

Vancouver Sun

B.C. ruling spanner in Manville's works

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NEW YORK - Four years after exiting bankruptcy court confident its legal troubles over asbestos had ended, Manville Corp. is facing its first foreign challenge to a shield against asbestos-related lawsuits.

The trust fund that handles Manville's asbestos cases said a lawsuit in British Columbia could trigger a "worldwide run" on Manville assets. It is lobbying the U.S. government to ask Canada to honor an injunction barring asbestos lawsuits against Manville.

The challenge came when a Supreme Court of British Columbia judge last August refused to recognize the injunction in a case involving a former shipyard worker, George Ernest Hunt, who has an asbestos-induced lung cancer known as mesothelioma.

Judge William Esson said Manville's bankruptcy court reorganization did not specify that the injunction also applied to foreign claims.

"What clearly concerned the court was the enormous, potentially catastrophic, threat of liability arising from the litigation in the United States," Esson wrote. "It is not clear that claims arising elsewhere were even considered."

A Manville representative on Monday disavowed letters written last month by the trust's lawyer, David Austern, that raise the spectre of widespread claims on Manville's more than \$660 million US in foreign assets, including about \$75 million in Canada.

In a Dec. 4 letter to U.S. District Judge Jack Weinstein, Austern wrote: "We share Manville's concern that if the current situation in British Columbia were made public, we could experience a worldwide run on Manville's overseas holdings."

In an interview Monday, Austern backed off the language, saying he did not envision a run on assets.

The trust owns 80 per cent of the stock, nearly \$2 billion in bonds and the right to a share of the profits of Denver-based Manville, now a fibreglass and building products company.

Eight asbestos property-damage cases in Vancouver seek damages exceeding \$100 million, said David Church, a Vancouver lawyer.