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GHQ - Denver
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J. B. Jobe

LABELING OF ASBESTOS AND ASBESTOS CONTAINING PRODUCTS - EXPORT SALES

We have recently been requested to advise on company policy relative to labeling asbestos containing insulation materials manufactured in the United States and shipped to a foreign location.

I am aware of decisions made in the past that shipments of asbestos and asbestos containing products would not bear caution labels. I do not think those decisions rise to the level of "Company Policy." Regardless, recent developments in asbestos related health problems and legal liabilities make a review of our export labeling practices highly desirable.

A preliminary review of the law of foreign countries to which asbestos is exported and of general principles of foreign law indicates that asbestos and asbestos containing products should bear appropriate warning labels. The Legal Department has consistently recommended such labeling.

I believe it is pertinent here to note that had labels not been adopted on domestic products during 1964, the company's position in currently pending litigation would be all but indefensible. Thus far, fourteen common law asbestosis actions and two common law mesothelioma actions have been instituted in the U. S. against various Johns-Manville corporations. A considerable number of similar actions are anticipated. Those suits basically allege that we owed the plaintiffs a duty to warn of the hazardous nature of asbestos and were negligent in discharging that duty.

My concern is that the development of laws on this subject in foreign countries will parallel our experience in the United States. Labeling in the U. S. and Canada coupled with a failure to label in export shipments would seriously weaken our position in defending litigation which might arise abroad.

A thorough review of the applicable laws of countries to which we export will be time consuming and expensive. I believe such [illegible] would like to know whether the business responsibilities will be in a position to re-evaluate the exposure inherent in continuing present practices.

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I recommend that you assemble a group to discuss this question on a preliminary basis and to determine whether detailed studies ought to be undertaken.

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