

A Multinational Corporation Against the Workers: Saint-Gobain Strategies in France, USA and Brazil

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Abstract

Asbestos mining never represented more than 20% of the total asbestos consumption in France. Mining shut down in 1952 in the Queyras (Meyries mine) and in 1962 in Corse (Corse Cape mine). From 1962 to 1997, at which time asbestos was banned in France, all asbestos was imported from Quebec, Russia and South Africa. The asbestos industry in France has been dominated by two multinational firms: Saint Gobain (in particular the Everite branch) and Eternit (the Belgian group, currently named Etex). In France, Saint Gobain specialized in sprayed asbestos for insulation through its subsidiary Wanner Isofi. Another Saint Gobain subsidiary – Everite – and Eternit-Belgium were the two main operators in the asbestos cement market.

Saint Gobain in cooperation with Eternit-Switzerland became the third asbestos producer in the world through their Brazilian mining interests. Since the 1960s the Saint Gobain & Eternit subsidiary, SAMA, has been exploiting the Brazilian mine in Goias, even though asbestos has been banned in France since 1997. The asbestos-cement market in Brazil has been dominated by Brasilit, the Brazilian subsidiary of Saint Gobain, and Eternit-Switzerland.

Saint Gobain's managers were completely aware of the asbestos health effects when they began asbestos mining in Brazil. But the firm applied constantly a strategy of double standards.

The paper will compare the strategies of the firm in the two countries in relation to three main aspects: the control of the asbestos market, the control of the information about the health effects of asbestos, the reaction to the collective action of the victims claiming justice.

Introduction

Saint-Gobain is a French multinational corporation, with more than 170,000 direct employees and millions of subcontracted workers all around the world. This company has been one of the main traders in the global asbestos market but this remains an 'industrial secret'. Looking at their website, the only mention of asbestos is litigation in the USA. Why?

This paper emphasizes the *Saint-Gobain* strategy on asbestos in three countries – France, USA and Brazil – and examines the steps taken in the war between Jean-Louis Beffa (*Saint-Gobain*'s big boss) and *Saint-Gobain*'s exposed workers, between 1960 and 2004.

1960-1980: the control of the asbestos market

France

In the early sixties, by the way of its subsidiary *Wanner Isofi*, *Saint-Gobain* was the first company to use the sprayed asbestos limpet process in France. Over a period of several years, *Wanner Isofi* became the leader of the insulation sector and, during a twenty year stint, sprayed asbestos in thousands of public & private buildings, trains, factories, ships....

In a joint venture with *Pont-à-Mousson*, *Saint-Gobain* also became – side by side with *Eternit* (the Belgian branch) – a leader of the French asbestos-cement market, with a production of 250,000 tons per year. The only indication that something was wrong with asbestos in this case is that the product is not named 'asbestos-cement' but 'fiber-cement': in these times of a great increase in the building industry, is this an 'industrial secret' which must be carefully hidden from the public?

USA

In the very early sixties, Irving Selikoff was publishing and publicising the first public studies about cancer linked to asbestos. Claims made against asbestos companies were quickly increasing. Nevertheless, *Saint-Gobain* bought from *Turner and Newell* its subsidiary – *Certain Teed* – which gave the company a commanding position in the American asbestos market within the building industry.

Brazil

In Brazil, the French history of asbestos began in 1938 with *Pont-à-Mousson* opening a mine in Poçoões (Bahia) and producing asbestos-cement. At the end of the sixties, after the creation of the joint venture between *Saint-Gobain* and *Pont-à-Mousson*, Schmidheiny (*Eternit-Switzerland*) & Beffa (*Saint-Gobain-Pont-à-Mousson*), together, began to explore the Canabrava Mine in Minaçu (Goias). The extent of the mine lead Brazil to become the third largest asbestos producer in the world in the 1980s.

Saint-Gobain was not only operating the mine. Using the simple technology for asbestos-cement production, the multinational corporation set up a subsidiary named *Brasilit*, which shared the market with *Eternit*. A recent publicity advertisement which was published by *Saint-Gobain* in a French national paper, *Le Monde*, shows the magnitude of the benefits gained by the multinational corporation in thirty years in Brazil. The advertisement states :

“ 2/3 of French houses and all Brazilian houses are provided with water by way of our pipes. Every year we are producing enough pipes to reach the centre of the earth” (*Saint-Gobain* publicity campaign, *Le Monde*, March 16, 2004).

