

August 5th, 1943

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 discussion of the June, 1943
operations at the East Chicago plant:-

LEAD REFINING DEPARTMENT

The income for the month:-

Lead Refining	\$ 3,612.25
Bismuth Refining	\$ 1,686.61

The following items affected the income from lead refining
operations:-

Value of antimony produced in antimonial lead	\$ 9,028.79
Abnormal blast furnace costs	\$ 5,500.00

The July operations will be similar to the June operations
because Tecele resumed production of low bismuth bullion in July too
late to permit us to refine any normal tonnage of this low bismuth
bullion.

ZINC OXIDE DEPARTMENT

The operations carried on during the month consisted of 27
days operation of the French furnace, and the six-door American Block
operated on Great Falls dress for the entire month. The muffle furnace
operations were confined to the production of slab zinc.

The income for the month is shown as follows:-

Zinc Oxide	\$ 10,221.87
Zinc Metal	3,486.41

The loss shown on zinc oxide is in line with the estimates
made early in the year.

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The loss on zinc metal is due largely to the sale of 300 tons of prime western zinc to the Metals Reserve Company for export. This metal was produced from the treatment of residue metal earlier in the year, and we were anxious to dispose of it because of the general zinc situation.

WHITE LEAD DEPARTMENT

The Profit and Loss Statement reveals the following:-

Dry White Lead	\$ 5,516.41
Lead-in-Oil	\$ 267.19

During June we sold 445 tons of Dry White Lead and 140 tons of Lead-in-Oil. These sales are considerably higher than the average for the first five months of the year, and are largely responsible for the increased income shown.

SIX MONTHS INVENTORY

The Lead Refinery inventory taken on June 30th indicated an excess lead loss and a gain in silver and gold over the normal losses for the first six months of this year. The adjustment of the metals accounts to conform with this inventory resulted in a debit of \$1,881.78 against our June accounts. The inventories taken at the White Lead and Zinc Oxide Departments indicated a normal loss in these operations.

GARDINER METAL COMPANY CONTRACT

Both the OPA and the NPB have approved the toll arrangements for the treatment of battery plates for the Gardiner Metal Company, and these plates are being melted at the present time.

VISIT TO PLANT BY FEDERATED METALS REPRESENTATIVES

Representatives of the Federated Metals Division of the American Smelting and Refining Company visited the plant on June 28th to inspect our smelter furnace operations. There has been no further word from them.

3% TRANSPORTATION TAX

We have been advised by the New York office that the 3% transportation tax on East Helena bullion will be charged to the Anaconda Copper Mining Company at Great Falls. In May we paid the American Smelting and Refining Company approximately \$2,500.00 tax on the bullion received to date. We will now bill the Anaconda Copper Mining Company for the accumulated tax, and this adjustment will probably be included in the July accounts.

LABOR

The day to day manpower problems continue to increase and are undoubtedly reducing the efficiency of our operations. Colored women are now being employed as the only available source of labor.

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GENERAL OUTLOOK

ZINC SUPPLIES

Evidences increase that the supply of zinc is adequate for war needs. This situation should be helpful to the oxide business in the future.

SCRAP OUTLOOK

The zinc scrap situation is also more comfortable, and we plan to reduce the prices paid for scrap purchased in August.

GREAT FALLS DROPS

Mr. Caples has under consideration a revision of the schedule for the sale of Great Falls dross to East Chicago which will be beneficial to our oxide business. The proposed schedule provides for a reduction in price of about 1¢ per pound of zinc contained.

CHEMICAL WARFARE SERVICE INTEREST IN ZINC OXIDE

Mr. Hurless discusses in his letter the recent demands by the Chemical Warfare Service for zinc oxide and the possible effects on our situation.

SYNTHETIC RUBBER DEVELOPMENT

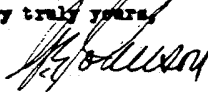
Present indications are that synthetic rubber will be available in ample quantities by the end of this year. This should warrant closer observation of this matter than we have been giving during recent months.

LEAD-IN-OIL CONTAINERS

It is hoped that lead-in-oil containers will soon be obtained in sufficient quantities to cover our needs.

I hope this letter will give you a concise picture of the conditions at East Chicago. It has been slightly delayed in its preparation by my absence while on a restful vacation.

Very truly yours,



GEJ/mm

cc: Mr. Frederick Laist

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