1925

Anaconda Copper Mining Company

CAPITAL STOCK

December 31, 1923

Authorized,	6,000,000 shares, $50 each	. . . . .	$300,000,000
Issued,	3,000,000 shares, $50 each	. . . . .	150,000,000

OFFICERS

Chairman of the Board . .	JOHN D. RYAN
President	CORNELIUS F. KELLEY
Vice-President	BENJAMIN B. THAYER
Vice-President	JAMES R. HOBBINS
Secretary and Treasurer . .	ALBERT H. MELIN
General Auditor	ROBERT E. DWYER
Assistant Secretary	RALPH D. COLE
Assistant Treasurer	DAVID B. HENNESSY

DIRECTORS

Percy A. Rockefeller — John D. Ryan
Benjamin B. Thayer — Cornelius F. Kelley
George H. Church — Charles F. Brooker
Nicholas F. Brady — Andrew J. Miller
Albert H. Melin

OFFICES

ANACONDA, MONTANA
25 BROADWAY, NEW YORK

PNYC00009852

To the Shareholders of the Anaconda Copper Mining Company:

At the beginning of the year 1923 there was every prospect that conditions in the copper industry had become stabilized and that it might look forward to a prosperous and satisfactory year. Surplus stocks had been consumed, production was being made at the rate of about 200,000,000 pounds of copper per month, and marked activity prevailed in all lines of consumptive trade. The price reacted favorably, advancing from 14½ cents a pound at the beginning of the year to a high of more than 17 cents per pound in March. After the first quarter there was a notable slackening in industrial activity, followed by a diminished demand for the metal, notwithstanding which, production continued to increase throughout the year, reaching a maximum of more than 240,000,000 pounds in December. The result was an inevitable reduction in the price, which declined gradually as supply exceeded immediate demand, until a low of 12.188 cents a pound was reached in October, the price closing at 12.65 cents at the end of the year, with an Engineering & Mining Journal-Press average of 14.421 cents for the year.

The total production of copper for the year is estimated at about 2,700,000,000 pounds, while the apparent consumption was about 2,600,000,000 pounds, both amounts establishing new records respectively for any peace-time year. The most striking fact disclosed by an analysis of the situation is the marked increase in consumption, particularly in the domestic demand, apparent consumption amounting to 1,376,000,000 pounds for the year, as compared with 1,104,000,000 pounds in 1922, an increase of approximately 25%.

The foregoing very brief summary discloses how nearly the business is balanced between normal supply and demand, and supports the belief that if domestic business is sustained, any improvement in European markets will result in a period of marked prosperity, now long delayed by the over development of the past ten years, and the increase in the cost of production sustained by all American producers.

While the volume of business was the largest in the Company's history, the low price for copper that prevailed during the latter half of the year made it impossible to realize earnings commensurate with the business done. Income from sales and royalties amounted to $181,434,447.57. Operating profit and income from investments amounted to $22,412,863.15. Net profit for the year, after deducting all fixed charges, depreciation, and absorbing discount on bonds retired, amounted to $8,767,814.20. Four dividends of 75c per share, total $9,000,000, were declared during the year.

Corporate Growth and Transactions

During the year the more important corporate transactions were:

1. The purchase by the Company of 2,200,000 shares out of a total issue of 4,391,060 shares of the Chile Copper Company. The details of the financing and changes in the corporate structure of the Company made necessary by this purchase and the purchase of the stock of The American Brass Company have been made the subject of special letters to the shareholders and will not be reviewed in detail in this report. Summarized, they were as follows:

(a) The capital stock of the Company was increased from 3,000,000 shares, having a par value of $50.00 a share, to 6,000,000 shares, of the same par value. No additional stock was issued during the year. 851,878 shares were reserved to meet the conversion privilege of the $50,000,000 of debentures issued.

(b) $50,000,000 of 7% Convertible Debentures, maturing February 1, 1938, were issued.

(c) Out of a total authorized issue of $200,000,000 First Consolidated Mortgage Series A Sinking Fund 6% Gold Bonds, maturing February 1, 1953, $107,731,000 were issued, of which $750,000 were retired through sinking fund October 1, 1923, leaving net amount outstanding $106,981,000.

