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COPPER TARIFF

In normal times domestic copper mines have a capacity in excess of domestic needs. Therefore, an import tax of 2 cents a pound has been maintained to equalize the competition of foreign copper producers who pay low wages and can dump copper in this country at a price below the cost of domestic production. Abnormal conditions after World War II were reflected in an apparently insatiable demand for copper which domestic producers alone could not fill. Congress encouraged copper imports to relieve the condition by passing, in 1947, a bill to suspend the import tax for a period of two years. When this period ended on March 31, 1949, the large demand still persisted and Congress passed a bill extending the act until June 30, 1950. Domestic producers without foreign production served notice that they would not oppose the act because of the continuing demand for copper, but they felt the tight supply condition was temporary and that the suspension should be of short duration only.

As is now history, buying of copper fell of sharply a short time after the law was passed. Demand declined to the lowest point in many years and the price fell from 23½ cents a pound to 16 cents. Although both demand and price have improved, production of domestic mines has been cut back because of large imports. Reportedly, Michigan mines have shut down and Arizona mines have either gone on a reduced work week or shut down. Employment conditions have become so serious that copper mining states have petitioned Congress through their congressmen to reconsider the action which provided for the second suspension of the import tax. The Ways and Means Committee of the House of Representatives is giving serious consideration to the matter.

There are very strong interests in this country who are opposed to any import tax on copper or any other raw material that goes into their manufactured products. They are equally partizan in favor of import tariffs on their own manufactured products. In addition certain powerful copper mining interests have foreign production and it is needless to point out where their interest in a copper tariff lies. Our State Department too is deeply interested in promoting imports of mineral raw materials into this country seemingly without concern over the effect on our own mining industry.

The matter of a copper tariff with especial attention to the present law suspending the import duty pinpoints again the diverse opinions of different factions in the mining industry - opinions which prevent the industry from acting as an organized whole. Therefore, efforts to obtain action in Washington to benefit or protect certain segments of the industry are opposed or diluted by other segments who have a selfish interest to promote or who are not directly concerned. Witness the L-208 miscarriage of justice, the disagreement over legislation to provide incentive payments to promote mineral production and development, lack of concerted efforts one way or another in mining law revision, and the like.

One element of the subject of import tariffs has been stated many times but to those who wish to preserve a strong domestic mining industry it bears repetition. Free trade means several things but to the miner it means ultimate equalizing of wages paid domestic and foreign miners; it means ultimate equalizing of the scale of living between domestic and foreign miners; but above all it means an anemic mining industry. Only the very low-cost producers could survive. There would be a reduction in development and exploration with the inevitable result of progressive depletion of mineral reserves. There would be the closing of many mines never to be reopened except under Government auspices in an emergency.

A long step in the direction of a weakened domestic mining industry will have been taken if suspension of the copper import tariff is retained.

F.W.L.

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HAYDITE PRODUCTION TO INCREASE

Investigations by the Department of bloating clays and shales in 1946 and 1947, both in the field and laboratory, are bearing fruit. Work on various lightweight aggregates has been carried on by the Department ever since the impact of postwar building began to make itself felt. Clays and shales from numerous localities were tested before the most favorable material was found. Keasy shale of upper Eocene or lower Oligocene age which covers a fairly large area in northwestern Washington County proved to have excellent expansion qualities. Directly as a result of this work the first haydite plant was built to use Keasy shale as suggested by the Department.

Northwest Aggregates is currently producing 150 yards of haydite per day at its recently enlarged plant near Sunset Tunnel on the Sunset Highway about 40 miles northwest of Portland. The shale is expanded at the quarry and the finished product is trucked to Portland where it is used by Empire Building Materials Company in concrete blocks and for monolithic purposes. Some of the aggregate is shipped to Eugene.

Smithwick Concrete Products Company, Portland, Oregon, has just announced that they are to build a $200,000 haydite plant. The haydite product is to be used as lightweight aggregate for concrete blocks and monolithic construction. The raw material will be obtained from a Keasy shale quarry located on the SP&S Railroad right of way about 12 miles south of Vernonia in Washington County. Smithwick is leasing the quarry site from the railroad. The raw shale will be hauled to the plant on Lombard Avenue by SP&S gondolas. The plant is expected to be completed within four months time and is to be built adjacent to the Company's block plant erected several years ago. Mr. Otto C. Frei, Vice-President and Assistant General Manager of the Company, will be in charge of the operation of the plant. In addition to the block and haydite plants in Portland the Company also operates a block plant at Eugene.

