

The Stock Pile

VOLUME 1 - NO. 7

THE STOCK PILE

JUNE, 1953



HARRY WHITNEY SITTING IN FRONT OF THE CABIN AT SNOWY RIDGE CHROME MINE, LOOKING AT MT. SHASTA, AS THE SUN SETS IN THE EVENING. OREGON AND CALIFORNIA HAVE A GREAT DEAL IN COMMON IN THE PRODUCTION OF CHROME. THE SNOWY RIDGE MINE HAS BOTH STATES IN COMMON. THE CABIN IS IN CALIFORNIA, AND THE MINE IS RIGHT ON THE CALIFORNIA-OREGON LINE.

Tungsten Testimony

(Testimony by Chas. H. Segerstrom, Jr., President Nevada-Massachusetts Company, Tungsten, Nevada, before HOUSE SELECT SMALL BUSINESS COMMITTEE at San Francisco, April 25, 1953.)

The production of tungsten concentrates, vital for use in high speed tool steels, tungsten carbides, jet engines, armour piercing shells and many other important and critical uses, has never received the importance that it deserves. It is an industry little heard about in much of the United States but it is of utmost importance to the economy of this country.

Our domestic producers have always been faced with sizeable fluctuations in the demand and price for tungsten, with short periods of high prices and good demand, always followed by long periods of low demand and low prices resulting in the close-down of many operations. A mine is not like a manufacturing unit which can be closed down and reopened at will, but is it a long term, expensive operation where plans must be made well into the future to assure continued operation. A mine shut down for a year may take a year or more after reopening to get back on the production basis reached before the shutdown. Water comes in and floods the mine, timbers rot and rail and pipe rust away. Machinery depreciates very fast when not in continual use and the reestablishment of its top efficiency is slow and costly. Ore reserves must be kept at a level where continual high production can be maintained, but the threat of continued closings and reopenings does not often make this economically possible.

The table below, taken from reports of the Bureau of mines, shows exactly what has taken place and what is happening at present U. S. Production and consumption of Tungsten (in short tons of 60% WO₃)

Year	Production	Consumption	% of Consumption Produced in U. S.
1940	5,120	10,500	49%
1941	6,746	17,500	33%
1942	9,433	18,300	52%
1943	12,055	20,300	59%
1944	10,260	20,100	51%
1945	5,662	14,900	38%
1946	4,908	6,800	72%
1947	3,180	8,200	38%
1948	4,228	9,300	45%
1949	3,043	5,212	58%

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MEETING

CONDENSED MINUTES OF
MAY 18th MEETING

The meeting was called to order at 10:30 A. M. by the President, Fay I. Bristol. News item issued by Douglas McKay, saying that chrome was still on the critical list was read by Mr. Bristol.

It was announced that H. B. 2823 and 2824 had gone through the House Sub-committee on Interior and Insular Affairs and would be presented to the full Committee the first week in June.

Mr. Dan Lillis, Chief of Inspection Service, G. S. A., Northwest Region 10, gave a short talk outlining the fact that the chrome program was extended to June 30, 1955, or until 200,000 tons had been delivered, and that the 5,000 ton limit per mine had been removed. The program has now been in operation 18 months, the depot having been opened on Sept. 17, 1951.

Mr. L. H. Banning, Chief of the ferro-metals Branch of the Bureau of Mines, Section 2, at Albany gave a technical talk on the new smelting process being developed at the Albany Station. It was very important to this area, as their experiments indicate that the use of hog fuel will make it possible to smelt directly high silica manganese ore and high aluminum clays. The title of his talk, "The Use of Hog Fuel in Smelting Different Ores." A plant is now being built at Springfield to use one of the processes developed at Albany. Anyone interest-

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Government Mineral Policy

WHAT IS OUR GOVERNMENT MINERAL POLICY?

(Testimony by S. H. Williston, Cordero Mining Company, Palo Alto, California, before HOUSE SELECT SMALL BUSINESS COMMITTEE, at San Francisco, April 25, 1953.)

In considering the plight of small and moderate size mining operations one must give a great deal of consideration to the great uncertainty and the extreme vacillation in United States Government mineral policy over the last 14 years.

Those years have been a strong demand for metals interspersed with periods of surplus. During times of shortage our Government urged greater and greater production from domestic sources and in times of surplus, even though temporary, ignored the problems of the mining industry and allowed, and even encouraged, those mines to shut down. For 14 years the small miner of the West has read in the papers conflicting reports, conflicting requests from Government sources and conflicting attitudes on the part of many of the metal manufacturers and consumers. Neither small mines, nor, for that matter, large mines, can continue to exist in a solvent condition under such pulling and hauling from Washington and under such an absence of clear cut, well thought out policy.

It might be well if we would set down a few basic facts and try to think clearly toward a logical conclusion and attempt to avoid some of the highly questionable and usually unfounded conclusions reached over the past decade by some of the theorists in Washington.

We know that, at the present time, we import something like 40 per cent of most of our critical metals and a much higher percentage of our strategic metals.

We know that in regards to many of these critical metals and most of the strategic metals, the sources of supply lie over several thousand miles of ocean travel.

We know that the Russian navy is now the second largest fleet. It is several times the size of the German submarine fleet at the opening of World War II. We know that the Russians now have 350 submarines of 1000 tons displacement or over, and at least 150 smaller submarines. We know, in the event of open warfare, that such a number of submarines could undeniably interfere with, if not almost eliminate, the importation of strategic and critical metals from overseas sources.

We have heard from reasonably reliable sources, that the anti-submarine arm of the Navy is rated well down on the priority list and that in the war games of recent years the effectiveness of the anti-submarine arm was certainly not anything which we, as a Nation, might be proud of.

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THE STOCK PILE

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EDITORIAL

Four of us are leaving for Washington, D. C., tomorrow, and will be staying at the Washington Hotel.

The four are Joe Holman of Los Angeles, Durand Hall, of San Francisco, Oregon Senator Gene L. Brown of Grants Pass, and yours truly.

We hope to have a successful trip, and so far the bills pending in Congress to extend the chrome, manganese and tungsten programs have been having very fine reception in their Committees.

We hope to give the added push to get these bills through Congress. However, that is just the beginning.

The bills merely instruct the Defense Department to extend these programs, on such terms as the Defense Department deems wise. Thus we must also sell the Defense Department on the best terms possible for this extension.

With good luck sometime this summer we should get the extension, but it will take work, cooperation and money from all the chrome miners to accomplish these ends.



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MEETING

(Continued from Page 1)

ed in smelting manganese, chrome or aluminum clays are invited to inspect the operation at Albany.

Dave White, Resident Geologist for the Oregon State Department of Geology and Minerals Industries, outlined the services rendered by his office to Oregon residents, which includes free analysis for prospectors that are not producing. He also outlined that his department is making a study of chrome deposits. He stated, however, that since his Department was a State Department he could not go into California.

The next speaker, Richard N. Appling, Mining Engineer of the U. S. Bureau of Mines, outlined their investigation of the manganese prospects in Southern Oregon. They were interested in finding all of the available high Silica Manganese ore deposits that they can. He also stated they had funds for drilling and trenching deposits that were found. He would appreciate receiving information on any manganese deposits.

Mr. Bristol then read the Governor's veto message on House Bill 80, which placed a tax of 25 % of the value of timber on a newly patented mining claim. This bill had been defeated in the Oregon State Senate but the furor created by an article in Collier's magazine caused them to reconsider the bill and pass it.

An article written by Fay I. Bristol for the Mining World on the world chrome situation was read.

The meeting was adjourned for lunch.

Meeting reconvened at 1:45 P. M.

A report on the Small Business Committee hearing held in San Francisco April 25th was given by Joe Holman who took part in the hearing. This hearing was sponsored by a number of Mining Associations, including Nevada and Oregon, The San Francisco Chamber of Commerce, the Grass Valley Mining Association, and the Western Mining Council. Arrangements were made by the San Francisco Chamber of Commerce, and the expenses were also handled by the San Francisco Chamber of Commerce -- the raising of money, etc. Fifteen men were asked to prepare papers for the hearing.

Mr. Holman stated that the entire account of the Hearing could be obtained by reading the various Mining Journals, which covered it thoroughly. With respect to Chromium, the coverage was given very well by Mr. Bristol. A full story of his testimony is in the May issue of the STOCKPILE.

It was brought out that the results of this San Francisco hearing would be very good when the men got back to Washington.

A discussion from the floor followed: This discussion covered a suggestion that a limit be placed on the production of each mine. The discussion revealed that there was a limit to the amount of money that Congress would appropriate for a chrome program extension, and that it would be possible for a large property to be found thus filling the appropriation and ending any chrome program. This would leave the small miner on the rocks. Several people discussed the point that it would be impossible for any one mine, or company, to produce this amount.

Steve Ridgley brought out the fact that a major company was investigating some chrome deposits in Southern California, contemplating a 1000 ton per day

(Continued on Page 4)

Government Mineral Policy

(Continued from Page 1)

It would seem from these facts, which are quite well authenticated, that the policy of our Government regarding raw materials supply in the event of an emergency, would be to endeavor to assure a source of metals, preferably from North America, but certainly from the Western Hemisphere, if we are to have available sufficient raw materials for the defense forces and for the essential civilian economy.

