

NATIONAL RECOVERY ADMINISTRATION

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PROPOSED CODE OF FAIR COMPETITION

FOR THE

POTASH AND BORAX  
INDUSTRY

AS SUBMITTED ON AUGUST 31, 1933



The Code for the Potash and Borax Industry  
in its present form merely reflects the proposal of the above-mentioned  
industry, and *none of the provisions contained therein are*  
*to be regarded as having received the approval of*  
*the National Recovery Administration*  
*as applying to this industry*

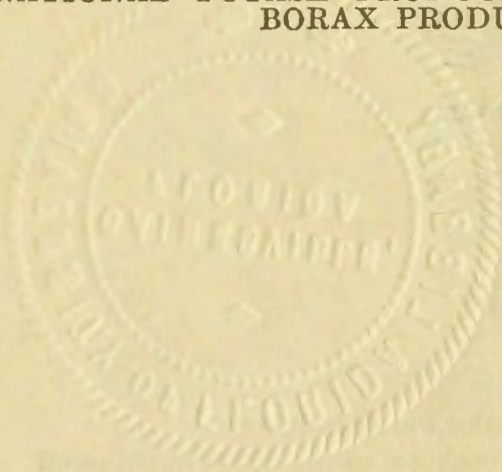
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SUBMITTED BY

NATIONAL POTASH PRODUCERS ASSOCIATION AND NATIONAL  
BORAX PRODUCERS ASSOCIATION

(11)





## **PROPOSED CODE OF FAIR COMPETITION FOR THE POTASH AND BORAX INDUSTRIES**

To effectuate the policy of Title I of the National Industrial Recovery Act, to reduce and relieve unemployment, to maintain adequate scales of wages and hours of labor consistent with American standards of living, to eliminate unfair competitive practices, to promote the fullest possible utilization of the present productive capacity of the industries, to encourage increased domestic production and consumption, to conserve natural resources, and in other respects to rehabilitate and to protect the Potash and Borax industries; the following provisions are established as a code of fair competition for the Potash and Borax industries:

### **I**

This code is filed by the National Potash Producers Association, a voluntary association representing practically one hundred percent of the miners and/or manufacturers of Potash in the United States, and by the National Borax Producers Association, a voluntary association representing miners and/or manufacturers producing 95% of the borax in the United States. These associations impose no inequitable restrictions on admission to membership in their organizations and are truly representative of the Potash and Borax industries respectively.

This code is not designed to promote monopolies or to eliminate or oppress small enterprises and will not operate to discriminate against them and otherwise observes Sec. 3 (a) of the National Industrial Recovery Act.

### **II. DEFINITIONS**

The term "Potash Industry" as used herein is defined to mean the mining or manufacturing of potassium or potash salts from natural deposits containing potash salts; the term "Borax Industry" as used herein is defined to mean the mining or manufacturing of borax or boron compounds from natural deposits or raw materials containing borates; the term "Employees" as used herein shall include all persons employed in the conduct of such operations, except the staff officials; the term "Effective Date" as used herein is defined to be a date two weeks after the code has been approved by the President.

### **III**

On and after the effective date, the minimum wage that shall be paid by employers in the potash and borax industries to any of their employees shall be at the rate of \$17 per week for 44 hours of labor, except certain types of transient common labor employed intermittently in New Mexico, where it is the practice to adopt prevailing wages paid by the Agricultural Industry.



## IV

On and after the effective date, employers in the potash and borax industries shall not operate on a schedule of hours of labor for their employees, in excess of 44 hours per week, provided that during temporary periods of peak production or during emergencies resulting from sickness, epidemic, or plant break down or during periods when unusual maintenance is required, the maximum hours per week may be exceeded.

## V

Office employees are included in the benefits of this code. The existing amounts by which wages in the higher paid classes exceed wages in the lower paid classes shall be maintained; employers in the potash and borax industries shall not employ any minor under the age of sixteen years.

## VI

Employers in the potash and borax industries shall comply with the requirements Sec. 7 (a) of Title I of the National Industrial Recovery Act as follows: "(1) That employees shall have the right to organize and bargain collectively through representatives of their own choosing, and shall be free from the interference, restraint, or coercion of employers of labor, or their agents, in the designation of such representatives or in self-organization or in other concerted activities for the purpose of collective bargaining or other mutual aid or protection; (2) that no employee and no one seeking employment shall be required as a condition of employment to join any company union or to refrain from joining, organizing, or assisting a labor organization of his own choosing; and (3) that employers shall comply with the maximum hours of labor, minimum rates of pay, and other conditions of employment, approved or prescribed by the President."

