

44, MAIN STREET

JOHANNESBURG

EOAMM/

2nd November, 1957.

*My dear Moella*

You will have heard that I have been indisposed for some time. I am still confined to the house, but am now making steady progress towards recovery. It will be some time before I can resume my visits to the office. Pierre and Ted Brown call on me here, and in this way I am able to keep in touch with diamond matters. The recent excitement has been the resumption of intense propaganda by the General Electric Company in connection with the manufacture of artificial Boart in very small sizes. It is suggested that by 1959 they will be able to produce 3½ million carats per annum.

I am convinced that they would like to induce us to make counter statements and so start a newspaper campaign.

This would be most unwise and I have asked our offices

in London and South Africa to maintain contact with the

It is correct that General Electric has made an important scientific discovery and I congratulate them on this achievement. They have, however, not yet achieved an economic result. Their claim is that they can produce  $3\frac{1}{2}$  million carats per annum and sell the product at 30/-. Why should anyone buy their product at 30/- when we charge only 20/- ? General Electric do not use it themselves but buy their requirements from us. They would possibly find an outlet if there were a shortage of Boart, but this is obviated by the B. C. K. production programme. It must be our policy to keep our consumer customers fully supplied.

There are small manufacturers who have to buy second or even third hand and are forced to pay high prices. We should and will make special efforts to supply these small customers direct.

I make, therefore, a special appeal to you and our colleagues on the Board not to depart from the B. C. K. production programme as agreed upon.

On the other hand we must not be obstinate but envisage that in time to come the General Electric production price may be reduced. In order to prepare for such an eventuality we have decided to carry on considerable research into the best preparation and uses of B. C. K. Boart.

The attached memo from Ted Brown outlines our ideas and we shall push ahead as rapidly as we can.

There is no reason to be alarmed ; we must deal with problems as they arise and not try to anticipate what might be.

*With kindest regards  
Yours sincerely  
E. O. Penke*

Governor A. Moeller de Laddersous,  
42, Rue Royale,  
BRUSSELS.  
Belgium