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PLAINTIFF'S
EXHIBIT

JNL 2434

Mr. A. C. Mann

JW/PM
To: DWH (2)
Copy: ACM

3rd March, 1966

Glass Cloth for Insulation of Pipework

Newalls Insulation & Chemical Co. Ltd.

The attached report by Mr. Morant came into my hands because of the reference to health hazards of asbestos. Mr. Edmonds has commented that he is confident that Mr. Middleton is wrong that asbestos is going to be excluded from Admiralty specifications and I am sure Mr. Edmonds is right - at present, but the change could well come and has obviously been brought nearer by the recent health scares. One important factor which will obviously have some effect on the ultimate Admiralty decision will be the final cost of the finished job; presumably this will be worked out in due course by Newalls and it will not be simple. We shall need to keep in very close touch with Newalls' development work and costings, as they evolve. Another factor is, of course, fire resistance, and I should have thought the method described by Mr. Morant would not be up to Navy standards.

I am glad to see that the glass material is likely to be rove-based, as presumably this will suit us better than yarn-based.

Now I want to say quite firmly and with all possible emphasis that unless it can be proved to my satisfaction that this glass insulation cloth business is not to our advantage (and in that case I shall need to be told who is going to make it pay and what better use for our Glass Fibre investment there is) I consider that our policy must be to ensure that we get and keep at least as large a share of whatever glass insulation trade develops as we have had of the asbestos cloth trade, and preferably larger. I am not prepared - and I am certain T. & N. is not either - to allow our turnover to drop because of technical change from asbestos to glass.

The reasons for this view seem to me so numerous and so self-evident that they are hardly worth expounding, but just let me mention four :-

1. T. & N. are predominant and right in the heart of the heat-insulation trade and Newalls are the largest and best-known contractor in this field; hence we have a big captive market and would be mad to let it slip away.

2. We need a glass textile outlet with some volume and

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weight in it, preferably controlled by economic factors which are quite independent of the rather temperamental reinforced plastics industry, on which we have to rely too much now.

3. We are reluctant (probably rightly) to tackle the consumer goods field, in spite of its large growth potential, but we are very experienced in weaving and marketing heavy industrial fabrics.

4. We shall have weaving shed space to spare at Rochdale if asbestos insulation cloth declines.

Let us be careful, therefore, to have the right ^{year} products (including webbing or knitted fabrics, if required) and the right productive capacity available at the right time.

John Waddell

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