The new plant will produce material ranging in size from a quarter of an inch to one inch or larger for monolithic concrete structures, and from fines to three-eights inch for concrete blocks. Production is expected to be 300 cubic yards of haydite a day. Crushing strength of the aggregate when used in concrete blocks is in excess of 1000 pounds per square inch of gross area. Weight of the loose aggregate for monolithic purposes is in the neighborhood of 1000 pounds per cubic yard compared to about 2700 pounds for ordinary gravel.

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SUPERIOR WELL RECORD

A world's record depth of 20,521 feet was reached by Superior Oil Company in its Rock Springs, Wyoming, wildcat before the well was abandoned. (From Compact Comments published by the Interstate Oil Compact Commission August 1, 1949.)

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EXTENSION OF GRANTS PASS RAILROAD BELIEVED PROBABLE

The railroad from Grants Pass, Oregon, to Crescent City, California, stands a good chance of being completed within the next few years, it was announced on August 10 by Fay Bristol, President of the Oregon Mining Association.

The Oregon Mining Association is cooperating in the investigation now being made on the probable traffic that can be expected. So far the investigation of the project that Henry J. Kaiser wanted to build in 1937 has revealed the following:

Population of the area has increased almost three times during the past twelve years; production of lumber which greatly needs transportation is up approximately ten times; the harbor at Crescent City has been greatly improved and will be completed in the near future; and construction of the railroad will make it possible to mill the billions of feet of redwood timber near the source of supply. Redwood, to be made into good lumber must be air dried after it has been cut into rough timbers. These billions of feet of timber can be dried in the Illinois Valley and then shipped either by rail or returned to the harbor at Crescent City for boat shipment. The pine, fir, and cedar sawmills of the Illinois valley area would receive several dollars more per thousand through the saving in freight, and the United States would be much more secure as the railroad would tap the main U.S. source of high grade chrome ore. This important critical mineral supply would be greatly improved.

When the railroad was started in 1905 its main objective was the copper mines in the Illinois Valley. The main backer was wiped out in the San Francisco fire. In 1914 construction was again started and had reached Walters Creek when World War I stopped construction.

In 1937, Henry J. Kaiser, after making a very complete survey, applied for permission from the Interstate Commerce Commission to finish construction. This permission was held up by technicalities, and World War II was upon us.

Since then the railroad has been under lease to and operated by the Pacific Portland Cement Company. Traffic on the 14 miles of completed road has grown by leaps and bounds.

The survey so far has revealed a great need for immediate construction. For these reasons the Oregon Mining Association is cooperating in every way with the survey now being made.

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WAR MINERAL PRODUCTION INCENTIVE

S-2320, which provides incentive payments to producers of manganese, tungsten, quicksilver, and antimony, has been introduced in the Senate under the sponsorship of Senator Pat McCarran and thirty other senators from western states. Passage of the bill would be very important to Oregon, since quicksilver is one of the State's important mineral resources. Many domestic producers of these minerals have been obliged to close down since the war because of inability to compete with foreign producers who pay low wages and have been encouraged by our State Department to ship in their products at the expense of domestic producers.

The bill is rather unique in that it does not set up a new bureau or commission for its administration. It is unique also in that the method of help to domestic producers does not involve taking money out of the American taxpayer's pocket to foot the bill. Payments to domestic producers of the four strategic minerals would be made from tariff collections on imports of these minerals to each producer in the ratio that his production bears to the total domestic production of the mineral. In other words, if a quicksilver mine produced one quarter of the total domestic production, he would receive one quarter of the total tariff collected on foreign quicksilver.

Statistics of production and imports are available through the U.S. Bureau of Mines Statistical Division, and the Treasury collects tariff payments. Therefore, the method of making these incentive payments would be relatively simple. The bill sets ceilings above which payments could not go.

Senator McCarran states that this bill would increase production of very critical manganese from the present 10 percent to from 15 to 20 percent of domestic consumption. The life of present manganese operations would be greatly prolonged because of the increase in reserves due to higher prices received for the ore which would allow mining of lower grade material. The plan would mean a price to domestic producers of between $1.00 and $1.20 per unit as compared to about 80 cents per unit under present conditions.