Now, let us examine what the actual policy of our Government has been.

The policy of our State Department in general is and has been to keep our metal in the ground and buy from foreign sources. Preferably sources where the State Department has diplomatic problems. More explicitly, under the Reciprocal Trade Act, which was adopted about 1934, and has been repeatedly reenacted to date, the declared policy of the State Department is to increase the percentage of the domestic market supplied by foreign producers by reducing tariffs and simplifying customs procedures.

When the Stockpiling Act was passed with the "Buy America" clause, President Truman approved the bill while condemning the clause and practically instructed the Munitions Board not to observe it. As a result of its instructions (never changed) the Munitions Board and the General Services Administration have followed the policy of buying from abroad in preference to buying domestic. They have even refused permission for domestic producers to bid on requirements of strategic metals for the stockpile which were subsequently obtained from foreign sources.

The President's Materials Policy Commission and the National Security Resources Board have advocated the removal of tariffs on strategic and critical metals by bureaucratic action. A consequent lowering of domestic price by the amount of such tariff reduction would immediately close additional domestic mines.

The Mutual Security Agency, in the so-called Bell Report, "A Trade and Tariff Policy in the National Interest" reached the height of something or other in the following quotations:

Page 57. "Tariffs on the minerals for which the United States produces all of its current needs and is a net exporter are unnecessary".

Page 54. "For most ores and unprocessed minerals, the relatively small duty has little restrictive effect on imports".

Page 51. "Some duties should be eliminated now and others whenever price factors are favorable to such a change".

Page 57. "A change in tariff policy is also desirable for the minerals of which domestic production supplies less than one-third of domestic production needs. Imports of such minerals should be and, then, to cap the climax, the quotation on Page 56,

"Tax provisions covering exploration costs and depletion allowances offer far greater incentives for the metal and mineral industries than could be provided by tariffs".

It does not occur to the author of this policy, who is, by the way, Director of the Research Department of the International Monetary Fund, that if the sales price of metals is not sufficient to cover costs it makes little difference as to what promises might be made in regard to taxes. Taxes are measured by profits and if there are no profits there certainly will be no taxes for any considerable length of time.

The Treasury Department has, for years, been attacking the theory of percentage depletion with extreme vigor and also, by new interpretations of old laws and rewriting of regulations, endeavored to increase the tax load on those mines which might for a few years show a profit. Fortunately Congress has recognized the errors of Treasury arguments. There is no doubt whatsoever that if the Treasury had been successful in eliminating percentage depletion it would have had a most catastrophic effect on the search, development and mining of metals within the United States.

Certainly the general health of the mining industry and especially the smaller components of the industry, would indicate that the depletion allowance is insufficient to offset the inherent gamble in the industry. The percentage depletion in oil, which is higher, has kept the United States self-sufficient in that material and a higher percentage depletion for minerals with adequate protection against foreign dumping would go a long way toward bringing the United States closer to a minimum safe production in the metals which it needs.

Since the early 30s the Bureau of Land Management in the Department of the Interior has been using every device at its command to change the fundamental mining laws of the Country to a leasing system which would grant to a few appointed Government bureaucrats the right to grant or to deny the right of additional mines to exist within this country.

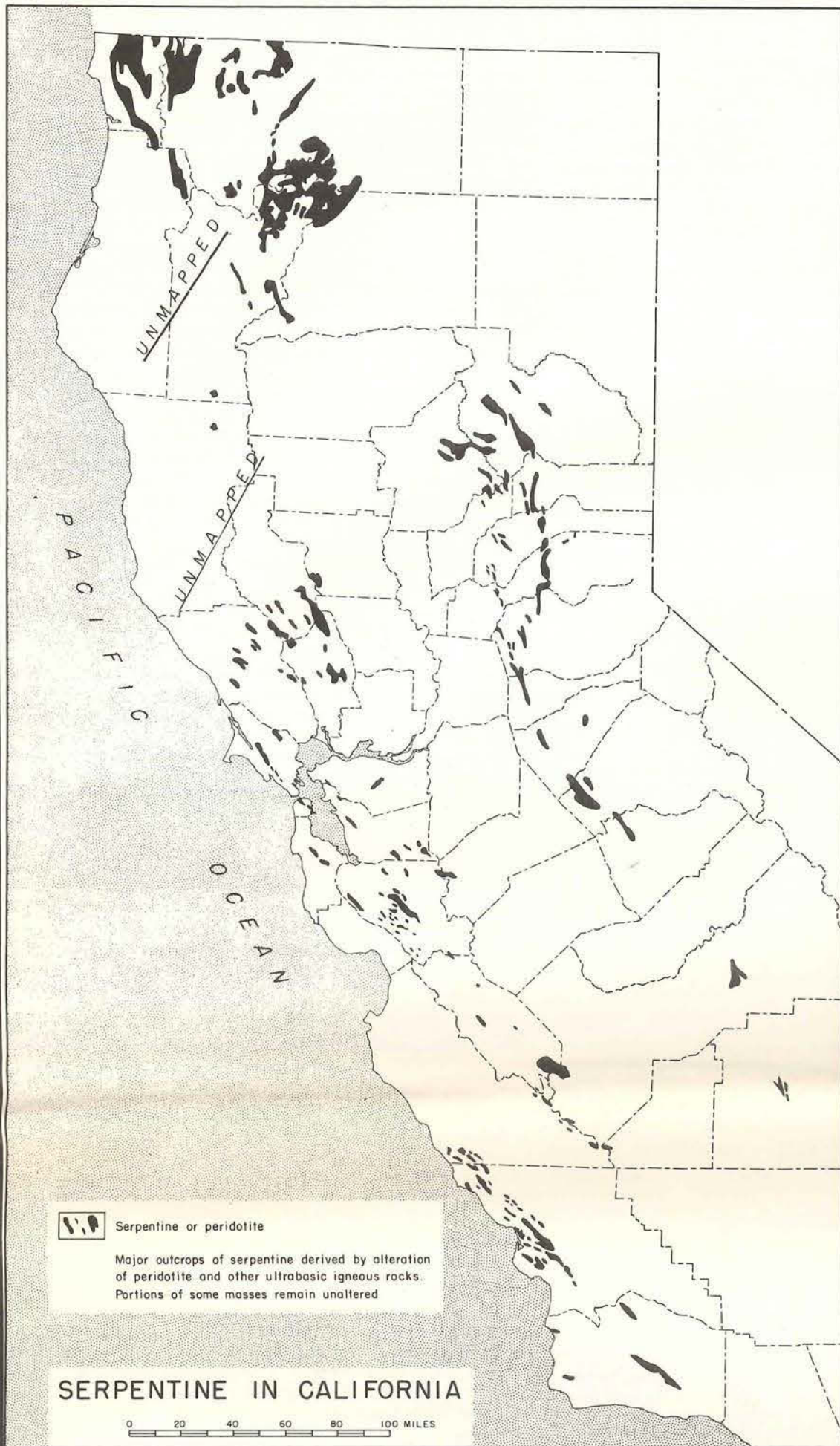
With present costs and price trends an additional levy on gross income added to the 75 per cent of the net, which the Treasury now demands, would be too much of a load for the industry to bear.

The Defense Minerals Administration and the Defense Materials Procurement Agency, largely manned by engineers familiar with the industry, were given orders in early 1951 to take no steps to expand production of any metal unless it was in world-wide shortage. From recent publicity in connection with the ammunition shortage it may well be that this directive, which is still in effect, was dictated by the State Department. Even the United States Geological Survey and the United States Bureau of Mines, which have partially infiltrated with a rather pessimistic and hopeless attitude.

National Forest Service in the Department of Agriculture has gone out of its way to interfere with and slow down the exploration and development of additional metal and mineral reserves. They seem to have little sympathy with the development of raw materials other than timber on National Forest ground and seem to delight in causing legitimate mining operations additional difficulties and extra expense for no useful purpose.

In fact, it is impossible to name any administrative branch of the United States Government which has actively aided and championed the efforts of the mining industry in its effort to supply the

(Continued on Page 9)



THE MAP OF SERPENTINE IN CALIFORNIA should be of interest to the prospectors for chrome. Here shown are the bodies of serpentine that have been mapped by the Geological Survey. In practically all of these bodies there is some chrome. The unexplored areas are known to contain more bodies of the serpentines. The State of California in connection with the U.S. Geological Survey has issued a series of bulletins on chromite:

134 Geological investigations of chromite in California (only the chapters listed below have been issued).

	Price
134 Part 1, Ch. 1, Del Norte County	0.75
134 Part 1, Ch. 2, Siskiyou County	1.00
134 Part 2, Ch. 1, Northern Coast Ranges	0.25
134 Part 3, Ch. 1, Tuolumne and Mariposa Counties	0.35
134 Part 3, Ch. 2, Calaveras and Amador Counties	0.35
134 Part 3, Ch. 3, Tulare and Fresno Counties	0.50
134 Part 3, Ch. 4, El Dorado County	0.90

Those that are still in print can be obtained by sending to the California State Division of Mines, Ferry Building, San Francisco 11, California.