## VII

In order to keep the President fully informed as to the observance or nonobservance by the potash and borax industries of this Code of Fair Competition, each person engaged in the potash and borax industries will furnish reports in substance as follows and in such form as may be hereafter provided:

(a) *Wages and hours of labor*.—Monthly returns showing actual hours worked by groups of employees and minimum weekly rates of wages.

(b) *Reports of production*.—Monthly returns showing production of each commodity and for each grade of product in terms of the commonly used unit.

## VIII

To further effectuate the policies of the Act, the National Potash Producers Association and National Borax Producers Association are organized to cooperate with the Administrator as planning and fair practice agencies and may from time to time present to the Administrator recommendations tending to effectuate the operations of the provisions of this Code and the policy of the National Industrial Recovery Act, and in particular along the following lines:



1. Recommendations as to such further action by the Administrator as may be required to secure the proper observance of the Code and promote the proper balancing of production and consumption and the stabilization of their industries and employment.

2. Recommendations for the making of requirements by the Administrator as to practices concerning methods and conditions of trading in the potash and borax industries, and the naming and reporting of prices which may be appropriate to promote stabilization of such industries and to prevent and eliminate unfair and destructive competition.

3. Investigating and informing the Administrator on behalf of the potash and borax industries as to the importation of competitive articles into the United States in substantial quantities or increasing ratio to domestic production on such terms or under such conditions as to render ineffective or seriously to endanger the maintenance of this Code.

4. Recommendations for dealing with any inequalities, practices, or methods of doing business that may otherwise arise to endanger the stabilization of such industries and of production and employment.

5. Cooperate with the Administrator in making investigations as to the functioning and observance of any of the provisions of this Code and to report the same to the Administrator.

Such recommendations, when approved by the Administrator, shall have the same force and effect as any other provisions of this Code.

## IX

This Code and all the provisions thereof are expressly made subject to the right of the President, in accordance with the provisions of Clause 10 (b) of the National Industrial Recovery Act, from time to time to cancel or modify any order, approval, license, rule, or regulation, issued under Title I of said Act, and specifically to the right of the President to cancel or modify his approval of this Code or any conditions imposed by him upon his approval thereof.

## X

Such of the provisions of this Code as are not required to be included therein by the National Industrial Recovery Act may, with the approval of the President, be modified or eliminated as changes in circumstances or experience may indicate. It is contemplated that from time to time supplementary provisions to this Code or additional codes will be submitted for the approval of the President to prevent unfair competition in price and other unfair and destructive competitive practices and to effectuate the other purposes and policies of title I of the National Industrial Recovery Act consistent with the provisions hereof.

## APPENDIX A

### PRODUCERS OF POTASH

1. American Potash and Chemical Corporation (Searles Lake, Calif.).
2. United States Potash Company (near Carlsbad, New Mexico).
3. United States Industrial Chemical Company (by-product from molasses as an incident in the manufacture of alcohol—Baltimore, Maryland).

#### *Production of potash in the United States*

[Quantities in tons of 2,000 lbs. of pure potash ( $K_2O$ )]

Year	A. P. & C. Corpora- tion	U.S. Pot- ash Co.	U.S. Indus- trial Chem. Co. and others	Total
1928-----	55,214	None	5,166	60,380
1929-----	56,054	None	5,536	61,590
1930-----	57,730	None	3,540	61,270
1931-----	49,563	<sup>1</sup> 9,027	<sup>2</sup> 3,500	63,880
1932-----	34,187	<sup>1</sup> 24,303	<sup>2</sup> 3,500	61,990

<sup>1</sup> By difference.

<sup>2</sup> Estimated.



## APPENDIX B

### PRODUCERS OF BORAX OR BORON COMPOUNDS

1. Pacific Coast Borax Company (Mine at Kramer; refinery at Wilmington, Cal.).
2. American Potash and Chemical Corporation (plant: Trona, California).
3. West End Chemical Company (plant: West End, California).
4. Stauffer Chemical Company (plant: San Francisco, Calif.).
5. Borax Union, Inc. (plant: San Francisco, Calif.).
6. Pacific Alkali Company (plant: Bartlett, California).
7. Sterling Borax Company (plant: New Brighton, Pa.).
8. Chas. Pfizer & Company (plant: Brooklyn, New York).

