

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana

Pigment Division



November 30, 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 October, 1944.

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

TABLE NO. 1

	<u>1944</u>	<u>1943</u>
October	1,127,350 Lbs.	1,154,950 Lbs.
September	1,721,900 Lbs.	1,376,350 Lbs.

Sales were good, considering that we did not sell anything to CWS in October. It is definite that CWS will not purchase any more zinc oxide this year. They may be in the market for 5,000 tons after the first of the year but there is some question about this.

In connection with CWS, they are thinking of changing the specifications to lower the water soluble salt content from .5% to .3% and the sulfur content from .4% to .1%. This would be a rather difficult specification for American process lead-free zinc oxide to meet, generally speaking. On the other hand, our oxide made from secondary metal is well within the proposed changes and if the specification is established on the basis that has been proposed, it might be of considerable assistance to us in selling this type of zinc oxide to CWS.

There still is great demand for the American process leaded zinc oxides, the sale of which we hold down as much as possible. I have information from a very reliable source that very shortly WPB will amend order M-11-a to eliminate section 16 which restricts the use of American process lead-free in paints. However, lead-free zinc oxide will remain on allocation.

It is expected that sales for November will be about 800,000 pounds. Sales through October, 1944 amounted to 14,516,483 pounds. For the same period of 1943 they were 9,152,685 pounds.

PNYC00001576

N10227

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

<u>TABLE NO. 2</u>					
<u>OCTOBER</u>					
	<u>Pounds</u>	<u>1944</u> <u>Value</u>	<u>Pounds</u>	<u>1943</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	
CWS	-	-	-	-	
	<u>1,127,350</u>	<u>\$ 101,410.26</u>	<u>1,154,950</u>	<u>\$ 97,591.56</u>	

<u>SEPTEMBER</u>					
	<u>Pounds</u>	<u>1944</u> <u>Value</u>	<u>Pounds</u>	<u>1943</u> <u>Value</u>	
Paint	387,600	\$ 29,261.60	512,750	\$ 36,081.26	
Rubber	355,000	33,815.00	406,000	39,995.00	
Miscellaneous	179,300	18,129.62	457,600	55,523.23	
CWS	800,000	76,000.00	-	-	
	<u>1,721,900</u>	<u>\$ 157,206.22</u>	<u>1,376,350</u>	<u>\$ 131,599.49</u>	

Sales to the paint and miscellaneous industries for October were about the same as for September. The increase in sales to the rubber industry was due to the fact that one of our biggest customers had miscalculated his inventory position over the past several months. It had reached a dangerous low and he purchased an extra 150,000 pounds to bring the inventory up to normal.

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

<u>TABLE NO. 3</u>	
U.S.P. Quality	155,500 Lbs.
Seal	22,650 Lbs.
Other Lead Free and Loaded	949,200 Lbs.
	<u>1,127,350 Lbs.</u>

Sales of U.S.P. quality and seal were almost the same as for September.

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

<u>TABLE NO. 4</u>			
	<u>October</u>	<u>1944</u> <u>September</u>	<u>August</u>
Average Sales Price - Per Pound	8.995¢	9.130¢	9.227¢

While the tonnage of the lower priced grades remained about the same in October as in September, the smaller tonnage of the higher priced grades caused a lowering of the average price per pound.

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

TABLE NO. 5

	<u>1944</u>	<u>1943</u>
October	1,268,144 Lbs.	920,243 Lbs.
September	1,504,151 Lbs.	1,083,839 Lbs.

Sales were down somewhat in October. This is to be expected inasmuch as paint sales usually reach a peak in September and then decline for the balance of the year. However, sales for October were unusually good. The white lead plant started up September 1st and sales for September, October, and November will be just about equal to production for those three months, the production rate being 22 tons per day. This is better than usual for this time of year.

Through October, 1944 sales have amounted to 10,511,502 pounds. For the same period of 1943 they were 8,771,022 pounds. Sales for the year 1944 will probably be about 1,000 tons over 1943.

There has been some easing of titanium and lithopone. As indicated in this letter previously, there will be some modification of the order covering lead-free zinc oxide. These factors will very likely have a tendency to cause some decrease in the amount of white lead that will be used in manufacturing paint. Furthermore, the linseed oil picture continues to cause concern. The present situation on linseed oil is very well summed up in the November 20th issue of the American Paint Journal from which I am quoting.

"New York, November 17. - The linseed oil business in this area (New York) is almost at a complete standstill. The two largest crushers are not taking any orders for carloads, although smaller orders are still being filled. This shortage is expected to continue for the first six months of 1945, and the probability is that the linseed oil quota will be reduced, the only unknown factor in the situation being whether it will be to 60 percent or 50 percent of quota. Although 500,000 bushels were bought from Canada this week, this small amount is not enough to satisfy the unfilled demand. One of the largest mills on the Atlantic seaboard has been closed for several weeks."

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

TABLE NO. 6

	<u>October</u>	<u>1944</u> <u>September</u>	<u>August</u>
Average Sales Price - Per Pound	8.353¢	8.353¢	8.379¢

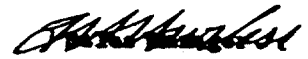
Mr. R. E. Dwyer

-4-

November 30, 1944

To summarize, the over-all sales position on both zinc oxide and dry white lead does not look as bright as it did this same time last month.

Very truly yours,



F. M. Hurless:hc

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

PNYC00001579