BRIDGE STILL UNDER....

Red Mountain Mining Company, Henson and King brothers, made a trip out to make application for a new high water bridge across the Illinois.

Others making application for a new high water bridge are: Deep Gorge Mining Company, Rough and Ready Mines, Inc., McCaleb's Chrome Mining Company, Foster's Mining Company and Consolidated Mining Company.

MEETING OF EASTERN OREGON MINING ASSOCIATION

Eastern Oregon Mining Association held a meeting in Baker on the 26th. We hope we will get some pictures and stories from them on their chrome, manganese and tungsten mines.

Nadie Strayer wrote: "Thanks, Fay, for sending me a copy of THE STOCKPILE, which is certainly a fine paper and must be greatly appreciated by all of the mining people. Of course, I have had to pass on my copy, finally, to some of the folks here who are so much interested in the manganese and chrome programs; had quite a struggle to hold on to it long enough to read it all."

I think you've shown what can be done by enterprising men and women in an industry who can make a pictorial record of their mining development and, making use of local newspaper resources, publish a paper which should be of great value to the industry."

RAIN

Bob McCaleb's bunkers full of concentrates... can't haul.

SOUTHERN OREGON GEM AND MINERAL SHOW

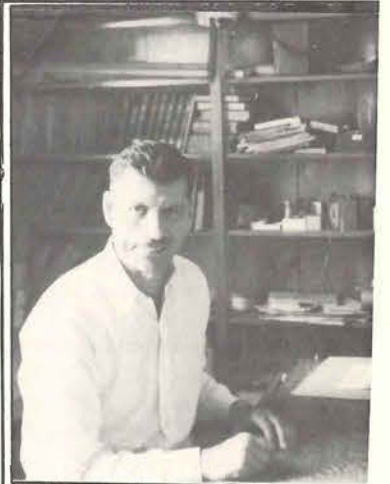
The Rogue Gem and Geology Club of Grants Pass, Oregon, is sponsoring a gem and mineral show with the co-operation of several other clubs -- Eugene, Coos Bay, Cave Junction, Klamath Falls, Medford, Camp White, and possibly others.

The show will be held at the Josephine County Fair Grounds on Saturday June 13th from 10:00 AM to 10:00 P.M., and Sunday June 14th from 10:00 A.M. to 7:00 PM.

Exceptional displays of gems, minerals, fluorescent minerals, silverwork, etc. Demonstrations of silver-smithing and lapidary equipment will be made.

Admission is free and everyone is invited.

Deep Gorge Mining Company reports a slide that covered their Chrome lead. Mighty tough luck.



DR. FRANCIS J. WELLS, nicknamed "The Duke". Dr. Wells is responsible for the chrome investigation during World War II, and was in charge of the mapping of the chrome areas in the Western States. His work is available in the California Bulletins on chrome, and the geology maps of the Grants Pass, Medford and Kerby quadrangles.

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MEETING

(Continued from Page 2)

mill. They had blocked out a large tonnage of milling ore, and he felt that definitely there should be a limit on production per mine.

Mr. Van Curler stated that we should not only go after an extension of time, but also after an added appropriation to go with it, and put a limit on production so that large concerns could not come in and use all of the appropriation.

Mr. Holman reminded those present of a speech by the Hon. Clair Engle at a meeting last September. He stated that the purpose of the program was to develop a stockpile of Man-power and Know-How and establish a sound mining industry on the Coast.

Mr. Holman made the following resolution:

"Be it resolved that the Domestic Chrome Industry be encouraged by proper appropriation to produce enough Chrome for the Safety of the Nation by an extension of the existing stockpiling and price program for at least three years past June 30, 1955."

Resolution was carried unanimously.

Holman further resolved:

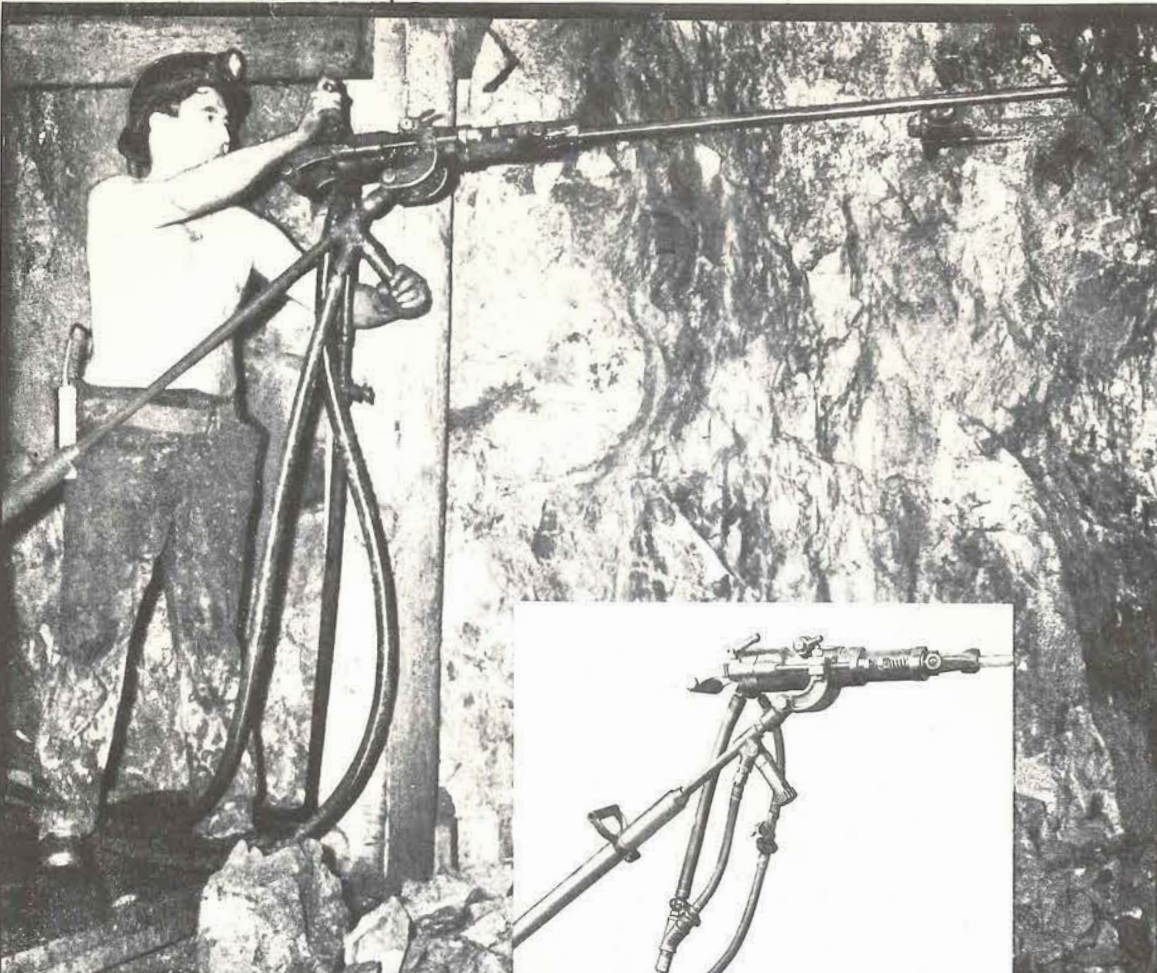
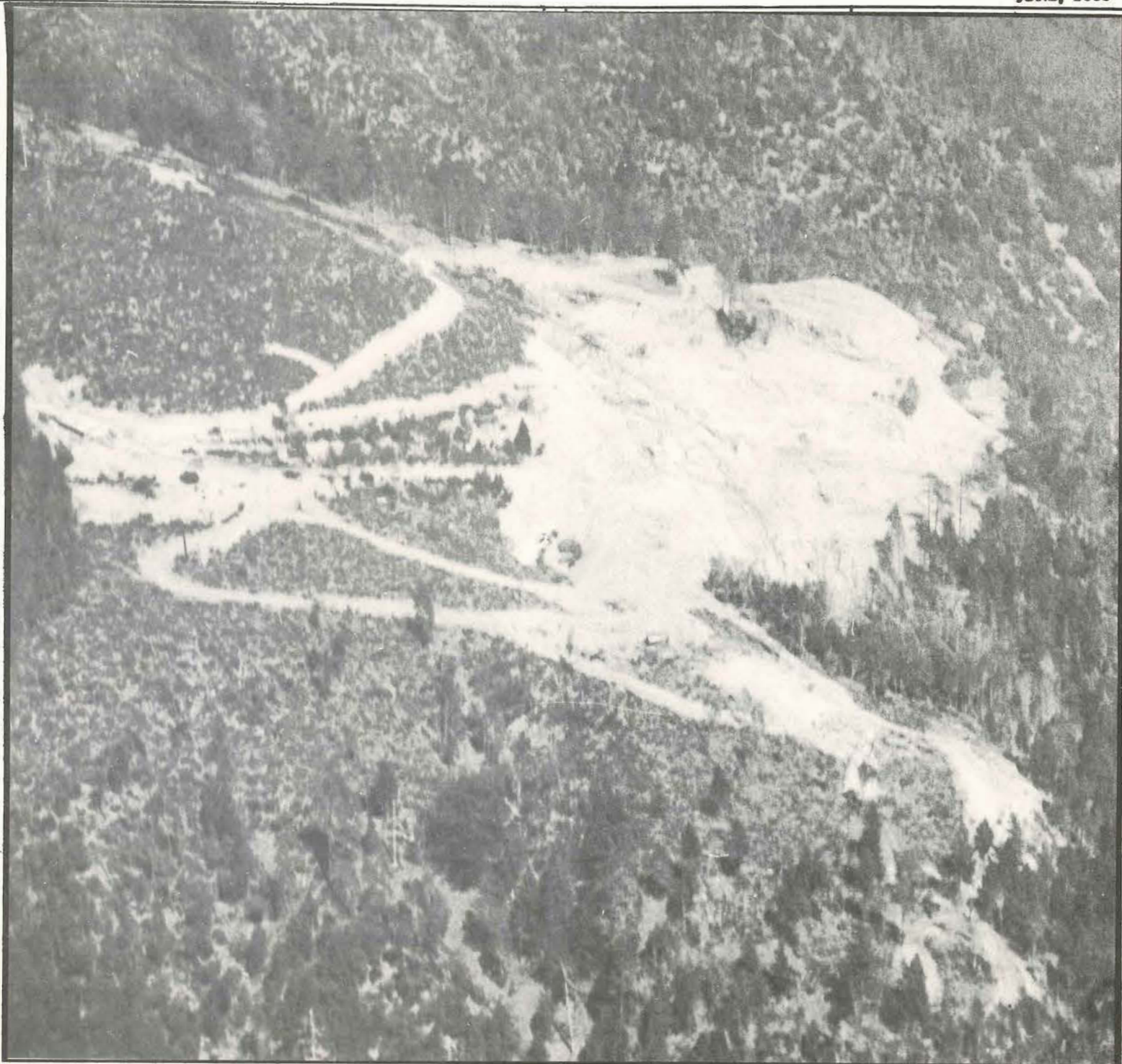
"Be it resolved that the iniquities in the program be removed by the acceptance of carload deliveries at the Grants Pass Stockpile price F. O. B. any railhead with the Continental United States."

