May 31st, 1944

AIR MAIL

Mr. R. E. Dwyer, Executive Vice President
Anaconda Copper Mining Company
25 Broadway
New York 4, New York

Dear Mr. Dwyer:

The following is a brief statement relative to the April, 1944 operations at the East Chicago Plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery	$ 11,236.57
Bismuth Refining	1,566.98

During April, the Lead Refinery treated only 2,718 tons of material including 2,220 tons of Tooele bullion and 466 tons of East Helena bullion.

The following adverse factors account for the major portion of the losses shown for April.

1.	Increased overhead and operating costs due to low tonnage treated	$ 5,500.00
2.	Deferred credit for antimony, resulting from not producing antimonial lead in April	5,200.00
3.	Extraordinary repairs	3,000.00
		$ 13,700.00

In April, we experienced a favorable factor resulting from the sale of anodes to the White Lead Plant in excess of the Tooele high bismuth bullion refined. This amounted to about $4,000.00.

The amount of lead in inventory at the close of April was 9,913,026 pounds. This represents an increase of 822,019 pounds during the month. The silver in inventory was reduced 10,827 ounces to 715,135 ounces at the end of the month.

The losses incurred in the Lead Refining Department this year to date are disappointing. This is due in part to lower tonnages of bullion treated and also to added costs resulting from inefficient labor and the extended work week for salaried employees.

The following table indicates the downward trend of our bullion receipts:

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Average Monthly Receipts of Bullion

	First 6 Months 1943	Last 6 Months 1943	First 4 Months 1944
Tooele (Low Bismuth)	1,597	1,804	1,263
Tooele (High Bismuth)	536	118	500
Total Tooele	2,133	1,922	1,763
East Helena	1,000	1,070	923
Total Bullion	3,133	2,992	2,686

ZINC OXIDE DEPARTMENT

During April the French Furnace operated for ten days. The American Block operated on six doors for eleven days, and twelve doors for nineteen days. No. 4 Muffle Furnace operated for 24 days on the production of zinc oxide and six days for the treatment of high zinc residue, and No. 1 Muffle Furnace operated seven days on zinc oxide.

The income for the month is shown as follows:

Zinc Oxide	$ 9,586.83
Zinc Metal	1,157.04

The following adverse factors account for the losses shown in April:

The Zinc Oxide Department was charged with some increased overhead and proportion of sales expense amounting to	$ 3,000.00
Increase in sale of American Process Zinc Oxide	2,000.00
Sale of zinc skimmings to reduce inventories	1,500.00
40,000 pounds of zinc oxide in process which was not included in the inventory of April 30th	3,500.00
	$ 10,000.00

Zinc Oxide Shipments to Chemical Warfare Service

We shipped 300 tons of Muffle Furnace Oxide in April, and we will have shipped 500 tons of same during May. We understand that we are to get a 400 ton order for June delivery.

It appears that the urgent demand for zinc oxides is appreciably less than at the first of the year. There have been rumors that C.W.S. will limit their purchases of zinc oxide to St. Joe and New Jersey. It is of course possible that these adverse symptoms may change if the European War situation will make greater demands on C.W.S. products this summer.

Habirshaw Wire & Cable Company Complaint

The complaint made by the Habirshaw Wire & Cable Company about grits in zinc oxide shipped them was found to have been caused by changing their type of product to one requiring lower grit content. In our plant investigation, we discovered a simple method of segregating grits, permitting us to make a low grit product. Thus, Habirshaw's complaint resulted in an improvement in our product. Much credit in the matter of contacting the Habirshaw officials should be given to Mr. L. H. Donaldson of our New York office.

WHITE LEAD DEPARTMENT

The Profit and Loss Statement reveals the following:

Dry White Lead	$ 4,203.27
White Lead-in-Oil	2,335.82

Our March sales of white lead of 855 tons were due in part to anticipated buying by our customers. This was reflected in our April sales of only 254 tons, which adversely affected our income to the extent of $4,000.00.

Our supplies of High Bismuth Lead for the production of White Lead will be depleted some time during July. No additional supplies are anticipated until September 25th. Plans are being made to shut down the White Lead Plant when the High Bismuth Lead has been consumed and operations will not be resumed until the sales and stocks of White Lead justify such a move.

White Lead Paint

Eagle Picher is going to follow National Lead's lead in the production of a pure lead paint. If this is significant of the future trend of the White Lead industry, we will have to face a declining outlet for Lead-in-Oil in the Post-war period. Mr. Harless believes we may be able to increase our dry white lead sales to paint manufacturers who resent white lead manufacturers entering the paint field.

LABOR

We were advised by the Conciliation Service that the controversy between the union and management was certified to the War Labor Board in Washington. They referred the case to the Regional War Labor Board in Chicago, which in turn informed us that a brief should be submitted after which a hearing date would be set as early as possible.

LEAD ABSORPTION

In recent months we have accelerated our efforts at reducing lead absorption hazards. The employment of women, who, our medical advisors assert, are more susceptible, prompted us to appoint a special committee to take charge of this problem. This committee has done very effective work in making employees conscious of the necessity of wearing respirators, and is arranging to provide facilities for keeping respirator equipment clean, sterile and in good condition.

We hope this information may be helpful.

Very truly yours,

GEJ/bk
cc: Mr.F.Laist