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THE UNITED STATES SENATE
Committee on Banking and Currency

May 1, 1954

Mr. Arthur S. Flemming, Director
Office of Defense Mobilization
Executive Office Building
Washington 25, D. C.

Dear Mr. Flemming:

C In our conference with Messrs. Weaver and Curtis on April 23rd we were informed that the stockpile is over-bought on manganese and that both the short and long range objectives were met prior to the policy statement of March 26, 1954. These calculations were said to include such manganese under the domestic 37,000,000 long ton units programs as it is expected will be produced by the expiration dates of those programs.

O We wish to call to your attention that the Congress, in passing the Malone-Aspinall bill extending the time limits on the domestic procurement programs, not only expected that the entire amounts would be purchased, but provided that the Government should not be limited in further extending the programs, either in quantity or time. There is no implication that the amounts to be procured should be restricted to any particular district or districts. The idea was to stimulate domestic manganese production.

P Your representatives admitted that, as the program now is set up, it will not be completed within the legal period as was contemplated by the Congress.

Y We, therefore, renew our request that an additional 6,000,000 units be allotted to Wenden, for the reasons already advanced in other correspondence, and that you rely upon the fact that sufficient earmarked funds will be returned at the expiration of the programs to more than cover the Wenden commitment. This plan was discussed with Messrs. Weaver and Curtis.

Sincerely,

Barry Goldwater, U.S.S.

Harold A. Patten, M.C.

Carl Hayden, U.S.S.

John J. Rhodes, M.C.

83d CONGRESS
2d Session

H. R. 8919

IN THE HOUSE OF REPRESENTATIVES

April 28, 1954

Mr. Patten introduced the following bill; which was referred to the
Committee on Armed Services

A B I L L

To aid the United States in becoming self-sufficient in manganese production

1 Be it enacted by the Senate and House of Representa-
2 tives of the United States of America in Congress assembled,
3 That the President of the United States has declared it to be
4 Administration policy to calculate stockpile objectives on the
5 assumption that supplies will not be available from foreign
6 sources except in the case of that limited group of countries
7 to which wartime access can be had with the same degree of
8 reliance as afforded by sources within our own country.

9 SEC. 2. In order to further the policy of the President,
10 the Office of War Mobilization is hereby authorized and
11 directed to issue a directive to the General Services Adminis -

- 1 tration to purchase an additional six million long-ton units
- 2 of manganese at the purchase depot at Wenden, Arizona, or a
- 3 total of twelve million long-ton units, and to allocate to the
- 4 General Services Administration the requisite funds therefor.

83d CONGRESS H. R. 8919
2d Session

A B I L L

To aid the United States in becoming
self-sufficient in manganese production.

By Mr. Patten

April 28, 1954

Referred to the Committee on Armed
Services

COPY

303

UNITED STATES SENATE

Committee on Banking and Currency

June 9, 1954

Honorable Edward J. Thye, Chairman
Select Committee on Small Business
United States Senate
Washington, D. C.

Dear Senator Thye:

Attached hereto are copies of letters I have received from certain small mine operators in Arizona and California who ship manganese ore to the G. S. A. purchase depot at Wenden, Arizona. Eighteen letters are attached, but some of them are signed by several operators. More are arriving in the mail each day. I also enclose a letter from the Arizona State Department of Mineral Resources and a tabulation of receipts of manganese at the various government purchase stations.

Although the attachments are nearly self-explanatory, a short sketch of the situation is in order. The original government domestic purchase program for manganese called for the purchase of 37,000,000 long ton units. Eighteen million units were to be purchased at three G. S. A. buying stations, each station being allotted arbitrarily 6,000,000 units without respect to the potential production of the areas. The remaining 19,000,000 units comprise the so-called nationwide car-lot program which limits shippers to 10,000 tons of eligible material each.

For one reason or another the domestic programs clearly could not be completed in the time originally set by the G. S. A. directive, and the Aspinall Act was passed extending the time to June, 1958. An inspection of my memorandum of May 5, 1954, attached hereto, shows that only at the Wenden, Arizona, station is substantial production being obtained. The overall program is less than 15 percent complete. Production in the Wenden area is rapidly expanding and it now appears that the 6,000,000 long ton unit allotment may be exhausted by the end of this year.

The producers in the Wenden area have made substantial investments and the operations have absorbed a number of lead and zinc miners who have been thrown out of work. It is essential that the quota at Wenden be raised to lengthen the life of the buying station there, and, as one can see by referring to my memo of May 5, the overall program is so far from being complete that there appears to be no reason why the Wenden quota should not be increased.

I have not been able, after much negotiation with O.D.M., to obtain a satisfactory reply to my request, and I suggest that the Small Business Committee look into the matter in detail. At the same time the possibility of lifting the 10,000 ton limitation on the car-lot program should be considered.

June 9, 1954

Satisfactory explanations of the delay in the stockpile program at this small mine level have not been forthcoming from O.D.M. Attempts to get satisfactory explanations have been in vain. If you see fit to direct the attention of the Small Business Committee to this disturbing situation, the staff member who is assigned to this might call Bill Broadgate at Sterling 3-1100. Mr. Broadgate will be happy to go over all the background and details. He is representing the Arizona mine operators in this matter and has been working with me on the case.

I feel sure this is a worthwhile project, as it bears upon the general problem of making us self-sufficient in strategic mineral production.

Sincerely,

Barry Goldwater

Attachments

cc: Senator Carl Hayden
Congressman John J. Rhodes
Congressman Harold A. Patten
Charles Willis
Bill Broadgate

BG/hms

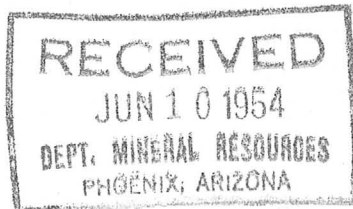
ARIZONA SMALL MINE OPERATORS ASSOCIATION

OFFICE OF STATE SECRETARY
CHARLES F. WILLIS
508 TITLE AND TRUST BLDG.
PHOENIX 13, ARIZONA



COUNCILS

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June 9, 1954

Roger I. C. Manning, Director,
Arizona Department of Mineral Resources,
Mineral Building, State Fairgrounds,
Phoenix, Arizona.

Dear Roger:

Many thanks for the copy of your letter to Flemming
regarding the extension of life for the Wenden depot.

I am enclosing a memorandum received today from
Bill but I do not think there is anything more we should do
on it until we hear something from Stovall. He went to
Washington Monday and, of course, will confer with Bill and
the Arizona members of Congress right away as to the best
strategy and we will soon hear something further as to what
is decided upon. I do not think we should do anything fur-
ther at the present time until the strategy is outlined and
we can all travel in the same direction.

With kindest personal regards,

Sincerely,

Charlie

CFW:LC
Enc.

June 7, 1954

Dr. Arthur S. Flemming, Director
Office of Defense Mobilization
Executive Office Building
Washington, 25, D. C.

Dear Dr. Flemming:

This Department is being constantly queried as to the future of the Manganese Purchase Depot at Wenden, Arizona. These requests come both from miners now producing as well as those contemplating production and shipping to this depot.

The uncertainty as to the life of the depot, due to the fact that they will have accumulated their quota, in all probability, by the end of this calendar year, has caused many of the operators to put their properties on the market and naturally those considering the purchase are wondering about the future. There are many rumors both that the depot will be closed when their quota is filled and also that the General Services Administration will find some means to keep this depot in operation because of the present international situation. We do not feel that under the present circumstances we can encourage either view.

Producers need to have some inkling as to the future as it is necessary to plan ahead regarding the purchase of equipment, the development of additional ore, and the acquisition of new deposits to replace those that are constantly being exhausted.

It is the desire and hope of everyone connected with the manganese industry that what has been started at Wenden will evolve into a permanent segment of our mining economy that could and would contribute much to the well-being of our country. We are certain that this could happen if means could be found to prolong the life of this depot for a few more years in order that private industry could take over.

It seems to us that even though it may cost more at the present time to purchase the ores produced, the amount of money necessary would pay dividends in the long run as past experience has taught us that in times of emergency we pay dearly for our dependence on foreign sources.

Page - 2 - Dr. Flemming

If this Department can, in any way, assist in solving this problem, we would be more than glad to render every aid possible.

Very truly yours,

R.I.C. Manning,
Director.

cc: Senator Goldwater
Senator Hayden
Rep. Rhodes
Rep. Patten
Edmund F. Mansure
W. C. Broadgate
C. F. Willis
Robert S. Reno - GSA - S.F.
Mr. Johnson - GSA - Wenden
Mr. Stovall

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF DEFENSE MOBILIZATION
Washington 25, D. C.

August 18, 1954

Office of the Director

MEMORANDUM

SUBJECT: Proposals to Expand the Domestic Low Grade Manganese Ore
Purchase Depot Program

1. The Office of Defense Mobilization has received a number of proposals to expand the low grade manganese ore purchase depot program established under the Defense Production Act. This program involves acceptance by the Government, through June 30, 1958, at specified depots, of low grade manganese ore which can be beneficiated to metallurgical grade with a limitation of 6 million long ton units in the quantities to be received at each depot. The prices paid for the ores are related to the cost of the beneficiated product which is to approximate \$2.30 per unit on the basis of 48% ore.

Three proposals under immediate consideration include the establishment of a new depot in Virginia to serve the Southern Appalachian area and doubling the present quotas of 6 million units at the Wenden, Arizona depot and the Butte-Philipsburg depot in Montana.

2. The metallurgical manganese ore stockpile objective has been reviewed by the ODM with the advice of interagency committees and a new minimum stockpile objective and a long-term stockpile objective have been tentatively established. The long-term objective, under the new stockpiling policy announced by the President on March 26, 1954, is intended to increase to a maximum our security position by providing against the hazard of overseas imports in time of war.

A review of the supply situation, including stocks at hand and probable deliveries against stockpile contracts and against Defense Production Act Program contracts, indicates that the minimum stockpile objective has been exceeded by a wide margin and that the long term objective is already being approached. If we take into account maximum possible deliveries under certain Defense Production Act contracts, the long-term objective may also be exceeded.

Before a final decision is made on the status of the stockpile, a careful review will be made of the quality of the metallurgical manganese ore now in the stockpile or to be delivered to the stockpile.

3. It is recognized that establishment of a depot in Virginia could result in discoveries of new ore reserves in the course of mining ores for the depot, that this production would increase the domestic contribution to the manganese supply and that it would in effect eliminate a discrimination in favor of the West since no depots exist in the East. It is also recognized that increasing the purchase quota at the Wenden, Arizona depot would provide an outlet for a number of mines which have just come into production, or are about to come into production, the output of which would considerably exceed

original estimates of the potentiality of this area. Shipments to the Butte-Philipsburg depot, however, have not been in excess of the expected schedule.

4. A number of research projects have been financed under the Manganese Ore Expansion Program which may develop more economic processes for recovery of manganese, tailored to ores available in large quantities in areas such as Aroostook County, Maine, Artillery Peak, Arizona, and Cuyuna, Minnesota. The more important of these research projects include tests of a nitric acid leaching process for Aroostook County, Maine, silicate ores, which may be extended to other ores; and ammonium carbonate leaching process for Cuyuna ores; several processes for ores from Virginia, Tennessee, Arkansas, Maine, New Mexico and Arizona, including the so-called "wad" ores, and recovery of manganese from steel mill slag. Under the Bureau of Mines general research program, processes applicable to low grade ores from Aroostook County, Maine and Artillery Peak, Arizona, and other low grade ores are being examined.

Because of the importance of the application of these projects to the domestic supply situation, early submission of reports on the feasibility of processes under study is being urged. It is understood most of them will be made available over the next few months.

5. In view of the high cost of ores to be obtained under the purchase depot program (more than 100% in excess of the present market price) and in view of the issues that have been raised as to the use that could be made of the low grade ores in an emergency, it has been decided that before considering further any expansion of these operations, it would be advantageous to await the outcome of research projects to be completed during the balance of the year and also of the intensive review of the quality of ore now in the stockpile and to be delivered to the stockpile under existing contracts.

6. Another portion of the manganese purchase program was designed for producers who do not have easy access to the purchase depots and who can beneficiate, if necessary, their own ores. In this program the Government accepts at railhead carload lots of specification grade ore on the basis of \$2.30 per long ton unit or \$100 per ton for 48% ore (plus or minus certain premiums and penalties), a price which is more than twice that of the current market. The program provided for the purchase of 19 million long ton units of manganese through June 30, 1958, the equivalent of 400,000 to 450,000 tons of high grade ore. Of this amount, almost 18 million units remain to be purchased.

