

ADR
August 9, 1935

MR. DREW:

LEAD PEROXIDE

Re. Mr. Addicks A-267

I have been unable to get any real information yet as to the consumers of lead peroxide and the amounts handled. It is listed as being used in the manufacture of matches yet the technical men of both Diamond and Ohio match companies had never heard of its use. General Chemical Co. purchase it in 500 lb. lots, hence we can assume they do not have a very large turnover.

The peroxide made at Oroya is a part of the excess lead deposited from electrolyte at the Betts plant - half of the lead taken from electrolyte by use of insoluble anodes goes to the cathodes. The unusually small loss of soluble lead and acid in the slimes at Oroya results in the lead building up in the electrolyte and this excess lead has to be removed. The electrolytic removal is cheaper than to use sulphuric acid at present acid costs.

Oroya undoubtedly can produce more peroxide and at a reasonably low cost if desirable.

W. C. SMITH

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A-267

August 8, 1935

Mr. C. V. Drew, Vice-Pres.,
Cerro de Pasco Copper Corp.,
44 Wall Street, New York City.

Dear Mr. Drew:

LEAD PEROXIDE

I note with interest Mr. Smith's memorandum on the possible addition of lead peroxide to our products. The price question seems to be in good shape although I am a little puzzled as to why it should command such a price as well as be imported under such a heavy duty.

How about the tonnage side? Is there any large consumption? Is Oroya limited to to 2000 lbs. a month? Even at the margins indicated this is a very small business. How would Oroya go about increasing the output and would this no longer be cheap?

Very tm ly yours,

Cray

July 24, 1935

LEAD PEROXIDE.

MR. DREW:

The Betts Plant at Oroya is producing more or less lead peroxide - at times as much as 2000 lbs. per month. Mr. Harper found a quotation in one of the trade journals of 19 - 20¢ per lb., as I recall it, and suggested that I bring a sample of their product to New York and investigate markets and prices.

Mr. Miner asked the General Chemical Co., 40 Rector St., what price they would offer for 100 mesh 90-92% PbO₂. Their current bid in 500 lb. lots was 45 - 47¢ per lb.

Mr. Miner then called Pfaltz & Bauer Co., 110 Pearl St., asking for their quotation on one ton lots of lead peroxide. They offered 2000 lbs. of 200 mesh 96-98% PbO in wooden containers of 250 lbs. each at 48¢ per lb. f.o.b. NYC duty paid

35¢	"	NYC in bond ex duty
13¢	"	duty, etc.

I then called the Oil, Drug and Chemical Reporter, a trade journal, and asked what the current quotation for lead peroxide was. Their reply was "45 - 47¢ per lb."

Mr. Miner again called General Chemical Co. and asked whether they had given us their buying or selling price. The reply was "buying price".

From the above we can infer that the market price for lead peroxide is more or less 45 - 48¢ per lb.

Spent most of the morning of July 23 at the U.S. Appraisers Stores trying to get two cases of Oroya research samples through the U.S. Customs. The sample of lead peroxide was classed as "lead compound not otherwise specified" and duty assessed at 30% ad valorem and they arrived at a value of approximately 35¢ per lb.

Figuring that the material can be delivered in granular form at New York ex duty for about 2¢ per lb. (in this form it may be possible to enter it under some other classification and it may then take a lower rate of duty) and that the material will require grinding, which may cost 1 to 1 1/2¢ per lb., the total would be 3 1/2¢ per lb. ex duty.

We can assume duty at 13¢ per lb., making the cost of 200 mesh material at New York duty paid 16 - 16 1/2¢ per lb. If we can sell the granular material for 30¢ per lb. it allows us a profit of 14 1/2 to 15¢ and ~~then~~ still leaves from 14 to 18¢ per lb. margin for the retailer. This would seem to be a fair basis for approaching the J.T. Baker Chemical Co. The Baker Co. manufacture their own peroxide and we have no means of determining their cost of manufacture, hence

do not know that a 30¢ per lb. price would interest them. On the other hand we may be able to locate the larger users of this material and sell to them, directly to our advantage, although so far I have not been able to pick up any information along this line.

Would suggest we send Baker & Co. a sample of our product for their examination before we take up the question of price with them.

