

STATE DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES

Head Office: 702 Woodlark Building, Portland 5, Oregon

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T. C. Matthews Spectroscopist
M. L. Steere Geologist
R. E. Stewart Geologist
D. J. White Geologist

Field Offices

2033 First Street, Baker
N. S. Wagner, Field Geologist

239 S.E. "H" Street, Grants Pass
Harold D. Wolfe, Field Geologist

NEW GOVERNMENT PROCUREMENT AGENCY

On August 1 the President created a new agency to speed up production and procurement of strategic materials, and issued the following statement as reported by the American Mining Congress Bulletin Service:

"The Federal Government's programs for purchasing and increasing the supply of critical and strategic materials are vital to the security of this Nation. It is essential that we have ample supplies of basic and rare materials if we are to fulfill our mobilization goals during the coming months and if we are to maintain the expanding national economy which gives us one of the necessary elements of strength in international affairs.

"I have decided, therefore, that we must give special attention to our organization for assuring the continued supply of critical and strategic materials. Accordingly, I am creating, under the authority of the newly extended Defense Production Act, a new independent agency whose sole job will be to procure and to increase the supply of critical and strategic materials at home and abroad.

"These new organizational arrangements are being made upon the recommendation of the Director of Defense Mobilization, the Secretary of the Interior, and the Director of the Budget, with the concurrence of the Administrator of General Services, the Economic Cooperation Administrator and other interested officials of the Government. I am confident that they will provide the Government with better machinery for continuing the vital functions of maintaining an ample supply of critical and strategic materials for our economy.

"This new agency will be called the Defense Materials Procurement Agency. It will be headed by an Administrator to be appointed by me with the advice and consent of the Senate. I expect to nominate Mr. Jess Larson, who will be relieved of his present duties as General Services Administrator, to be the Administrator of the new agency. He will administer the Defense Materials Procurement Agency under the direction, control and coordination of the Director of Defense Mobilization. The reorganization will be effected as soon as the necessary orders can be arranged by the Director of the Bureau of the Budget.

"The various procurement and development functions presently vested in the General Services Administration, the Department of the Interior, the Economic Cooperation Administration, and the Defense Production Administration will be transferred to the Defense Materials Procurement Agency. Specifically, the following functions will be transferred and consolidated in the Defense Materials Procurement Agency:

"From the Defense Minerals Administration in the Department of the Interior:

A responsibility for materials supply expansion, including development of supply expansion programs;

Responsibility for recommending tax amortization for materials expansion action;

Responsibility for certifying Defense Production Administration loans to the Reconstruction Finance Corporation for materials expansion actions.

"From the General Services Administration:

Responsibility for materials procurement under the Defense Production Act.

"By delegation from the Economic Cooperation Administration:

Responsibility for serving as the agency to perform Economic Cooperation Administration materials procurement actions.

"Under the planned arrangements, the Defense Materials Procurement Agency will become the operating agency for procuring and increasing the supply of critical and strategic materials both domestically and abroad. The Defense Production Administrator will continue to exercise his responsibilities concerning the development of materials requirements and will certify to the Defense Materials Procurement Agency the materials needed in the economy. The new agency will undertake both the necessary spot procurement and the development and execution of materials expansion programs.

"Under the new arrangements there will be retained in the Department of the Interior - in the metals and minerals field - the regular statutory responsibilities of the Bureau of Mines and the Geological Survey, expanded to provide additional services required by the emergency programs. Also, the Department of the Interior will continue to administer the domestic exploration loans program authorized by the Defense Production Act and will carry on the priorities and allocations functions with respect to metals and minerals under that Act.

"The General Services Administration will continue its present responsibilities for stockpile procurement. As a rule, however, the General Services Administration will purchase stockpile materials from the Defense Materials Procurement Agency, which will act as the sole Government procuring authority for nonagricultural materials. The present arrangements for developing stockpile requirements will remain unchanged, and the General Services Administration will continue as the financial and custodial agency for the stockpile.

