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January 1951

Contract, Government of Republic of Korea and CDT Corporation

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Summary:

Detailed agreement on the price of scrap collected in Korea, and arrangements for shipping.

Credits:

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Original Language:

English

Contents:

Original Scan

CONTRACT

Seoul, Korea

January , 1951

This contract is entered into between the Government of the Republic of Korea, hereinafter referred to as the Government, and the C.D.T. Corporation, hereinafter referred to as the Corporation.

Art. 1. The Government hereby agrees to sell and deliver to the Corporation all ferreous scrap exported either as principal or agent by the Government during the calendar year 1951 under the terms and conditions set forth herein.

Art. 2. The Government estimates that such deliveries will aggregate _____ metric tons and will be shipped as follows:

January	_____ m/t	February	_____ m/t	March	_____ m/t
April	_____ m/t	May	_____ m/t	June	_____ m/t
July	_____ m/t	August	_____ m/t	September	_____ m/t
October	_____ m/t	November	_____ m/t	December	_____ m/t

It is clearly understood that the above estimate is subject to change; that the Government will, at the end of each month, furnish the Corporation a revision thereof based on latest indications; and that no liability shall accrue to the Government by reason of failure to ship in accordance therewith.

Art. 3. The Corporation will buy from the Government all ferreous scrap delivered by the Government pursuant to the Corporation's instructions, paying by means of irrevocable letters of credit at



-2-

prices based on an average of \$33.00 per metric ton of No. 1 grade for the first 100,000 metric tons delivered and based on \$36.00 per metric ton for deliveries in excess of 100,000 metric tons, with adjustments for quality deficiencies, as set forth in detail in Schedule A attached to and hereby incorporated in this contract.

Art. 4. The Government will notify the Corporation from time to time of (a) the quantities of ferrous scrap it has assembled at each port ready for shipment, (b) its estimate of the dates on which the shipment will be made and (c) its estimate of ^{the} quantity in, and value of, each shipment based on Schedule A prices.

Art. 5. Within five days of receipt of advice of intended shipment, but not necessarily more than fifteen days before the intended date of shipment, the Corporation will specify a port of delivery in the United States of Japan and establish an irrevocable letter of credit in a face amount equal to the Government's estimate of the value of the shipment based on Schedule A prices. Separate letters of credit shall be supplied for each shipment and shall remain available for 60 days for payment (1) to R.J. Del Pan Corp. for charges against the shipment, and (2) to the Government for the net proceeds from the sale after deduction of charges. They will provide for total payment of Schedule A prices upon presentation of sight drafts in triplicate accompanied by the following documents:

a. Clean, on board, straight or charter party, negotiable ocean bills of lading in triplicate endorsed in blank and indicating freight



-3-

prepaid to the port of destination designated by the Corporation, including the cost of unloading.

b. A settlement sheet prepared and certified in triplicate by the R.J. Del Pan Corp. indicating (1) the weight and grade of the shipment after its arrival at destination, (2) value of the shipment in accordance with Schedule A prices, and (3) charges against the shipment for inspection and, if necessary, after delivery, sorting, cutting, compressing, handling and storage.

Art. 6. In the event that any shipment is determined by the R.J. Del Pan Corp. to be, on arrival, unsorted or improperly sorted to comply with standard ferrous scrap grades, the Government will authorize R.J. Del Pan Corp. to arrange for the necessary sorting, cutting and compressing, the cost thereof to be for the account of the Government along with the storage and handling charges for the period between delivery and completion of the action necessary to conform the shipment to acceptable grades, all such charges to be paid from the letter of credit on R.J. Del Pan Corp. drafts.

Art. 7. Title shall pass to the Corporation upon unloading at the port designated by the Corporation.

Art. 8. This contract shall be voidable and subject to re-negotiation (a) at the option of either party in the event of interference with its performance by force majeure, and (b) at the option of the Corporation in the event of its inability to secure Japanese



4

import licenses and export licenses for ferreous scrap and products
or the imposition of price controls in the United States or Japan
on ferreous scrap and products.

Witnessed:

REPUBLIC OF KOREA

By _____

Title _____

C.D.T. CORPORATION

By _____

Title _____

8

SCHEDULE A

Prices to be paid per metric ton of ferrous scrap delivered unloaded
O. & F Japanese ports to be designated by the Corporation

	<u>Grade No. 1 or Better</u>	<u>Grade No. 2</u>	<u>Other</u>
1st 10,000 metric tons delivered	\$ 29.00	\$ 20.00	
2nd " " " "	30.00	21.00	Subject to negoti- ation
3rd " " " "	31.00	22.00	
4th " " " "	32.00	23.00	
5th " " " "	33.00	24.00	
6th " " " "	34.00	25.00	
7th " " " "	35.00	25.00	
8th " " " "	35.00	25.00	
9th " " " "	35.00	25.00	
10th " " " "			
and additional deliveries	36.00	25.00	

Grades represent United States National Association of Waste Materials specifications U.S. No. 1 and U.S. No. 2 melting steel scrap or, if the Government finds it more favorable, Japanese Engineering Standard No. 2402 grades No. 1 and No. 2 for refabricating or melting ferrous scrap provided no wire, tape, or tin plate will be acceptable and cast iron will be classified as grade No. 2.

In the event the Corporation elects to take delivery in the United States, the Corporation will arrange and pay for ocean transportation and unloading at the port of destination; the Government will load at the port of embarkation and assume the cost of such loading including demurrage at prevailing rates if incurred; the above prices will be reduced by an amount equal to the prevailing cost of ocean freight from Korea to Osaka, Japan, including the cost of unloading at Osaka; and the face amount of the letter of credit will be correspondingly smaller.