INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana

ANACONDA

Pigment Division

February 5, 1946

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, 1945.

Table No. 1 gives a comparison of zinc oxide sales for November and December of 1945 and the corresponding months of 1944.

TABLE NO. 1

	1945	1944
December	1,030,565 Lbs.	1,090,400 Lbs.
November	963,900 Lbs.	766,900 Lbs.

Sales for December were up somewhat over November. This is more encouraging than is indicated by the difference because considerable buying was held back due to the policy of establishing low inventories on December 31st.

Table No. 2 gives the sales year to date through December for 1944 and 1945.

TABLE NO. 2

	1945	1944
Sales Year To Date - December	15,617,265 Lbs.	16,373,783 Lbs.

Table No. 3 gives the sales by months beginning with September, during which month we became competitive on price for lead-free zinc oxide. Sales for each month show a moderate increase over the preceding month with the exception of January which shows a rather substantial increase.

A very encouraging factor is that these increases in sales have been established despite the fact that there have been practically no sales to the larger rubber companies. These companies have been out of the market because they are liquidating large inventories which were on hand on V-J day. We expect some buying from these large rubber companies to begin in February and we are estimating February sales to be slightly ahead of those for January despite the fact that February is a short month. The principal unknown factor is the extent to which the present labor troubles may affect our sales.

TABLE NO. 3

September	728,200 Lbs.
October	814,850 Lbs.
November	963,900 Lbs.
December	1,030,565 Lbs.
January (Probable)	1,500,000 Lbs.

Table No. 4 gives a breakdown of sales according to paint, rubber, and miscellaneous industries.

TABLE NO. 4

DECEMBER

	1945 Pounds	1945 Value	1944 Pounds	1944 Value
Paint	619,000	$ 45,970.00	372,900	$ 27,746.75
Rubber	138,200	10,104.50	548,650	52,895.88
Miscellaneous	273,365	22,372.49	168,850	17,036.89
	1,030,565	$ 78,446.99	1,090,400	$ 97,679.52

NOVEMBER

	1945 Pounds	1945 Value	1944 Pounds	1944 Value
Paint	539,400	$ 40,396.50	238,300	$ 17,884.56
Rubber	141,800	10,483.75	278,800	26,689.25
Miscellaneous	282,700	21,986.38	249,800	24,662.02
	963,900	$ 72,866.63	766,900	$ 69,235.83

It will be noted that sales to the paint industry maintained the fairly high level established in November. On the other hand sales to the rubber industry for November and December of 1945 are considerably under those for the same months of 1944. The reason for this was mentioned previously.

Table No. 5 gives the average sales price per pound for the past three months.

TABLE NO. 5

	December	November	October
Average Sales Price - Per Pound	7.612¢	7.560¢	7.451¢

It had been estimated that the average sales price would be within a range of 7.35 to 7.50¢ per pound. There has been a gradual increase in the average sales price which is due to the increased sales of U.S.P. and seal zinc oxides that carry a premium over the regular lead-free price.

Table No. 6 gives a comparison of white lead sales for November and December of 1945 and the corresponding months of 1944.

TABLE NO. 6

	1945	1944
December	955,136 Lbs.	1,537,043 Lbs.
November	1,132,733 Lbs.	1,242,395 Lbs.

There was a substantial decrease in the sale of dry white lead for December of 1945 as compared with November of 1945. This is due to a limitation of the sales of lead-in-oil because of our inability to buy containers. The concern from whom we have purchased our containers has been shut down by a strike since September 15, 1945. We are attempting to get lined up on another source of supply for containers.

Another and more important reason for the decline in sales is due to the fact that our stocks at East Chicago are below normal. This creates a somewhat inflexible position since we regularly market five grades of white lead and we do not always have the particular grade the customer wants which necessitates holding up shipment until a run on that particular grade can be made. This will be reflected in the January sales which should be about 1,300,000 pounds.

The substantial decrease in the sales for December 1945 as compared with December 1944 is due to the fact that in December 1944 we had considerable advanced buying due to expectation that WPB would limit the purchase of dry white lead. This situation actually materialized but many of our customers loaded up in December of 1944 which accounts for the large volume of sales during that month.

Table No. 7 gives the sales year to date through December of 1944 and 1945.

TABLE NO. 7

	1945	1944
Sales Year To Date - December	8,820,344 Lbs.	13,290,940 Lbs.

The substantial reduction in sales of dry white lead in 1945 is due almost entirely to the restrictions on the use of dry white lead established by WPB. From January 15th to August 2nd, 1945 this was 16% of normal consumption and from August 2nd until September 21st it was 25% of normal consumption.

Table No. 8 gives the average sales price per pound for dry white lead for the past three months.

TABLE NO. 8

	December	November	October
Average Sales Price - Per Pound	8.353¢	8.362¢	8.442¢

To summarize, zinc oxide sales during December continued the upward trend. This upward trend was continued in January and we expect it to continue in February unless unsettled labor conditions have too much effect on our sales.

Dry white lead sales for January will be up substantially over December, during which month they were down somewhat due to our inability to ship certain grades because of our low inventory at East Chicago. We expect to sell the production of the white lead plant during the first quarter of 1946 and we very likely could sell more if it were available but our production is limited by CPA to approximately 550 tons per month or a daily rate of about 19 tons.

Very truly yours,

F.K. Hurless
Sales Manager

F.K.Hurless:ho

cc: Mr. Frederick Laist
Mr. F. O. Case
Mr. G. E. Johnson

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