"In providing a new agency for administering a more unified program for procuring and increasing the supply of critical and strategic materials, I shall expect that it will utilize to the maximum extent the resources of all agencies in the conduct of scheduled procurement and development projects."

DREDGE CLOSURES DOWN

The Porter Dredging Company, which has operated in the Granite area of Grant County for the past 13 years, and most recently on Crane Creek, closed down on July 21, 1951. According to newspaper reports the dredge will be moved to a locality near Cascade, Idaho, and will continue dredging operations at that place.

THREE MANGANESE PURCHASING DEPOTS PLANNED

Two regulations under which the General Services Administration will carry out a five-year domestic manganese purchasing program to encourage the discovery, development, and production of manganese in the United States were issued on July 21, 1951.

Jess Larson, Administrator of General Services, said the Government will purchase manganese ore from miners at three depots being set up by GSA at Butte and Philipsburg, Montana, and Deming, New Mexico.

Mr. Larson said that miners who want to sell manganese ore to the Government at the depots in Montana must notify in advance the GSA Regional Office located in the United States Courthouse Building, Seattle 4, Washington. Those who wish to sell manganese at the Deming, New Mexico, depot should declare their intentions to the GSA Regional Office located in Building 1-C, Denver Federal Center, Denver, Colorado.

Mr. Larson said that although miners have until midnight, September 15, to make notification, they are urged to declare their intentions as soon as possible so that the Government can better anticipate the facilities needed to carry out the program. Notification may be in the form of a letter, telegram, or penny postcard, and should state that the writer desires to participate in the program. In return, the miner will receive a certificate which will authorize him to bring manganese ore to the specified depots where it will be assayed and weighed and where he will be paid immediately.

Under the regulations, the price paid for the ore will be based on the manganese content of the ore. Five long tons of ore is the minimum that will be accepted in a single delivery at the depots.

Ore delivered at the Butte depot must contain a minimum of 12 percent manganese in order to be acceptable under the regulations, and ore brought to the Philipsburg and Deming depots must contain at least 15 percent manganese.

Prices are determined by the quality of the ore and vary at each depot. At Deming, the Government will pay \$6.10 per long dry ton containing 15 percent manganese, with payments ranging up to \$76 per long dry ton for ore with a 40-percent manganese content. At Philipsburg, the prices will range from \$6.43 per long dry ton for ore containing 15 percent manganese to \$34.81 for ore with a content of 30 percent. At the Butte depot, the Government's prices start at \$6.05 per long dry ton with 12 percent manganese content and go up to \$40.42 for ore containing 30 percent.

Funds are available for the purchase of 12,000,000 contained long dry ton units of manganese. A public announcement will be made when the depots are ready to receive ore.

Detailed specifications may be obtained from General Services Administration offices specified above or in Washington, D.C.

OREGON BEACHES CONTROLLED BY STATE LAND BOARD

The 1951 Oregon Legislature passed legislation which gives management of Oregon beaches to the State Land Board insofar as removal of sand, rock, marine growth, or other natural products on the ocean beaches is concerned. The law is contained in Chapter 106, Oregon Laws of 1951, which amends Section 3, Chapter 493, Oregon Laws of 1947.

NICKEL IN 1950

A substantial upward surge in nickel requirements, which were well above production, resulted in an acute shortage in 1950. Before mid-year it became apparent that the demand for nickel would exceed the available supply. Accordingly, both the International Nickel Company of Canada, Ltd., and Falconbridge Nickel Mines, Ltd., established voluntary rationing programs for equitable distribution of nickel. Total consumption of nickel in the United States established a peacetime record in 1950 and was 45 percent greater than in 1949. Deliveries to the Government stockpile were smaller. Stocks of nickel held by consumers in the United States declined 34 percent to 11,813,000 pounds on December 31, 1950, and were equivalent to slightly more than three weeks' requirements at the 1950 rate of consumption. Imports of nickel into the United States were about the same in 1950 as in 1949.

