March 5th, 1943

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

Dear Mr. Dwyer:-

The following is a brief discussion of the January, 1943 operations at the East Chicago Plant.

LEAD REFINING DEPARTMENT

The income for the month is as follows:-

Lead Refining	$ 4,621.05
Bismuth Refining	$ 1,522.01

In order to provide desilverized high bismuth lead for the Betts Process during January it was necessary to transfer approximately 700 tons of lead from a finished product basis to an in-process basis. In addition, undesilverized high bismuth Tooele bullion was molded into anodes for use during February at the Betts Plant.

The tons charged were 3,021 and the treated 945 tons. The low tonnage treated reduced the Tooele tolls received by $11,000.00 for the month.

On January 1st, the valuation of silver recovered from East Helena bullion was increased from the foreign price to the price obtained for domestic silver. Some of the silver contained in East Helena bullion in stock at the beginning for the month was treated and produced with a resulting credit of $10,300.00. These conditions were the principal factors affecting the loss for January.

WHITE LEAD DEPARTMENT

The Profit and Loss statement reveals the following:-

Dry White Lead	
Shutdown Expense	$ 6,236.66
Repairs	1,826.46
	$ 8,063.12
Lead-in-Oil	$ 5,098.19
	$ 13,161.31

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This plant was on a shutdown basis. No depreciation was charged out against white lead this month since the cell room was operated as a Betts Process. Dry white lead income, exclusive of shutdown expense, was a breakeven for the month.

A loss of $5,098.19 is shown for the Lead-in-Oil. Only 58.8 tons of Lead-in-Oil were sold in January. The loss is accounted for by the fixed items of expense and small tonnage sold.

BETTS PROCESS

The White Lead Plant cell room began functioning as a Betts Process cell room January 2nd, 1943. The operation was started with 12 cells and by January 16th all of the cell room equipment was being utilized for the production of refined lead. The total tons of cathode lead produced were 300.036. The inexperienced crews and supervisors and the limitations of the 3-inch spacing between electrodes seriously reduced the ampere efficiency during the month. Low current density during the starting-up period and cell lining failures reduced production. Therefore, the costs for January are not representative because of these unusual conditions. A total of $11,463.00 was spent in January on the Betts Process, which is the equivalent of $38.207 per ton of cathode lead produced. The February operations are on a much improved basis and it appears likely that the cost will be $22.00 - $25.00 per ton. February operations have been entirely on undesilverized Tooele bullion anodes. The cathode lead produced from undesilverized Tooele is very good. The bismuth content is in the neighborhood of .015% and the silver content is around .2 oz/ton. A cut off in the slime to the Bismuth Plant was made to determine the silver recovery when using undesilverized anodes. It will probably be April before we have the final over-all precious metal recovery from the Betts operation for February and March.

ZINC OXIDE DEPARTMENT

The loss for the month is shown as follows:-

Zinc Oxide	$ 12,714.40
Zinc Metal	$ 1,796.46

During 1943 the annual depreciation charges will be $28,656.17. In 1942 the zinc oxide production was carrying a depreciation charge of .095¢ per pound of zinc oxide produced. The new depreciation charges when applied to our January production represents a depreciation charge of .147¢ per pound. This charge per pound for depreciation will, in the future, vary from month to month, depending on the production.

The operations in January were confined to the French Furnace producing pharmaceutical and seal and selected grades of zinc oxide. The American Block operated one six-door unit. One muffle furnace operated as a zinc oxide unit and a second muffle unit was used for treatment of the high zinc residue metal for recovery of prime western zinc and the production of residue metal suitable for shipment to Tooele.

The loss on the zinc oxide and zinc metal business is in line with the estimate of the losses for 1943.

GENERAL REMARKS

I have attempted in this letter to limit the discussion to the unusual items which occurred in January. If this letter is not sufficiently complete, I will appreciate an opportunity to give you any additional information that may be desired.

Very truly yours,

G. E. Johnson

GEJ/mm
cc:Mr. Frederick Laist