RESEARCH and DEVELOPMENT PROJECT.

Schreiber, Kemmis-Betty and Ridley agree to recommend the following seven main headings as the basis of operation for this Project.

1. RESEARCH.
   - (a) Fundamental Research.
   - (b) Applied Research.
   - (c) Research Control.

2. TECHNICAL DEVELOPMENT.
   - (a) Invention, construction and testing of new types of machines and equipment.
   - (b) Testing and elimination of 'teething troubles' in new types of machines and equipment developed and produced by outside manufacturers.
   - (c) Practical development of new ideas in layout, flow of work, etc.

3. PRIMARY PROCESSING.
   - (a) Developments on Improvement.
   - (b) Experimentation on the best means of processing and handling domestic tobaccos produced by outside territories under U.K. supervision.

4. MAKING.
   - (a) Development of improved Making machinery.
   - (b) Improvements in filling capacity of cigarette rod and control of weights.

5. PACKAGING.
   - (a) Development of new machinery and equipment.
   - (b) Mechanical application of new types of packaging.

6. SUPPLY PRODUCTION.
   - (a) Reception and evaluation of new items of material used or usable by our industry, other than basic material - leaf tobacco.
   - (b) The development and efficiency of adhesives.
   - (c) The development and improvement of techniques of transport and storage.

7. USE OF AIR.
   - (a) In refrigeration.
   - (b) In cool storage.
   - (c) As a conditioning medium.
   - (d) As a drying medium.
   - (e) As a comfort medium.

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The foregoing can be split as and when needed into infinite sub-divisions, but they carry sufficient implication as a purpose and need of a start.

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(LEAF. Improvements and developments in production from seed to package will remain in the care and attention of friends in Louisville and Montreal. This problem cannot be tackled satisfactorily in the U.K.)

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8. LOCATION and BUILDINGS.

Location - to be at Southampton on land already available within the Company's compound at Regents Park Road. (See sketch attached.)

Buildings - also see sketch attached.

First discussions incline us toward a two-storey centre-piece with -

On the Ground Floor - Reception, Canteen, Restaurant, Amenities.

Area sq.ft.

First Floor - Specialist and Administrative offices, Lecture and/or Study rooms suitable for Conferences or Courses.

Area sq.ft.

Flat Roof - To hold meteorological reading equipment and facilities for testing Supply material by exposure etc.

Area sq.ft.

Two-Storey Wings on each side of centre-piece.

The ground floor on one side to be conditionable for refrigeration testing, cool store testing, etc.

The ground floor on the other side to be for erecting and testing specialised Supply and/or Printing equipment.

Area of each Ground Floor Wing sq.ft.

First Floor of both Wings - Research Laboratories.

Area of each First Floor Wing sq.ft.

Main Development Hall.

To run at right-angles to the centre-piece (see sketch). An open, unrestricted Development Hall. Divisible as required by curtains or temporary partitioning. Adequately supplied with leads from main services at frequent intervals. Wide doors on both sides and at far end making reception and removal of machinery etc. easy at all times and under any circumstances. Wide windows at both sides and at far end. Hip roof.

Width 60 or 80 ft.
Height inside building to main beams 20 ft.
Length can be extended up to ft.
No pillars.

Garage - Firenroof Store.

Fencing. The area as shown to be fenced, making it an entirely separate unit from the Branch, both from an Administrative and a Customs point of view.

Possible Initial First Cost.

Land: Nothing.

Building: Allowing for all services as required say £6 per sq.ft. Thus, if first area built, including centre-piece, two wings and main development hall total 30,000 sq.ft. - building cost may be

.....£180,000

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9. S T A F F.

An Administrative Technical Manager for the total Project will be required. It is almost certain that this man will not have expert knowledge under all seven first main headings. It is doubtful whether the man we require eventually to run and control this Project is yet an employee of this Company.

While it may not be essential that this man is either a Chemist or an Engineer, it seems indicated that the person we should seek, firstly, should be a Chemical Engineer of high potential administrative ability.

Age 35 - 38 years. This will allow time to grow with the job.

Starting salary £3,000 - £4,000 according to qualifications and previous experience.

His engagement should not be attempted before the Project is approved for furthering, but should be completed as soon as reasonably possible after that. It may be expected to take two years to educate this man in the Tobacco Industry.

Meantime, Schreiber, Kennis-Betty and Ridley can advance the basic needs of the Project.

Administrative (non-technical) Assistant to the Manager.

This man would combine the duties of general administrative work, correspondence, departmental liaison, visitor reception, etc.

Scientific Research.

Dr. Evers to be in charge initially with basis of staff from Research Department, Liverpool. Higher grade young chemists and physicists to be engaged as the Project demands and expands.

Technical Development.

Technical staff, both Manufacturing and Engineering, to be seconded and/or engaged as the Project develops.

(It may be sensible later to reduce the scope of the existing Engineering Development workshop which we have at Irlam Road, Liverpool, to retain this only as an overhaul and repair shop for the Liverpool Branch and transfer the development side of this engineering also to the Project at Southampton; but this can come later.)

Supply Production.

Schreiber to indicate the most suitable person to be in charge when the Project is ready to employ the man.

10. TAXATION.

Hellyar and Kemsley to be consulted on the best methods of setting up the Project to take the fullest advantage of taxation relief.

11. CUSTOMS.

H.M. Customs to be informed of the Project and its objectives. It must be determined early what Customs' reaction is going to be with regard to the use of Casings, Flavours, etc. and other ideas we may wish to pursue concerning altering the texture of leaf tobacco, reclaiming offal, etc.

Can we have a free factory, within its cage, under Customs guard? Must we bond the whole Project; if so, can we then still send partially processed tobacco etc. to the Southampton Branch factory for normal manufacture?

12. CHAIRMAN.

We are this far in our thinking. We believe we are on a sensible, level-headed base. Before we can move further concerning -

(a) Design and estimate of Buildings:

(b) First advertisements in search of a Manager:

(c) Approach re Taxation relief:

(d) Approach to H.M. Customs:

(e) Schreiber's report with combined Chemists meeting in Montreal early in December:

we need Mr. Oppenheim's comment and consent, or otherwise, to our continued approach along the lines drafted above.

11/10/54.