W. C. SMITH

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J. T. BAKER CHEMICAL CO.

Phillipsburg, New Jersey.

August 13, 1935

Cerro de Pasco Copper Corp.,
44 Wall Street,
New York City.

Attention Mr. C.V. Drew.

Gentlemen:

We have examined the sample of Lead Peroxide as referred to in your letter of July 29, and we find the material would not do for our purpose at all.

It apparently contains a lot of copper and is very much off color and undoubtedly low in assay, compared with material we are manufacturing. We do not see any chance of using it.

Regarding the Bismuth situation, we are hard at work on this and hope to have something to report soon. We have contacted a lot of people but you cannot just go out and pick up this business. We feel we have made some very nice headway and expect to get some results.

Very truly yours,

J. T. BAKER CHEMICAL CO.

Per H.H. Garis

July 18, 1935

J.T.Baker Chemical Co.,
Phillipsburg, N.J.

Gentlemen: Attention Mr.H.H.Garis.

One of our operations in Peru is producing approximately 2000 lbs. of lead peroxide per month. This material will average from 90-92% lead peroxide (PbO_2). Is there a market for this material? A sample of the typical material is available and we shall be pleased to send it to you if you are interested.

Yours truly,

CC to LA

C. de P. C. Corp.
New York
RECEIVED

JUL 5 1934

June 26th 1934

Reference 37

C.V. Drew, Esq.
Cerro de Pasco Copper Corporation,
44 Wall Street - NEW YORK.

Dear Sir,

Referring to our letter of May 24th regarding Lead Oxides, we have sent you under separate cover the following samples, and for ready reference we are also giving the details which appear on the containers:-

Czechoslovakia: Bleiglatte "CG", "G", "OG", "BG"
minium gar rein.

Poland: Litharge-Powdered, in lumps.
Minium.

France: Minium - pour peinture, cristal,
Accus.
Litharge - normale.

We also enclose the following reports which we have obtained from various European countries, which give general information regarding Lead Oxides:-

Report No. 1	Czechoslovakia
" No. 2	Germany
" No. 3	Poland
" No. 4	France

Our German friends, however, have not sent us samples of the Oxides.

We trust that the information and samples submitted will indicate to you the prices and qualities of these Oxides in the European markets.

Kindly advise if you require any further information.

Yours very truly,
MINING & CHEMICAL PRODUCTS, LIMITED

RWR/JEM

Director

ad 1./ Since February 16th 1934 Litharge and Red Lead are sold in Czechoslovakia at the following Convention prices:

Quantities less than 500 kilos.....	Cz. Cr.	520.--
Contracts 500 "	"	500.--
" 1000 "	"	490.--
" 2500 "	"	480.--
" 5000 "	"	460.--
" 10000 "	"	450.--

per 100 kilos net, casks of 250 kilos net included, delivered free stations Prague or Velvary, payment within 30 days without any discount. For contracts made prices being just in vigour can be fixed for three months only, otherwise the prices are subject to a lead-fall and rise clause and depend from the official London quotation of Lead. The ordinary term for contracts is one year. Litharge BG resp. BK produced by Messrs. Rivnac & Son, which is alcoholized and sold to manufacturers of colours for the production of yellow chromate of lead, is by Cz. Cr. 20.-- per 100 kilos higher in price, besides same conditions as mentioned above.

The price is, however, to be understood free station of destination for quantities of 10 tons delivered all at once, whereas partial lots of 5 tons at least, taken over from a contract, are delivered freight unpaid i.e. free station of the supplier, but the proportionate costs of freight valid for loadings of 10 tons are reimbursed to the customers. Some important glass-works enjoy exceptional prices which are about Cz. Cr. 50.-- per 100 kilos lower than the Convention prices.

