AIR MAIL   June 26th, 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 May, 1944 operations at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery	$ 2,443.13
Bismuth Refining	[illegible]

During May, the Lead Refinery treated 3,752 tons of material, including 2,304 tons of Tooele bullion and 1,008 tons of East Helena bullion.

The high tonnage treated affected the May income by an increase of $7,000.00 as compared with April. Another favorable factor resulted from the sale of anodes to the White Lead Plant in excess of High Bismuth Tooele refined. This amounted to about $3,400.00.

The only adverse factor we had in May was the cost of extraordinary repairs amounting to $2,400.00.

The amount of lead in inventory at the close of May was 9,466,877 pounds. This represents a decrease of [illegible] pounds during the month. The silver in the inventory was reduced 14,361 ounces to 700,228 ounces at the end of the month.

It was pointed out that we had a deferred credit for antimony in April. We did not pick up this credit of $6,200.00 in May, therefore this credit remains deferred.

ZINC OXIDE DEPARTMENT

During May the American Block operated on twelve doors for the entire month. Nos. 1 and 4 Muffle Furnaces operated all month on the production of zinc oxide. We did not run the French Furnace.

The income for the month is shown as follows:

Zinc Oxide	$ 25,[illegible].41
Zinc Metal	171.87

The following favorable factors account for the profit shown in May:

The 40,000 pounds of zinc oxide omitted from May 1st inventory	$ 3,500.00
Inventory adjustment of secondary metal made possible by being able to get an exact cut-off figure	1,500.00
Increase in average sales price of zinc oxide from 9.068¢ per pound in April to 9.316¢ per pound in May	5,000.00
Decrease in production cost from 8.866¢ to 7.521¢ per pound due to increased tonnage	9,500.00
Decrease in cost of producing American Process Oxide due to use of cheaper raw materials	11,500.00

WHITE LEAD DEPARTMENT

The Profit and Loss Statement for the month of May shows:

Dry White Lead	$ 1,908.77
White Lead-in-Oil	2,562.58

Favorable factors for the month were as follows:

An increase in May sales over April sales of 37 tons increased the sales price of white lead	$ 1,300.00
Increased production resulted in a slight lowering of cost per pound produced	1,300.00

We have been operating at an increased tonnage rate in June, and are planning to shut down the White Lead Plant on July 1st until our stocks warrant a resumption of production.

ZINC OXIDE SHIPMENTS TO CHEMICAL WARFARE SERVICE

We shipped 500 tons of Muffle Furnace Oxide in May, and 400 tons in June. We are anticipating getting a 300-ton order for July, but since C.W.S. demands are lessening, our prospects for continued large orders are diminishing accordingly. We still have in stock the 250 tons of French Process Zinc Oxide made for C.W.S., which they later decided they could not use. We are making every effort to have them take this material.

ZINC OXIDE DEPARTMENT INVENTORIES

Referring to your letter of April 21st, wherein it was pointed out that our inventory figure for March 1st of $622,740.45 was excessive, we are pleased to report that as of June 1st this figure is down to $525,500.

LABOR

Both the Union and Management have submitted briefs to the Regional War Labor Board in Chicago in accordance with the Board's request. The date for the hearing has been set for July 13th.

The request for an increase in rate for the job of Blast Furnace Tapper, from 82¢ to 86¢ per hour, has been granted by the War Labor Board.

We feel that the extension of the Blast Furnace Crane Runway will improve the working conditions in the Refinery, and are awaiting approval of the request for an appropriation for this work.

OUTLOOK

The high tonnage treated in the Lead Refining Department, coupled with increased production and sales in the Zinc Oxide Department, enabled us to achieve in May what we have been working toward for quite some time.

However, the outlook for the next few months indicates that we shall not be able to duplicate the May record. The business we may get from the Chemical Warfare Service is definitely on the decline. The shutting down of the White Lead Department will naturally detract from our income.

We have been experiencing difficulty in obtaining lead sulphate from the National Lead Company for use in making leaded zinc oxide grades. We are studying the advisability of producing lead sulphate ourselves as well as considering purchases from producers other than National.

Several offers have recently been made as to purchase lead-bismuth-silver solder metal. It is a question that we may consider for a future temporary business, although at present National Lead appears to have the inside track. They have recently been incorporated in the State of Indiana to "operate mines and works for refining precious metals and manufacture lead, etc." This incorporation may have been for the above-mentioned purpose.

We hope this information will be helpful.

Very truly yours,

GKJ/bm
cc: Mr.F.Laist

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