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Headline: FRENCH GROUP CEASES PRODUCTION OF ASBESTOS; SAINT GOBAIN OWNS 15% OF INDUSTRIAL ACTIVITIES LINKED TO THE SECTOR IN BRAZIL

by Reali Junior, Correspondent, O ESTADO DE SAO PAULO
June 30, 1999

PARIS- The Saint Gobain group, one of the oldest and most respected companies in France, has decided to cease industrial activities linked to asbestos. In Brazil, it owns a 15% share in Eternit. The source of this information is Jean Claude Breffort, general manager of the firm in Brazil. He is going to negotiate with his Brazilian partners to agree upon a date for a complete ban on the sale of the fiber, along the lines of an agreement recently reached by the European Union (EU).

According to Breffort, the first step has already been taken. Brasilit, which is owned by Saint Gobain, has withdrawn from the Brazilian Asbestos Association (ABRA). Members of the Board of Directors of ABRA have stated that they have no knowledge of the decision to withdraw. The association continues to hold that the type of asbestos used in Brazil (chrysotile) has not been banned and that it is different from the type used in Europe.

Antonio Luiz Aulicino, the president of Eternit, told the Estado that he would rather not comment on the Saint Gobain group's decision. He explained that the type of asbestos used in Brazil is completely different from the type used in Europe. "Chrysotile asbestos, which is mined in Minas Gerais, is not contaminated and does not contain amphiboles." The president contends that the mineral fiber used in Brazilian industry is bio-soluble and doesn't harm the organism.

Attacks

"As always, the Europeans are punishing the developing countries," protests the president of Eternit. According to Aulicino, the attacks on Brazilian asbestos are part of what is in fact a commercial war. "European studies show that the synthetic fibers which could be used as substitutes for asbestos can also be very harmful to health."

Some researchers do not make a distinction between amphibole fibers (blue and brown asbestos) and chrysotile (white asbestos) fibers. According to

these researchers, all these fibers have the potential to cause serious lung diseases, such as asbestosis and even cancer.

Recent examples from around the world now indicate, more than ever, that prevention and widespread dissemination of information should take precedence in order to avoid catastrophes like the scandals of blood contaminated with the HIV virus in France and the poultry which contained dioxin in Belgium. In both of these cases, there are strong indicators of negligence on the part of both the private and the public sectors.

If the Brazilian partners of Saint Gobain do not agree with the decision to gradually pull out of industrial activities which involve asbestos, the French group is prepared to immediately sell its 15% share in Eternit.

The National Bank of Economic and Social Development [Banco Nacional de Desenvolvimento Economico e Social] (BNDES)

The National Bank of Economic and Social Development (BNDES) owns 8.3% and Centrus (the pension fund of the employees of the Central Banco [Banco Central] own 17.3%. Other owners of Eternit include Dinamo (18.3%), HUS/AGH (16.8%), foreign owners (6.7%) and a number of diverse investors. The Eternit company controls the Cana Brava mine in Minacu, Goias state, and employs 600 people.

[Translator's note: I think it would be very interesting to see how the many Brazilian public sector investors were brought into the Eternit group and what THEY were told about the hazards of asbestos when they invested public and pension money in the business. What was the role of Stephan Schmidheiny when he (or his agents) sold their share in Brazilian Eternit to Brazilian banks and public pension funds in the late 1980s? THAT would be a very interesting case for the courts in both Brazil, France, Switzerland, and Belgium. How did the payoffs happen? How much money was siphoned out of Brazil by the foreign partners in profits and investments at a time when they KNEW that asbestos was a lethal and a dying industry????!!!! Were the local investors, both public and private, being lied to about the long-term commercial prospects of asbestos and about the export markets????] Now people like Barry Castleman could become witnesses for the local, Brazilian investors against the French and Belgians and Swiss. After all, didn't ANYONE in Brazil notice that by 1983 Johns-Manville had completely converted its asbestos operations to substitute fibers? See the article by Berman, "Asbestos and Health in the Third World: The Case of Brazil, INTERNATIONAL JOURNAL OF HEALTH SERVICES, v. 16, No. 2, 2nd quarter, 1986 which briefly mentions our findings regarding Manville do Brasil. Barry Castleman has good notes on our process of discovery regarding Manville do Brasil. Note that when you subtract the 15% owned by Saint Gobain, 50.1% is owned by other large investors, most of them Brazilian].

General manager Jean Claude Breffort is convinced that the political

decision to prohibit the utilization of asbestos depends on the Brazilian government, but that the companies should adopt a responsible posture on their own initiative. With this in mind, Brasilit is already preparing to convert itself in order to maintain its employment levels. The same thing is happening with other companies in the sector. [Translator's note: They mean, implicitly, the fiber-cement sector, but it is never actually stated].

If Brazil adopts a position similar to that of Europe, Saint Gobain will not protest. "We will give all of our support, so long as the time-frames are compatible with reconversion," stated Breffort. He believes that the [fiber-cement] sector will need five years, at most.

According to the general manager of the Saint Gobain group in Brazil, the decision of the European Union to prohibit the sales of any type of asbestos in its territory by the year 2005 is a new fact which cannot be ignored. "It is no longer a matter of an isolated decision taken by France, but it is a consensus which is not limited to Europe alone: Japan and other countries are also preparing to follow this path," he went on to explain. This time-frame is necessary for the conversion of the 300,000 jobs in the area: 50,000 of them primary and 250,000 secondary.