(d) There were retired during the year $7,731,000 of Series A 6% Ten-Year Secured Gold Bonds, of a total outstanding at the beginning of the year of $24,669,000, and $23,080,100, being all of the Series B 7% Ten-Year Secured Gold Bonds, maturing January 1, 1929.

2. The acquisition by The American Brass Company of the assets and property of the National Conduit & Cable Company, Inc., which will be referred to hereafter under the heading of The American Brass Company.

3. Miscellaneous acquisitions of additional mining claims and lands, costing $520,193.03.

Construction

During the year, in addition to renewals, replacements and repairs, the following are the more important items of new construction: A fertilizer plant for the manufacture of superphosphate, at Anaconda, $549,894.60; expansion of the zinc oxide plants at East Chicago, Indiana, and Akron, Ohio, $231,243.89; additional manufacturing facilities for The American Brass Company, $2,573,834.59; and other miscellaneous items; bringing the total to $4,196,815.85.

Copper Department

Mines

The mines of the Company produced during the year 2,814,833.20 tons of ore. 8,727.95 tons of precipitates were produced.

Concentrator and Smelter

At the concentrator there were treated 2,892,070.75 tons of ore, 24,113.85 tons of slimes from the ponds, 1,147,570.59 tons of copper tailings and 60,955.50 tons of zinc-silver tailings.

The Anaconda Reduction Works treated for all companies 3,110,348.27 tons of ore. Of the total amount, 2,735,534.23 tons of ore were produced by the mines of the Company; 345,909.48 tons of ore were either purchased from or treated for other companies, and 28,904.56 tons of material were shipped from the old plants at Anaconda and Butte.

There were produced 215,107,226 pounds of fine copper, 9,279,770.34 ounces silver and 30,063.534 ounces gold. Of this production 200,779,688 pounds fine copper, 8,568,607.18 ounces silver and 29,725.994 ounces gold were produced for your Company.

Refineries

The refinery at Great Falls produced during the year 205,807,887 pounds of cathodes, of which 184,402,584 pounds were melted into shapes at that point.

The Raritan Copper Works at Perth Amboy, N. J., refined 398,294,865 pounds fine copper, 20,643,095.12 ounces silver and 98,913.510 ounces gold.

Rod and Wire Mill

The mill at Great Falls rolled into rods 110,058,062 pounds of copper. 42,861,964 pounds of rods were drawn into wire, of which 12,083,317 pounds were made into strand.

Zinc Department

Mines

The Butte Mines of the Company produced 42,772.26 wet tons of zinc ore.

Zinc Reduction Works

The plants at Anaconda and Great Falls treated 289,433.82 tons of ore and other zinciferous material. Of this amount 47,827.04 tons were produced by mines of the Company, 1,199.83 tons of material were from the old plants at Butte, and 240,406.95 tons of ore and concentrates were purchased.

The electrolytic plant at Great Falls produced 140,363,645 pounds zinc, 4,011,174 pounds of zinc in dross, and residue from which there were recovered 16,837,089 pounds lead, 2,376,217 pounds copper, 3,750,529.84 ounces silver and 6,012.271 ounces gold.

Miscellaneous Products

Lumber

The sawmill at Bonner cut 100,436,889 feet of lumber and purchased 9,179,413 feet, of which 53,076,446 feet were shipped to the departments of the Company, 25,325,457 feet were sold commercially, 678,166 feet were used at the mill for repairs and construction, and 3,000.123 feet were supplied to the factory for manufacturing, or a total disposition of 82,080,192 feet; increasing the stocks of finished lumber on hand by 27,536,110 feet; making a stock on hand at December 31, 1923, of 64,481,609 feet.

Coal

At Diamondville, Wyoming, 474,090.10 tons of coal were produced; 254,612.70 tons were shipped to other departments of the Company; 184,802.95 tons were sold commercially and 34,674.45 tons were used at the coal mines.

At Washoe, Montana, 149,894.30 tons of coal were produced; 65,573.00 tons were shipped to other departments of the Company; 80,533.30 tons were sold commercially and 3,788.00 tons were used at the coal mines.

At Sand Coulee, Montana, 74,715.80 tons of coal were produced; 57,711.60 tons were shipped to other departments of the Company; 16,743.20 tons were sold commercially, and 261.00 tons were used at the coal mines.

