

No. 159. EXCHANGE OF NOTES¹ CONSTITUTING AN ARRANGEMENT BETWEEN THE UNITED STATES OF AMERICA AND THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND RELATING TO THE APPORTIONING OF SUPPLIES OF AFRICAN ASBESTOS. LONDON, 30 APRIL 1943

I

The British Secretary of State for Foreign Affairs to the American Ambassador

FOREIGN OFFICE, S.W. 1

30th April, 1943

No. U 954/301/71

Your Excellency,

On the 6th January negotiations between the Ministry of Supply of the United Kingdom and the Board of Economic Warfare and the Metals Reserve Company of the United States relative to the apportioning of supplies of African asbestos were brought to a conclusion by the signing on their behalf of a Memorandum of Understanding, a copy of which I have the honour to transmit to Your Excellency herewith.

2. In response to the desire which I understand is shared by the Government of the United States of America, that the arrangement should be formally adopted by the two Governments, I have the honour to inform you that the Government of the United Kingdom of Great Britain and Northern Ireland approve of the principles contained in the Memorandum of Understanding annexed hereto and are willing to give effect to the provisions thereof, subject only to the understanding that the expression "cessation of hostilities" in Article II of the annexed Memorandum means the date of the signing of the latest general armistice suspending general hostilities between the United Kingdom and the United States of America on the one hand and any of the Powers with which they are now at war on the other, or such later date as may be agreed between the two contracting Governments.

¹ Came into force on 30 April 1943, by the exchange of the said notes.

3. If the Government of the United States are likewise prepared to give effect to this arrangement on these terms, the present note and your reply to that effect will serve to place on record the understanding between the two Governments in this matter.

I have the honour to be, with the highest consideration, Your Excellency's obedient Servant,

Anthony EDEN

His Excellency
The Honorable John G. Winant
etc., etc., etc.
1, Grosvenor Square, W. 1

MEMORANDUM OF UNDERSTANDING

6th January, 1943

1. *Statement of Principle*

The Government of the United States of America and the Government of the United Kingdom of Great Britain and Northern Ireland agree so to regulate the importation of African asbestos and take such other practicable steps as to apportion supplies in accordance with the following principles:—

(a) Where 1943 production is adequate, supplies will be so apportioned as to enable each of the Governments to create, by 1st January, 1944, stocks (whether privately or publicly owned) of each grade of asbestos equivalent to one year's consumption.

(b) Where 1943 production of a particular kind of asbestos is inadequate to achieve this objective, the apportionment of available supplies shall be made with reference to the relative importance to the war production programmes of the respective Governments of the uses of that asbestos. It is agreed, therefore, that the requirements of H.M.G. in U.K. for supplies of blue M.S. and S. asbestos shall be given prior consideration and, conversely, that requirements of the U.S.G. for supplies of amosite shall be given prior consideration.

(c) Necessary requirements of the other friendly nations for raw African asbestos fibre (as stated in the Appendices) shall be met to the extent of available supplies.

(d) When, as a result of inadequate supplies, the requirements of either Government are not fully met in any grade, such Government may, at its option and in agreement with the other Government, secure equivalent quantities of other grades by way of replacement for its reserve, if there are available surpluses after essential war requirements have been met.

(e) Any surpluses of available 1943 supplies remaining after meeting the stock-pile objectives of U.S.G. and H.M.G. after meeting the necessary requirements of other nations and after providing for such additional quantities as may be secured by the respective Governments pursuant to sub-paragraph (d) above shall be apportioned between the U.S.G. and H.M.G. in U.K. in proportion to the estimated consumption in the U.S. and the U.K.

(f) Available supplies in 1944 and thereafter shall be apportioned between the U.S.G. and H.M.G. in U.K. in proportion to the estimated consumption in the U.S. and the U.K. after allowing for quantities in stock or estimated to be in stock at 31st December, 1943, and allowing for the necessary requirements of friendly nations.

(g) The nominal requirements of the U.S.G. for blue A and C asbestos shall be met in full in 1943.