(5)

## SCHEDULE 1

### EXPLANATORY MEMORANDUM ON POTASH

At the end of this memorandum there is a short summary of the world potash industry which we respectfully ask the Administrator and his associates to supplement, if time permits, by reading readily accessible government publications dealing with the potash industry.

#### THE AMERICAN POTASH INDUSTRY IN RELATION TO UNEMPLOYMENT

The following statement in reference to the American Potash industry explains employment in the potash mines and plants and it is believed that it justifies a relaxation of the requirements as to maximum hours as compared with the number of hours which may be prescribed as maximum in other western localities.

Potash is now produced in the United States from natural deposits of potassium salts by the American Potash and Chemical Corporation, in the Searles Lake region of California, about 185 miles northeast of Los Angeles, and by the United States Potash Company in the neighborhood of Carlsbad, New Mexico, about 180 miles northeast of El Paso. As the natural potash deposits and the plants of the producing companies lie in desert regions, considerable distances from centers of population, it is not easy to secure men for emergencies or peak production, and the opportunities for regular employees to pass their leisure time in beneficial, wholesome, and worthwhile recreation and diversion are limited. Employees have been perfectly content to work six days a week, in fact prefer the six-day working week.

The potash producing enterprise operating at Searles Lake (Trona) in California has engaged in its operation since 1916 and normally employs over 400 men. It has housing facilities for its employees and can even provide for a reasonable number of additional employees.

The Carlsbad operators have been operating their property since 1931. They have become employers of labor in the depression period. Over 400 are now employed and another property now being opened will be in operation within a few months and will employ a considerable number of men. The operation already established at Carlsbad has now progressed to a point where it can and will employ a reasonable number of additional men and bring the working week to a maximum of 44 hours, but this change can only be made at considerable cost at a time when the company's finances are required for development of its mine and refinery. It cannot provide housing facilities for all of its employees. Because of lack of potable water, most of its employees must reside in Carlsbad, New Mexico, nearly 20 miles from the scene of their employment. The development of potash properties near the town at a time when capital has not been available for housing facilities has resulted in an acute shortage of residences and rooms for both married and single employees. This condition cannot be quickly remedied.

In California, at Trona, the normal work is performed by a force of regular employees. During peak periods of shipping, maintenance, and office work, the normal force is maintained at a point below the force which would be required to take care of peak demands under normal working hours to avoid laying off men when work is slack. This results in the company policy of permitting the normal force for working over time to take care of peak requirements until production operations have become normal.

Both Carlsbad and Trona operation of mines and refineries bring many emergencies and the wear and tear on the plants is considerable. This statement is particularly true as regards refining machinery which quickly corrodes and is otherwise impaired by the natural material which it handles in its processes of refinement. It is necessary to operate the plants 24 hours a day. They cannot be operated otherwise for the reason that too much time is lost in starting and stopping the machinery. The solutions must be heated and while hot are saturated with potash. In cooling off during the shut-down period the potash



crystallizes out and blocks up pipe lines and apparatus. Therefore, whenever a shutdown is anticipated the plant is run several hours without producing any potash. On the other hand, in resuming operations this process must be reversed and the plant cannot produce the refined product until all solutions are hot. Also, both product in process and finished product tend to cake upon standing. The materials must be kept in motion to prevent blocking up the apparatus.

In potash producing localities the plant and mine operations employ all labor normally belonging to the industry and at Carlsbad is provided a new field of employment not available to labor before the depression.

*Use of leisure time.*—As already stated the sources of labor at Trona and at Carlsbad are respectively Los Angeles and El Paso. In each case these sources of labor are almost 200 miles away from the potash operations. The potash producing communities are in desert areas. The employment of idle time in these communities presents perplexing problems. The Trona company furnishes reasonable recreation facilities for its employees, such as, swimming pool, golf course, tennis court, lighted for night playing, baseball field, lighted for indoor baseball, dance floor, rifle range, motion picture theater, and pool hall. At Carlsbad there are similar opportunities for recreation, and in addition a lake available for swimming and boating. Under the existing schedule of working hours per week employees are reasonably satisfied with the forms of diversion at their command and do not frequently take long trips away from home. If two days per week should become the employees' allotment of leisure time it is expected that they would go to El Paso and over into Juarez, Old Mexico, from Carlsbad, and to Los Angeles from Trona, seeking these larger places of entertainment and recreation. In the case of the Carlsbad employees much of their money would be spent in a foreign country. Many employees going away for two days would doubtless find it impossible for one reason or another to get back for the resumption of their work at the close of the new rest period. It is almost certain that both the potash producer and employees would suffer loss and inconvenience in these isolated communities through having more leisure time than the employees can properly enjoy.

