



United States Rubber Company



Textile Production Management
Winnboro, South Carolina
December 17, 1958

cc:
Mr. R. C. Harrington - Building
Mr. W. E. Clark - New York
Mr. F. W. Sands - New York

PERSONAL & CONFIDENTIAL

Mr. A. C. Link
Hogansville

Subject: Asbestosis

This memorandum is intended to express some preliminary thoughts and possible courses of action to handle the existing and potential Asbestosis problem at Hogansville. As a result of Dr. Wells' preliminary report concerning his medical findings and recommendations of all personnel of the Textile Division who are concerned with this problem, you have studied Dr. Wells' report and I believe are in agreement that some concrete program will have to be developed to handle this problem differently from that which has been followed in the past.

At this time, as I see the problem, it breaks down into two major categories. The first of these is that which I label the backlog problem. As a way of definition, I consider the backlog group as those persons that due to exposure prior to this time have suspected early or confirmed Asbestosis. The second category I label the future exposure group and those I define to include the people who at present working in the Asbeston Plant do not have any medical discernible Asbestosis and those people that will work in the future in the Asbeston Plant.

I think each of these problems will have to be approached independantly and the solution to each of these problems will be different.

Backlog Group

In considering possible solution of the backlog problem, I think that one of our fundamental objectives will be to: (a) consider the moral and legal responsibility to these employees (b) the cost and employee relations exposure to the company. For these backlog cases, which in

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most instances have already been transferred out of the Asbeston Plant and thereby, have been eliminated from exposure, I suggest that we have Dr. Wells and if he so desires, or our New York Safety Section recommends, bring in any other experts, such as Dr. Fendergrass in this field, to set up a medical supervision program of this group with the aim of giving the employees all reasonable medical and vocational rehabilitation care.

In order to estimate the possible cost exposure to the company for the backlog group, Hogansville should prepare a detailed record on each employee to include the length of service of the employee, the years in Asbeston with the cumulative dust count exposure, age of employee, medical history of the employee, any cost information concerning medical costs that have been borne by the company in relation to this employee, a work history of the employee concerning jobs held, what skills are possessed and any educational or other information that would be used in deciding on any vocational change for the employee. Also, data on the employee, including family and community connections, to help evaluate the employee and public relations problem concerning this employee.

With this information compiled for each employee, I recommend that Hogansville then consider various alternatives that could be used in solving the individual case and develop cost exposure for each of these alternatives. The alternatives that come to my mind at present would be: (1) Disability Allowance when employee can no longer work (2) Termination Allowance (3) maximum Workmen's Compensation exposure (4) estimate of any possible medical expense (5) estimate of any cost to the company if vocational job change is necessary and resulting learning cost and possible loss in employee efficiency cost.

After the estimates of cost exposure are made on the individual employees, all of this should be evaluated and summarized to arrive at a total cost exposure for the company on a group basis. This information should be furnished to our Division Management for the possible estimate of a reserve to cover this cost and also, to build into our cost of production a reasonable amount of this exposure for pricing purposes.

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With the above information, I believe that the company could then consider the following alternatives for these employees. Allow the employee to continue in present job where they have been transferred to non-dust exposure job, then continue medical supervision of each employee. If anything develops pertaining to Asbestosis to make it impossible for employee to continue work, the company will have to decide whether to follow one of the following alternatives: (a) Disability Allowance (b) Termination Allowance (c) company do nothing and let employee go through Workmen's Compensation procedure, then the company exhausts all reasonable moral and legal methods to control Workmen's Compensation and medical costs.

Another major alternative would be that of having Dr. Walls (his opinion confirmed by Dr. Pendergrass or some other medical expert) evaluate the employee's physical condition in relation to Asbestosis and decide whether to reach a settlement with the employee on the company's liability and dispose of a group of these cases at the present time. This alternative would, in effect, face up to the problem for some of the people at the present time and not follow the procedure outlined above of continuing them in employment and facing up to liability as it occurs on an individual basis.

In order to carry out some of the alternatives above, it will be necessary for the company to establish policy on medical costs that may be incurred by employees in relation to Asbestosis. The company could continue to do as we have in the past -- pay some of the medical cost on an individual decision basis, case by case, and let hospitalization insurance also pay some of this cost. It should be noted that the use of hospitalization insurance to bear some of the cost, in relation to Asbestosis, is not technically in compliance with our hospitalization insurance policy. However, in that we carry this policy on a participating basis, I believe these details could be handled with the insurance company. A policy could be established to pay no medical costs and in effect, force the employees to bring the case to a final conclusion quicker by provoking Workmen's Compensation cases.

