

**PLAINTIFF'S
EXHIBIT**

JM-1835

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Raw Materials Dept;

6th March 1944

Dear Brockbank,

Ambrosia

On Friday morning Shepherd came in to see us at very short notice, and a number of points were discussed.

Firstly, on the question of C. and G.2. substitution and re-allocation, we told him that Archer and Fennelly had taken strong exception to the draft cable, of which you have a copy, on the ground that they had last year spent a good deal of time complaining in loud voices that M.S.L. and V.R.A. were completely substitutable for C. and G., and that, for political reasons, they therefore thought that it would be most unfortunate if we had to go back on this statement now. We had therefore to agree to modify the cable in the sense of leaving the putting of the request for an additional allocation to the discretion of C.R.M.B., but explaining the position to them and warning them that this would leave us very short indeed at the end of the year, and that, if any of the new demands which Shepherd had forecast did develop, we might be forced to comeback for more.

C.J. Brockbank, Esq.,
Abrasive Control,
Palace Chambers,
Bridge Street,
S.W.1.

/Shepherd

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DEPARTMENT OF DEFENSE

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Reference: -

Shepherd took this very well, though I do not know, of course, what his reaction will be on further reflection. He agreed to do his best with the present allocation. You will be getting a revised draft cable in the next day or two.

Secondly, we referred to his demand for additional labour, and to my letter of the 25th February, of which you have had a copy. To this he has replied, still in the same general terms, and it now seems perfectly clear that we cannot make a strong enough case of immediate demands to get the labour he needs. We explained this to him, and quoted the intimation we had got recently about the sort of test which was being applied to demands for new labour - namely, "how long will it be before the product of this labour will impact on the enemy?" Shepherd agreed that his demand could not fulfil this test.

Incidentally, he seems to be talking now mainly about an Admiralty requirement for insulating cloth for the gun turrets of Battleships, and he promised to give us a reference to the Engineer Admiral concerned. But it does not look as though, unless there are new developments, we shall be able to get any additional labour, at least for Turners. This, of course, has a direct effect

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on their probable demand for the raw materials and makes the increases which the firm has talked about look even less likely. Shepherd offered, as an alternative solution to his labor problem, to build new weaving capacity in Leeds, where he understood that labor was easier, but it is clear that this would take six months or so and, of course, nobody can guarantee what labor will be like in Leeds by then.

Thirdly, and reverting for the moment to the spinning grade supply position, Shepherd suggested, as an alternative alleviation, the granting to him of more Bell 37. As you know, this is at present entirely allocated, and there should be none to spare, but I think we might bear this in mind in case either the American demand does not come up to programme or the Canadian production exceeds it.

I mentioned to him the information, which I understood Control had acted for, on end uses of Asbestos for the Re-allocation report, and got a severe shock, since he said that there were only two, and these were the making of insulating mattresses and use as a binder in 85 per cent. magnesia. Now Shepherd's information about the activities of one of his subsidiary companies may well be out of date, and I certainly hope it is, because if he is correct we have just in two

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cables to America informed them that our earlier information that asbestite was used in 85 per cent. magnesite was wrong. I should certainly be very glad to know which is the truth.

I enclose a copy of a further letter dealing with immediate deliveries of Rhodesian asbestos to the U.S.A. Theobald accepted this, and I suppose that Control can expect within the next few weeks to have its first invoices and to have to make its first payments.

Yours sincerely,

S. J. ...

Reference -	Supp 14 / 418
COPY - 100 TO BE REPRODUCED PERMANENTLY IN THE FILES	