*Maximum Hours of Employment.*—In view of the labor conditions as just set forth, the potash industry recommends in its code a 44-hour basis of work for its employees. Generally speaking, this would be a five and a half day week of eight hours a day for five days and four hours the sixth day. At Trona, in California, employees are now substantially on a 48-hour basis in the production and maintenance departments. In certain other departments, such as the office, the normal basis is 44 hours per week. In the New Mexico operations the mining and refining departments are operating on substantially a 56-hour basis per week, in other departments the hours are substantially less but average at least 50 hours per week.

It is believed that under all the unusual conditions under which the industry is now operating the 44-hour-per-week basis is the one that should be adopted. Even this should subject to the qualification that during unusual conditions such as emergencies, epidemics, temporary peak periods, the maximum may be exceeded temporarily.

*Effect on Employment.*—The Trona (California) operation employs a force of about 410 men. A 44-hour basis will increase the number employed at this plant by about 40 men. The increase at the Carlsbad mine and plant on the proposed basis will be about 70 men, over 400 now being employed. In the Carlsbad section another development is being made but it is not ready for production.

*Minimum Wages.*—The potash industry has maintained throughout the depression a relatively high scale of wages. Wages have not been at the depression level as in many other industries, only one reduction of ten per cent having been made at the Trona plant. The minimum wage scale paid at the Trona plant is \$17.28 per week for common Mexican Labor and the lowest rate paid to unskilled white labor \$21.60. The skilled labor wage rate is far in excess of these two minima. The same observations apply to wage scales maintained at Carlsbad with the exception that transient common Mexican labor is employed intermittently at the rate of 15¢ per hour. This wage rate is already in excess of wages paid similar labor in that general locality in New Mexico by the agricultural industry, and an increase in this wage rate would undoubtedly work to the disadvantage of the agricultural industry, hence no change is proposed here with respect to the wages of this type of transient labor. The industry, however, stands ready to advance wages for this class of labor, keeping it in line at all times with other industries employing the same labor.



The code provides a minimum wage, with the exception noted, of \$17.00 per week. As stated, however, this minimum is not important for the great majority of the employees already receive far in excess of that amount. It should be borne in mind, too, that at Trona and to a small extent at Carlsbad living quarters are furnished at slightly below cost. There are other special facilities and services furnished particularly at Trona. At Carlsbad improvements in living conditions can be expected as capital is available for further housing development.

*Effect on production costs.*—The code of the industry does not propose to change the total weekly compensation paid to the employees, even though the maximum working hours are substantially decreased. This will represent in fact a substantial increase in the hourly wage rates at the plants for all the producing companies. Consequently, the industry will be compelled to bear the increased production cost, which it can ill afford to do under present circumstances unless it is protected from foreign competition. The total increased production cost annually on the suggested basis for the Trona plant will approximate \$70,000; whereas the total increased production cost for the United States Potash Company will be approximately one hundred thousand dollars per year.

### BRIEF HISTORY OF POTASH PRODUCTION

In this country potash production is essentially an infant industry. The following is a brief account of the history of the industry:

*Introduction.*—For fifty years prior to the world war Germany had a monopoly of the potash trade of the world.<sup>1</sup> In 1857 the Prussian Government sank a shaft to mine potash. From this time on and even up to the present time, the German Government has dominated the potash industry under the supervision of the Prussian Minister of Commerce and Industry (later under the Minister of Economy).

Prior to 1915 all of the potash salts consumed in the United States were imported from Germany. Early in 1915 an embargo against the export of potash from Germany eliminated the supply of potash, which was essential to industry and indispensable to agriculture, until the end of the world war.

*Sales of German potash in the United States.*—For many years sales of German potash have been controlled by the German Potash Syndicates. In 1908 the Schmidtman mines entered into a contract to sell potash to American purchasers at a lower price than the syndicate price. This caused the German Government to introduce a bill in the Bundesrath to invalidate the American contracts. This question was later settled through diplomatic channels, but the Americans had to pay a higher price for potash than the contract they had made with Schmidtman.

