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MINERAL DISCOVERY HAMSTRUNG IN WESTERN OREGON

Statement of S. H. Williston
President, Oregon Mining Association
Member, Board of Governors, Oregon State Dept. of Geology & Min. Ind.
Before Senate Small Business Committee
Portland, Oregon
July 28, 1944

The mining industry in the State of Oregon comes under the category of small business as none of the mines in the State employs in excess of 100 men. The mining industry of the State has had two tasks placed before it. One is the procuring of strategic and critical minerals during the war period. That job has been finished and the State has provided appreciable amounts of strategic and critical minerals for the war effort. The second task for the industry consists of the further development of the mineral industry in the State to aid in providing jobs for returning service men as well as for present employees. It is very probable that this second task cannot be accomplished owing to the action of that branch of the Federal Government to which the United States Congress has given the job of furthering the development of mining in general, namely the Department of the Interior.

In 1916, the Oregon and California land grant and the Coos Bay Wagon Road land grant were cancelled and those lands were returned to the Federal domain. It was explicitly provided at that time that mining claims and mining locations could be made on these lands on exactly the same basis as on other lands in the Federal domain.

In 1937, another bill was passed by Congress providing that these lands were to be turned over to the Department of the Interior, and that the timber on these lands should be so handled and so disposed of that they would yield a continuing crop of timber, in other words, placed on a sustained yield basis. No mention was made in this act of changing the previous authorization providing for location of mining claims upon these lands. On August 12, 1943, during the progress of the war, the Commissioner of Public Lands at the direction of an Assistant Secretary of the Department of the Interior notified all claim owners that all mining claims located on these lands since 1937 were null and void. The basis of this order was that the 1937 act <u>by inference</u> repealed the explicit authorization of the 1916 act as, in the opinion of the Department of the Interior, the location of mining claims would interfere with the sustained timber yield from these revested lands.

Since it is a known fact that mineral deposits of commercial value rarely cover more than one-half of one percent of any given mineralized area, the Department of the Interior was, in effect, stating that if one-half of one percent of the Oregon-California land grant lands were utilized for mining, it would no longer be possible to carry on sustained yield lumber production on the other 99½% of the area.

The O and C lands, together with the Coos Bay Wagon Road lands, cover approximately 33-1/3 percent of the lands west of the Cascades in the State of Oregon. They cover almost 50 percent of the lands in the mineralized districts in Josephine and Jackson Counties. They consist of almost all of the Federal domain lands open to mineral exploration in the southwestern Oregon mineral district.

You will note that this withdrawal of mineral lands for prospecting and mineral location was made in the summer of 1943 when the general outlook in regard to the prosecution of the war was far less promising than it is today. At that time, every effort was being made to expand mineral production in all categories, especially in the strategic and critical minerals most important to the prosecution of the war. It was at this very moment when it was thought that additional mineral supplies were most crucial that the Land Office, at the direction of an Assistant Secretary of the Interior, closed all of these mineral lands to location.

If an individual producer had at this time shut down an operating metal-producing property and had refused to produce additional metal, the action would have been considered treason, and the property would have been confiscated by the Government and operated by the Government. If any labor union had refused to produce mineral necessary for the war effort at this time, public sentiment would have been so overpowering as to force them to withdraw from any such action. Yet at this very instant, a branch of the Department of the Interior withdrew these lands and prohibited prospecting, development, or mining upon them. If it is treason for an individual or treason for a labor organization, what should it be called when ordered by a branch of the Federal Government?

Unless this action of the Land Office, by direction of the Department of the Interior, is altered or unless Senate Bill 1982, introduced by Senator Guy Cordon of Oregon is passed, it is going to be impossible for the mining industry to enlarge in any way its activities in Oregon's important southwest mining district. Further, unless the Congress of the United States freezes the Government stockpiles of strategic and critical metals, it will be impossible for any metal mining operations in the State of Oregon, with the exception of gold, to operate at all in the post-war period.

