

AIR MAIL

May 31st, 1945

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 statement relative to the April, 1945 operations at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

|                  |          |
|------------------|----------|
| Lead Refinery    | \$ 95.53 |
| Bismuth Refining | 1,221.76 |

As you know, we are now showing no profit or loss for the treatment of Tocoila and East Helena bullions. We began to use our new "Cost Per Unit of Impurity Calculations" in April to determine the costs for treating custom materials. A profit of \$4,000 is shown for the treatment of outside custom metals, but this amount was offset by an increase in the cost of treating Haritan materials.

The tonnage treated in April was 3,443 tons as compared with 3,239 tons in March.

ZINC OXIDE DEPARTMENT

The income for April was:

|                                 |             |
|---------------------------------|-------------|
| Actual Cost Basis (Cost Sheets) | \$12,730.17 |
|---------------------------------|-------------|

Summary of Operations

| <u>Unit</u>          | <u>Number Days<br/>Operated</u> | <u>Material<br/>Produced</u> |
|----------------------|---------------------------------|------------------------------|
| French Retorts       | None                            | -                            |
| American Block       | None                            | -                            |
| No. 1 Muffle Furnace | 13                              | Lead-free Zinc Oxide         |
| No. 3 Muffle Furnace | 5                               | Leaded Zinc Oxide            |
| No. 3 Muffle Furnace | 16                              | Lead-free Zinc Oxide         |
| No. 4 Muffle Furnace | 29                              | Lead-free Zinc Oxide         |

N11569

PNYC00009421

May 31st, 1945

The April income was favorably affected by the following factors:

- |                                                                                       |          |
|---------------------------------------------------------------------------------------|----------|
| 1. Income from Zinc Oxide produced from Tescle Furne                                  | \$ 3,400 |
| 2. Reduction in operating cost per pound produced resulting from increased production | 11,708   |

Unfavorable factors for the month were the shut-down expenses of the French Retorts and American Process Furnaces which amounted to \$5,400.

#### WHITE LEAD DEPARTMENT

The income for April was as follows:

|                   |             |
|-------------------|-------------|
| Dry White Lead    | \$ 9,263.44 |
| White Lead-in-Oil | 2,572.76    |

The White Lead Department continued to be on a shut-down basis in April with the shut-down expenses and repairs amounting to \$10,000. A profit of \$700 on the sales of dry white lead reduced the loss to the figure shown above.

#### INVENTORIES

##### Refining Department

The amount of lead in inventory on April 30th was 8,322,646 pounds, a decrease of 61,808 pounds during the month. The silver in inventory was 700,647 ounces, an increase of 62,208 ounces since March 31st. These high inventories are due to accumulating bullion in order to equalize our production over the months of May and June when our receipts will be affected by the High Pismuth bullion run at Tescle.

##### Zinc Oxide Department

The total value of raw materials and finished stocks on hand April 30th was \$451,000, an increase of \$24,000 over March 31st inventory valuations. The reason for this high inventory is the result of preparing for the May, June and July Chemical Warfare Service business.

##### White Lead Department

With no production, due to being on a shut-down basis, the value of the inventories in the White Lead Department decreased from \$125,000 on April 1st to \$103,000 on May 1st.

#### LABOR

On May 18th we met with the Union Committee and Dr. Updegraff, the arbitrator selected to hear the Marie Hurt grievance case. Today we received Dr. Updegraff's decision which is as follows:

"It is awarded that the Company here concerned in discharging Mr. Walter Marie Hurt on December 18, 1944, was acting entirely within its rights and powers and that the said former employee is not entitled to be returned to work."

PNYC00009422

May 31st, 1945

The Wage and Hour Division of the War Labor Board approved the application for increasing the Rotary Furnace Firemen's rate of pay to 86¢ per hour.

The Zinc Oxide Packers' grievance, which began with a work stoppage by them on April 23rd, has been taken care of by putting new crews to work on this job. We have been somewhat handicapped by their inexperience, but daily improvement is noted, and it will not be long before the new crews become efficient.

#### OUTLOOK

##### Lead Refining Department

Anticipated bullion receipts for the next several months are very low, with Tooele placing their estimate at only 1,500 tons per month. We treated about 300 tons of custom materials in the Blast Furnace in May, and expect to treat about 1,000 tons of battery plates in June. Battery plates are available in quantity; however, the price is somewhat higher than we have been paying and we have been reluctant to meet the advanced price, since our present margin is but a few dollars per ton.

##### Zinc Oxide Department

The outlook here for the next few months is rather pleasing. In addition to the contract we have with the Chemical Warfare Service to supply them with 450 tons of zinc oxide per month during May, June and July, we have just been informed that they will accept an additional 300 tons, 150 tons in each of June and July.

This business, plus the possibility that the Anaconda Sales Company may dispose of some Brass Special Zinc to the American Brass Company, indicates that the Zinc Oxide Department will be able to operate at a high rate of production, at least until August 1st.

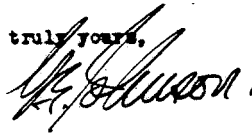
Our supply of scrap is comfortable, and is augmented by several hundred tons of electrolytic zinc, should the scrap market tighten up.

##### White Lead Department

May will be the last of the shut-down months, with operations expected to be resumed on June 1st. We will produce the third quarter quota of white lead in July, which assures us a continuous run of two months on white lead. After that, unless restrictions on the use of lead for pigments are lifted, we will change over to the Betts Process.

We hope you will find this information helpful.

Very truly yours,



GEJ/vm  
cc: Mr. F. Laist

PNYC00009423