

Statement of Under Secretary of the Interior Clarence A. Davis before the Subcommittee on Legislative Oversight, of the Senate Interior and Insular Affairs Committee, and the Subcommittee on Power and Natural Resources of the House Committee on Government Operations, for presentation  
January 26, 1956

Mr. Chairman and Gentlemen of the Subcommittees:

I am glad to at last have the privilege of appearing before you to testify to the facts with relation to these claims of Al Sarena Mines, Inc.

These claims and the problems they presented were left pending by the preceding Administration. They constituted a matter which had been going through the various levels of bureaucracy of the Department of the Interior for more than five years, before I ever heard of them.

I should next point out to you that the matters here involved are not matters of discretion or of political action, but are matters of law and evidence. For that reason, for a very great many years the authority to decide appeals with relation to public lands has been vested in the Solicitor of the Department. His opinions on these matters are final. They are not reviewed by the Secretary unless the Secretary specifically requests it, and they are not in ordinary course ever presented to the Secretary at all. I should like to make clear, therefore, that Secretary McKay has had no part in this sequence of events, and aside from one or two mentions of it in staff conference, he was totally uninformed of any of these events until after the opinion in the case was rendered.

I came into this Department on February 17, 1953, after having been engaged in the practice of law in Nebraska for 37 years, during which time I had been Attorney General of the State, counsel to my State in many interstate matters, and counsel to all of the Judges of the Supreme Court of my State, and many other legal connections with which I shall not tire you.

Immediately after taking over the office, I asked the staff for a general briefing of the matters which were pending in the office and of its

general duties. At that time

cases pending in the Solicitor's Office, of which the Al Sarena Mines was just another case so far as I knew.

I was informed by the staff that there were several of these backlog cases which had not been handled which were considered "troublesome" and some of which were characterized as "headaches" and been left for my handling. I was advised that the Al Sarena case was in that category.

On March 3, 1953, our records indicate that Mr. Garber, Administrative Assistant to Congressman Ellsworth called me. I did not talk on the call and have no idea what it was about. On March 20, 1953, during my absence from the city, Mr. Garber called and talked to my secretary, requesting an appointment for some of Congressman Ellsworth's constituents. Pursuant to that call, I first met the two brothers McDonald March 30, 1953, when they came into the Solicitor's Office. I then learned for the first time that Al Sarena mines were located in Southern Oregon; that one of these men lived in Oregon and the other in Alabama; and that they had been having trouble with reference to some mining claims.

The McDonalds asked the privilege of telling me all about their pending case, and since I had never heard of it before, I told them to go ahead.

They probably talked for an hour and recited a very long list of things which they claimed as grievances against the Interior Department and its long delay in the granting of their patents.

As well as I can remember, in substance they told me:

That they had a group of 23 mining claims, ten of which had been filed on as early as 1897, and all of them prior to 1939; that for a long period of years they had been hoping to develop these claims into a profitable mine; that their father was a physician in Mobile, Alabama; that one of the brothers lived in Mobile, but that the other brother had lived for years on this mining

property.

They told me there was invested, they estimated, nearly \$200,000 in the development of this mining property; that they had well over a mile of tunnels in the mountain; that they had constructed a 100-ton-per-day mill; that they had bunk houses, an assay lab, a mess hall, tool sheds, had built access roads, etc.; that they had had dozens of assays made on the claims, some of which showed a high mineral content.

They then recited a long history of their treatment by the Bureau of Land Management; that they had applied for a patent to the claims in 1943, and despite the lapse of five years, still had not received a final decision. They outlined as best a layman could a very long administrative process through which the appeal had gone in the Bureau of Land Management and the Department,

They told of filing their applications for patent and of paying the \$5 an acre standard fee, which is historic in connection with the patenting of such lands. They had with them, I believe, a copy of the final receipt of the land office issued in 1949, showing that all payments had been made. They complained that the land had been transferred by the Federal Government to the tax rolls of the State of Oregon, <sup>listed</sup> in their name, and that taxes were accumulating on it and they were threatened with foreclosure under the Oregon tax laws.

They attacked most bitterly the procedures of the Bureau of Land Management. They described in great detail the hearing on their patent application which had been held in Oregon. They insisted that they had not been given a fair hearing. They insisted that the Department was prejudiced against the granting of mining claims. They insisted that the Bureau of Land

mineral examiner of the Bureau of Land Management was in collaboration with the Forest Service to help defeat their claims.

They told me the hearing in the Bureau had broken up in dispute and they had walked out; that the hearing examiner had taken the testimony of the Forest Service in their absence without their cross-examination; and they complained that the record before me as Solicitor was incomplete, did not contain much of the evidence which they had filed in the Bureau in Portland; contained only one side of the evidence; and that many of the assays which they had tendered were not in the record.

They told me that they had received the advice of a half-dozen mining engineers, State geologists and other persons familiar with mining, at the time they acquired the claims and from time to time thereafter. They named several persons in that connection who were unknown to me but some of whose opinions now constitute a part of the file, and that all of these mining engineers had indicated they had a mineral deposit which could be developed into a valuable mining property.

They told me that Congressman Frank Boykin of their home city of Mobile, Alabama, had interceded in their behalf, and that because of the delay which they felt they were getting, they had started a suit in Alabama to compel the Secretary to deliver to them the patents for which they had applied. That suit had been pending for a year and a half undisposed of. They told me that until some disposition of their appeal to the Department was made, their hands were tied; that if they were granted patents, they hoped to develop a sizable mining operation on the property, but that they could not finance any such operation while their patents were under contest.

They claimed they had tendered several assay reports to the Bureau in Portland which showed paying minerals on the claims, and that many of these

assays were not included in the files on which I, as Solicitor, was to

to pass judgment.

If true, these were serious accusations which I think would cause anyone to examine the records to see if they were true.

At that stage I did make enough of an examination of the file to discover that the assays which they claimed they had filed were not present in the Solicitor's Office; that the evidence in the Solicitor's file consisted largely of testimony by the Bureau of Land Management and the Forest Service; and that all of the evidence which claimants said they had produced was not in the file.

I discovered that the claims had been registered, ten of them in 1897; that there seemed to be little question there were minerals in more than paying quantities on at least some of their claims, and I discovered that the reports in the files made reference repeatedly to the widely diffused mass of mineral-bearing material which constituted the area on which the claims were located.

It was perfectly obvious to any lawyer that the evidence of the claimants was not in the file, and that on the state of the record as it then existed, judgment on the claimants' evidence could not be made.

I think it is fundamental to both the judicial and administrative process that both sides are entitled to be heard, and that the evidence of both sides is entitled to be considered before final judgment is rendered.

The McDonalds had with them carbons and photostatic copies of numerous assays which they insisted I should take and consider as evidence in connection with their appeal. I told them that I was in the position comparable to a supreme court, and that I could not accept evidence at that stage of the proceedings, although they were welcome to leave their assays if they wished.

They had also prepared a long document of some 28 pages, listing the chronology of events and many of their complaints. It was a document, of course, prepared entirely from their viewpoint, but it contained many points which, if true, I regarded as serious. It is Exhibit No. 53, as the files of the Department have been indexed, and it has been available to the staff of your subcommittees.

At the conclusion of that interview, I told these people that I would try to expedite a determination of their case; that I knew nothing about it except what they had told me; but that I did feel somebody ought to decide and settle any matter which had been pending for 5 years.

As soon as I could find time, I undertook to make an investigation of the files of the case to ascertain the accuracy of the representations which had been made to me. About that time, Mr. J. Reuel Armstrong, a lawyer from Rawlins, Wyoming, joined the Department, and I referred the files to him for further examination.

Thereafter, from time to time, the matter of the Al Sarena case and what we might do to dispose of it was discussed between us.

#### The Mining Laws

I think it should be made clear at this point what the mining laws provide. Under the mining laws, which had not been changed since 1872 until last year, a miner who stakes out his claim on public lands and files on it, spends \$500 in the development of it, and proves that he has a valid discovery of minerals, is entitled to a patent. It is just that clear. There is no reference to timber in the mining laws; whether there is much, little, or no timber makes no difference whatever as a matter of law.

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All of the mining business of the West has been established under that law. Throughout the years there have been literally thousands of mining

claims gone to patent without the slightest regard to the timber on the land. As a matter of fact, it is not until very recent years that the timber attained sufficient value to be very material. In 1897, at the time the earlier of these claims were filed on, I am told they were cutting down timber in Oregon to get rid of it so the land could be used as farms; that in the 1930's there were hundreds of tax foreclosures on timber in Oregon; and the timber was sold for two to five dollars an acre.

Whatever may be said of the situation in 1953, it would seem clear that at the time these mining claims were filed on, the timber was of little value, but the impression that has been conveyed to the public is that these people filed on these claims merely to get the timber.

I should point out to you that there was <sup>a</sup> substantial period of years prior to 1953 in which the timber values were continually rising but there was no amendment of the mining laws.

#### The Area

The area in which these claims are located is what the miners call a widely diffused mineralized mass. There are no special rich veins which can be located with certainty. There is gold, some silver, some lead, some zinc, and other minerals widely diffused on the claims. To work such a mine requires the handling of large amounts of material, but in the opinion of the many mining engineers consulted the claims were well worth developing.

The files will verify the fact that there are over a mile of tunnels on this property; that there is a 100-ton-per-day mill; that there are bunk houses, an assay lab, a mess hall, tool sheds, access roads, etc. The mine has produced throughout its history some 30 to 40 thousand dollars of gold. As a pilot operation sometime in the early 1940's, some lead and zinc was produced in minor quantities. In 1943 the mine was closed, allegedly because of the shortage of labor and materials.



In this period of fifty years before 1948 we are told there were literally hundreds of assays made on various parts of these claims. They must have been reasonably hopeful or no one would have been foolish enough to continue to put money in the mine.

In this connection your attention should be called to a report of the Geological Survey entitled, "Geological Survey Bulletin 293," published in the year 1930. On page 131, and following, of that report is a description of this mine, then known as the Buzzard Area, giving the history of various mining operations in connection with which it was pointed out that at that time: "the mine workings consist of 3,334 feet of drifts and crosscuts, 1,000 feet of raises and winzes, and 75 feet of open cuts and trenches."

The minerals on the land are described generally, and I shall not take your time to read into the record the description given by the Geological Survey. I should also point out that immediately preceding the description to which I have referred, is Plate No. 22, which is a sketch of levels of the Buzzard Mine, Jackson County, Oregon, to show to someone more familiar with mining than I am the approximate layout in 1930.

I have, personally, no idea of the cost or the value of these improvements. I am dependent entirely upon the estimates of mining engineers and others, but it seems to be generally considered that there is somewhere from 150 to 250 thousand dollars of improvements on these various McDonald claims.

The files indicate the following sequence of events:

#### The Patent Applications

On October 1, 1948, the McDonalds filed applications for patents on all of their 23 claims.

Eight of these claims were not contested by the Administration at that time. These claims have on them the same general type of timber that is

on the others. They admittedly have a mineralized gold value that would justify their development, and they have been commonly accepted as valid claims by all parties to this controversy from the very beginning.

I think this is somewhat important, for it demonstrates that there are minerals on this mountain and in the immediate vicinity of these 15 claims which are under dispute, since all of the 23 claims are adjacent to each other.

It is also interesting to note that among the claims not contested by the preceding Administration were the last two claims which were not even filed upon until 1939, and yet admittedly have an adequate mineralization.

It has seemed to me that this substantiates the reports of all the mining engineers that the minerals on these claims are widely diffused throughout the whole area, and it is probably impossible for anyone to draw a distinct line around the mineralized area until actual development takes place.

October 1, 1948, the Regional Forester's office was officially notified by the Mining Company of the filing of patent application.

October 4, 1948, an affidavit of possessory right was filed by the claimants with the Bureau of Land Management.

October 25, 1948, the land office issued an official receipt for the filing fee of the patent application.

December 7, 1948, the Forest Service was officially notified by the Bureau of Land Management of the pending patent applications.

January 13, 1949, final proofs were filed by the claimants with the land office.

On February 3, 1949 (Exhibit 71) the claimants were advised by the Bureau of Land Management that the purchase money due was \$2,375, at the rate of \$5 per acre or fraction thereof, and they were advised that upon the receipt of a properly executed application to purchase, and the required amount of money, the papers would be examined with the idea of issuing final certificates.

February 10, 1949 (Exhibit 75), the Company filed an application to purchase all of the claims.

February 17, 1949 (Exhibit 74), the Bureau of Land Management issued its official receipt for the entire price of the property in the amount of \$2,375.00.

I have read much about the five-dollar per acre price at which this land was "sold". Please let me emphasize that this price is fixed by law, that the Interior Department has nothing to do with fixing it, and in any event was the amount billed and the sum paid in 1949 and receipted for under the previous Administration.

March 17, 1949 (Exhibit 51), the Regional Forester advised the Bureau of Land Management as follows:

"Thanks to Mr. Hattan, my attention has been called to the fact that I neglected to ask you to withhold action on this application until the Forest Service had had an opportunity to have these mining claims examined. Mr. Hattan is planning to examine these claims for us as soon as weather conditions will permit. Until his report is received, we will appreciate it if action can be withheld in accordance with the provisions of Regulation 44LD360."

This is directed to your attention for the reason that Mr. Hattan was an employee of the Bureau of Land Management and not of the Forest Service; that the Forest Service had been notified three months before of the filing of these claims and apparently had done nothing about it.

Your attention is directed to the fact that one of the complaints of the McDonalds at all times has been that the Bureau of Land Management asked the Forest Service to intervene in this proceeding; that the proceeding was before the Bureau of Land Management; that the Forest Service used a Bureau of Land Management employee to make an examination for the Forest Service, while at the same time the Bureau of Land Management was undertaking to judge the validity of the claims.

In this connection your attention is directed to a photostatic copy

attached to this statement of a letter from Mr. F. W. Libbey, Director of the Oregon State Department of Geology and Mineral Industries, dated June 9, 1953, and addressed to the Honorable Harris Ellsworth, the last two paragraphs of which are as follows:

"Although I hold no brief for people who locate mining claims for the purpose of obtaining timber, I believe that Bureau of Land Management people have set up road blocks in the way of legitimate mining claim applications for patent whenever there is timber on the claims, and have been making their own rules concerning the legal definitions under the mining laws.

"It seems to be fairly well established that both the Bureau of Land Management and the Forest Service will battle to the last ditch the patenting of mining claims which contain merchantable timber irrespective of the mineral values on the claims."

April 6, 1949, the Bureau of Land Management issued its "Register's Final Clearance of Mineral Entry," stating, however, on the certificate, "Patent will be withheld by the Bureau of Land Management pending a report by the Regional Administrator, Region 10, upon the bona fides of the claim."

April 14, 1949 (Exhibit 75), claimants were advised by Mr. Leonard B. Netzorg of the Bureau of Land Management that "the Forest Service requested this office on December 15, 1948, to make a field examination and report on the mineral application because it does not have employed a qualified mineral examiner."

It will be noted that the date stated in this letter (December 15, 1948) does not conform to the date of the letter of the Forest Service just quoted (March 17, 1949, Exhibit 51).