S. 1982

IN THE SENATE OF THE UNITED STATES

June 7 (legislative day, May 9), 1944

Mr. Cordon introduced the following bill; which was read twice and referred to the Committee on Public Lands and Surveys

A BILL

To reopen the revested Oregon and California Railroad and reconveyed Coos Bay Wagon Road grant lands to exploration, location, entry, and disposition under the general mining laws.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, THAT NOTWITHSTANDING ANY PROVISIONS OF THE ACT OF AUGUST 28, 1937 (50 STAT. 874), OR ANY OTHER ACT RELATING TO THE REVESTED OREGON AND CALIFORNIA RAILROAD AND RECONVEYED COOS BAY WAGON ROAD GRANT LANDS, ALL OF SUCH REVESTED OR RECONVEYED LANDS, EXCEPT POWER SITES, SHALL BE OPEN FOR EXPLORATION, LOCATION, ENTRY, AND DISPOSITION UNDER THE MINERAL LAND LAWS OF THE UNITED STATES, AND ALL MINERAL CLAIMS HERETOFORE LOCATED UPON SAID LANDS, IF OTHERWISE VALID UNDER THE MINERAL LAND LAWS OF THE UNITED STATES, ARE HEREBY DECLARED VALID TO THE SAME EXTENT AS IF SUCH LANDS HAD REMAINED OPEN TO EXPLORATION, LOCATION, ENTRY, AND DISPOSITION UNDER SUCH LAWS FROM AUGUST 28, 1937, TO THE DATE OF ENACTMENT OF THIS ACT: PROVIDED, THAT ANY PERSON WHO UNDER SUCH LAWS HAS ENTERED SINCE AUGUST 28, 1937, OR SHALL HEREAFTER ENTER, ANY OF SAID LANDS SHALL NOT ACQUIRE TITLE TO THE

TIMBER THEREON, WHICH TIMBER MAY BE DISPOSED OF AS IS OR MAY BE PROVIDED BY LAW, EXCEPT THAT SUCH PERSON SHALL HAVE THE RIGHT TO USE SO MUCH OF THE TIMBER THEREON AS MAY BE NECESSARY IN THE DEVELOPMENT AND OPERATION OF HIS MINE UNTIL SUCH TIME AS THE TIMBER IS DISPOSED OF BY THE UNITED STATES.

This bill is now before the Senate Committee on Public Lands awaiting Federal departmental reports.

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STRATEGIC NOTES

The following items relating to war industries and industrial problems were abstracted from the monthly news letter issued by Joseph Schulein, Secretary of the Oregon Section American Chemical Society.

Arabian Oil:

The government has given up its plans for the construction of the Saudi-Arabian pipe line. Observers believe that the circumstances surrounding Arabian oil are closely allied with international relations, which, together with the usually turbulent political situation in the Middle East, compelled the decision not to undertake the project. If the pipe line across Arabia is to be built it will be financed by private industry and probably operated by the companies that lay it. The government would probably aid when and if asked.

Oil is so important in modern war that much interest has been focused on the Arabian fields (see Fortune for June, 1944). The drain on Western Hemisphere oils has been tremendous. The Saudi-Arabian field is one of the richest ever discovered and is under lease for fifty years to an American company. The proposed pipe line would travel 1250 miles from the Persian Gulf, through Trans-Jordan and through Palestine to Haifa on the Mediterranean where large refining capacity is now established. Cost was estimated at 150 millions.

The construction of such a competing line across the Arabian Peninsula would be a move against the British policy of conserving their own oil and using that of the Western Hemisphere. Construction of the line would make it possible to reduce or even eliminate shipments of Western Hemisphere oil to Europe and the Middle East.

There is no doubt as to oil's importance. Under lend-lease* oil exports from this country may be doubled this year. Petroleum constituted the biggest single item in all of the billions of dollars appropriated for lend-lease. Three-fourths of this will be gasoline. Shipments are to be made to Great Britain, Russia, China, French North Africa, and the Middle East.-- Those who think '100 octane' gasoline is good stuff haven't seen anything yet.-- Most of the gasoline to be sent abroad will be "grade 130."

* * * * *

Shortages:

Among the shortages still bothering are --

Copper sulfate - stock is lowest in last two years.

Manganese sulfate - demand exceeds supply.

Anthraquinone - all going to dyestuff industry, none other available.

Phthalic anhydride - the effectiveness of a new insecticide which is a phthalic derivative will cause a shortage - phthalic anhydride comes from naphthalene, a coke-oven by-product. -- Naphthalene is up to 100 million pounds a year, but that is not enough.

*Since the lend-lease program was inaugurated a total of about 60 thousand-million dollars has been spent or pledged.

Benzaldehyde - very short.

Chrome chemicals - very short.

Fluorspar - 20,000-30,000 tons short this year (will have to import). Most of this is due to labor shortage -- men taken into armed forces. U.S. production (acid grade) about 140,000 tons.

Sodium cyanide - this is critical. You are asked to conserve all supplies.

Alcohol - 650,000,000 gallons needed for rubber and war program -- present capacity is insufficient.

Milk sugar - will probably be curtailed in pharmaceuticals due to the great need in the manufacture of penicillin.