Resolution was carried unanimously.

Third Resolution by Holman:

"That a Committee be appointed by the President of the Oregon Mining Association to go to Washington, D. C. the first week in June to definitely lobby for the extension."

(Continued on Page 9)



FRENCH HILL MINE, which was patented by the Tysons of Baltimore back in the middle 1880's, is the heaviest shipper of lump chrome ore in Del Norte county. It has produced approximately 60,000 tons of lump ore to date. During 1951 and 1952, the mine has been developed as an open pit as the old workings have caved and it is impossible to enter them. It is now owned and operated by the J & W Mining Company, which has built a modern camp nearby. The mine is less than 5 miles off the Redwood Highway.

HOUSE BILLS 2823 AND 2824

House Bills 2823 and 2824 have passed the Sub-Committees of the House Insular and Interior Affairs Committees.

These bills are to extend the chrome, manganese and tungsten programs.

TO MAP CHROME DEPOSITS

Len Ramp, geologist in the Portland office of the Oregon Department of Geology and Mineral Industries will be in Southern Oregon the first part of June to begin mapping and investigating chrome deposits.

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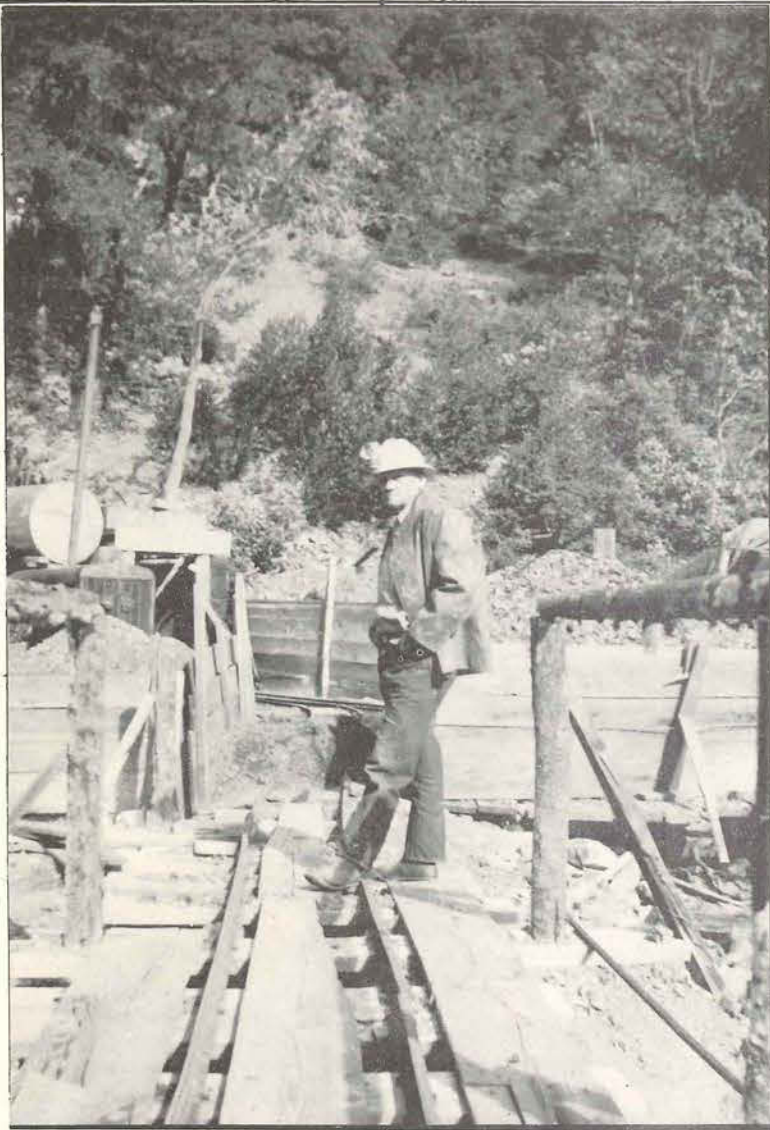
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JACK LEONARD JUST COMING OUT OF OREGON CHROME MINE TUNNEL.



SOURDOUGH CHROME MINE, CURRY COUNTY, OREGON, OWNED AND OPERATED BY FAY I. BRISTOL, BEN BAKER, AND T. T. LEONARD.

Tungsten Testimony

(Continued from Page 1)

Year	Production	Consumption	% of Consumption Produced in U. S.
1950	4,244	6,931	61%
1951	6,167	11,989	51%
1952	7,168	9,072	79%

The increase in domestic production in 1951 and 1952 was due mainly to the Domestic Tungsten Program of the General Services Administration, started in July 1951 to run for a period of five years to July 1, 1956 or until 3-million short ton units have been delivered at a floor price of \$63.00 per short ton unit, less penalties for off-grade material. This program is effective for small producers as well as large ones and has created the incentive for many new deposits to come into production and many old ones to reopen. In 1949 many of the domestic producers were forced to shut down completely due to low prices and demand. The years 1945, 1946, 1947 and 1948 were touch and go for many operators and many were forced to close down.

Imports of tungsten for 1952 amounted to 17,86 short tons compared with 6,737 for the year 1951. It is presumed that most of the imports went into the stockpile as many foreign producers have long-term contracts with our government.

The Nevada-Massachusetts Company, of which I am president, is one of the oldest tungsten mining operations in the country as production started there in 1914. We are a typical mining operation, being definitely classified as small business as we employ on the average about 200 men and never over 230 employees. We operate both underground mines and open pits and mill from 400 to 500 tons per 24 hour period. Our ore is low grade in tungsten content, but due to efficient milling our recovery of tungsten is such that we have been able to remain in business. Our costs have been increasing steadily in recent years with labor costs up over 100% since 1948 and material and supply costs up almost as much. Our operation is typical of others in the industry except as to size. There are several larger operations but most are smaller varying from one prospector to several partners and then on to those employing a few men and on up to operations with capacity of 100 to 150 tons per day employing from 30 to 50 employees. I believe I am correct in stating that none of the tungsten producers in the United States employ over 350 men.

PROBLEMS OF THE INDUSTRY THAT MUST BE MET

1. The Domestic Tungsten Program of G. S. A. must be extended for two years after July 1, 1956, which is the expiration date of the present program. Foreign contracts for tungsten were made for 7 years and we feel that the domestic producer is entitled to equal consideration as it is our tax money that is making funds available for foreign purchases. Approximately 83,000 units have been delivered to the government against the 3-million unit goal as of the end of 1952. Even if all domestic production went to the government, which in fact it does not, the 3-million unit goal could not be met by July 1, 1956.
2. Many producers feel that they would have more incentive to go ahead if they had a definite written contract with the government instead of the postcard contract which is all any domestic producer has under the Domestic Tungsten Program.
3. The present duty of \$7.93 per short ton unit of WO₃ must be continued in effect and this tariff not reduced in any further Reciprocal Trade Agreement. If the domestic mines are to continue to operate

and to compete with foreign tungsten in the United States market, this duty must be retained. Foreign labor costs are so much lower than those in the United States that without the tariff there would be no domestic mining of tungsten, and in times of emergency or war we would not have the domestic tungsten industry to fall back upon.