In France, asbestos has been banned since 1997. The point that the advertisement has not highlighted is that the majority of the pipes are made with asbestos-cement. It remains an ‘industrial secret’ which, in the eyes of the company and its subsidiaries involved, must not be revealed to the public. The reasons for this are confidential as is shown in the following section of this paper.

1980-1994 : control of the information regarding asbestos health effects

France

At the end of the 1970s, the French social movement against asbestos led to public knowledge of the health effects of asbestos. The asbestos industry responded by contriving to exert powerful control of the information about such health effects. In France, the Permanent Asbestos Committee (CPA) was created by the industry which succeeded in obtaining the cooperation of workers’ trade unions, physicians and government representatives. This committee was very similar to the Canadian Asbestos Institute, controlling scientific research by means of a mixture of informal scientific discussions – as if the medical members of the committee were the more legitimate members of the scientific community working on asbestos health effects – and publicity for the “controlled use” ideology.

Saint-Gobain was always participating in the CPA, in particular, its manager, *Bernard Giboin*. He was not only a member of *Saint-Gobain*’s staff but also the asbestos purchases’ director for the French group of industries which were using asbestos in their products.

One of the strongest actions of the CPA, during this period, was its lobbying against a European directive for a European asbestos ban.

Brazil

Information on asbestos health effects were completely hidden from the Brazilian people. In addition, in 1990, *Saint-Gobain* contracted some influential French medical personalities to meet Brazilian authorities in order to falsely affirm “*Brazilian chrysotile as not being dangerous*”. In 1994, by way of an intervention by the CPA under the direction of the Brazilian government, *Saint-Gobain* tried to cancel the international seminar on asbestos health effects organized by Fernanda Giannasi and the Brazilian Ministry of Labour in São Paulo.

1995-2004 : Worker’s compensation management and discrimination

France

Since 1994, a strong asbestos victims’ movement has succeeded in incorporating the tragedy of asbestos victims into public debates and obtaining an asbestos ban more than ten years after the first European countries had it.

Like other companies, *Saint-Gobain* has been sued by its French workers, ex-workers or their widows and families for ‘inexcusable fault of the employer’. Nevertheless, the firm manages to find procedures that avoid the payment of compensation.

Later, in 2000, the compensation fund for asbestos victims was created. Today, the asbestos companies are still not considered responsible for the health consequences of asbestos use. The burden is shared between the state and the National Insurance for occupational injuries/diseases.

This means that *Saint-Gobain* does not have to provide money for its French employees’ compensation.

USA

In 2002, *Certain-Teed/Saint-Gobain* was forced to provide US\$100 million to cover the compensation cost of American asbestos exposed people. In 2003, *Saint-Gobain* had 123,000 claims to manage. J.L. Beffa and the *Saint-Gobain/Certain Teed* staff are currently waiting on the decision of the Bush administration and republican majority in the American Congress. Will they induce the end of the asbestos corporations’ nightmare by creating a very low level compensation fund in order to stop the asbestos victims’ actions toward justice?

As it stands today, the only victims receiving compensation from the French multinational corporation *Saint-Gobain* are American.

Brazil

The end of the 1990s was also the period of development of the Brazilian asbestos victims’ movement (ABREA). Since 1995, claims have been introduced in the civil courts by the exposed ex-workers of *Saint-Gobain-Brasilit & Eternit*. In September 2004, the first ruling was made against *Eternit*.

In the late 1990s, *Saint-Gobain* was applying pressure to its ex-workers to sign an ‘extra-judiciary agreement’ in order to avoid trials and to compensate victims at very low levels by out-of-court settlements. The Brazilian staff of the company justified this means of compensation by saying:

“*The Brazilian nature is such that – in our experience – often, when people receive a significant sum of money they spend it quickly*” (JP Brefort, director of *Saint-Gobain-Brazil* over 20 years, in an interview broadcasted on French television, April 2002).

Does this mean that American asbestos victims are the most ‘discriminating consumers’ in the world, thus justifying such discrimination against Brazilian ex-*Saint-Gobain* workers by the management of J.L. Beffa and his staff?

Conclusion

Multinational corporations knew everything about asbestos hazards long before any other institutions. The decision to push for a global market was decided upon at the time when American

and European activists were already organizing campaigns against asbestos. What political action can be made taken our network to stop such arrogant and criminal strategies ?