* * * * *

Synthetic Rubber:

All right, so it isn't really rubber - but the public wants it to be synthetic rubber and we think the popular name will stick. Anyway, it is going to be a big factor in international relations and will get kicked around plenty - politically of course. Because natural rubber has always been big business, many have wondered what would happen when its bouncing baby grew up, now it is bigger than papa and every month helps it grow, each month makes it harder for natural rubber to regain its previous position. As chemists we've all been interested in the technical advances made by synthetic - The future, however, will be determined by the economics - the truth is that synthetic is cheap - The Rubber Director has set the postwar cost of GR-S (BUNA-S) made from petroleum butadiene, at 13.05* cents per pound, including depreciation; if the plants are written off as war plants (which is highly probable) GR-S will be about 12 cents. Therein lies the political implications.

It was British enterprise that initiated rubber planting in the far east, and British capital, followed by Dutch, laid the foundations for the industry, consequently the future of rubber is intensely interesting to Britain.

The British Rubber Growers' Association is a strong organization and is actively at work to protect the long-term interests of rubber producers, they are, of course, banking heavily on the fact that in Britain it is considered good Government to support British business first.

Factually, three important factors are facing the growers -1, Staff-trained European Supervisors have been dispersed, many will not want to gamble a future in natural rubber again. -2, Labor. As far as Maylaya is concerned, none of the native labor was indigenous to the country. The Chinese there will have fared badly at the hands of the Japs, as will have the Tamils, they will probably want to be repatriated - (Ceylon, which produced over 8 million pounds of rubber this past year, had to resort to growing rice for food due to restricted imports) -- those who take their places will have been awakened to the idea of a better living, (though to give credit it must be admitted that the British had improved native conditions, pioneering in estate health and sanitation, and the elimination of malaria and other tropical diseases). Labor costs will be up. -3, Material. The technical developments of the war will probably mean that the form in which rubber is marketed (crude) will be changed - and all the above is still dependent on how much irretrievable damage the Japs do as they are forced out.

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*Pre-war natural rubber could be produced for 6½-7¢ per pound, making the delivery price in U.S. around 9¢. In early 1920's crude hit a disastrous low of 3¢ at which time the British Government put it under cartel control (Stevenson plan), by mismanagement set a "fair" crude price at 30 cents, raised it to 36, and finally let it boom to $1.21, thereby giving the search for synthetic a boost and putting American interests (Firestone, Ford) in the rubber plantation business.

This month, the "Baby" stopped growing so fast, the Rubber director diverted 400,000 barrels of Petroleum butylene from the Synthetic Rubber Program to the manufacture of aviation gasoline, this is enough, when added to ethyl benzene, for around 1,000,000 barrels of 100 octane, (about 30,000 tons of Buna-S will be sacrificed) - While we're on the gasoline subject - a flying fortress uses 235 gallons per hour - About 1 gallon per day per car has been earmarked for passenger use - 11.7 percent of the daily petroleum supply. Production of butadiene from petroleum still lags -- Plants using alcohol butadiene are running ahead of rated capacity, with Buna-S total amounting to more than 700,000 long tons per year.

Of course, synthetic and natural are not the same in many respects - some of the characteristics of synthetic are actually detrimental. More labor is required in processing a synthetic tire than one of the natural rubber - Dirt raises heck with quality and so more care is needed - where crude could be mixed in 18 minutes for inner tubes, synthetic takes 25 - and also takes longer to mold cure. Synthetic requires more capital for the same capacity - reclamation of used crude-synthetic mixtures has not yet been completely solved.

The Rubber business in the U.S. is mainly handled by the big 4, Goodyear, Firestone, U.S., and Goodrich, (in order of sales) who make over 80% of the tires and use about two-thirds of the rubber. Goodyear owns Kelly-Springfield; U.S. owns Fisk, Federal, and Gillette; Goodrich owns Hood, Diamond, Brunswick, and Miller.

Goodrich's President, John Collyer, estimates that post-war requirements of the U.S. will be at the rate of 900,000 tons a year, and of the world, 1,600,000 tons. World synthetic capacity will be about 1,200,000 tons, indicating a need for approximately 500,000 tons of natural, this 1,200,000 tons capacity is based on what the Russians are scheduled to set up, whether they will stop at their schedule or not remains to be seen. They have now been given the Neoprene "know-how" by order of the American Government, obviously this would not have been done without some regulation in the future as to capacity - in effect then, the U.S. Government is now running, and will continue, a rubber "cartel."

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CHROME CHEMICALS DISCUSSED

The War Production Board issued the following release August 5, 1944. Why Oregon chrome from chromite sands was not included in discussions along with Montana chrome is not clear.

