

~~Mr. Sheehan~~
~~return to SOS~~

PLAIN

London

Dated January 11, 1943

Rec'd 10:45 p.m.

Secretary of State,
Washington.

DIVISION OF
JAN 12 1943
COMMERCIAL ATTACHÉ
Department of State

260, 11th

FOR PAUL, BOARD OF ECONOMIC WARFARE AND METALS
RESERVE FROM WASSERMAN.

Following are texts three asbestos contracts.

1. Raw Asbestos Distributors:

"Quantity: The following minimum tonnages, stated in short tons of 2,000 pounds avoirdupois each, dry basis, plus or minus five per cent at seller's option: Grade 1 1,861 short dry tons, Grade 2 6,459 short dry tons, Grade 3 18,746 short dry tons, Grade 4 6,404 short dry tons.

The quantities set forth above are based upon the estimate that the seller will deliver the following tonnages to all destinations in 1943: Grade 1 2,869 short dry tons, Grade 2 10,858 short dry tons, Grade 3 54,049 short dry tons, Grade 4 19,020 short dry tons.

In the event seller delivers quantities in excess
of the



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of the aforementioned total tonnage, he further agrees to offer to the buyer, at buyer's option, at prices stated in this contract, the following percentages of quantities delivered in excess: Grade 1 40 per cent, Grade 2 37 per cent, Grade 3 38 per cent.

Seller further agrees that all quantities delivered pursuant to this contract shall be of the grade commonly known as C & G produced at the Shabani Mine. Seller may, however, deliver HVL 3 in place of C & G 3, where shipping space is available but there are no supplies of C & G 3 grade at the ports where shipping is then available. Notwithstanding the availability of shipping space, in no event shall seller ship tonnages of HVL 3 in excess of 3,000 short dry tons. In no event, except by further written agreement of buyer, shall seller deliver any quantities of grades HVL 2, HVL 3XV, VRA 2, VRA 3, or VRA 4.

In the event any determination of the Combined Raw Materials Board reduces or increases the quantity of material specified above to be delivered to the United States, the obligations of the seller to deliver the contract quantities shall be correspondingly reduced or increased.

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or increased. In the event any determination of the Combined Raw Materials Board allocates quantities of materials to destinations other than the United States, which allocations, in effect, reduce the quantities that may be available to the United States and the United Kingdom, the obligations of the seller to deliver the contract quantities shall be reduced by the following percentages of the amount of the allocated quantity: Grade 1 50 per cent, Grade 2 37 per cent, Grade 3 30 per cent, Grade 4 29 per cent.

Seller and buyer further agree that the obligations of the seller to deliver the contract quantities will be altered, upwards or downwards, at any time to reflect adjustments made in the apportionment of chrysotile asbestos between the United States and the United Kingdom by the United States Government and His Majesty's Government.

Quality: The C & O material shall be of quality hitherto acceptable for the specified grades by principal users in the United States. Seller shall furnish buyer with a set of stamped samples of each grade, which will be approved as to quality by principal users satisfactory to seller, and in the event
of any

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of any dispute or other difference concerning the quality of any shipment or part thereof, such scaled samples shall constitute the recognized standard of performance. It is understood that 25 per cent of the production of Shabani Mines is produced by panless grading and conditioning milling methods. The seller represents that the quality and usability of such material is in no way impaired by the use of such methods. HVL grades shall be standard grades produced at mine as shipped to the United Kingdom.

Price: Payment shall be made at the following British sterling prices per short dry ton f.o.b. oceangoing steamer, destined for the United States, at African shipping ports: C & G 1 twenty pounds five shillings f.o.b. Beira, C & G 2 forty-nine pounds f.o.b. Beira, C & G 3 twenty-eight pounds fifteen shillings f.o.b. Beira, HVL 3 twenty-eight pounds fifteen shillings f.o.b. Lourenco Marques, C & G 4 eighteen pounds twelve shillings sixpence f.o.b. Beira.

In the event buyer requests seller to deliver any such material f.o.b. ports other than the aforementioned specified ports of shipment, buyer agrees to reimburse seller for the excess of actual transportation charges

over

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over transportation charges prevailing at the time to the aforementioned specified ports of shipment.

The prices stated in this contract will be used for all deliveries made in 1943 to the order of the Metals Reserve Company, but Raw Asbestos Distributors Limited in no way binds itself to continuation of these prices for the year 1944".

Shipment, delivery, title, taxes and charges:
See our cable number 6874, December 4th.

"Payments: Prompt net cash in British sterling in London on presentation of shipping documents to buyer. Bankers' and bill stamp charges, if any, to be for buyer's account".

