knowledge that an employee was developing asbestosis, to remove that employee from an unhealthful work atmosphere.
- Johns-Manville acted reasonably and responsibly and consistent with medical knowledge in warning the Navy of the possible hazards of asbestos-containing insulation materials.

"This evidence clearly supports a conclusion that the cause of injury to the employee was the negligence of the United States," says Markusson.

"All of the components needed to cause or avoid injury — control of the product, control of the workplace and control of the employee — rested squarely with the United States. It failed to take the steps which could possibly have avoided injury."

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Thanks to precautions, it's safe to work with asbestos

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Approximately 8,000 J-M employees in mines and fabricating plants work safely with asbestos every day, according to the company's corporate medical director, Dr. William Paul.

"Our successful effort to reduce asbestos exposure levels has resulted in, except where cigarette smoking may be concerned, asbestos not being a major health hazard today in the workplace," Dr. Paul says.

"I'm looking at the problem from a medical point of view," he explains. "Most of what the average person reads is based on considerations only partly related to medical and scientific evidence, and the newspapers simply do not report on the facts showing elimination of the asbestos hazards."

The accumulated evidence, developed in the U.S. and abroad, indicates that under properly controlled conditions, working with asbestos is not hazardous to health.

Precautions such as dust control or protective equipment, according to Dr. Paul, are presently found in J-M manufacturing operations, and the company is in full compliance with regulations on exposure levels. "For example," says Dr. Paul, "in the U.S. the permitted exposure level is a time-weighted average of two fibers of asbestos per cubic centimeter of air during an eight-hour period — a small amount, indeed — and at J-M we are meeting that level."

According to Dr. Paul, industrial hygiene teams, on a regular schedule, visit all company locations to ensure that working conditions are completely safe. And, company engineers continually look for new ways to improve dust control at J-M facilities. "These teams are not confined to asbestos locations," says Dr. Paul. "Their job is to monitor all aspects of J-M operations."

Augmenting the myriad of engineering controls is an extensive medical program which regularly monitors employees at asbestos locations as well as all other facilities. "The annual physical examination enables us to identify the presence or development of an asbestos-related health problem at the earliest possible time so that the most advanced methods of diagnosis and treatment, as well as individual employee medical counseling, can be undertaken for affected individuals. It also provides a mechanism for evaluation of engineering controls," he explains.

Dr. Paul notes that cases of asbestos-related disease detected among J-M employees will reflect past exposures, "when the levels of airborne asbestos were much higher."

The medical director points out that for asbestosis the latent period can range from 10 years to 20 years or more. "For lung cancer a 20-year or longer latent period is common, and cases of mesothelioma associated with asbestos can take 30 years to develop."

To keep employees on guard against the hazards that can result from failing to follow safe work practices, the Health, Safety and Environment Department conducts extensive educational programs that cover everything from how to wear a respirator face mask correctly to the proper handling of asbestos fiber.

"In addition, we have instituted a 'No Smoking' policy at our asbestos-using locations because lung cancer would not be a significant problem in the workplace but for smoking.

"The key element in our success is an effective employer-employee cooperative effort, combined with modern engineering, a sound industrial hygiene program, and an advanced medical effort," stresses Dr. Paul.

"It is up to the employer to continue to improve the workplace environment and up to each employee to devote full attention to good work habits.

"With this combination everyone will benefit."

