

FROM

R. V. Todd

DATE

November 6, 1969

SUBJECT

NOTE TO FILE

REFERENCE

Urethane Coated Fabrics

TO

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Urethane fabrics are becoming ever more widely used in the United States and Europe as a replacement for vinyl coated fabrics for specific application. With Canada starting to show mild interest, I believe we should without delay get Mocan intelligence to a point where we can assess the importance of urethane in our Coated Fabrics Plan and move quickly if necessary.

Some developments to date:

- Seven major companies in the U.S. are offering a product for sale, at least five are producing.
- The product is gaining acceptance in furniture, apparel and footwear in the U.S.
- Over 80% of the European coated fabrics market for handbags is now held by urethane.
- Detroit has not yet indicated an interest but a few European cars are using urethane.
- Increased chemical and reported abrasion resistance makes urethane fabrics dry cleanable and machine washable and tougher than vinyl.
- Urethane has a greater "comfort" factor than vinyl and can better simulate leather. They have been reported as breathable.
- Urethane fabrics cost 50% to 100% more than vinyl fabrics.
- To date all such fabrics are produced by transfer or direct coating. They have not been calendered.
- Urethane fabrics are being developed at Aiscondel.

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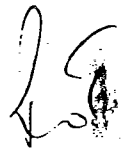
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I would like to suggest a two-pronged approach to getting ourselves abreast of developments.

- (1) Marketing to gather all pertinent market data and intelligence relative to the present status and growth estimates of urethane coated fabrics vis-a-vis vinyl fabrics in the key markets outlined in the Business Plan.
- (2) PT&E to gather data relative to processes, technology, equipment, patent and licensing situation and guesstimated capital needs.

We should meet say the week of December 15th to review findings and decide on our next course of action.

RVT:acv



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