Virginia has shipped to date 19,000 tons, or 60% of the ore offered under the program; Arkansas, 8,000 tons or 25%; and Tennessee and the West Coast the balance. Currently, Virginia producers are planning an expansion of output which may reach 50,000 tons to 75,000 tons or more per year. Other states may also expand their production and, with a similar development in Arizona, which has substantial resources, the output of usable ore could exceed the quota. Under these circumstances, the amount offered the Government under this program from all parts of the country would approximate the goal of 19 million long ton units prior to June 30, 1958. When this situation develops the goal will be increased in the interest of developing and maintaining our domestic mobilization base.

AMERICAN MANGANESE PRODUCERS ASSOCIATION
National Press Building
Washington 4, D. C.

August 16, 1954

INFORMATION SERVICE TO MEMBERS

The President today signed the Tax Bill containing the Federal tax depletion allowance of 23 per cent for domestic mining of uranium and the ores of manganese, tungsten, lithium and certain other strategic minerals and metals.

The Bill now becomes law.

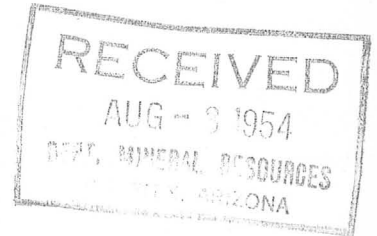
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STATE OF ARIZONA
DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA



Prescott, Arizona, July 31, 1954



Mr. R. I. C. Manning, Director
Dept. of Mineral Resources
Phoenix, Arizona

Dear Roger:

When in the Wickenburg area last week I attempted to look up a man named Simpson who is presently unwatering the Monte Cristo Mine and sampling it. The day I was there, work at the Monte Cristo was at a standstill due to failure of some machinery. Simpson had taken most of the crew over to the Sun Flower area and was engaged in sampling one of the Mercury mines there.

I was able to get very little definite information about him, but was told that he heads the International Ore Corp. of El Paso which has been engaged in mining manganese in Mexico. I think that I met him some two months back when he was looking at manganese properties around Wickenburg and Aguila. My impression was that he is a capable operator.

In a recent talk with Mr. Conley of the Haliburton organization at Clarkdale, he told me that they are looking for high alumina clay in that near vicinity. I don't have knowledge of any thing of the kind but you may have something in the office. If so please send the information to me and I will pass it on to them.

I enclose a brief resume of Manganese production. I don't suppose you want more than that. But if you do it good easily be blown up. Maybe one of your ghost writers in the office could do it.

As soon as you have definite plans for the trip to the uranium country, please let me know so that I arrange accordingly.

With best regards,

Sincerely

Mark

Mark Gemmill

1 of 4

Memorandum

To: Roger Manning

6/16/54

From: Bill Broadgate

About: Wenden manganese quota

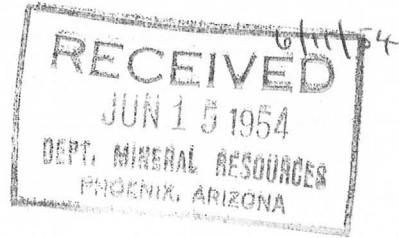
Flemmings office must be bothered at the pressures brought to bear. He stated yesterday that although the manganese stockpile is adequate, they will take a "new look" at the Wenden situation because of other considerations and will let us know more by the end of June.

Memorandum

To: Roger Manning

From: Bill Swadgate

About: Wenden manganese



Attached hereto is a letter which I drafted for Sen. Goldwater in order to activate the Senate Small Business Committee.

A similar letter will go over in the House in a couple of days, and perhaps I can get the committees to join hands in a combined push on this thing.

You know, of course, that the Virginia people have been trying to get a station established there for nearly two years with no luck so far.

I think I told you that Butte is in for an additional 6,000,000 units though, as they have delivered less than a million so far I don't think they have much of a case.

Kindly return the Goldwater letter for my files. Charlie Willis has a copy direct from Goldwater if you need one.

Your letter to Flemming of June 7 was excellent!

3 of 4

MANGANESE

Production of Manganese ores has continued at a high level during the year. Over 200,000 tons of ore running about 20% Manganese has been delivered to the Wenden Depot since it was opened early in 1953. At the present rate of delivery it is estimated that the quota set up for Wenden will be completed early in 1955. Some mills have been built and others are planned. Properties that can successfully *+economically* upgrade their ore to 40% plus will be able to continue by shipping direct to users, should the Wenden depot discontinue purchasing ore.

Some 50 properties are producing or being developed at the present time. Over 600 men are employed in this activity. As a result new properties have been opened which will add greatly to the potential manganese ore reserves of the state.

4 of 4

Memorandum

To: Roger Manning

From: Bill Broadgate

8/23/54

About: Wenden manganese quota.

There seems to be an impression that the staff of ODM is not aware of the capital investment situation at the mines around Wenden, and that this has some bearing on the dilatory tactics of ODM. Nothing could be further from the truth. If ODM's staff, which is in constant communication with the Bureau of Mines and the Interdepartmental Minerals Committee had not learned the facts of life from them, we have pointed out the situation many times. They know how long it takes to bring in a mine, the investments required and the hazards.

However, they still are academic to the extent that they have no real experience and don't have a "feeling" for the situation. To some extent they both live in an ivory tower and try to live in an ivory tower and to be above both politics and the economic practicalities. (The lead-zinc decision is a fair illustration of this). They like to come up with abstract decisions based on statistics and theory and take a pride in ignoring "pressures" and practicalities and personalities as far as they can possibly do so without being unseated. As persons like Fleming

10x6

also are academic. They get away with this presumed theoretical atmosphere. They probably are conditioned by their academic training and only think they are being impartial.

However that may be, I have been shown a memorandum written for ODM director Fleming by his staff on the manganese situation which is interesting and, because of the lack of experience and being based on theory is, like so many of their studies, often inconsistent. I shall digest it for you. It is dated August 18, 1954

1. The first paragraph recites that ODM has had requests for new buying stations and additional quotas.

2. The second paragraph repeats what I have transmitted to you and what Fleming has partly confirmed and ~~denied~~ denied several times - that "the minimum stockpile objective has been exceeded by a wide margin and that the long-term objective is already being approached." Also - "If we take into account maximum possible deliveries under certain Defense Production Act contracts, the long-term objective may also be exceeded." This is what Tony Curtis and Weaver told us at the first conference with Goldwater and Hayden and what Fleming partly denied in a subsequent letter. It does not sound good.

2046

3

3. The memo says "It is also recognized that increasing the purchase quota at Wenden would provide an outlet for a number of mines which have just come into production, or are about to come into production, the output of which would considerably exceed the original estimates of the potentiality of this area."

4. The memo recites a number of beneficiation research programs for recovery of manganese from low grade domestic ores ~~such~~ such as Arrowstock and Artillery Peak and says that "early submission of reports on the ~~possibilities~~ feasibility of processes under study is being urged. It is understood most of them will be made available over the next few months."

5. The memo recites the high cost of the purchase depot program "(more than 100% in excess of the present market price)", questions the use of these low grade ores in an emergency so "it has been decided that before considering any expansion of these operations, it would be advantageous to await the outcome of research projects "xxx" and also of the intensive review of the quality of ore now in the stockpile" and to be delivered.

In my opinion this is a lot of "stuff." The ore would not go into the stockpile 1) unless it could 2) of 6

4

be upgraded to stockpile specifications; 2) unless the upgraded ore could not be sold to industry; 3) Even though they may not know the average grade already in the stockpile, they at least know it is all above average specification. This is more of that academic, statistical approach. The stress on the price is inconsistent with the recommendations on the nation-wide carlot program - the real point is, I think, that 40% plus ore or concentrates ~~is~~ is delivered under that program and rejections can be ~~entirely~~ entirely arbitrarily handled.

6. It is pointed out that the carlot program costs ~~more~~ more than twice as much as the current market purchases. Yet it is recommended that additional units be allotted under certain circumstances. It is pointed out that up to June 30, 1958 some 18,000,000 of the 19,000,000 remain to be purchased. Nevertheless a set of hypothetical conditions are set up, (the shipments from Virginia are mentioned among others), and then it is guessed "with a similar development in Arizona, which has substantial resources, the output of usable ore could exceed the quota".

The facts are, of course, that lacking a purchase depot, Virginia has had to build mills to upgrade to carlot program specifications. The implication here is that if the Wenden depot was shut down, 4 of 6

5

the Arizona process would be forced to build mills and ship under the car-lot program, thus the government would have no beneficiation problem.

After setting up these hypothetical conditions under which there would be great gains in production under the carlot program the memo to Flemming ends, "Under these circumstances, the amount offered the Government under this program from all parts of the country would approximate the goal of 19 million long ton units prior to June 30, 1958. When this situation develops the goal will be increased in the interest of developing and maintaining our domestic mobilization base."

This appears to be the only positive statement in the memo and would at first glance seem ~~to~~ to be an inducement to build mills and ship under the carlot program. But please note that you cannot tell from the language if both the time and amounts are to be extended or, if enough units will be added to carry the program to June 30, 1958 should by chance it be saturated by that date, and the program cut off then, nor can it be predicted that the possible expansions will saturate the present program.

As only ^{about} 1 million units ~~thence~~ were delivered up to ~~January~~ ^{August}, 1954, 18 million more would have to be delivered by June 30, 1958 to do so.

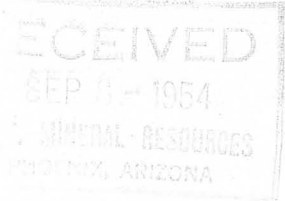
So 6

The pertinent thing to us is that (p. graph 5)
before giving larger quotas to Wenden, "it would be
advantageous to await the outcome of research ~~programs~~
projects to be completed during the balance of the year"
and that by this time Wenden will be out of business.

Wenden

Memorandum

To: Roger Manning
From: Bill Broadgate
About: Wenden manganese.



9/3/54

Attached hereto is an unfavorable report from ODM on the Patten bill HR 8919. This completes the list of unfavorable reports from the agencies. Also attached is a memo from the staff of ODM on the overall manganese program.

As I think I have previously pointed out, paragraph 5 refers directly to the Wenden program and it is in common with most ODM statements, not at all satisfactory. It seems obvious that the quality of the ore now in the stockpile should be known. What do they mean by stockpile anyway? 1) If they refer to the national stockpile they at least know it is all specification material and better or it could not get in. 2) If they mean the piles at Wenden, Deming and Butte they know it is better than the minimum specification and, in any case a running inventory should have been kept from the shipment sheets. 3) How ~~the~~ can they know the quality of the ore still in the ground excepting that shipments must meet minimum specifications?

From the above comments one can only draw the conclusion that ODM is just making excuses to

1 of 2

delay a decision.

A reading of the last paragraph on page 3 gives one the idea ODM wants to force everyone into the car-lot program so that there will be no beneficiary problems. It sets up a lot of very hypothetical conditions upon which ODM theorizes that the car lot program may be completed before its expiration date. This goes far beyond the wildest estimate of anyone else, unless the 10,000 ton limitation is raised.

If the car-lot program is not completed the promise in the last line of the memo will not have to be kept. At any rate, what does it mean? An extension of the date with more units or merely enough additional units to follow through to the legal expiration date?

I have yet to see anything come from ODM that is not ambiguous. In talking to one of the GSA "brass hats" yesterday he said he could not understand the memo either and added "The ODM boys could not live in a room without a door in every wall" To which I added they would have to have trap doors in the floor and ceiling also!

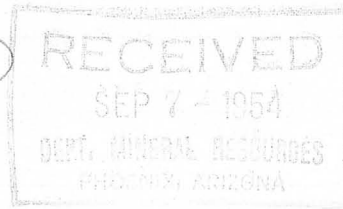
I think it would be a good idea ^{for you} to bring to the attention of Senator Goldwater the points I have raised in this memo so he can launch a further inquiry at Flemming. You may think of additional points. 2 of 2

Memorandum

To: Roger Manning

From: Bill Broadgate (via Willis)

About: Wenden manganese beneficiation.



9/2/54

Several letters have been received from Ralph R. Langley on the above subject.

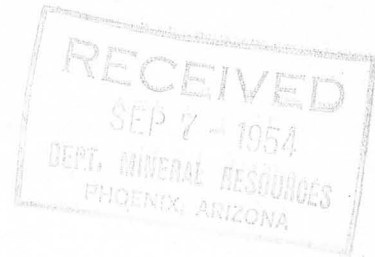
Although GSA anticipates eventually letting a private contract for this work it cannot do so unless and until ODM issues a directive. In the meantime GSA is having additional test work done, perhaps with view to doing some pilot plant work later.

ODM does not know what it wants to do about the manganese situation, as you know, and the date of issuance of a beneficiation directive is highly problematical, as I have written Langley.

