AIR MAIL   January 31, 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 brief statement relative to the December, 1943 operations at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery	$20,031.50
Bismuth Refining	1,653.93

During December the Lead Refinery treated 3,776 tons of material including 2,848 tons of Tooele bullion and 928 tons of East Helena bullion.

Unfavorable factors influencing the December income at the Lead Refinery are as follows:

Cost of repairs to Bag House stack	$2,193.00
Extraordinary Repair Items	1,850.00

The amount of lead in inventory at the close of December was reduced to 10,849,048 pounds, and the silver in inventory was reduced to 938,038 ounces. This represents a reduction of 922,[illegible] pounds of lead and 20,793 ounces of silver during the month.

Metal Recoveries - For several years prior to 1942, the metal recoveries consistently exceeded the assumed recoveries. In 1942 the assumed recoveries were higher than the actual recoveries. However, we used the same assumed recoveries in 1943 as in 1942, and experienced metal recoveries in excess of the assumed recoveries amounting to $36,172.84 which was credited to the December accounts.

ZINC OXIDE DEPARTMENT

The operations carried on during the month consisted of 31 days' operation of the six-door American Block, 3 days' operation of the rotary calciner and the muffle furnaces were operated 31 days on the production of zinc oxide and 7 days on the production of slab zinc.

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The income for the month is shown as follows:

Zinc Oxide	$45,071.27
Zinc Metal	[illegible]

The income from zinc oxide operations includes a credit of $36,775.36 resulting from the "last-in - first-out" effect on year-end inventory valuations. Other favorable factors in December were the low proportion of American Process oxide sold, and an increase in the average sales price.

The slab zinc operations received a similar credit on year-end inventory valuations of $1,361.35.

WHITE LEAD DEPARTMENT

The Profit and Loss Statement reveals the following:

Dry White Lead	$8,501.21
Lead-in-Oil	6,505.96

The profit shown for dry white lead includes a credit of $8,074.98 for the year-end effect of the "last-in - first-out" inventory valuations.

The lead-in-oil income includes a similar credit of $10,208.29 and a profit of $338.11 from the sale of paint during the year.

CHEMICAL WARFARE SERVICE INTEREST IN ZINC OXIDE

On January 22nd a contract was signed for the sale of 800 tons of zinc oxide, meeting their Specification 307-A, to the Huntsville Arsenal. Shipment of this order has been completed.

LABOR

The last meeting was held with representatives of the union to discuss the renewal of the present contract on January 11th. At this meeting it appeared possible that agreement might be reached on practically all phases of the contract with the exception of the "Seniority" clause.

SUMMARY OF 1943 PROFIT AND LOSS

Following is a summary of the profit and loss for all departments for the year 1943 and a comparison with the 1942 results:

Department	1943	1942
Lead Refinery	$ 43,146.29	$ 59,564.06
Bismuth Refining	1,[illegible]9.67	19,[illegible].90
Zinc Oxide	[illegible]	120,949.05
Zinc Metal	[illegible]	27,304.93
White Lead	13,[illegible]4.89	9,[illegible]2.30
Lead-in-Oil	2,969.44	1,732.15

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The decision of the National War Labor Board, which was retroactive to December 15, 1942, granting increases in pay to our hourly employees, increased our costs for 1943 by approximately $24,000.00.

FEBRUARY PLANS

Plans have been made to operate the White Lead plant on the basis of 20 tons per day beginning February 1st. The supply of high bismuth lead is not large enough to justify the operation of the Betts plant, and it is more economical to operate at a reduced tonnage than to resort to a complete shut-down. Another review of the white lead situation will be made at the end of 60 days.

It was necessary to operate two muffle furnaces at the Zinc Oxide Plant in January in order to supply the requirements of the Chemical Warfare Service. We plan to put one of these muffles on residue metal on February 1st. If we should get the Chemical Warfare Service business for February, we will change this furnace over to zinc oxide production about February 10th. We also plan to start the French Furnace on February 1st.

Very truly yours,

CKJ/mb

cc: Mr. Frederick Laist ✓

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