In 1910 the Imperial German Government enacted a new potash law which invalidated the favorable American contracts in spite of protests of the United States Government and also gave the Imperial Government direct control of the potash industry. This all resulted in the Americans not only losing the profits on the contracts above referred to, but they had to pay an additional surtax of several million dollars to the German Government to obtain potash, which sharply emphasized the danger of their complete dependence upon German potash.

*Search for potash in the United States.*—The Congress of the United States, in 1911, was moved by this controversy to appropriate funds to conduct a search for potash within the borders of this country. This search was instituted jointly by the Geological Survey and the Bureau of Soils. Studies were made of:

- (1) Salines in the arid West.
- (2) Alunite Deposits.
- (3) Insoluble potash bearing silicates.
- (4) Cement and blast-furnace dusts.
- (5) Kelp and other vegetable materials.
- (6) Salt deposits in the Permian Basin in Western Texas and Southeastern New Mexico.

This search was interrupted by the attempts during the war to produce potash from various sources.

In 1912 Dr. J. A. Udden, of the University of Texas, discovered potassium chloride in the brine from a deep well in the so-called Permian Basin in West Texas. Following this discovery, potash was recognized in the cuttings or drill

<sup>1</sup> The world potash industry is well described in the Department of Commerce, Trade Promotion series #33, Potash—Significance of Freight Control and Economic need of Domestic Development, by H. M. Hoar, 1926.



waters from a number of oil wells in this basin, culminating with the discovery of sylvite in cuttings from a well near Carlsbad, New Mexico, in 1925.

In 1926 an Act of Congress authorized the expenditure for potash exploration by the Geological Survey and the Bureau of Mines, of \$100,000 per year for five years. A total of 24 core-drill tests were made and the existence of potash salts over a large area of the Permian Basin was confirmed.

Coincident with the exploration of the governmental agencies, a series of core-drill tests near Carlsbad, New Mexico, were conducted by interests which later formed the United States Potash Company. These tests outlined a large commercial body of potash salts, which body has been confirmed by underground mining. Later the Potash Company of America conducted core tests which, in 1932, developed a commercial body near that of the United States Potash Company.

*Development of potash supplies during the World War.*—During the war the scarcity of potash was felt both in agriculture and industry, and the American production of potash began during this period. A feverish building of plants to manufacture potash salts followed the German embargo on the exportation of potash. By 1918, 128 plants were producing only one fifth of the pre-war potash requirements of the United States. The principal production came from the saline lakes of California and Nebraska with some production from kelp, cement dusts, silicate rocks, and distillery and sugar refinery wastes.

*Effect of close of World War on potash production in the United States.*—Following the close of the World War the markets of the United States were again open to the foreign producers. Potash was offered at prices lower than cost of American production. Most of the American plants which could only live on war prices, closed at or shortly after the end of the war, and by 1921 only two plants, producing in substantial quantities, remained. One of these, the American Potash and Chemical Corporation, used the brine of Searles Lake, California, for raw material, and the other, the United States Industrial Chemical Company, made its potash from the waste of a distillery. Pre-war prices were resumed and have been maintained since 1921. There is no tariff protection.

After the war the French Government sequestered the Alsatian potash mines. In 1924 the French Government purchased the German interest in the sequestered mines for a large sum of money to be liquidated in 20 years. The mines will ultimately be turned over to the management of an exclusively French organization but in the meantime they are operated under the Minister of Public Works.

After the World War, the German syndicate sold in America through the Potash Importing Company of America, and the French through their own office. Later the German syndicate canceled the contracts of the Potash Importing Company and announced, with the French, that the German and French were opening a joint office to sell Potash in America. This led to a suit with the United States Government. The French defense was that the French Government owned the mines; therefore, a sovereign government could not be sued. This resulted in a new company being formed by the French and Germans in Holland, the N. V. Potash Export, My., which was to handle all American Potash sales, and a consent decree with the United States Government was taken. This company is operating at the present time.

About 1920 an effort was made to rehabilitate the Polish Potash mines. These mines are producing now in a small way but have some potentialities, and very recently the German syndicate has concluded an arrangement with the Polish mines.

In 1917 Potash deposits were found in Russia. These are being developed and show great promise.