About this same date the Bureau of Land Management caused all 23 of the claims to be transferred to the tax rolls of Jackson County, Oregon, and listed on the County tax rolls for taxation in the name of Al Sarena Mines, Inc. Subsequent thereto, there is a tax receipt in the file showing that the mining company paid 1950-51 taxes in the amount of \$413.29 (Exhibit 80).

February 10, 1950 (Exhibit 50), the Bureau of Land Management,

Washington, ordered adverse proceedings against allowing the claim on the ground that there was no adequate proof of mineralization or of necessary improvements. The Bureau of Land Management knew at the time that the claims were in a National Forest.

March 14, 1950 (Exhibit 49), the Bureau of Land Management reversed its position and ordered the adverse proceedings vacated on the ground that such proceedings, if any, should be brought by the Forest Service.

April 13, 1950, the U. S. Forest Service filed notice of protest against 15 of the 23 claims, based on charges that the lands were not mineral and that proper amounts had not been spent for their development, and asking the claims be declared null and void.

April 25, 1950, notice of this contest was sent to Al Sarena by registered mail.

May 22, 1950, Al Sarena filed an answer denying the Forest Service's charges, demanding a patent.

June 6, 1950, Congressman Frank W. Boykin, Alabama, wrote to the Secretary (Exhibit 47), urging prompt investigation on behalf of Mr. McDonald who "is a close friend of mine and my constituent."

August 9, 1950 (Exhibit 46), memorandum to files by Mastin G. White, then Solicitor, Department of the Interior, stating that McDonalds had asked for a speedy hearing; that he had promised a speedy hearing, and a teletype would be sent to the Manager of the Land Office in Portland fixing an early date for the hearing in this proceeding.

August 9, 1950, Director Clawson of the Bureau of Land Management ordered the Land Office Manager in Portland to hold an early hearing in the Al Sarena case.

August 15, 1950, this was answered by a telegram objecting to an early hearing.

August 17, 1950, Director Clawson sent a telegram to the Regional Administrator of the Bureau in Portland, stating:

"Upon request of Congressman Boykin Solicitor White assured him that a hearing on this case would be held prior to September 23rd in order to spare the company serious financial loss. Under the circumstances a hearing prior to this date is essential. Please arrange for it."

On the following day the Land Office Manager sent to Washington for the file.

September 13, 1950, a hearing was held on the claims before the Bureau of Land Management, Portland. A transcript of the hearing is in the files. At the hearing the attorney for Al Sarena filed demurrers and insisted they be ruled on before proceeding with the hearing. He contended he had an agreement with Mastin White, Solicitor, that the matter would be heard according to the rules of the Federal Courts rather than the rules of the Department, and when the examiner refused to proceed in that manner, a scene ensued in which the Al Sarena attorney and prospective witnesses quit the hearing and refused to attend. Any such agreement is explicitly denied by Solicitor White (Exhibit 77) but was still insisted upon by Al Sarena counsel.

October 2, 1950, Pierce M. Rice, Manager of the Portland Office, who had heard the case, sent his views to the Director of the Bureau of Land Management, Washington, with only a recommendation instead of a decision, stating that because of demeanor of counsel for the mining company, an orderly hearing had not been held, but he was submitting the case with only a recommendation that the claims be denied. In his findings, however, he states a summary of the evidence of the Forest Service by Mr. Robert G. Leavengood, Timber Management Assistant, "He estimated that the present merchantable timber to have a value of approximately \$77,000.00 and if cut, there would remain a 25% stand of 3 to 14 inch growing stock."

November 2, 1950 (Exhibit 34), Associate Director Zimmerman, Bureau of Land Management, sent a letter to Congressman Boykin advising him that

Solicitor White had requested that the decision in the case be expedited. The matter is under immediate consideration and it is hoped that the decision will be out in a very short time."

November 24, 1950 (Exhibit 52) the Washington office sent the case back to the Portland office with directions to make a decision.

December 14, 1950 (Exhibit 34) the Portland office rendered a decision sustaining the Forest Service.

April 27, 1951 (Exhibit 51) the Assistant Director, William Zimmerman, of the Bureau of Land Management sustained the decision of the Portland office.

The matter was appealed to the Solicitor on June 1, 1951 (Exhibit 27), and so far as the record discloses, no action was taken from that date for the following 20 months prior to the time I assumed office in February, 1953.

#### The Alabama Suit

July 31, 1951, the Company started suit in the Federal District Court in Alabama against Oscar Chapman, Secretary of the Interior, to compel delivery of the patents (Exhibit 70). Since neither the claims nor the land nor the Secretary were in Alabama, it would be clearly apparent that there was no jurisdiction in the court. Interior referred the matter to the Justice Department to defend on August 24, 1951. Justice filed a motion for Summary Judgment (Exhibit 68).

September 12, 1951 (Exhibit 67), Justice filed a motion to quash the proceeding. It would seem that if these motions had been called up in court at any time, the Alabama suit would have been dismissed and the way cleared for departmental action, but, in fact, this suit was used as an excuse by the Department to keep from passing on these claims.

An example is an undated memo in the files which you may identify as Exhibit 65, photostat attached, which says:

Service  
"We will keep this 'on ice' until after the final disposition of the Alabama case. (sgd) M.G.W."

#### The Missing Records

After the violent protests from the McDonalds that they had been shabbily treated, that much of their own evidence was not of record, and that a lot of evidence which had been filed had not been sent to Washington, I caused inquiry to be made of the Portland office as to whether there were additional papers and documents in that office which had not been sent forward, and some documents were forwarded.

These may have well been omitted from the record because of the confusion that arose at the hearing and because they had been tendered at other times, or because of the admitted confusion or reluctance of the Manager of the Portland office to pass upon the question.

The fact that the record was not complete is, I believe, substantiated by Exhibit No. 90, a letter from Solicitor Mastin G. White, dated August 3, 1951, addressed to Al Sarena Mines, which says:

"It appears upon the basis of your letter dated June 23, 1951, as supplemented by information received from the manager of the land office to the effect that the reporter failed to obtain a complete transcript of the earlier portion of the proceedings at the hearing on September 13, 1950, that if you desire a further opportunity to submit evidence bearing on the question whether valuable mineral deposits have been discovered on the claims involved in your appeal (A-26243), it would be appropriate to remand the case for a supplemental hearing with respect to that issue. . . ."

#### The Claim that the Previous Administration Had Denied these Claims

The statement so frequently made in the press and perhaps in your record to the effect that these claims had been denied by the previous Secretary of the Interior is not supported in any manner by any document of any kind in the record. On the contrary, there is a letter dated September 27, 1952, purported to be from Mr. George F. Rock, attorney in Denver, which says:



44-153  
Harris Date  
The above case as detailed by Helen ...  
"Dear Oscar:

"You will recall that I mentioned a matter pending in your office when you were in Denver. The case is that of the Al Sarena Mines, Inc. of Trail, Oregon, and is pending in the Solicitor's office.

"I will appreciate it very much if you will make inquiry into this matter at your first opportunity and let me know if anything can be done towards arriving at an amicable settlement.

"With very best personal wishes, I am

Sincerely yours,

(Signed) George"

In reply to that letter, there is a carbon copy of a letter Secretary Chapman wrote as follows, on October 9, 1952:

"Dear George:

"In compliance with the request contained in your letter of September 27 to me, I have inquired regarding the status of the appeal of Al Sarena Mines, Inc., which is pending in the Office of the Solicitor.

"The appeal (A-26248) is from a decision of the Assistant Director of the Bureau of Land Management, who held for cancellation mineral entry Oregon 0665 in so far as that entry embraces 15 lode mining claims situated within the Rogue River National Forest in Oregon.

"After the receipt of the appeal by the Solicitor, and while it was under consideration, the corporation instituted in the United States District Court for the Southern District of Alabama a suit against the United States and the Secretary of the Interior. As the suit involves the same subject matter as the appeal in the administrative proceeding, further consideration of the appeal has been postponed until after the final disposition of the litigation. The suit is still pending.

Sincerely yours,

(Signed) Oscar

Secretary of the Interior"

From other letters it is apparent that at least as late as November 22, 1952, Secretary Chapman had not passed on the case and had not even considered it, and there are no records to the contrary, so far as the files disclosed.

The Procedure Adopted

In view of the substantial delays and the muddled state of the record in this case, I was frankly puzzled to know what to do with it.

It seemed to me that there were three possible alternatives.

The first and most obvious alternative was to send the matter back to the Bureau of Land Management in Portland to start all over with another hearing.

At first that seemed to me to be the thing to do. I seriously considered it, but in view of the fact that five years had then elapsed during which this matter had been dragging along; in view of the accusations of collusion that the McDonalds were making against the Bureau of Land Management and the Forest Service; in view of the fact that the first hearing had broken up in confusion; in view of the fact that much of the evidence of the claimants either intentionally or unintentionally did not appear in the record which was sent to Washington; and in view of the fact that the hearing officer had been reluctant to render a decision; the record of the entire affair was not such as to inspire complete confidence in me of any speedy determination of the matter, and it seemed to me a certainty that to remand the claims to the same field office which made the original record would be a vain act. The same suspicions and hostile attitudes would be present and this course would simply defer any final disposition of the case another period of years. If there was merit in the claims, the claimants were entitled to a determination of the controversy so that they could finance operations if they wished and pay the taxes which were accumulating. If there was no merit, they should be told.

For these reasons it seemed to me that the alternative of sending the case back to Land Management was not a desirable alternative.

The second alternative was to somehow get the matter into court and let the court decide it. This was discussed in detail but proved to be legally

impractical. If the claims were sustained, of course nobody would appeal. If the claims were denied, then it seemed clear that the Solicitor's finding of lack of minerals would be conclusive on the court; and since that was the sole point involved, the company could get no complete review in the courts, even though an adverse ruling were given.

The third alternative seemed to be to get some independent assay of the minerals, if any, on these claims from some disinterested agency that was not a party to any of the previous controversy. I felt that I was in a situation quite comparable to that of a court in a case where four doctors say the defendant is sane and should be executed and four other equally distinguished doctors say that he is insane and ought to go free.

Under those circumstances the procedure is quite common that the court may call in disinterested experts of its own choosing, hear their testimony and rely on it if it is believed reliable.

The question was who could be chosen as an impartial medium to secure new assays and get the facts straight. Under those circumstances and after staff discussion in Interior, as well as discussion with other lawyers on the Solicitor's staff, I made up my mind that the thing to do was to submit the problem to the Bureau of Mines to secure new assays which would be dependable and beyond dispute.

On June 4, 1953, I discussed the matter with Assistant Secretary Felix Wormser, in charge of the Bureau of Mines, and received some recommendations from him as to one or two prominent mining engineers whose advice might be dependable.

Meantime, I had discussed the matter with Congressman Ellsworth on June 1st, 1953. I told the Congressman that I was much disturbed as to who was believable in connection with the mineral content of these claims. As I recall, I told him that it would be very helpful to me and I would have much more

confidence in the situation if he would get for me the opinion of three or four mining engineers who knew something about the property and who would give their opinion as to whether it was a sincere mining effort.

Pursuant to that suggestion and apparently on June 4, 1953, Congressman Ellsworth wrote to four mining engineers who had previously examined the property. A copy of his letter to them, as he forwarded it to me, is shown as Exhibit 12a in a photostat attached to this statement.

On June 24, 1953, Mr. Ellsworth submitted to me the originals of the responses to his letters of inquiry. His transmittal letter is shown as Exhibit 12, a photostat attached to this statement. The first response is by Alan Kissock & Co., 70 Pine Street, New York, Exhibit 13, photostat attached, in which Mr. Kissock stated that:

"There is, however, absolutely no question but that there is on the Al Sarena claims a tremendous mineralized area and in my opinion it is definitely a valid mineral discovery under the mining laws. . . .

"I therefore suggested to the owners that they should patent their ground and I understand they have sincerely complied with all the necessary requirements to do so. In my opinion this application for patent very definitely merits favorable consideration.

Very truly yours,  
(signed) Alan Kissock"

The second letter is from G. Cleveland Taylor, a mining engineer of long experience, then living in Sacramento, and a registered professional engineer of that State, shown as Exhibit 14, photostat attached. Mr. Taylor had been quite familiar with the mine as the registered mineral surveyor who had examined the claims. He stated:

"I surveyed the claims for patent spending some two to three months on the ground, covering the area quite thoroughly, both on the surface and underground.

"My conclusion was that a patent should be granted to the applicants. This has been for many years what might well be termed a legitimate mining operation. . . .

"The present owners, who acquired the rights of the original locators, have always regarded the mine as a broad-zone and have predicated their activities on that theory. . .

"Of course a great deal of systematic drilling or other additional development work is necessary to actually prove a large low-grade ore-deposit, but there appears to be sufficient widespread mineralization to prompt a prudent man to carry out such development."

The third letter is from Mr. D. Ford McCormick, who I believe has already appeared before your subcommittee and whose credentials, I understand, are as high as any mining engineer in that region, shown as Exhibit 15, photostat attached.

Mr. McCormick was, of course, employed as a consultant by the McDonalds, which quite naturally subjects him to the allegation of prejudice.

Among other things, Mr. McCormick says:

"Yes, I would say that the Al Sarena, Inc. group of claims has an excellent chance of developing into a large low grade operation if a well planned development and exploration program is carried out at the time when circumstances are right for a profitable operation if the property proves out."

The next opinion is from Col. J. E. Morrison, a registered mining engineer of the State of Oregon, then in the United States Army, as I understand it. His letter is attached as photostat Exhibit 16a. Among other things, he said:

"There is a fairly large area of porphyry on Elk Creek which has been subjected to one or more periods of mineralization. Gold, silver, and other metals have been deposited along the cracks, crevices, faults, and where the formation was porous enough for the mineralizing solutions to penetrate. I have sampled and seen the assays of over a thousand samples from this mineralized area. Like all mineralized areas, the values do not run uniform throughout. Samples from the more mineralized areas will run as high as ten or more dollars per ton. The low assays are obtained from the hard porphyry, which the mineralizing solutions had not penetrated. The Al Sarena people have studied this area and consolidated it into a group of claims. All twenty-three (23) claims; as I remember them, show evidence of this mineralization and do carry gold and silver values.

"This property has been examined by a number of reputable mining engineers. Based upon the findings and recommendations

of these engineers, the owners have spent thousands of dollars and also their time in developing the property into its present state. There are a number of large, low grade properties in North America that have made a success of the operation on lower values than those indicated at the Al Sarena. The ninety-day test run proved to me it could be made a successful operation. To declare a portion of this group of claims to be non-mineral, in my mind, would be a gross injustice to the owners who have spent so much time and money in developing the property.

"Again apologizing for the delay in answering your letter.

Sincerely yours,

(Signed) J. E. Morrison

J. E. MORRISON  
Mining Engineer  
Oregon Registry No. 1901"

I have quoted these opinions of mining men in order that you might know that before taking any action on this matter I had secured what I felt was at least enough evidence to justify my regarding the patent application as having been made in good faith.

