

REVIEW OF LEAD OUTLOOK IN ENGLAND *

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First of all I would like to tell you how glad I am to be with you and how very much I appreciate your kind invitation to attend your impressive gathering.

It has been suggested to me that you, or some of you, might be interested in the lead situation in Great Britain and I am only too pleased to give a brief survey.

To understand the British situation a short historical replica is necessary. In 1938, when the dark war clouds came upon the horizon, the Empire producers were approached and an agreement was reached as to what should be done in case of an emergency.

September 1939 proved the wisdom of these preparations and before the year was out, we had a full-blooded control, vested in a special Ministry of Supply agency which went under the name of Rugby. By the way, this is the very Rugby where as you know one of our old famous schools is situated, the school where Rugby football was first played. All the metal brought to England was under Rugby's jurisdiction. The importance of the orders of the competing military sections were decided at a raw material conference where all branches of His Majesty's Forces were represented. The chair was taken by a Cabinet or Senior Minister and so an easy ruling for priority could be established.

This is the history and explanation of the reason why there is only one buyer for virgin lead in England.

The lead consumption in 1950 was 130,000 tons. This was supplied by the import of about 170,000 tons; the production of English refined lead of 75,000 tons (English refined is lead obtained from secondaries and lead produced from domestic ores). The balance was made up out of scrap lead and remelted lead amounting to about 95,000 tons. We saw just now that the monthly average consumption was equal to 27,500 tons in 1950. In January and February of this year the upward trend of the last quarter of 1950 accelerated and the consumption was about 32,000 tons; i.e., this additional demand plus the shipping difficulties from Australia and the lowering of the Government stocks to a dangerous level were the reasons that on February 16, 1951 the Ministry introduced a rationing scheme retroactive to the first of February. This scheme cut all supplies of virgin lead down to 90% of the monthly average intake for 1950.

At the very same time the supply of secondaries dried up considerably. Secondaries and English refined accounted in 1950 for roughly 50% of the supply. So you will see that the situation for the British manufacturers was not a too easy one. End use control is not yet established in England. Military demands have first claim and the further sharing out is left to the judgment of the manufacturer which is not particularly helpful to maintain or widen his good will with his customers.

In the beginning of 1951 a margin price order for scrap lead, remelted and cable sheathing was established and this order had several amendments. It is too early to give final judgment but it appears to me that the order is, in respect of lead, not unsuccessful.

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In respect of prices a short word. The Ministry of Supply prices were through the whole of 1950 the USA prices converted into sterling. Only in March of this year the principle was changed and this happened after a purchase of lead was made at the Gulf price.

I mentioned earlier, lead produced out of English mined ore is bulked with this figure for English refined. To avoid a wrong impression I should say that this mine production is very small and I have here, as well as with all the figures given, to rely on my memory, but I would call the production about 6,500 to 7,000 tons.

It is of interest that, encouraged through the high prices, quite some prospecting is going on at home. Important South African financing houses have taken an interest in lead mining in England and so the old Park Mine in South Wales will be again in production in the autumn. Besides this mine two or three smaller ones are due to come into production and I would not be surprised if 12 months hence the English production would be in the neighborhood of 10,000 tons.

I am afraid, Mr. Chairman, this took more of your time than I intended, but in fairness I should say in respect of the Ministry of Supply that the officials have tried to understand the problems of the industry and were helpful in meeting the business man's point of view. You might have heard that at the beginning of this month the nonferrous metals control was transferred from the Ministry of Supply to a new department presided over by the Lord Privy Seal, Mr. Stokes. Mr. Stokes himself being an industrialist has the help of all those who were hitherto connected with metals and I hope that things will not get worse.

In conclusion, Mr. Chairman and gentlemen, I am sure my English colleagues will most heartily endorse my wishes for a successful conclusion of your convention, linked with the hope that when you will meet in 1952 that you will meet in a less disturbed world, that you all will enjoy the best of personal health and my personal wish is that in 1952 you will have no other problem but to consider what to do to increase the lead consumption.