Difficulties

Brazil, says Breffort, will have a hard time staking out an independent position against the rest of the world, especially because most of the countries in Latin America will go along with this world-wide tendency. The conversion movement is already taking place rapidly in Argentina and Chile.

As is well known, Brazil, in association with Canada--another large world producer--submitted a complaint against France to the World Trade Organization (WTO). The subject is being dealt with in Brasilia in the Civil Cabinet of the President of the Republic, by staff members of minister Clovis Carvalho.

In Brazil, up to now, asbestos use has been limited to chrysotile, a fiber which is supposed to be less dangerous than amphibole asbestos, which is very widely used in Europe and is responsible for serious occupational diseases and even cancer.

The fact that chrysotile is less dangerous does not mean that it does not constitute a danger to public health. Its effects are reputed to be the same, but with a lower incidence. This has led the French courts to sentence the government to pay compensation to thousands of sick people and to the families of people who died after having been victims of occupational diseases caused by the handling and breathing of asbestos dust.

The utilization of chrysotile asbestos in Brazil for roof tiles and water

tanks, says Breffort, is not as dangerous as the spraying of asbestos in Europe. But the workers who deal with the mineral are still exposed..

Rigorous controls on asbestos exposure were required in Brazil in 1984, but became obligatory only in 1990. The managing director of Saint Gobain recognizes that lung problems only appear many years later, which is the reason why the problems have a tendency to become worse. "The controlled use of asbestos in Brazil has considerably reduced the risks," says Breffort.

The majority of Brazilian companies, including Eternit, offer good safety conditions to their workers. But that is not true for a small number of companies, especially in the manufacture of brake shoes.

This problem began in the past, then the risks were unknown and preventive measures were practically non-existent. For this reason, Breffort and Brasilit have decided that the position taken by the European Union, which gives the industry until 2005 to stop using asbestos, to be a reasonable one, especially because alternative solutions already exist for asbestos use, though they may be a bit more expensive. Among those solutions are PVA, which, says Breffort, does not create any risk for the population at large. The president of Eternit disagrees with that assertion and claims that it has not yet been scientifically proven.

Ban

On May 4, 1999 the European Commission [Translator's note: Rory: Is this the correct translation of Commissao Europeia?] approved guidelines for a total ban of all types of asbestos by the year 2005.

In October, Great Britain will join with France, Germany, Italy, Denmark, Sweden, Holland, Norway, and Switzerland, which have already prohibited the sale of asbestos. Greece, Portugal, and Spain still use asbestos.

The president of Eternit notes that Germany imports Brazilian asbestos. "The European Commission recommends that until 2003 synthetic fibers which are being considered as asbestos substitutes should be submitted to scientific analyses to learn whether they are harmful to health," says Aulicino.

In 1906 the harmful consequences of asbestos exposure were first uncovered in Europe, but the prohibition of the use of the fiber is recent. Spraying, used for the insulation of building, has been prohibited since 1977.

Throughout Europe, very expensive programs of asbestos decontamination have been put in place. At the University of Jussieu [sic] in Paris' Latin Quarter, the government will spend one billion francs. [I thought it was Universites Paris VI et VI at Jussieu, but correct me, Annie Thebaud, if I am wrong!!] Today, the health and safety standard of workers who carry out

this kind of work are extremely strict. Nevertheless, for many years in the future Europe will continue to suffer the consequences of past asbestos use. The first symptoms of disease caused by asbestos appear many years after exposure. Asbestosis, an illness which reduces respiratory capacity, is one of those diseases, along with mesothelioma (a malignant tumor) and other types of cancer caused by asbestos in Western Europe.

The United States is ready to join with Canada in a formal protest at the World Trade Organization, of the 1997 French decision to ban all types of asbestos. This decision to protest also has the support of Brazil and Zimbabwe.

Asbestos is used most commonly in the fabrication of roof tiles, water tanks, and insulation products. "I haven't seen any official document in regard to the issue, the United States will support Canada," said B. J. Pigg, a United States citizens who is the president of the International Asbestos Association (IAA) [Translator's query: Is this the correct English rendering of "Associacao Internacional do Amianto"?]. "The banning of any substance is contrary to free trade principles and there is study regarding the effects of synthetic fibers on health."

(Arnaldo Galvao helped with this article)

Thursday, June 30, 1999

BOX:

MULTINATIONAL HAS OPERATED IN BRAZIL SINCE 1937

PARIS- The world sales of the Saint Gobain group reached US\$20 billion last year, employing 120,000 people in the sectors of glass and technology.

The Saint Gobain group was founded in 1665 and is part of the history of France. It has been in Brazil since 1937, when it founded the Brasilit company.

The sales of the Brazilian company are about US\$2 billion, employing 12,000 workers in 40 factories in a number of different states.

In the last five years, new investments reached US\$200 million per year.

The fiber-cement sector (asbestos), through Brasilit and its affiliates, is responsible for 15% of annual sales.

END OF ENGLISH TRANSLATION

Sorry I took so long to translate this article. In May I started my new job as a "Public Utilities Regulatory Analyst" in the Monopoly Regulation Branch of the Office of Ratepayer Advocates of the California Public Utilities