(h) In apportioning the various types of chrysotile asbestos within any particular grade (as for example in apportioning quantities of C. and G.2, H.V.L.2. and V.R.A.2, consideration shall be given to the interchangeability of the grades in the U.K. and to the unfamiliarity of the U.S. manufacturing companies with grades other than C. and G. The U.S.G. will in 1943 use its best efforts to induce the manufacturers to run manufacturing tests to ascertain the interchangeability and usability of grades other than C. and G. The U.S.G. and H.M.G. will encourage the full interchange of technical information. Any limitation of the quantities of V.R.A. or H.V.L. grades which may be delivered to the U.S.A. in 1943 is agreed without prejudice to the producers' claim that these grades are fully interchangeable with the C. & G. grades.

2. *Apportionment of Supplies*

Appendix 1 sets forth the agreed apportionment of supplies between U.S.A., U.K., the Empire and neutral destinations. This apportionment has been calculated in accordance with the principles set forth in paragraph 1.

3. Insofar as the requirements of the U.K. for African asbestos have been stated on the assumption of the continuance as hitherto of Canadian supplies, the respective Governments agree that the apportionments are subject to review in the event that adequate supplies of Canadian fibre are not forthcoming.

4. *Assurances of Blue Production*

In view of the real shortage in supplies of blue M.S. and S. grades, all practicable steps will be taken to increase blue M.S. and S. production to levels

adequate to provide for the current essential requirements of the U.S. and the U.K. and, if possible, to provide for minimum reserve stocks.

5. *Assurance of Chrysotile, (C. and G.) Production*

In view of the high importance attached by users for important war production to the C. and G.1 and 2 grades, the production of these grades will be closely watched and every effort made to secure maintenance of production at an adequate level.

6. *Exchange of Information*

(a) *Information Furnished by U.S.G.*

The U.S.G. undertakes to furnish to H.M.G. within 60 days after the end of each three months' period a statement, by grades, of the receipts, consumption and stocks of African asbestos in the United States and of afloats and sinkings. The first such statement shall be made as of 31st December, 1942.

(b) *Information Furnished by H.M.G.*

H.M.G. in U.K. undertakes to furnish to the U.S.G. within 60 days after the end of each three months' period a statement, by grades, of the receipts, consumption and stocks of African asbestos in the United Kingdom and of afloats and sinkings. The first such statements shall be made as of 31st December, 1942. Quarterly statements will also be furnished to the U.S.G. of mining production and African stocks of the African producers.

7. *Provision for Review of Apportionments*

Upon exchange of information as to receipts, consumption, stocks, afloats and sinkings, either Government may request a review of the apportionment in any grade of African asbestos, to bring the actual position into line with the principles set forth in paragraph 1.

8. *Appointment of Representatives*

The U.S.G. and H.M.G. in U.K. will appoint a representative each to recommend the re-apportionment outlined in paragraph 7 above, or to adjust difficulties of interpretation of this agreement which may arise from time to time.

9. *Agreements between Metals Reserve Company and Producing Companies*

H.M.G. in U.K. takes note of the agreements entered into between Metals Reserve Company on the one hand and Cape Asbestos Company and Raw Asbestos Distributors on the other dated 22nd December, 1942, and 18th December,

1942, respectively and finds them to be in accord with the spirit of this agreement. The U.S.G. undertakes to provide H.M.G. in U.K. with copies of such contracts and of any documents bearing on the interpretation or extension of those contracts.

10. *Provision for review by C.R.M.B.*

The terms of this Agreement are subject to any which may be taken at any time by the C.R.M.B.

11. *Duration of Agreement*

Except by mutual consent, this agreement shall terminate nine months after the cessation of hostilities. The disposition of stocks remaining in the two countries shall be the subject of full and mutual discussion between U.S.G. and H.M.G. in U.K.

Wm. Stix WASSERMAN, on behalf of
Board of Economic Warfare
Metals Reserve Co.

