LEAD [illegible] ¼ CENT A POUND

Metal's [illegible] Reflects Slack Demand and Drop on London Exchange

8/17

The price of lead was reduced ¼ cent a pound yesterday to 10¾ cents—the lowest level in more than eight years.

The drop reflected slack demand from the makers of batteries, lead-covered cable, tetraethyl lead antiknock compounds for gasoline, and other users both in this country and abroad. It was touched off by recent weakness in the price of lead on the London Metal Exchange, where metal for prompt delivery closed yesterday at the equivalent of about 8.17 cents a pound bid.

Market men estimate that it would cost about 2 cents a pound for freight, insurance and delivery costs to bring lead from Britain to eastern United States ports, so the new price here was roughly equivalent to the London exchange quotation.

Yesterday's domestic price reduction was the first for lead since July 1. On that day, sellers canceled a half-cent rise made on June 18 when the market had strengthened briefly on expectations in some quarters that the Government might announce a lead stockpiling program to bolster prices. No such program was forthcoming.

The price has dropped 2½ cents so far this year, and has

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not been lower since April, 1950. During the Korean War lead sold at a ceiling of 19 cents a pound set by the Office of Price Stabilization.

Domestic lead producers and smelters have trimmed production repeatedly in the last year in an effort to keep surpluses down in the face of lagging demand. The largest domestic lead miner, the St. Joseph Lead Company, for example, is operating its smelters at about 75 per cent of the year-ago rate, and the American Smelting and Refining Company has reduced its domestic mine production about one-third.

Nevertheless, refinery stocks of lead at latest report—at the beginning of last month—were the largest in years at 163,000 tons, more than four times what is generally considered adequate. At the beginning of January, these stocks were less than 92,000 tons. Shipments of lead to consumers in June were about 32,000 tons.