

Asbestos House: The Secret History of James Hardie Industries

Book Review By Elisabeth Sexton
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In his book *Asbestos House* (Melbourne: Scribe, 2006), Gideon Haigh suggests the compensation debacle was primarily an oversight.

Asbestos House: corporate HQ provides an apt model for James Hardie's past — "heavy, dark and airless."

THE PITHIEST LINE in this, the first book about James Hardie's fall from grace, comes from the prominent Sydney solicitor hired to extricate the company from the mess. John Atanaskovic told author Gideon Haigh about the effort devoted to media management during the drawn-out negotiations with the ACTU on asbestos compensation. "After a while, I concluded that Hardie was a company whose core business was the issuance of press releases with a small subsidiary involved in building products."

Haigh, a one-time business journalist now better known for his books on cricket, has set out to go well beyond the press releases. With the fresh eye of a Melbourne resident who did not attend the NSW government's special commission of inquiry, the many media conferences or the protest rallies, he has conducted hindsight interviews with key protagonists and dug deep into the archives.

Haigh begins with the man James Hardie, born in Scotland in 1851. He recounts his journey to Australia and the business partnership he set up with fellow expatriate Andrew Reid in 1896. The descendants of the latter, not the former, ran the company as it expanded during the 20th century and oversaw the 1951 construction of a headquarters in Sydney's York Street befitting the

industrial leader it became.

Its name, Asbestos House, gave Haigh the title for his book. The physical building, "heavy, dark and airless", provides an apt model for the company's past, he writes in the prologue. But which part of its past?

Haigh is clearly persuaded that failing to investigate the health dangers of asbestos and continuing to manufacture it until 1987 was unforgivable. Devoting a third of the book to this period, including many heart-rending individual stories, he concludes that James Hardie "deserves its place in the public pillory".

When it comes to more recent history, when the company was prepared to abandon financial support for thousands of Australians sick and dying from its products, it is a different matter.

"Let an obvious point be made at the earliest possible opportunity," Haigh writes on page 10. "None of the directors of James Hardie who deliberated on the constitution of the Medical Research and Compensation Foundation in February 2001 had the remotest connection with the company's asbestos past."

He urges readers to resist viewing the gross underfunding of the foundation as "the ultimate profit-before-people story" because "the decisions for which this generation of victims are paying were taken not five years ago, but rather

decades ago”.

Yet Haigh later recounts that when Meredith Hellicar was sounded out about a board seat in 1992, “she asked anxiously: ‘You don’t have anything to do with asbestos, do you?’”

When the foundation was set up, all those involved knew its purpose was to handle asbestos compensation and the horrors of asbestos diseases were common knowledge. When the underfunding was revealed, they knew James Hardie’s refusal to fund the shortfall would leave in the lurch people suffering from a particularly vicious form of cancer. Of course good health and a long life are more important than money. Preventing illness is far preferable to handing over a cheque. But it does not follow that once James Hardie stopped making asbestos its treatment of those it poisoned became, as Haigh puts it, second-order offences.

Personal injury compensation is vital, and not just because it supports people too sick to work and provides their families with income after their premature death.

It also serves the important purpose of deterring people who run companies from engaging in activities dangerous to human limb and life, using language they can understand—money. This is a book for those who wonder why James Hardie’s conduct caused such a fuss. Haigh is not convinced it was justified.

In the first chapter he sniffs that “at least some of the anger springs from popular ambivalence about modern industrial capitalism, reputedly red in tooth and claw, and the forces of globalisation, apparently inescapable and ineluctable”.

He concludes that the compensation debacle was primarily an oversight. It

was a case of executives too eager, directors too accommodating, advisers too captive of their client, consulting actuaries too amenable and the new custodians of the foundation too guileless.

Above all, not one among them speculated about the human consequences,” he writes. Despite including society’s best and brightest, these individuals “behaved as those in social groups with shared backgrounds and shared assumptions are inclined to do“.

What could be done about it? Not much, apparently. Haigh’s explanation for the collective blindness is “the acutely reified version of reality which modern business inhabits“.

The chronicle of events laid out in Asbestos House shows there is good reason to debate whether society could find better ways of focusing the executive mind on the reality of sick and dying people. It is a topic the book does not explore.

Sydney Morning Herald journalist Elisabeth Sexton was a Walkley Award finalist for her coverage of the James Hardie asbestos story.