Oliver S. FRANKS, on behalf of
The Ministry of Supply

APPENDIX A

- (i) Estimated production available in 1943 including stocks at mines
(ii) Allocations to U.K., U.S., and other destinations
(iii) Shortages; and surpluses available for allocation

Grade	Estimated production available in 1942			Required by U.K. and U.S. on basis at (a) below		Allocation				Shortages and Surpluses			
	Major Company	Other	Total	U.K.	U.S.	U.K.	U.S.	Empire	Neutrals (see (b))	Total	Surplus	U.K.	U.S.
C & G1	2,869		2,869	246	1,231	246	1,231	-	-	1,477	1,392		
C & G2													
VRA 2	10,858		10,858	4,721	6,648	4,399	6,459	-	-	10,858		322	189
HVL 2													
C & G3	54,649		54,649	9,097	16,235	9,097	16,235	15,195	9,100	49,627	5,022		
VRA 3													
HVL 3													
C & G4	19,020		19,020	3,403	5,733	3,403	5,733	3,275	540	12,951	6,069		
VRA 4													
HVL 3xx													
Blue MS & S	5,250	3,000	8,250	4,990	9,074	2,050 1,690	3,200 1,310	-	-	5,250 3,000		1,250	4,564
Amosite all grades	25,100	5,000	30,100	7,305	25,820	3,530	20,820 5,000	750	-	30,100		3,775	-
											12,483	5,347	4,753
													12,100

(a) Total required to leave 12 months' stock in hand on 31.12.43 and provide a 10% margin for sinkings.

(b) Grade	South America	Spain	Portugal	Sweden	Total
C & G3	2,000	5,000	1,600	500	9,100
C & G4	540	-	-	-	540

APPENDIX B
ALLOCATION OF SURPLUSES SHOWN IN APPENDIX A

Grade	Surplus available for allocation	Allocation						Total	
		To meet shortage of			Additional surplus divided equally				
		Grade	U.K.	U.S.	U.K.	U.S.	To U.K.	To U.S.	
C & G1	1,392	C & G2	322	189	440	441	762	630	
C & G3	5,022	Blue and Amosite	2,511	2,511	-	-	2,511	2,511	
C & G4	6,069		3,034	3,035			3,034	3,035	
							6,307	6,176	
							<u>12,483</u>		

APPENDIX C
TOTAL ALLOCATIONS AS IN APPENDICES A AND B

Grade	U.K.	U.S.	Empire	Neutrals				Total
				South America	Spain	Portugal	Sweden	
C & G1	1,008	1,861	-	-	-	-	-	2,869
C & G2	4,399	6,459	-	-	-	-	-	10,858
VRA 2								
HVL 2	11,608	18,746	15,195	2,000	3,000	1,600	500	54,649
C & G3								
VRA 3	6,437	8,768	3,275	540	-	-	-	19,020
HVL 3								
C & G4	3,740	4,510	-	-	-	-	-	8,250
VRA 4								
HVL 3xx	3,530	25,820	750	-	-	-	-	30,100
Blue MS & S								
Amosite								
All Grades								

II

The American Ambassador to the British Secretary of State for Foreign Affairs

EMBASSY OF THE UNITED STATES

London, April 30, 1943

Your Excellency:

I thank you for your note of today's date relative to the apportioning of supplies of African asbestos, with which you transmitted a copy of a memorandum of understanding signed on January 6 last by representatives of the Ministry of Supply of the United Kingdom and the Board of Economic Warfare and the Metals Reserve Company of the United States.

In view of your assurance that the Government of the United Kingdom of Great Britain and Northern Ireland approves of the principles contained in the memorandum of understanding annexed to your letter, I have the honor to inform Your Excellency that the Government of the United States of America likewise approves of those principles and is willing to give effect to the provisions thereof. I also have the honor to inform Your Excellency that the Government of the United States of America concurs with your interpretation of the expression "cessation of hostilities" in Article II of the memorandum of understanding.

Accept, Sir, the renewed assurance of my highest consideration.

John G. WINANT
American Ambassador

The Right Honorable Anthony Eden, M.C., M.P.
Secretary of State for Foreign Affairs
Foreign Office, London