

AIR MAIL

February 2nd, 1945

Mr. R. E. Dwyer, Executive Vice President
Amesconda Copper Mining Company
25 Broadway
New York 4, New York

Dear Mr. Dwyer:

The following is a statement relative to the December, 1944 operation at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery	\$ 168,560.08
Bismuth Refining	1,184.08

The Lead Refinery income is arrived at as follows:

Additional allowance for refining East Helena Bullion	\$ 72,839.39	\$ 168,560.08
Additional allowance for refining Tocoila Bullion	158,739.11	
	<u>\$237,968.50</u>	
Less metal gains returned to Tocoila	<u>71,121.65</u>	<u>156,846.85</u>
Net December profit after inventory gains		\$ 9,713.21

We show below a comparison of metal recoveries between 1943 and 1944. This improvement in recoveries permitted us to allow Tocoila considerable credit for metal gains. We have absorbed the \$71,121.65 as shown above in the December accounts and will return to them an additional \$18,034.48 in January.

Comparison of Metal Recoveries

	1943	Assumed 1944	1944
% Lead	99.844	99.70	99.639
% Antimony	82.898	80.00	76.723
% Copper	96.401	90.00	115.140
% Silver	100.742	100.00	101.491
% Gold	100.342	99.78	101.287

The tonnage treated in December was 3,293 tons as compared with 1,946 tons in November and 2,063 tons in October.

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Battery Plates

We treated approximately 1,000 tons of battery plates in January after making some repairs and changes to the Rotary Furnace, which increased the capacity of the furnace from 45 tons to 60 tons per day. We have on order 1,250 tons of battery plates for February delivery, which we expect to treat on a Marsh Rotary run.

ZINC OXIDE DEPARTMENT

The income for December was:

Actual Cost Basis (Cost Sheets)

\$ 6,474.92

Summary of Operations

Unit	Number Days Operated	Operation
French Retorts	0	None
American Block	31 (6 doors)	Loaded Zinc Oxide
No. 1 Muffle Furnace	6	Lead Free Zinc Oxide
No. 1 Muffle Furnace	19	Brass Special Zinc
No. 3 Muffle Furnace	27	Lead Free Zinc Oxide
No. 4 Muffle Furnace	15	Loaded Zinc Oxide *
No. 4 Muffle Furnace	8	Prime Western Zinc *

* Produced from treatment of residue metal

Favorable factors affecting the December income:

1. Use of Muffle Furnace to produce Loaded Zinc Oxide from residue metal \$ 6,000
2. Use of Muffle Furnace Dross rather than Great Falls Dross to produce Loaded Zinc Oxide at American Block 7,000
3. Sale of residues previously shown produced at little or no value 6,400

We had an unfavorable factor in the amount of \$5,400 resulting from charging out raw material on a last in-first out basis.

Scrap Kirkite Dies

We have received to date 508 tons of Kirkite dies, which we used in conjunction with a small amount of other scrap, to produce in December and January 470 tons of Brass Special grade zinc slabs and 80 tons of Prime Western grade zinc slabs. The Brass Special contained less than 0.30% lead, and Mr. Glass was able to obtain the Brass Special price from the American Brass Company for this material.

On the dies we purchased from Texas, we have received only 315 tons to date, deliveries being late because of weather and other difficulties.

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Mr. R. H. Dwyer

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WHITE LEAD DEPARTMENT

The income for December was as follows:

Dry White Lead	\$ 5,746.28
White Lead-in-Oil	2,031.03

December sales were 778 tons, an increase of about 150 tons over November. January sales will be even greater than this due to advanced buying in anticipation of the restrictions placed on the production of white lead.

White lead production was stopped on January 28th because at that time we had produced all the white lead we are permitted to produce in the first quarter of 1945 under the new W.P.B. restrictions. The cell room has been converted to produce lead by the Betts Process. Betts production was begun on January 30th.

INVENTORIES

Below is a comparison of inventories between December 31, 1943 and December 31, 1944:

<u>Refining Department</u>	<u>December 31, 1943</u>	<u>December 31, 1944</u>
Lead, Pounds	10,543,048	8,502,607
Silver, ounces	957,838	601,975
<u>Lead Oxide Department</u>		
Raw Materials	\$483,461.19	\$101,865.49
In Process	73,870.56	58,919.67
Finished Stocks	137,453.48	140,055.15
Total	\$694,785.23	\$297,840.31
<u>White Lead Department</u>		
Anodes	\$ 18,745.09	\$ 18,594.92
In Process	24,101.06	14,700.93
Finished Stocks	276,121.82	236,689.58
Total	\$315,967.97	\$269,985.40

LABOR

On January 4th we signed, with the Union, the contract which took effect on December 15th, 1944, copy of which we recently forwarded to you.

On January 18th we met with the Union Committee to negotiate wages in connection with the Wage Reopening Clause in the above mentioned contract. February 14th has been scheduled as the date to resume these negotiations.

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OUTLOOKLead Refining Department

Battery plates apparently are available in fairly large quantities on the basis of a \$24 to \$26 melting charge. With our improved Rotary Furnace, even the \$24 price is a favorable one for us. We are doing all we can to buy all the plates that conditions and price warrant.

Zinc Oxide Department

There is no immediate prospect of Chemical Warfare Service business for zinc oxide and our only hope for increasing our income is to convert scrap into Brass Special and Prime Western zinc in quantities that will at least absorb our fixed charges. Scrap is relatively tight, but special efforts are being made toward the purchase of Kirkite dies.

In January, we began tests to produce U.S.P. quality zinc oxide from high grade electrolytic zinc at the Muffle Furnaces. The results to date have been encouraging. In February we are planning to produce wettable oxide at No. 4 Muffle Furnace. We are awaiting the results of this experiment with much interest.

White Lead Department

We will continue to operate the Betts Process until our supply of high bismuth lead is gone. This should be about March 1st. We expect our next high bismuth bullion from Toole some time in May. Our present plans are to operate the White Lead Plant for the production of white lead in June and July to make our second and third quarter quotas of white lead. We will use about 900 tons of high bismuth lead for white lead and the balance of the tonnage received from Toole's next high bismuth run will be consumed by the Betts.

Operating on the above basis obviously is uneconomical, but justifiable under the present wartime conditions.

We hope the information we have given here will be helpful to you.

Very truly yours,

H. E. Dwyer

GEJ/bm
cc: Mr. F. Laist

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