Arsenic

As a by-product of copper smelting operations, 5,932,428 pounds of arsenic were produced, of which 5,574,525 pounds were refined. During the year 6,251,308 pounds were sold and delivered at an average price of 8.837 cents per pound. Of this amount, 375,253 pounds were crude and 5,876,055 pounds were refined.

Sulphuric Acid

The sulphuric acid plant at Anaconda produced 51,951.17 tons of sulphuric acid averaging 60 Deg. Beaume. This was supplied to various departments of the Company.

Fertilizer

The mines at Conda, Idaho, produced 31,521.20 tons of rock, averaging 32.60% P_2O_5. Of this amount 3,187.95 tons were sold and 24,940.85 tons were shipped to Anaconda. The Phosphate Plant at Anaconda produced 7,583.33 long tons of Treble Superphosphate averaging approximately 45% P_2O_5. Capacity of this plant has recently been increased to 120 tons per day.

Metal Roofing

Sales during the year amounted to 12,268.96 squares copper shingles and 2,991.30 squares zinc shingles.

Supplementing the manufacture of pure copper shingles, a new copper-clad shingle has been developed to meet the requirements of moderate-priced dwellings for a high-grade product at a popular price. A manufacturing plant for quantity production is now being constructed and the new product should be available for delivery in the Summer of 1924. These shingles have passed the severest tests of the Board of Fire Underwriters, and have been awarded a Class A fire rating.

Butte, Anaconda & Pacific Railway Company

The Railway transported 4,803,557 tons of ore and other freight, and 104,115 passengers. The gross revenues were $1,555,163.96; rental and miscellaneous receipts $22,809.72; operating expenses $1,415,173.41; taxes, interest and rental of leased lines $247,989.74; net loss $85,189.47.

International Smelting Company
International, Utah

The Copper Plant treated 100,764.63 tons of ore and concentrates, from which there were produced 31,056,440 pounds fine copper, 1,831,917.42 ounces silver and 18,371.087 ounces gold.

The Lead Plant treated 196,549.57 tons of ore and concentrates, from which there were produced 63,538,501 pounds lead, 4,495,477.74 ounces silver and 10,152.867 ounces gold. From the treatment of fume and flue dust there were obtained 369.58 tons crude arsenic, averaging 91.11% As_2O_3.

The Tooele Valley Railway Company handled during the year 429,062 tons of ore and miscellaneous freight.

Miami, Arizona

At the Miami smelter there were treated 426,348.01 tons of concentrates and purchased ores, from which there were produced 189,900,983 pounds copper, 608,503.14 ounces silver and 7,506.667 ounces gold.

International Lead Refining Company

Lead Refinery

The refinery at East Chicago, Indiana, treated 52,096.01 tons of purchased ore and bullion, from which there were produced 97,118.093 pounds common lead, 6,376,821 pounds antimonial lead, 6,945,450.19 ounces silver and 20.328.121 ounces gold.

Zinc Oxide

At East Chicago, the Pilot Plant operated from January 23rd to May 5th, and from December 1st to 31st, 1923. The main plant was completed and put in operation January 5th and operated satisfactorily throughout the remainder of the year. Production of merchantable zinc oxide amounted to 6,925,425 pounds.

At Akron, Ohio, a French process oxide furnace was completed and put in operation March 1st, operating to capacity throughout the remainder of the year. A second unit was completed and put in operation December 28, 1923. Production of merchantable zinc oxide amounted to 5,961,817 pounds.

Anaconda Lead Products Company

The plant at East Chicago operated satisfactorily during the year.

There were produced 12,607,270 pounds barrelled white lead and 38,084 pounds pulp lead. The plant is producing at the rate of 25 tons white lead daily. 13,505,842 pounds white lead and 44,735 pounds pulp lead were sold

Walker Mining Company

Operations at the mine were continued throughout the year. 166,953 tons of ore were broken. A new concentrator with capacity of 750 tons ore per day was completed, and began operating in November. 87,041 tons of ore, averaging 4.123% copper, were treated, from which 14,566.64 tons of concentrates, averaging 22.782% copper, were produced. The mill recovery averaged 95.38%. 14,087.28 tons of concentrates containing 6,634,368 pounds copper and 7,591.37 tons crude ore averaging 9.75% copper were shipped to the smelter.