4. A more vigorous domestic policy for mining should be inaugurated and less credence given to the "have-not" theories which have been the policy for so many years. The theory behind saving our metals in the ground for some future emergency is very weak as when the metals are needed the need is immediate and not a year or two away, which is how long it takes to get a mine operating.

5. With regard to taxes, the present depletion rates must be continued if new ore bodies and mines are to be developed. The exemption of the strategic and critical mines from the excess profits tax is a must to assure increased production when needed.

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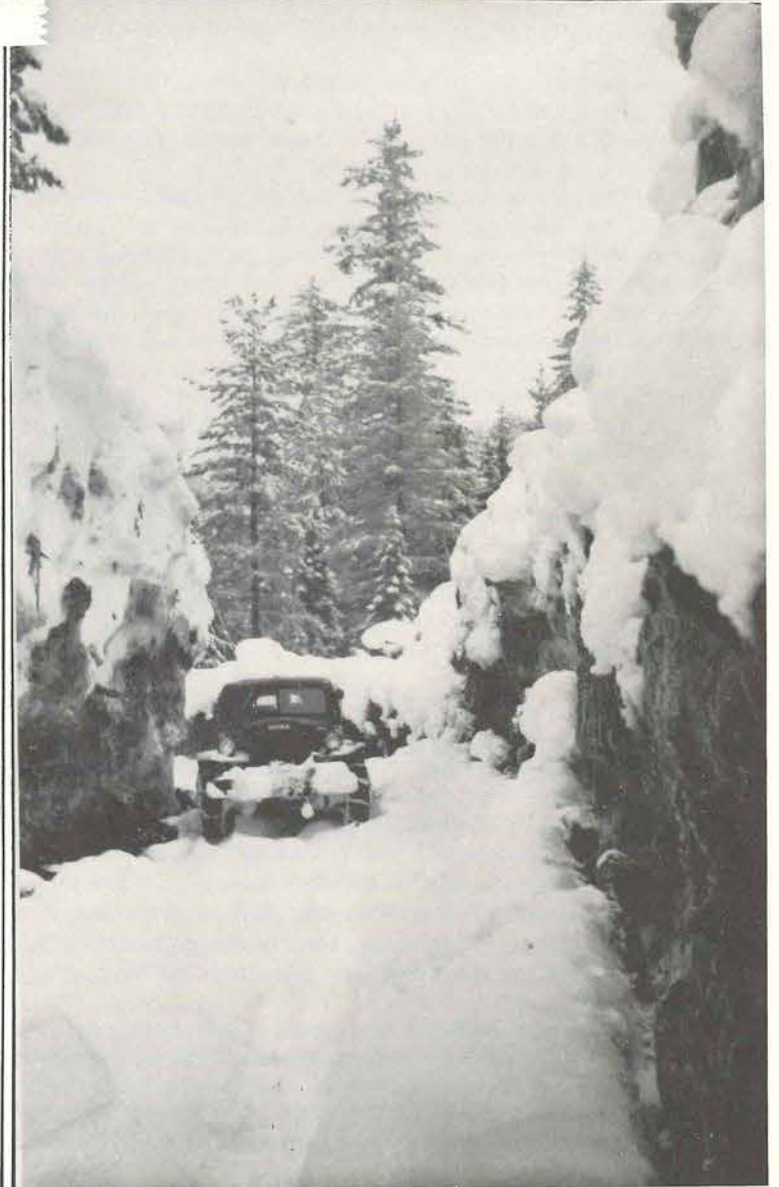
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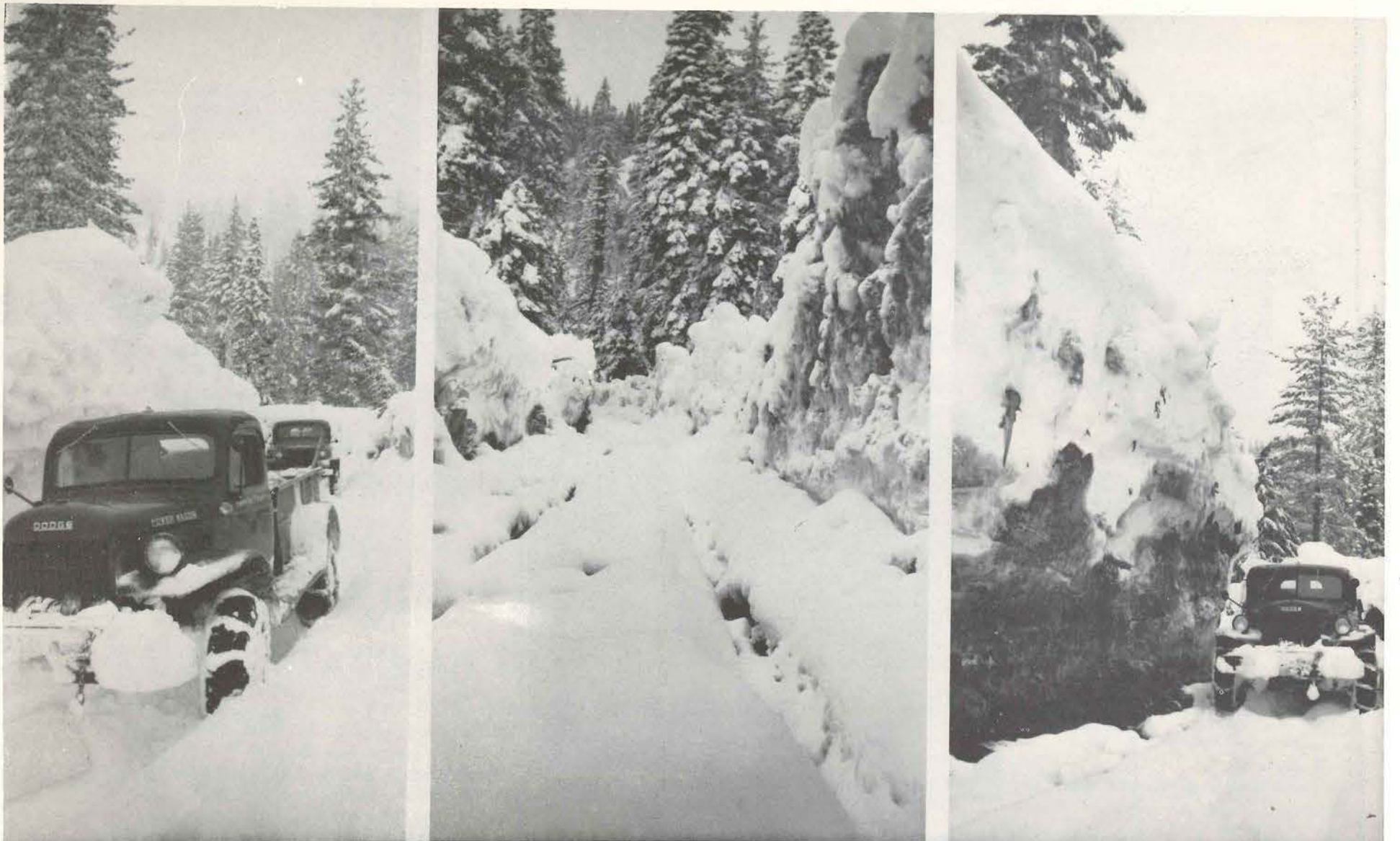


AN IDEA OF THE GREAT DEPTH OF THE SNOW MAY BE HAD BY LOOKING AT THE TOP PHOTO WHICH SHOWS AUSTIN BROWNELL STANDING IN FRONT OF A SNOW CUT THROUGH ON THE YOUNG'S VALLEY ROAD. PHOTO ON THE RIGHT WAS TAKEN IN THE SAME AREA ON MAY 23rd. THE ROADS HAVE BEEN REPEATEDLY PLOWED OUT. THE LAST HEAVY FALL WAS ON MAY 27th. PHOTO DIRECTLY ABOVE SHOWS SNOW OVER THE SISKIYOU'S ON MAY 26TH. THIS IS THE AREA OF NUMEROUS CHROME MINES AND IS ON THE CALIFORNIA - OREGON BORDER.

SPRING SNOW MAY 23rd POSES PROBLEM



MAY 26th, WHILE VALLEYS ARE GREEN AND FLOWERS ARE BLOOMING, SNOW STILL DRAPES ITS MANTLE IN THE MINING AREAS OF CALIFORNIA AND OREGON. THIS PICTURE SHOWS A CABIN USED DURING THE WAR AS A LOOK-OUT FOR PLANES THAT MIGHT APPROACH THE COAST AT THE OREGON-CALIFORNIA LINE. NOTE THE SLED THAT WAS TOWED BEHIND THE CAT WHILE THE CAT WAS PLOWING THE ROAD. THIS PICTURE WAS TAKEN ON SANGER PEAK PASS.



