PLAINTIFF'S
EXHIBIT
USG-524

IN
Cautions

cc: C. M. Lambe
J. N. Walker
File J-2 - General

March 18, 1964

Chicago #147-2 - C. M. Howard

Research #151 - K. Maynard

Toronto Complaint #99 - Liability Claim of Nandor Babos

We indeed feel badly that Mr. Babos encountered a skin irritation apparently from using our joint compound. If it is proven that joint compounds did cause his problem, and that the joint compound was made by CGC, this single case should not cause us to change the "non-irritating" phrase printing for the entire US and Canada. If Mr. Babos got skin irritation from our joint compound it is not because our product is irritating, but simply because he is allergic to it.

Over the last ten years we've gotten an estimated half dozen skin-irritation complaints (though none apparently as serious as Mr. Babos'). There is no other product that I can think of, outside of cosmetics or food, that constantly come in direct contact with the skin as much as joint compounds. The product is on the hands of thousands of mechanics every hour of every day across the nation. To give you an idea of the amount of this product in daily contact with the mechanics there is an average of 627,000 lbs. of dry compounds and textures being used every working day (200 per year) based on last years production.

This history shows the product to be as "non-irritating" as any product could conceivably be when used by the general public in contact with the skin. You will always find someone allergic to something, for example, many people are allergic to strawberries and breakout in a rash, but this does not mean that strawberries are irritating. It simply means that if you're allergic to them, you avoid contact with them. This would apply to our joint compounds also.

Many years ago we encountered many more skin irritation complaints when we manufacture and sold "high alkaline" joint compounds. Here, people with sensitive skin were simply getting "burned" by the higher alkalinity of the product. We haven't sold high alkaline joint compounds in Canada since early 1957. However competitive manufacturers continued making high alkaline joint compounds long after we did, and some are still on the market today. The possibility that Mr. Babos encountered his irritation from a competitive high alkaline product should be investigated.

In summary, there is no need to change the present "non-irritating" phrase, based on our long experience with field performance of joint compounds and intimate knowledge of formula ingredients. However, if our attorney's feel another phrase would give more protection against future lawsuits and you feel the phrase would not "frighten" our mechanics and inhibit sales, we have no objection to a change.

Enc.

USG 0956