Arizona Oil Company

During the year, the Arizona Oil Company produced 374,640 barrels of oil. A dividend of $16.00 per share from depletion reserve was paid on December 27th. Your Company's share amounted to $130,560.00.

The American Brass Company

The output of manufactured products of the various plants of the Company equalled 505,518,834 pounds of copper, brass and nickel silver.

Production consisted of:

Sheet Metal	213,837,564
Rods and Wire	206,136,895
Tubes	41,704,287
Misc.	43,840,088
	505,518,834

Manufactured at:

Ansonia	178,150,189
Buffalo	60,388,146
Hastings	22,420,180
Kenosha	68,113,869
Torrington	59,019,754
Waterbury	107,750,087
Toronto	9,676,609
	505,518,834

On October 8, 1923, the assets and property of the National Conduit & Cable Company, Inc., situated at Hastings-on-Hudson, N. Y., were purchased at receiver's sale for $3,000,000. This plant is located between the Hudson River and the main line tracks of the New York Central Railroad and is particularly well situated to handle the large metropolitan trade as well as export business. This plant manufactures bare and insulated copper wires, and lead-covered power cable.

The New York & Hastings Steamboat Company was also acquired as a part of the transaction. The Lighterage Department of the Raritan Copper Works has been merged with it, together providing adequate facilities for handling all the lighterage work of the Company and its subsidiaries in the New York Harbor.

A Copper Wire Mill, which will have a monthly capacity of 5,000,000 pounds of bare wire, is under construction at Kenosha, and will begin operating in April, 1924.

South American Companies

The Andes Copper Mining Company's property at Potrerillos, Chile, has developed 138,890,509 tons of ore assaying 1.498% copper. This tonnage was developed by 168 churn holes aggregating 17.9 miles in depth, and by drifts, raises and winzes whose aggregate length is 15.58 miles.

The development and mine preparation are now at a point that will insure the necessary ore production on the completion of a metallurgical plant.

Metallurgical problems have been solved and the results from testing approximately 5,000 tons of ore have been consistent and satisfactory.

The demonstrated adaptability of the orebody to the caving system of mining and the metallurgical results obtained warrant the assurance that this property will be one of the large low cost producers.

The condition of the copper market has been such that it was not deemed advisable to bring this property into production at this time. The work done during the year was therefore limited to the completion of metallurgical testing and advancement of mining operations to insure the production of the required tonnage on completion of a metallurgical plant, for which the property is now ready.

The development of the Santiago Mining Company's properties was stopped in 1921, the work being sufficiently advanced for production of the tonnage required by a metallurgical plant. Metallurgical testing of approximately 3,900 tons of Santiago Mining Company's ores was completed by the Andes Copper Mining Company during 1923, with results that were consistent and satisfactory.

There is enclosed herewith for your information a copy of the annual report of the Chile Copper Company.

Attached hereto is also a Consolidated Balance Sheet showing the financial condition of the Company and its subsidiary corporations at the close of business December 31, 1923, and an income statement for the year, both certified to by Messrs. Pogson, Peloubet & Company, Certified Public Accountants.

JOHN D. RYAN,
Chairman of the Board.

CORNELIUS F. KELLEY,
President.

New York, N. Y., May 5, 1924.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Balance Sheet—31st December, 1923

ASSETS

FIXED:		
Mines and Mining Claims, Coal Mines, Timber Lands, Phosphate Deposits, Water Rights and Lands for Reduction Works and Refineries, etc.	$125,672,943.70	
Buildings and Machinery at Mines, Reduction Works, Refineries, Manufacturing Plants, Sawmills, Foundries, Waterworks, Railroads, etc.	105,422,847.52	
Investments in sundry companies	98,831,465.78	$329,927,257.00
DEFERRED charges and discount on bonds		13,866,933.39
CURRENT:		
Supplies on hand, advances on Ores and Expenses prepaid	$18,742,836.74	
Metals and Manufactured Products in process and on hand—at cost	46,402,342.61	
Accounts Receivable	21,131,529.96	
Marketable Securities	8,408,082.00	
Cash	7,859,933.93	102,544,725.24
		$446,338,915.63

We have examined into the affairs of Anaconda Copper Mining Company and of its Subsidiary Companies and have verified the Assets, Liabilities and Income shown above. The Net Income is after deducting all Development expenditure of the year, Depletion of Coal and Timber Lands and Depreciation of Plants and Equipment.