One thing puzzled me. Langley said the lots were co-mingled. When I was at Wenden last fall shipments from the same mine were kept segregated as they should properly be if the treatment must be varied. What are the facts? GSA did not know as of today that shipments were being co-mingled.

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF DEFENSE MOBILIZATION
WASHINGTON 25, D. C.

August 30, 1954



Mr. R. I. C. Manning
Director
Department of Mineral Resources
State of Arizona
Phoenix, Arizona

Dear Mr. Manning:

Your letters of March 2 and June 7, 1954 to Mr. Arthur S. Flemming expressed an interest in the Government's manganese program. This matter has been under consideration by the Office of Defense Mobilization for several months, and we are glad to be able to send you at this time a copy of a memorandum released by us on August 18.

If additional information is desired, please feel free to contact us.

Sincerely yours,

E. H. Weaver
Assistant Director for Materials

Enclosure

C O P Y

EXECUTIVE OFFICE OF THE PRESIDENT
Office of Defense Mobilization
Washington 25, D. C.

Office of the Director

Aug. 27, 1954

Honorable Dewey Short
Chairman, Committee on Armed Services
House of Representatives
Washington 25, D. C.

Dear Mr. Short:

This is in reply to your letter of August 14, requesting our views concerning H. R. 8919, "To aid the United States in becoming self-sufficient in manganese production."

The Office of Defense Mobilization has just completed a study of the metallurgical manganese situation including the Domestic Purchase Program for low-grade ore. The enclosed memorandum of August 18, 1954, on "Proposals to Expand the Domestic Low Grade Manganese Ore Purchase Depot Program" presents our views and position on the expansion of the program, including the proposed increase in the quota for the Wenden, Arizona, depot as provided in H. R. 8919. Under the circumstances outlined in the memorandum we would not favor enactment of H. R. 8919.

As you know, our office carries on periodic reviews of the supply-demand situation and outlook for strategic and critical metals and minerals and we will be glad to submit to you from time to time any additional information which you may desire.

The Bureau of the Budget advises that it has no objection to the submission of this report.

Sincerely yours,

(Signed) Arthur S. Flemming

Arthur S. Flemming
Director

Encl.:
Memo 8/18/54

C O P Y

MEMORANDUM

9/3/54

TO: Roger Manning
FROM: Bill Broadgate
ABOUT: Wenden Manganese.

Attached hereto is an unfavorable report from ODM on the Patten bill HR 8919. This completes the list of unfavorable reports from the agencies. Also attached is a memo from the Staff of ODM on the overall Manganese program.

As I think I have previously pointed out, paragraph 5 refers directly to the Wenden program and it is in common with most ODM statements, not at all satisfactory. It seems obvious that the quality of the ore now in the stockpile should be known. What do they mean by stockpile anyway? 1) If they refer to the national stockpile they at least know it is all specification material and better or it could not get in. 2) If they mean the piles at Wenden, Deming and Butte they know it is better than the minimum specification and, in any case a running inventory should have been kept from the shipment sheets. 3) How can they know the quality of the ore still in the ground excepting that shipments must meet minimum specifications?

From the above comments one can only draw the conclusion that ODM is just making excuses to delay a decision.

A reading of the last paragraph on page 3 gives one the idea ODM wants to force everyone into the car-lot program so that there will be no beneficiation problems. It sets up a lot of very hypothetical conditions upon which ODM theorizes that the car lot program may be completed before its expiration date. This goes far beyond the wildest estimate of any one else, unless the 10,000 ton limitation is raised.

lot 2

If the car-lot program is not completed the promise in the last line of the memo will not have to be kept. At any rate, what does it mean? An extension of the date with more units or merely enough additional units to follow through to the legal expiration date?

I have yet to see anything come from ODM that is not ambiguous. In talking to one of the GSA "brass hats" yesterday he said he could not understand the memo either and added "The ODM boys could not live in a room without a door in every wall" To which I added they would have to have trap doors in the floor and ceiling also!

I think it would be a good idea for you to bring to the attention of Senator Goldwater the points I have raised in this memo so he can launch a further inquiry at Flemming. You may think of additional points.

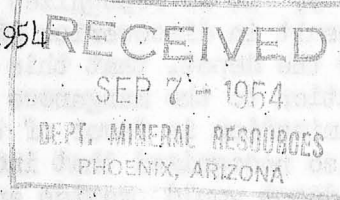
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1/3

EXECUTIVE OFFICE OF THE PRESIDENT
OFFICE OF DEFENSE MOBILIZATION
Washington 25, D. C.

Office of the Director

August 18, 1954



MEMORANDUM

SUBJECT: Proposals to Expand the Domestic Low Grade Manganese Ore Purchase Depot Program

1. The Office of Defense Mobilization has received a number of proposals to expand the low grade manganese ore purchase depot program established under the Defense Production Act. This program involves acceptance by the Government, through June 30, 1958, at specified depots, of low grade manganese ore which can be beneficiated to metallurgical grade with a limitation of 6 million long ton units in the quantities to be received at each depot. The prices paid for the ores are related to the cost of the beneficiated product which is to approximate \$2.30 per unit on the basis of 48% ore.

Three proposals under immediate consideration include the establishment of a new depot in Virginia to serve the Southern Appalachian area and doubling the present quotas of 6 million units at the Wenden, Arizona depot and the Butte-Philipsburg depot in Montana.

2. The metallurgical manganese ore stockpile objective has been reviewed by the ODM with the advice of interagency committees and a new minimum stockpile objective and a long-term stockpile objective have been tentatively established. The long-term objective, under the new stockpiling policy announced by the President on March 26, 1954, is intended to increase to a maximum our security position by providing against the hazard of overseas imports in time of war.

A review of the supply situation, including stocks at hand and probable deliveries against stockpile contracts and against Defense Production Act Program contracts, indicates that the minimum stockpile objective has been exceeded by a wide margin and that the long term objective is already being approached. If we take into account maximum possible deliveries under certain Defense Production Act contracts, the long-term objective may also be exceeded.

Before a final decision is made on the status of the stockpile, a careful review will be made of the quality of the metallurgical manganese ore now in the stockpile or to be delivered to the stockpile.

ODM-8814

3. It is recognized that establishment of a depot in Virginia could result in discoveries of new ore reserves in the course of mining ores for the depot, that this production would increase the domestic contribution to the manganese supply and that it would in effect eliminate a discrimination in favor of the West since no depots exist in the East. It is also recognized that increasing the purchase quota at the Wenden, Arizona depot would provide an outlet for a number of mines which have just come into production, or are about to come into production, the output of which would considerably exceed original estimates of the potentiality of this area. Shipments to the Butte-Philipsburg depot, however, have not been in excess of the expected schedule.

4. A number of research projects have been financed under the Manganese Ore Expansion Program which may develop more economic processes for recovery of manganese, tailored to ores available in large quantities in areas such as Aroostook County, Maine, Artillery Peak, Arizona, and Cuyuna, Minnesota. The more important of these research projects include tests of a nitric acid leaching process for Aroostook County, Maine, silicate ores, which may be extended to other ores; an ammonium carbonate leaching process for Cuyuna ores; several processes for ores from Virginia, Tennessee, Arkansas, Maine, New Mexico and Arizona, including the so-called "wad" ores, and recovery of manganese from steel mill slag. Under the Bureau of Mines general research program, processes applicable to low grade ores from Aroostook County, Maine and Artillery Peak, Arizona, and other low grade ores are being examined.

Because of the importance of the application of these projects to the domestic supply situation, early submission of reports on the feasibility of processes under study is being urged. It is understood most of them will be made available over the next few months.

5. In view of the high cost of ores to be obtained under the purchase depot program (more than 100% in excess of the present market price) and in view of the issues that have been raised as to the use that could be made of the low grade ores in an emergency, it has been decided that before considering further any expansion of these operations, it would be advantageous to await the outcome of research projects to be completed during the balance of the year and also of the intensive review of the quality of ore now in the stockpile and to be delivered to the stockpile under existing contracts.

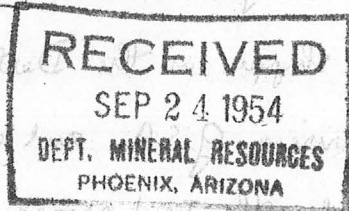
6. Another portion of the manganese purchase program was designed for producers who do not have easy access to the purchase depots and who can beneficiate, if necessary, their own ores. In this program the Government accepts at railhead carload lots of specification grade ore on the basis of \$2.30 per long ton unit or \$100 per ton for 48% ore (plus or minus certain premiums and penalties), a price which is more than twice that of the current market. The program provided for the purchase of 19 million long ton units of manganese through June 30, 1958, the equivalent of 400,000 to 450,000 tons of high grade ore. Of this amount, almost 18 million units remain to be purchased.

Virginia has shipped to date 19,000 tons, or 60% of the ore offered under the program; Arkansas, 8,000 tons or 25%; and Tennessee and the West Coast the balance. Currently, Virginia producers are planning an expansion of output which may reach 50,000 tons to 75,000 tons or more per year. Other states may also expand their production and, with a similar development in Arizona, which has substantial resources, the output of usable ore could exceed the quota. Under these circumstances, the amount offered the Government under this program from all parts of the country would approximate the goal of 19 million long ton units prior to June 30, 1958. When this situation develops the goal will be increased in the interest of developing and maintaining our domestic mobilization base.

To: Roger Manning

From: Bill Broadgate

About: manganese



9/22/54

Flemming has just released the overall plan of the long-term purchase program for stockpiling. (9/21/54).

Among other items, manganese is included in the "open market" purchase of domestic materials, though no quantities or prices are yet stated.

In the past "open market" has meant purchases "at the market".

As the open market price of manganese runs currently from 80¢ to \$1.00 per long ton unit and domestic producers are not getting too rich at \$2.30 per unit (gov't program), I am very curious as to how much domestic manganese Fleming expects to buy on the open market?

It is definitely specified that the new program is "in addition to the purchase of the metal under the domestic purchase program authorized by the Defense Production Act and Public Law 206." If they actually want domestic manganese in addition to the present program (Wenden, Deming, Butte, Carlot) how can it be had without paying \$2.30 or approximately as much and, if they have to pay this price, why not extend Wenden? I have pointed out to Sens. Hayden and Goldwater that this should be clarified.

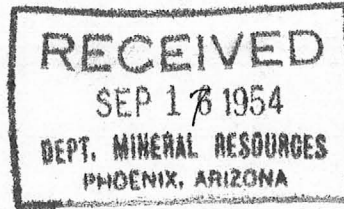
over

Memorandum

To: Roger Manning

From: Bill Broadgate

About: Wendee Purchase Depot.



9/14/54

Thank you for your comments of 9/8/54 about
co-mingling ores at Wendee.

GSA here had no such information and
thought it would be a mistake.

I conveyed your information to Fred Witt
and if your trip to Wendee indicates any change I shall
be pleased to hear about it. I don't know where Sangley
got the idea as he is in Wendee and should be able
to observe accurately.

2

September 13, 1954

Mrs. C. T. Newman
2246 Devonshire
Phoenix, Arizona

Dear Mrs. Newman:

This Department does not have information regarding the Rocky Mountain Uranium Company. Such inquiries should be addressed to the Securities Division, Arizona Corporation, Capitol Annex, Phoenix, Arizona. We are, therefore, taking the liberty of forwarding your letter to them.

Very truly yours,

R.I.C. Manning,
Director

CC: Corp. Comm.

RICM:lp

September 8, 1954

Mr. W. C. Broadgate
421 Tower Building
Washington, 5, D. C.

Dear Bill:

I have your memorandum of September 2nd regarding Ralph R. Langley and the manganese beneficiation at Wenden.

To my knowledge the lots of ore at Wenden have not been commingled and I am reasonably certain that such has not been done to date except in instances where shipments from the same operator were practically identical. However, by far the largest percentage of ores are in two piles, having been received from Stovall. In addition, there are numerous small piles, some of which have the appearance of about one truckload.

I expect to be in Wenden in about 10 days and if there is any change in this policy, I will let you know.

Cordially yours,

R.I.C. Manning,
Director.

RICM:lp

cc: CFWillis

Memorandum

To: Roger Manning

From: Bill Broadgate

9/8/54

About: Wenden manganese allocation

I have asked Sen. Goldwater, in a memo which was forwarded to him in Arizona and which was returned to Washington today with his OK, to write to Prof. Fleming questioning in detail the manganese memo of ODM which I forwarded to you recently.

The effect may be - I hope - to get a yes or no answer to our problem, though ODM is so slippery that you never can tell.

I have information this morning from a friend who had just come from ODM to the effect that they are becoming a little more alarmed about the international situation, which may be of help to us.

RA-1A75

Memorandum

To: Roger Manning

9/7/54

From: Bill Broadgate

About: Wenden Manganese.

