

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana



Pigment Division

December 28, 1944

Mr. R. E. Dwyer,
Executive Vice President,
Anaconda Copper Mining Company,
25 Broadway,
New York 4, N. Y.

Dear Mr. Dwyer:

This is a summary of the sales position of zinc oxide and white lead for the month of November, 1944.

Table No. 1 gives a comparison of zinc oxide sales for October and November of 1944 and the corresponding months of 1943.

TABLE NO. 1

	<u>1944</u>	<u>1943</u>
November	766,900 Lbs.	693,460 Lbs.
October	1,127,350 Lbs.	1,154,950 Lbs.

November sales were considerably under sales for October. There are several reasons for this.

One reason for the decline is that for the past several months sales of U.S.P. quality zinc oxide made from high grade metal have been shrinking. This is to be considered more or less normal inasmuch as sales of this grade seem to run in cycles of several months. That is, for two or three months they will be exceptionally good and then for the same period of time, they fall off.

Another reason is that during the month of October our sales of zinc oxide made from secondary metal were nearly 600,000 pounds which was a peak, disregarding sales of this type of zinc oxide to CWS. During the month of November these sales were normal, about 400,000 pounds.

The third reason for the decline is that during November we were successful in holding down the sale of leaded zinc oxide considerably more than we were able to hold down the sale of this grade in October. This is the grade on which we lose money and we sell as little of it as we possibly can.

The information we have is that CWS will use approximately 600 tons of zinc oxide per month during the first quarter. However, they do not intend to purchase any zinc oxide inasmuch as their stocks on hand will be sufficient to take care of their consumption during this period.

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We had been informed that the order governing the allocation of lead-free zinc oxide might be changed as of January 1st or February 1st to the extent that the restrictions on the use of this type of zinc oxide in manufacturing paint might be eased considerably. However, there is not going to be any change in the order since the question came up with WPS as to why lead-free zinc oxide should be on allocation at all if the position of this commodity were such that an easing of the restrictions was possible. WPS was not willing to take lead-free zinc oxide off allocation, consequently the order will remain unchanged for the time being.

Sales for December will be up considerably over November and will be about 1,100,000 pounds which was the approximate figure for the October sales. Sales through November, 1944 amounted to 15,283,383 pounds. For the same period of 1943 they were 9,846,145 pounds.

Table No. 2 gives a breakdown according to paint, rubber, and miscellaneous industries.

TABLE NO. 2

	<u>Pounds</u>	<u>1944</u>	<u>NOVEMBER</u>		<u>1943</u>
			<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	238,300	\$	17,884.56	192,450	\$ 15,010.78
Rubber	278,800		26,689.25	354,500	34,464.88
Miscellaneous	249,800		24,662.02	146,510	13,357.40
	766,900	\$	69,235.83	693,460	\$ 62,833.06

	<u>Pounds</u>	<u>1944</u>	<u>OCTOBER</u>		<u>1943</u>
			<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	376,650	\$	28,544.00	612,850	\$ 43,559.90
Rubber	550,650		52,703.38	436,550	43,539.64
Miscellaneous	200,050		20,162.88	105,550	10,492.02
	1,127,350	\$	101,410.26	1,154,950	\$ 97,591.56

Table No. 3 gives a breakdown of zinc oxide sales for November according to the three classifications.

TABLE NO. 3

U.S.P. Quality	83,050 Lbs.
Seal	9,850 Lbs.
Other Lead Free and Leaded	674,000 Lbs.
	766,900 Lbs.

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The shrinkage in the sale of U.S.P. quality zinc oxide is evident inasmuch as the figure for the month of October was 155,500 pounds.

Table No. 4 gives the average sales price per pound for the past three months.

TABLE NO. 4

	<u>1944</u>		
	<u>November</u>	<u>October</u>	<u>September</u>
Average Sales Price - Per Pound	9.028¢	8.995¢	9.130¢

There was a slight increase in the average sales price per pound since the tonnage of the low priced American process zinc oxide for the month of November was under that for October. The average sales price per pound for December should be up somewhat over that for November.

Table No. 5 gives a comparison of white lead sales for October and November of 1944 and the corresponding months of 1943.

TABLE NO. 5

	<u>1944</u>	<u>1943</u>
November	1,242,395 Lbs.	1,019,452 Lbs.
October	1,288,144 Lbs.	980,243 Lbs.

Sales for November were about the same as for October. For this time of year this is an unusually good tonnage. During November we just about kept pace with production, at 22 tons per day, which has been the case since the plant was started up September 1st.

The trade is expecting that the linseed oil quota will be cut from 70 to 60%, and possibly 50%. On the other hand, metal containers have become much easier.

Due to the big lead situation we have been experiencing forward buying in December, although this did not materialize in November to any noticeable extent. We expect that sales for December will be at least 1,500,000 pounds and we are now booking some tonnage for January although we are careful to see that we do not take any chances of over-extending ourselves and stocks at East Chicago or in warehouses will cover all orders placed for January shipment. We will maintain a conservative policy in this respect but at the same time we do not want to take chances on passing up business if we are certain we can handle it.

Table No. 6 gives the average sales price per pound for dry white lead for the past three months.

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TABLE NO. 6

	<u>November</u>	<u>1944 October</u>	<u>September</u>
Average Sales Price - Per Pound	8.313¢	8.353¢	8.353¢

To summarize, sales for December will show quite an improvement over sales for November and will be in line with October which was an unusually good month considering that we had no CWS business. Sales of dry white lead for November were much higher than normal and this high level will be maintained in December and very likely in January.

Very truly yours,

F.H. Hurless
Sales Manager

F.H. Hurless:hc

cc: Mr. Frederick Laist
Mr. G. E. Johnson

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