These four engineers, one from New York, one from Eagle Point, Oregon, from Sacramento, California, and from the Army, wrote these letters, apparently with no consultation between themselves, and while they had all from time to time taken a look at this property, there is no evidence that they were receiving any compensation at the time, with the possible exception of Mr. McCormick, or had any interest in the matter beyond that which any professional engineer might have.

Therefore, on September 3rd, 1953, I sent a memorandum to the Bureau of Mines and letters to the Al Sarena Mines, Inc, and Mr. McCormick, as their engineer, assigning the task and, as I believed, fixing responsibility.

The letter to the Al Sarena Mines (Exhibit 33-2) is as follows:

"Al Sarena Mines, Inc,  
Trail, Oregon

"Gentlemen:

"Pursuant to my conversation with Mr. Garber, the following modus operandi is acceptable to me in acquiring further evidence of a valid discovery on your contested claims:

"1. I should like N. E. Volin, a mineral expert from the Bureau of Mines in Spokane, to accompany Mr. D. Ford McCormick when samples are obtained for assaying purposes. In the event Mr. Volin is unable to take the assignment, he will designate one or more substitutes from the Bureau of Mines who will be available.

"2. The two men may arrange the time and place of meeting to suit their convenience. They should meet as promptly as possible, however.

"3. Accurate record should be kept of the location from whence each sample is taken.

"4. Samples should be taken from each of the following claims: Henry Applegate, J. W. Merritt, Rainboe, Sulphide, Delia McKinnon, Cougar, Oro Escondido, W. C. Leever, J. L. Grubb, J. D. McKinnon, Manganese Claim, Staples, Arroyo Verde, Alabama and LaJolla.

"You may take as many samples of whatever weight from each claim as you desire.

"5. The samples should be retained in the possession of Mr. McCormick and the Government representative until shipped or delivered to a qualified assayer who is acceptable to both men.

"6. The assay report should be labeled so that they are easily identified to the claims from which they are procured and the reports sent to me promptly.

"7. Mr. McCormick's salary and expense and the assaying costs will have to be borne by you. The Government will bear only the expense of its representative.

Very truly yours,

(Signed) Clarence A. Davis

Clarence A. Davis  
Solicitor

Copy to: Director, Bureau of Mines  
Congressman Ellsworth  
Mr. D. Ford McCormick, R. 1, Box 125, Eagle Point, Ore."

A copy of this letter was sent to the Bureau of Mines along with a memorandum (Exhibit 33-3) which is as follows:

"Memorandum

"To: Director  
Bureau of Mines

"From: The Solicitor

"Subject: Al Sarena Mines, Inc.

"Enclosed please find a copy of a memorandum which I have sent to the above subject, and a copy of my letter to Mr. McCormick. They are self-explanatory.

"In view of the fact that the company did not introduce evidence of discovery at the hearing for patent, it is my desire to give them this opportunity to make their showing. I am aware of the peculiar nature of the area that they say is mineralized and want to approve patent for them if the assays afford us the well established legal basis therefor. All people concerned should, therefore, cooperate in obtaining samples and assays upon which no doubts will be harbored by anybody. The decision on the application for patent should be considerably easier after we have the new assays.

"Mr. Armstrong of my office has talked to you and Mr. Miller concerning this matter and has been told that Mr. Volin at Spokane should be available to represent the Government when the assay samples are taken. I would appreciate your cooperation in sending him the suggested procedure and instruction to contact Mr. McCormick at Eagle Point, Oregon. My principal concern is to have a qualified Government representative present to see that the assay samples are fairly taken from each claim and then delivered to a competent assayer.

(Signed) Clarence A. Davis

Solicitor

Enclosure"

The letter to Mr. D. Ford McCormick on the same date (Exhibit 33-1) is as follows:

"Mr. D. Ford McCormick  
Route 1, Box 125  
Eagle Point, Oregon

"Dear Mr. McCormick:

"As you know, the Al Sarena patent application has been appealed to the Secretary of the Interior. The application, to this point, has been rejected on the ground that the company has not produced satisfactory evidence of a valid discovery on certain of the claims.

"In an effort to determine the matter fairly, I have agreed with Congressman Ellsworth, who has interceded, on behalf of the company, to ask you and Mr. Volin of the Bureau of Mines, or his substitute, to procure personally, sufficient samples of the deposits on each claim to afford adequate assays on which the Secretary can base his decision on the validity of the discoveries.



"I am enclosing herewith a copy of the procedure which I have suggested for you and Mr. Volin to follow. I have also asked Mr. Volin to contact you promptly so that you can arrange the time and place of meeting, convenient to both of you.

Sincerely yours,

(Signed) Clarence A. Davis

Clarence A. Davis  
Solicitor

Enclosure

Copy to: Director, Bureau of Mines"

This procedure of referring matters from one bureau of the Interior Department to another is actually very common. The Interior Department has several highly specialized bureaus of a technical and scientific nature which rank alongside any similar organizations in the country. The Geological Survey, the Bureau of Mines, the Bureau of Land Management, the Bureau of Reclamation, the Fish and Wildlife Service, all have the benefit of years of accumulated experience in certain technical fields.

It has been a common practice for many years when matters arise within the field of one of these agencies regarding which another agency has expert knowledge to refer it to the second agency. This has been done whenever the Secretary feels uncertain of the position of a particular bureau.

Proposed projects of the Bureau of Reclamation, for instance, have been submitted to the Geological Survey or the Fish and Wildlife Service for their appraisal of the situation. Projects of the Bureau of Indian Affairs are frequently submitted to these other bureaus for their advice and guidance. From time to time various Secretaries of the Interior have even set up special groups to advise in the solution of difficult problems.

I am informed of one instance in which this very question of the amount of mineralization on mining claims was referred to the Geological Survey, in the leading case of U.S. v. Cameron, involving mining claims on the Bright Angel Trail in the Grand Canyon. In that case the Secretary referred

HOME ADDRESS:  
ROSEBURG, OREGON

Congress of the United States  
House of Representatives  
Washington, D. C.

June 1, 1953

Hon. Clarence Davis  
Solicitor  
Department of Interior  
Washington 25, D. C.

Dear Mr. Davis:

This letter is in further reference to the Al Sarena Mines, Inc. case, Oregon No. 0665, now pending in your office on appeal, and concerning which I have sent previous communications.

The issue at this point, and actually the basic issue from the beginning in this case, is the question of a valid mineral discovery such as would warrant a reasonably prudent man in developing and extracting the minerals from the deposit. The act of making application, under oath, for patent creates the presumption that the applicant has made such discovery and stands ready to support such presumption. The Government, with its obligation to protect the public domain, has the privilege of investigating and determining the validity of the application, the supporting evidence of mineralization, and compliance with the mineral laws of the United States. Obviously a file for a patent application which is deemed to lack the usual legally sufficient evidence of mineralization creates a duty upon the officials of the Federal Government to take such steps as are necessary to verify the sworn documents of the applicant.

It is pertinent in the instant case, in connection with the proceedings heretofore had, that the application involved is not the usual common application for patent covering an area within which is located only a vein or pocket of enriched mineral. In contrast, this application covers what is legally recognized in the courts and by the Mineral Division of the Bureau of Land Management as a broad-zone claim.

At the request of the Regional Cadastral Engineer, the applicant made an extended survey showing the interior lines of claims which would fall within the exterior boundaries of the broad-zone claims. This involved expense beyond that required for survey of a broad zone of contiguous locations and beyond the cost of the lands involved and necessitated nearly a year's delay in time. The record shows that the examiner then used these additional lines, obtained at additional expense to the applicant, to treat the application not as a broad-zone

June 1, 1953  
Mr. Davis

page 2

claim application as filed, but as an application for 23 separate claims.

In a broad-zone claim the mineralization is widely dispersed rather than concentrated within a pocket or vein. The limited mass of mineralized rock has the required essentially genetic oneness, and has well defined boundaries closely separating it from the surrounding rock. Some areas within these well defined boundaries will be substantially richer in mineralization than others, but the general mineral characteristics will persist throughout the broad-zone mineralized area. Such a deposit is generally practical of development only as a large volume, low grade mining operation.

This concept becomes important in this case in understanding the nature of the decisions and contest action, bringing it on to its present status.

Turning to the specific issue of proof of mineralization in this case, the applicants, looking toward the development of the deposit for a mass production low grade mining operation and toward patenting on the basis of a broad-zone claim, prepared their initial papers toward this end.

Despite the fact that more than 2,000 assays were of record and pulps available to the Department for verification and comparison with the assay records, the examiner in the regional office requested that the applicant perform additional sampling and submit assay reports for his report and record, made by impartial laboratories, and in his own specified form.

The file in this case is now devoid of this data showing the precise location of each sample taken and the assay reports showing mineralization, and which evidence is essential to any bona fide adjudication of the application on its merits. These reports are entirely missing.

A search of the file by Bureau of Land Management personnel and a further search by a representative from my office failed to reveal any of the correspondence between the regional office and the applicant concerning the receipt of such assay reports or the assay reports themselves which were submitted in further proof of mineralization.

To illustrate, I quote from a letter dated January 4, 1950 addressed to Mr. H. P. McDonald, Jr., Secretary-Treasurer, Al Sarena Mines, Inc., 408 First National Bank Building, Mobile, Alabama, and

June 1, 1953  
Mr. Davis

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signed by Mr. Elton M. Hattan, Mineral Examiner for the Bureau of Land Management, Region One, Swan Island Station, Portland 18, Oregon. In the second paragraph of the letter, Mr. Hattan states: "My report was completed and submitted last month. The December 27 letter did not reach here in time to include any of the information which was enclosed with it. The assay results submitted by you in August and September were incorporated in the report."

The file does not disclose a single one of the assay reports, receipt of which is acknowledged by Mr. Hattan, and which he stated were incorporated in the report.

In the third paragraph of the same letter, Mr. Hattan states: "The information supplied as to the exact place of taking the samples last reported by you is not clear. If you will supply more definite information, I shall be glad to incorporate such information in a supplementary report." This is followed by requests for very precise survey descriptive data which would enable a person to locate the precise point from which an assay sample had been cut. The information which was transmitted pursuant to this request is not in the file and contrary to Mr. Hattan's statement, there is no supplementary report in the file carrying such data.

None of the assay reports transmitted on 20 samples, receipt of such reports being acknowledged by Mr. Hattan under date of January 4, 1950, are in the file.

Under date of December 19, 1949, Mr. Hattan transmitted his report to the Regional Forester, Mr. H. J. Andrews and to the Interior Department in which he denied mineral discovery on 15 claims. This is apparently the report referred to in his letter mentioned above, and accompanying which none of the evidence furnished by the applicant as to mineralization was transmitted with the record, nor is there present any supplemental report referred to in Mr. Hattan's letter.

Following this report, the docket sheet shows an entry "Adverse Proceedings Vacated." Thereafter the lands were placed upon the tax rolls of Jackson County, Oregon by the Bureau of Land Management regional office. Notice of Forest Service contest was thereafter received by the applicant and such action was protested by the applicant who gave notice that all evidence of bona fides, samples and assays were again refiled and resubmitted under oath for the record. The case went on to hearing on the basis of the incomplete file, lacking the applicant's evidence of mineralization. Counsel for the applicant demurred and when the demurrers were overruled, made formal appeal to the Secretary of Interior which appeal was granted. Within the time limits prescribed by regulation, counsel for the applicant gave notice of refiling all

June 1, 1953  
Mr. Davis

page 4

evidence of mineralization for the record for a third time. The record came on to the central office still devoid of this evidence and the decision of Regional Manager Rice, dated December 14, 1950, was transmitted to the Bureau of Land Management denying the validity of 15 claims within the broad-zone claim, essentially repeating the substance of the previous decision by mineral examiner Hattan.

From this history it is abundantly clear that the applicant was willing and cooperative, and at very substantial cost to himself endeavored to place in the record evidence of mineralization in support of his application. Although this evidence was acknowledged and received and the applicant was led to rely upon the statements of the agency that such evidence had been or would be placed in the file, these papers either were never placed in the file or were removed thereafter. In consequence, this case went to adjudication and went to hearing without the supporting data as to mineralization submitted by the applicant.

It is a matter of conjecture whether the decision at any point, regardless of collateral testimony of witnesses and experts, would have been accepted as sufficient in the absence of the applicant's evidence of mineralization as against the Government's assay reports, all of which are in the file. If not in substance, at least in effect, the result accomplished was essentially in the nature of accepting the evidence of the contestant and suppressing the evidence of the contestee.

Such action, willfully done, would constitute fraud and vitiate every action and decision predicated upon the incomplete file. At the very least, however, the lack of this evidence of mineralization in the file deprived the applicant of a substantial legal right to have his evidence considered; and any action taken in the absence of such data cannot result in any semblance of justice. The action taken in denying patent on the 15 claims is claimed to be justified on the record as it stands; but the record as it stands is a sham and a deceit to those who were called upon to pass judgment, and is prejudicial to any fair decision as to the rights of the applicant.

A basic function and obligation of government is to administer justice. Wherein the Government or one of its agencies, in the course of such action, finds itself in the combined capacity of a party at interest, prosecutor, judge, and jury, the sovereign is called upon to exercise the highest degree of impartiality and for this reason the burden of proof is placed on the Government to assure fairness and equity to its citizens.

June 1, 1953  
Mr. Davis

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The Government should as quickly assert its powers to remedy any defect prejudicing its citizens as it would insist on such remedying of any defect prejudicing the Government. Accordingly, it would appear to be only fair and reasonable in the instant case that this record at this time be made whole by the uncovering of the missing mineralization reports in particular, and other correspondence and papers pertinent to the action in this case which are likewise not present in the file, securing the originals if possible or certified copies where originals are not available, and the record reviewed and considered as it should have been at the time the mineralization showing of the applicant was complete. Had all proofs of mineralization been in the record, it is reasonable to assume the case would never have gone to contest.

It is pertinent to note that the report of the mineral examiner who transmitted the Government assay reports, but did not transmit those of the applicant, was of such a nature that no other individual studying the report could reasonably reach any other conclusion than that expressed by him. It is little wonder that the decision of the Regional Director of almost a year later, in December of 1950, essentially reiterates the statements of the examining engineer in his earlier report.

It is in point, I believe, to refer to the United States Geological Survey Bulletin No. 893, entitled "Metalliferous Mineral Deposits of the Cascade Range in Oregon." This report carries information on an examination made in the early 1930s and published in 1938, carrying exhibits (plates 3, 6, and 22) and reporting on part of the instant property then known as Buzzard's Mine, on pages 131 and 132. Since that date, the development work on the broad-zone claims involved in the application and including the Buzzard's Mine operation has been more than doubled.

There are more than a mile of tunnel workings, numerous surface pits, shafts, cuts, and winzes. Roads have been built involving substantial expenditures; geophysical examination has been made as further proof of the existence of the broad-zone mineralization and which information the mineral examiner refused to permit in the record. At this time there is in place at this mine a 125-ton capacity mill and machinery for floatation, jigging, tabling, and cyanidation. The expenditure in development of this property aggregates more than a quarter of a million dollars.