Songley got a letter from Flemming saying
"At the present time, we are pursuing studies in connection
with the matter of beneficiation but it will be some time
before we will be in a position to consider offers."

Songley asked me if there would be any
objection to him going to Salt Lake City and talking
to the B & M there about the work they are doing.

I discussed the matter with Bill Freeman of
GSA and he said there not only was no objection but
that he thought it a good idea.

DATE: 10/5/54

BILL BROADGATE
421 TOWER BUILDING,
WASHINGTON 5, D. C.

TO: Roger Manning

This action is in response
to the memo which I sent the
Senators regarding the "new"
domestic manganese program.

See the similar memo I
addressed to you.

Bill

(This will be followed up
by phone)

2
to
10

STYLES BRIDGES, N. H., CHAIRMAN

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HARLEY M. KILGORE, W. VA.

JOHN L. MCCLELLAN, ARK.

A. WILLIS ROBERTSON, VA.

WARREN G. MAGNUSON, WASH.

EVERARD H. SMITH, CLERK

THOMAS J. SCOTT, ASST. CLERK

United States Senate

COMMITTEE ON APPROPRIATIONS

P. O. Box 368, Phoenix, Arizona
October 1, 1954

RIDING PAGE

Mr. Arthur S. Flemming, Director
Office of Defense Mobilization
Room 100, Executive Office Building
17th and Pennsylvania Avenue, N. W.
Washington 25, D. C.

Dear Mr. Flemming:

On September 21, your Office made public an overall plan for the long-range purchase program for stockpiling. In considering this announcement 2 questions of particular interest to Arizona come to mind with special reference to the manganese portion of the program. They are:

- (1) What does your Office define as the "open market" price of manganese? and
- (2) What does this program mean in terms of increase in the purchase quota at the Wenden Depot, and the domestic program in general?

I shall be obliged for your consideration of these questions and for your immediate and full advice.

Yours very sincerely,

Carl Hayden
U. S. S.

Original
Saved
in Historical
File

1) Willis
2) Manning
3) Broadgate

2082

STATE OF ARIZONA
DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA



July 23, 1953

PRESENT STATUS OF MANGANESE SITUATION IN THE
WENDEN AREA

- - - -

In the past few weeks, tonnage per week received at the Wenden Depot has been 2200 to 2500 tons, or roughly 450 to 500 tons per day. (5-day week).

The tonnage is roughly from the following sources:

Al Stovall - Lake Mine	100 tons per day
Al Stovall Love Mine	50
Al Stovall Doyle Mine	225
Mills-Beam (Calif)	40
All others	35 to 85
Total	500 Tons per day.

As indicated above, a little is coming from California as well as some from Nevada.

According to our information on producers South of Aguila, they are all at a low period of production and expect to increase later.

Waughtel is opening a new source and getting only a truckload or so per day.

Seiffert & Smith are developing and trying to get 200 tons per month.

A couple of others are getting a truckload or two a day.

Waughtel and his backers hope to start remodelling of Berger's mill July 15th. This will be used to treat all low grade ore from South of Aguila.

Robinette on Kanabe No. 4 (formerly under Sitton) is trying to work out a profitable way of screening or treatment. He is using Sitton's equipment.

Doyle Mine and some others have been held up partly by lack of trucking. A shift in the trucking set-up, including buying of new trucks by Maddux, is supposed to solve this trouble and Doyle is scheduled to ship 300 tons per day.

Jigging plants are being built or enlarged at:

- (1) Black Diamond Mine by Sevier Minerals, capacity 100 tons per shift.
- (2) Stovall's Price Camp on Bill Williams River, capacity not definite.

(3) Dale & Cochran (Linda K Mining Co), a small jig & table mill at Bouse.

Morgan at Bouse is building a sink-float mill to treat ore from the Black Bird, Black Crust, Black Chief and other properties.

The weather situation also has a great bearing on production at this time. Temperatures ranging from 90° at night to 115° plus in the day time, coupled with the fact that perhaps 80% of the production is from open pit operations, has an adverse effect on production. Vegetation is sparse and all camps are built out in the open. In many instances, water is not available in sufficient quantities to permit air-conditioning of the camps which means that employees receive very little rest and the production per man suffers thereby.

In addition, it is extremely difficult to maintain a balanced crew.

Roads, other than some portions built by access road funds, are subject to washouts during the summer months from flash floods, which has caused one delay of about 16 hours and will no doubt cause further delays until about the first of October.

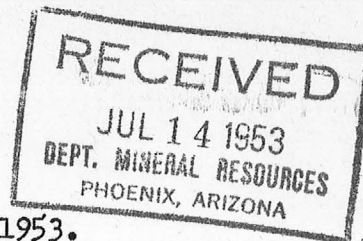
The very fact that the majority of the operators are presently attempting to improve living conditions, block out ore, and construct concentrating plants for property where the grade does not quite meet the purchase depot specifications, is evidence that the owners have faith in their ore reserves.

Undoubtedly, with the advent of cooler weather in October, the tonnages will increase sufficiently to justify the maintenance of the Wenden Depot on a two-shift basis. I feel that the operators in the area are doing exceptionally well in maintaining present tonnages in view of existing conditions.

R.I.C. Manning, Director.

RICM:lp

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT



Mine Mohave & Yuma County Manganese Mining Date July 10, 1953.
District Engineer Geo. F. Reed
Subject: Tonnage of Manganese Ore to Wenden Under Two Shift Basis.

Under date of June 29th, 1953, I received a copy of a letter from Mr. C. F. Willis to Al Stovall regarding the lower than expected tonnage of manganese ore coming into Wenden since putting the depot on a "two shift" basis.

This week I made a trip through the area, visited several properties and talked to most of the operators and some of the truckers. Also, obtained some figures from Mr. Johnson at Wenden depot.

In the past few weeks, tonnage per week received has been 2200 to 2500 tons, or roughly 450 to 500 tons per day. (5 day week)

The tonnage is roughly from the following sources:

Al Stovall--Lake Mine-----	100 tons per day
" " Love Mine-----	50
" " Doyle Mine-----	225

Mills-Beam (Calif.)-----	40 tons per day
All others -----	35 to 85
Total	500 tons per day

As indicated above, a little is coming from California as well as some from Nevada.

According to my information on producers South of Aguila, they are all at a low period of production and expect to increase later.

Waughtel is opening a new source and getting only a truckload or so per day. Seiffert & Smith are developing and trying to get 200 tons per month.

A couple of others are getting a truckload or two a day.

Waughtel and his backers hope to start remodelling of Berger's Mill July 15th.

This will be used to treat all low grade ore from South of Aguila.

Robinette on Kanabe No. 4 (formerly under Sitton) is trying to work out a profitable way of screening or treatment. He is using Sitton's equipment.

Doyle Mine and some others have been held up partly by lack of trucking. A shift in the trucking setup, including buying of some new trucks by Maddux, is supposed to solve this trouble and Doyle is scheduled to ship 300 tons per day.

Jigging plants are being built or enlarged at:

- (1) Black Diamond Mine by Sevier Minerals, capacity 100 tons per shift.
- (2) Stovall's Price Camp on Bill Williams River, capacity not definite.
- (3) Dale & Cochran (Linda K Mining Co.), small jig & table Mill. Bouse

Morgan at Bouse is building a sink-float mill to treat ore from the Black Bird, Black Crust, Black Chief and other properties.

I told Mr. Johnson at Wenden about these developments and the summer heat and he said that they might cut to one shift, but put on two again in the fall. They will be busy getting their dust system in the next 90 days, so are not too upset.

P.S. I've enclosed a copy for Mr. Willis if you wish.

George F. Reed

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

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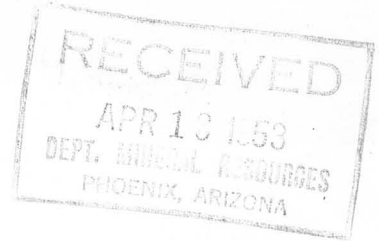
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George F. Reed



DEFENSE MATERIALS PROCUREMENT AGENCY

WASHINGTON

Office Of The Administrator

April 2, 1953

Mr. Charles F. Willis
Arizona Small Mine Operators Association,
508 Title and Trust Building,
Phoenix, Arizona.

Dear Charlie:

I was delighted to have your letter of the 26th advising as to the operating results of the Wenden buying station. I am very happy, indeed, to note this has come up to our fullest expectations and the deliveries of manganese at present are at a rate in excess of the receiving capacity.

In view of the overall picture here just at the present time, it would be a mistake to ask for any adjustment in the Wenden program. When the report is received from the GSA representatives we will then give careful consideration to their recommendations.

I appreciate very much the interest you and the manganese producers of Arizona have taken in our program as it is only through this constructive and active interest that we have been able to obtain the goals we were striving for at Wenden. I hope you will express my personal appreciation to the operators who are responsible for this.

With kindest personal regards, I am

Sincerely yours,

/s/

Howard I. Young
Deputy Administrator

C
O
P
Y

July 15, 1953

UNAMENABILITY REPORTS OF MATERIALS DELIVERED TO

WENDEN DEPOT (from Mr. Reno)

8-A-89 Fred Andrade Mine near Casa Grande
Mn - 26.7 Cu - .15 Recovery 82.6 - Mn - 43.8 Cu - .80
Copper rejection

8-A-160 R.J.Carpender Catherine Carpenter No. 1
Mn - 23.4 Recovery 37.2 - Mn - 35.0
Rejected low manganese - high insols.

8-A-172 Townsend Black Chief
Mn - 15.1 Fe - 11.4 Recovery 75.8 - Mn - 36.0 Fe - 17.8
Rejected for low manganese, high iron
Mn - 19.2 Fe - 10.2 Recovery 78.5 Mn - 38.8 Fe - 13.6
Rejected for low manganese

8-A-195 C. V. Hill and Russell
Mn - 28.7 Cu - .28 Recovery 85.2 Mn - 45.5 Cu - .50
Rejected for high copper

8-A-201 L.A.Applington Black Hawk
Mn - 21.3 Recovery 48.4 - Mn 40.0
Low recovery only

8-A-124 F. E. Merrill Lucky No. 2
Mn - 15.7 Fe - 14.7 Recovery 88.1 - Mn - 28.8 Fe - 22.9
Rejected for low recovery and high iron

8-A-107 Paul Pellegrini Lucky Johnny
Mn - 15.9 Recovery 49.4 Mn - 43.4
Low recovery

9-39 H.H.Ellerbeck Black Rock
Mn 25.1 Recovery 30.5 4.06 (Cu plus pb plus Zn)
Low recovery and high lead and zinc

9-48 Reed & Reed Sante Fe Sandstone
Mn 21.6 Recovery 70.8 Mn 29.2

9-13 Lange Bros. Grandview Mine

Mn - 39.3 Insol. 27.4 Recovery 66.0 Mn 45.9 Insol - 18.0

Rejected for insol.

8-A-163 C. O. Holmberg Zig Zag

Mn - 26.8 Cu - .25 Recovery 97.7 Mn - 44.3 Cu -.54

Rejected for high copper

Mn - 24.2 Cu - .20 Recovery 95.0 Mn - 44.4 Cu - .50

Rejected for high copper

8-A-145 F. A. Sitton Lucky

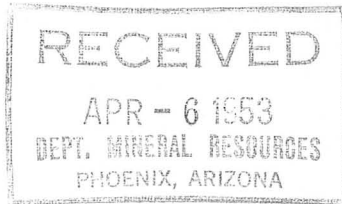
Mn - 14.5 Recovery 61.7 Mn - 35.0

Low Recovery

C
O
P
Y

ARIZONA SMALL MINE OPERATORS ASSOCIATION

OFFICE OF STATE SECRETARY
CHARLES F. WILLIS
508 TITLE AND TRUST BLDG.
PHOENIX, ARIZONA



April 3, 1953



COUNCILS

AGUILA
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ARIVACA
BENSON
BISBEE
BOUSE
CASA GRANDE
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CHERRY
CHLORIDE
CLEATOR
CLIFTON
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CROWN KING
DOUGLAS
DUNCAN
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MIAMI
MORENCI
MORRISTOWN
NOGALES
OATMAN
ORACLE
PARKER
PATAGONIA
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PRESCOTT
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QUIJOTOA
RAY
SAFFORD
SALOME
SELLS
SUNFLOWER
SUPERIOR
TEMPE
TOMBSTONE
TUCSON
VERDE
WICKENBURG
WILCOX
WINKELMAN
YARNELL
YUMA

Roger I.C. Manning, Director
Department of Mineral Resources,
Mineral Building, Fairgrounds,
Phoenix, Arizona.

Dear Roger:

I had a visit yesterday afternoon with Bob Reno of the San Francisco GSA office. He is highly pleased with the way things are going at Wenden.

