LEAD INDUSTRIES ASSOCIATION

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THE LEAD INDUSTRY IN UTAH, NEVADA, AND CALIFORNIA*

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We seem not to have been assigned any particular topic in this panel discussion but I presume the particular part of the western country that you want me to cover, in brief remarks today, is the Intermountain district, known as the Utah, Nevada and California area. I will attempt to paint this picture, except for the Tintic mining district which will be handled later by Cecil Fitch, vice president and general manager of Chief Consolidated. This will leave me with Bingham Canyon, Park City, Utah, southeastern Nevada (particularly the Pioche area) and Anaconda's two lead mines in east-central California.

In sessions of this sort in past years, it seems to me that we dwelt for sometime on current, general results from exploration. That seemed to be the interesting subject with respect to operation. Other factors seemed to occupy a minor position. True, there were the usual minor labor troubles, taxes, federal complications on ownership of claims, etc., but now here we are with a group of producing mines all loused up with pretty nearly everything bad you can imagine and interest in results of development work more or less incidental.

I will start out making the statement that we operators in this area have the general thought that production for the year 1952 could be about the same as in 1951; in other words, about 70,000 tons of lead metal. But when we make a statement to that effect we have in mind a lot of gruesome operating difficulties and our predictions must necessarily all be predicated on what develops in these various barriers to successful operation.

Practically all of the properties in our area look good for continued production, particularly those in mining districts that have a reputation for productivity. In Park City it is the Park Utah Consolidated, Silver King Coalition and New Park Mining Company; in Pioche, Nevada, Combined Metals particularly, which includes leases on adjoining properties; and in California where Anaconda supplies practically all of the production of lead for the state from its two mines Darwin and Shoshone.

The future success of practically all lead-zinc mining operations, and particularly those whose ore bodies lie in sedimentaries, is dependent upon an aggressive development program. The future of our lead industry is dependent upon the vim and vigor and optimism of prospectors and small mining companies risking development of mining properties that look good to them. It takes years to bring along these small showing to sizable productiveness and this is generally the chief factor in maintaining continued lead production.

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Now what has happened? We are confronted with a very obnoxious labor situation; we don't know from one day to the next what the new demands will be (we're sure of one thing - they'll be destructive); our markets are under price control and no matter how much more it costs to produce we have no recourse for receiving more for our product. Not only that, but with the threat of substantial imports from foreign countries that are overstocked with metal, our present lead price is in jeopardy. What, then, keeps us going? In the case of the older producers that have their plants, townsites, shafts, a crew of men who have worked with them for years, a salaried organization that is entitled to job security, companies feel that it behooves them to keep on operating, realizing all the time that their ore reserves are being depleted at substantially no profit or even at a loss. So why should new operators jump in on a setup of this sort? What is the incentive to do it? Why stick their necks out? And yet that is the very thing that has made us strong in the past. There always used to be incentive to take a chance. This is definitely not a "HAVE NOT" nation as far as nonferrous metals are concerned. Our mountains are full of it, it's just getting a little more scientific to find it, and metals will always be needed. Those who have ground to be explored should certainly have the opportunity. It is true that help is offered to the prospector from government sources but, generally, he must put up half the risk capital and he doesn't even want to do that under the circumstances.

So that is the picture for the Intermountain area and it is no different from other mining districts in the country, except that possibly we are even more dependent in our area upon development of new mines to replace those that fade out. A recent study by the Utah Mining Association shows 175 mines of all sizes operating in the state in 1939 and 84 in 1950, less than half.

So I say, the promise of ore supply for production in 1952 is probably equally as good as it was a year ago, but we have our fingers crossed that the hazards and discouragements that face us may not be so destructive as to dash our hopes.