LEAD INDUSTRIES ASSOCIATION

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LEAD PRODUCTION IN SOUTHEAST MISSOURI*

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My comments to you this morning apply to lead mining in Southeast Missouri. By Southeast Missouri I mean only the Lead Belt proper around Bonne Terre and Flat River, which is 60 miles south of St. Louis; the Fredericktown area 30 miles farther south, and the newer deposits of Washington County to our northwest.

This district has, for many years, accounted for about 30% of the mine production of lead in the United States. It primarily produces lead, but in the past several years has also produced an appreciable tonnage of by-product zinc. Small quantities of silver, while recovered, are not commercially significant. Therefore, any changes in the market price of lead are especially important.

For the past 20 years, Southeast Missouri lead production has come mostly from mines owned by the St. Joseph Lead Company, which has operated in this district for nearly 100 years. Other companies , now operating in the area (with a lesser production) are the St. Louis Smelting & Refining Company and the Mine La Motte Corporation.

The ore deposits of the area are comparatively low in grade; they vary in size from a few thousand tons to ones that may mine several hundred thousand tons of ore. They are flat-lying and adaptable to a high degree of mechanization

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in mining. A large capital investment per employee must be made to drill, break and load the ore, then transport it distances up to six miles underground, hoist it to concentrating mills on the surface, and dispose of the waste material. At this time St. Joseph Lead Company alone handles about 21,000 tons of underground ore per day in its various mills, together with about 7,000 tons of chat, i.e., tailings, which are retreated for their lead content.

The price of lead plays an important part in the amount of chat and marginal grade ore which can be milled each year. However, because the disseminated ores of the Lead Belt are not highgrade, and because they do not contain by-product metals to an appreciable extent, mining in our district does not give us the flexibility of action which many of the richer or bi-metal deposits of the West enjoy. In other words, it can be said that if we in our district, want more lead, we must mine more ore, for we cannot readily switch from the mining of a lower to a higher grade ore if the price should decline, or vice versa.

All of us who operate mines in the district, are acutely cost conscious, because lacking the flexibility to make rapid adjustments through change of grade as the world price for lead fluctuates, we must be in a position to reduce costs in time of stringency, or else we lose our competitive position. Because of this, and because of the type of mechanized mining to which the district lends itself, development work is always kept well ahead of actual mining.

Last year, 1951, the district produced 115,[illegible] tons of Pig Lead equivalent against 125,380 tons in 1950, or a decrease of 9%. My estimate is that in 1952 production will approximate that of 1951. Over the longer term, I would estimate that, given existing conditions, production will not vary more than a few percentage points one way or another for some years to come. I base the above prediction on certain developments locally. In the Fredericktown area, the Mine La Motte Corporation has completed the mining and shut down the Hickory Nut No. 1 and No. 2 Shafts, and started operating on the small Coppermines orebody, which is not expected to completely offset the loss of the above two shafts. Fredericktown Lead Company had ceased operations at their mine. Last year St. Louis Smelting and Refining Company was hampered by a strike lasting 7 weeks. This year they should be free to produce the whole year and, in addition, should increase the rate by about 9%, due to increased mechanization and efficiency. St. Joe should also have its Hayden Creek mine in operation by July or August, but production from this mine will be modest at the start, and the pickup will be gradual. At Indian Creek, the shaft is about half - and the surface plant approximately 20% - completed. This mine will not be in operation until the latter part of 1953. By the time these two plants are operating, other older mines in the Lead Belt proper, will be losing some production, so that the net production of the district will continue relatively unchanged.

From what I have read and heard about Western mining districts, labor in these areas is in critically short supply. Fortunately, we in Southeast Missouri, have had to date an ample supply of good labor. Insofar as St. Joe is concerned, we have enjoyed excellent relations with our mine Union, the Gas, Coke and Chemical Workers, C.I.O., and even though in 1952 we shall be negotiating a new contract with this Union, we anticipate working out amicably, a mutually satisfactory settlement. Because of the vulnerability of our district to changes in the world price of lead, we have to be extremely careful about adding to our labor costs in contracts that may be of several years duration. As some of you know, we have for years in the Lead Belt, maintained wages on a sliding scale which fluctuates with the price of lead, and we hope in the interest of both company and employees, that this principle may be continued.

In my 25 years in the Lead Belt, I have heard many predictions which have dealt with the expected life of various mines. Some were made when lead was selling at 5¢ lb., and at that price a very limited future existed for the mine in question. With lead at 19¢ lb. those mines which were supposed to have passed out of existence years ago, are still operating strongly. Frankly, none of us who have been long associated with mining in the district, will predict how long a given mine will last. We have had to suspend operations from time to time at individual properties, because at the then price of lead, they proved to be unprofitable; however, a change in price, or the introduction of new equipment and improved techniques, has allowed us to reopen such properties. This has happened time and time again, and no doubt will be repeated in future years. To the best of my knowledge, prospecting by all operators in the area was carried on during the past year at a rate which was more than sufficient to replace with new ore, that which was extracted. If we fall behind in one year, we speed up the rate of prospecting in the next. It is, of course, impracticable to tie up in prospecting and development, the capital required to block out ore years in advance of actual mining.

In conclusion let me repeat, that those of us with long experience in the district, are hesitant when it comes to making guesses as to its future mining life, but it is my judgment that production will not change appreciably one way or the other from the current rate, for many years to come.