ANACONDA COPPER MINING COMPANY

25 Broadway

New York

OFFICE OF
EXECUTIVE VICE PRESIDENT

April 30, 1943.

Mr. G. E. Johnson, Manager,
International Smelting and Refining Co.,
East Chicago, Indiana.

Dear Mr. Johnson:

I received your letter of April 27th in which you review the operations of the East Chicago Plants for the month of March, 1943.

In going over the report it was not quite clear to me as to why you should sustain a loss on your bismuth refinery operations, or the cause of the large amount of shutdown expenses charged to the White Lead Plant. I have rested under the impression that most of the expenses in connection with the Betts Process operations, including carrying charges of the White Lead Plant, would be charged against the bismuth operations.

I note your comments on the operations at the various departments at East Chicago.

Yours very truly,

ROBERT E. DWYER

RED:EM.

CC - Mr. Frederick Laist

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April 27th, 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 March, 1943, operations at the East Chicago Plant:-

LEAD REFINING DEPARTMENT

The income for the month:-

Lead Refinery	$ 12,870.25
Bismuth Refinery	$ 1,238.63

The tons treated were 3,54[illegible]. The unusual items which occurred during March include a $7,000.00 credit for Tooele toll charges for the Betts Process lead molded, $700.00 premium on copper bearing lead, and a loss of $5,800.00 on the treatment of Raritan materials.

The Tooele Plant expects to begin a high bismuth run May 1st. Some of the high bismuth bullion received from Tooele will be stored at East Chicago for use in the Betts Process.

WHITE LEAD DEPARTMENT

The plant was on a shutdown basis. The cell room was operated as a Betts Process refinery during the entire month.

The Profit and Loss Statement reveals the following:-

Dry White Lead	
Direct loss on sale of dry white lead	$ 356.65
Shutdown Expense	5,696.48
Repairs	4,049.90
	$ 10,103.03
Lead-in-Oil	$ 1,874.55
	$ 11,977.58

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 $1,874.55 is shown for the Lead-in-Oil. This loss is accounted for by the small tonnage sold and the fixed items of expense.

BETTS PROCESS

The March operations were carried on entirely on undesilverized Tooele bullion anodes. Betts operations were discontinued on March 30th, and the production of white lead resumed on April 2nd. A comparison of the production cost and ampere efficiency is shown below:-

	Tons Cathode Lead Produced	Cost Per Ton Cathode Lead	Ampere Efficiency
January	300	~~$ 58.00*~~	68.0%
February	474	$ 19.79*	75.0%
March	527	$ 19.30*	87.0%

*Exclusive of depreciation.

The March operations were appreciably more efficient than February. The March costs include a portion of the conversion costs from Betts Process to White Lead production. The total conversion cost approximates $1,500.00, which is much less than spent in conversion from the White Lead to the Betts Process in January. We believe that a substantial saving of time and money was realized by careful planning of the conversion procedure.

The 527 tons of cathode lead produced were of good quality. A special report is being prepared for Mr. Laist, reviewing the Betts Process operations for the first three months of 1943.

Of immediate and direct concern to us are the WPB restrictions which limit the amount of metal used for paint and lead-in-oil containers to 35% of 1942 consumption. This means production will be limited to 35% unless substitute containers are used. Of equal concern and potential effect are the restrictions on the use of linseed oil for paint purposes, which are established at 50% of the 1942 consumption. It looks very much as though our White Lead Plant production will not exceed 4,000 tons in 1943. This would be very serious for the white lead business except for the advantage of utilizing the white lead plant for Betts Process operations.

ZINC OXIDE DEPARTMENT

The operations carried on during the month were limited to one muffle on the production of zinc oxide from scrap materials, two muffles on the treatment of high zinc residue metal, and a six-door unit of the American Block operated on Great Falls Dross. The income for the month is shown as follows:-

Zinc Oxide	$ 17,395.16
Zinc Metal	$ 807.91

The loss shown is in line with our estimate for the year. The receipts of secondary zinc materials are uncertain and erratic. The secondary metal dealers complain of labor problems and shortages.

WAR MANPOWER COMMISSION

A petition to the War Manpower Commission has been prepared requesting exemption from the 48-hour provision for certain office and supervisory employees. It is hoped that the Commission will approve the request for exemption. The War Manpower Commission, through the local head of the United States Employment Service, also submitted for voluntary action a proposed Employment Stabilization Plan to the industries in the Calumet Area. The WMC regulations for essential industries concerning employment stabilization announced April 18th may supersede the proposed Calumet Area Stabilization Plan. This situation is being followed locally through the Chicago Regional Director's office with the assistance and guidance of Mr. Hoover of the Legal Department.

We hope the above may be of interest.

Very truly yours,

GEJ/mm
cc:Mr. Frederick Laist