The foregoing facts are easily discernible. Certification of the United States Mineral Surveyor certifying as to the nature,

June 1, 1953  
Mr. Davis

page 6

extent, and value of the work performed on and character of the property, and the further certification by the United States Cadastral Engineer are present. The applicant's full proof of mineralization is absent. In view of this, it is my desire that this record be made complete. Accordingly, it is my request that the Department defer further action and decision on this case until the applicant's evidence of mineralization --whether it be the originals of reports filed or whether it be certified copies or next best evidence--is secured.

As to the procedure for carrying out this recommendation, I have no specific proposal, but trust that some plan may be developed which will not compound the injustice and the cost to the applicant in again producing for the record what he has already produced, and at the same time will enable the Government to fulfill its duty under the mineral law of the United States.

Sincerely yours,

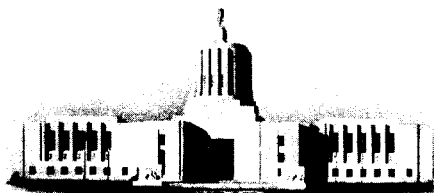
  
Harris Ellsworth

HE:gl

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STATE OF OREGON  
DEPARTMENT OF GEOLOGY AND MINERAL INDUSTRIES  
1069 STATE OFFICE BUILDING  
PORTLAND 1  
June 9, 1953

AIRMAIL

Hon. Harris Ellsworth  
House Office Building  
Washington, D.C.

Dear Mr. Ellsworth:

This is in reply to your letter dated June 4 concerned with the patent application of the Al Sarena Mines, Inc. in Jackson County.

I am sorry that I cannot give you an opinion and answers to your questions based on a personal examination of the property. However some members of our staff visited the property in the early 1940's and I also have had some up-to-date information from Mr. D. Ford McCormick, consulting engineer at Eagle Point. I have confidence in Mr. McCormick's opinion and judgment, even though he has, I understand, done consulting work for the owner of the Al Sarena mine.

Based on information given me by Mr. McCormick, I would feel that there is a possibility of a large low-grade disseminated ore body containing probably gold, silver, lead, and zinc. It appears that the rocks of the area, consisting of volcanic breccias, rhyolite, and andesite, are altered and bleached, and Mr. McCormick states that he sampled over a considerable area on the surface by digging surface pits and found mineralization disseminated in sufficient amounts to warrant the opinion that a large low-grade deposit might be developed. You will, of course, understand that proving the occurrence of a large deposit is a very expensive proceeding since everything about the ore body should be known, including size and quality, before plans may be made safely for the design of the proper kind of treatment plant. That is the reason why only large experienced and well financed companies are able to develop the large low-grade mineral deposits.

Going back to your question regarding valid mineral discovery under the mining laws, I feel that because of the underground evidence of economic mineralization as described in our reports and the report in U.S. Geological Survey Bulletin 893, "Metalliferous Mineral Deposits of the Cascade Range, Oregon", as well as the record of production, there could be no valid question raised against the legality of mineral discovery of the claims upon which the minerals have been developed. I assume from your question regarding a large disseminated deposit that the Bureau of Land Management has questioned the sufficiency of



mineral discovery on claims included in the patent application which do not have economic minerals exposed in the underground workings. It seems to me in this case, also assuming that Mr. McCormick's statement is accurate, the claims on which pits were dug, and gold, silver, lead and zinc values found, would certainly qualify as legal locations under the mining laws.

Although I hold no brief for people who locate mining claims for the purpose of obtaining timber, I believe that Bureau of Land Management people have set up road blocks in the way of legitimate mining claim applications for patent whenever there is timber on the claims, and have been making their own rules concerning the legal definitions under the mining laws.

It seems to be fairly well established that both the Bureau of Land Management and the Forest Service will battle to the last ditch the patenting of mining claims which contain merchantable timber irrespective of the mineral values on the claims.

Sincerely yours,



F. W. Libbey  
Director

FWL: jr

HOME ADDRESS:  
ROSEBURG, OREGON

# Congress of the United States

## House of Representatives

Washington, D. C.

INTERIOR DEPT.

JUN 25 1953

SOLICITOR

June 24, 1953

Honorable Clarence Davis  
Solicitor  
Department of the Interior  
Washington, D. C.

Dear Mr. Davis:

As agreed upon at the time of our last discussions in reference to the Al Serena Mines, Inc. case, Oregon 0665, I have made inquiry of sources as nearly unbiased in their judgment as I could find and at the same time having some substantial mining and engineering knowledge on which some objective opinion might be based.

I am transmitting herewith originals of four responses to my letters of inquiry. Also a copy of the text of the letters directed to each of these parties. An inquiry was directed to a former director of the State Department of Geology, who is now a colonel in the Air Forces. I discover that he is on leave and my letter apparently had not caught up with him.

Three of the parties are professional engineers of high standing in their profession and whose integrity I do not believe can be questioned. Mr. McCormick is a registered professional engineer and is on the Oregon State Board of Engineer Examiners. Mr. Kissock, in particular, is one of the country's outstanding experts in the mining field, listed in Who's Who, with more than thirty years' experience in responsible capacities as engineer and metallurgist and for more than ten years engaged in mining consultant work.

This inquiry on my part satisfies me that there is no reasonable question as to the bona fide nature of the mineral discovery and compliance with the mining laws by the applicant for patent. I thought you would like to have these statements for consideration and comparison with any reports received as a result of the check which you expressed the desire to have made through reliable sources.

With cordial regards.

Sincerely yours,

*Harris Ellsworth*  
Harris Ellsworth

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P  
Y

June 4, 1953

It is my understanding that you have some familiarity with the Al Serena Mines, Inc. development in Jackson County, Oregon. It would be helpful to me if you would give me your objective estimate of the merit of this operation.

The history of this property since the initial claims were staked in 1897 or 1898 is rather familiar to me, as well as the developments in the last few years following the application for patent on the 23 claims in the broad-zone boundaries.

I am particularly interested in any observations you may care to make as to valid mineral discovery under the mining law, and any opinions or observations you might have as to the potential development of a large-scale low-grade mining operation.

Also, I shall welcome any other comments which might be helpful to me in appraising the merit of the application for patent. Such information and comment as you may be able to give me at your early convenience will be greatly appreciated.

Sincerely yours,

Harris Ellsworth

HE/gn

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# 12 a

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# ALAN KISSOCK & CO.

70 PINE STREET  
NEW YORK 5, N.Y.  
TELEPHONE BOWLING GREEN 9-2834

PLANT  
P. O. BOX 336  
IRONTON, OHIO  
TELEPHONE IRONTON 363

June 15, 1953.

Hon. Harris Ellsworth,  
House of Representatives,  
Washington, D.C.

Dear Mr. Ellsworth:

I am pleased to acknowledge your letter of June 4th relative to the Al Sarena Mines, Inc. development in Jackson County, Oregon and, as requested, I am glad to tell you what I can regarding this project.

The Al Sarena was brought to the attention of Alan Kissock & Co. by Mr. H. P. McDonald and his two sons, H. P. McDonald, Jr. and Charles McDonald. I visited and made a preliminary examination of the property in October, 1945, to determine if it might be of interest to us. Briefly the results of my investigation were as follows:

Mineralization occurs in what appears to be a roughly circular "chimney" of Rhyolite which is more or less surrounded by Andesite. The mineralization is unusually widespread and assuming it to be actually circular it is safe to say that the diameter of the "chimney" is fully 3,600 feet. Within this area it is difficult to find a single piece of Rhyolite which does not at least show some Pyrite or oxidation products thereof.

I do not have my notes before me, nor do I recall the amount of exploratory surface and underground work that has been done. I do know, however, that this is quite extensive and since all the claims are contiguous the cost of this alone is ample to cover the work performance requirement of the whole group. There are, in addition, a number of camp buildings and a rather complete mill for concentration and cyanidation of the ore.

A mineralized area of this extent would require a thorough investigation to properly evaluate its possibilities. It was obviously too big an undertaking for us to consider so that I limited my examination to more or less general observations. I did, however, take a number of samples to determine what might be expected of some of the then available Rhyolite exposures.

Tunnel #1, and laterals therefrom, cross cuts and exposes at some depth a considerable area of the Rhyolite and confirms the extensive

# 13

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-2-

mineralization evident at the surface. This tunnel level had been carefully channel sampled (cuts were 4" wide by 2" deep and from 4 to 6 feet in length from faces, floor, backs and walls) by a Mr. George Sopp. My underground sampling was confined to "spot" samples, taken at 3 foot intervals along the walls, over several hundred feet of tunnel #1 and its laterals. In all, I took some 30 tunnel samples and a number of surface samples, which were assayed by Abbot A. Hanks, Inc. of San Francisco, California. Although definitely low grade, these samples all showed pyrite and, with few exceptions, at least some value in Gold, Silver, Lead and Zinc. Many of my "spot" samples were taken at the same points as those channelled by Mr. Sopp. Fortunately his sample pulps had been saved and my assays of these pulps checked quite closely with my "spot" sampling of comparable areas.

As stated, our company was not in position to undertake anything of this grade and magnitude. There is, however, absolutely no question but that there is on the Al Sarena claims a tremendous mineralized area and in my opinion it is definitely a valid mineral discovery under the Mining Laws. My recommendation to the owners was that from their own standpoint, or any interested and capable party, the property warranted a careful geological and probably geophysical study which, if favorable, should be followed by an exploratory drilling program. There could well be localized concentrations within that mineralized area and although the whole, from what is now evident, may not be considered of immediate economic value nevertheless it is to just such large low grade occurrences that we must look for our future supplies of minerals.

I therefore suggested to the owners that they should patent their ground and I understand they have sincerely complied with all the necessary requirements to do so. In my opinion this application for patent very definitely merits favorable consideration.

Very truly yours,

*Alan Kissock*

AK-1.

G. CLEVELAND TAYLOR  
MINING ENGINEER  
2381 PURINTON DRIVE  
SACRAMENTO 21, CALIFORNIA

June 10, 1953.

The Hon. Harris Ellsworth  
House of Representatives  
Washington, D. C.

Dear Mr. Ellsworth:

Your letter of June 4 regarding the Al Serena Mines in Jackson County, Oregon has been duly received and I shall be glad to comply with your request.

I surveyed the claims for patent spending some two to three months on the ground, covering the area quite thoroughly, both on the surface and underground.

My conclusion was that a patent should be granted to the applicants. This has been for many years what might well be termed a legitimate mining operation. The owners have apparently carried out a policy, over the years, which was believed to be in accord with the existing laws for acquiring mineral land. Much surface and underground work has been done in good faith; many times that required for patent.

The present owners, who acquired the rights of the original locators, have always regarded the mine as a broad-zone and have predicated their activities on that theory. A pilot mill was built and mill tests are reported to have been made on material broken in numerous crosscuts driven back into the shear-zone and away from the fissure which had been mined in the early work.

I observed the large shear-zone, or broad-zone, in many places, but my work did not call for any sampling. Little of the sulphide minerals appear in the shear-zone at the surface as it has been oxidized. In some of the shallow surface tunnels, however, galena and other economic base minerals are plainly visible.

Of course a great deal of systematic drilling or other additional development work is necessary to actually prove a large low-grade ore-deposit, but there appears to be sufficient widespread mineralization to prompt a prudent man to carry out such development.

Large low grade mines are made by development and as the exact location of the ore is not known until drilling or other development work has been done the operator would not now be prudent unless he had title to an area sufficient to protect the ore-bodies expected

If additional information is desired I shall gladly cooperate.

Yours faithfully

*G. Cleveland Taylor*  
G. Cleveland Taylor

#14

Eagle Point, Oregon  
Rt. 1 Box 125  
June 15, 1953

Mr. Harris Ellsworth  
Rep. 4th Dist. Oregon  
Washington D. C.

Dear Sir:

Your letter of June 4th was received upon my return from a trip South. It pleases me to note your interest in our mining industry in Oregon, as well as in our U.S.A. If incentive is not entirely snuffed out, we may see some important developments in several areas when the time is ripe.

I did some work at Al Sarena Mines, Inc. when the pilot plant was in operation. Gold, silver, lead and zinc concentrates were made from the more concentrated mineralizations in the Buzzard Mine to demonstrate the grade of marketable minerals and the feasibility of such an operation. Samples were taken at that time over a wide area on a number of claims and these showed that values seemed to be dissipated over a considerable area in the district, indicating the potential of a large low grade deposit. Many assays were made of samples taken from pits, across exposed faces in open-cuts, and in creek bottom, as well as cliff wall exposures of the country rock. Since that time, I understand that considerable more work has been done by the Al Sarena Mines, Inc., on their claims in this area. It was, and is, my opinion that further exploration work be done, possibly by drilling followed by tunneling, shaft sinking and open cuts made where the most and best information can be secured at the least cost to further prove the indicated values already exposed. This is an expensive and a time consuming operation. It often requires years of exploration and development work to reach an operating stage for volume production. I need not sight the many such instances that have occurred in our neighboring States of Arizona, California, Nevada, Idaho and right recently in our own Oregon where we now have, at long last, the development of the nickel deposit at Riddle (which was known about for so many years but just now coming into production) or, Yerrington in Nevada; or, the laterite and Kaolin-sand deposits in the Ione, California district where the groups of claims or ownership of mineralized areas has been kept more or less intact for many years so that the large low grade deposits can be handled as a unit rather than going through the tedious and often impracticable process of trying to organize many claim owners (some of whom become greedy or "impossible" to deal with and spoil the whole scheme of development) so that a working plan can be carried out and a property developed and put into production. Yes, I would say that the Al Sarena, Inc. group of claims has an excellent chance of developing into a large

#15

low grade operation if a well planned development and exploration program is carried out at the time when circumstances are right for a profitable operation if the property proves out.

While writting you, I wish to state that I agree with you regarding the regretable proceedure stooped to by some unscrupulous individuals in denouncing claims under false pretences to try and obtain timber lands or recreation locations, as commented on by you in the article published in the Medford Mail Tribune of June 11th, 1953 under the heading, "Bill Would Require Mine Stakers to Develop a Mine", copy of which is attached. There should be some way to prevent this fraud, but to pass a law placing a time limit or even fixed added amounts of exploration or development of mineralized areas seems to me to be unfair to the prospector and discoverer of minerals on Federal Lands. The prospector is not usually a rich man, he often risks his whole life in the search of minerals and spends his lifetime under rugged conditions, not always rewarded by riches, then if he does make a discovery, to pass a law depriving him of the fruits of a life time because he cannot spend a fortune on "developing a mine;" as suggested by the Heading, seems rather near sighted legislation to me, and certainly will discourage, rather than encourage, the already fast disappearing prospector to spend his days searching the far away and often more or less inaccessible places. In our part of the country, just now, the rancher, the sheepherder, the lumber interests, fishermen, etc., seem to be agitating the passing of laws for their special benefits that would hurt the mining industry, in the long run. Still the fact remains, as is stated in your article, and I quote, "The problem is to take away the nuisance but leave the incentive." So it is with our patent benefits. Worthy projects should be encouraged where ever valid mineral discovery such as would warrant a reasonably prudent man in developing and extracting the minerals from the deposit, as might well be the case at Al Serena.

