June 26th, 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 May, 1943 operations at the East Chicago plant:-

LEAD REFINING DEPARTMENT

The income for the month:-

Lead Refining	$ 13,454.09
Bismuth Refining	$ 34.84

Unusual items that adversely affected the income are:-

1. East Helena silver transferred from receipts to inventory - $2,479.23.

2. 3% Transportation Tax adjustment on East Helena Bullion shipments, January to May, 1943 - $2,500.00.

3. Abnormal repair costs due to repeated failures of blast furnace water jackets and sitdown strike - $2,200.00.

4. Low tonnage of 2,000 tons as compared to a normal of 3,500 tons due to the reduced tonnage of Tooele bullion treated.

The June operations will be somewhat similar to those of May because we will be receiving high bismuth bullion from Tooele throughout the month.

ZINC OXIDE DEPARTMENT

The operations carried on during the month consisted of two muffle furnaces for the first fifteen days and one muffle for the last sixteen days; the French furnace for fifteen days; and the six-door American Block operated on Great Falls dross for the entire month.

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The income for the month is shown as follows:-

Zinc Oxide	$ 9,061.61
Zinc Metal	$ 1,121.05
Other Income	$ 2,545.47

The income of $2,545.47 represents the profit on the sale of air bag ashes which were purchased the latter part of 1941. On June 21st we shipped 300 tons of prime western zinc to the Metals Reserve Company for export.

WHITE LEAD DEPARTMENT

The Profit and Loss Statement reveals the following:-

Dry White Lead	$ ~~2,303.00~~
Lead-in-Oil	$ 1,303.55
Other Income	$ 8,590.50

The income of $8,590.50 is a reimbursement for the cancellation of a linseed oil contract, similar to the adjustment in our April accounts.

During the first three months of this year while the Betts Plant was in operation, repair costs in the amount of $8,984.65 were charged against the White Lead shutdown costs. In our May accounts this amount was credited to shutdown expense and charged to operations. Since this charge was both debited and credited, it did not alter our profit figures, but gives an apparent production cost which is $10.19 higher than our actual costs.

WAR MANPOWER COMMISSION

The War Manpower Commission has granted exemption to all of our office and supervisory personnel from the requirements of the 48 hour work week. This decision was obtained after several telephone conversations with their office and visit to their office with additional specific descriptions of the duties of certain employees.

WAR LABOR BOARD DECISION

The Chicago office of the War Labor Board advised us on June 24th that the joint request for a wage increase filed with them February 8th, 1943 has been refused. The decision appears to be final and will eliminate the question of retroactive pay to December 15th, 1942.

FUTURE OUTLOOK

Arrangements have been agreed upon for the treatment of 500 to 1,000 tons or more of battery plates for the Gardiner Metal Company of Chicago. These plates are to be treated on the basis of cost plus a profit of $5.00 per ton.

From present indications the Betts operations will be resumed about August 1st.

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At the present time zinc scrap materials are available in larger quantities.

The Federated Metals Division of the American Smelting and Refining Company are negotiating with us for a license to use our muffle furnace at Trenton, New Jersey. We are expecting their representatives in East Chicago on June 28th.

Very truly yours,

GEJ/mm
cc:Mr. Frederick Laist