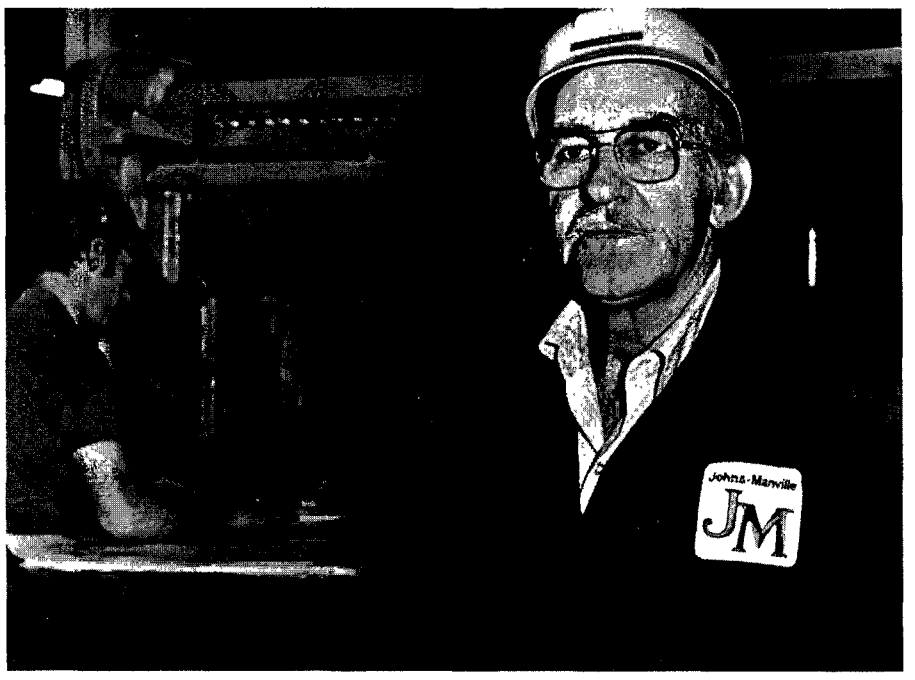


Corporate medical director Dr. William Paul.



Employee health is of the utmost importance in J-M's asbestos-using plants.

'I'd encourage people to work in this industry'



Veteran Jeffrey Mine employee Normand Chartier believes the facts on the asbestos issue have been distorted by the media.

After four decades, Normand Chartier wouldn't change a thing about his J-M career.

That may not sound out of the ordinary unless you consider that Chartier has worked with asbestos all those years.

"There's no job that's 100 percent safe," says the Jeffrey, Quebec, Mine Mill 5 supervisor. "But if a man uses common sense on the job and follows the rules set down for his protection, he's more apt to get into trouble when he's not working."

Chartier, who began as a bagger in 1936, says that the situation of asbestos workers — as far as Johns-Manville is concerned — is not comparable with what it was 40, 30 or even 20 years ago.

"The enormous effort and energy devoted by the company over the past several years in protecting workers' health is beginning to pay off," says Chartier.

"If you believe everything you read in the newspapers or watch on television about asbestos, then there's no future for our industry," he says.

"Unfortunately, the facts have been considerably distorted and a lot of what you read is, to me, propaganda.

"There are safe ways to handle and work with asbestos. And with our industry's rapidly progressing technology, it is a lot easier to control the work environment today than it was a few years back when we didn't realize that asbestos might cause health problems."

For Chartier, working in the asbestos milling industry has been what he terms, "the good life." It is an honest way of making a living.

"Under today's conditions, I'd encourage people to work in this industry.

"As a matter of fact, if I were starting all over again, I wouldn't hesitate — I'd apply for the same job again, provided I was 43 years younger."

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So what are we doing?

Congress

Congress is a critical audience for the J-M message and has shown increasing interest in subjects related to asbestos. The Public Affairs Office of J-M in Washington, D.C. is staffed with professionals who provide needed information to members of Congress on a daily basis. J-M chairman John McKinney is personally calling on many of the Congressional representatives to explain the facts and J-M's position. Within the past few months, John McKinney, Francis May, Dr. Paul Kotin, and Earl Parker, along with Dr. James Leinweber and Dennis Markusson, have all testified about asbestos matters before Congress and invited congressional representatives to visit any J-M facility to see firsthand how asbestos is handled.

Regulators

The regulatory agencies involved with the asbestos issue are primarily the Environmental Protection Agency, the Consumer Products Safety Commission and the Occupational Safety and Health Administration. Members of the Health, Safety and Environment, Legal, and Public Affairs Departments are all in constant contact with key individuals in the various agencies. Additionally, J-M has prepared written responses to all the agencies' initiatives on asbestos.

Media

J-M continues to work with the media to help them understand the complexities of the asbestos issue. The Corporate Relations Department coordinates this effort, calling upon various resources in the company.

A/C Pipe

For several years, the Pipe Division of J-M has met with municipal leaders to make certain they understand that there is no evidence of a health problem associated with A/C pipe use. J-M is committed to preserving our asbestos/cement pipe business because it is a product that can be used without adversely affecting the environment and is one of the most economical products available for water and sewer lines.

Community Leaders

J-M has a presentation on the asbestos issue which is available for showing to leaders in plant and mine communities. A number of presentations are scheduled for 1980.

Labor

The Labor Relations, Health Safety and Environment and Legal Departments have all explained the asbestos issue to various labor officials. Working with the Asbestos Workers Union and the leadership of the Building Trades Council AFL-CIO, we are exploring better means of providing compensation to disabled workers.

Employees

J-M is a leader in providing its employees with a safe working environment. Informational programs, protective equipment, and environmental control systems and procedures will continue to be developed and implemented to protect employees working with asbestos. Also, through such publications as *J-M Today,* employees will be kept informed on the issues.

Investors and Shareholders

A communication program was launched in May of 1979 to inform the investment community about the asbestos issue. This effort will continue with meetings, personal visits and direct mailings, as well as through various shareholder publications.

