

INTERNATIONAL SMELTING AND REFINING COMPANY
East Chicago, Indiana

Pigment Division



July 31, 1945

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 June, 1945.

Table No. 1 gives a comparison of zinc oxide sales for May and June of 1945 and the corresponding months of 1944.

TABLE NO. 1

	<u>1945</u>	<u>1944</u>
June	2,243,150 Lbs.	1,764,500 Lbs.
May	1,955,650 Lbs.	1,995,150 Lbs.

Sales for June were up 300,000 pounds over May. This was due to an increase in CWS sales from 900,000 pounds to 1,200,000 pounds, sales to the regular trade remaining about the same.

The sale of French furnace zinc oxide was up substantially in June. On the other hand the sale of regular muffle continued to decline, probably due to cutting back on the part of the rubber companies.

The sale of regular American lead-free and leaded was about the same for both months while the Victory line declined due to holding up shipment of orders because there was a delay in the receipt of both East Helena and Tooele fumes.

Last Friday we completed negotiations with CWS on a contract calling for shipment of 1,200,000 pounds of muffle furnace zinc oxide during each of the months of August and September. CWS seems to be a little concerned about our price and it is possible that we may be re-negotiated.

Sales for June will be approximately 2,200,000 pounds. Total sales for 1945 through June are 8,262,510 pounds. For the same period of 1944 they were 8,256,068 pounds.

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

TABLE NO. 2

	<u>1945</u>		<u>JUNE</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	378,800	\$ 28,822.43	506,000	\$ 37,973.33
Rubber	224,600	22,097.25	295,600	28,133.51
Miscellaneous	439,750	42,517.88	161,900	16,368.26
CWS	<u>1,200,000</u>	<u>114,000.00</u>	<u>801,000</u>	<u>76,095.00</u>
	2,243,150	\$ 207,437.56	1,764,500	\$ 158,570.10

	<u>1945</u>		<u>MAY</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	577,050	\$ 42,660.64	340,250	\$ 25,329.39
Rubber	251,100	23,909.75	344,200	33,983.50
Miscellaneous	227,500	22,934.50	310,700	31,563.76
CWS	<u>900,000</u>	<u>85,500.00</u>	<u>1,000,000</u>	<u>95,000.00</u>
	1,955,650	\$175,004.89	1,995,150	\$185,876.65

The falling off in sales to the paint industry is due principally to the lower sales of the Victory line of leaded zinc oxides which was previously explained. Sales to the rubber industry for both months are about the same and the increase in the sales to miscellaneous industries is due almost entirely to the increase in sales of French furnace zinc oxide that is used principally by concerns manufacturing pharmaceuticals.

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

TABLE NO. 3

U.S.P. Quality	319,300 Lbs.
Seal	34,250 Lbs.
Other Lead Free and Leaded	<u>1,889,600 Lbs.</u>
	2,243,150 Lbs.

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

TABLE NO. 4

	<u>June</u>	<u>May</u>	<u>April</u>
Average Sales Price - Per Pound	9.248¢	8.949¢	8.786¢

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As predicted in my last letter the average sales price for June is about 9.25¢ per pound and up substantially over May. This was due to the substantial increase in the sale of the higher priced French and muffle furnace zinc oxides and a falling off in the Victory line which is lower priced. For July the average sales price per pound should be about 9.12¢ per pound.

Table No. 5 gives a comparison of white lead sales for May and June of 1945 and the corresponding months of 1944.

TABLE NO. 5

	<u>1945</u>	<u>1944</u>
June	249,317 Lbs.	1,024,153 Lbs.
May	229,723 Lbs.	563,005 Lbs.

The dry white lead situation remains about the same. There was some talk that the quota of pig lead that would be permitted to be used for manufacture of dry white lead would be increased and that the amount of dry white lead used in the manufacture of paints and lead-in-oil would also be increased but nothing has materialized. Apparently there is some difference of opinion in WFB as to what should be done. Although, the fact that the increases were being considered is important inasmuch as it may represent a reversal of the trend that did exist.

Our lead-in-oil quota for the third quarter is about 16% of normal production. We had no stock at East Chicago or outlying warehouses to amount to anything when the quarter began. Consequently, by about the 20th of July we had sold all of the third quarter quota even though we are restricting sales to orders carrying a minimum rating of AA-2X.

Sales for 1945 through June are 3,787,716 pounds. For the same period in 1944 they were 5,179,784.

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

TABLE NO. 6

	<u>June</u>	<u>May</u>	<u>April</u>
Average Sales Price - Per Pound	8.435¢	8.523¢	8.595¢

To summarize, sales of zinc oxide to our regular customers during the months of July and August should continue at the June level. The monthly tonnage shipped to CWB should also remain at the same level through the month of September. On the other hand, while there was some talk about easing the restrictions on the use of dry white lead these

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Mr. R. E. Dwyer

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did not materialize and sales for the months of August and September will very likely remain at the extremely low level at which they have been for the past few months.

Very truly yours,

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

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