THESE THREE SCENES WERE TAKEN IN YOUNG'S VALLEY ON MAY 23rd WHERE AN AVERAGE DEPTH OF 14 FEET OF SNOW WAS ENCOUNTERED ON MAY 15th WHEN THE ROAD WAS PLOWED OUT. IT HAS SNOWED PRACTICALLY EVERYDAY SINCE, THE LAST HEAVY SNOW FALLING ON MAY 27th. THE ROAD HAS BEEN PLOWED FIVE TIMES SINCE THE ORIGINAL PLOWING.

LETTERS

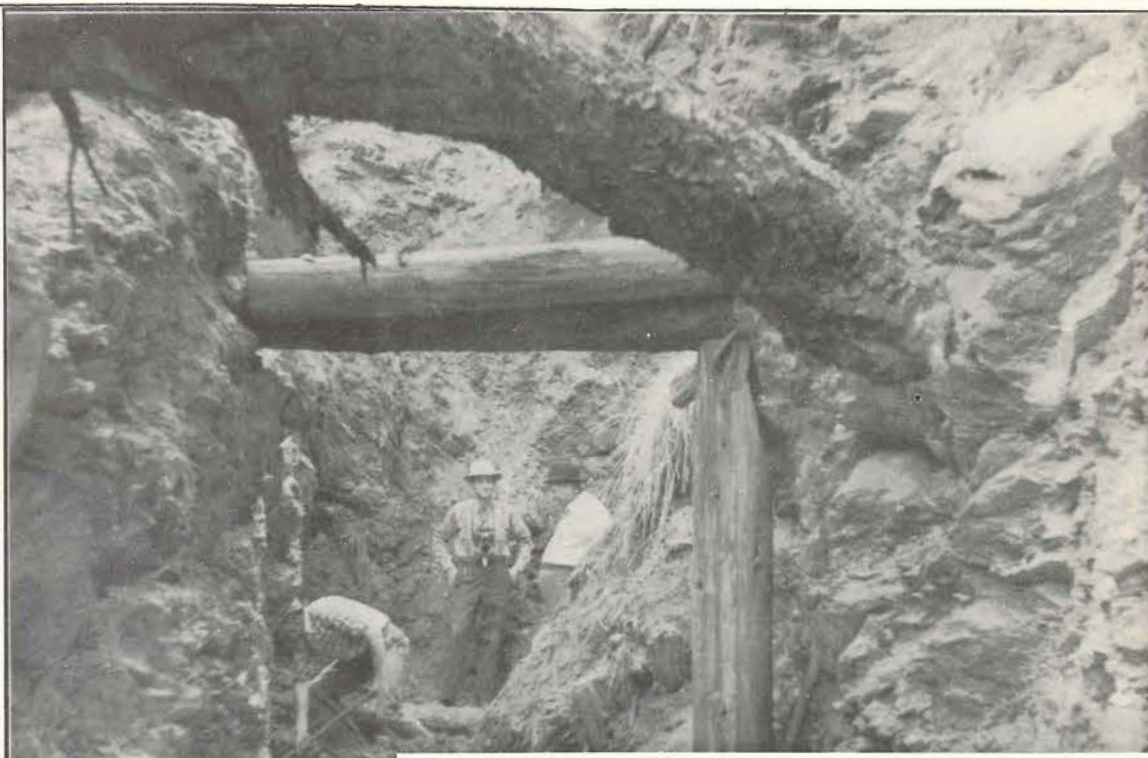
Dear Fay:
 Thank you so much for the copies of THE STOCKPILE. It looks as if you really are getting into the slick paper circle. It is well done and I have found it most interesting.

Enclosed are copies of each of Senator Malone's bills to extend the strategic minerals program.

Sincerely yours,
 George B. Holderer

Dear Fay:
 Thanks for the copies of "THE STOCKPILE" with the interesting and dramatic pictures on chrome production in some of our great mountain area. I am of course delighted that the chrome program is still moving along.

Sincerely Yours,
 Clair Engle,
 Member of Congress.



CHROME MINE ON EVANS CREEK in Jackson County with Ray Treasher, Al Osborne and Rolland Jones

Dear Mr. Bristol:
 I certainly appreciated receiving your May 13th letter and the copies of the chrome miners magazine. I found them very interesting.

Let me say that it was a real pleasure to have a chance to talk with you and the other people from the Mining Industry while we were out at San Francisco. I feel that the hearings were extremely valuable.

Sincerely,
 Craig Hosmer,
 Member of Congress.

"Foster Mining and Milling Company" will start milling one hundred fifty ton stock pile.

The "Six Mile" boys are taking an early vacation. All set to pour on the heat when it gets here.



HARRIS & EWING

CONGRESSMAN CLAIR ENGLE from California has been the most diligent proponent for the Western miner that we have had in Congress. During the 82nd Congress he conducted numerous hearings on the strategic metals program. These hearings were held during April, May, June and October of 1951, they were on the Defense Minerals Production Program. Printed copies make most amazing reading to anyone with the time to read them, and they will give you some idea of the complications of Government.

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 plenty of Fishing bring*
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GLEN B. NEWLAND

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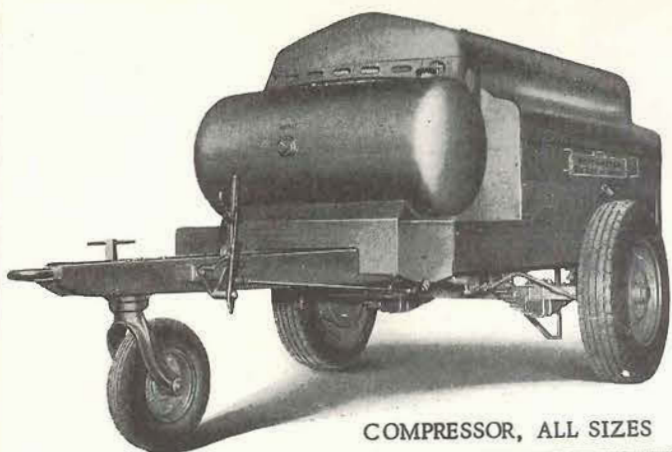
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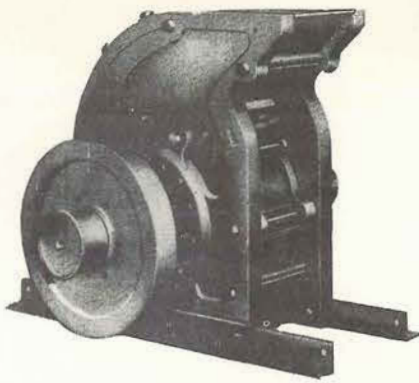
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GOVERNMENT MINERAL POLICY
(Continued from Page 2)

raw materials needed in an emergency by our Nation except segments of the Geological Survey and somewhat smaller segments of the Bureau of Mines.

As I mentioned before, the announced policy of the Reciprocal Trade Act was to increase the proportion of raw materials sold in the American market by reduction of tariffs. Since 1934 we have reduced many if not most of the metal tariffs by 50 per cent or more.

By way of the inflation route, we have further decreased tariffs which are on the "fixed fee" basis (which covers most metals) by another 50 per cent.

In 1939 the United States was essentially self-sufficient in copper, lead and zinc. Tariff protection has been reduced to one-fourth of what it was in 1939 and we now import, roughly, 40 per cent of these three metals.

In those same years the number of middle size mines has decreased very materially and the number of small mines has decreased almost to the vanishing point. It would seem that twenty years of Reciprocal Trade Act has accomplished its purpose since we are now dependent for many of our metals on foreign sources.

Many of our Washington "authorities?" seem to believe that more of the medicine which has made the domestic mining industry so sick should be given to the industry to make it well. If a 75 per cent reduction in tariffs has almost killed the underground mining industry, then a complete removal of tariffs should bring it back to life again!

They do not realize that every time a tariff is reduced which results in a lower price in the domestic market one or more marginal mines shuts down. They do not realize that under the guise of inflation and increased labor costs within the United States almost all underground metal mines have now become marginal mines.

Labor costs, in most underground mines, make up, roughly, 50 per cent of total costs. American mining labor is now paid at a rate from four to sixteen times foreign labor costs. The number of underground non-ferrous metal miners has been steadily decreasing over the last fifteen years and the average age of those miners is far higher than it was twenty years ago. With every drop in metal prices, miners leave the mines and go to other industries with a steadier employment history and when the mines reopen fewer and fewer return and, unfortunately, those who do return are those not able to hold down positions in outside industries. The efficiency of those miners as they aged has declined and the output per day has been only partially maintained by increased mechanization. On open pit mines the percentage cost of labor is low and the price per man-day has a much smaller effect on total costs. On underground mines, mechanization is frequently impossible to more than a limited degree and decreased efficiency, due to age and the loss of the more competent men, has raised small mining costs out of all proportion over the 1930 years.

A whole industry, whose average grade of ore from underground mines was \$5 per ton in 1939, finds little to interest itself in grades of ore which provide \$20 a ton at present market prices.