Smoking

J-M led all of American industry in establishing a no smoking policy at asbestos-using locations because asbestos-related lung cancer would not be a significant health problem if it were not for cigarette smoking. This program is an example of the corporation's commitment to take whatever steps are necessary to provide a safe working environment.

Customers

J-M sales representatives are provided with materials on the asbestos issue and safe work practices. They work closely with customers to ensure the safe use of asbestos and to reassure customers of the viability of asbestos as a valuable product.

Compensation

J-M believes that those who have suffered from the incomplete knowledge of the dangers of asbestos exposure in years past should be fairly and equitably compensated. Such compensation will not come about through litigation, because litigation is based upon fault; and with respect to asbestos-related disease, there simply is no fault on the part of J-M. Thus, the only viable alternative is a uniform compensation system resulting from legislation.

The Industry

J-M has worked and continues to work with the industry to seek uniformity on safe working practices and to present the facts on the asbestos issue. Faced with the challenges of unwarranted restrictive regulation, the industry is lobbying in Washington on its own behalf and is prepared to take legal action, if necessary, to maintain proper and fair treatment.

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Three diseases, two time frames, three classes of workers

J-M President Fred Pundsack summarizes three critical distinctions about asbestos-related diseases:

First, *when* was knowledge of a health hazard known; second, *what* are the diseases; and third, *who* was involved?

Generally, knowledge of the health hazards of excessive asbestos exposure falls into two time periods: 1930 to 1964 and 1964 to today.

As far back as 1930, asbestos was known to cause asbestosis, a scarring of the lung tissue, among mill and factory workers who worked continually with the 100 percent asbestos fiber. However, it was not until 1964 that medical studies identified the health hazards to insulation workers.

Three diseases are associated with excessive exposure to asbestos.

Asbestosis is a disease which can cause disability by interfering with the breathing capacity of a person.

Asbestosis is not cancer and does not develop into cancer. Additionally, dust control and work practice programs, many of which were pioneered by J-M, have eliminated any new excessive occupational exposure to asbestos which would cause new cases of asbestosis among today's workers.

The second disease is *lung cancer,* the chief cause of death among those occupationally exposed to asbestos. However, medical studies have confirmed that, but for cigarette smoking, there would be no significant lung cancer related to excessive asbestos exposure . . . *virtually none.*

Mesothelioma is the third disease. It is a cancer of the lining of the chest or abdomen. Medical science is just now learning about this relatively rare and perplexing disease which we know is caused by at least two other environmental sources.

Workers who could have been exposed to excessive amounts of asbestos fiber fall into three categories:

1. Workers in asbestos mines, mills and factories where asbestos was used. They number approximately 250,000.
2. Insulation workers who worked with the products containing less than 100 percent fiber. There are an estimated 30,000 of them.
3. Workers in governmental-controlled environments, primarily naval shipyards. Over four million people are in this category.

The state of medical knowledge was inadequate years ago. In the 1930's there was general knowledge that asbestosis could occur among mill and factory workers. What was not known was at what level of exposure an increased health risk could occur among those workers.

Recommended exposure standards were established in 1938 following a study by the U.S. Public Health Service and other studies sponsored by J-M along with others in the industry and our insurance carriers.

There was no awareness at that time that any disease problem existed beyond asbestosis or that any worker group was at risk outside of the miners, millers and factory workers.

The exposure standard adopted was regularly reviewed by the American Conference of Governmental Industrial Hygienists, a group to which industry could not belong and, based upon the medical evidence available, the standard remained unchanged and *unchallenged* for nearly 30 years.

Tragically, this standard for asbestos dust control later proved to be inadequate. During the war and up to the 1960's there continued to be excessive exposure to asbestos . . . but there was no awareness at the time that it was excessive. To the contrary, in 1946, the U.S. Navy undertook and published the results of yet another study which indicated that insulation work in the shipyards was *not* a hazardous occupation.

But in 1964 everything changed. A new dimension was added to our understanding of asbestos-related disease. In that year, Dr. Irving Selikoff of Mt. Sinai Hospital presented findings showing that the accepted level of exposure to asbestos could heighten risk of disease among *insulation workers* and confirmed that there was excess incidence of lung cancer as well as asbestosis and mesothelioma among asbestos insulation workers.

Since the findings by Dr. Selikoff, Johns-Manville has continued its efforts to assure the safe use of asbestos-containing materials; that includes labeling, cooperating with organized labor, giving instructional seminars, preparing safe handling booklets, and discontinuing the production of inappropriate products. Today, the evidence shows a declining incidence of asbestosis and lung cancer.

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