Yours Very Truly,



D. Ford McCormick

DFMcC:rfe



HOME ADDRESS:  
ROSEBURG, OREGON

Congress of the United States  
House of Representatives

Washington, D. C.

INTERIOR DEPT.

JUL 17 1953

SOLICITOR

July 16, 1953

Hon. Clarence Davis  
Solicitor  
Department of Interior  
Washington 25, D.C.

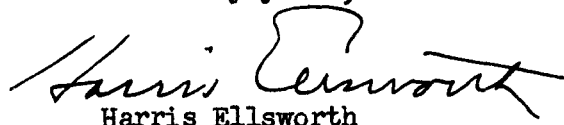
Dear Mr. Davis:

In further reference to the Al Sarena Mines, Inc. case, Oregon 0665, I am attaching herewith the original of the letter received from Col. J. E. Morrison in response to my letter of some weeks ago, the text of which has been transmitted to you with other responses from mining experts.

Col. Morrison was formerly with the Oregon State Department of Geology and Mineral Industries and is a registered mining engineer in the State of Oregon. For some years he has been serving with the U.S. Air Force. Col. Morrison was on leave at the time I wrote him and did not have the opportunity to reply to my letter until his return to his base, thus accounting for the delay in his reply.

Col. Morrison's comments concur with those of the other individuals previously submitted, indicating valid mineral discovery on the claims covered by the patent application.

Sincerely yours,

  
Harris Ellsworth

HE:gl  
Attach.

#16

J. E. Morrison  
Aeronautical Chart &  
Information Center  
2d and Arsenal  
St. Louis 18, Missouri

July 10, 1953

Honorable Harris Ellsworth  
House of Representatives  
Washington 25, D. C.

Dear Mr. Ellsworth:

Your letter regarding the Al Sarena mines, Incorporated was waiting for me when I returned from leave. Since then I have been trying to locate what information I have on this mine but without avail. Therefore, I am going to have to depend strictly upon my memory.

I first became acquainted with the property in the summer of 1937 as the Mining Engineer in charge of the Grants Pass Office for the Department of Geology and Mineral Industries, State of Oregon. During 1938 and up to November 1939, I visited the property at least a dozen times, looking over the geologic formations, sampling and sizing the property up as to a possible large, low grade operation. In November 1940, I was placed in charge of a ninety-day test run to determine if a one hundred and twenty-five (125) ton plant could "pay its way" on the more mineralized portion of the area.

There is a fairly large area of porphyry on Elk Creek which has been subjected to one or more periods of mineralization. Gold, silver, and other metals have been deposited along the cracks, crevices, faults, and where the formation was porous enough for the mineralizing solutions to penetrate. I have sampled and seen the assays of over a thousand samples from this mineralized area. Like all mineralized areas, the values do not run uniform throughout. Samples from the more mineralized areas will run as high as ten or more dollars per ton. The low assays are obtained from the hard porphyry, which the mineralizing solutions had not penetrated. The Al Sarena people have studied this area and consolidated it into a group of claims. All twenty-three (23) claims, as I remember them, show evidence of this mineralization and do carry gold and silver values.

This property has been examined by a number of reputable mining engineers. Based upon the findings and recommendations of these engineers, the owners have spent thousands of dollars and also their time in developing the property into its present state. There are a number of large, low grade properties in North America that have made a success of the operation on lower values than those indicated at the Al Sarena. The ninety-day test run proved to me it could be made a successful operation. To declare

# 16 (a)

a portion of this group of claims to be non-mineral, in my mind, would be a gross injustice to the owners who have spent so much time and money in developing the property.

Again apologizing for the delay in answering your letter.

Sincerely yours,

*J. E. Morrison*

J. E. MORRISON  
Mining Engineer  
Oregon Registry No. 1901

Public Lands -

We will keep this  
"on ice" until after  
the final disposition  
of the Alabama case.

WGW

#65

13

FRANK W. BOYKIN  
1ST DISTRICT, ALABAMA

HOME ADDRESS:  
MOBILE, ALABAMA

ALPHONSE LUCAS  
SECRETARY

*Public Lands*

COMMITTEE:  
MERCHANT MARINE  
AND FISHERIES

**Congress of the United States**  
**House of Representatives**

Washington, D. C.

June 21, 1951

*J  
Mason*

INTERIOR DEPT.  
JUN 22 1951  
SOLICITOR

Honorable Mastin G. White, Solicitor  
U. S. Department of the Interior  
Washington 25, D. C.

My dear Mastin:

Thanks for your letter of June 19, 1951, acknowledging receipt of my letter of June 13, to the appeal (A-26248) of Al Sarena Mines, Inc.

First, I wanted to tell you how much I appreciate the time and all of the information that you gave to my dear friends and constituents, Messrs. Herbert and Charles McDonald, who were in to see you on June 15, and presented oral argument in support of the appeal. I note you will give careful consideration to it, and when a decision is reached, you will send me a copy.

Now, Mastin, I think I have thought of this more than anybody - maybe, with the exception of the stockholders that have spent so much money out there. I just don't believe that all of you who have so terribly much to do, really and truly understand this proposition. There are stockholders in many states, the finest men in this country, that believe in this proposition. They have been spending money out there for many, many long years. They have built roads, not only through the property that they own, but through the Interior Department's property.

Herbert McDonald, one of the men that held the good conference with you, has been out there for sixteen long years. His father has, along with his friends, over a quarter of a million cash dollars in this proposition. They already have a hundred and sixty acres of land there. They only want the adjoining three hundred acres of land there. I know that there are a lot of people trying to get thirty six thousand square miles. They don't want that. I went down to see Mr. Wyatt and spent an hour with him and told him that they did not want the timber - I am talking about the Al Sarena Mines, Inc. They only wanted enough of the timber to develop the mines, and they would be glad to sign a letter or a contract to this effect, but it seems to me that they have bought and paid for their patent, and it also seems to me, regardless of what the Interior Department thinks about this, that they would be mighty glad to see this great company, and these fine, good Americans, try and develop this. Sometime, one group of us know something that

#92



June 21, 1951

the others don't. Anyhow, I think they have a right to spend their money if they want to. We have hundreds and hundreds of thousands of acres out there, and it certainly won't hurt to give these people a chance to see if they can't develop it. Please read my letter close.

Now, these fine young men, Herbert and Charles McDonald, helped me write that letter to you, of course. Read it carefully. Why not give them a chance? Let them have this, say for ten years, and then if they don't develop it by that time, then turn it back. You have everything to gain and nothing to lose. Look at the valuable materials that they would develop that we need just at this time, and that country needs developing so terribly bad. These are honest people.

I wish you could have seen some of the letters that were sent to Senator Kefauver - some of the letters that were sent to Senator O'Mahoney - some of the letters that were sent to about twenty one other Senators, and over a hundred of the Congressmen. I asked them not to present these letters yet, but just wait, because I know we can work it out, regardless of if it hasn't been handled just according to Hoyle, and if they did make some mistakes out at the hearing, all we want is common sense. They have bought and paid for a patent and they have their receipt. They only want a chance to develop this mine. They don't want the timber - only what they will need in the development of the mine, which of course, they would have to have, and they will deed the timber back. Now, why not try and let's give them this. It is costing them a lot of money to make trips here. One of these young men came all the way from Chicago, and the other from Mobile, over eleven hundred miles away from here. They are spending their time and their money, sixteen long years. They have gotten nothing out of it, but they believe, and they have the finances to go ahead and try and start one of the finest developments out there, that they think will do everything that I told you in that letter, that they would do.

So, why not let's let this go on. It is such a small matter. With the hundreds on hundreds of thousands of acres of land out there, and they are only asking for a small amount of three hundred acres - out there, wild, undeveloped land, and I understand that many people say it is no good. Well, they do. Herbert McDonald has just returned from taking a special course, and he and Charles McDonald are two of the finest young men I know. Charles has the finest record in the Navy that I have ever read. They are all just fine, good, true, great Americans., that have lived within just a few blocks of me all of their lives, right in Mobile, Alabama.

As above stated, they have good stockholders that have their hard earned money in this proposition, and let's give them a chance to get it out. There is no telling what they will do out there. We have everything to gain and nothing to lose. It certainly can't hurt the Interior Department - it certainly can't hurt the Government - it certainly can't hurt the State, and it will only hurt the men that own this property and the stockholders that are willing to put up their money and see if they can't develop

June 21, 1951

what they think is a great proposition. I think we should encourage them and get behind them and help them in every way we can. They are not getting a Government loan to do this - they are using their own money.

I shall deeply appreciate your looking at this, just in a good old Texas or Alabama practical way, and if there are any little technicalities let's knock them out of the way, and go on and try and start something.

I wish we could get some of the products that they say they can manufacture out there, in Mobile, Alabama, now. They need them there very, very bad and all over this country.

I do appreciate all of the time that you have given me, and we have talked so many times about it, and I do appreciate the long conference you gave my friends, Messrs. Herbert and Charles McDonald. I hope that we can do something on this, and please, on receipt of this letter, just give me a ring, and I will run over there and talk to you, or we will talk on the phone, and let's try and finish it up and get it started.

Thanks a million and let me know when and where I can help, and with every good wish to you and yours, now and always, I am

Sincerely your friend,

  
Frank W. Boykin, M. C.

FWB/job

*lets let him*  
P. S. If you want me to, I can bring a dozen of the finest Senators in this world, all Westerners and Southerners and Northerners too, and about a hundred Congressmen over there, who believe in this, just as I do. Please try and help us. I will consider it a personal favor.

Since dictating this letter to you, and I did it before daylight, on the old dictaphone, down here, I have just received a letter from Dr. McDonald, the father of the two young men that you know, telling me that the buildings there have burned down. That makes no difference, they are willing to have some more put up and get new machinery. I am asking the F.B.I. to look into it, as it looks like their buildings were set on fire. I don't know anything about that, but I do hope we can get this other matter straight.

Thanks again.

FRANK W. BOYKIN  
1ST DISTRICT, ALABAMA

HOME ADDRESS:  
MOBILE, ALABAMA

ALPHONSE LUCAS  
SECRETARY

*Public Lands*

COMMITTEE:  
MERCHANT MARINE  
AND FISHERIES

Congress of the United States  
House of Representatives  
Washington, D. C.

INTERIOR DEPT.

JUN 13 1951  
SOLICITOR

June 13, 1951

*Personal*  
*A-26248*

MC-94

Mr. Mastin White  
Acting Assistant Secretary of the Interior  
Department of the Interior  
Washington 25, D. C.

My dear Mr. Secretary:

When we talked on the phone the other day, you told me my people from Mobile did not put their evidence on. I believe, after talking to my people, who are here now, that you overlooked the following facts:

1. The patent application itself, based upon the results of four months work by your own Interior Department appointed expert, Mr. Taylor, and upon the findings of about a half a dozen outstanding experts, filed under oath, perfected by Final Proofs accepted by the Portland office is legal evidence which was refiled and resubmitted in evidence for the record in the original answer, complete with assays of ore from the claims.
2. Further and additional evidence was submitted to you for your consideration in your office last year in the form of additional assays, etc. which had been taken at the direction of the Bureau of Land Management for the record. This was filed for the official report, and consequently for the record, and should be in your hands.
3. There was an agreement between counsel authorizing the substitution of standard court civil rules of procedure. These people relied completely on that agreement and took an appeal from the rulings on the demurrers and motions only, in open hearing. This legally closed the hearing and made anything introduced after that time by either side completely inadmissible.
4. Since anything in the way of opposing evidence in the hearing is inadmissible, under the agreement, the only evidence in the record which is legal is the evidence refiled and resubmitted in the original answer--all in favor of the company--and unrefuted. The Forestry Service has therefore failed to prove any charges.
5. You will recall that the Department accepted an appeal based

*#94*



June 13, 1951

upon the rules of evidence and the rules of practice as obtain in Federal and State Courts and sent the matter up on appeal without a decision. You will also recall that the written notice of appeal recited clearly that the appeal on demurrers and motions only was taken under such rules.

6. Your department accepted their final proofs, kept them an ample time demanded the money, accepted the money, gave them a final purchase receipt reciting that the money was in payment for specific lands, reciting them, and issued a final certificate, but did not issue the patent.
7. The only way the so-called field examination was made was by the use of false and misleading statements over the signature of the Acting Regional Administrator of the Bureau of Land Management, falsely alleging that the Forestry Service had complied with its regulations for making such request during the publication period, December 15, 1948. This is the manner in which the Bureau of Land Management obtained its original jurisdiction, as the regulations prohibit ordinarily, the Bureau of Land Management from making field examinations on its own motion in the national forest. Therefore, the only question before you is the question of demurrers and motions as appealed.

After studying all of the above facts, I wish you would give me a ring and I would like to bring my friends and constituents, Messrs. Herbert and Charles McDonald, over there and talk this over with you. For your information, we have heard a lot about people locating some 3600 square miles of alleged placer ground within about twenty miles of the property of Al Sarena Mines, Inc. It is the feeling of some of the Western Delegations that a precedent is being sought by the Forestry Service in the denial of patent to a legitimate mining company on its property so that such precedent may be cited to illegitimate claimants to discourage such applications on the part of such illegitimate claimants.

My friends and constituents have been operating sixteen long years and the property, itself, is of record in the production and development for fifty four years.

