

INTERNATIONAL SMELTING AND REFINING COMPANY

East Chicago, Indiana



G. E. JOHNSON
Plant Manager

AIR MAIL

April 2nd, 1946

Mr. Frederick Laist, Vice President
International Smeltg. and Refg. Co.
Room 1720 - 25 Broadway
New York 4, New York

Dear Mr. Laist:

In accordance with our telephone conversation of yesterday, we are showing below the effect of increased wages and salaries on our costs.

In our calculations to determine the extent to which increased wages and salaries will raise our costs, we have assumed an 18.5% per hour increase in hourly rates, a 20% increase in salaries paid on a 40 hour work week, which is equivalent to the 18.5% hourly increase, and that we shall return to a 40 hour week.

Tables 1, 2 and 3 pertain to all of the departments combined, and show the amounts and percentages of the increases.

TABLE 1 - PAYROLLS

Average straight time rate 1945	91.63¢
Assumed hourly increase	18.5%
Average rate with 18.5% increase	110.13¢
Total payroll hours worked 1945	594,759
Total annual payroll with 18.5% increase	\$655,008.09
Total payroll 1945 (includes premium pay due to 48 hour basis)	591,404.93
Total annual payroll increase	\$ 63,603.16
Percent increase	10.755%

TABLE 2 - SALARIES

Salary roll (40 hour week)	\$270,224.00
20% increase	54,044.80
Salary roll with 20% increase	\$324,268.80
1945 Salaries (44 hour week)	300,895.47
Total annual salary roll increase	\$ 23,373.33
Percent increase	7.765%

TABLE 3 - TOTAL INCREASE ALL PLANTS

Payroll increase	\$ 63,603.16
Salary	23,373.33
Total Payroll and Salary Increase	\$ 86,976.49

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Tables 4, 5 and 6 show the effect of the increases by departments. In amounts and per ton of production (except in the Lead Refining Department we have used per ton of original material treated)

TABLE 4 - LEAD REFINING DEPARTMENT (INCLUDING BISCOTH REFINING)

	<u>Total 1945</u>	<u>1945 plus Increases*</u>	<u>Increases</u>	<u>Tons Treated 1945</u>	<u>Increase Per Ton Treated</u>
Payroll	\$331,511.64	\$367,497.98	\$35,886.34	37,682	\$ 0.9478
Salaries	143,534.51	154,684.27	11,149.76		0.2861
Total increase					
Wages & Salaries			\$46,836.10		\$ 1.2409

* Increases: Payroll 10.755% Salaries 7.766%

TABLE 5 - ZINC OXIDE DEPARTMENT

	<u>Total 1945</u>	<u>1945 plus Increases</u>	<u>Increases</u>	<u>Tons Zinc Oxide Prod.**</u>	<u>Increase/Ton ZnO Prod.</u>
Payroll	\$171,504.40	\$189,949.70	\$18,445.30	10,608	\$ 1.7388
Salaries	113,120.64	121,907.85	8,787.21		.2254
Total increase					
Wages & Salaries			\$27,232.51		\$ 2.5672

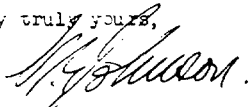
** 3,208 tons Merchantable Zinc Oxide + 1,930 tons Slab Zinc converted to Zinc Oxide

TABLE 6 - WHITE LEAD DEPARTMENT (BETTS EXPENSES EXCLUDED)

	<u>Total 1945</u>	<u>1945 plus Increases</u>	<u>Increases</u>	<u>Tons White Lead Prod.</u>	<u>Increase Per Ton White Lead Prod.</u>
Payroll	\$ 62,628.57	\$ 76,297.54	\$ 13,668.97	3,318	\$ 4.1200
Salaries	36,123.64	38,935.11	2,811.47		.2381
Total increase					
Wages & Salaries			\$10,215.44		\$ 3.0796

We hope these tabulations give you the information you need.

Very truly yours,



GEJ/bm

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