

AIR MAIL

November 30th, 1944

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 October, 1944 operations at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

|                  |              |
|------------------|--------------|
| Lead Refinery    | \$ 10,781.80 |
| Bismuth Refining | \$ 759.64    |

During October, the Lead Refinery treated 3,063 tons as compared with 3,888 tons in September and an average of 3,390 tons per month for the first nine months of this year. This unusually low tonnage was due to not having any Low Bismuth Taconite Bullion, the material treated being:

|                               |            |
|-------------------------------|------------|
| High Bismuth Taconite Bullion | 528 tons   |
| East Helena Bullion           | 608 "      |
| Scrap Lead                    | 11 "       |
| Battery Plates                | 826 "      |
| Total                         | 2,063 tons |

The above income was affected by the following adverse factors:

1. Deferred antimony credit (no produced no antimonial lead) \$ 4,400
2. Increased overhead and operating costs due to low tonnage treated 3,600
3. Extraordinary repairs 1,400
4. Loss on sale of fire brick to Taconite 450

We had two favorable factors which affected our income to the extent of \$7,000. One was increasing our "In Process Expense" by \$2,000, resulting from altering the in process cost of finished anode metal from \$5.06 per ton to \$13.06 per ton. The other was earning a \$5,000 new money profit by the treatment of the 826 tons of battery plates.

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days on the treatment of medical cases.

The September income was unfavorably affected by:

1. Loss on sale of slatted ore \$ 2,700
2. Use of high cost materials in the production of American Process Zinc Oxide 8,900
3. Increased overhead due to low production on Buffalo Primrose 5,100

#### Chemical Refractory Services Facilities

We had no C. E. E. orders for October, which cut our Buffalo Oxide production to a minimum. We have no November business with them, and we do not anticipate an order for December.

#### Zinc Ore Stock

The last car of the 350 tons of California Zinc Ores we had on hand was shipped to Eagle Harbor on November 1st. Our November sheets will include a loss of about \$400, which will make the total loss on the liquidation of this ore run to \$8,800.

#### PRIME-LEAD DEPARTMENT

The income for October was as follows:

Net Prime Lead \$ 290.74  
Units Lead-19-611 1,660.35

The October sales were 644 tons as compared with 763 tons in September.

#### INVENTORYING

#### Refining Department

The amount of lead in inventory on October 31st was 6,844,594 pounds, a decrease of 21,323 pounds during the month. The silver in inventory at the close of the month was 580,404 ounces, which is a decrease of 159,963 ounces since October 1st.

#### Zinc Oxide Department

The total value of the Zinc Oxide Department's inventory on October 31st was \$394,800, which is \$45,300 less than it was at the beginning of the month.

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White Lead Department

The White Lead Department had a total inventory value of \$208,400 on October 31st, as compared with \$189,400 on September 30th. This is an increase of \$19,000 during the month.

LABORContract Negotiations

On November 18th we were notified that the War Labor Board had approved the joint petition, which we had prepared with the Union and submitted to the W.L.B. on October 31st. The new contract was signed with the Union on November 24th. This contract will expire on December 15th, 1944.

The Union advised us by letter on November 13th that they were desirous of opening negotiations for the contract which is to expire December 15th, 1945. We replied also by letter that we would be ready at their convenience.

Standby Rates

We have met with the Union to discuss standby rates for Lead Refinery Holders and Kettlemen. The Union agreed to our proposal for the establishment of these rates, after which we forwarded a joint Form 10 petition to the War Labor Board office in Chicago. We believe they should approve this request.

Lead-Lease

On a recent trip to Washington by Mr. Hurlless, made at the suggestion of Mr. Hobbins, Mr. Hurlless established contact with several agencies dealing with Lead-Lease. He learned that the overseas requirements for military purposes were utilizing so much of the shipping facilities that it would be at least three months before lead-lease supplies could be shipped in large quantities.

In the meantime, we shall keep in touch with the agencies involved in order to be prepared for any inquiries we may receive concerning lead-in-oil and zinc oxide.

Scrap Metals

We have been offered large tonnages of secondary zinc in recent weeks. We are in need of additional production to increase our revenues. Since we have no C.W.S. Zinc Oxide business in sight, we are looking into the possibilities of producing zinc.

Changes in Zinc Oxide Department Cost Sheets

Mr. Severn visited us recently and made several suggestions involving changes in the Cost Sheets for the Zinc Oxide Department. Some of these changes have already been incorporated in the October sheets, while others are still under discussion.

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Mr. E. E. Boyer

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Outlook

The Lead Refinery is still on low tonnages in November due to the treatment of High Pismuth Toccole Bullion. The October results were favorably affected by the treatment of battery plates, but this will not be the case during November, since we are not using any battery plates this month.

The sales of pigments has slowed up since Election Day. Estimated sales for zinc oxide are even lower for the balance of the year than were October sales. In white lead we anticipate the usual seasonal decline in sales.

We trust that the above information will be helpful.

Very truly yours,

*W. B. Boyer*

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cc: Mr. F. Laist

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