

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana

Pigment Division



August 30, 1945

Mr. R. H. 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 July, 1945.

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

TABLE NO. 1

	<u>1945</u>	<u>1944</u>
July	2,104,050 Lbs.	1,666,415 Lbs.
June	2,243,150 Lbs.	1,764,500 Lbs.

Sales were down slightly in July as compared with June due to a slight falling off in sales to the regular trade inasmuch as sales to CWB for both months were the same.

On August 20th WFB revoked the order covering lead-free zinc oxide. This action by WFB had practically no effect upon our sales. Our customers, other than the manufacturers of paints, have all been in essential war work and were getting all of the lead-free zinc oxide they needed and the need of the paint manufacturers, insofar as it is possible for them to manufacture paints, is for dry white lead, lithopone, and titanium pigments. Restrictions are still in effect for dry white lead and titanium pigments but the order that applied to lithopone was revoked although a considerable shortage of lithopone exists.

CWB terminated our contract on August 15th. However, they decided to take the finished product that we had on hand and that met their specifications. On August 28th we transferred title of 170 tons to the government. This will be kept in storage at East Chicago until it is ordered shipped out by CWB. In August we shipped 360 tons to CWB against the 600 tons called for in the contract, 240 tons for August and 600 tons for September having been cancelled.

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Now that the restrictions for lead-free zinc oxide and lithopane have been eliminated, and since the restrictions covering the consumption of dry white lead will very likely be eliminated September 1st, we anticipate no demand for the Victory line of leaded zinc oxides for the manufacture of paint. We requested both East Helena and Tooele to hold up on shipments with the exception of 50 tons of Tooele which we need to fill orders now on hand. There may be a demand for East Helena in the compounding of rubber which we had planned for post war but this promotional work is still in the development stage.

Sales for August will be approximately 900 tons. Total sales for 1945 through July are 10,366,560 pounds. For the same period of 1944 they were 9,922,483 pounds.

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

TABLE NO. 2

	<u>JULY</u>		<u>JUNE</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	543,950	\$ 39,685.63	217,350	\$ 16,937.75
Rubber	195,550	18,701.13	401,250	38,483.88
Miscellaneous	164,300	16,928.53	247,815	24,584.95
CWG	<u>1,200,250</u>	<u>114,023.73</u>	<u>800,000</u>	<u>77,500.00</u>
	2,104,050	\$ 189,339.04	1,666,415	\$ 157,506.58

	<u>JULY</u>		<u>JUNE</u>	
	<u>Pounds</u>	<u>Value</u>	<u>Pounds</u>	<u>Value</u>
Paint	378,800	\$ 28,822.43	506,000	\$ 37,973.33
Rubber	224,600	22,097.25	295,600	28,133.51
Miscellaneous	439,750	42,517.88	161,900	16,368.26
CWG	<u>1,223,000</u>	<u>114,000.00</u>	<u>801,000</u>	<u>76,095.00</u>
	2,243,150	\$ 207,437.56	1,764,500	\$ 158,570.10

There were normal fluctuations in the sales to the paint and rubber industries. The substantial falling off in sales to the miscellaneous industries was due to the fact that in June the sale of U.S.P. quality zinc oxide hit a peak for several years due to special business that some of our customers secured and which called for this type of zinc oxide.

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

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TABLE NO. 3

U.S.P. Quality	125,400 Lbs.
Seal	40,650 Lbs.
Other Lead Free and Leaded	<u>1,938,000 Lbs.</u>
	2,104,050 Lbs.

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

TABLE NO. 4

	<u>July</u>	<u>June</u>	<u>May</u>
Average Sales Price - Per Pound	8.99¢	9.248¢	8.949¢

The average sales price per pound for July was below the figure predicted, 9.12¢. It should be lower for August and will probably be about 8.75¢.

Table No. 5 gives a comparison of white lead sales for June and July of 1945 and the two corresponding months of 1944.

TABLE NO. 5

	<u>1945</u>	<u>1944</u>
July	516,878 Lbs.	1,303,060 Lbs.
June	249,317 Lbs.	1,024,153 Lbs.

We expect that about September 1st WPA will considerably ease the restrictions governing the use of pig lead for the manufacture of dry white lead and that they will revoke the order governing the purchase and use of dry white lead. The feeling in the trade seems to be one of concern as to whether or not there will be enough lead to take care of the initial demand which means that during September and October our sales of dry white lead should be up substantially.

In fact, it is possible that some of our customers may be anticipating favorable action by WPA which would account for the fact that sales in July were about double those in June. Practically all of this is dry white lead as we had practically no lead-in-oil to sell. During the past two weeks we have shipped or booked for shipment later approximately 300 tons of dry white lead.

A brake on white lead sales will be the restrictions on the use of linseed oil. The quota has been 40% and was raised to 45% for the third quarter. A quota of 50% was established for the fourth quarter. While the restrictions on linseed oil are being eased somewhat the over-all picture does not look good and it is quite likely that a tight situation will exist through next spring.

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The navy is reported to have a huge inventory of linseed oil but there is little likelihood that it will be released. The painting of combat ships was practically stopped because of fire hazard during battle and most of these ships will now be repainted. The flaxseed crop was short this year and practically all of the flaxseed and oil being imported from Argentina is reported being sent abroad, or at least it was while Lend-Lease was in effect.

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

TABLE NO. 6

	<u>July</u>	<u>June</u>	<u>May</u>
Average Sales Price - Per Pound	8.421¢	8.435¢	8.523¢

To summarize, sales of zinc oxide will be off somewhat in August and down considerably in September due to CWS terminating our contract and reconversion by our customers, particularly in the rubber industry. Most of the zinc oxide we sold to the rubber industry was used in insulation for wire and special products for the war effort. On the other hand, sales of dry white lead will be up somewhat in August and very likely be near normal in September.

Very truly yours,



F.H. Hurless:hc

cc: Mr. Frederick Laist /
Mr. S. E. Johnson

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