

AIR MAIL

May 1st, 1945

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

Dear Mr. Dwyer:

The following is a statement relative to the March, 1945 operation at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery	\$12,037.98
Bismuth Refining	7,531.35

1. We have been instructed by New York to eliminate all profit and loss on bullions. About \$5,000 of the above Lead Refinery profit is the result of adjusting for year to date on that basis. After Toledo and East Helena bullions will be shown on a break-even basis.

2. The treatment of custom metals resulted in a profit of \$5,000, most of which was due to an extensive battery plate run on the Rotary Furnace. Although no Baritan materials were treated in March, a profit of \$3,000 is shown because of producing the antimony in March that was treated in February, when a \$3,600 loss was shown for these items.

3. The income from Bismuth Refining is due to putting through the bismuth contained in Baritan materials for our own account. This amounts to about \$2,500 per month, with the profit shown above including adjustments for January and February.

The tonnage treated in March was 3,236 tons, of which 1,177 tons was battery plates.

ZINC OXIDE DEPARTMENT

The income for March was:

Actual Cost Basis (Cost Sheets)	\$ 6,197.56
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Summary of Operations

<u>Unit</u>	<u>Number Days Operated</u>	<u>Operation</u>
French Rotorts	31	French Zinc Oxide
American Block	19 (6 hours)	Lead-free Zinc Oxide
No. 3 Muffle Furnace	14	" " " "
No. 4 Muffle Furnace	17	" " " "

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The March income was affected by the following unfavorable factors:

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| 1. Use of Great Falls Dress in the production of American Process Zinc Oxide | \$ 4,300 |
| 2. By our Last in First out method of pricing inventories we were obliged to put in stock current cost production at beginning of Year Inventory prices | 8,400 |

Favorable factors experienced in March were:

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| 1. Sale of American Furnace Clinker | \$ 1,700 |
| 2. Income from zinc oxide produced from Toccole furn | 1,900 |
| 3. Income from French Oxide production | 4,100 |

WHITE LEAD DEPARTMENT

The income for March was as follows:

Dry White Lead	\$10,858.48
White Lead-in-Oil	3,697.11

The White Lead Department was shut down during March, the loss shown for the month being due to Shut-down Expense. A break down of the income is shown in this tabulation:

Direct shutting down expense	\$ 1,007.86
Shut down cost	9,022.99
Maintenance and shut down repairs	958.64
Depreciation	1,679.09
Loss on sales	1,361.63
	<u>\$14,029.25</u>
Less anode corroding allowance adjustment	3,142.77
	<u>\$10,886.48</u>

INVENTORIES

Refining Department

The amount of lead in inventory on March 31st was 8,384,448 pounds, 287,717 pounds more than the previous inventory. The silver in inventory was 638,448 ounces, an increase of 11,886 ounces during the month.

Zinc Oxide Department

The total value of raw materials and finished stocks on hand March 31st was \$347,000, an increase of \$25,000 over February 28th, due to the building up of raw material stocks to a 30-day supply.

White Lead Department

The White Lead Department inventory decreased \$17,000, from \$143,000 on March 1st to \$126,000 on March 31st.

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REMARKSVacation Costs

A reserve of \$15,000 has been set up in our Accounting for vacation costs in order to avoid large fluctuations in operating costs resulting from excessive vacations during the summer months. The basis for this reserve was derived from our 1944 experience, when \$15,957.16 was spent by all three departments. The \$15,000 is being spread over ten months (March to December, inclusive) at the rate of \$1,500 per month, and distributed as follows:

Lead Refinery	\$ 750.00
Zinc Oxide Department	450.00
White Lead Department	300.00
	<u>\$1,500.00</u>

All differences will be carried in the Reserve Account until the end of the year, when adjustments will be made to actual expenses.