We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1923, of the Companies as an aggregate whole and that the accompanying Income Account for the year ending 31st December, 1923, is correct as stated.

POGSON, PELOUBET & CO.,
Certified Public Accountants.

New York and Butte, 11th April, 1924.

ANACONDA COPPER MINING COMPANY

and Subsidiary Companies

Consolidated Balance Sheet—31st December, 1923

LIABILITIES

CAPITAL STOCK of Anaconda Copper Mining Company:		
Authorized, 6,000,000 shares of $50.00 each		
Issued 3,000,000 shares		$150,000,000.00
MINORITY INTERESTS in Subsidiary Companies		2,045,216.16
BONDS OUTSTANDING:		
First Consolidated Mortgage 6% Series A Sinking Fund Gold Bonds, due 1953	$106,981,000.00	
7% Convertible Debentures, due 1938	50,000,000.00	
Ten-Year 6% Series A Secured Gold Bonds, due 1929	16,938,000.00	173,919,000.00
RESERVE FOR DEPRECIATION		30,459,238.20
CURRENT:		
Notes Payable	$1,015,997.89	
Interest and Taxes Accrued	5,362,037.17	
Accounts and Wages Payable	11,235,976.64	
Dividend payable 21st January, 1924	2,250,000.00	19,864,011.70
SURPLUS:		
Balance 31st December, 1922	$71,284,784.48	
Adjustments thereof—Premium and Discount on Ten-Year bonds retired during 1923, less Surplus acquired with Minority Stock purchased	1,001,149.11	
	$70,283,635.37	
Net Income for the year ending 31st December, 1923, per Income Account annexed	8,767,814.20	
	$79,051,449.57	
Deduct, Dividends Nos. 82, 83, 84 and 85	9,000,000.00	70,051,449.57
		$446,338,915.63

Note—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, an additional valuation of the mining property as of 1st March, 1913, has been recorded upon the books of the Company; but, for the sake of uniformity, the result of those entries has been omitted from the current statements.

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Income Account—Year Ending 31st December, 1923

EXPENSE

Metals and Manufactured Products in process and on hand at beginning of year		$43,672,792.54
Ores and Metals Purchased		46,569,192.77
Mining, Reduction and Refining of Metals		43,324,427.15
Manufacturing Expenses, including Selling		74,662,321.24
Cost of Merchandise sold and Operation of Public Service Companies		2,433,772.24
Administration and Federal Taxes		1,147,767.30
Balance carried down		16,026,516.94
		$227,836,790.18
Amount charged off this year for Depreciation and Obsolescence		$3,822,893.51
Interest, including discount on bonds, less income from marketable securities		9,830,294.29
Balance, Net Income:		
Carried to foregoing Balance Sheet	$8,767,814.20	
Apportioned to Minority Interests (loss)	8,138.85	8,759,675.35
		$22,412,863.15

ANACONDA COPPER MINING COMPANY
and Subsidiary Companies
Consolidated Income Account—Year Ending 31st December, 1923

INCOME

Sales of Metals and Manufactured Products	$171,282,495.62
Tolls, Royalties, Rentals, etc.	7,232,771.56
Sales of Merchandise and Revenue from Public Service Companies	2,919,180.39
Metals and Manufactured Products in process and on hand at end of year	46,402,342.61
	$227,836,790.18

Balance brought down	$16,026,516.94
Income from Investments in sundry companies	6,386,346.21
	$22,412,863.15

Chile Copper Company

CAPITAL STOCK

December 31, 1923

Authorized,	5,400,000 shares, $25 each	$135,000,000
Issued,	4,391,060 shares, $25 each	109,776,500