The effect upon tungsten would be to raise the domestic production from the present 8 percent of the national requirements to approximately 35 percent. The price of tungsten to the producer would be about $34 per unit, an increase of about $10 per unit.

The effect upon quicksilver would be to increase the market price to about $115 a flask compared to about $76 a flask at present, and would stimulate production to take care of about one third of domestic requirements compared to less than one tenth at the present time.

The effect on antimony would be less helpful to domestic producers since the tariff on antimony was lowered from 2 cents to 1 cent per pound about a year ago. If the tariff were restored to 2 cents, the effect of the bill would be to increase domestic antimony production to from 25 to 30 percent of domestic requirements.

The bill would have automatic features in that if imports increased, there would be a tendency for the domestic market price to fall, but with increase of imports, higher payments would be made to domestic producers, which would tend to increase domestic production, and the need for stimulating such production would be lessened. With a fair price for their products, domestic operators would be encouraged to do exploration work which would result in increased domestic reserves -- a condition sorely needed. Senator McCarran stated that the total amount of tariff receipts which might be diverted would probably not exceed $5,900,000 a year. A precedent for incentive payments from tariff collections is provided in similar payments under the Agricultural Adjustment Act.

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OREGON'S BRICK AND TILE INDUSTRY

The brick and tile industry in Oregon, a million dollar a year business, is the subject of a report just issued by the State Department of Geology and Mineral Industries.

Brick making is the oldest commercial industry in the State and has expanded down through the years as population has increased. Brick plants build up where population is concentrated; therefore, the Willamette Valley has by far the largest number of brick and tile plants.

Production of brick and tile depends to a large extent on construction, but in normal times the brick and tile industry is remarkably stable. During World War II price ceilings forced some plants to shut down, but since the war the industry has prospered because of the activity in house construction.

The report, written by J. E. Allen and R. S. Mason, is issued as G.M.I. Short Paper No. 19. It contains 28 pages and several tables and graphs. It may be obtained at the Portland office of the Department at 702 Woodlark Building, or at the field offices located at Baker and Grants Pass. Price is 20 cents.

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NEW ALUMINUM CASTING WRINKLE

According to West Coast edition of Iron Age, August 9, 1949, a new wrinkle in aluminum casting pots has reportedly been developed by David Z. Murphy, Portland, Oregon, which is said to eliminate gas bubbles in castings. This melting pot has a partition down its center with a siphon about half way from the top, and aluminum metal is placed on one side for melting and the gas-free aluminum passes through the siphon to the other side of the pot, from which it is dipped for casting. The unit is in operation at the Murphy Knife Mfg. Company for its production of aluminum knife handles.

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OREGON LIMONITE SHIPPED

James M. Orr, Portland industrial minerals dealer, has started to ship limonite from Scappoose, Oregon, to British Columbia. The ore will be used to remove sulphur from manufactured gas. Orr has opened a power shovel pit in ore on the old Oregon Charcoal Iron property located about 2 miles northwest of Scappoose. He is also constructing a plant at Scappoose to dry and prepare the iron oxide to make it available to the trade for use as pigment, mineral additive for stock feeds, and the like.

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Shipment of 700 tons of limonite from Scappoose, Oregon, has just been made to the C. K. Williams and Company plant at Emeryville, California. The material will be used as pigment the same as in previous years when the company mined the limonite. Mr. Orrin Peterson, Consulting Engineer for the company, supervised mining and shipping. The ore came from land owned by Columbia County.

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ORE.-BIN COSTS ADVANCE

Because of increase in postal rates and other costs it has been necessary to increase the subscription rate of the Ore.-Bin from 25 cents to 40 cents yearly. The new rate is already in effect.

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PUMICE PRODUCTION

The Department has just completed an investigation which included visits to nearly all operators currently engaged in the production of pumice. There are five active operations in the vicinity of Bend, one at Chemult, and one at Burns. In addition it is understood that two new operations are in the formative stage. While there are fewer producing operations today than there were in 1947, those currently active appear for the most part to be well established. Pumice aggregates are now being produced in sized and segregated shape, or as a blend under controlled conditions as compared to the crude screened product put out when the industry was in its infancy. A pumice plaster sand is now being produced by two of the operators. This puts the pumice industry into a new field, and reports are that the product is being very favorably accepted by the plaster trade because of the lightness in weight of pumice plaster and its relative hardness of finish.