The quotations of the Convention are regularly respected very exactly.

ad 2./ The two producers: J. Elias, Prague and Messrs. Jos. Rivnac & Son, Prague their factory is situated at Velvary have made an agreement and, protected by a duty and by a prohibition of import, they actually control perfectly the Czechoslovakian market as to quantities and prices even regardless the existing International Convention. The third producer: Messrs. Peterswelder Zinkfarbenfabrik, Koseca near Illava was paid off.

ad 3./ The hard reduced consumption in Czechoslovakia is actually 700-800 tons only (this figure is authentic) whereas it was about 2500-3000 tons 5 years ago. This great deficiency was caused by the stagnation in our glass-industry and the discontinuance of new constructions and repairs, which as an effect of the crisis can be ascertained in the industry at the railways &c.

ad 4 and 6./ Strong prescriptions concerning the quality of Red Lead exist only in the glass-industry which however perhaps half of our home consumption is apportioned to. These prescriptions are:

- a/ The Red Lead must be of high percentage i.e. it may contain but insignificant admixtures and it must have at least 97.5% of Oxide of Lead directly vitrifiable. Besides a sufficient portion /30.33%/ of Oxide of Lead must be present as peroxide because any kinds of Red Lead containing less peroxide purify badly.
- b/ It may contain only the slightest vestiges of Oxide of Copper /0.002% at the most/ because a larger admixture of Oxide of Copper would evoke a bluish colour of the glass which aspect degrades the quality of the glass and cannot be decolorated.
- c/ It may contain but a little of Oxide of Iron /0.001% at the most/ in order to avoid a greenish colour of the liquefied glass resp. in order to get an easier decoloration.
- d/ The Red Lead also must not contain more than 0.3% of lead metal because if it is present as a larger admixture it troubles the decoloration and the glasses become greenish and bluish.

ad 5./ The standard types of packing are caskes of 250 kilos net. The material is also delivered in casks of 100 kilos net with extra costs invoiced of Cz.Cr.10.-- per 100 kilos net and in such ones of 50 kilos net with extra costs of Cz.Cr.20.-- per 100 kilos net.

I am awaiting just samples of all sorts of Red Lead and Litharge sold in our market and shall send you them promptly after receipt.

In the last weeks Refined Lead was sold in our market at prices which vary from Cz.Cr.1.90 up to Cz.Cr.2.10 per 1 kilo net, free station of destination. The prices depend from the official quotation of lead and the distance of the destination from the refinery. I do not know the rate asked for the working of Lead into Oxides of Lead because the Czechoslovakian producers of Red Lead and Litharge do not accept such affairs.

NOTE: Rate of exchange of £1 = Cz.Cr.122 for converting the Cz.Cr. prices into £'s sterling.

1) The present selling prices for Red Lead and Litharge are approximately as follows for lots of

1000 kilos	RM 44.--	per 100 kilos
5000 "	" 42.--	" 100 "
10000 "	" 41.--	" 100 "

delivered free German station, packing included. For contracts over 30 or 50 tons prices will still be a little lower.- There is not made any difference in prices between Red Lead and Litharge.

2) There is a convention existing for these articles in Germany, to which also stick the foreign works, especially in England (Newcastle) and France.

3) As to this question, an exact reply can of course not be given, as the annual consumption in Germany is influenced by certain fluctuations. A figure can be given with about 10-20000 tons p.a.

4) Various qualities are manufactured, each for a certain special purpose, so for instance one kind with low Iron contents, further Red Lead high dispersy, not congealing, not setting, Orange Lead. Furthermore the so-called scale Litharge (Schuppenglatte), which however, is only imported from France and England.

5) Packing is made in wooden casks with about 300 kilos/contents.

For your further information we beg to mention, that for the import into Germany a high duty of more than 10% a.v. is to be paid.

1. The price of Litharge powdered and Minium is gold \$110.50 per 1,000 kilograms; the price of Litharge in scales is gold \$101.00 per 1,000 kilograms. These prices are calculated in barrels of 250 kilograms. For barrels of 100 kilograms there is a supplementary charge of gold \$2.50 per 1,000 kilograms and for barrels of 50 kilograms there is a supplementary charge of \$5.00 per 1,000 kilograms. The above prices are quoted by the firm of "Giesche" in Katowice, which is the only supplier of lead oxides in Poland. Foreign suppliers of Litharge powdered and Minium non-setting are the Associated Lead Manufacturers Export Co. Ltd., London, and the Rigaer Blei u. Zinkfarbereien, Riga. The quality and prices of the products of these two firms are probably familiar to you.
2. The firm of "Giesche" is a member of the International Lead Oxide Convention.
3. Grades and standard analysis correspond approximately to the English product.
4. Packing is effected in barrels of 250, 100 and 50 kilos.
5. The qualities supplied correspond to the samples which I am sending you under separate cover.