Recently, Potash development in Spain has proceeded at a fast rate, and one Spanish mine has probably the highest grade ore in the world. Due to the extremely low wages paid (about \$6.00 per week) and the low scale of living, the Spanish Potash industry offers and is giving serious competition to the United States producers. The Spanish producers and to a lesser extent the other foreign producers have a decided advantage due to low water and rail rates. The nominal par of a peseta is 19 $\frac{3}{10}$ ¢ and the value today is 11.8¢, which gives them a tremendous advantage in the exchange.

Production of the remaining two plants in the United States increased steadily from 1921 until 1929, particularly that of American Potash and Chemical Corporation at Searles Lake, which at this time initiated a further increase in its productive capacity, which has never been utilized to full capacity because of decreased consumption by agriculture.



The core drill tests of the United States Potash Company in New Mexico disclosed commercial deposits of potash salts and in 1931 shipments of potash salts from this source began. A refinery for production of high grade muriate of potash commenced shipments late in 1932.

The explorations of the Potash Company of America in New Mexico have resulted in the commencement of sinking of a shaft. Potash salts for the fertilizer trade will probably be available from this shaft when completed. Experiments on the recovery of cement dust are being conducted by several of the cement plants and the United States Geological Survey reports that the cement plants are likely to become an important factor in the future.

Over 50% of the potash is now supplied by foreign producers. During 1932, for example, the Trona plant and the Carlsbad plant each supplied about 20% of the American market whereas the German and French producers supplied about 54%. The remaining tonnage was supplied by the United States Industrial Chemical Company as a byproduct and more recently by Spanish producers. The domestic production in 1932 was sharply curtailed. The Spanish importations during that year had the effect of limiting American production.

There are appended hereto tables showing the following facts:

- (1) Production of Potash in the United States from 1915 to 1932, inclusive.
- (2) Imports of Potash into the United States from 1928-1933, inclusive.
- (3) Consumption of Potash in the United States from 1928-1932, inclusive.

*Principal problem of the industry.*—At the present time the chief problem facing the industry is the control of importations from foreign countries, particularly Spain. In foreign countries, where living conditions are entirely different from those in effect in this country, potash can be produced cheaper, and with water, transportation can be an exceedingly effective competitor with American industry. At this time it is particularly important that foreign potash producers be not permitted to ship into the country and sell at prices and in such volume that will injure the American industry, thus destroying the industry and detrimentally affecting labor. The National Potash Producers Association assumes that the Administrator will, under the provisions of the National Industrial Recovery Act, take steps to keep foreign competitors from controlling the industry as soon as the American industry presents information to him showing that foreign importations into the United States are injuring the American industry, preventing its normal growth and development, threatening employment, and portending other dangers.

As a means of making shortly a recommendation to carry out the above, the code provides that the Potash Association shall make inquiries and investigations and present to the Administrator reports with recommendations for his consideration.



## EXHIBIT 1

*Potash salts produced in United States, in tons of 2,000 lbs.*

[Figures are from U.S. Mineral Resources]

Year	Number of plants	Production		Year	Number of plants	Production	
		Potash salts	Pure pot-ash K <sub>2</sub> O			Potash salts	Pure pot-ash K <sub>2</sub> O
1915.....	5	4,374	1,090	1924.....	12	43,734	22,903
1916.....	70	35,739	9,720	1925.....	9	51,565	25,448
1917.....	95	126,961	32,573	1926.....	7	46,324	23,366
1918.....	128	207,686	54,803	1927.....	9	76,819	43,510
1919.....	102	116,634	32,474	1928.....	9	104,129	60,380
1920.....	66	166,834	48,077	1929.....	5	107,820	61,590
1921.....	20	25,485	10,171	1930.....	5	105,810	61,270
1922.....	12	25,176	11,714	1931.....	6	133,920	63,880
1923.....	12	39,029	20,215	1932.....	6	143,120	61,990

NOTES.—From 1922 to 1930, inclusive, all but a maximum of 5,000 tons annually of pure potash (K<sub>2</sub>O) were produced at Searles Lake. Production from New Mexico potash field began in 1931.

## EXHIBIT 2

*Imports of potassium salts into the United States and possessions*

	Used in chemical and fertilizer industries		Used chiefly in fertilizer industry	
	Short tons (salts)	Short tons (K <sub>2</sub> O)	Short tons (salts)	Short tons (K <sub>2</sub> O)
1928.....	975,661	330,493	931,616	310,000
1929.....	929,470	324,638	870,502	297,000
1930.....	979,006	342,084	933,324	322,000
1931.....	577,195	214,785	528,764	194,100
1932 <sup>1</sup> .....	330,964	113,505	287,538	95,980
1933 <sup>2</sup> .....			115,210	39,919

<sup>1</sup> 1932—Potash Salts used chiefly in chemical industry—information not available % of K<sub>2</sub>O may not agree with government's final figures.