Chile Copper Company and Chile Exploration Company

OFFICERS

Chairman of the Board . .	JOHN D. RYAN
President	CORNELIUS F. KELLEY
Vice-President	BENJAMIN B. THAYER
Vice-President	HERMAN C. BELLINGER
Secretary and Treasurer . .	CHARLES W. WELCH

DIRECTORS

John D. Ryan
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Benjamin B. Thayer
George H. Church
Percy A. Rockefeller
Nicholas F. Brady
Charles F. Brooker
Andrew J. Miller
Herman C. Bellinger
Alfred Houston, Resident Director, Chile Exploration Company

Office at 25 Broadway, New York
Mines at Chuquicamata, Chile

PNYC00009866

To the Shareholders of Chile Copper Company:

The operations of your Company during the year 1923 were continuous and satisfactory. The tonnage treated, copper production and net profits resulting were all in excess of that of any previous year.

After deducting depreciation, interest and discount on bonds there remained a net profit of $14,721,263.89, of which $1,810,637.44 was the result of sales made prior to December 31, 1923, but not delivered until after January 1, 1924. $10,908,800 was distributed to shareholders in four dividends of 62½c each.

Of the $14,799,500 Collateral Trust 7% Ten-Year Convertible Gold Bonds which matured on May 1, 1923, $223,500 were redeemed for cash and $14,576,000 were converted into shares of your Company, increasing shares outstanding from 3,808,020 to 4,391,060.

A satisfactory price for copper prevailed during the first half of the year. During the latter half, the price decreased, due to increased output in all producing countries, with a resultant increase in stock. The Company produced 204,897,590 pounds of copper during the year at an average cost delivered of 8.1c per pound including depreciation, taxes, interest and discount on bonds.

Your Company had on hand December 31, 1923, Marketable Securities and Cash of $16,622,017.65.

Mining Claims and Government Concessions

During the year the Company acquired nine additional mining claims and 100 miscellaneous claims for waste dumps, railroad rights-of-way and for lime rock deposits.

The Company's total holdings of claims in and about Chuquicamata under mining titles as of January 1, 1924, are shown as follows:

	January 1, 1923 Number of Claims	January 1, 1923 Acres	January 1, 1924 Number of Claims	January 1, 1924 Acres
Mining Claims	310	2,133	319	2,174
Other Claims	447	5,577	547	7,712
	757	7,710	866	9,886

Mine

The total length of all bench faces developed as of December 31, 1923, amounted to 33,430 feet. This compares with 18,740 feet as of December 31, 1922. The increase was largely due to the subdivision of the existing benches in accordance with a policy determined upon during the year.

Ore mined during the year amounted to a total of 7,067,006 short tons averaging 1.666% copper. This brings the total of all ore mined from the start of operations to December 31, 1923, up to 29,339,183 tons, averaging 1.671% copper.

A total of 44,241 short tons of material averaging .80% copper was placed in stock pile during the year.

Waste removed during the year amounted to a total of 4,243,710 short tons averaging .46% copper.

In blasting, 29,191 feet of main and auxiliary tunnels were blasted or destroyed during the year. Due to the extension of the churn drilling methods of blasting, the drilling equipment was augmented with 15 new churn drills. An aggregate of 312,500 feet of churn drill holes was drilled.

Three new standard electric shovels were authorized early in the year; the first one arrived in October and started operating late in December. With these additional shovels the total electric shovel equipment at the Mine will consist of 13 standard with 4½-yd. dippers, and 2 revolving with 8-yd. dippers. All standard shovels are being equipped with caterpillar traction devices in place of railroad trucks.

Mill

A total of 7,057,776 short tons of ore was crushed during the year.

The average leaching extraction obtained from 654 charges treated was 90.15% compared with 89.62% for the previous year.

The rebuilding and increasing of the capacity of the Dechloridizing Plant was completed.

The operation of the recently developed copper silicon anodes continued highly successful. All commercial sections of the Electrolytic Tank House are now equipped with these anodes. The power efficiency of the commercial sections has improved to the extent that 24 pounds of copper are now deposited per kilowatt day. This is as compared with 19 pounds for the best year prior to using the new anodes and under the same conditions of current density. The improvements carried out during the year in the Dechloridizing Plant have released for commercial deposition those tanks which were formerly tied up in depositing out the copper from discard spent electrolyte solution.