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PROGRESS AT STANDARD MINE, GRANT COUNTY

Work in connection with reopening the lowest, or 1400, tunnel on the Standard Mine near Prairie City, Grant County, has progressed to a point somewhat beyond the halfway mark. This property was operated earlier in this century for its copper-cobalt ore, but the current work is being done largely on the strength of radioactive material found on the dump. Several large stopes have been traversed by the reopened section of the tunnel, but according to available maps the largest area of stoping is yet ahead of the present cave face. The stoping exposed to date has been so thorough that no ore remains to be sampled. Unless pillars are encountered in the workings yet to be reopened, it will be necessary to clean the floor of the tunnel and sink a series of shallow winzes to expose the vein for sampling purposes. As the Standard vein is understood to have been a strong, heavily mineralized vein never explored below the present tunnel level, the radioactivity noted in connection with the dump material is of more than ordinary interest.

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BAKER COUNTY MINE RESUMES

The East Eagle mine, owned by Rawleigh Chadwell in northeastern Baker County, Oregon, is again active after the winter's shut-down caused by deep snow. A new mountain road has been built in order to make accessible intermediate tunnel levels where ore has been encountered. Development work has uncovered copper ore, containing both sulphide and native copper, in addition to gold and silver.

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NEW QUICKSILVER FURNACE TESTED

The new Herschoff furnace at the Amity Quicksilver mine in the Ochoco Mountains near Prineville, Crook County, Oregon, was given a test run early this year. Some underground development work was also done. Although operations are currently inactive it is understood that the company plans to continue exploration work this summer.

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BOHEMIA DISTRICT ACTIVITY

The Champion mill, Bohemia district, Lane County, Oregon, is treating custom ore from the Musick mine dump in addition to ore from the Champion mine. A car of Champion concentrates has been shipped to Tacoma and a car of Musick concentrates will soon be shipped to Salt Lake City. Harold Barton of Eugene is leasing a part of the Helena mine and is mining heavy sulphide shipping ore.

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NEW OREGON SHIPPER

Mr. J. E. Hamlen and Mr. Ben Baker, both of Grants Pass, have been exploring the Hamlen copper prospect on Onion Mountain southwest of Grants Pass. A rail tram has been constructed to transport ore down the hill from the main tunnel to the truck road. Ore consists of massive chalcopyrite, bornite, and pyrite. Ore will be shipped to the Tacoma Smelter.

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SHELL FIELD OFFICE IN OREGON

The Shell Oil Company has opened a field office in Portland, Oregon, with Mr. H. J. Buddenhagen, geologist, in charge.

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CEMENT COMPANY INSTALLS COTTRELL AT OREGON PLANT

The Grants Pass Bulletin, July 28, 1949, announces that the Pacific Portland Cement Company plant at Gold Hill, Jackson County, Oregon, has contracted to install dust precipitating apparatus. This new equipment will eliminate dust which now escapes from the plant and will allow more economical operation of the plant.

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NEW DRAGLINE ON OLD HYDRAULIC MINE

R. F. Oliphant and G. C. Pepperdine are installing a dragline outfit with dry-land washing plant at the Esterly mine in the Takilma area, Josephine County. The Esterly is one of the oldest producers of gold and platinum in Southern Oregon. Total production has been in excess of $500,000. The property has been variously known as the Llano de Oro, Cameron placer, Logan placer, and Simmons placer.

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INTERIOR DEPARTMENT 100 YEARS OLD

March 3, 1949, marked the one hundredth anniversary of the Department of the Interior. Originally called the "Home Department," it was organized to deal with the internal problems of the Nation.

The Geological Survey is one of the older bureaus of the Department. Organized in 1879 to classify the public lands and to examine their geologic structure and mineral resources and products, the results of its systematic study are published in more than three thousand reports and seven thousand maps.

About 25 percent of the country is covered with modern topographic maps, and adequate geologic investigations have been completed for only about 10 percent of the country.

In Oregon a total of 38.5 percent or 96,981 square miles has been topographically mapped. During the last fiscal year the State of Oregon made the sum of $32,067 available for cooperative water studies with the U.S. Geological Survey. The total funds earmarked for cooperative work with the Survey by the various states and Hawaii amounted to $2,026,909. The Geological Survey was allotted $2,071,500 by the Interior Department as its share in the cooperative work.

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