LIA16253

LEAD PRODUCTION IN THE MID-WEST AND EASTERN STATES*

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As has been the case for may years past, the Mid-West and Eastern states continue to provide approximately 40% of our domestic mine production. U. S. Bureau of Mines figures for 1950, recently released, show production from these states as amounting to 172,000 tons of recoverable lead, out of a total U. S. mine production of 430,000 tons. The Southeast Missouri "Lead Belt" accounts for the bulk of this total, with a 1950 production of approximately 127,000 tons or 30% of the domestic mine production. The "Lead Belt" is practically the only domestic source of straight lead ores, i.e., mines in this district produce ore in which associated metals occur in such small amounts as to be commercially unimportant. It is, therefore, the district which reacts most quickly to change in the lead situation.

The Tri-State District, located where Missouri, Kansas and Oklahoma join, produced approximately 37,000 tons of recoverable lead in 1950, but the bulk of this production is a by-product in the mining of zinc ore.

The remaining 8,000 tons of production to be accounted for, were derived from zinc mining operations in Virginia, New York State, Wisconsin and Illinois; and to a lesser extent from fluorspar mining in Illinois and Northern Kentucky. This production, therefore, depends not as much upon what happens to lead, but rather, upon the changes that occur to zinc or fluorspar markets.

Southeast Missouri production largely comes from mines operated by the St. Joseph Lead Company, Mine La Motte Corporation and the St. Louis Smelting and Refining Company. These companies manage properties which have a history going back half a century or more. Since the ores mined are low in lead content, present day mining involves a high degree of mechanization. Consequently the capital investment per employee is very high, and every effort is made to hold employment, and hence production, at a relatively stable figure. The variation in lead production from this district more often than not, reflects changes in grade of ore rather than in the rate of mining. While the selling price of lead to some extent, allows management leeway in determining the grade of ore to be mined, by far the greater factor is beyond its control. (The good Lord in his wisdom made some orebodies rich and some poor. Why he did this, I do not know, unless it was to try the ingenuity of miners.) Our Government, when it suggests differential subsidies for mines, pre-supposes that it has (Divine prerogatives) or, at least the Wisdom of Solomon, for by subsidies and price controls, it proposes to make poor ore rich, and rich ore decidedly less rich. Such programs, which tend to socialize the mining industry, may be popular with consumers who are principally concerned with the stability of price and supply, but I doubt that in the end, they themselves could long remain untouched by the long arm of the advocates of the new Utopia, for the step is but a short one from subsidizing high cost mines, to that of subsidizing the high cost manufacturer - a never ending vicious circle.

*Presented at the 23rd Annual Meeting, Lead Industries Association, May 17-18, 1951, New York, N.Y. at the Panel Discussion of Lead Producers.

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shown no material variation, except during the war years, when exploration and development were curtailed in a patriotic desire to maintain production in the face of a shrinking labor supply. In other words, enough new ore to replace that mined, has normally been found each year so as to maintain approximately the status quo. I think insofar as lead is concerned, that much the same situation will be found to exist all over this country, and I venture to say, that if ore reserve estimates were compiled today on the same basis and by the same authors as they were compiled a few years back, the result would show only a slight change; and that this change might be upward rather than downward.

There is little doubt but that most of the major orebodies which outcropped and hence could be easily detected, have been found. However, I am confident that there exists in many of the major mineralized districts of this country, other deposits which will be found by those with sufficient courage and resources to continue the search. Prospecting today requires skilled personnel, large expenditures of risk money and infinite patience. The new Indian Creek mine of our company, to which I have made reference, is a case in point. This deposit was located only after a very extensive drilling campaign which involved the expenditure of a million or more dollars, and only after three years of constant effort, coupled with a considerable amount of luck. Finding an orebody today, requires detective work of a high order, for innumerable false trails have to be eliminated before the right clue can be found.

What will hurt the outlook for future domestic lead supplies more than anything else, is a sustained period of low metal prices, coupled with the lack of a favorable tax climate. This country, I really believe, enjoys an adequate supply of oil, and has a "have not" feeling regarding metals, largely because the oil producing industry for years has enjoyed a fair and favorable tax structure which has attracted risk money, while the position of the mining industry in this respect, has been relatively unfavorable.

It is not my intent to suggest, by what I have said, that the lead resources of this country are unlimited, for it is obvious to everyone that domestic production plus scrap, cannot meet our post-war requirements. However, I do wish to leave with you the thought that the domestic mining industry can furnish reasonable supplies of new metal, so long as it can continue to operate profitably, and free from oppressive tax and Government regulations.