

September 25, 1943

Mr. Wallace Butler  
Butler Bros. Mining Co.  
Homestead, Oregon

Dear Mr. Butler:

I sent you a copy of letter that I wrote to McNary under date of September 14. It pertained to the access road matter. McNary wired me that he was taking it up with Lynn Hersey. Hersey requested copy of my letter and the Senator gave it to him. Hersey has replied to McNary under date of September 17 and McNary has forwarded to me the Hersey letter, along with a request of what to do about it.

Attached is copy of Hersey's letter.

My statement of tonnage at the Red Ledge was based on a somewhat hazy recollection of a report written by Robert D. Hoffman in the early 30's and my remembrance of your casual remark about a "couple of million tons" when we were talking the matter over.

I also gained the distinct impression from you that the Bureau of Mines engineers have approved this project and although I recall that there was a difference of opinion as to how much the road might cost, it was my distinct feeling that the Forest Service is anxious to have the road completed.

I am not awfully discouraged about the attitude that Hersey takes in his letter to Senator McNary because I think he would be willing to change his mind if the proper data were furnished and facts substantiated.

I am prepared to work with you and continuing the effort to obtain approval, but my actions must depend rather largely on your feelings in the matter. I am writing to Bob Hoffman in New York to find out whether or not he will give me the breakdown of tonnages and grades contained in his report of the early 30's. His report, incidentally, was very favorable - I think a little too favorable, perhaps. I would want to know, of course, if Hersey has properly stated the matter of your own estimate being 300,000 tons of 2.04% copper.

I think I can deal with the Bureau of Mines and it is difficult for me to think that they would turn a thing down on the basis of zinc metallurgy, which is my information. I didn't gain the impression from you that you were so concerned about finding a market for the concentrate.

(over)

(1041)

It all resolves itself to this: I think we can give you some help if you can straighten me out on certain points which will be obvious when you have read the letter I am enclosing. I am sending also a copy of letter I have just received from B. J. Finch of the Bureau of Public Roads. There is no indication in the letter that this is confidential and it carries some information which you may not have.

Cordially yours,

Director

EKN:jr  
Encl.

Portion of letter of Thayer Lindsley, the owner of the Iron Dyke Mine, of December, 1924:

OPERATIONS.

|                                | <u>Tons</u> | <u>Gross Value</u> | <u>Net Operating Profit</u> |
|--------------------------------|-------------|--------------------|-----------------------------|
| 1916-1920 (incl.)              | 164,577     | \$2,725,352.61     | \$468,267.96                |
| 1922-1924 (incl.)<br>(Approx.) | 50,000      | 600,000.00         | 35,000.00                   |

FUTURE POSSIBILITIES.

Two drill holes have intersected respectively 37 ft. and 16 ft. wide of medium grade ore below the lowest level (800'). The indications are that a substantial new ore body will be developed in this area.

The large ore body on the 7th level contained 125,000 tons averaging 3.6% Cu. .25 Au. 1 oz. Ag, and the new ore body should show similar size and value. To determine the possible profit from such an ore body under present conditions we have the actual results of a recent month when ore of nearly the same grade was treated.

In September, 1922, 2363 tons of ore averaging 3.6% Cu. .22 Au. and 1 oz. Ag were produced, from which the net smelter returns amounted to \$20,206.00. When operating at this rate of production we have found our monthly expenses running from \$10,000 to \$15,000 per month, or roughly an average of \$13,000.

With these actual results as a basis we can estimate that 125,000 tons averaging 3.6% Cu., .25 Au. 1 oz. Ag will produce a net operating profit of around \$500,000.

Developments have shown increasing gold values with depth and also increased amounts of primary chalcocite and bornite.

# IRON DYKE MINE

HOMESTEAD, OREGON

September 28, 1943

Mr. Earl K. Nixon  
Director, State Department of Geology and Mineral Resources  
702 Woodlark Building  
Portland, Oregon

Dear Mr. Nixon:

I have received the copies of the letters from you to Senator McNary and Mr. Kidder. We appreciate your efforts in our behalf and I hope that the road may become a reality while it can still help the war effort in making available the critical metals available upon its construction.