I called the attention of the McDonald brothers to what the Forestry people had to say, and they say they are not interested in timber and that they will be glad for the Interior Department or the Forestry Department to have the timber on the disputed land, with the exception of the timber needed for mining operations. This certainly shows that my folks are not trying to get timber, but that they are ready, able and willing to go on and develop a real mining proposition that we need so badly. In addition, the defense picture has taken on an entirely new aspect in regard to this property. The matter of iron pyrite, which the property contains in large quantities, has previously been considered commercial only for the gold and silver chemically combined with the

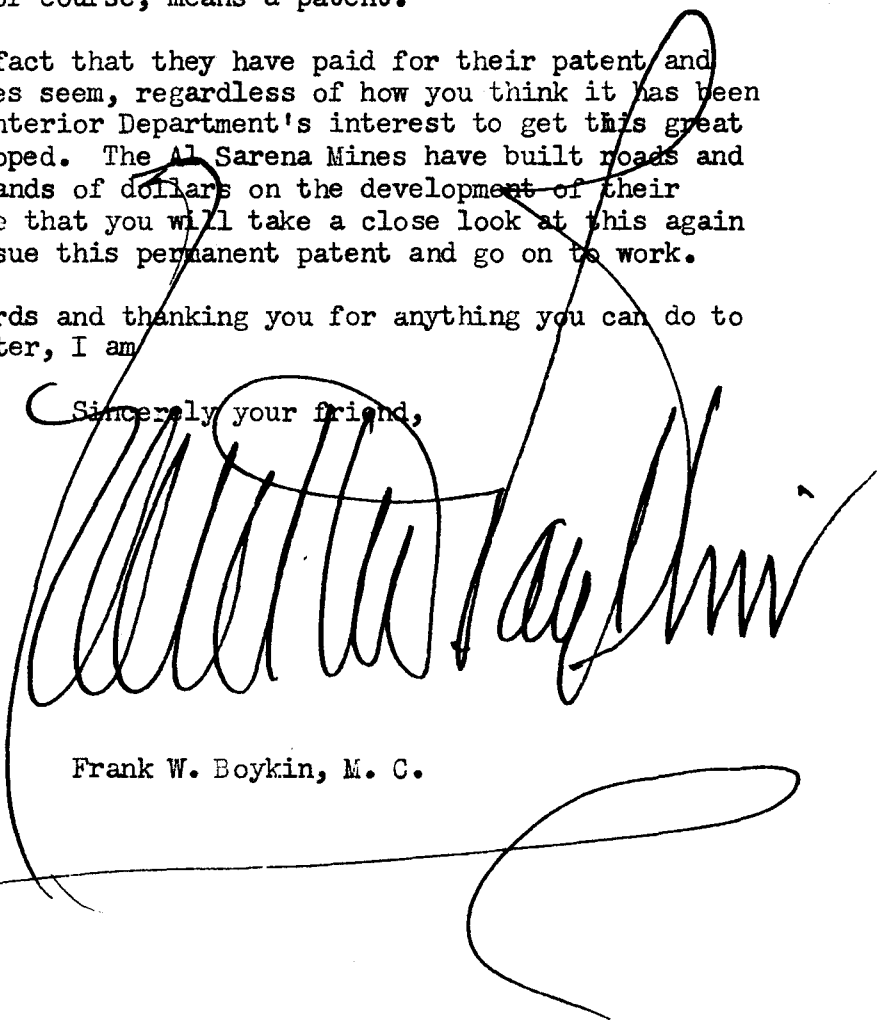
June 13, 1951

pyrite. However, the pyrite in the new scheme of critical materials has become a very valuable by-product. In the plans relating to the production and development of this property, there is also a potential production of pyrite sufficient to yield four million nine hundred twelve thousand one hundred twenty eight pounds of sulphuric acid in the leanest areas, and forty nine million one hundred twenty one thousand two hundred eighty pounds of sulphuric acid a month in the richer areas. This being the basic defense chemical and in view of the shortage impending in raw materials for its production, it is most worthy of consideration, both for the benefit of right and justice and for the benefit of the United States. The private capital necessary for the significant defense production already planned is available contingent upon actual ownership of the property, which of course, means a patent.

Note // With this time and the fact that they have paid for their patent and having a receipt, it does seem, regardless of how you think it has been handled, to be to the Interior Department's interest to get this great piece of property developed. The Al Sarena Mines have built roads and spent hundreds of thousands of dollars on the development of their property. So, I do hope that you will take a close look at this again and see if we cannot issue this permanent patent and go on to work.

With kind personal regards and thanking you for anything you can do to help us out on this matter, I am

Sincerely your friend,



Frank W. Boykin, M. C.

FWB/job

*Boykin  
at Arena*

INTERIOR DEPT.  
MAR 20 1951  
SOLICITOR

*mgw*

MARCH 19, 1951

MR. W. O. MACMAHON  
408 FIRST NATIONAL BANK BUILDING  
MOBILE, ALABAMA

TALKED AT LENGTH TO OUR FRIEND MASTIN WHITE AFTER MY TALK WITH YOU THIS MORNING.  
HE HAD ALREADY ASKED MR. CLAWSON TO RUSH HIS DECISION ALL HE COULD. HE DOES  
NOT KNOW HOW SOON THIS WILL BE, BUT WILL KEEP US FULLY POSTED. WARM REGARDS.

FRANK W. BOYKIN, M. C.

OFFICIAL DAY LETTER

*#95*

62



BLM

UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SOLICITOR  
WASHINGTON 25, D. C.

SEP 19 1964

Hon. Frank N. Boykin  
House of Representatives  
My dear Mr. Boykin:

This is in response to your telephone request to me for  
the status of a mineral contest involving Al Sarena Mines, Inc.  
(Oregon 0665).

The Bureau of Land Management advises me that the manager  
of the district land office at Portland has not completed his action  
in the matter.

Sincerely yours,

Harry M. Edelstein  
Assistant Solicitor

HMEdelstein:mt

Copy to: Bureau of Land Management

DOCKET ROOM

63

#102

*W. L. ...*  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SOLICITOR  
WASHINGTON 25, D. C.

October 25, 1950

Note to Director Clawson,  
Bureau of Land Management:

On October 24 I received a long-distance telephone call from Representative Boykin at Mobile, Alabama. The purpose of his call was to request that the decision on the appeal of Al Sarena Mines, Inc. be expedited. I explained that the appeal is presently pending before you for a determination. Mr. Boykin thereupon asked that I pass his request on to you.

*Martin G. White*  
Martin G. White,  
Solicitor.

MGW:gld

#99

22\*

**A. W. WILLIAMS INSPECTION COMPANY**

INSPECTIONS—TESTS—ANALYSES

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BRANCH OFFICES AND  
REPRESENTATIVES  
THROUGHOUT UNITED STATES

MOBILE 3, ALABAMA

December 17, 1953

A. W. WILLIAMS, DIRECTOR  
MEMBER:  
AMERICAN CHEMICAL SOCIETY  
AMERICAN CONCRETE INSTITUTE  
AMERICAN COUNCIL OF COMMERCIAL  
LABORATORIES  
AMERICAN OIL CHEMISTS' SOCIETY  
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AMERICAN SOCIETY FOR TESTING  
MATERIALS  
AMERICAN WOOD-PRESERVERS' ASSN.  
FOREST PRODUCTS RESEARCH SOCIETY  
AND OTHERS

Al Sarens Mines, Inc.  
408 1st National Bank Bldg.  
Mobile, Alabama

Gentlemen:

Forwarded herewith are four reports covering the assay of Samples Al Sarens 2 through 26 submitted by Mr. D. Ford McCormick.

We regret that it has been impossible to complete and report upon this work sooner. We have been seriously hampered here by the absence of key personnel from the office and by the pressure of unexpected emergency assignments.

We sincerely hope that the delay has not operated to inconvenience you.

Yours very truly,

A. W. WILLIAMS INSPECTION CO.

*Morris Miller*  
BY Morris Miller  
Morris Miller

124/24



65

"OUR YEARS OF EXPERIENCE ARE YOURS"

22

WALTER F. GEORGE, GA., CHAIRMAN

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ELIZABETH B. SPRINGER, CHIEF CLERK

# United States Senate

COMMITTEE ON FINANCE

October 21, 1950

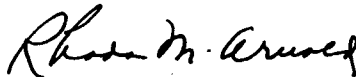
Dr. Marion Clawson  
Director  
Bureau of Land Management  
Department of the Interior  
Washington 25, D. C.

Dear Dr. Clawson:

Senator Millikin has had correspondence with Mr. Pierce M. Rice, Manager of the Land Office at Portland, Oregon, regarding mineral entry Oregon 0665, Contest No. 38. In a letter just received from Mr. Rice he states that a hearing on the contest was held September 13, 1950, and on October 2, 1950, the record and recommendations were forwarded to your office for consideration.

The applicant is anxious to get final clearance of this patent. It will be appreciated if you will advise Senator Millikin whether it may be possible to expedite action by your office.

Very truly yours,



Rhoda M. Arnold  
Secretary

RMA:bc

RECEIVED  
BUREAU OF LAND MANAGEMENT  
WASHINGTON, D. C.  
OCT 23 11 16 AM 1950

# 36

69

26

WALTER F. GEORGE, GA., CHAIRMAN  
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## United States Senate

COMMITTEE ON FORESTRY

November 8, 1950

**AIRMAIL**

Mr. H. P. McDonald  
President  
Al Barona Mines, Inc.  
408 First National Bank Building  
Mobile 13, Alabama

Dear Mr. McDonald:

With reference to your letter to Senator Millikin of November 4, 1950 regarding Mineral Entry Oregon 0665, on which the Senator has had correspondence with Mr. H. P. McDonald of Empire, Colorado:

I have talked again with officials at the Bureau of Land Management who stated that they had completed their review of the Portland Manager's decision and had sent their recommendations to the Legal Division for further review before the case goes to the Secretary of the Interior.

The only information I could get from the Bureau was the statement that the Regional Manager had denied the mineral entry as to those claims which the Forest Service protested but had recommended patenting the other claims. They said that under an order of the Secretary they were not at liberty to report ~~that~~ the Bureau has recommended prior to clearance through the Secretary's office because of the chance that any recommendation of the Bureau might be reversed by the Department's lawyers or by the Secretary.

The Bureau officials mentioned that this case has some difficult aspects and that the questions involved are covered by a 7-page proposed decision which they have ~~made up~~ and turned over to the Department's lawyers. They have promised to follow it through these final steps ~~and~~ that they can expedite the decision, but I was unable to ~~get~~ any commitment as to when it may be released. We will continue our follow-up on this and let you know when we get a further report.



Mr. H. P. McDonald  
November 8, 1950  
Page two

I note from your letter you had the impression that a copy of the recommendations of Regional Manager ~~Edward M. Rice~~ was furnished to this office. However, the copy to which Mr. Rice referred was a carbon copy of his letter of October 17, 1950 to Senator Killikin, the original of which I forwarded to you. The Departments follow this practice of enclosing an extra copy of letters to members of Congress so that one may be sent on to the constituent concerned.

Sincerely yours,

*Rhoda W. Arnold*  
Rhoda W. Arnold  
Secretary

HOME ADDRESS:  
ROSEBURG, OREGON

**Congress of the United States**  
**House of Representatives**  
**Washington, D. C.**

April 15, 1953

Personal

Mr. Clarence Davis  
Solicitor  
Department of Interior  
Washington 25, D. C.

Dear Mr. Davis:

This letter is being written pursuant to the agreement reached with you following the conference with Mr. Charles R. McDonald, Mr. Herbert McDonald, and Mr. Garber of my office relating to the patent application of the Al Sarena Mines, Inc., pending on appeal before the Department. The case is identified as Oregon Mineral Entry 0665.

As you suggested, the Messrs. McDonald on return to Mobile, Alabama made request to the U. S. District Court for an extension of sixty days from the date of April 6 on which the case had been set down for action. The Court saw fit to grant only thirty days, which materially shortens the time during which a possible review on the merits might be made by you or some person of your selection. It is not impossible that the Court might grant additional time on proper request by either the Government or the plaintiffs, and if such additional time is desired I am sure the plaintiffs in the case will be glad to cooperate in any way they possibly can.

Enclosed you will find papers which digest the substance of the rather extended file which the Department holds on this case. The following are enclosed:

1. A digest record of proceedings on the patent application.
2. The substance of testimony which would have been given by expert witnesses concerning the Al Sarena Mines, Inc. claims, plus an indication of the grounds for impeaching the testimony of the Forest Service.
3. Data on samples from the claims filed for record.
4. A record of proceedings in contest in Portland, Oregon.
5. A photostat copy with comments on the protest of the Forest Service, showing pages 1 and 4 of the protest.

April 15, 1953  
Mr. Davis

page 2

The record in this case seems to indicate that the file might properly be reviewed in either of two manners: First, on the basis of the record as shown from the time of the filing of the patent application October 1, 1948 until April 6, 1949 when the final certificate of mineral entry was granted. The Forest Service was notified of the filing for patent at the time application was made and was officially notified later by the Department of Interior but took none of the actions required under regulation within the time specified in such regulations. Second, on the basis of the entire record including that mentioned previously; and beginning with the untimely protest filed by the Forest Service, the subsequent vacation of protest, and the events resulting from the further protest by the Forest Service including the hearing at Portland, Oregon. It would appear proper that the pending appeal might be granted for the patent issuance wherein the record indicates at any point the full compliance with the requirements of law on the part of the applicants.

The record will show that part of these claims dated from 1898 and that the last claims located were taken up in the year 1935. A gross expenditure of more than \$200,000 has been put into the development and the immediate family of the principal owners of the corporation personally put approximately 100 man-years into the developments of the claims. The mines were given a quota for the production of materials during World War II and met this obligation. The deposit is a low-grade deposit with a massive ore body which will require very substantial expenditure for equipment to make it a successful large-scale producer. The delays which have occurred have meant severe losses to the claim owners who have been ready, willing, and able to go ahead with a large-scale commercial operation.

If there are questions which arise in the course of the consideration of the appeal in this case, Mr. Charles McDonald is available on very short notice to come to Washington, D. C. to assist in any way possible to supplement the record if that will aid in reaching an early decision. From material already in my files, I may be able to give information on some questions and will be glad to cooperate otherwise in any way I can to facilitate early administrative action on the appeal.

Your attention is appreciated and I shall be grateful to be kept informed of any developments.

Sincerely yours,

  
Harris Ellsworth

HE:gl  
Encls.

73

30

HOME ADDRESS:  
ROSEBURG, OREGON

**Congress of the United States**  
**House of Representatives**  
**Washington, D. C.**

INTERIOR DEPT.

AUG 28 1953

SOLICITOR

August 27, 1953

Mr. Clarence Davis  
Solicitor  
Department of Interior  
Washington 25, D.C.

Dear Mr. Davis:

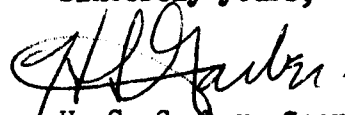
As you undoubtedly are informed by this time, the applicant in the Al Sarena Mines, Inc. case (Oregon 0665) is proceeding in accordance with arrangements discussed with Congressman Ellsworth on August 4, as a basis for possible settlement of the question at issue, namely, mineralization on the contested claims.

Inasmuch as this arrangement will require possibly a month of actual examining time, this will run beyond the period covered by the present continuance in connection with the pending case before the United States District Court at Mobile, Alabama.

Since the last continuance was granted on request of the applicant, it is suggested that the government request the continuance necessary to cover the required period to complete the present steps being taken at the suggestion of the government and which can form the basis of a final settlement of the issues involved.

Your attention and cooperation in this matter are appreciated.

Sincerely yours,



H. S. Garber, Secretary

#11

HSG:uml



UNITED STATES  
DEPARTMENT OF THE INTERIOR  
OFFICE OF THE SOLICITOR  
WASHINGTON 25, D. C.

JAN 14 1954

Hon. Harris Ellsworth  
House of Representatives

Attention: Mr. H. S. Garber

My dear Mr. Ellsworth:

In view of the interest which you have shown in this case, I enclose two copies of the decision of this Department in the case of United States v. Al Serena Mines, Inc., A-26248.

Sincerely yours,

*Clarence A. Davis*  
Solicitor

Enclosures

#6

March 13, 1942

Mr. H. P. McDonald, Jr.  
Al Sarena Mines, Inc.  
Rogue Elk  
Trail, Oregon

Dear Mr. McDonald:

Your letter dated February 28 is now at hand. The delay in replying was occasioned by my absence from the office.

Under date of November 13 we submitted the name of the Al Sarena Mines to the Administrator, Mining Branch, War Production Board, Washington, D.C., requesting that a mine serial number be issued to you under Order P-56. Since you did not receive a serial number, the Administrator evidently would not qualify you. At about that time a ruling was made that mining operators employing less than ten men could not qualify under Order P-56.

