

THE IMPORTANCE OF COPPER MINING
TO THE STATE OF ARIZONA

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For more than 80 years the copper mines of Arizona have poured a ceaseless stream of metal into the nation's industries. The state has for 45 years ranked as the leading copper producer in the United States, its output, up to the end of 1954, amounting to 14,265,856 tons of copper worth \$4,778,932,458. Arizona is today maintaining her place in spite of the tremendous quantities already produced, and there is no reason to believe that she cannot continue as the leader for many years to come. Nature has made her one of the world's most important sources of copper.

The record of Arizona's steady growth and progress is closely linked with the development of her copper industry. This has been achieved through decades of courageous and unremitting effort, and perseverance in the face of repeated discouragements. It takes courage, capital, determination and hard work, and the people of Arizona have proved themselves willing and able to supply all these prerequisites. Thousands of them have spent a lifetime in helping to build up the communities of which they are so justly proud. Their accumulated savings have been invested in homes or businesses in the various mining towns throughout the state; and the life-blood of all those towns is copper.

Contrary to a general impression in other parts of the country, the mining towns are not temporary excrescences of tents or tin shacks huddled indiscriminately in the desert. Instead, they are substantial, orderly, established communities which will compare favorably with towns of equal population anywhere in the United States. They have their schools, banks, churches and public buildings. Their roots extend down into the earth; to the bodies of copper-bearing ore which nourish them. Any disturbance or damage to those roots is

immediately reflected in the community which springs from them. This was forcefully and unpleasantly demonstrated during the years from 1932 to 1935, and the memory of those years still strikes fear into the hearts of Arizona's mining population. A cessation, or even curtailment of operations, would create serious economic problems for these communities. If the mines close, they are done for.

In 1954, the copper mining and smelting industry payroll in Arizona totaled almost \$74,000,000. Statistics showed that the average weekly earnings of those employed in the Arizona copper mines and smelters were higher than the national average for non-ferrous mines and higher than for any other industry in the state. Fringe benefits have added over \$12,500,000 to the annual labor cost of the copper mining and smelting industry.

Arizona copper mines spent over \$20,000,000 in Arizona for Arizona grown or manufactured supplies and equipment in 1954, thus contributing substantially to the larger cities where supply and machinery headquarters are located. Most large national manufacturers maintain Arizona offices because of the mining business.

The mining industry is Arizona's largest taxpayer. An annual average of \$13,000,000 was paid for taxes within the state for the past five years. No other industry contributes nearly as much in taxes. Mining alone carries about 22 percent of the total State tax load.

Expenditures made by the mining companies for supplies and equipment rank second only to those made in payment of wages and salaries. Items needed in the operation of mines, mills and smelters cover nearly every imaginable list of commodities, the bulk of which are produced in eastern, southern or mid-western states, or in the non-mining portions of the western states.

Another direct beneficiary is the transportation industry. The railroads and truck lines receive a large volume of business through the movement of copper

ores and metal as well as supplies and equipment. Copper mining brought the railroads to Arizona and furnished the bulk of the freight which kept them going and expanding.

Agricultural, lumber and livestock producers in non-mining portions of Arizona derive a large share of their income from the copper industry which furnishes a ready market for much of their product; and all of these industries are hard hit when mining is curtailed.

The copper companies are heavy purchasers of electrical power which is generated at irrigation storage dams. The large power purchases by the copper mining companies have made cheaper power and increased water supply for agriculture and industry.

The copper mining industry has a vital and far reaching effect on the economy of the whole state of Arizona and on every industry and community within its borders. It is the only industry which creates a new and indestructible wealth which remains permanently in circulation.

Copper is equally vital to the nation's security. Recalling the almost fatal effect of submarine destruction of metal shipments on the high seas, it is vitally necessary that this country keep its domestic mines in operating condition at all times. This means that they must be kept producing for, in any possible emergency, time may be of the essence and it takes a long time to restore an idle mine to production.

Copper ores and minerals are of no practical value until they have been converted into metallic copper. So long as they remain locked in the earth they represent nothing more than so much idle wealth. They earn no interest, furnish no employment, produce no benefits to anyone. They are dead and wasted assets.

An active mining industry is the agency which converts potential wealth into actual and tangible assets and, in the process of conversion, the benefits derived therefrom are distributed widely among other industries and businesses.

Those which benefit indirectly are countless, and the direct beneficiaries of the copper industry are likewise numerous. In 1954, it was estimated that the 14,200 copper mining and smelting employees affected the livelihood of 200,000 persons in Arizona.

In the past four decades the average grade of copper ore in Arizona has been steadily declining from a content of 50 pounds per ton of ore to less than 20 pounds per ton. This, together with steadily increasing wages which have quadrupled during the same period, naturally leads to higher production costs, in spite of technological improvements in mining and metallurgy.

With the 50-cent dollar of the present day, compared to the purchasing power of the dollar at the time the 4-cent import duty was originally enacted, the 24-cent dead-line under the provision of the latest suspension act, would be the equivalent of 12 cents a pound for copper 23 years ago. There is no doubt that a drop below 24 cents per pound for copper would ruin the domestic copper industry unless it were protected from the competition of foreign metal for available domestic markets.

Consideration should be given also to the fact that in addition to Arizona, there are 10 other western states, as well as Michigan, Missouri, Pennsylvania, Tennessee and Vermont which produce varying quantities of copper and which furnish corresponding support to other industries. There is not one single state in the nation which does not benefit to some extent by the sale of its products to those engaged in the production of copper.