

PLAINTIFF'S
EXHIBIT

JM-1770

METALS RESERVE COMPANY

WASHINGTON, D. C.

December 23, 1942

MEMORANDUM TO THE TREASURER:

The following is a copy of a memorandum which was presented to the Board on December 23, 1942:

December 23, 1942

MEMORANDUM TO THE DIRECTORS:

"Negotiations are presently pending in London between the British asbestos producers and representatives of this Company with respect to contracts covering the 1943 asbestos requirements of the United States.

"To obtain maximum deliveries of amosite asbestos and chrysotile asbestos, respectively, the British producers have advised that shipment should commence from Africa immediately. Accordingly, cables have been prepared to New Asbestos Distributors, Rochdale, Lancashire, England, with respect to chrysotile asbestos, and to Cape Asbestos Company, 26-30 Holborn Viaduct, London, England, with respect to amosite asbestos, setting forth the terms and conditions whereunder this Company would accept shipment of such quantity of the various grades of asbestos as might be shipped by January 15, 1943. It is intended that any quantities so shipped be included under the pending contracts when and if same are executed. The terms set forth in the attached cables are substantially those proposed to be included in the aforesaid contracts, and it is recommended that the undersigned be authorized to forward the cables and that the officers of this Company be authorized to take such action as is necessary to function these transactions in accordance with the conditions set forth in such cables.

(Signed) "G. Temple Bridgman

"G. Temple Bridgman

"Executive Vice President"

The Board approved the recommendations contained in the foregoing memorandum and authorized Mr. Bridgman to send the following cablegrams:

"New Asbestos Distributors
Rochdale, Lancashire, England

"Re cable November 30. Metals Reserve Company agrees immediate

FILE COPY 250

METALS RESERVE COMPANY

WASHINGTON, D. C.

-2-

shipment chrysotile asbestos grades 1, 2, 3 and 4 in such amounts as can be shipped within period ending January 15, 1945, upon terms and conditions hereinafter stated, it being understood that quantity shipped shall be included under pending contract when same consummated.

- (1) Material shall be C. & G. grade of quality hitherto acceptable for specified grades by principal United States users.
- (2) Shipment required to ports New York or Philadelphia.
- (3) Documents in duplicate, including on-board bills of lading in favor Metals Reserve, commercial and consular invoices made to Metals Reserve, certificates weight and assay and packing list should be forwarded Bank of the Manhattan Company, New York. Attach bills of lading to draft. Additional complete set documents should be furnished Sharpstone, Metals Reserve representative in Johannesburg.
- (4) Buyer to pay British sterling prices per dry short ton fob steamer destined for United States at Baira, as follows:
 - C. & G. 1 Seventy pounds five shillings
 - C. & G. 2 Forty-nine pounds
 - C. & G. 3 Twenty-eight pounds fifteen shillings
 - C. & G. 4 Eighteen pounds twelve shillings sixpence
- (5) Payment in New York on above basis to your Agent on your bank's correspondent or by telegraphic transfer in sterling as you instruct upon presentation draft and documents. Buyer to have right final inspection in accordance usual practice after arrival material with payment subject to adjustment by either party if inspection so indicates.
- (6) All South African and/or Portuguese East African taxes and charges for Seller's account. Material to be delivered fob steamer free of all taxes and charges and free of port charges, if any.
- (7) Usual force majeure conditions obtain
- (8) Seller to cable advice of shipment.

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METALS RESERVE COMPANY

WASHINGTON, D. C.

-4-

- (9) Buyer to have right to cancel this agreement with respect to any material unshipped after March 1, 1948, in event pending contract not executed."

"Cape Asbestos Company
28-30 Holborn Viaduct
London, England

"Re cable December 11. Metals Reserve Company agrees immediate shipment amosite asbestos grades B-1, B-3 or D-3, 3/DM-1, M-1 in such amounts as can be shipped within period ending January 15, 1948, upon terms and conditions hereinafter stated, it being understood that quantity shipped shall be included under pending Egnep contract when same consummated.

- (1) Material shall be of qualities acceptable to principal United States users for grades specified.
- (2) Shipment required to ports New York or Philadelphia.
- (3) Documents in duplicate, including on-board bills of lading in favor of Metals Reserve, commercial and consular invoices made to Metals Reserve, certificates weight and assay and packing list should be forwarded Bank of the Manhattan Company, New York. Attach bills of lading to draft. Additional complete set documents should be furnished Sharpstone, Metals Reserve Representative in Johannesburg.
- (4) Buyer to pay British sterling prices per dry short ton for steamer destined for United States at African shipping ports, as follows:

B-1 Thirty pounds

B-3 or

D-3 Twenty-four pounds

3/DM-1 Twenty-three pounds

M-1 Twenty-one pounds sixteen shillings four pence

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METALS RESERVE COMPANY

WASHINGTON, D. C.

-4-

- (5) Payment in New York on above basis to seller's agent or seller's bank's correspondent or by telegraphic transfer in sterling as seller instructs upon presentation draft and documents. Buyer to have right final inspection in accordance usual practice after arrival material with payment subject to adjustment by either party if inspection so indicates.
- (6) All South African and/or Portuguese East African taxes and charges for seller's account. Material to be delivered fob steamer free of all taxes and charges and free of port charges, if any.
- (7) Usual force majeure conditions obtain.
- (8) Seller to cable advice of shipment.
- (9) Buyer to have right to cancel this agreement with respect to any material unshipped after March 1, 1945, in event pending agreement contract not executed."

Assistant Secretary

cc: Mr. T. A. Hamilton
Mr. Gundersen
Mr. Royall
Mr. Costello
Mr. D. C. Elliott
Mr. Thomas
Mr. Levinson
Mr. Henderson
Mr. Petterson

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