

AIR MAIL

October 27th, 1944

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

Dear Mr. Dwyer:

The following is a statement relative to the September, 1944 operations at the East Chicago plant:

LEAD REFINING DEPARTMENT

The income for the month:

Lead Refinery
Bismuth Refining

\$ 17,965.93
1,640.18

During September, the Lead Refinery treated 3,603 tons as compared with 3,532 tons in August.

The above income was affected by the following adverse factors:

- | | |
|--|-------------|
| 1. Reduction of "In Process Expense" (see below) | \$ 9,000.00 |
| 2. Replacing bags in baghouse | 1,800.00 |
| 3. Vacation payroll | 900.00 |

The reduction of "In Process Expense" from \$22,800 to \$13,800 occurred when in September we completed about 600 tons of by-products which were carried at an "in process cost" of \$22.50 per ton at the beginning of the month, and left in process by-products at an "in process cost" of less than \$12.00 per ton.

We experienced several favorable factors during the month, which were:

- | | |
|---|-------------|
| 1. Deferred auxiliary credit | \$ 7,000.00 |
| 2. Sale of anodes to the White Lead Plant in excess of high bismuth bullion refined | 1,600.00 |
| 3. Freight refund on supplies | 700.00 |

SILVER OXIDE DEPARTMENT

The income for September was as follows:

Actual Cost Basis (Cost Sheet)

\$ 4,184.08

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The French unit was down the entire month, while the American Block operated on 6 doors all month. No. 1 Muffle Furnace operated for 15 days, and No. 3 Muffle Furnace for 30 days on the production of zinc oxide. No. 4 Muffle Furnace operated 20 days on the treatment of high zinc residues.

The September income was unfavorably affected by:

1. Use of high cost raw materials in the production of American Process Oxide \$ 8,000.00
2. Loss on sale of sintered ore to Engle-Fischer Company 2,300.00
3. Reducing value of residue metal from amount formerly obtained from Anaconda to no value 3,000.00

Zinc Oxide Shipments to Chemical Warfare Service

In September we shipped 400 tons of Muffle Oxide to C.W.S. which was on their regular contract. In October, they called for the 200 tons of French Process Oxide we had previously sold them and were holding in storage. We were pleased to have this zinc oxide shipped.

We were not able to obtain any new October business from C.W.S. They have indicated they will buy no oxide from any one in November or December.

Disposition of Zinc Ore Stock

During September we sold 100 tons of this ore to Engle-Fischer. They are taking the remaining 217 tons of our stock at the rate of one car per week. We expect to have shipments completed by November 1st.

WHITE LEAD DEPARTMENT

The income for August was as follows:

Dry White Lead	\$ 5,885.38
White Lead-in-Gill	2,125.11

During September our sales were 631 tons. This is 266 tons over our monthly average for the year, and reduced our selling expense about \$5.50 per ton, which affected the above income favorably to the extent of \$2,300.00.

INVENTORYING

Refining Department

The amount of lead in inventory on September 30th was 8,865,827 pounds, a reduction of 1,488,341 pounds during the month. The silver in inventory, however, was up 83,617 ounces to 710,367 ounces.

Zinc Oxide Department

The total value of the Zinc Oxide Department inventory on September 30th was \$339,780.78, a reduction of \$68,203.25 during the month.

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White Lead Department

The downward trend in inventories is also prevalent in the White Lead Department. Here, the value of inventories at the close of September is \$189,378.14, which is \$18,267.92 less than at the beginning of the month.

LABOR

We have observed internal friction within the Chicago Office staff of the United Mine Workers, which has delayed a decision on the Seniority and Hours of Work clauses in the contract we have been endeavoring to negotiate with the Union.

At a meeting held on October 18th with the Union representatives, they proposed we sign a joint petition dealing with the questions in controversy and file the petition with the War Labor Board. We discussed the Union proposal with Messrs. Hobbins and Hoover while they were in East Chicago on October 18th. Mr. Hoover suggested a counter-proposal, which we will submit to the Union at a meeting scheduled for October 31st.

The attached newspaper clippings refer to a shooting fracas which occurred Monday evening, October 23rd, in the United Mine Workers Union Chicago Office during a hearing of charges preferred by Arthur Shelton, the Business Agent for our Local, against Edward Hockelbock, Regional U.M.W. Director and Henry Johnson, a special representative of U.M.W., before the special representatives of Mr. John L. Lewis.

The shooting was done by Shelton, and resulted in the death of Johnson and the wounding of Hockelbock and another man. Perhaps you will find these clippings of interest.

DISSEMINATIONLead-Lease Possibilities

At the suggestion of Mr. Hobbins, we are following up the matter of lend-lease requirements for lead-in-oil and zinc oxide with a view toward obtaining some of this business.

Changes in Zinc Oxide Department Cost Sheets

Mr. Szwarcman has indicated that he wants some changes made in the Cost Sheets for the Zinc Oxide Department. Mr. Stalte went to New York where he discussed this subject with Mr. Szwarcman. In our next letter we probably will have more to report.

Scrap Metals

The prices of scrap metals appear to have gone as low as possible without a reduction in primary metal prices.

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Mr. R. E. Buyer

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Outlook

October and November operations in the Lead Refinery will be on very low tonnages due to receipts of High Bismuth Bullion from Teacale. We are treating about 800 tons of battery plates in October, which will permit us to supply the Anacosta Sales Company with some additional lead.

In the Lime Oxide Department we are attempting to produce an amount equal to sales, which, due to not having C.W.S. business, are comparatively low.

The White Lead Department will continue to operate on a 22 ton daily rate, which should take care of the indicated improvement in the sales of this product.

We trust that the foregoing information will be helpful.

Very truly yours,



GEJ/hm
encl.
cc: Mr. F. Laist

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