

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana



Pigment Division

February 2, 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 December, 1944.

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

TABLE NO. 1

	<u>1944</u>	<u>1943</u>
December	1,090,400 Lbs.	943,850 Lbs.
November	766,900 Lbs.	693,460 Lbs.

Sales for December were considerably better than for November. This is due to the fact that sales for November were below normal and the sale of U.S.P. quality and muffle furnace oxides was better than usual.

Sales for January will be about 850,000 pounds. The falling off as compared with December is due to the fact that we were successful in holding down the sale of American process zinc oxides.

Total zinc oxide sales for the year 1944 were 16,373,783 pounds. For the year 1943 they were 10,789,995 pounds. CWS accounted for approximately 5,400,000 pounds of the increase. Taking this into consideration, sales for 1944 to regular customers were about the same as for 1943. However, sales of French process zinc oxide on which we have a more favorable margin of profit were up and we were successful in selling a smaller tonnage of the American process zinc oxides which are unprofitable.

Since WPB has restricted the use of dry white lead in paints there has been a further increase in the demand for leaded zinc oxides. The demand has been greater than the supply, consequently an even more serious situation has developed. We are having quite a time to keep our regular customers satisfied with the amount of leaded zinc we ration to them.

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

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TABLE NO. 2

	<u>DECEMBER</u>			
	<u>1944</u>	<u>1943</u>	<u>1944</u>	<u>1943</u>
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	372,900	\$ 27,746.75	266,750	\$ 20,435.46
Rubber	548,650	52,895.88	299,750	28,791.64
Miscellaneous	168,850	17,036.89	377,350	36,283.23
	1,090,400	\$ 97,679.52	943,850	\$ 85,510.33

	<u>NOVEMBER</u>			
	<u>1944</u>	<u>1943</u>	<u>1944</u>	<u>1943</u>
	<u>Pounds</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

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

TABLE NO. 3

U.S.P. Quality	191,200 Lbs.
Seal	11,300 Lbs.
Other Lead Free and Leaded	887,900 Lbs.
	1,090,400 Lbs.

The sale of U.S.P. quality zinc oxide for December was about double November. This is due to the fact that two rubber companies purchased carlots. These concerns place such orders about three or four times per year.

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

TABLE NO. 4

	<u>1944</u>		
	<u>December</u>	<u>November</u>	<u>October</u>
Average Sales Price - Per Pound	8.958¢	9.028¢	8.995¢

While sales of U.S.P. quality and muffle furnace oxides were up during December, these ranging in price from 9-1/2¢ to 10-1/4¢ per pound, there was also an increase in the American process zinc oxides for December, these selling for 7¢ to 7-1/4¢ per pound. For this reason the average sales price per pound for December was down slightly.

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

TABLE NO. 5

	<u>1944</u>	<u>1943</u>
December	1,537,043 Lbs.	658,430 Lbs.
November	1,242,395 Lbs.	1,019,452 Lbs.

The increase in the December sales was due to some buying ahead because of possible restrictions on the production of dry white lead. This movement became accelerated during January and it is estimated that our sales for that month will be about 2,200,000 pounds.

We anticipate very light sales for the next several months. At East Chicago we have approximately 700 tons of dry white lead in stock, with about an additional 300 tons in public warehouses. Unless considerable paint for the war effort in which dry white lead will be used is going to be made during the next several months, the 1,000 tons of stock will be ample to carry us through the spring season.

Paint manufacturers have been very hard hit by the restriction on the use of dry white lead in paint. White lead was the one remaining pigment they could fall back on. Lead-free zinc oxide, lithopone, and titanium pigments are either restricted or impossible to get in sufficient quantity. These, together with white lead, are the principal pigments used in manufacturing paint.

Sales for the year 1944 were 13,290,940 pounds. Sales for the year 1943 were 10,448,903 pounds.

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

TABLE NO. 6

	<u>December</u>	<u>November</u>	<u>October</u>
Average Sales Price - Per Pound	8.331¢	8.313¢	8.353¢

To summarize, zinc oxide sales for December were better than normal but will fall off a bit in January. Dry white lead sales for January came close to reaching an all-time high but because of the restrictions on the use of dry white lead, we expect very light sales for the next several months and this condition will very likely exist until WTB cases or eliminates the present restrictions on the use of dry white lead.

Very truly yours,

F.H.Hurless:hc
cc: Mr. Frederick Laist
Mr. G. E. Johnson



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