Potential Wars Strengthen Metal Market

(By the United Press)

NEW YORK, Feb. 15.—With an actual shortage existing for some metals, prices for major non-ferrous metals continued to advance during the past month, the magazine Metal and Mineral Markets reported today.

Copper, lead and zinc were in brisk demand and moved upward throughout the month. Copper made the best gains both on the London and New York markets. Silver was off slightly while tin prices declined 1 to 2 cents.

The American copper market was given further bullishness this month when the U. S. government found difficulty in finding bidders to fill the Navy Department's needs and was forced to go onto the open market. Industrial consumption continues to gain while production is but little above actual demands of the market.

Anaconda Copper Mining Co. and other major producers have encountered delays in re-opening several important western mines because of heavy snows and bad weather. The trade now believes it may be mid-summer before copper production is speeded up sufficiently to show a satisfactory monthly carry-over.

The lead market, while not as bullish as copper, steadily advanced. Considerable buying was reported from Europe, and Japan was understood to have entered the market with substantial requirements. Lead prices in New York averaged six cents a pound during the past month, about 1/2 cent above the December average. The gain for the month on London was even greater, averaging nearly 2 pence over prices of the previous month.

Tin prices sagged during the month as the result of uncertainty over the expiring international tin restriction agreement. After months of negotiation the restriction has been prolonged for a period of five years and the market should recover inasmuch as traders consider the undertone healthy.

The new tin agreement is less stringent than the agreement of October 27, 1933, and which expired December 31, last. The standard tonnages, which aggregated 165,650 tons under the old agreement, are now 199,850 tons. The increase was accounted for by the fact Siam, Belgian Congo, and French Indo-China, which were merely "adhering" countries in the old agreement, now appear with fixed standard tonnages.

In addition to the higher exports allowed, the new agreement permits accumulation of tin and tin concentrates in producing countries up to a total of 25 per cent of the standard tonnages, while in the past such accumulation has been strictly prohibited.

Iron and steel prices have advanced steadily thus far this year as the available supply becomes dearer in all markets. British prices for pig iron have advanced six shillings and steps have been taken to discourage excessive buying.

Japan is reported to be scouting all markets for both steel and iron ore. For the first time since 1934, Japan has decided to purchase 20,000 tons of steel from the International Steel Syndicate of Europe, as an emergency measure to cope with the present Japanese shortage of pig iron.

World production of pig iron and steel ingots in 1936 approximated 86,000,000 tons and 118,000,000 tons, respectively, or a gain of 13,000,000 tons in pig iron and 20,000,000 tons in steel as compared to 1935. The 1936 production was 11,000,000 tons in pig iron and 2,000,000 tons in steel smaller than the world production record established in 1929.

The general war preparation throughout the world not only has created an iron and steel shortage but thus sharpened the demand for chromite. Chromite prices advanced more than $2 a ton during the past month, the first substantial rise in this metal for several months.

The quicksilver market remained steady with prices unchanged from the January level.

The silver market has been quiet and prices declined slightly for the month. Many London silver speculators turned from metals to rubber late last month when that commodity offered opportunity for quick profits. Shortage of supply has sent rubber prices skyrocketing, although the market was wavered this month as the result of the Michigan automobile strike.

Strike Settlement Boosts Rubber

(By the United Press)

LONDON, Feb. 15.—Settlement of the American automobile strike has restored calm to the London rubber market which began to waver after reaching the highest levels in years.

The present chief factor in the international rubber situation no longer is the shortage of ready rubber but the serious labor unrest in the American motor industry.

If the truce declared in the strike at Detroit becomes permanent, traders expect rubber prices to advance steadily again until such time, probably in June or July, as more adequate shipments reach the London and New York markets from the Far East.

The share market has been quieter, and most prices appear to be based on profit calculations which assume an average rubber price of around nine pence (18 cents) per pound.

London rubber experts fear that the International Rubber Committee's efforts to remedy the shortage of spot rubber as quickly as possible will be handicapped not only by the difficulty of obtaining sufficient labor on the plantations to expand production but also by the acute shortage of shipping facilities.

Most investors actively interested in rubber production have welcomed the brief lull in the market, feeling that speculation was become too rampant for a healthy situation.

There have been rumors that the American government has strongly protested against the alleged un-economically high price of rubber. Informed observers discount the rumors although they can understand the dissatisfaction of rubber consumers over the sensational advance in prices.