March 26th, 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 February, 1943 operations at the East Chicago Plant.

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refining	$ 14,474.11
Bismuth Refining	$ 1,587.52

The tons treated were 3,927. The unusual items which occurred during February include a $6,000 credit for Tooele toll charges for the Betts Process lead molded; a sale of blast furnace slag of $250; a profit on Mammoth St. Anthony bullion of $800; a credit of $1,400 on In-Process Expense because of the Betts Process operation.

WHITE LEAD DEPARTMENT

The Profit and Loss Statement reveals the following:

Dry White Lead	
Shutdown Expense	$ 5,949.00
Repairs	3,108.27
	$ 9,057.27
Lead-in-Oil	$ 3,439.93
	$ 12,497.20

The plant was on a shutdown basis. No depreciation was charged against white lead. Dry white lead income, exclusive of shutdown and repair expense was approximately a breakeven for the month. A loss of $3,439.93 is shown for the Lead-in-Oil. This loss is largely accounted for by the small tonnage sold and the fixed items of expense.

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BETTS PROCESS

The February operations were carried on entirely on undesilverized Tooele bullion anodes. The cell room operation was appreciably improved. A comparison of the production cost and ampere efficiency is significant:

	Cost Per Ton Cathode Lead	Ampere Efficiency
January	$ 38.00 *	68.0%
February	$ 19.79 *	75.0%
March to date	-	83.0%

*Exclusive of depreciation

Depreciation for the months of January and February, totaling $3,053.00 ($6.43 per ton) is included in the February cost sheet. The 474 tons of cathode lead produced was of good quality, considering the limitations of our White Lead Plant equipment. The average analysis is reported as follows:

% Sb	% Cu	Ozs. Ag	% Zn	% Bi	% Lead by Diff.
.0015	.0016	.12	.0025	.024	99.9722

We are encouraged by the February operations on undesilverized Tooele bullion.

It is planned to shut down the Betts operation and resume the White Lead Plant operations on April 1st.

ZINC OXIDE DEPARTMENT

The loss for the month is shown as follows:

Zinc Oxide	$ 5,571.38
Zinc Metal	$ 1,051.18

The reduction in zinc oxide loss shown in February as compared to January is accounted for by an increase in the volume of sales that was largely in the higher priced grades of zinc oxide.

The operations carried on during the month were limited to one muffle on the production of zinc oxide from scrap materials, two muffles on treatment of high zinc residue metal. A six-door unit of the American Block operated throughout the month on Great Falls dross.

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GENERAL REMARKS

WAR MANPOWER COMMISSION

On March 17th the War Manpower Commission announced that the industrial area, including East Chicago, would be designated as Group I, which requires 48 hours employment per week unless exempted from such provisions by the Commission. Compliance with the order must be in effect by May 1st, 1943. All hourly employees at East Chicago are employed on a 48-hour work week schedule. Office and supervisory employees are employed on a 40-hour work week schedule. If it is necessary for us to adopt a 48-hour week for office and supervisory employees, the minimum cost of such a change would be $20,000 per year and possibly a maximum of $50,000 a year additional cost may be incurred. Mr. Laist has been advised of the situation.

OUTLOOK

We are encouraged by increased zinc oxide sales which developed about the middle of March and the indication that the volume of higher priced zinc oxides may expand.

There is also an indication that the white lead volume may be a little larger in March than in February. We believe the experience gained on the operations of the Betts Process has been very valuable and future operations of this process should be on a more economical basis.

Very truly yours,

GEJ/mm
cc: Mr. Frederick Laist