The Smelter produced a total of 199,364,000 pounds of copper in marketable shapes in 1923.

During the year the anode furnace was rebuilt and enlarged and a magnesite bottom substituted for the silica bottom heretofore used. With this change the Plant is now in a position to fully supply its soluble anode requirements from secondary copper where formerly some cathode copper was used.

No. 2 market furnace was rebuilt during the year and now conforms in size and capacity to the No. 3 furnace. The casting capacity of this Department is in excess of requirements.

The following tabulation shows a comparison by years of results obtained since 1918:

Period	Ore Crushed Short Tons	Average Crushed Per Day	% Cu in Ore Leached Sol. Assay	% Ampere Eff.	% Net Recovery	Pounds Copper Produced
1918	3,745,083	10,762	1.653	82.40	82.20	102,136,658
1919	2,961,464	11,303	1.634	83.00	86.00	76,717,872
1920	4,243,301	11,760	1.550	82.83	89.68	111,132,380
1921	1,671,936	5,573	1.712	85.43	90.36	53,999,952
1922	4,375,983	12,909	1.698	82.13	89.72	134,569,044
1923						
1st Qr.	1,622,504	18,866	1.622	82.98	90.67	47,189,020
2nd Qr.	1,678,208	19,071	1.727	85.40	89.55	50,338,430
3rd Qr.	1,871,105	21,263	1.669	87.28	88.68	54,243,808
4th Qr.	1,885,959	20,725	1.636	89.00	89.18	53,126,332
Year 1923	7,057,776	19,994	1.663	86.25	89.48	204,897,590

After providing copper for the manufacture of anodes, there remained of the above production 204,245,523 pounds of copper available for the market.

Construction

The principal construction features under way and completed during this year are as follows:

At Tocopilla a 55,000-bbl. fuel oil storage tank and Foamite Fire Protection for all storage tanks were installed. The installation of travelling screens at intake works was completed.

A new cradle for car dumper was installed in September.

Railway construction was commenced on the main line connection to Bench E-4, the D-E loop and the connection to Bench E-1. Construction was started on a new line to connect at Punta de Rieles with the main line of the Antofagasta & Bolivia R. R. This was necessitated by the encroachment of the tailings dump on the existing connection. The new location will provide room for tailings from the total estimated oxidized ore reserves. These new railway lines will total 10.35 miles in length.

For the purpose of effecting additional economies and insuring a regular and dependable production, and also with a view of balancing the various units of the Plant for a higher production, i.e., 240,000,000 pounds of copper, the Directors authorized the expenditure of approximately $5,800,000. This sum includes the cost of a second transmission line, the towers being so designed that a third circuit may be added to meet possible future plant extensions. Provision has also been made for a second salt water pipe line, having the same capacity as the existing line. The balance of the items consist largely of equipment for the mine and plant, additional units to power installations at Chuquicamata and Tocopilla and some few welfare items such as increasing school and hospital facilities.

Census

The average number of inhabitants—men, women and children—in camp during 1923 was 12,732, as compared with 9,918 for 1922. On December 31, 1923, the population of the Chilean village was 11,840 and of the Foreign section 1,294, or a total of 13,134. The maximum reached was in September, with a total of 13,379.

The average working force for 1923 was 4,906 men, of whom 4,594 were on operation and 312 on construction. For December the average working force was 5,014 men, of whom 4,683 were on operation and 331 on construction. The total number of men on the payroll for December was 5,761. This based on the average working force figure of 5,014 men shows an attendance factor of 87.03%. During the year we had a 10.8% labor movement. 4,903 men out of a total of 5,761 on the payroll in December, or 85.1%, received the attendance bonus.

There were 1,635 pupils enrolled in the Chilean schools as of December 1, 1923. The average attendance for the year was 1,299.

In the foreign school 57 pupils were enrolled at the close of the term.

Tocopilla

The power generating station in Tocopilla operated steadily and without difficulty or serious interruption.

A total of 352,557,400 K. W. hours was generated, or an average of 40,246 K. W. per hour.

The fuel oil consumption for the year in Tocopilla amounted to 1,140,860 barrels, or 392,357,401 lbs., which represents an oil factor of 1.113 lbs. consumed per K. W. H. generated, or conversely 309.0 K. W. H. generated per barrel (42 gal.) of fuel oil.

