

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana



Pigment Division

July 31, 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 June, 1944.

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

TABLE NO. 1

	<u>1944</u>	<u>1943</u>
June	1,764,500 Lbs.	1,013,450 Lbs.
May	1,995,150 Lbs.	719,450 Lbs.

Sales for June are down approximately 200,000 pounds. During this month our sales to CWS were 200,000 pounds less than in May. This indicates that our sales to regular customers were about equal for May and June.

Sales through June, 1944 amounted to 8,256,068 pounds. For the same period last year they amounted to 4,868,550 pounds. For the month of July they will be in the neighborhood of 1,700,000 pounds. Of this amount 800,000 pounds will be for CWS, indicating that our sales to regular customers in July will be about the same as for May and June.

Yesterday I was given some confidential information by the Chicago Procurement Office of CWS. Apparently CWS is purchasing much more zinc oxide than they are using. Consequently, because CWS is paying us a premium of 2-1/4¢ per pound over the price for American process zinc oxide, we may find ourselves cut off after August unless the over-all picture changes.

CWS may suspend all buying of zinc oxide for a 30-day period. The reason they hesitate to do this now even though they are stock piling zinc oxide is because it would put WFB in an embarrassing position inasmuch as stocks of zinc oxide in the United States would increase by about 7,000 tons during a 30-day period and at the same time WFB has very tight restrictions on the use of lead-free zinc oxide. Despite all this, the arsenals have indicated that they rate our product

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highly and it is possible that we may stay in the running on a quality basis. In the meantime we are assured of 800,000 pounds for August.

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

TABLE NO. 2

	<u>1944</u>		<u>JUNE</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	506,000	\$ 37,973.33	426,950	\$ 31,985.34
Rubber	295,600	28,133.51	340,500	32,882.50
Miscellaneous	161,900	16,368.26	246,000	22,646.68
CWS	801,000	76,095.00	-	-
	1,764,500	\$ 158,570.10	1,013,450	\$ 87,514.52

	<u>1944</u>		<u>MAY</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	340,250	\$ 25,329.39	266,950	\$ 20,075.31
Rubber	344,200	33,983.50	241,100	23,588.75
Miscellaneous	310,700	31,563.76	211,400	21,042.00
CWS	1,000,000	95,000.00	-	-
	1,995,150	\$ 185,876.65	719,450	\$ 64,706.06

Sales to the paint industry were up considerably in June. While our sales of our regular grades of American process zinc oxide to the paint industry were down in June, we marketed about 250,000 pounds of a special 5% leaded zinc oxide that we made from intermediate products accumulated at East Chicago and on which grade we can make a slight profit.

Sales to miscellaneous industries were down substantially due to the fact that in the month of May we received some special orders from concerns like Firestone Tire and Rubber Company for premium grades of zinc oxide made from high grade metal. The sales in this classification for the month of June are more nearly normal than those for May.

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

TABLE NO. 3

U.S.P. Quality	97,400 Lbs.
Seal	19,200 Lbs.
Other Lead Free and Leaded	1,647,900 Lbs.
	1,764,500 Lbs.

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

TABLE NO. 4

	<u>1944</u>		
	<u>June</u>	<u>May</u>	<u>April</u>
Average Sales Price - Per Pound	8.987¢	9.316¢	9.062¢

The decrease in the price per pound for June is due mainly to two things. One is that in June we sold less of the U.S.P. quality zinc oxide made from high-grade metal and the other is that the special 5% leaded, of which the sales amounted to approximately 250,000 pounds, has an average market price of about 7-1/8¢ per pound.

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

TABLE NO. 5

	<u>1944</u>	<u>1943</u>
June	1,024,153 Lbs.	1,141,180 Lbs.
May	563,005 Lbs.	869,474 Lbs.

Sales for June were almost double those for May. We did not receive any special orders that would account for this increase. It may be a question of timing, but on the other hand, it does appear as though the sale of dry white lead and lead-in-oil is moderately on the up grade.

Sales for 1944 through June amount to 5,179,784 pounds. For the same period in 1943 they were 4,759,667 pounds. For July they will be about 1,300,000 pounds which is a substantial increase over June and about 2-1/2 times the sales for May.

There has been no particular change in the over-all picture as regards the paint and ceramic industries. As indicated previously, it does appear as though sales of dry white lead and lead-in-oil are inclined to increase moderately. They were particularly encouraging during the month of July.

The over-all picture for lead-in-oil does not look at all good. You might be interested in knowing that the Lead Industries Association started their promotional campaign during the year 1939. Below I am giving the sales of lead-in-oil for the preceding year and the subsequent four years. Indications are that lead-in-oil sales for 1944 will not be over those for 1943 and might be under.

1943	-	38,845 Tons
1942	-	47,910 "
1941	-	61,114 "
1940	-	53,765 "
1939	-	71,942 "
1938	-	74,885 "

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

TABLE NO. 6

	<u>1944</u>		
	<u>June</u>	<u>May</u>	<u>April</u>
Average Sales Price - Per Pound	8.393¢	8.408¢	8.489¢

Very truly yours,

F. H. Hurlless

F.H.Hurlless:ho

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

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