Special conditions: Usual standard provision. ? (ours)

Law governing: See our 6874 December 4th.

2. Cape Asbestos Company Limited:

"Quantity: The following minimum tonnages, stated in short tons of 2,000 pounds avoirdupois each, dry basis; Blue MS 2,000 short dry tons, Blue S 400 short dry tons.

The quantities set forth above are based upon the assumption that the seller will deliver to all destinations in 1943 quantities not in excess of the following

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following teninges: Blue MS and S 5,50 short dry tons.

In the event seller delivers to all destinations quantities in excess of the aforementioned 5,250 short dry tons of Blue MS and S, he further agrees to offer to the buyer, at buyer's option, at prices specified in this contract, quantities not less than 55 per cent of quantities delivered in excess.

In the event any determination of the Combined Raw Materials Board reduces or increases the quantity of material specified above to be delivered to the United States, the obligations of the seller to deliver the contract quantities shall be correspondingly reduced or increased.

Seller and buyer further agree that the obligations of the seller to deliver the contract quantities will be altered, upwards or downwards, at any time to reflect adjustments made in the apportionment of Blue asbestos between the United States and the United Kingdom by the United States Government and His Majesty's Government.

Quality: The quality of each shipment shall be certified to buyer, by principal United States users
satisfactory

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satisfactory to seller, to be acceptable for the
grades specified.

Price: Payment shall be made at the following
rates, both sterling prices per short dry ton, gross for
net, f.o.b. oceangoing steamer, destined for the United
States at South African shipping ports or Lourenco
Marques: Blue MS twenty-nine pounds ten shillings,
Blue S thirty-eight pounds nine shillings twopence. ✓

In the event buyer requests seller to deliver any
such material f.o.b. ports other than the aforementioned
specified ports of shipment, buyer agrees to reimburse
seller for the excess of actual transportation charges
over transportation charges prevailing at the time to
the aforementioned specified ports of shipment.

The above prices shall remain unaltered to
April 30, 1943. Rising costs of production, however,
may necessitate a revision of the selling prices after
that date, and seller reserves to itself the right to
increase by a maximum of five per cent at its discre-
tion. Seller shall furnish buyer, on or about the
effective date of such increase, if any, with data
supporting the rise in costs of production, but such
obligation to furnish data shall not be a condition
modifying seller's aforementioned right to increase
prices

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prices by a maximum of five per cent".

Shipments: See our number 6874, December 4th.

Balance contract identical Raw Asbestos Distributors.

3. Egnep Limited:

"Quantity: The following minimum tonnages, stated in short tons of 2,000 pounds avoirdupois each, dry basis: Amosite Grade B 1 1,200 short dry tons, amosite Grade B 3 QJ D 3 6,000 short dry tons, amosite Grade 3/DM 1 3,600 short dry tons, amosite Grade M 1 10,020 short dry tons.

In the event any determination of the Combined Raw Materials Board increases or reduces the quantity of material specified above to be delivered to the United States, the obligations of the seller to deliver the contract quantities shall be correspondingly increased or reduced.

Seller and buyer further agree that the obligations of the seller to deliver the contract quantities will be altered, upwards, or downwards, at any time to reflect adjustments made in the apportionment of amosite asbestos between the United States and the United Kingdom by the United States Government and His Majesty's Government.

Seller may, at his option, deliver an additional
2,000 short

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2,000 short dry tons of Grade B 3 or D 3 and/or an additional 1,400 short dry tons of Grade 3/DM 1, or any portion thereof, and correspondingly reduce the quantity of M1 to be delivered under this contract.

Quality: The quality of each shipment shall be certified to buyer, by principal United States users satisfactory to seller, to be acceptable for the grades specified.

Price: Payment shall be made at the following British sterling prices per short dry ton, gross for net, f.o.b. oceangoing steamer, destined for the United States at South African shipping ports or Lourenco Marques: Amosite B 1 thirty pounds, amosite B 3 or D 3 twenty-four pounds, amosite 3/DM 1 twenty-three pounds, amosite M 1 twenty-one pounds sixteen shillings fourpence.

In the event buyer requests seller to deliver any such material f.o.b. ports other than the aforementioned specified ports of shipment, buyer agrees to reimburse seller for the excess of actual transportation charges over transportation charges prevailing at the time to the aforementioned specified ports of shipment".

Balance

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Balance contract identical Cape Asbestos Company
except payment clause which reads: "Prompt net cash
in British sterling in Capetown on presentation of
shipping documents to buyer. Bankers' and bill stamp
charges, if any, to be for buyer's account".

MATTHEWS

MRM