Financial

Attached hereto you will find a Consolidated Balance Sheet at the close of business December 31, 1923, together with an Income Statement for the year, both certified to by Messrs. Pogson, Peloubet & Company, Certified Public Accountants.

The accounts of the Company will hereafter be carried on a Sales basis instead of, as formerly, on a Delivery basis. The change was made for the reason that it is believed the financial position of the Company is more accurately shown by Sales made during the year than by the copper delivered during the year. Deliveries include copper sold at prices of the prior year and do not include other copper sold at prices of the current year. The adjustment required to place the accounts on a Sales basis is shown on the Income Account attached.

JOHN D. RYAN,
Chairman of the Board.
CORNELIUS F KELLEY,
President.

New York, N. Y., May 5, 1924.

CHILE COPPER COMPANY

and Subsidiary Companies

Consolidated Balance Sheet—31st December, 1923

ASSETS

FIXED:		
Property Investment	$99,201,375.50	
Plant and Equipment at Mines, Reduction Works, Power Plants, Railroads, Steamships, etc.	40,964,385.42	
	$140,165,760.92	
Less Reserve for Depreciation of Plant and Equipment	16,337,652.54	$123,828,108.38
DEFERRED CHARGES including discount on bonds		2,469,819.61
CURRENT:		
Supplies on hand and expenses prepaid	6,463,555.52	
Copper in process and on hand, at cost	1,936,386.20	
Accounts Receivable	5,660,373.83	
Marketable Securities	10,571,437.50	
Cash and Call Loans	6,050,580.15	30,682,333.20
		$156,980,261.19

LIABILITIES

CAPITAL STOCK:		
Authorized—5,400,000 shares of $25.00 each		
Issued—4,391,060 shares		$109,776,500.00
COLLATERAL TRUST GOLD BONDS, due 1932:		
Authorized—$100,000,000.00		
Issued and Outstanding—Series A, 6% Convertible		35,000,000.00
RESERVE for Renewals and Replacements, Insurance, etc.		746,934.70
CURRENT:		
Interest and Taxes Accrued	$1,226,708.28	
Accounts and Wages Payable	3,441,310.70	4,668,018.98
SURPLUS:		
Surplus 31st December, 1922	$3,013,596.28	
Deduct adjustments thereof	37,252.66	
	$2,976,343.62	
Net Income, per statement annexed	14,721,263.89	
	$17,697,607.51	
Distributions to Stockholders	10,908,800.00	6,788,807.51
		$156,980,261.19

We have examined into the affairs of the Chile Copper Company and of its Subsidiary Companies and have verified the Assets, Liabilities and Income shown above. We hereby certify that this Balance Sheet shows the financial condition at 31st December, 1923, of the Companies as an aggregate whole and that the accompanying Income Account for the year ending that date is correct as stated.

POGSON, PELOUBET & COMPANY,
Certified Public Accountants.

New York, April 22nd, 1924.

CHILE COPPER COMPANY

and Subsidiary Companies

Consolidated Income Account—Year Ending 31st December, 1923

OPERATING REVENUE:		
Copper delivered—203,801,420 pounds at 14.677 cents per pound		$29,911,105.35
PRODUCTION COST		12,394,688.56
OPERATING PROFIT		$17,516,416.79
OTHER INCOME		1,108,611.19
		$18,625,027.98
CHARGES AGAINST INCOME:		
Taxes and Miscellaneous Charges	$1,214,255.43	
Interest and Discount on Bonds	2,384,093.27	
For Depreciation and Obsolescence of Plant and Equipment	2,116,052.83	5,714,401.53
NET INCOME from copper delivered in year 1923		$12,910,626.45
ADD, Profit on 24,641,194 pounds copper sold prior to 31st December, 1923, but undelivered at that date		1,810,637.44
TOTAL carried to Balance Sheet		$14,721,263.89

NOTE.—In order to comply with the Government Income Tax requirements for the purpose of computing depletion, an additional valuation of the mining property as of 1st March, 1913, has been recorded upon the books of the Company; but, being made for tax purposes only, the result of those entries has been omitted from the current statements.