

Mr Wiley

UNITED STATES
DEPARTMENT OF THE INTERIOR
BUREAU OF MINES
OFFICE OF SYNTHETIC LIQUID FUEL
LOUISIANA, MISSOURI

1600

T-455

Mr. Mair
Bookkeeping Department

F/Investigation 558

6/24/42

COST OF DED GASOLINE FROM REMAINDER GASOLINE

You will find below the accounting for the first quarter, 1942, for the DED gasoline which we request to have checked. We furthermore ask you to inform us how to correlate the amortization and interest calculated from our sales balances with the amounts charged up in our account.

Cost of DHD Gasoline January 1 - March 31, 1942
(DHD Plant Ludwigshafen/Oppau)

Input 7,652,319 kg raw gasoline
Production 5,512,200 kg DHD gasoline

	Total Cost	Cost/te DHD Gasoline
<u>A. Raw Material</u>		
Raw Gasoline, RM. 100/te = unit price Provisional	785 281.90	138.83
Other Materials "	22 800.00	4.14
<u>B. Operating Cost</u>		
a. Expenses Provisional	548 379.--	99.43
b. 1/4 amortization, 2 1/2% of 4.93 Mill. RM.	245 500.--	44.72
1/4 amortization, 7% of 0.97 Mill. RM.	16 450.--	2.98
c. Shipping Costs Provisional	11 024.40	2.--
<u>Total A + B</u>	1 610 385.30	292.15
<u>C. Special Costs</u>		
Contribution to profits and development cost of the DHD process	27 561.--	5.--
<u>Total A - C</u>	1 637 946.30	297.15
<u>D. Management and joint operating cost</u>		
12 1/2% of A-C Provisional	204 743.29	37.14
	1 842 689.59	
<u>E. Calculation of Profits</u>		
a. 4 1/2% interest on writing off the capital cost RM. 5 637 050.--	65 416.81	11.50
b. 4 1/2% of interest on the operating capital 2,47 Mill. for 3 months	27 737.50	5.04
<u>Manufacturing Hazards</u>		
1.5% of installation capital RM. 5 637 050.--	21 138.94	3.83
1.5% of operating capital 2,47 Mill.	9 262.50	1.68
1.5% of direct costs RM A - D = 1,843 Mill. 27 645.--	6 911.25	1.25
3% addition to direct costs 35 860.--	9 215.--	1.67
	1 980 421.59	359.26
0.6% Export tax on selling costs Provisional	17 401.--	3.16
<u>Total A - E</u>	1 997 822.59	362.42
Deduct credit for off-gas	9 831.--	1.78
Cost price for raw gasoline unit price of 100 RM./te	1 987 991.59	360.64
Addition for actual raw gasoline price 119.20 RM./te Provisional	912 156.42	165.48
<u>Final Price DHD Gasoline</u>	2 900 148.01	526.12

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Deductions of DHD Plant 1/1/42-3/31/42

	RM Credits	RM Charges	RM Total Amount
Closing of account for the first quarter 1942	391 836	923 954	532 118
Charged up to other accounts	16 433		515 655
Credits for the 4th quarter 1941		336 259	
Charges for the 4th quarter 1941	3 076		
Remaining charges for the first quarter			778 833
<u>Deductions from the Operating Expenses:</u>			
1.) Hydrogenation gas credit		9 831	
2.) Special deductions	133 852		
3.) Interest on Installation	51 438		
Pure operating expenses for the first quarter			548 379