As a result of the high protective duty levied on refined lead, which is 220 zlotys per 1,000 kilograms /tariff position 964, point 4/, the price is very high and amounts to gold $\text{Z}12$ per ton. So far as I am aware lead is not exported from Poland.

For your information I would state that the import of lead oxides into Poland is based on a contingent and may be effected only with an import permit.

The duty on lead oxides amounts to $\text{z}1.13$, plus 10% manipulation charge per %¹⁰⁰ according to tariff position 312, point 1.

1. The gross price at present in France for 10 tons ex works in barrels of 250 kilos, payment 30 days, is Frs. 207.50 per 1000 kilos.

This price, at an equal price for lead, is Frs. 30 lower as compared with the price at the beginning of the year, and Frs. 50 lower as compared with two years ago. The price is the same for Minium and Litharge.

2. There is an International Convention of Lead Oxides expiring June 30, 1934. Every effort to prolong it has so far failed. It is very doubtful whether it will be put on its feet again before the end of the month. The French Internal Conventional, really only a "Gentlemen's Agreement", far more efficient and elastic, expires at the end of the year. It has been denounced by several parties and will have difficulty in reforming.

Its existence in any case would never allow high prices in view of a new and threatening competitor who has just appeared in Tunis, as well as the development in the use of powdered lead in the manufacture of accumulators, and on account of the collapse of the International Convention.

3. It is almost impossible to estimate the consumption of Minium or Litharge in France. They are, in fact, often interchangeable, especially in electric accumulators.

The highest consumption exceeded 15,000 tons per annum a few years ago. In 1934 it should reach a maximum of 10,000 tons, and this figure should fall even further on account of the gradual decrease in the use of oxides for manufacturing accumulators and the substitution of lead power, owing to the organized campaign against lead containing enamel and the manufacture of enamels which do not contain lead (e.g. borax, barium).

The present equipment of the French factories would enable them to produce at full capacity 110 to 120 tons of lead oxides per working day, say 33,000 to 36,000 tons a year.

4. There are several very different qualities according to the uses, for paints, a high percentage of peroxide, and great fineness without great chemical purity. For enamelling and crystal work a lower percentage of peroxide but great chemical purity. For accumulators, medium purity, but a specific physical state, very strictly

controlled.

In general, each important buyer has a list of charges according to his own special requirements.

5. Packing: The highest tonnage is sold in iron or wooden barrels of 250 to 300 kilos, but several barrels are made of 100 to 120, 50 to 60, 25 to 30 kilos.
6. There are no standard specifications or regulations for lead oxides in France.

July 26, 1934.

Reference 37.

C. V. Drew, Esq. Vice President,
Cerro de Pasco Copper Corporation,
44 Wall Street, NEW YORK.

C. de P. C. Corp.
New York
RECEIVED

AUG 3 1934

Dear Sir,

We beg to refer to your letter of April 24th requesting information on lead products, litharge and red lead in European countries and now enclose debit note for £15. 15. 8d covering our expenses in this connection also some entertaining expenses incurred with French Line Officials on the question of freight rates from Peru.

We propose to deduct this amount from our payment to you for July Bismuth sales.

Yours truly,

MINING & CHEMICAL PRODUCTS, LTD.

Managing Director.

LHP/JT

CHAIRMAN:
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E. M. KING.
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116, OLD BROAD STREET,
E.C. 2.

LONDON, July 25th 19 34

Cerro de Pasco Copper Corporation

44 Wall Street, New York.

No. 8.35

DR TO

MINING & CHEMICAL PRODUCTS LTD.

To Services in connection with investigation of
European market for Red Lead and Litharge

£ 10 - -

Customs charge on sample of litharge

1 9

Two copies of Standard Specification No. 217

8 4

Cables of June 15 and 25.

17 10

Expenses in connection with lead freight
negotiations.

4 7 9

£15 15 8

LHP/JT

E. & O. E.