Quite recently further stringent rules have been made in qualifications of operators in order to secure mine serial numbers. Last week a ruling was made that mines producing precious metals whose production in dollar value is greater than 30% cannot qualify under Order P-56. In other words, mines which produce gold and silver together with base metals must have their production in excess of 70% in base metal value in order to so qualify.

In case an operator does not qualify under Order P-56, he may operate under Order P-100, copy of which is enclosed. P-100 allows a blanket rating of A-10 for repairs, maintenance and operating supplies. For the purchase of new equipment it is necessary for all operators to use Form PD-1 and submit to Dr. Wilbur A. Nelson, Administrator, Mining Branch, War Production Board, Washington, D. C. I am requesting the Regional Priorities Office here in Portland to send you Form PD-1.

We should be glad to give you any assistance possible, but in the case of orders coming from Washington, we have no leeway in interpreting such orders.

Very truly yours,

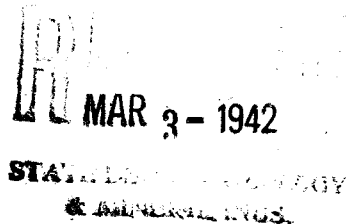
Earl K. Nixon  
Oregon Emergency Coordinator of Mines

FNL:EKH:jr

*Al Sarena Mines, Inc.*

ROGUE ELK  
TRAIL, OREGON

February 28, 1942.



Mr. Earl K. Nixon,  
702 Woodlark Bldg.,  
Portland, Oregon.

Dear Sir:

Reference is made to our application of November 8th. for a mine serial number and Preference Rating under Order No. P-56 and amendment. To date we have not been notified what mine serial number has been assigned nor have we been advised that our organization is entitled to use the P-56 order.

We expect to produce Zinc this year in addition to Gold, Silver, and Lead and shall be forced to purchase additional milling equipment in the near future.

Please advise us what serial number has been assigned and whether or not Order No. P-56 is applicable to the purchase of new equipment.

Yours very truly,

AL SARENA MINES, INC.,

*H. P. McDonald Jr.*  
H. P. McDonald Jr.

*Al Sarena Mines, Inc.*

ROBUE ELK  
TRAIL, OREGON

November 8, 1941.



State Dept. of Geology & Mineral Industries,  
702 Woodlark Bldg.,  
Portland, Oregon.

Attn: Mr. Earl K. Nixon,  
Oregon Emergency Coordinator of Mines.

Gentlemen:

We have just learned that our Preference Rating Order No. P-22 has expired in accordance with the O.P.M. regulations pertaining to mines. We desire to make application herewith for a mine serial number and qualify for a Preference Rating under Order No. P-56 and amendment thereto.

Al Sarena Mines is employing six men at present and the average daily production is fifteen tons.

The correct corporate name of the operating company is Al Sarena Mines, Inc. and H. P. McDonald Jr. is in charge.

Yours very truly,

AL SARENA MINES, INC.

  
H. P. McDonald Jr.

**RECEIVED**  
NOV 12 1941

STATE DEPT OF GEOLOGY  
& MINERAL INDS.



15 January 1944

Al Sarena Mines, Inc.  
Rogue Elk  
Trail, Oregon

Attention: Mr. H. P. McDonald, Jr, Secretary

Gentlemen:

According to HR 2370, approved May 3, 1943, all mining claims without reference to number are exempted from annual assessment work until noon of July 1, after cessation of hostilities in the present war, as determined by proclamation of the President or concurrent resolution of the Congress. Each claimant for exemption under this Act must file or cause to be filed in the office where the location notice is recorded, on or before noon of July 1, for each year, a notice of his desire to hold said mining claims under this Act.

As stated above, no mention is made in the Act of the number of claims for which exemption may be claimed.

Very truly yours,

F. W. Libbey  
Mining Engineer

FWD:ff

*Al Sarena Mines, Inc.*

ROGUE ELK  
TRAIL, OREGON

January 7, 1944.

State Department of Geology & Mineral Industries,  
Grants Pass, Oregon.

Gentlemen:

Would you be kind enough to inform us whether or not a limit is placed on the number of mining claims that can be exempted from annual assessment work by a company?

A self-addressed stamped envelope is enclosed for reply.

Yours very truly,

AL SARENA MINES, INC.,

*H. P. McDonald Jr.*  
H. P. McDonald Jr.  
Secretary.

RECEIVED  
JAN 14 1944  
STATE DEPT. OF GEOLOGY  
& MINERAL INDS.

Al Sarena Mine

(D. Ford McCormick)

Nov. 25, 1940

Dear Mr. Nixon:

I have examined the zinc concentrates from Al Sarena under the microscope with following results:

Metallic minerals average .4 mm in diameter

Percentage composition is

Pyrite and Chalcopyrite	75%
Sphalerite	20
Quartz and felspar	5

75% of the sphalerite is detached from the pyrite and chalcopyrite. Several particles made up of half pyrite and half sphalerite were observed. Other particles of quartz with pyrite and/or sphalerite still attached were seen.

From the above data it would seem possible to separate the two sulphides by selective flotation, however, finer grinding would probably result in more complete separation.

Wessley Paulsen

File -  
Al Sarena Mine

May 6, 1955

Mr. Adolph Loeb  
P.O. Box 135  
Montgomery, Alabama

Dear Mr. Loeb:

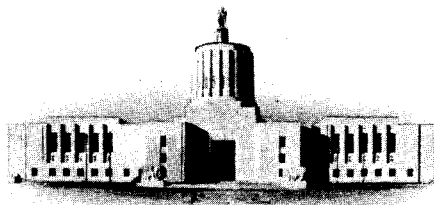
Your letter addressed to the Corporation Commissioner has been forwarded to our office for answering.

It is my understanding that the MacDonald Bros. are in Medford at the present. I also understand that they are planning to do some exploration drilling on their property sometime this year. Right now they cannot get to the mine because of deep snow. I would like to call to your attention that this information is all hearsay and that I have not been to the property for a long time.

Sincerely yours,

H. M. Dole  
Acting Director

HMD: jr



STATE OF OREGON  
CORPORATION DEPARTMENT  
SALEM

April 27, 1955

State Dept. Geology & Mineral Industries  
State Office Building  
Portland 1, Oregon

Gentlemen:

Re: Al Sarena Mines, Inc.

Enclosed a copy of letter which we received from Mr. Adolph Loeb. I thought possibly your office would have some information concerning the actual activities, if any, of this mine.

I am also enclosing a copy of my letter to Mr. Loeb and any information you might be able to supply him will, I am sure, be appreciated.

Very truly yours,

FRANK J. HEALY  
Corporation Commissioner

FJH:C

cc - Adolph Loeb  
PO Box 135  
Montgomery, Alabama

RECEIVED  
APR 28 1955

STATE DEPT.

STATE OF OREGON  
CORPORATION DEPARTMENT  
SALEM

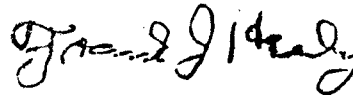
April 27, 1955

Mr. Adolph Loeb  
PO Box 135  
Montgomery, Alabama

Dear Mr. Loeb:

I am referring your letter to our State Department of Geology & Mineral Industries and perhaps they will be able to supply you with the information you seek concerning Al Sarena Mines, Inc. and what actual work is being carried on at the mine.

Very truly yours,



FJH:C

FRANK J. HEALY  
Corporation Commissioner

cc - State Dept. of Geology & Mineral Industries  
State Office Building  
Portland 1, Oregon

C  
O  
P  
Y

C O P Y

LOEB HARDWARE COMPANY

120 Commerce Street  
Montgomery 1, Alabama

April 20, 1955

Mr. Frank J. Healy  
Corporation Commissioner  
508 State Office Bldg.  
Salem, Oregon

Dear Sir:

I am a stock holder of Al Sarena Mines, Medford, Oregon. Will you please advise any thing you can as to their status and operations which would be of interest.

I shall appreciate this very much.

Sincerely,

Adolph Loeb

July 23, 1948

Mr. H. P. McDonald, Jr., Treasurer  
Al Sarena Mines, Inc.  
P.O. Box 355  
Mobile, Alabama

Dear Mr. McDonald:

This is in reply to your letter of July 20.

The bulletin to which you refer is known as U.S. Geological Survey Bulletin 893, "Metalliferous Mineral Deposits of the Cascade Range in Oregon", 1938. It is for sale by the Superintendent of Documents, Washington, D.C. at a price of \$1.25.

If this Department can supply any further information, please feel free to call upon us.

Yours very truly,

Director

FWL: jr



AL SARENA MINES, INC.

TRAIL, OREGON

July 20, 1948

Please address reply to:

P. O. Box 355

Mobile, Alabama

State Dept. of Geology and Mineral Industries,  
Woodlark Building,  
Portland, Oregon

Gentlemen:

We are very desirous of obtaining a copy of Buddington and Callaghan's booklet on the mineral resources of the Cascades. This is published by the Government Printing Office in Washington, D. C., but our efforts to obtain same directly from the Superintendent of Documents have been fruitless due to our inability to furnish the correct title.

The only means we have of describing this booklet is that it is a paper bound volume, was printed about 1932 or 1933, and that we obtained our copy, which has since been lost, from Mr. J. E. Merrisen, former geologist with the S.D.G.M.I.

The booklet in question contains a report on our property, a part of which was then known as the Buzzard Mine.

Any information you can give us as to how we might obtain a copy of this booklet, or the correct title thereof, will be sincerely appreciated.

A stamped, self-addressed airmail envelope is enclosed for your convenience in replying.

Yours very truly,

Al Sarena Mines, Inc.

*H. P. McDonald Jr.*  
H. P. McDonald Jr.  
Treasurer

HPM/gcb

RECEIVED  
JUL 23 1948

STATE DEPT OF GEOLOGY  
& MINERAL INDS.

April 23, 1959

Mr. Thad W. Hatten  
401 Park Street  
Medford, Oregon

Dear Mr. Hatten:

Thanks so much for your letter of April 21.

I wish we had more people who could and would write first-rate letters such as yours to Representative Kerwin. This Al Sarena case has certainly been "milked" to its utmost and probably we have not seen the end of it yet.

I think you will be interested in this month's issue of THE ORE.-BIN, which is in the process of being prepared. We have an article by Pierre Hines, a prominent local mining engineer, on gold and this will probably be followed in the future by other articles on gold. This is all leading up to a symposium on gold that will be held in April of 1960 at the Northwest Minerals Conference. I hope at this conference we will have a very top-notch panel representing all sides of the question. Perhaps a little sense can be made out of the situation.

Best regards.

Sincerely yours,

Hollis M. Dole  
Director

HMD:jr

401 Park Street  
Medford, Oregon  
April 21, 1959

Mr. Hollis M. Dole, Director  
State Department of Geology and Mineral Industries  
1069 State Office Building  
Portland 1, Oregon

Dear Mr. Dole:

Enclosed is an article published in the Medford Mail Tribune, and also a carbon copy of a letter I wrote to Representative Kerwin of Ohio. If we keep fighting back, maybe we can stop some of these unprincipled attacks by people who don't know what they are talking about.

Since the boys at Grants Pass called me about whether or not the Al Sarena is in operation, I have heard from the McDonalds. They are now enroute to Oregon, and if you still want information on their plans, they will arrive here in about a week. They have headquarters at Trail and can be reached there.

If I can be of any assistance to you at any time, please call on me.

Cordially,

*Thad W. Hatten*

Thad W. Hatten  
401 Park Street  
Medford, Oregon

Encl:2



APR 23 1959

STATE DEPT. OF GEOLOGY  
& MINERAL INDS.

**LOEB HARDWARE COMPANY****HARDWARE & ELECTRICAL SUPPLIES  
BUILDING MATERIALS  
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**MONTGOMERY 1, ALA.**OFFICE AND SALESROOM  
120-122 COMMERCE ST.  
WAREHOUSES  
220-230 COOSA ST.  
2-A COOPER ST.

Apr. 8, 1959

Mr. Hollis M. Bole, Director,  
Dept. of Geology & Mineral Industries,  
Dear Mr. Bole:

This is to thank you for your efforts to help me obtain information re Al Sardine mine. I have decided to salvage what I can, & am going to accept the offer.  
Your assistance is very much appreciated. With warm regards,

Sincerely,  
Adolph Loeb.

RECEIVED

April 6, 1959

AIRMAIL

Mr. Adolph Loeb  
P.O. Box 486  
Montgomery, Alabama

Dear Mr. Loeb:

This is in response to your telegram of April 2.

Inquiries to answer your telegram have been made. It has been determined that the McDonalds have done no mining for the past two or three years on their property but have conducted logging operations at least for the last two years. Our information is to the effect that the McDonald brothers have been in Alabama all winter but will be in Medford near the end of April or the first of May.

Older information within the Department indicates that diamond drilling was done on the property in 1956. To the best of my knowledge no production has been had from the property since the early part of World War II. As you know, the Al Sarena is principally a gold property, although other values are found. It would seem to me that until a better price can be obtained for gold, the possibilities of continued mining at the property are not too good.

I hope this information will prove useful.

Sincerely yours,

Hollis M. Dole  
Director

HMD:jr

*Congratulations*



# WESTERN UNION TELEGRAM

W. P. MARSHALL, PRESIDENT

Telegrams is STANDARD TIME at point of origin. Time of receipt is STANDARD TIME at

SYMBOLS

DL=Day Letter

NL=Night Letter

International  
Letter Telegram

Destination

PRA089 SSB174 PR SMA096

(NS MYA310) DL PD AR=MONTGOMERY ALA VIA SALEM ORG 2=  
STATE GEOLOGIST=MR DALE

DEPT OF GEO & MINERAL IND STATE OFC BLDG PORTLAND ORG=

I HAVE OWNED STOCK IN ALSARENO MINES TRAIL OREGON SINCE  
1941 NO DIVIDENDS HAVE EVER BEEN PAID ME AND NOW RECEIVE  
OFFER FOR PURCHASE OF MY STOCK AT MATERIAL DISCOUNT DO  
YOU HAVE ANY INFORMATION PERTAINING TO THIS WHICH MIGHT  
BE HELPFUL IN MAKING MY DECISION WILL BE GRATEFUL FOR  
PERTINENT FACTS AIRMAILED TO ADDRESS BELOW=

ADOLPH LOEB PO BOX 486=

RECEIVED  
APR 2 1959

THE COMPANY WILL APPRECIATE SUGGESTIONS FROM ITS PATRONS CONCERNING STATE DEPT. OF GEOLOGY  
& MINERAL INDS.

June 20, 1975

Mr. Charles R. McDonald  
66 North Monterey Street  
Mobile, Alabama 36604

Dear Mr. McDonald:

Thank you for your letter of June 18th which I received this morning.

I am sorry you do not feel inclined to discuss the Al Sarena matter at this time and hope you will keep me in mind if, at some later date, you do become interested in submitting the property to a major mining company for its consideration. This is my second season of field work in this part of Oregon and it is my distinct impression, judging from a number of people that I have talked to you, that the political environment here is gradually becoming more favorable to the mining industry.

Again, if you should reconsider your decision, please let me know.

