

LEAD PRODUCTION - UTAH AND THE SOUTHWEST *

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Gentlemen, it is always a real pleasure for me to attend these lead meetings, more particularly because of the opportunity they present to greet old friends and acquaintances and to make new ones.

Frank Wardlaw asked me to report to you on the lead production of the geographic area he covered at the annual meeting of two years ago. It embraces the states of Colorado, Utah, Nevada, California, Arizona and New Mexico.

I have prepared a tabulation showing the pounds of recoverable lead produced in these states for the years 1946 through 1949 and the estimated production for the year 1950. I shall not burden you with reading the figures. You can examine them at your leisure. An examination of them, however, reveals the fact that lead production increased roughly ninety million pounds, or over 48%, as between 1946 and 1949. New Mexico is the only state of the group that produced less lead in 1949 than in any of the preceding three years. 1950, on the other hand, presents a somewhat different picture in that production for that year will show a substantial drop. So far as I have been able to ascertain, the lower production in 1950 resulted from low metal prices during the early part of the year and labor disturbances during the summer and fall months. My company's 1950 production is off because of a strike which shut its Utah mining and smelting operations down for five weeks during the summer. Then, as many of you know, during the strike a fire occurred in the company's Lark Section which we did not get under control until October 30 when we were able to resume operations on a limited scale. Other mines in Utah, that suspended operations in 1949 due to low metal prices, resumed operations during the summer and fall months of 1950. Similarly, in Grant County, New Mexico, a number of mines that had suspended operations in 1949 did not resume until May and June, 1950, thereby affecting the overall production in that state.

Mine Production of Recoverable Lead
(in pounds)

	<u>1946*</u>	<u>1947*</u>	<u>1948*</u>	<u>1949*</u>	<u>1950**</u>
Utah	61,422,000	99,396,000	111,900,000	106,144,000	99,527,000
Arizona	47,860,000	57,132,000	59,798,000	67,136,000	52,160,000
Colorado	34,072,000	37,392,000	50,286,000	53,706,000	53,580,000
California	19,846,000	20,160,000	18,220,000	20,636,000	32,220,000
Nevada	14,350,000	14,322,000	19,554,000	21,252,000	18,806,000
New Mexico	9,798,000	12,766,000	15,306,000	9,304,000	8,200,000
	<u>187,348,000</u>	<u>241,168,000</u>	<u>275,064,000</u>	<u>278,178,000</u>	<u>264,493,000</u>

Note: * From preprint U.S.B.M. Minerals Year Book 1949.
** Approximate figures only.

* Presented at the 23rd Annual Meeting, Lead Industries Association, May 17-18, 1951
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W. C. Page

- 2 -

While the results of our effort are always gaged by production figures of the past, in a discussion at this meeting, such figures appear to me to be of value only to the extent that they can be used to predict the results of future effort. So many variables are confronting the lead miners today that the crystal ball is extremely cloudy to say the least and predictions even as to the immediate future are difficult if not impossible to make. In two months from now many of us in the mining game in the intermountain region will be confronted with a deadline date with respect to union contract negotiations or wage reopening negotiations. The two major unions in this field, i.e., International Union of Mine, Mill and Smelter Workers and the United Steelworkers of America, have both publicly announced their wage and other benefit goals for this year. Mine-Mill is demanding a 30¢ per hour wage increase, whereas Steel is asking for 25¢ an hour. Both unions are demanding adjustments in wage differentials and the elimination of geographic differences in wage rates. In addition, fringe benefits are being requested which, if converted into cents per hour and added to the wage demands, would very likely result in a combined increase approximating 50¢ or more per hour. If we are measuring reasonably accurately the present temper of the unions with respect to the coming wage and contract negotiations, it appears now that negotiations may end in a stalemate and may precipitate strikes in some mining districts. Unlike the World War II situation the Administration has not this time insisted upon a no-strike pledge. It must be remembered that these two unions are today engaged in a conflict for supremacy in the non-ferrous metals industry. Each union will attempt to achieve its goal in order to convince the workers of its superior strength to make the best gains for them. The operator, as usual, is caught in the middle.

A new factor in the production figure presents itself this year in the form of matching fund aid for exploration projects by D.M.A. What the net result of the Government's effort will be cannot now be predicted, nor will it be measurable for some time to come. Those of us who work rather closely to the grass roots in the production end of the business feel that if properly administered, the funds under the D.M.A. program may be productive of at least some good results. I have asked some of our men who are in the field a great deal and who are in touch with the prospector, the lessee and the small operator, to give me a few figures that might present a bird's eye view of those small mines and prospects that year after year make their contribution to the sum total of lead production in the intermountain area. It is not intended that the several figures I have represent the complete picture by any means, but I think they are an index which shows that with the intelligent use of funds for exploration purposes a few new mines might possibly be developed. Our estimates show that in Utah, Nevada, Western Colorado and Northern Arizona there are at least 185 likely prospects and small mines. Approximately 20% of them are more or less consistent shippers. Some of them may only ship a truck load a month. Others, on the other hand, ship upwards of five railroad cars a month. Not necessarily consistently month after month, but through the years these properties do produce. We estimate that in the aggregate their average production is in the neighborhood of a quarter of a million pounds of lead per year. Most of these properties live what might be termed "a hand to mouth existence." Many would not qualify as participants under a sound exploration program and actual exploration work will no doubt take others out of the category of "mines." However, it is unrealistic to assume that all of these small mines will fail to measure up and it is entirely probable that some good ore bodies may be found as a result of the D.M.A. program that are simply out of reach of the small operator when he relies upon his own resources. I, therefore, believe that the D.M.A. program will in all probability locate some new potential producers of lead ore.

W. C. Page

- 3 -

I have not touched on the question of what is a reasonable price for lead, nor on the subjects of taxes and import tariffs. These subjects are being treated by others. In closing I merely wish to make this observation - that the wages now generally being paid in the non-ferrous industry approximately include the 10% general adjustment that is permitted under present Wage Stabilization regulations. Any further increases will go beyond this 10% and will require a "throwing out" of the present wage freeze or Wage Stabilization approval. Should the Wage Stabilization Board see fit to permit wages to rise substantially over present ceilings, it must be made to realize that the lead mining and smelting industry should receive a higher price for its product without which there can be little or no increased production of lead, but rather it may result in a noticeable decrease. You can judge from this situation that the western lead producer is far from optimistic as to the immediate future. Some of us can even now see the "old wringer" being set in motion.