

AIR MAIL

February 28th, 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 January, 1945 operation at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery
Bismuth Refining

\$ 18,803.43
1,972.31

Of the above Lead Refinery profit \$10,000 is an adjustment for the additional allowance for refining East Helena bullion in 1944, and \$1,600 more for a similar Toccoa bullion adjustment. The balance of the income resulted from a profit of \$4,200 from the treatment of custom materials and \$2,000 in metal gains from East Helena bullion.

The tonnage treated in January was 3,420 tons, of which 645 tons was battery plates. The treatment of these battery plates in a 17 day run of the Rotary Furnace showed a new money profit of about \$5,000. We are not operating the Rotary Furnace in February, but are accumulating enough battery plates for a thirty day run in March.

ZINC OXIDE DEPARTMENT

The income for January was:

Actual East Basis (Cast Sheets)

\$ 5,497.70

Summary of Operations

<u>Unit</u>	<u>Number Days Operated</u>	<u>Operation</u>
French Retorts	0	None
American Block	25 (6 doors)	Loaded Zinc Oxide
American Block	6 (6 doors)	Lead Free Zinc Oxide
No. 1 Baffle Furnace	31	Brass Special Zinc
No. 2 Baffle Furnace	7	Lead Free Zinc Oxide
No. 4 Baffle Furnace	25	Loaded Zinc Oxide *

* Produced from treatment of residue metal

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Favorable factors affecting the January income:

- | | |
|--|----------|
| 1. Use of Muffle Furnace Dross rather than Great Falls Dross | \$ 3,300 |
| 2. Production of leaded zinc oxide from residue metal | 4,700 |
| 3. Profit from production of Brass Special Zinc | 3,500 |

Scrap

The supply of Kirksite dies has tightened up somewhat. We discontinued producing Brass Special Zinc on February 18th for that reason. We are getting only enough scrap to keep one muffle running, and we must produce zinc oxide from it to take care of sales requirements.

WHITE LEAD DEPARTMENT

The income for January was as follows:

Dry White Lead	\$ 16,886.39
White Lead-in-Oil	4,663.64

January sales were 1,156 tons, almost three times that of January, 1944. This unusual record was due to advanced buying by our customers in anticipation of the restrictions placed on the production of white lead.

By January 26th we had produced all the white lead we are permitted to make during the first quarter. The roll room was then converted to the Betts Process in order to obtain the bismuth from our remaining high bismuth lead.

INVENTORIESRefining Department

The amount of lead in inventory on January 31st was 7,203,391 pounds, a decrease of 1,299,416 pounds during the month. The silver in inventory was 627,123 ounces, an increase of 23,148 ounces since January 1st. The lead decrease was due to reducing the inventory of East Helena bullion by 252 tons and that of battery plates by 440 tons.

Zinc Oxide Department

The total value of raw materials, in process and finished stocks on January 31st, was \$284,000, a decrease of \$4,000 during the month.

White Lead Department

Due to the unusually large sales in January the total inventory value for the White Lead Department decreased \$104,000, from \$270,000 on January 1st to \$166,000 on January 31st.

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LABOR

On January 4th we signed, with the Union, the contract which took effect on December 15th, 1944. Since then we have met several times with the Union Committee to negotiate wages. They submitted eight proposals for increased rates, five of which we have convinced the Committee to agree were not justifiable increases; two others, we are studying to improve job conditions; and one proposal we have agreed to establish a new rate of 82¢ for a Seamstress. This latter job now includes sewing of coveralls, gloves, etc. which, due to wartime restrictions, cannot always be purchased to fit our needs, and therefore requires a certain amount of skill. We are preparing N.L.B. Form 10 for approval of this rate for a Seamstress.

OUTLOOKLead Refining Department

With battery plates still available in good quantities at a favorable price, we will continue to buy as many as we are able to treat, which is an average of about 1,000 tons per month.

The operation of the Betts Process in February will release whatever bismuth has been tied up in high bismuth bullion.

Zinc Oxide Department

There are no new developments concerning zinc oxide business with the Chemical Warfare Service.

We had hoped to be able to run one Muffle Furnace on the production of Brass Special Zinc from Kirkite dies and another on zinc oxide from other types of scrap, but the supply has tightened up to the extent that we can keep but one furnace operating. We are continuing our efforts at increasing our purchases of both scrap and the dies.

The results obtained in the test run to produce U.S.P. quality Zinc Oxide from high grade electrolytic zinc at the Muffle Furnaces were very encouraging. However, the test showed that some changes in the furnace are necessary, and we plan to make a few small changes which we believe will prove beneficial.

The acicular oxide test has been delayed because of the scrap supply shortage. This test will be made as soon as conditions warrant.

White Lead Department

The Betts Process, in operation since the filling of our quarterly white lead quota, was shut down on February 28th. We are faced with having the White Lead Department shut down during March, April and May, after which time we will have the bullion from Toole's next high bismuth run. Our present plans are to produce the second and third quarter quotas of white lead in June and July and use up the rest of the bullion by running the Betts after July.

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Mr. R. E. Dyer

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February 25th, 1945

We recognize that February results will not be very favorable. Nevertheless the January income shows what we can do when we get the right combination of circumstances.

We hope the information given here will be of help to you.

Very truly yours,

W. H. Dyer

GEV/bm
cc: Mr. F. Laist

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