Total consumption of nickel was 198,043,618 pounds in 1950, of which about 39 percent was utilized in stainless and other steels. Usage of nickel in stainless steel was 76 percent more in 1950 than in 1949, but that for other steels was only 32 percent larger. Consumption of nickel in high-temperature and electrical-resistance alloys was up 38 percent and that for anodes gained 26 percent. The use of nickel in cast irons was 44 percent more. Most of the nickel consumed in 1950 was in the form of metal, but the proportion of oxide and oxide sinter used was slightly more in 1950 than in 1949.

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Imports of nickel in all forms were virtually the same in 1950 as in 1949. As heretofore, Canada was the chief source of the imports; it supplied 130,426,076 pounds of refined nickel, 22,261,814 pounds of roasted and sintered matte, 32,612,122 pounds of oxide and oxide sinter, 337,965 pounds of nickel scrap, 36,659 pounds of nickel bars, rods, etc., 15,485 pounds of nickel-silver, and 356,561 pounds of nickel residues. In 1950, Norway furnished 7,216,093 pounds of refined nickel and 82,622 pounds of nickel scrap; the United Kingdom 23,568 pounds of refined nickel, 727,010 pounds of nickel scrap, 9,072 pounds of matte, and 14,597 pounds of bars, rods, etc.; Denmark 49,890 pounds of refined nickel and 33,600 pounds of nickel scrap; Belgium and Luxembourg 2,494 pounds of refined nickel, 13,225 pounds of nickel scrap, and 11,076 pounds of bars, rods, etc.; France 540,127 pounds of refined nickel, 50,228 pounds of nickel scrap, and 4,415 pounds of bars, rods, etc.; Japan 5,937 pounds of refined nickel; Netherlands 6,013 pounds of nickel scrap and 7,160 pounds of bars, rods, etc.; and Sweden and Switzerland 23,331 and 23,148 pounds, respectively, of nickel-silver. (From U.S. Bureau of Mines Mineral Market Reports MMS-1994.)

SMELTER SHIPMENTS

Prospective shippers of ore to a smelter should be sure that the ore to be shipped contains dollar values in sufficient amount to repay all costs and provide a profit. It sometimes seems to a shipper that the amount of work required to determine the value with reasonable accuracy is not warranted and that a chance may be taken. This is an unwise policy and careful sampling should be done on all smelter shipments before shipment is made. Smelters are always glad to make analyses for prospective shippers.

GOVERNMENT CHROME DEPOT OPENS

On August 3 the Government's Grants Pass chrome purchasing depot started buying ore with Dan Beyer in charge for the General Services Administration. The initial shipment of ore purchased was delivered by W. S. Robertson of the Oregon Chrome Mines on the Illinois River. The depot was opened in order to accommodate chrome shippers even though preparations for sampling and storing ore are incomplete. A concrete slab and spur track must be laid and crushing, sampling, and weighing equipment installed. The Northwest Testing Laboratories, Portland, are doing the sampling and assaying. Besides Robertson, several World War II shippers, including Eugene Brown, have delivered ore. In the absence of Government weighing scales, the ore is being weighed at the Morton Milling Company scales. Approximately 30 truckloads of ore had been delivered during the first 10 days of operation.

ANTIMONY DEVELOPMENT

The Current Creek antimony property owned by Dragich and Amundsen, Prineville, is being developed by Mike Dragich and two miners. The property is about 8 miles east of Ashwood in Jefferson County on the road to the Horse Heaven mine. At present principal work is in no. 3 tunnel where stibnite has been found in several places.

PERLITE PROPERTY PRODUCING

The Lady Frances mine of Dant & Russell, Inc., Dantore Division, on the Deschutes River in southern Wasco County, is producing at capacity. The perlite is mined by open pit methods and processed to make both plaster aggregate and acoustical tile. The plant is on the Great Northern Railroad at Dant where a postoffice was recently established. About 65 men are employed at both mine and plant.