Sincerely yours,

Ronald C. Parker



# United States Department of the Interior

## BUREAU OF MINES

EAST 315 MONTGOMERY AVENUE  
SPOKANE, WASHINGTON 99207

Western Field Operation Center  
June 12, 1975

Mr. Ron Parker  
Royal Inn  
Grants Pass, OR 97526

Dear Mr. Parker:

I am sending you copies of pages 138 through 142 of the Joint Hearings of the Special Subcommittee on the Legislative Oversight Function of the Senate Interior and Insular Affairs Committee and the House Government Operations Committee, Eighty-fourth Congress, November 25, 1955, Portland, Oregon, and January 10, 11, 17, 18, 19, 26, and 31, 1956, Washington, D. C. These pages list the 28 samples taken from the Al Sarena claims, together with the assays and the value as calculated on the metal prices of 1953. Since the purpose of sampling was for establishing the presence of mineralization on each of the mining claims contested for patent, it was not necessary to establish the precise location of each sample other than to identify from which claim it was taken. For this reason only, those sample locations were mapped that were close to claim boundaries.

If I can be of further assistance, please let me know.

Sincerely yours,

R. N. Applng, Jr., Chief  
Western Field Operation Center

Enclosure



Please reply to:

Royal Inn  
Grants Pass, Oregon 97526

June 13, 1975

Dr. Turner McDonald  
P.O. Box 355  
Mobile, Alabama 36601

Dear Dr. McDonald:

This letter will, I hope, serve to introduce myself to you and your brother. As I told you over the phone yesterday, I am a consulting geologist and am representing a client who has asked me to investigate various mineralized areas in southwestern Oregon. In reviewing the extensive geologic literature pertaining to this part of the state, we noted that your Al Sarena Mine might be of potential interest, and after a brief inspection of the property earlier this week, I contacted Dick Appling of the U.S.B.M. in Spokane and he, in turn, directed me to you.

If possible and agreeable to you and your brother, I would like to have copies of whatever factual data pertaining to the mine that you have accumulated. This would include such items as claim maps, geologic maps and reports, smelter returns, etc. Maps of the mine workings showing assay data would be especially helpful, if you have any. As I explained to you over the phone, it would be very premature to assume that my client would be seriously interested in your property. A large part of my job involves screening a large number of prospects in an effort to identify those which might be of real interest. Therefore, the more data I have at my disposal, the better I will be able to judge the possible merits of your property.

I have been doing this sort of work, as an independent consultant and contractor, for seven years now and, upon request, shall be glad to furnish you with references who can attest to my integrity and professional competence.

Inasmuch as I expect to be in the Grants Pass area for a limited time only, I would appreciate your sending whatever data you have as soon as possible.

Finally, as I told you yesterday, the loggers have severely damaged the portal to your No. 4 adit level by falling trees in front of it (which has backed up the water to a depth of about two and one half feet) and should, in my opinion, be required to repair the damage.

Sincerely yours,

Ronald C. Parker

66 N. Monterey Street  
Mobile, Alabama 36604  
June 18, 1975

Mr. Ronald C. Parker  
Royal Inn Motel  
110 N. E. Morton Lane  
Grants Pass, Oregon 97526

Dear Mr. Parker:

Please forgive the hasty note written from the old homestead in an effort to communicate promptly after attempts to contact you at the motel by telephone, both last night and this morning, resulted in no answer at the motel office.

First, we want to express appreciation for your very kind consideration and interest.

There was delay experienced in contacting one or more of the key associates concerning your communications. When the contact was made, there was expressed a view that, due to very confused and conflicting forces among the various agencies of Government, affecting both mining and the importance of monetary metal, plus a virtual local war between ecologists and public agencies over a project downstream from the property, going into the matter at this time might be unwise.

This is in no manner an effort to reject or discourage your very kind efforts, but rather to relate the thinking we encountered. The notes on your telephone communications and your letter are being retained. It may well be that we can discuss it further at a different time and under different circumstances.

With very kindest regards, in which my brother joins,

Sincerely,



Charles R. McDonald

P. S.: When you see friend Appling, please give him our very kindest regards. He is a fine example of dedicated public service and a real friend to the nation.

## Ronald C. Parker

Registered Professional Geologist

Consultant in Exploration and Mining Geology

(503) 592-2047

724 Old Stage Road North • Cave Junction, Oregon 97523

Talked to Hillemeier on 3/12/97. Says F-W drilled 6 reverse circ holes with some intercepts of .025 - .03 Au. Data was sent to Coeur D'Alene office of F-W & he doesn't have a copy. Original idea was a target of 10,000,000 tons, but reduced to maybe 2,000,000 tons, though they may not have drilled in best area.

March 6, 1997

Mr. Rauno K. Perttu  
2816 Upper Applegate Road  
Jacksonville, Oregon 97530

Re: Al Sarena Mine

Dear Rauno:

Enclosed is F.L. (Bud) Hillemeier's excellent report on Fischer - Watt Gold Company's Al Sarena exploration project conducted during the 1990 field season. The report includes results for five shallow reverse circulation holes drilled by Hunt, Ware and Proffett (I have no idea who they are) in 1981 - 82. Unfortunately, the report does not include the results of the Fischer - Watt drilling recommended by Hillemeier -- it evidently was begun too late in the fall of 1990 and was not resumed in 1991. I've only had one conversation with Hillemeier and I'm not exactly clear on why he doesn't have this data, or what caused Fischer - Watt to abandon the project. I'll try to contact him again this weekend for more information.

There's a lot of meat in Hillemeier's report, in which he concludes that the potential of the Al Sarena is +500,000 ounces of recoverable gold (though he doesn't speculate on a possible cutoff grade) contained within "a very large, epithermal paleo-hydrothermal system" (page 7). I have highlighted for you a very few lines within the report that struck me as especially important, and gladly yield to your expertise with this type of deposit to relate what Hillemeier has said to your own experience. Obviously, Hillemeier, if he's available, would be the logical choice to continue the exploration, assuming you are fully occupied with other projects.

Though Hillemeier doesn't mention it, I have to wonder out loud if a porphyry copper deposit may lie beneath the Al Sarena, and I'd certainly be in favor of at least one deep core hole (2,500 - 3,000 feet?) to test this possibility. The existence of porphyry deposits in the Cascade Range has been speculated for at least several decades now, that I know of, and the Al Sarena may be one of the better locations that hasn't already been eliminated from consideration.

Cordially,



Ronald C. Parker

Encl.

**LCI**

**La Cuesta International, Inc.**

FRANK L. HILLEMAYER  
KINGMAN OFFICE  
4837 Scotty Drive  
Kingman, Arizona 86401

Telephone (520) 692-1800  
Fax (520) 692-1811

24 February, 1997

Mr. Ronald C. Parker  
724 Old Stage Road North  
Cave Junction, OR 97523

**Re: Transmittal of Al Sarena Data Package**

Dear Mr. Parker,

Please find enclosed all the data I was able to find on the Al Sarena property, Jackson County, Oregon.

Unfortunately, I find that I do not have the Fischer-Watt drilling data. I did, however, have all of my mapping and sampling data from 1990. The reports enclosed also include the drilling results from Hunt, Ware and Proffett in 1981 and 1982.


I made a set of copies for myself and sent you the original file for you to keep.

If you or your client ever acquire the Al Sarena, you may want to give me a call because I believe I have the original reverse-circulation chip trays in storage here in Kingman.

I hope this information is of good use to you. As it turns out, the north tunnel "Tunnel No. 1" was sampled by myself and Amax Gold. Unfortunately, the results were a bit discouraging.

Please give me a call if you have any questions.

Sincerely,

  
Bud Hillemeier  
Vice President, Exploration

**Ronald C. Parker**

Registered Professional Geologist

Consultant in Exploration and Mining Geology

(503) 592-2047

724 Old Stage Road North • Cave Junction, Oregon 97523

February 17, 1997

Mr. Bud Hillemeier  
La Cuesta International  
4837 Scotty Drive  
Kingman, Arizona 86401

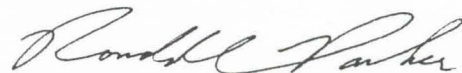
Dear Bud:

Enclosed is my check in the amount of \$100 to cover your time and expenses in retrieving, copying, and mailing the Al Sarena data that we discussed during our phone conversation a couple of days ago. As I told you, I had looked at this property some twenty-plus years ago for Canadian Superior, but was discouraged by the McDonald brothers who weren't interested in doing anything with it at that time.

I shall look forward to receiving the data from you, and am especially interested in your sample results (if any) for the long crosscut adit that was driven in a southerly direction from the north side of the ridge.

Thank you for your cooperation in this matter.

Cordially,



Ronald C. Parker

Encl.

## Ronald C. Parker

Registered Professional Geologist

Consultant in Exploration and Mining Geology

(503) 592-2047

724 Old Stage Road North • Cave Junction, Oregon 97523

February 10, 1997

Mr. Rauno K. Perttu  
2816 Upper Applegate Road  
Jacksonville, Oregon 97530

Re: Al Sarena

Dear Rauno:

After numerous phone calls and inquiries last week and earlier today, I now have the following to report in regard to the Al Sarena property that we visited on February 4.

Fischer - Watt Gold Company's exploration of the property, which included some core(?) drilling, evidently was concluded in 1991, or 1992 at the latest, at which time they were "signed off" on their reclamation bond by the Oregon DOGAMI Albany office; apparently the only requirement was that the holes be properly plugged. The address for the company, at that time, was in Kingman, Arizona, and that is the current location of Bud Hillemeier, the geologist who did the work for Fischer - Watt.

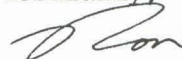
Although there no longer is a phone listing for F-W in Kingman, a computer search turned up a currently valid number in Coeur D'Alene, Idaho, which doubles as the residence number for George Beatty. According to John Hiner, Beatty is one of the principals in F-W which, at one time, was active in Central America, among other places. Another name associated with the company, in years past, was Larry Buchanan, who lives in Ashland.

I have tried several times to contact Hillemeier by phone and finally, this morning, was told (by his wife?) that he would be out of town until Friday (Hiner says he works in Mexico). So, if he hasn't returned my calls by next Saturday afternoon, I'll try him again.

On another front, I finally contacted Bob Robertson, who represents Western Capital and Timber, and he told me that WC&T has the surface only and, no, they do not have the data from F-W's exploration program. The mineral rights were retained by the seller, Altland Corporation, located in Alabama. Altland is the corporate identity for the McDonald brothers (with whom I corresponded in 1975) and, to my amazement, they're still alive. Robertson talked to one of them on the phone and then called me back with the bad news that they don't have the data either and there was no requirement in their agreement with F-W that it be turned over to them. However, Robertson did learn that whatever drilling was done was initiated late in the season, was suspended before it was completed, and was not resumed the following year.

I'll try George Beatty in Coeur D'Alene next. However, Hiner's experience in trying to get F-W data for another property was unsatisfactory (he never got it) so I'm not overly optimistic. So that's where we stand as of today.

Cordially,



Ronald C. Parker

# Ronald C. Parker

Registered Professional Geologist

Consultant in Exploration and Mining Geology

(503) 592-2047

724 Old Stage Road North • Cave Junction, Oregon 97523

December 7, 1996

Mr. Rauno K. Perttu  
2816 Upper Applegate Road  
Jacksonville, Oregon 97532

Re: Al Sarena (Buzzard) Mine

Dear Rauno:

Next on my mental list of several mines and prospects in southwestern Oregon that I want to call your attention to is the Al Sarena (aka Buzzard) property located in Section 29, T 31 S, R 2 E, Jackson County (see Oregon DOGAMI Bulletin 61, page 323).

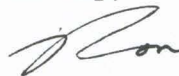
This is another of dozens of prospects that I looked at for Canadian Superior twenty years ago. When I last visited it, the underground workings were open and accessible. As I recall, I would have liked to have done some mapping and sampling and probably would have until I found out that the owners weren't interested in doing anything with the mine pending the outcome of the controversy over the Elk Creek dam. Apparently this fiasco, had it been completed, would have caused the area that includes the mine to be flooded by the lake thus created.

No. *RCP*

A much more detailed description of the mine and its geological features than that found in Bulletin 61 is included in USGS Bulletin 893. The key phrase in the former, however, is "altered Tertiary volcanic rocks". In retrospect, I now realize that this pervasively mineralized host rock may be the real feature of interest here, rather than the reported streaks of fault-localized higher grade mineralization pursued by the early miners. In short, the Al Sarena could be an epigenetic, volcanic-hosted, low-grade precious metals deposit with substantial tonnage potential and open pit possibilities.

I had a file on this property which I either gave to you or, possibly, to DOGAMI in Grants Pass, so would you please look to see if you have it. If not, I'll try to find it at the DOGAMI office next week. In the meantime, the quick summary in an annual report to Canadian Superior that, for some reason, I saved, should serve to pique your interest.

Cordially,



Ronald C. Parker

Encl.

March 20, 1976

Mr. Charles R. McDonald  
66 North Monterey Street  
Mobile, Alabama 36604

Dear Mr. McDonald:

Nine months have now elapsed since we corresponded about your Al Sarena Mine in Jackson County, Oregon, and I am wondering if, perhaps, you and your brother might now reconsider your position in regard to doing something with the property. Although I share the concern you expressed in your letter of June 18, 1975, about a favorable resolution to the environmental controversy affecting this area, I seriously doubt that it would have much bearing on any potential reactivation of the Al Sarena. As you remarked in that letter, it is true, of course, that the mining industry now is subject to the whims of countless regulatory agencies at all levels of government, some of which, at times, seem to have overlapping or conflicting areas of responsibility. Although this situation certainly is a deterrent to the exploration and development of new mineral deposits, it nevertheless is one we have to accept as part of the business! My experience in Oregon during the past two years has led me to believe that it is receptive to new industry, including mining, which may account for the continuing activity in the southwestern part of the state by several major companies, including the one I represent.

Therefore, if you would be willing to reconsider your position, I would welcome the opportunity to make a preliminary examination of the mine. Provided the results of such an examination were sufficiently encouraging, I have no doubt that my client would then contact you directly in regard to optioning the property. If this proposal should meet with your approval, all I would ask is that you give me a couple of weeks to make the examination and that you give my client first consideration in any subsequent negotiations. I would be prepared to start this work sometime late in May.

Appreciating your consideration in this matter, and hoping for a favorable reply, I am,

Sincerely yours,

Ronald C. Parker



Box 877  
Cave Junction, Oregon 97523  
May 14, 1977

Al Sarena Mines, Inc.  
P.O. Box 122  
Trail, Oregon 97541

Gentlemen:

I wrote to Dr. Turner McDonald in June, 1975, and to Mr. Charles R. McDonald in March, 1976, regarding the possibility of optioning the Al Sarena. The latter indicated, in a reply to my letter to Dr. McDonald, that the property was unavailable and I received no reply to my second inquiry made nine months later. I obtained the address to which I have sent this letter from the Assessor's Office in Medford.

Now that another year has elapsed since I last inquired, I am wondering if there has been any change in your position. I continue to represent a substantial Canadian client that has retained me for a third consecutive year to search for new mineral deposits in southwestern Oregon.

May I please hear from you?

Sincerely yours,

Ronald C. Parker