He told me that he was very anxious to get, as quickly as it can be made available to him, the report Mark Gemmill is making on the potential production of the manganese producers for the Wenden station. Mark told him that the report would be sent to you very shortly but that he could not send him a copy direct.

Please be sure that I get a copy of this report for it will be based on Mark's findings as to whether they will recommend a two-shift operation and an increase in the total to be taken.

They are definitely inclined toward making this recommendation but are depending on Mark's report for substantiating data.

Please rush it through.

Sincerely,

A handwritten signature in cursive script that reads "Charlie".

Charles F. Willis

CFW:VSW

Arizona, California, Nevada and Territory of Hawaii

Region 9
49 Fourth Street
San Francisco, 3, California

April 23, 1953

Mr. A. Earl Johnson, Manager
Wenden Manganese Purchase Depot
General Services Administration
Wenden, Arizona

Dear Earl:

The purpose of this letter is to keep you fully and currently advised as to progress with respect to policy and proposed changes in operation contemplated at the Wenden Manganese Purchase Depot. I am also sending copies of this letter to Charles Willis, Frank Gowan (GSA Phoenix), Al Stovall and R.I.C. Manning, Director of the Arizona Department of Mineral Resources. Through you and through these other persons to whom copies are being sent, I assume the present and potential suppliers of ore to Wenden will be advised about our current position and our contemplated actions.

1. Mr. A. B. Parsons, the Western Representative for DMPA, has contacted the principal DMPA officials in Washington and the principal Emergency Procurement Service people about increasing the total number of units to be purchased at Wenden, and he comes back from Washington with the following information: DMPA cannot, at this time, increase the number of units assigned to the Wenden Depot. Present unit quantities are:

<u>Depot</u>	<u>Units</u>
Butte-Phillipsburg	6,000,000
Deming, New Mexico	6,000,000
Wenden, Arizona	6,000,000
Open-Carload Program	19,000,000

In order to provide for this total of 37,000,000 units, all funds available for the overall program have been obligated. Furthermore, and I agree with Washington on this point, it would seem unfair, if not impossible, at this time, to reduce a Government commitment at one of these other depots to help out Wenden. A transfer of unit quantity from one of the other Depots or programs to Wenden at a later date might be possible if Wenden suppliers continue to produce at the rate they now expect and the suppliers of other programs continue to lag behind their quotas.

The regulation presently states that deliveries meeting specifications as to quality are to be accepted irrespective of source. Washington does not contemplate a change in the regulation which would permit us to place any limitation on any supplier. They agree that in order to execute the provisions of the present regulations we have no alternative but to open a second shift at Wenden.

We are now petitioning our EPS people in Washington for a sufficient budget increase to finance a second shift, and we expect to have the additional budget within two weeks. As soon as that authorization is received we will ask you to recruit for and open the second shift so that no acceptable ore will have to be refused or held off by you.

If deliveries to you are such as to require a third shift, we will meet that problem when it arrives.

2. The Washington EPS people agree with us that conditions must be maintained at Wenden for the efficient receipt and handling of ore, and they have indicated that they will look favorably on any well-justified requests for additional budgets to finance needed improvements in your facilities. We are asking immediately for additional financing authority to install dust-collecting equipment at Wenden; to give you some appropriate earth moving equipment; to build a carport to shelter your equipment, and to provide for adequate change room, shower and toilet facilities for your staff. We expect affirmative action on our budget request to cover these improvements within the next two or three weeks.

3. We expect to be able to combine several separate pieces of paper which are now in use at the Wenden Depot into one piece of paper, thereby simplifying our paper procedure. This simplification should be available to you to put into operation within a month.

4. We already have a plan worked out which should cut several days from the present length of time required to make payment after ore is received at the Depot. This step-up in the payment schedule will go into effect along with the simplification of paper-work

Sincerely,

ROBERT B. BRADFORD
Regional Director

c
o
p
y

8 January 1953

(Supersedes issue of
29 June 1950)

NATIONAL STOCKPILE
MATERIAL PURCHASE SPECIFICATIONS

MANGANESE - METALLURGICAL
(ORE, SLAG, NODULES, AND SINTER)

1. DESCRIPTION

These specifications cover manganese ore, slag, nodules, and sinter suitable for the manufacture of commercial grades of ferromanganese and special manganese alloys, and for the production of chemicals which do not require ore of high manganese dioxide content.

2. CHEMICAL AND PHYSICAL REQUIREMENTS

a. Chemical Requirements:

Each proposal shall state the chemical analysis the seller is willing to guarantee on the weighted average basis.

Any proposal may be rejected when the guaranteed chemical analysis on the weighted average basis is inferior to the following:

			Percent by Weight (Dry Basis)
Manganese	(Mn)	Minimum	46.00
Iron	(Fe)	Maximum	8.00
Silica plus alumina ($\text{SiO}_2 + \text{Al}_2\text{O}_3$)		Maximum	12.00
Phosphorous	(P)	Maximum	0.18
Copper plus Lead plus Zinc ($\text{Cu} + \text{Pb} + \text{Zn}$)		Maximum	0.10

Material conforming to the above chemical analysis is preferred. Proposals shall not be considered unless the guaranteed chemical analysis on the weighted average basis is equal to or better than the following:

			Percent by Weight (Dry Basis)
Manganese	(Mn)	Minimum	40.00
Iron	(Fe)	Maximum	16.00
Silica plus Alumina ($\text{SiO}_2 + \text{Al}_2\text{O}_3$)		Maximum	1/
Phosphorous	(P)	Maximum	0.30
Copper	(Cu)	Maximum	0.25
Copper plus Lead plus Zinc ($\text{Cu} + \text{Pb} + \text{Zn}$)		Maximum	1.00

1/ No limit specified for material which may be offered; however, material over 15% will be purchased in exceptional cases only.

b. **Physical Requirements:**

Each proposal shall state the type of material offered. All material on the weighted average basis shall conform to the following:

Type I, Lumpy Ore

Lumpy ore shall be natural ore, unprocessed except for grading, washing, or screening. Not more than 5 percent by weight shall pass a Tyler Standard Sieve Mesh No. 20 or U. S. Standard Sieve No. 20

Type II, Fine Ore

Fine ore shall be natural ore, unprocessed except for grading, washing, or screening. Not more than 15 percent by weight shall pass a Tyler Standard Sieve Mesh No. 20 or U. S. Standard Sieve No. 20.

Type III - Nodules or Sinter

Nodules or sinter shall be material which has been agglomerated by the application of heat below the point of fusion. Not more than 5 percent by weight shall pass a Tyler Standard Sieve Mesh No. 20 or U. S. Standard Sieve No. 20.

Type IV - Slag

Slag shall be material which has been agglomerated by the application of heat above the point of fusion. Not more than 5 percent by weight shall pass a Tyler Standard Sieve Mesh No. 20 or U. S. Standard Sieve No. 20.

3. **PACKAGING**

All material shall be delivered in bulk.

Appropriate identifying documents shall accompany each shipment and shall include the name of the product, country of origin, Government contract number, type, weight, and name of supplier.

4. **INSPECTION AND ANALYSIS**

Each lot of metallurgical manganese material shall be subject to inspection and analysis by the purchaser or his designee.

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TITLE 32A -- NATIONAL DEFENSE, APPENDIX
CHAPTER XIV - GENERAL SERVICES ADMINISTRATION

MANGANESE REGULATIONS

PURCHASE PROGRAM FOR DOMESTIC MANGANESE ORE
AT WENDEN, ARIZONA

Sec.

1. Basis and Purpose.
2. Definitions.
3. Participation in the Program.
4. Deliveries.
5. Duration of the Program.
6. Price schedule for ores.

AUTHORITY: Sections 1 to 6 issued under sec. 704, 64 Stat. 816, as amended, Pub. Law 96, 82d Cong., 50 U.S.C. App. Sup. 2154. Interpret or apply sec. 303, 64 Stat. 801, as amended, Pub. Law 96, 82d Cong., 50 U.S.C. App. Sup. 2093; E.O. 10281, Aug. 28, 1951, 16 F.R. 8789-8791.

Section 1. Basis and Purpose. This regulation interprets and implements the authority of the Administrator of General Services to purchase manganese ore of domestic origin at Wenden, Arizona, pursuant to delegation of authority from the Defense Materials Procurement Administrator of even date with this regulation, and outlines the attendant responsibilities and functions of the Administrator of General Services in purchasing such manganese ores for Government use and resale. In accordance with the program set forth herein, as authorized by the Defense Production Administration on May 9, 1952, the Administrator will buy domestically produced manganese ore containing not less than fifteen percent (15%) manganese, in accordance with the specifications contained in this regulation.

Sec. 2. Definitions. As used in this regulation:

- (a) "Administrator" means the Administrator of General Services.
- (b) "Program" means the purchase of manganese ore as set forth in this regulation.
- (c) "Depot" means the purchase depot of the Government at Wenden, Arizona.
- (d) "Manganese ore" means crude ore containing not less than fifteen percent (15%) manganese, mined in the United States, its territories and possessions.
- (e) "Long ton unit of manganese" means 22.4 pounds of manganese contained in a long dry ton of manganese ore.

Sec. 3. Participation in the Program. Any person may participate in the Program by notice given to the General Services Administration Regional Office, Building 41, Denver Federal Center, Denver, Colorado, in the form of a letter, postcard or telegram postmarked or dated by the telegraph office not later than August 31, 1953. Such notice shall state that the writer desires to participate in the Program and will deliver manganese ore to the depot. Such notice must be signed and a return address given. Any person participating in the Program will promptly be sent a certificate authorizing him to deliver ore meeting minimum specifications.

Sec. 4. Deliveries. Manganese ore to be purchased by the Government under the Program is to be delivered f.o.b. depot. Delivery of less than five (5) long tons of ore at one time will not be accepted. Participants in the Program must give the Government reasonable notice with respect to deliveries of ore. Each delivery will be sampled and assayed by the Government at the depot and payment on an estimated recovery basis will be made in accordance with the analysis of such sample and as provided in section 6 below. Deliveries not conforming to the minimum specifications will be rejected, and expenses in connection therewith will be borne by the seller.

Sec. 5. Duration of the Program. This Program shall terminate and be of no further force or effect when six million (6,000,000) contained long ton units of manganese have been delivered to the depot and accepted by the Government under this Program, or at the close of business June 30, 1956, whichever first occurs.

Sec. 6. Price schedule for ores. The following prices per long dry ton will be paid for manganese ore delivered f.o.b. depot. Where the fractional manganese content is 0.5 percent (0.5%) or below, payment will be made as though no fractional content were involved. Where such fractional content is 0.51 percent (0.51%) or above, payment will be made at the next higher figure.

<u>Percent Mn in ore</u>	<u>To be paid for 1 long dry ton</u>
15	\$ 8.54
16	10.24
17	12.00
18	13.71
19	15.48
20	17.20
21	19.13
22	21.06
23	23.05
24	24.99
25	26.94
26	29.64
27	32.40
28	35.11
29	37.88
30	40.60

31	
32	44.73
33	46.86
34	50.00
35	53.14
36	56.29
37	60.74
38	65.15
39	69.61
40 fines	74.03
40 ore	78.00
	88.00

The above price schedule applies to lots received from individual shippers aggregating less than 200 tons during any 30-day period, and shall constitute the final and definite price for such lots.

For lots received from individual shippers aggregating 200 tons or more during any 30-day period, the above price schedule shall serve as a basis for preliminary settlement pending laboratory tests. The preliminary settlement shall be adjusted up or down, as the case may be, as a result of tests for laboratory-determined recoverability. Final settlement shall be calculated on the basis of \$2.30 per long ton unit of manganese determined from the laboratory tests to be recoverable from the ore, subject to a charge of \$10 per ton of ore (the estimated cost of sampling, milling, and handling) and to the specifications, premiums, and penalties set forth below.

SPECIFICATIONS

	<u>Percent</u>
Manganese	
Iron	48.0
Silica plus alumina	6.0
Phosphorus	11.0
	.12

PREMIUMS

Manganese content above 48.0 percent (dry basis): 1/2 cent for each 1.0 percent.

Iron content below 6.0 percent (dry basis): 1/2 cent for each 1.0 percent.

PENALTIES

Manganese content below 48.0 percent (dry basis): 1 cent for each 1.0 percent, down to and including 44.0 percent. Below 44.0 percent: 4 cents, plus 1 1/2 cents for each 1.0 percent down to 40.0 percent minimum. Iron content above 6.0 percent (dry basis): 1 cent for each 1.0 percent, up to and including 8.0 percent. Above 8.0 percent: 2 cents plus 3/4 cent for each 1.0 percent up to 16 percent maximum. Silica plus alumina content above 11.0 percent (dry basis): 1 cent for each 1.0 percent up to 15 percent maximum. Phosphorus content above 0.12 percent (dry basis): 1/3 cent for each 0.01 percent up to 0.3 percent maximum.