LABORMarie Hurt

We met with the Committee selected by the War Labor Board in Chicago on March 28th to discuss the grievance of Marie Hurt, with particular reference to whether our contract excluded arbitration. On April 13th, the W.L.B. decided we should arbitrate this grievance. The portion of the Directive issued by the W.L.B. defining our immediate procedure is as follows:

The grievance issue in dispute in this case shall be submitted to arbitration. The parties shall endeavor to agree upon a mutually satisfactory arbitrator within ten (10) days from the date of this Directive Order. In the event the parties are unable to agree, the arbitrator shall be appointed by the Regional War Labor Board upon the application of either party. The decision of the arbitrator shall be final and binding upon the parties. The parties shall share equally the costs and expenses of the arbitration proceeding.

A ten day extension has been granted within which to carry out the terms of the Directive Order, giving us until May 3rd to select an arbitrator.

In accordance with this the Union and ourselves have agreed upon Dr. Clarence Undergraf, Professor of Law at the University of Iowa as an arbitrator, provided he will be able to serve in this capacity.

Rotary Furnace Fireman Rate

We have agreed with the Union on a rate of 86¢ per hour for Rotary Furnace Firemen. On April 28th a Form 10 was filed with the Wage and Hour Division and we are awaiting approval.

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Zinc Oxide Packers

On April 23rd, our crew of zinc oxide packers refused to start work at the beginning of their shift. We advised the Field Representative of the United Mine Workers of this situation, and he came to the plant at once. He instructed the three men involved to return to work, since we informed him that we would not negotiate until that was done. It was then agreed we meet with the Committee to discuss this grievance on April 25th.

At this meeting the Union said they wanted the guaranteed base hourly rate increased from 86¢ to \$1.03. They give as their reasons for justification of this increase:

1. The work is too hard
2. The work is dangerous to health

We pointed out that former packing crews packed from 1200 to 1400 bags per shift, whereas this particular crew packed only 800 to 1000 bags.

As to the health hazard, we reminded them that we had recently installed dust collecting equipment on the packers, and that lead-free zinc oxide was not considered dangerous to health.

We could not consider the increased rate on the basis of their arguments, so the Union suggested we transfer the three men to the labor gang. This change is to take place on April 30th and in the meantime the Union has posted a notice to the effect that the packing jobs are available to any employee.

COPYBOOKLead Refining Department

In April, we will have produced about 3,200 tons of refined lead, which is several hundred tons more than we have been getting in recent months.

The outlook for May, June and July is none too bright, since Toco is on their high bismuth run and their anticipated shipments of low bismuth bullion are quite small. We had no battery plate run in April on the Rotary Furnace, but we did treat about 300 tons in the Residue Furnace. The battery plate supply has somewhat tightened up, and indications point to a slight increase in price. We are, however, accumulating some tonnage, and we should be able to have a short battery plate run in the near future.

Zinc Oxide Department

With indications pointing to Chemical Warfare Service business for May, June and July, we are looking forward to having a few good months. Our present scrap supply is comfortable, but when we definitely receive the contract from C.W.S., we will have to increase our efforts at obtaining additional tonnages. However, we can produce C.W.S. quality zinc oxide from high grade metal if necessary, although our margin is not as favorable as with scrap.

Perhaps you may recall that during your visit in East Chicago we suggested that we might be able to produce U.S.P. quality zinc oxide and acicular zinc oxide at the Huffle Furnaces. We are happy to mention that we are very close to accomplishing what we previously realized were mere possibilities. Our most recent tests have been highly encouraging, but with impending C.W.S. business, we have stopped further experiments due to needing all our capacity for regular production.

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Mr. E. E. Dwyer

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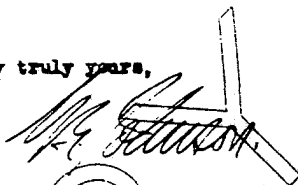
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White Lead Department

With restrictions on the use of lead in the manufacture of pigments still in effect, we expect to have the White Lead Department shut down until June, in which month we shall be able to produce our entire second quarter quota. We shall make our third quarter quota in July, enabling us to have at least a two month continuous operation.

We hope you will find the above information helpful.

Very truly yours,



GEJ/bm
cc: Mr. Klsist

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