NICKEL EXPLORATION

The Hanna Development Company is continuing exploration of the Nickel Mountain garnierite deposit near Riddle, Douglas County, Oregon. Two churn drills are employed and metallurgical testing work is being done.

DR. BOYD RETURNS TO BUREAU OF MINES

Dr. James Boyd has resigned as Administrator of the Defense Minerals Administration and has returned to his former position as Director of the U.S. Bureau of Mines. Mr. W. C. Schroeder has been named acting administrator of DMA to succeed Dr. Boyd.

STRATEGIC MINERALS DECONTROLLED

On August 10, OPS, by amending GOR-9, exempted from price controls several strategic and critical metals and minerals. Those exempted are raw asbestos; beryl ores; chrome ores; cobalt ores and metal; columbite-tantalite ores; natural graphite; kyanite and related ores; manganese ores; and acid grade fluorspar. Sales of domestic mercury are also exempted from price control, but sales of imported mercury will remain under price control and are being included in CPR 31 (imports). (From American Mining Congress, August 13, 1951.)

SHELL GEOLOGIST TRANSFERRED

H. J. Buddenhagen who, since May 1949 with office in Portland, has been in charge of exploration for the Shell Oil Company in Oregon, Washington, and western Idaho, left Portland August 17 for a six week's tour of Shell's operating areas in the United States and Canada. Early in October, accompanied by Mrs. Buddenhagen and their two sons, he will sail for Holland to spend a year in Shell's head office at the Hague.

Since graduating from Stanford University in 1926, Mr. Buddenhagen has seen continuous service with the Shell Oil Company. Three years were spent in Venezuela; the remainder in the United States in Arizona, New Mexico, Utah, Montana, Colorado, California, and the Pacific Northwest.

The day he left Oregon, Buddenhagen said, "You can tell anyone who is interested that I hope to be back. This is my idea of about the best place in the world to live in." He undoubtedly will be influenced by his ownership of 230 acres of good Josephine County land that he acquired back in 1938.

The local office of the Shell Oil Company's exploration department is being moved from Portland to Elma, Washington, where Dr. R. L. Luper will take charge of Shell's exploration work in the Pacific Northwest. Dr. Luper is a graduate of the University of Oregon and obtained his doctorate at California Institute of Technology. He was on the geology staff of Washington State College for several years before becoming a geologist for Shell Oil Company in 1947.

PRICE SCHEDULE FOR MANGANESE ORES

Geneva Steel Company, P.O. Box 269, Salt Lake City 8, Utah, is prepared to buy ores containing manganese and offers the following price schedule:

Price: The price schedule per gross ton (2240 lbs.) unit (1% or 22.4 lbs.) of DRY metallic manganese is:

Manganese Content (%)	Price (\$ per unit)	EXAMPLES	
		% Mn (dry basis)	Value per Gross Ton (\$)
Minus 20 (rejectable)	45	19.0	8.55 (rejectable)
20 to 25	50	20.0	10.00
25.1 to 30	55	25.0	12.50
30.1 to 35	60	25.1	13.81
Plus 35	65	30.0	16.50
		30.1	18.06
		35	21.00
		35.1	22.81

Iron Content (Fe): Iron content will be paid for at the rate of 3¢ per unit unless iron content falls below 10%, in which event no payment for iron will be made. No payment for iron will be made for ores with a Mn content of less than 20%.

Freight: Geneva Steel Company will pay towards the freight in an amount equal to 25 cents per unit, but not to exceed total freight. Shipper will pay that portion, if any, of the freight not covered by Geneva Steel Company's payment of 25 cents per unit toward freight charges.

EXAMPLES

Mn Content (%)	Portion of Freight paid by Geneva (\$)
19 (rejectable)	4.75
20	5.00
25	5.25
30	7.50
35	8.75

Complete specifications may be obtained by writing the company.