I might mention that the ore at the Red Ledge is not as high as 6% copper, in average, but closer to 3% in the upper levels. It is the zinc content which runs up around 6% and sometimes higher.

With best regards.

Yours very truly,



Wallace P. Butler  
Manager

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OCT 1 1943

STATE DEPT OF GEOLOGY  
& MINERAL INDS.

# IRON DYKE MINE

HOMESTEAD, OREGON

September 30, 1943

Mr. Earl K. Nixon, Director  
State Dept. Geology & Mineral Industries  
702 Woodlark Bldg.  
Portland, Oregon

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OCT 4 1943

STATE DEPT. OF GEOLOGY  
& MINERAL INDS.

Dear Mr. Nixon:

I am in receipt of yours of the 25th.

Regarding tonnage figures, Mr. Hersey speaks of 300,000 tons of copper ore in his letter running 2.04%. Our figures for that ore were 200,000 tons of this grade. The ore referred to is located above the purposed road level and refers to tonnage immediately available upon completion of the road.

The total tonnage figures for the property, including ore either drifted upon or diamond drilled are as follows:-

## Tolman Report

Copper and Zinc Ore-----total 2,006,000 tons  
Weighted Assay Average of Cu. & Zn Ore  
Cu----1.5845%  
Zn----2.0577%  
Au---- .0473 oz.  
Ag----1.4518 oz.

Zinc Ore-----total 115,000 tons  
Weighted Assay Average of Separate Zinc Ore  
Cu---- .2491%  
Zn----7.2883%  
Au---- .0264 oz.  
Ag----3.5743 oz.

Regarding the Forest Service wanting the road, it was this organization which first contacted us in this connection. Therefore, I assumed they wanted it badly as they informed us they did.

As to the two road estimates, I told you in our conversation about them.

I have never seen the Hoffman report.

As to the metallurgy a satisfactory copper concentrate can be made of all the copper ores. It is acceptable to the smelter. This involves losing the zinc content of the copper ore. The zinc ore can be concentrated. It was the Bureau of Mines who first brought up the idea of concentrating it as

a zinc ore.

Regarding their approval, I have had no other information than the fact they told me they approved the ore body. I believe I mentioned, however, that there seemed to be some doubt as to their zinc metallurgy. I have received no word save by mouth of any of their reports. Therefore, I did not know of the correspondence contained in Mr. Finch's letter.

I hope this letter answers your question. I may have information on the W.P.B.'s action on the Iron Dyke in the next few days.

Cordially yours,

*Wallace P. Butler*  
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Wallace P. Butler

9 October 1943

Mr. Wallace Butler  
Butler Bros. Mining Co.  
Homestead, Oregon

Dear Mr. Butler:

Attached is copy of letter from Zimmerley of the  
U. S. Bureau of Mines.

I wish you would give this consideration and let me  
have your comment.

Sincerely yours,

Director

EKN: jr  
Encl.

# IRON DYKE MINE

HOMESTEAD, OREGON

October 19, 1943

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OCT 21 1943

STATE DEPT OF GEOLOGY  
& MINERAL INDS.

Mr. Earl K. Nixon, Director  
State Department of Geology and Mineral Industries  
702 Woodlark Building  
Portland 5, Oregon

Dear Mr. Nixon:

I am in receipt of your letter of the 9th and have not answered sooner as I have been away.

Since I last wrote you the Iron Dyke operation has been shut down. This action came after the War Production Board refused to recommend a premium be paid for the copper. The premium asked was 26¢ per pound, or 9¢ above the A Zero premium. This would have allowed us to just break even on the 171,000 tons of ore now developed, after the added expense of building the mill etc. The reason given was that we had estimated too low on the number of men required for operation, and that "in view of the tight labor situation the Committee considers it inadvisable to recommend, in this case, a special copper premium greater than the A Zero premium price because of the low return in copper for the manpower necessary." This is a remarkable action in that someone in Washington decided our careful estimates were too low, when they had never been in the mine or seen the orebodies or requested diagrams of our proposed mining system. Therefore, Butler Brothers immediately closed the operation after having expended \$175,000 in the development of the above tonnage, which was increased during the development which progressed at the time the Committee was acting. No monies or help of any type was requested other than the premium price.

