

CEMENT ASBESTOS PRODUCTS COMPANY

WOODWARD, ALABAMA

January 4, 1965



Mr. R. D. Williams, Vice President
Lake Asbestos of Quebec, Ltd.
120 Broadway
New York, New York

Dear Mr. Williams:

Enclosed is copy of letter from Cape Asbestos' Chicago office and also standard contract for purchase of blue fibres. Mr. Bond thought it would be a good idea if I checked with you concerning the price quoted, which I assume is correct as you have informed me that these people are very responsible.

We should order in the very near future approximately 150 tons of the Grade PS which will give a twelve to fifteen per cent blue to go with the fibre we have on hand from Black Lake.

I will await your comments before ordering the fibres.

Yours sincerely,

A handwritten signature in cursive script, appearing to read "S. D. Weaver".

S. D. Weaver

RECEIVED

✓ ✓ 1/11

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NORTH AMERICAN ASBESTOS CORPORATION

BOARD OF TRADE BUILDING, CHICAGO, ILLINOIS 60604 • PHONE: (312) 822-7435 • CABLES: NORAMCO, CHICAGO

December 30, 1964

Mr. S. D. Weaver
Cement Asbestos Products Co.
Woodward, Alabama

Dear Mr. Weaver:

We would like to take this opportunity to quote you on our Blue Asbestos Fibre Gradings for use in your new asbestos-cement pipe plant.

The most favorable basis for supplying our fibres is through a direct contractual relationship between your company and our South African mining subsidiary, Cape Blue Mines (Pty) Limited. In this arrangement, North American Asbestos Corporation acts only as a service organization and agency for Cape Blue Mines (Pty) Limited.

We are enclosing herewith a facsimile of the standard contract form that is used, and this can cover any tonnage that you may wish to specify. The contract runs to the end of each calendar year and is then subject to renewal.

For 1965 C.B.M. Grades MS and PS Cape Blue Crocidolite Asbestos are priced at R140 per short ton, f.o.b. South African Port, and Grade TS Transvaal Blue Crocidolite Asbestos is priced at R136 per short ton, f.o.b. South African Port. These prices include bags. However, ocean freight to the U.S.A. and marine insurance are for your account.

As you are no doubt aware, the Rand (R) is currently equivalent to approximately \$1.40 U.S. currency. Therefore, the above prices convert to \$196 per ton for Grades MS and PS, and \$190.40 per ton for Grade TS.

Payment is by Letter of Credit, in South Africa, as noted on the contract form.

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The actual cost of ocean freight, from South Africa Port to the Gulf Ports of Mobile or New Orleans is currently \$25.25 per ton, or approximately \$23. per short ton. Marine insurance would be on the order of about \$.20 to \$.25 per short ton. Thus, the landed cost at New Orleans or Mobile, for these fibres is approximately \$220 per short ton for Grades MS and PS and approximately \$215 for Grade TS.

Under the contract arrangements with Cape Blue Mines (Pty) Ltd. the size and frequency of shipments are at the option of the buyer, but are usually scheduled at the rate of one shipment per month, or one shipment every two months. Usually individual shipments are 50 tons or more, but there is no fixed requirement in this respect.

There are usually two or three sailings from South African Ports to the Port of New Orleans each month. The frequency of service to the Port of Mobile is a little less certain and would depend in part on the size of individual shipments.

We wish to assure you that the procedures in arranging Letters of Credit, Insurance, and Import Handling are all essentially very simple, and if you should have any questions or problems in this respect we can readily assist you.

We believe Blue Asbestos Gradings from Cape Blue Mines (Pty) Ltd. represent the highest quality standards and most uniformly controlled gradings available, and our prices are always competitive. NAAC, a wholly owned subsidiary of Cape Asbestos Co., Ltd., London, has the sole function of marketing Cape's fibres - Blue and Amosite - in the United States, Canada, Mexico and Central America. Our purpose is to build long term supply relationships with users of these specialized fibres - based on quality of product, technical service, and attention to the problems and needs of our customers.

We hope we will have the opportunity to work with you on your requirements for Blue Asbestos. Please do not hesitate to call on us if there is any additional information that we can supply.

Very truly yours,

NORTH AMERICAN ASBESTOS CORPORATION


President

RECryor/jc

P.S. Under separate cover we are sending you small plastic box samples of Grades MS, PS and TS Crocidolite.

REC.

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CONTRACT FOR THE PURCHASE OF ASBESTOS FIBRE

Ref. No. _____ Date _____

of _____

hereinafter called the Buyers offer to purchase from _____

of Skefko-House, 5th & 6th Floors, 1 Rissik Street, Johannesburg,
South Africa, hereinafter called the Sellers, the following goods at the
following prices, and on the conditions stated overleaf.

Description and Quantity :—Asbestos Fibre in tons of 2,000 lb. nett weight.

Tons

Grade

Price :—Per 2,000 lb. ton nett.

Grade

Price

Currency _____

F.O.B. African Port.

Bags extra at _____ each and non-returnable.

(... bags per ton).

Signature of Buyers :

Date _____

Accepted on behalf of Sellers :

Date _____

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CONDITIONS

1. PAYMENT

Nett by irrevocable letter of credit in favour of the Sellers negotiable with Barclays Bank (D.C. & O.) Ltd., Rissik Street, Johannesburg. Credits to contain a clause making claused bills of lading acceptable and to specify that shipments are to be made from South African or Portuguese East African ports. All postage and cable charges relating to drawings under the credit are to be for Buyers' account.

2. FLUCTUATION CLAUSE

Prices shall be subject to variation by the Sellers in the light of mining costs, exchange movements, and other factors. In the event of it being necessary for the Sellers to increase prices, Buyers shall have the right to cancel any portion of the contract not yet shipped.

3. OCEAN FREIGHT

4. INSURANCE — Marine and War Risks

5. DELIVERY PERIOD

Shipment spread at intervals of approximately _____ during January, December 19 _____ subject to the availability of supplies at the mines, shipping space and/or other transport facilities. Any tonnage not delivered for shipment for any reason by the 31st December 19 _____ shall be automatically cancelled.

6. RESALE

The goods purchased shall be for the Buyers' own manufacturing requirements and will not be resold in an unprocessed condition without the Sellers' approval.

7. BAGS

Sellers shall give notice to Buyers if it should be necessary during the currency of this contract to alter the charge for bags used or to require Buyers to provide for return to Africa as empties the bags used for the transport of Fibre.

8. GENERAL

Sellers shall not be responsible for delays or non-deliveries in the event of any prohibition affecting the export of Asbestos, force majeure, or any other cause whatsoever beyond the control of the Sellers. It is understood that the Sellers retain the right to accept or reject this offer to purchase. Further it is understood that the acceptance of this offer will constitute a contract made in South Africa and that South African Law shall apply thereto for all purposes.

Enclosure inadvertently omitted from Mr. S. D. Weaver's
letter to Mr. R. D. Williams, dated January 4, 1965.

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