The Government will reject any lot which, on the basis of the laboratory testing, cannot be beneficiated to a product the chemical analysis of which falls within the following limits in all respects. The Government reserves the right to dispense with laboratory testing of shipments aggregating less than 200 tons over a 30-day period.

	By Weight (dry basis) <u>(percent)</u>
Manganese (Mn)	40.0 min.
Iron (Fe)	16.0 max.
Silica plus alumina (SiO_2 plus Al_2O_3)	15.0 max.
Phosphorus (P)	0.30 max.
Copper plus lead plus zinc (Cu plus Pb plus Zn)	1.00 max.*

* of which not more than 0.25 percent may be copper

JESS LARSON
Administrator of General Services

Date: June 27, 1952

*copied by A.D. of m. Resources
July - 52*

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GENERAL SERVICES ADMINISTRATION
Office of Public Information and Reports
Executive 4900, Branch 4511

FOR IMMEDIATE RELEASE MONDAY, JULY 7, 1952

GSA-166

General Services Administrator Jess Larson today announced a nationwide program for Government buying of manganese ore and concentrates from small domestic producers of the much-needed defense material.

The new program, which supplements Government purchase of manganese at three already-established manganese depots, is aimed at stimulating the production of commercial grade manganese anywhere in the United States that it is found.

Heretofore, Mr. Larson explained, it has been difficult for miners and producers to market small quantities of manganese.

Under the new plan, the Government will buy carload lots of acceptable ores or concentrates at various rail points throughout the country for resale to industry.

Because of the need for more manganese for use in production of high-grade steels for defense and other essential purposes, Mr. Larson said it had been decided that "the Government should make it possible to use the output of the smaller producers wherever they may be."

The program is set up to run to June 30, 1956, or when deliveries have totalled 19,000,000 long dry ton units of manganese, whichever occurs first. A long dry ton unit is 22.4 pounds of manganese contained in a long ton of dry ore, or 1.0 per cent.

For purposes of the program, a small producer is defined as any miner or producer whose total annual domestic output is less than 10,000 long dry tons.

Larger producers may negotiate with the Government for sale of their ore.

In order to participate in the program, the small producer must send advance notice to the nearest GSA Regional Office by letter, postcard or telegram, stating that he has read the regulation setting up the program and accepts its terms and conditions and that he desires to participate.

The cut-off date for such notifications is June 30, 1953. Upon receipt of proper notification, GSA will issue a certificate authorizing the applicant to make shipments under the program.

Only natural or sintered oxide ores and concentrates, or sintered carbonate ores and concentrates will be purchased under the program, and such ores and concentrates, to be accepted by the Government, must meet these specifications:

Manganese	40.0 per cent minimum
Iron	16.0 per cent maximum
Silica plus alumina	15.0 per cent maximum
Phosphorus	0.3 per cent maximum
Copper plus lead plus zinc	1.0 per cent maximum*
*of which not more than 0.25% may be copper	

(over)

Chapter XIV—General Services Administration

MANGANESE REGULATIONS

DOMESTIC MANGANESE PURCHASE PROGRAM

Sec.

1. Basis and purpose.
2. Definitions.
3. Duration of the Program.
4. Participation in the Program.
5. Specifications.
6. Price, premiums and penalties.
7. Deliveries and acceptance.
8. Sampling and analysis.
9. Transportation charges.
10. Weight.
11. Payment.

AUTHORITY: Sections 1 to 11 issued under sec. 704, 64 Stat. 816, as amended, Pub. Law 429, 82d Cong.; 50 U. S. C. App. Sup. 2154. Interpret or apply sec. 303, 64 Stat. 801, as amended, Pub. Law 429, 82d Cong., 50 U. S. C. App. Sup. 2093; E. O. 10161, Sept. 9, 1950, 15 F. R. 6105, 3 CFR 1950 Supp.; E. O. 10281, Aug. 28, 1951, 16 F. R. 8789.

SECTION 1. Basis and purpose. (a) The purpose of this regulation is to establish a Program to encourage expansion of domestic production of manganese by providing a uniform price scale for small domestic producers of metallurgical grade manganese ores and concentrates. Any small domestic producer whose total anticipated or actual production is less than 10,000 long dry tons per calendar year shall be eligible to participate under the provisions of this Program as hereinafter specifically set forth. Individuals or firms whose total production exceeds 10,000 long dry tons per year may negotiate with the Government for the purchase of their production.

(b) This regulation interprets and implements the authority of the Administrator of General Services, pursuant to delegation of authority from the Defense Materials Procurement Administrator of even date with this regulation, to purchase metallurgical grade manganese ores and concentrates, all of domestic origin, as authorized by the Defense Production Administration on May 9, 1952, and outlines the attendant responsibilities and functions of the Administrator of General Services in purchasing such manganese ores and concentrates for Government use and resale. In accordance with the Program set forth herein, the Administrator of General Services will buy domestically produced metallurgical grade manganese ores and concentrates conforming to the specifications, at the price, and under the other terms and conditions of this regulation.

Sec. 2. Definitions. (a) "Administrator" means the Administrator of General Services.

(b) "Program" means the Program as set forth in the following paragraphs.

(c) "Shipping point" means the location at which the small domestic producer delivers material f. o. b. railroad cars.

(d) "Receiving point" means the location to which shipments shall be consigned.

(e) "Small domestic producer" means any individual or firm whose total anticipated or actual production of manganese ore or concentrates mined and milled in the continental United States annually is less than 10,000 long dry tons.

(f) The term "Continental United States" means the forty-eight (48) states and the District of Columbia.

(g) "Long ton unit" means one percent of 2,240 pounds avoirdupois dry weight, or 22.4 pounds of metallic manganese contained in manganese oxide or manganese carbonate.

(h) "Manganese ore or concentrates" means natural or sintered oxide ores or concentrates or sintered carbonate ores or concentrates, as defined in section 5 of this regulation, excluding battery and chemical grades and ores or concentrates containing manganese as manganese silicate in excess of ten percent.

(i) "Lot" means that quantity of ore and concentrates offered at one time. It shall consist of one or more railroad carloads. Fractions of a carload may not be offered.

(j) "Carload" means the quantity (carried in one railroad car) equalling or exceeding the minimum tonnage which can be moved at the lowest transportation rate.

SEC. 3. Duration of the Program. The Program shall terminate and be of no further force or effect at the close of business June 30, 1956, or when deliveries under the Program total 19,000,000 long dry ton units of manganese, whichever occurs first.

SEC. 4. Participation in the Program. Any small domestic producer desiring to participate in the Program shall make application to the nearest General Services Administration regional office in the form of a letter, postcard, or telegram, postmarked or dated by the telegraph office on or before June 30, 1953, stating (a) that applicant has read this regulation and accepts its terms and conditions, and (b) that applicant desires to participate in this Program, and will offer manganese ore or concentrates to the Government pursuant thereto. Such notification must be signed and a return address given. Receipt of this application will be acknowledged by the regional office which may request such additional information as may be necessary and will issue to those who qualify hereunder a certificate authorizing the applicant to make shipments under the Program.

SEC. 5. Specifications—(a) Chemical requirements. All shipments must meet the following chemical analysis:

	By weight (dry basis) (percent minimum)
Manganese (Mn)-----	40.0
Iron (Fe)-----	16.0
Silica plus Alumina (SiO ₂ plus Al ₂ O ₃)-----	15.0
Phosphorous (P)-----	.30
Copper plus lead plus zinc (Cu plus Pb plus Zn)-----	1.00

¹ Of which not more than 0.25 percent may be copper.

Analyses superior to the foregoing are desired.

(b) **Physical requirements.** Three types of material, according to physical characteristics, are covered by this specification. All offers shall stipulate the type covered and the following shall constitute the rejection limits of each type.

Type I—Lump ore shall be natural ore, unprocessed except for grading, washing, or screening. Not more than 5 percent shall pass a Tyler standard 20 mesh screen.

Type II—Fine ore shall be natural ore, unprocessed except for grading, washing, or screening. Not more than 15 percent shall pass a Tyler standard 20 mesh screen.

Type III—Nodules or sinter shall be natural fines, or concentrates, densely agglomerated by the application of heat. Not more than 5 percent shall pass a Tyler standard 20 mesh screen.

Fine concentrates may be considered for acceptance under this program through special arrangement with the appropriate regional office. In such case, appropriate adjustments may be made in price and other terms and conditions.

SEC. 6. Price, premiums, and penalties.

(a) The price to be paid for any carload lot of material will be determined in accordance with the base price and the premiums and penalties stated hereinbelow. Prices herein stated are f. o. b. railroad cars at the participant's shipping point.

(b) The base price shall be \$2.30 per long dry ton unit for material of the following analysis:

	Percent
Manganese (Mn)-----	48.0
Iron (Fe)-----	6.0
Silica plus Alumina (SiO ₂ plus Al ₂ O ₃)-----	11.0
Phosphorus-----	.12

ores or concentrates containing more than 1 percent copper plus lead plus zinc (of which not more than 0.25 percent shall be copper) will not be accepted.

(c) For material which is superior or inferior to the above analysis, the following premiums and penalties shall be applied:

(1) **Premiums:** Manganese content above 48 percent (dry basis); ½ cent per unit for each 1 percent. Iron content below 6.0 percent (dry basis); ½ cent per unit for each 1 percent.

(2) **Penalties:** Manganese content below 48 percent (dry basis) 1 cent per unit for each 1 percent, down to and including 44.0 percent. Below 44.0 percent, 4 cents per unit plus 1½ cents per unit for each 1.0 percent down to and including 40 percent. Iron content above 6 percent (dry basis); 1 cent per unit for each 1.0 percent up to and including 8.0 percent. Above 8 percent; 2 cents per unit plus ¾ cent per unit for each 1.0 percent up to and including 16 percent. Silica plus alumina content above 11.0 percent (dry basis); 1 cent per unit for each 1.0 percent up to and including 15.0 percent. Phosphorus content above 0.12 percent (dry basis); ½ cent per unit for each 0.01 percent up to and including 0.30 percent.

SEC. 7. Deliveries and acceptance. (a) Participant shall advise the nearest General Services Administration regional office at least twenty (20) days prior to an intended date of shipment of each lot, giving full information as to shipping point, tonnage and analysis of the lot. The regional office will inform the participant of the receiving point and consignee within fifteen (15) days of receipt of notice, and participant shall deliver the lot, at his expense, f. o. b. railroad cars at his designated shipping point, consigned in accordance with such instructions. Shipment must be in lots of one or more carloads. Fractional carloads will not be accepted. The lot will be weighed, sampled and analyzed at the receiving point, and the

LIST OF THOSE PRESENT AT THE PHOENIX MANGANESE PRODUCERS MEETING
DECEMBER 18, 1951 WHO HAS SPENT MONEY (AND THE AMOUNT THEREOF) FOR
DEVELOPMENT WORK BETWEEN THE TIME OF THE ISSUANCE OF THE MANGANESE
PURCHASE PROGRAM AND THE PRESENT DATE.

APRINGTON, L. A.	Black Hawk and Manganese King	Western Yuma Co.	\$1,000.00
BEYERLE, Rupert Jr.			4,000.00
River Store, Nogales			
BROWN, Floyd	BLACK DIAMOND MINES	On Bill Williams River	15,000.00
and Mark Hall	Aguila, Ariz		
and Clark Neal			
COPPER HILL Mng Co		4 1/2 miles NE Globe	8,095.54
(By L.O.Goodman, Secretary)			
OWENS MINING DISTRICT			
LOVE, S. J.		Owens Mining District	4,000.00
and Roy Eaton		Mohave County	
MAGMA KING MANGANESE CO.	(\$18,000 to \$25,000)	estimated	20,000.00
MALONE, Otto		40 miles North of Globe	2,090.00
and John Korn			
MILLER, Anton H.	4 Bagger Mine	Globe Mining District	1,800.60
PO Box 1640 - Globe			
RODGERS & NEAL		W. of Artillery Peak	1,800.00
STOVALL, Al			10,000.00
SEIFERT, Fred	Black Queen & Purple Pansy		8,000.00
VAN MARIL	Black Dahlia Mine (Money spent examining Mn mines to lease & operate)		1,000.00
WALLING, O. E.	Little Dicky Mine	Palomas Mts	5,000.00
and Vern Morrison			
and Jack Frost - all of Quartzsite, Arizona		TOTAL	\$ 81,785.54

LIST OF THOSE PRESENT AT THE PHOENIX MANGANESE PRODUCERS
MEETING DECEMBER 18, 1951, WHO COULD PRODUCE MANGANESE
IF ARIZONA HAD A STOCKPILE DEPOT - AND THE AMOUNT OF PRODUCTION.

