

General Dynamics' Asbestos Sues Quebec, Charging Expropriation Law Is Invalid

By THE WALL STREET JOURNAL Staff Reporter
MONTREAL—Less than a day after the Quebec government officially adopted legislation empowering it to expropriate all the assets of Asbestos Corp. in Quebec, the Montreal-based mining concern struck back.

Together with the Canadian subsidiary of its major shareholder, General Dynamics Corp., Asbestos Corp. brought suit against the Quebec government in an effort to block any action by the province.

The legal actions filed Friday in Quebec superior court contend that the expropriation law and legislation creating a provincially owned National Asbestos Corp. are illegal, invalid and beyond the powers of the Quebec legislature.

Lawyers close to the case said a full examination of the issue will cover new legal ground in Canada, while similar cases have been argued in British Columbia and Saskatchewan provinces, they either didn't directly address the question of provincial expropriation rights or were settled before the matter went to the Supreme Court of Canada.

Set Off Sparks

The Asbestos Corp. action is likely to set off sparks in Quebec. It argues in part that the laws in question are invalid because only French versions of the bill were approved, an argument that's likely to stir controversy in a province where the legal status of French and English is a subject of intense debate.

The argument questions the constitutionality of language legislation brought in by the ruling Parti Quebecois government. That legislation strips English of legal status in the provincial courts and legislature. Recently, however, lower courts have found that Canada's constitution requires laws to be approved in both languages.

In Quebec City, government officials declined comment on the suit.

The Quebec legislature passed the expropriation law last Wednesday. It was signed by the Queen of England's representative Thursday.

Steps Haven't Been Taken

The law, which authorizes the Quebec government to expropriate Asbestos Corp. assets in Quebec, doesn't require it to do so. To date, no steps toward actual expropriation have been taken.

The law is intended to pressure General Dynamics, the owner of 55% of Asbestos Corp. stock, to sell its holding. The St. Louis-based aerospace and shipbuilding concern has said it doesn't want to sell.

Asbestos Corp. was joined in its action by General Dynamics Corp. (Canada) Ltd., the U.S. company's holding unit, which asked the court for permission to intervene as an interested party.

Among other objections, the companies argued that a provincial government doesn't have the power to expropriate the assets of a federally incorporated company. They charged that the expropriation of Asbestos Corp.'s Quebec assets would "surrender" the company and that such a forced takeover isn't in the public interest.

Asbestos Corp. and General Dynamics have asked for an injunction barring any action until the courts have decided on the merits of the case.

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Asbestos suits ask millions

Fairless workers
cite two deaths

By JAYE SCHOLL
Staff Writer

DOYLESTOWN — Three suits totaling \$30.3 million were filed today against 41 manufacturers, sellers, and distributors of asbestos products used at U.S. Steel's Fairless Works in Falls Township.

The suits charge that asbestos-related cancer killed two employees and that the asbestos companies knew of, but withheld, medical information about the dangers of the fibrous mineral.

The suits, filed in the Bucks County Court of Common Pleas, were brought on behalf of the employees' widows, and on behalf of Charles W. Carpenter, a former pump and turbine mechanic, and his wife, Anna.

Carpenter, who worked at the Fairless Works plant from 1953 until 1978, has been told that his asbestos-related diseases are fatal, according to the suit.

One lung has been removed, and he suffers from cancer, respiratory disorders, and asbestosis, a non-cancerous disease which causes severe scarring of the lungs, the suit claims.

Handling their husbands' clothing indirectly exposed the three wives to asbestos fibers, putting each of them "at risk" of getting cancer, according to the suit.

THE SUIT ASKS for a total of \$30 million in punitive damages for Carpenter, his wife and the two widows and a total of \$7,775,000 in compensatory damages.

The suit does not name U.S. Steel Corp., which employs 6,500 steelworkers at its Fairless Works plant. Two months ago, however, the company agreed to \$12 in weekly workers' compensation claims to Carpenter and a second employee.

Both claimed they had contracted asbestos-related cancer on the job, but the suit was settled out of court, before a link between their cancer and their jobs was established with evidence.

Al Lupini, president of the United Steel Workers Local 4884, said at the time that the award "proves that it's an industrial disease."

Lupini has since inaugurated a testing program to screen steelworkers for asbestos-related diseases.

In April, the federal Occupational Safety and Health Administration issued a report stating the amounts of asbestos in the air at the plant's sheet and tin department met federal standards and could not be considered hazardous to health.

But union officials criticized the report on the grounds that OSHA failed to inspect similar studies of the plant's 800 other departments which they said contained much higher levels of the loose fiber. Consumer groups also have challenged OSHA standards for being too lenient.

ASBESTOS is an indestructible mineral extracted from rock and made up of invisible twine-like fibers.

It is used in products which must withstand fire, heat and friction. It is found in brake linings, clutch facings, potholders, insulation for pipes, walls, ship bulkheads, floor and ceiling tile, paints, roofing, theater curtains and about 3,000 other products.

It has been used at Fairless Works since the plant was built in 1953 in pipe coverings, brake shoes, cement boards, gaskets, rope, blankets, and tape, among other things.

Joseph A. Califano Jr., U.S. Health, Education, and Welfare secretary, has estimated that be-

tween 8 million and 11 million Americans have been exposed to asbestos since World War II.

The two major asbestos-related diseases, asbestosis, and the more deadly mesothelioma, a cancer of the lung's lining, may not show up for 10 to 35 years after exposure. Health experts fear an asbestos "time bomb" may explode over the next several decades.

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