The magazine articles, the newspaper stories and Government reports from Washington repeatedly state that we are becoming a "have not" nation and the only remedy which they can suggest is that we abandon what we have left and become wholly dependent on foreign sources. The truth of the matter, however, is considerably different. In mineralized areas not covered by overburden, probably not over one ore body in three outcrops at the surface. In our Western States over three-fourths of our potential mineral bearing ground is covered by valley fill. Actually it would probably be nearer the truth to say that instead of being a "have not" nation we have discovered and exploited not more than one-third of one-fourth, or one-twelfth, of our natural wealth. This is 8 per cent exhaustion. We will probably never find all of the hidden mineral wealth remaining but it is certain that we will find little of it if domestic mining costs are to rise far above foreign mining costs and make it unprofitable to operate ore deposits we know of, let alone make it worthwhile to explore for new deposits.

The basic economics of mining under a free enterprise system, provide that the highest grade deposits with the lowest operating costs and the lowest transportation costs must be exhausted before higher cost mines can come into the operation. It is just as easy to make a mine marginal in character and inoperable under normal conditions by increasing labor costs, increasing transportation costs and increasing material costs as it is for nature to make a mine marginal with too low grade ore.

At the present time our mine labor costs are the highest in the world. It costs more to transport some metals from the Western United States to the consumers in the East by rail than it does to ship that same metal four times across the Atlantic Ocean.

The past policy of the Government, whether it be by accident or design, is to make almost every underground non-ferrous mine in the United States marginal. Given the same grade ore in Canada, South America or in Africa it can be mined and processed more cheaply than can its American counterpart.

Only those few mines within the United States which have exceptionally high grade ore or which, due to the character of the ore, such as molybdenum and nickel, have a monopoly on the market, can hope to continue in the face of lower tariffs or without subsidy.

The metal mining industry in the past has had, in general, little appetite for subsidized production and the reason for that distrust is the fact that most subsidized programs have been on a basis of a differential subsidy with a different price to each different producer. Such a program results in the final picture as profit control with an allowance to the domestic producer of sufficient margin over his cost of production to keep him from shutting down. It removes any incentive for higher efficiency and it removes most incentive to search for additional ore. It is far more important that a mining operation under a subsidy plan should have good connections with the bureaucracy in Washington which controls its price and hence controls the profit derived rather than any primary interest in the furthering of any effort of mineral extraction.

In conclusion, if we are to be reasonably secure in times of
(Concluded on Page 12)

MEETING

(Continued from Page 4)

sion of the Strategic Metals Program, such committee to go at their own expense."

Resolution carried unanimously.

Mr. Bristol appointed Joe Holman and Durand Hall as committee to go to Washington.

Mr. Bristol reported on the STOCKPILE stating the printing was \$200.00 per 1000 copies, plus half of the advertising over \$200. If the advertising should run substantially over \$200.00 the printer will assume the mailing. It was outlined that the money for the subscriptions would be held in a separate bank account, and would be used only as the magazine was issued.

Mr. Ridgley commented on the paper, "A marvelous job--outstanding." He got six new members for the Oregon Mining Association as a result of the copy which was sent him. In showing the issue to two publishers, one suggested it be entered into a National Contest for trade magazines. Ridgley stated he would be a regular advertiser to help support the paper.

Mr. Barton stated one reason he came down to the meeting was to see how they managed to put out such a paper.

Mr. Holman stated it was a good medium for tying California and Oregon producers closer together. He recommended that minutes of meetings be covered in the Stockpile so that those who are not able to attend could see what had been accomplished at the meeting. He suggested that in order for the paper to be a success, the members must contribute their articles and photographs.

Mr. Bristol stated that until a new secretary could be hired he would put out one more issue. He also stated that anyone desiring subscriptions, should get them in early, and asked that all contribute pictures, write-ups, etc.

Gene Brown moved that the paper be continued.

Motion seconded by Mr. Barton. Motion carried unanimously.

Mr. Ridgley suggested that the paper sometime publish a symposium on mill operations, with pictures showing how the ore is milled. Mill operators should submit articles and pictures to carry out this idea.

Mr. Freeman reported on the activities of the chrome committee appointed at the April 10th meeting by Fay. I. Bristol, of their numerous meetings. Their decision to publish the STOCKPILE complete with pictures, and a discussion of the problems arising with the dismissal of Bill Robb, the paid Secretary. He reported that a total of \$202.79 had been received in the way of contributions from April 12th to May 17th. The expenses were considerably more than this.

It was moved by Mr. Leonard that the chrome committee be empowered to handle financial and other problems, and that no further discussion of same be made from the floor.

Motion seconded by Mr. Holman.

Motion unanimously carried. Mr. Bristol then appointed the following committee;

Joe Holman, Dewey Van Curler, Bill Freeman, Walter Hoppe, Bill Robertson, Dean Axtell, Durand Hall and Jack Brownell.

Mr. T. T. Leonard brought up the subject that minutes were not kept at the last meeting on April 10th. He moved "That as long as minutes had not been kept that any minutes that might be presented in the future be rescinded."

Motion was seconded and unanimously carried.



PAUL FLOYD, one of the partners of the Six Mile Chrome Mill. This mill will soon be ready to operate. It is hoped that the water has gone down enough so that they can use the low water bridge across the Illinois to get at their chrome.

Are You Having Ore Rejected?

IF SO, YOU WILL FIND THAT IT IS CHEAPER TO ASSAY EVERY LOAD BEFORE HAULING THAN TO PAY HAULING AND SORTING COSTS. REMEMBER, HOWEVER, AN ASSAY CAN BE NO MORE ACCURATE THAN THE SAMPLE.

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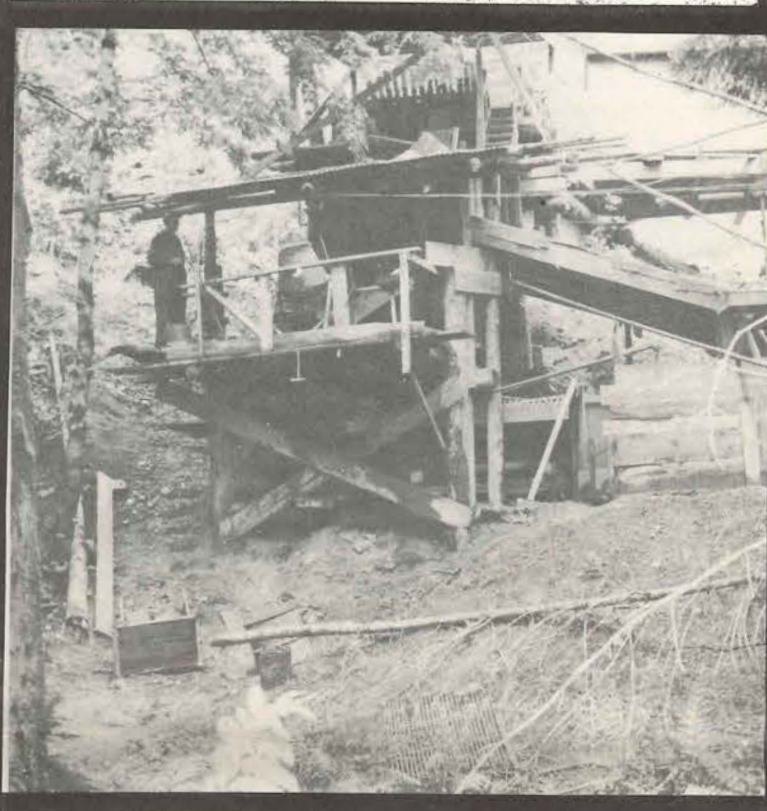
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WITH THE EXCEPTION OF BOWER'S MILL - The "Buck a Minute" mill - pictured lower right, all other pictures above are of the "Sad Sack" operation. Top right shows bulldozer work used to trace out the trend of the chrome in the "Sad Sack" mine. Top left is the camp and bottom left is the main tunnel entrance of the mine.

CHROME RIDGE
JOSEPHINE COUNTY, OREGON

Chrome ridge was first worked during World War I. At that time hand labor was used entirely, and most of the chrome that was shipped was gathered up as float and delivered on pack horses to a point on Briggs Creek. The ore was then taken across the deep canyon on a high line, thence carried to the railroad by Model T trucks.

Deposits were known to be widely scattered and most of them

held by claims of Harry Sordy of Galice, Oregon. During World War II a road was built into the area from Galice. Some development work was done, and some ore shipped.

Most of the ore needs concentration to meet the 42% minimum now acceptable by the Government.

Since the establishment of the Government buying program at Grants Pass, four mills have been built to operate the ores from this region.

The Bowers mill was the first to be in operation. Bowers has more or less acquired the nickname of "Buck-a-minute" because everything is going well in his mill he produces about \$1.00 worth of chrome concentrates per minute. He shipped during both 1951 and 1952.

The Strategic Minerals Inc., mill is a nice mill built during late 1951 and early 1952. It is anticipated that this mill will be running during the summer of 1953 as soon as the snows leave.

Numerous other deposits have been found in the area, one of them is shipping under the name of John R. Brownell. Associated with him is Jack Brownell and William S. Robertson. This is a high grade property completely equipped with camp facilities and they are driving a tunnel under the indicated ore body. We will call this property the "Sad Sack" mine, as that is the sign that is posted on the property.