APLINGTON, L. A.	Black Hawk mine		100 tons per day
BEYERLE, Rupter, Jr.			50 " " "
BRINKLEY, Jerry	3 claims in Yuma District	25% ore -	50 tons " "
HOUSE, John	Property SE of Aguila		50
RODGERS, T. J. and JOHN NEAL	Black Mica Manganese		150 tons per month
SMITH, Lucien Aguila, Arizona			100 tons per day
STOVALL, Al & Associates			100 tons per day
TOTALS			(450 tons per day
			and (150 tons per month

NOTES ON MEETING OF MANGANESE PRODUCERS IN PHOENIX, DECEMBER 18, 1951.

Mr. Willis greeted the producers from the various parts of the State and welcomed the officials from Denver, Salt Lake City, Washington, D. C., Deming, New Mexico, and so forth. The object of the meeting being to work out a program that will work - also to determine if there is any possibility of making the present program work.

WILLIS:

We have the feeling that the \$12.00 beneficiation charge was a violation of the contract. Whether or not it is a violation is not important; nor is whether \$12.00 is a proper or improper charge - what we want is something constructive to find out what kind of a program is necessary to get out the manganese. Lets approach the problem reasonably, recognizing that there are two sides to both questions. We do know that under the program there are mighty few manganese miners who can produce profitably. We figure that we do have in Arizona a considerable amount of manganese that will run 20 to 30%. It would take 30% manganese to be profitable under the present program.

So lets do everything possible to make it a constructive meeting. The Government men will do their best to see if a program can be drawn up that will be plausible.

And now may I introduce Mr. Otto Klein, Regional Director for the General Services Administration, and in charge of the stockpiling program in Arizona.

- - - - -

Mr. Klein told of attending meetings for Congressional hearings, and other group meetings of small miners so that he felt he was pretty close to the problems of the small miners of the Western States. He was at Butte, Montana for a hearing on the day originally scheduled for the Phoenix meeting. He stated that everybody had beseeched the Government to set up a buying program for crude ores.

KLEIN:

The first program ~~was announced~~ announced was for tungsten concentrates. On 7-21-51, Mr. Larson announced the buying program for manganese and asked that you send in your name and address if you wished to participate in the program and they would send you a certificate. We have issued over 400 certificates for the Deming depot.

Sometime previous to November 8, it was necessary for the Denver office to attempt to set up the mechanics of buying the ore, and handling the ore. A number of conferences were held to determine who would do the sampling and assaying and as the United States Bureau of Mines were already established and experienced in that line of work With their help we were able to open the Deming Depot ahead of schedule in November to accept ore according to the schedule of prices and percentage of manganese. Now about

the paragraph concerning the 200 tons, the one in which they receive the ore and make an immediate assay of it after 200 tons have been shipped and a beneficiation test has been run. It says:

"For lots received at a rate of more than 200 tons during any 30-day period the final payment shall be adjusted either up or down according to the laboratory-determined recoverability of specified lots of ore from individual shippers. The payment will be based on a rate of \$2 per long ton unit of manganese contained in a beneficiated product acceptable to industry, and subject to specifications, premiums and penalties set forth.

We got the letter of November 8th out, after conference with all those interested in Washington. The Munitions Board passed down their required tonnages and the necessity therefor; then the DMA sent out the necessary papers for the procurement thereof; thus the letter. We had so much money - and a job to do. The original regulation put out said they would receive crude ore of 15% manganese content mined in the United States which was to help the sale of this ore, as well as help the government secure sufficient manganese for their demands. We did not wish to hurt the producer; really we were attempting to assist the producers. That is why the sentence: "Manganese crude ore which has been washed in log washers and jigged will be accepted". And to make the schedule clear the \$12.00 milling charge was stated as plainly as we could make it. And before the issuance of the November 8th letter, we had received over 50 telegrams from Arizona about the \$12.00 milling charge - even before the letter was made public. Someone had heard a rumor!

Everything has been done that can be done to bring about a workable program! We were all working hard for several months preparing the letter about the \$12.00 charge. It can't be too much of a hardship as we have received carload lots from Winslow, Patagonia, Casa Grande and Clifton in Arizona at the Deming depot. ~~WE~~

We went to experienced people in the region and asked about test costs and their estimates varied from \$700 to \$3,500. We did the best we could after conferences in Washington and with the Bureau of Mines experts. Somebody has to pay for picking up the 200 tons, putting it from here to there so it can be used, for the milling costs, and so forth.

It is our intention that this program, and all of the programs, are going to be economically sound!

Now during World War II there were some 70,000 tons acquired - and I am told by those who know, that most of those 70,000 tons wouldn't make good road material. The Government can only spend so much money and we do not intend to buy material such as that road material still at Deming from the last war.

Here's an example of how they intend to pay for the ore shipped. Here is 1,000 tons of 20% manganese content - see the certificate No and other numbers. Now the certification

and why they ask for it. Everything they do in Government is done according to law.

. and we have to spend the money according to law. The certification shows you are part of the program. The Government has agreed to buy 6,000,000/^{long}ton units At Deming, or for a period of five years, so you know your money is forthcoming for the next five years. If the certification is not on your contract; you are not part of the program and no payment will be made without certification.

Now I will explain the sample we have prepared showing receipt of the ore, payments made and final accounting.

(Sample explained)

We have all worked on this matter, and believe me, I am serious, we were doing it as far as we could to make it profitable to you producers, and now the charge is going to be \$10 instead of \$12 which should ease the burden, and we have come up with the best we can, and this is not as bad as you think. Why in Butte last week I was asked if they couldn't ship their ore to the Deming depot or be paid at the Butte depot on the same basis/

Q from the audience.

Aren't they paid the same?

KLEIN.

They have a schedule of payment, but the depot will not accept oxide ores. So you see it is workable if the people there can produce and ship to Deming at the same price you are getting.

And for those that we understand have spent thousands getting their properties into production; I wish they would come up and have a talk with me after the meeting. I have been informed that there are many you who have spent these amounts; and I believe that some of you actually have. We are hand sampling now at Deming in order that you will not have to wait for accounting. You can understand that until we knew something of what to expect in carloads or truckloads we could not spend the money for a sampling plant; but I am informed that such a plant is in the process of construction and am going over to see for myself in a short time. We will have an automatic assaying plant to handle large quantities of ore; but you realize these things take time.

Mr. Freeman who is here with us is the Assistant to Al Walsh the head of the buying program of EMPA in Washington - Bill will you give them your ideas on the program and supply anything I have left out?

FREEMAN:

I believe Mr. Klein has pretty well covered the ground.

This program, like all others before it, is brought about because of the scarcity of

materials. We wish to get as much usable, practical material as we can to help us face this situation - absolutely no use for us to get material that is not usable. There is an economic factor in this situation, consider the amount of money and the type of program that will meet the best results for the money paid by the taxpayers all over the country. I have in mind the thousands of taxpayers and I like to figure that these taxpayers are getting the ~~best~~ best possible program for their money.

In connection with the funds - the fund part of the program - we can't say we have just so much money and we can spent it for the program. It all originates with Mr. Wilson's office, the original planning commission - down thru the DMA and since the DMPA thru that office. The existing functions of DMA is now taken over by DMPA ~~and~~ for the exploration loans by the EMPA for other functions.

When a program is arrived at, then the recommendation had to be sent to the D.P.A. recommending the program and requesting a certificate for the money. All of the programs for mineral procurement have to be covered by a certificate for the money requested. After the certificate is issued by DPA, the Bureau of Budget actually grants the money to be set aside for the program.

After you get a certificate from DPA, then you have a prospective program and the necessary thing is to put it into effect, and it was decided that the agency to put the program into effect as they could carry the program on better than any other would be the GSA, and specifically within that agency the Emergency Procurement Service. This is not an emergency agency, it is not new or temporary, it simply distinguishes it from GSA's other agencies. The present duties of the EMPA is to procure material for the national stockpile and any special purchase programs - we are experienced in the procurement of raw materials and minerals. We were entering into a number of programs and since the GSA is set up on a regionalized basis with extensive and qualified people in each region with Washington giving technical and over all administrative advice; we decided to follow that procedure.

The authority for administering this program rests with Mr. Klein in Denver for the Deming depot and rests with Seattle for the Butte depot. From Washington we give any help we may be asked to give on technical details and other advice.

When the original schedule was computed - what the crude ore could be expected to produce in a final product was figured, and from that value was deducted a \$12.00 beneficiation charge which gives the schedule figures published. We helped figure the program

sat in on the conferences to devise the method of procurement and the people to be responsible for it. We are responsible for this Government program and we are not making any excuses as we feel it is sound and workable. We make no excuses. We had experts testing and making assays and came up with the cost of \$12 for milling charge. And we have with us Mr. Clemmer who can tell how we arrived at the cost.

WILLIS:

We should like to present Mr. Clemmer of the Salt Lake City office of Bureau of Mines, also Mr. Beaty from Deming and Mr. McMillian with the Bureau.

Q from audience:

Do you make a sample assay on say 200 tons or is it all run?

CLEMMER:

No, we make a test on each particular load.

Q Then the charge will be made on every ton ~~run~~ until 200 tons is reached, or will you run one assay for all comparable ore?

CLEMMER:

A very comprehensive test is run on the first lot and on all thereafter to determine if the ore is the same or similar, then we will make another test for the 3rd, 4th and 5th which will not be so comprehensive if they are physically the same it will not require the extensive tests of the first lot.

Q But the charge remains the same?

A Yes.

The detailed test is necessary; particularly on the first lot as your settlement is made on ~~xxx~~ recoverable manganese basis; the percentage recoverable becomes all important and simple tests will not suffice. Therefore there will have to be a number of tests on each and every shipment. The first test is a complete microscopic test to find out the amenability of the ore. Each and every one of the lots will have an entire process to be followed and it was with this in mind that we attempted to help set a figure for GSA based on the best method possible for recovery of manganese. These tests are not simple! They are time consuming and expensive.

WILLIS:

You state that you make the test on the best recovery of manganese that can be made. The practical to do it is on the most economical basis rather than best recovery. Now in the program are you to be idealists or is the thing going to be practical according to the amenability and recoverability of the ore tested?

CLEMMER:

CIEMMER:

We want the highest possible recovery - dollar recovery.

What we really want is to give the best recovery the prospective supplier can receive. That is why the recovery tests are so important; and have to be done by a competent staff of engineers and done very carefully so that you can get the maximum dollar return as compared with costs.

WILLIS:

Mr. Klein intimated that he doubted very much that people had spent much money getting their properties ready for shipping.

How many between July and the announcement of the opening of the Deming stockpile spent over \$1,000?

About 18

How many over \$5,000?

1

How many over or around \$10,000?

5

Now how many that have spent money getting their property ready for production find you cannot produce under the program?

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Gentleman from the audience:

We cannot produce under the program because of the \$11.00 switching charges; after we pay such high freight rate we have that \$11 switching charge that we had not figured on. We can't stand the charges.

WILLIS:

I think that is a problem with the railroad rather than with these gentlemen.

Audience:

Well, the Government owns the railroad

KLEIN:

Perhaps according to your figures you cannot ship; I sincerely believe you; but there are carload shipments constantly going to the Deming depot and they seem to feel they can ship under this program.

WILLIS:

Have you had second shipments? I mean after they see what they get for the first; do they make a second shipment? After they find out where they got off? The fact that you have

~~KLEIN:~~ gotten ores doesn't necessarily mean you will get more!

KLEIN:

I don't know whether there have been second shipments or not; the first are just coming in and we haven't had time. It doesn't necessarily mean that we won't get more ore.

WILLIS:

When a person does not ship 200 tons a month, can he continue to ship under the schedule without beneficiation charge?

KEEIN:

He will be paid on the basis of the settlement schedule.

CLEMMER:

If you ship in 199 tons the first month and it is not amenable, certainly we are not going to take another 199 tons the next month.

WILLIS:

Even on the schedule you have the right to turn it down if it is not amenable?

CLEMMER:

We can turn it down.

WILLIS:

Would your policy be to accept the ores and tell them not to ship any more. You wouldn't turn them down after they made the shipment?

CLEMMER:

They would be paid but told not to ship more.

FREEMAN:

If a fellow shipped 190 tons of ore and we made the amenability test, we would tell him that we would not accept any more of that type; but we would pay him according to the schedule.

Audience:

Suppose it was 1,000 tons for the first shipment?

FREEMAN:

We would be treating it before all the 1,000 tons came in. It would be treated the same as with the 190 tons.

CLEMMER:

The reason we can justify ourselves in accepting anything that is not amenable; is that we don't want to work a hardship on anyone; and we hope to mix it with other ores to use in some manner.

