

AIR MAIL

November 1st, 1943

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 brief discussion of the September, 1943 operations at the East Chicago plant:-

LEAD REFINING DEPARTMENT

The income for the month:-

Lead Refining	\$ 6,193.03
Bismuth Refinery	\$ 1,415.65

The following items affected the income from lead refining operations:-

Retroactive pay increase ordered by the War Labor Board	\$ 8,111.09
September Pay Increase	\$ 900.00
Adjustment for cadmium lost in the production of Anascondalcoy	\$ 1,118.76
Profit on Gardiner Metal Company contract	\$ 1,240.79

In addition to the above, there is a deferred income of \$1,735.00 which will be realized whenever the antimony charged in excess of production during September is produced as antimonial lead.

The loss at the bismuth refinery includes the retroactive pay increase of \$403.54 and approximately \$500.00 of repairs to the ventilation equipment.

ZINC OXIDE DEPARTMENT

The operations carried on during the month consisted of 29 days operation of the French furnace and 30 days operation of the six-door American Block. The muffle furnace operations were confined to 19 days on production of slab zinc.

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The income for the month is shown as follows:-

Zinc Oxide	\$ 18,975.11
Zinc Metal	\$ 4,477.8

Adverse factors which influenced the September income from zinc oxide operations are shown below:-

Retroactive pay increase ordered by the War Labor Board	\$ 1,673.72
Sale of 222,000 lbs. of LL-10 zinc oxide at a loss of 4.322¢ per lb.	\$ 9,694.84
September pay increase	\$ 400.00

The LL-10 zinc oxide was sold at an average selling price of 6.384¢ per pound. This oxide was produced during 1941 at a cost of less than 6.000¢ per pound, but was charged out this month at the current production cost, in line with "last in - first out" system on inventories.

The following tabulation shows the principal items affecting the income from zinc oxide operations for August and September.

	August	September
Net sales price	8.589¢	9.040¢
Cost of goods sold, including selling expenses	9.790¢	10.419¢
Loss per lb. of zinc oxide	1.191¢	1.379¢
Total lbs. of zinc oxide sold	1,014,735	1,378,350
Net loss per month	\$ 12,090.79	\$ 18,975.11
Retroactive pay and loss on LL-10 (as above)		\$ 12,268.36
Normal loss for September		\$ 8,706.55

The loss shown for the slab zinc operations includes the retroactive pay increase of \$1,266.33. Other factors increasing the production cost were low tonnage and the high proportion of residue metal treated. All of the metal produced was prime western.

WHITE LEAD DEPARTMENT

The Profit and Loss statement reveals the following:-

Dry White Lead	\$ 3,651.87
Lead-in-Oil	\$ 2,435.39

The loss shown for dry white lead includes \$2,193.02 retroactive pay increase, \$2,479.30 shutdown expense, and \$2,266.12 for shutdown repairs.

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The lead-in-oil loss includes retroactive pay amounting to \$154.48.

Due to the gratifying increase in sales we plan to resume production of white lead about November 1st.

BETTS PLANT

The cost per ton of anodes corroded is shown as \$31.41. This cost includes the retroactive pay increase of \$1,010.87. Exclusive of the retroactive pay increase, the cost per ton of anodes corroded is \$29.53. This cost compares very favorably with our July estimate of \$30.13 per ton corroded. During September we corroded an average of 17.9 tons per day as compared to 14.9 tons per day in August. We feel that the October tonnage will be in line with the September tonnage, as we have corroded an average of 19.16 tons per day for the first 24 days of the month.

GARDINER METAL COMPANY CONTRACT

The final settlement of this account was completed during October.

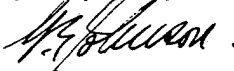
LABOR

We have been advised by Mr. Schuh, the new business agent of the United Mine Workers of America, that they probably will be ready to discuss a new contract in about 30 days. We are preparing a list of things to discuss with them when the negotiations begin.

CHEMICAL WARFARE SERVICE INTEREST IN ZINC OXIDE

We are making arrangements to have a representative of our staff visit the Edgewood Arsenal in order to check with them as to the use of the new testing equipment and to obtain any information available as to the special requirements for oxide to be used by the Chemical Warfare Service.

Very truly yours,



GEJ/mm

cc: Mr. Frederick Laist

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