The larger shipper off of Chrome Ridge has been the Van Curler brothers, the Ashland Mining Company.

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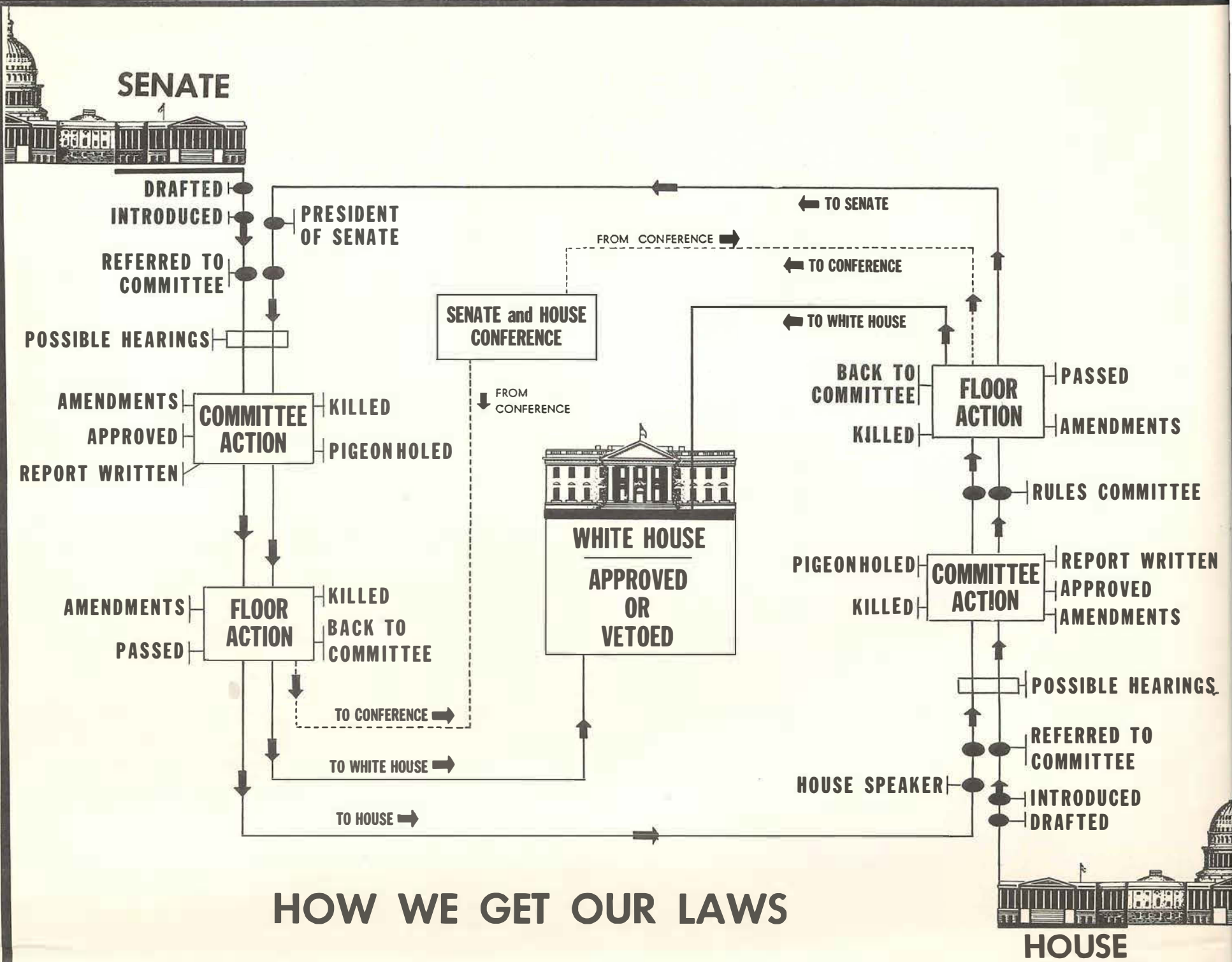
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HOW WE GET OUR LAWS is being published in THE STOCK PILE so that the strategic mineral producers can see what confronts their chrome committee when they arrive in Washington, D.C. Before we can have an extension of the chrome program this procedure must be followed. After the 83rd Congress has approved the extension of the strategic minerals program, it will still be necessary to have the program implemented by whoever is then in charge of the Strategic Metals Program. I assure you that this will be fully as complicated as the chart shown above. So it behooves the individual miner to write his Congressman on his views and ideas on how chrome and other strategic mineral mines should be protected.



PICTURED ABOVE IS THE SOUTHSIDE OF STRATEGIC MINERALS, INC., MILL WHICH IS OPERATING ON ORE FROM THE SORDY CLAIMS.

MINERAL PURCHASE EXTENSION

The Mines and Mining Subcommittee has approved a bill by Rep. Aspinall (Dem., Colo.) to extend for two years the termination dates of all purchase programs designed to stimulate the domestic production of tungsten, manganese, chromite, mica, asbestos, beryl, and columbium-tantalum-bearing ores and concentrates. The measure, H.B. 2823, is scheduled to be considered by the full committee on June 2nd.

The American Mining Congress is supporting this bill and has

made its views known to the committee.

The Subcommittee acted after Senator Dworshak (Rep., Idaho) and several western mining engineers said some of the millions the government is spending abroad should be used to stimulate mining in this country. Dworshak told the Subcommittee that the Government has spent \$245 million to encourage mineral production in other countries and permitted a depression to occur in the domestic mining industry.

"Lots of that money should have been spent to help the dom-

estic mining industry, which has been hurt hard by low prices which have forced the closing of many mines", the Senator declared. He added that it would be folly for the United States to depend on foreign tungsten supplies in wartime, when shipping lanes would be cut.

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A New name in the field is "Consolidated Mining Company" formerly Cox Mining Company.

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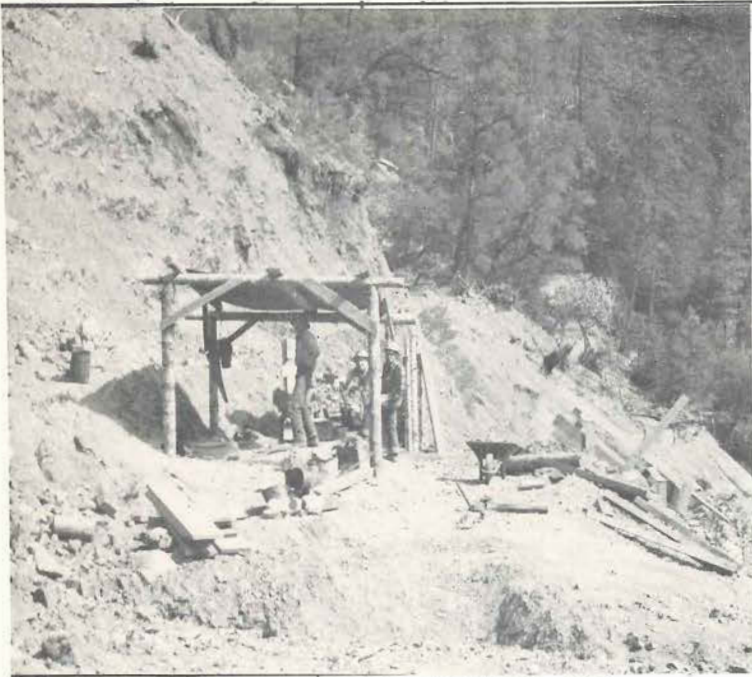
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SIX MILE CHROME MILL ON MAY 2, 1953



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LUCKY STAR MINE OWNED BY E.K. MCTIMONDS

Dick Ellison is ready to continue the road into "Gold Basin" for chrome and gold.

Cave off at "Snail Back" on Illinois River Road. . . . Don Cameron.

GOVERNMENT MINERAL POLICY (Continued from Page 9)
cold or hot war, or reasonably prosperous in times of peace. we need, above all things, a broad, sensible National minerals policy which should include:

- (1) A tariff policy which will maintain a price within the United States for metals sufficient to keep the various segments of the industry in a healthy state so that it will be possible for them to explore for and develop additional reserves.
- (2) A tax policy with depletion allowances large enough so that there will be sufficient profit remaining from operations to cover the inherent risk and pay for that exploration and development.
- (3) A public land policy which will permit and encourage adequate legitimate exploration for new mineral supplies.

And, most important in these days of the potential atomic submarine, we must be certain that sufficient metal reserves for even a long term hot war are discovered and developed in the Western Hemisphere.

Above all things we must cease being dependent for the basic materials of warfare on areas from which, if metals are available, we do not need them and from which, if we really need metals, we will not be able to get them.

OFFICIALS NAMED FOR NICKEL PLANT

The general manager of the Riddle, Oregon, nickel operation for the M. A. Hanna Mining and Smelting Company will be Earl S. Mollard, who has been in charge of the Hanna Company operations in Minnesota since 1948. Plant manager will be E. Emmons Coleman. Mr. Coleman previously was general manager of Bradley Mining Company's furnace plant at Stibnite, Idaho.

Freeman and Twombly half way up and half way down. . when your only half way your neither up nor down.

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