In view of the above developments, the possibility of a road being built seems remote; especially so, since the Bureau of Mines has once approved and then disapproved the road application, and since their approval would be subject to review by the same copper branch which took action on the Iron Dyke.

This company has demonstrated its patriotism to the above amount in attempting to get copper for the war effort. It now appears to me either the government does not need the copper, or is unable to act to get it. In either case, we are unable to expend more money and time in an apparently hopeless effort. My bewilderment is doubled when I see the same government using manpower to prospect for the same metals



Mr. Earl K. Nixon - 2

which we have ready for production upon granting of the requested premium at the Iron Dyke and the road to the Red Ledge, and that prospecting is being done in the same area.

I would like to thank you for the interest you have shown in our operations and the help you have tried to give.

Yours very truly,

A handwritten signature in cursive script that reads "Wallace P. Butler". The signature is written in dark ink and is positioned centrally below the typed name.

Wallace P. Butler, Manager

21 October 1943

Mr. Wallace Butler  
Iron Dyke Mine  
Homestead, Oregon

Dear Mr. Butler:

Just a hasty note.

I am much disturbed by your letter of October 19. Do you mind if I use your letter and its contents in communicating with our delegation in Congress? Your letter is very well written and I think contains no objectionable phrases, but I would want your permission to quote it.

Sincerely yours,

Director

EKN:jr

# IRON DYKE MINE

HOMESTEAD, OREGON

October 26, 1943

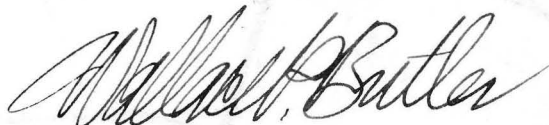
Mr. Earl K. Nixon, Director  
State Department of Geology and Mineral Industries  
702 Woodlark Building  
Portland 5, Oregon

Dear Mr. Nixon:

I am in receipt of your letter of the 21st. The letter I wrote you of the 19th contains the facts of our case and of course the opinions expressed in it are mine and I would not want them construed as otherwise.

As to using the letter in communicating with your delegation in Congress, I see no objection to the presentation of the facts. The only thing I would like to avoid is becoming mixed in any way with investigations, departmental arguments or the like.

Yours very truly,



Wallace P. Butler, Manager

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STATE DEPT OF GEOLOGY  
& MINERAL INDS.

26 November 1943

Mr. Wallace Butler  
Iron Dyke Mine  
Homestead, Oregon

Dear Mr. Butler:

I have received replies from each of the Oregon delegation to my letter of November 4, copy of which you received.

McNary wires as follows:

"REFERRING TO YOUR LETTER OF NOVEMBER FOURTH AND ATTACHED COPY OF LETTER FROM WALLACE BUTLER SHALL BE GLAD TO MAKE A STRONG APPEAL TO WPB IN WHICH EVENT I SHOULD HAVE MORE DETAILS OF APPLICATION AND TO WHICH PARTICULAR OFFICIALS IT WAS SUBMITTED."

As you may have noted from the paper, McNary is just out of the hospital and is going to take a long rest. I am not clear on just how his office would handle the matter of making necessary representations, so I am sending this to you and asking for a suggestion.

Best wishes.

Cordially yours,

Director

EKN: jr

P. O. Box 1105  
Grass Valley, California

December 6, 1943

Mr. Earl C. Nixon, Director  
State Department of Geology and Mineral Industries  
702 Woodlark Building  
Portland 5, Oregon

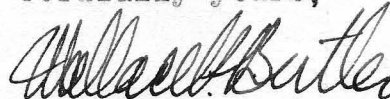
Dear Mr. Nixon:

I am in receipt of your of the 26th of November and  
and am late answering as it had to be forwarded.

Regarding those properties, since we have removed  
our men from there and have ceased to operate I would  
see little use of Congressional action. The need for  
metals has slackened and I do not think such appeal as  
suggested in McNary's wire would help. Most of our key  
men are in other jobs right now and the decision to  
close operations has been completed. The most that  
would be accomplished would be a justification for their  
action submitted by the men concerned in the W. P. B.

I wish to thank you for your kind cooperation and  
help and hope that someday Oregon will get her copper  
mine.

Cordially yours,



Wallace P. Butler

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& MINERAL INDS.