<sup>2</sup> 1933—First 5 months.

Source of information:

1928-31—U.S. Bureau of Mines annual bulletin.

1932-33—U.S. Dept. of Commerce—Statements 2815, 2862.

April 4, 1933—U.S. Bureau of Mines M.M. Report No. MMS-186.

## EXHIBIT 3

*Consumption of potash in the United States*[Short tons pure potash (K<sub>2</sub>O)]

	Sales from U.S. production in U.S.	Imports	Total consumption in U.S.
			<i>Sales + imports less export</i>
1928.....	45,216	330,493	375,709
1929.....	47,364	324,638	372,002
1930.....	46,716	342,071	388,787
1931.....	48,237	215,524	263,761
1932.....	54,185	113,505	167,690



## SCHEDULE 2

### EXPLANATORY MEMORANDUM ON BORAX

There are seven companies producing borax and boron compounds, but the great proportion of the borax is produced by two companies: American Potash and Chemical Corporation, Trona, California, and the Pacific Coast Borax Company, with mines at Kramer and refinery at Wilmington, California. Substantially all of the primary production of borax in the world is produced in the United States.

The labor situation of the American Potash and Chemical Corporation has already been explained in the memorandum dealing with Potash and it is, therefore, unnecessary to refer further to that plant. So that some knowledge of operating conditions of the other large company producing borax may be known, the following statements are made portraying labor conditions of the Pacific Coast Borax Company. This memorandum will be supplemented later, giving similar information for the other companies producing borax and generally explaining the problems of the industry.

*Labor.*—All of the borate ore mined and the production of borax from brines occurs in desert regions of California. This makes for a scarcity of available labor on short notice which may be required by the fact that the Borax or ore produced in the United States not only covers the domestic but the major portion of the world's requirements as well. For this reason it is difficult to gage at all times the necessary production to meet such fluctuating demands. The inability to obtain labor at short notice has resulted in the necessity of the regular labor force having to work overtime as occasion requires. It is requested that consideration be given to this feature in prescribing the weekly hours of labor as well as the fact that labor in such remote regions does not have the facilities or advantages for the enjoyment of leisure time to be had in more populous sections. Too much leisure is likely to make for discontent.

We believe it desirable to also point out that most of the companies also have to provide housing and boarding accommodations. Any enlargement of labor beyond the point already provided for would require a capital investment for these additional facilities with additional allowance to cover the peak periods of employment when extra labor might be necessary.

We further request that exceptions to the maximum hours of labor per week be allowed to cover emergency operations due to delays in obtaining additional and temporary labor. Operations at some places are in a continuous cycle of 24 hours per day, making it necessary at times to have repair and maintenance men work overtime to keep the shut-down period to a minimum.

*Maximum Hours of Employment.*—The mine and concentrating plant at Kramer is operating on a 56-hour-per-week basis. The force has been contented with such hours of labor and in fact have expressed some concern at shorter hours being adopted. As before stated opportunities for varied leisure are not to be had and the men employed have always been accustomed to such conditions.

The refinery at Wilmington, California, is now operating on an average of about 47 hours per week. It is proposed to reduce hours of labor to a 44-hour-per-week schedule requesting the privilege of temporary exceedment when emergencies arise and extra labor cannot be obtained.

*Minimum Wages.*—Even though the working hours per week are sharply reduced under the present proposal, it is not proposed to reduce the minimum weekly wage. The minimum wage in the code is set at \$17.00 per week but this is considerably lower than that at present being paid to a large majority of the employees. Consideration should also be given in the wage scale to the fact that most companies furnish accommodations, meals, and supplies at or under cost.

*Effect on Production Costs.*—The fact that the borax producing companies do not intend to reduce weekly compensation while decreasing the maximum number of hours means that there will be a resultant substantial increase in production costs for wages. To this increase should be added the increased cost of other



items required in the production and packing of borax products which it is impossible to determine at present.

The attention of the Administrator and his associates is respectfully directed to a publication issued by the Department of Commerce, giving further information respecting borax and boron compounds. This publication is identified as I.C. 6499, dated September 1931, and issued by the United States Bureau of Mines, Department of Commerce.





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