

June 7th, 1946

Mr. F. O. Case, Assistant to the President
Anaconda Copper Mining Company
Room 1860 - 25 Broadway
New York 4, New York

Dear Mr. Case:

In reply to your letter of May 29th relative to insurance coverage at East Chicago, we are attaching a memorandum from Mr. Stolte, which indicates the items covered by the \$250,000 insurance. This is the same figure shown on the Summary page of Mr. Stolte's letter to Mr. McGunnell of May 22nd. You will note that the June 1st In Process, Finished and Supplies inventories are in the amount of \$278,500 as compared with the \$250,000 coverage.

The following tabulation shows the estimated inventories of finished products on June 1st and June 30th:

	June 1st		June 30th	
	Tons	Value	Tons	Value
Zinc Oxide	564	\$98,300	764	\$133,000
Dry White Lead	131	22,000	331	55,000
Lead-in-Oil	52	11,100	none	-
Lead Sulphate	30	7,300	none	-
		\$138,700		\$188,000

The above figures show an increase for June 30th, rather than the reduction you suggest. The explanation for this is that in order to speed up the closing down we are running at accelerated rates of production, which in the cases of each of the pigments will be 200 tons in excess of estimated sales.

We should also like to point out that the above tabulation does not include agency stocks, since those stocks are covered by a separate "Floater" policy. We do not have all the May reports from the agencies. However, we show below the May 1st inventories on hand at agencies and our estimate of what June 30th inventories may be:

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Mr. F. O. Case

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	<u>May 1st</u>		<u>June 30th</u>	
	<u>Tons</u>	<u>Value</u>	<u>Tons</u>	<u>Value</u>
Zinc Oxide	333	\$33,200	300	\$35,300
Dry White Lead	157	19,500	125	15,500
Lead-in-Oil	82	12,300	50	7,500
		<u>\$71,000</u>		<u>\$58,300</u>

Yesterday we were advised that the railroads have announced a restriction on the use of box cars, because of the grain shortage. If these restrictions continue throughout June, we will probably have inventories of 1,200 tons of zinc oxide and 500 tons of white lead on June 30th at East Chicago rather than the 584 tons and 331 tons shown in the first tabulation.

Very truly yours,

H. E. Brown

GEJ/as
encl.

cc: Mr. F. Laist

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