> Use of Turkish, Russian, Canadian, and domestic Montana ores, if ample supplies of Transvaal ores are not imported from South Africa for the production of primary chromium chemicals, was discussed recently by the Primary Chromium Chemical Producers Industry Advisory Committee, the War Production Board reported today.
>
> Transvaal ores, now used exclusively for primary chromium chemical production, may not be available in adequate quantity during the coming months, because of lack of space on ships, committee members said.
>
> Production problems due to the varied ore content and price readjustments requiring additional subsidies are the obstacles that probably would be encountered in a switch to the alternate ores, the committee pointed out. Each producer of primary chromium chemicals has agreed to investigate production problems that might arise from use of these ores in the individual plants and to submit a report to WPB.
>
> In an effort to combat production bottlenecks, the Chemicals Bureau has arranged for the installation of improved equipment in many plants. More efficient production technique is expected to boost the output of primary chromium chemicals 10 percent in 1945, officials said.

Five of the six existing primary chromium chemical producing plants have arranged to use the higher chrome content Russian ore to augment production during the summer months when production declines because of hot weather, Chemicals Bureau officials told the Committee. It is hoped, they said, that the output of primary chromium chemicals would be maintained at a rate sufficient to permit the continuance of allocations similar to those during the past three months.

Military applications, comprising approximately 87 percent of the primary chromium chemicals produced in this country, include use in the manufacture of pigments for camouflage, in the tanning of military leather, and in the plating and anodizing operations for aircraft production. The remainder of the output is reserved for civilian needs, such as for the tanning of leather for shoes, the production of pigments, and the dyeing of textiles for men's suits.

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DOC YAK

The following true story of an old prospector and neighbor is related by R. F. Stout, C.T.M., U.S.N. (Ret.), Naval Torpedo Station, Newport, R.I. "His nickname was 'Doc Yak' and he was an old prospector with his last home in Wilbur, Oregon. I first met him in June 1934 when I had a few days leave from Keyport, Washington, to go fishing and look around for a home site when I retired from the Navy. So I asked in the corner store and filling station if any one of their friends wished to sell their home as I was a prospective neighbor. There were but two men in the store, Duffy and Cat. I was a stranger in uniform, so they looked at each other and smiled with that understanding which only friends possess. They said, 'Yes, our friend Doc Yak has just what you are looking for. They both proceeded to direct me to his place which was only about five blocks away. So I walked over to his place and from a distance the house looked O.K. As I got closer I noticed a tall lanky man forking oat hay in the door of the barn and he was just giving a goat the bum's rush with the pitch fork. As I approached him I greeted Doc with a good afternoon and gave him 'the once over.' This is the way he was dressed: An old sloppy hat with a hole in the rim, a shirt of unknown color, a pair of pants that were slick with grease and dirt, one shoe, no lace, one rubber boot with the top cut off. His hair was long and his neck very dirty but shaved with a high tide mark on jaws and neck. Doc had a habit of first sitting on the ground and then lying down; he did this while I was talking to him. After a few minutes I stated why I was there, and he said, 'I will show you the house.' We walked up to the kitchen door which was wide open. It looked as if the door was never closed. With Doc in the lead and me astern we stepped into the kitchen. In one corner there was an old rusty broken-down stove with a rock under one corner to hold it up. On the stove were a skillet and pans, and their interior contained enough odds and ends to make a Chinese ten course dinner by adding a little water. On the shelf there was a sour dough jar. The place was covered with dead flies and cobwebs from the kitchen to the bedroom. There weren't any slats in the bedstead frame, and the bedding on the floor looked like a ground hog hole. The Bantam chickens had roosted on the bedstead and the chair backs; of course the goats had the run of the house. One could have planted garden seeds on the floors and by adding water it would have been a very fertile garden patch. In the front room on the stairway railing there was an old rotten deer hide; also the room had an old rocking chair with a deer hide bottom. Well, during the tour of inspection I tried to hold my breath and walked fast to get outside to the fresh air once more. I thanked Doc and left wishing that I had a drink to settle my stomach. Eventually I did buy a home in Wilbur and moved there in 1937. That same year Old Doc passed away. His neighbors still blame them at the County Home for Doc's sudden departure from among us. As the story goes the doctor ordered a bath which proved fatal. But before Doc passed on he told the nurse that he had a sum of money buried in the garage under an old 1914 Model T Ford which was jacked up on blocks. It had a 1923 California license. So a treasure hunt was organized at once and we dug up fruit jars which contained $1900.00 in bills and coins. One of the party said, 'Gentlemen, that is Doc's soap money which he saved over a period of 60 or 70 years.'"

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