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The above are my thoughts at the present time on some of the possibilities for handling the backlog group. I recommend that Hogansville proceed to obtain as much of the information as possible on these cases as a basis for consideration in establishing final company policy and procedure for the backlog group. I, also, would like to ask Hogansville Management to add any pertinent information, comments or alternatives that they can suggest to further broaden the basis of information and alternatives before a decision is reached on this group. I believe most of this information is available and would like to request Hogansville Management to have this information assembled by January 15th.

Future Exposure

The exposure to the company on Asbestosis cases for the future, as based on our present operating methods and Dr. Wells' report, seems to me to be a large one. That is, our previous thinking in relation to controlling dust counts to 5 MFPCF and, thereby, not creating any Asbestos exposure has been completely changed. Therefore, I think the major problem for future exposure will be divided into two categories which will be: (a) an engineering and dust control approach to reduce dust counts as low as possible if we are to stay in this business (b) to devise established policy and implement a personnel rotation and medical control program whereby the employees will be limited in their years of exposure in Asbestos manufacturing work to a degree that, based on the doctors and other findings, that the probability of the employee incurring Asbestosis will be reduced to a practical minimum. This employee medical control and rotation program, as I visualize it, would involve a decision by type dust exposure whereby the employee would be limited to a number of years working in the plant. The employee would be so notified when he was employed for the job that his work tenure would be limited and at the end of that time, the employee would have to come off of the job.

This particular system will create a particularly burdensome problem on local management as far as supervision is concerned. However, I feel that as far as machine operators and other wage people are concerned, this type system can be worked out on a satisfactory basis.

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The possible policy that could be established to implement an employee relation policy would be that of using: (a) Termination Allowance at the end of employee's employment (b) paying of higher wages during the employee's employment and any other ways that could be used to make the job more attractive to people who know they can only work so many years on this type job. A rotation procedure of this nature will create many employee and public relations problems in order to properly explain the reason for this program. Also, it is my opinion that during periods of scarcity of labor, due to economic or other conditions, that it will be practically impossible without paying tremendous wages to secure adequate number of employees to man the Asbeston Plant.

As you will recall, I have contacted Messrs. Graff and Sands, of Central Safety Section in New York, and acquainted them with our problem on Asbestosis. I have left a copy of Dr. Walls' report with them for their personal and confidential study. New York will proceed to contact as many other Asbestos producers as possible to ascertain as much information on what kind of problem the other producers have with Asbestos, what medical control measures are used, and what personnel policies are used. Also, they will attempt, if possible, to set up any contacts on gathering information on dust control devices, procedures, etc.

I would also like to take the opportunity in this memorandum of listing some general ideas or areas we could possibly explore towards obtaining more information in relation to the Asbestosis problem: (1) Re-examine the market and profit potential after cost of Asbestosis exposure estimates are reflected in our cost of production (2) try to obtain dust control engineering firm to make survey on dust control measures and get cost estimates necessary to do best possible job on dust control equipment. The idea here is to see if it is possible to materially reduce our dust exposure at a reasonable cost. Whether such engineering firms or consultants exist, I do not know but believe we should consult with Central Engineering or Fred Sands on this idea. (3) eliminate any production of process where dust can not be controlled and re-examine market and profit potential. (4) Establish project at Research Center of company or outside research center, such as, Arthur Little, Mellon Institute, Battle, to try to find way to produce Asbestos yarn and fabrics without dust problem -- that is, to see if there is any way, mechanically or chemically, to produce a product that is saleable on a profitable basis without using present textile machinery. (5) Keep our selling organization for Asbeston products and consider stopping manufacturing of these products and arrange for some other manufacturer to make the

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product for the company to sell. (6) In that the English people have been in Asbestos manufacturing for a long number of years, efforts should be made to find out if the English have controlled their Asbestosis exposure and, if possible, how they do this. If the English are controlling their problem, I believe this could be answered with the proper contacts and exchange of information — the idea being, if the English have done it, should we as a company spend the necessary time and money on attempting a long range solution to this problem. I think this will be a key answer in relation to our profit potential as to whether we should stay in this business on a long term basis. The know-how that the British use, if they are controlling their Asbestosis, I suspect will be very hard to obtain.

This is a very long and rambling letter, however, these are my thoughts on this subject at the present time. I would like to have you study them, get your information together, and advise when you are ready to sit down and discuss this problem with the idea of further exploring some of these alternatives and establishing a basis for a series of decisions on this problem.

J. E. Sullivan
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A handwritten signature in cursive script, appearing to read "J. E. Sullivan".

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