FINKELSTEIN:

After we have shipped 200 tons the first, second and third times from the same ore body;

analyzed the figures and this is what they came up with. \$12 seems too high on low grade ore, certainly; even the freight alone would not allow shipping 15% ore from Arizona to Deming - perhaps they should have broken the schedule at 20 to 22%. But if you are shipping a 25% ore of a deposit and the grade is not continuous, what are you going to do with the 15% you might hit? You could throw it out; but we have tried to make it workable that it can be shipped along with the others. We have attempted to develop a program that is sound.

WEST: But you won't get a 60% recovery - and if you insist on that grade you are simply dissipating the manganese ore of the United States. Why do we have to have such a high concentrate of manganese ores? You can get the same results in the steel industry with the use of limestone and

And what are they going to do with this ore they are stockpiling; leave it in a stockpile?

FREEMAN:

No, it goes to industry; it is sold; not stockpiled. It is not a national stockpile. We wanted to enact a program under DPA funds on the basis of obtaining low grade mineral for resale to industry; helping the producers market the low grade material that industry ordinarily will not handle.

Audience: And what if it doesn't sell?

FREEMAN: It is true that if industry doesn't want to buy it; it will go to a stockpile.

Audience: Is this hand sampling you mentioned going to continue?

CLEMMER: No, it is only temporary until they get an automatic sampler down there. They did not go into the construction of a sampling and crushing plant until they saw how the program would develop. They couldn't afford to build a plant until they got ore. I understand they are starting construction of the plant now.

Audience: Are precious minerals in the ore recovered; or do they waste them?

CLEMMER: This is on a physical recovery basis. If the manganese has three or four ounces of silver in it; it might as well have been something else.

Audience: Suppose you have 40% or better ore - still the same charge?

KLEIN: I have here a settlement sheet on which the manganese was 40.8% it figures to \$1.92 a unit and according to this sheet, we paid \$6,665.78 for 78½ tons.

If it meets specifications there is no milling charge!

Audience: What are you going to do with an ore that has a copper content?

CLEMMER: If it runs more than 1% the ore is not acceptable.

Now we make a duplicate assay; one in Tucson and one in Salt Lake City and if they do not check there is something wrong - they simply have to check for your protection and

ours. if it exceeds over 200 tons, we sample and report to GSA on a basis for settlement.

If your ore exceeds the specifications on copper, lead, plus zinc, we will see if we can't keep it down so you can sell.

Audience: If we have cars ready, the government will accept it?

CLEMMER: Not unless it meets specifications, we will not accept it if it is not amenable.

WEST: If you have a jigged product that runs 36%; will you be paid on 35% plus a charge of \$10.00? All it needs is nodulization to be 40%.

KEEIN: We can't do anything else. If you have ore like that can't you sell it to industry?

WEST: In other words you are going to make the charge whether or not there is any work to do on the ore.

KLEIN: After the test, we would figure the value of the result and deduct the \$10 charge.

WEST: If I ship in 35% ore that has to be milled to rid it of silica, etc. you will end up with a final product of 40% ore; but if I ship in a 35% jigged product and all you do is nodulize it the charge is the same?

KEEIN: How much will you ship?

WEST: I don't expect to ship any of it right now; but if and when that time occurs; you will come up with the same answer.

STOVALL: As your type of ore is tested; the grade of ore goes up the cost of milling goes down. If a \$10 charge is justified for 15% it is not justified for 30%. There should be a graduated charge for milling; the handling charge could be the same; but not the milling. What

KLEIN: We can go only so far - the point is we are accepting the ore and charge \$10 for handling or whatever word you want to bring out. On some peculiar circumstances, we will attempt to get a special ruling but as the program stands, I see no way we can make any change. When it gets to 200 tons we will have to make the \$10 deduction.

WHEN: WEST

Who would be willing to undertake the expense of setting up a program without knowing ahead what they could expect? Unless there was something in the program - such as a graduated scale of milling charge, they wouldn't even spent the several thousands necessary to start operation.

Audience: That handling charge - all the charges connected in that \$10.00 - why do you charge the same when a flotation or nodulization may be all that is needed in some ore why put on three or the charges in a lump sum when a lot of those ores need only maybe two parts of the process? Why charge for three when you may only require one process?

FINKELSTEIN:

will the \$10.00 charge be dropped as they don't have to make the more extensive tests?

KLEIN:

They will not drop the charge.

The fact that it may cost less for testing does not reduce the other charges of handling, etc involved in accepting the ore.

MR. WEST:

Mr. Klein, you just announced that the milling charge was being reduced from \$12 to \$10, how did you arrive at this?

FREEMAN:

Decision was made by the DMPA.

WEST:

This program was given to GSA simply to carry it out and you cannot change the program. DMPA is the successor to DMA, so any other changes that might be advisable would be made by DMPA, and Mr. Larson is the head of both agencies is he not?

KLEIN: Yes, he is.

WEST: Then if it develops that there are other factors in the contract that are unreasonable and improper; the people to whom we should take up the matter is the DMPA as they are ~~they~~ the only ones empowered to make changes and certainly it would do no good to take it up with you gentlemen.

FREEMAN: I would say that DMPA does have the final decision and that GSA cannot make changes.

WEST: Mr. Howard Young of the DMPA is the man to see as far as fundamental changes are concerned.

Any details or errors in the program, even if you acknowledge them, cannot be changed by you or Mr. Klein so we really should take up the grievance with Washington. So there is no sense burdening these gentlemen with our worries when they can't do anything about it. We will have to transmit the difficulties to Washington for correction as the head men should be given the problem.

As to the graduated schedule look at the graduation of price and between 36 and 37% you allow \$4.10. It is definitely not reasonable from a metallurgical standpoint to put a flat price per ton treated on ore from 15% to 40% - it is fundamentally wrong.

CLEMMER:

The \$12.00 milling charge staggered me as much as it did you - that charge of \$12.00 was included in it ~~before~~ originally but not explained.

I am not going to argue that this is too high; nor am I going to say they can handle it for that or less; all of you men know how expensive it is to run extensive tests; they have

KLEIN: That is a good question and the only way that I can answer that question is -
For the past year I have gone to mining meeting after meeting to hear - if you can get something open; if you can get some place where I can ship my ore. Now we got something open right now. We are paying more money than we did in the last war. We get a lot of questions; believe me we get lots of mail; and there are a lot of answers; but we do have a place to buy manganese that you couldn't sell less than a year ago.

WEST: What did they ~~pay~~ pay in the last war?

KLEIN: \$22.00

WEST: What grade?

KLEIN: ~~40~~ 40%.

Lady in the Audience:

Oh, no - for 25%, I got \$35.00; and they paid for the iron and everything that was in the ore. We did not pay freight. We had only 20 miles to ship it and now you want us to ship it to Deming and pay our own freight on these prices.

Audience: - - - - -

Then only with 30% to 60% ore would it pay the miner.

KLEIN: If you can't make any money don't ship.

STOVALL: I think the miners deserve to be straightened out on your letter of November 29th.

KLEIN: I plead guilty - there is a mistake.

STOVALL: I have been too busy to tell everybody so I think you should explain it fully.

KLEIN: The example we put out on the 29th - we didn't use the right figure. I made a mistake and we are very sorry. - - - - -

STOVALL: Give them the figures now on one ~~ton~~ ton so that they can understand it.

KLEIN: We have already explained in detail the example behind me.

STOVALL: If you ship 15% ore to Deming and they can concentrate the manganese to 60%; they pay you \$6.10; then they send you a bill for \$2.00 and you get \$3.48 - they have amended that same charge now so you will get \$5.48 if you ship 15% to Deming. - - - - -

Audience: Does it take 60 days to make a mill test?

KLEIN: That I don't know.

TAYLOR: Mr. Chairman - this is an old story that fits the same pattern that we got out of of Washington for many years. They have explained that they are not in a position to handle this job. We are miners - we know our job - we work at it. We have had hearings in this room before - yes, this year, and it is the same pattern of bad faith in the Washington men who buy political positions. Here is a man (Clemmer) who is scientific and knows his business. It is certainly necessary to be able to say that you are just making a ~~damn~~ fool out of men who know mining - that is what they are trying to do to the American miner.

We know some of the story that isn't told here today. There are men who profess that the United States production of manganese, tungsten, copper, lead and zinc will not meet material needs? What are we trying to do? As long as they can get ore from foreign countries produced by slave labor, then our political bureaucrats give us a set of figures like those up there. This is a very serious matter. I could have anticipated almost every word that has been said here. We are faced with the ~~menace~~ ^{menace} of foreign infiltration into our high government agencies; a situation where the experts of other nations have come in and taken our secrets - actual factual information for making the atom bomb and beyond that which has been published. Why if we could tell all you men would be shocked out of these chairs - if you knew the whole truth. I am going to inject something in this meeting that I want to go to Washington. We are not so illiterate or devoid of reasoning that we cannot understand something - we do not have to have Washington spend all their time explaining the needs or critical materials, nor the details involved in obtaining them. It is certainly reasonable that our agency has been infiltrated by top enemy agents who are assisting in the making of policy arrangements; that they have make these figures for that purpose so that the program is more one of confusion than accomplishment. But the details are not what we need straightened out; there are errors in small details too numerous to mention and I am just going to put them back in my pocket.

We did not come here just to waste our time - we are glad you Mr. Klein and all you other gentlemen made the trip here; we know you cannot change the falacies in the program - we are not going to fight with you; but we are going to fight and are just about ready to take the fight where it belongs! This audience does not represent the entire interest in this community - there are hundreds, even thousands and on our behalf and theirs; we wish to thank you for being here; but that in itself is not enough we should have action; get this program set up where a man producing can expect

The reason for this meeting has already been expressed by Mr. Willis and we are fortunate in having a man of his ability to represent us in Washington on occasion to intercede for us and to arrange meetings like this. We would like to have you understand that people out here are sincere; we want only good faith on the part of our Government; we want to produce the critical materials; and we can if We want you to go back to Washington and tell the people who have handed down this program that we are not going to listen to any more talk about the matter of strategic materials that is to be produced by a comparison with that produced from foreign slave labor - ours to be produced by the American people.

The crux of the thing is simply this - we can go to Geneva Steel and sell our manganese when it gets to a point on that schedule where you can afford to pay us - just why do we have such a program - to deceive the American people - or are those in Washington deceived themselves? If the Government is going to perform any service and if it is true that you need this metal - let them pay us the price. All the minor details are irrelevant. We need a program that will help us. We have not spent over \$1,000 so far because we have anticipated the difficulties encountered in this program and are waiting until the Government has set up a workable plan in order for us to produce these lower grade ores.

You have to have a certain type of alloy to do what you have to do in a steel and it must be metallurgically exact. We have a scientific man in Clemmer. We are under the confines of economy; we are also under the fraud of political chicanery.

We do appreciate you gentlemen coming here; and if you feel I have been severe, it is only because I do not know how to be more severe. We are not pulling any punches - it is all right to talk of details. We want good faith by the Government; we want and need good faith from the top down. We are on the bottom and we know that we are on the bottom. If you will go back to Washington and tell them you have talked with us on the bottom and tell them that this program is no good if you want to get the ore. Thank you for coming and we hope we will get some assistance from your having been here.

WILLIS: How much money has been spent in anticipation of this program? We want to show these men that we actually have been spending money, I know you have told me; but we want to show these men.

FREEMAN: Yes, we do need the facts; we get general statements but we want specific facts.

From the audience: and when we told them the truth they cut us off and refused to complete the contract - after we gave them facts.

FREEMAN: We certainly are not attempting to hurt people, or work any hardship upon you - we are handling taxpayers money and want an economic program.

WILLIS: How many of you own manganese properties?

Majority of the audience.

WILLIS: Could you produce under this program?

Audience: If the ores would run 30% or up; we could produce.

Yes, if we had that kind of ore we could produce under any program.

Audience: If the ore is 40% or better; do we have to pay that milling charge?

FREEMAN: 40% ore, if the tests show it is amenable would be paid on the basis of \$2.00 less the penalties - no beneficiation charge deducted.

Man from audience:

Suppose the ore is 40% and better but the penalties are over specifications, would it be

accepted?

FREEMAN: Yes, your manganese will be accepted until you are told not to ship any more.

From Audience: How far will they go in this beneficiation test?

CLEMMER: All physical - no chemical.

. Copper, lead and zinc is an unsolved problem and you cannot get it out by metallurgical process.

WEST: All ores that require flotation have to be brought up to 40%?

CLEMMER: No. If you can get the grade up - that is fine. Carry it as far as possible.

WEST: Mr. Freeman, did you say that 40% ore with copper, lead and zinc will not have a charge?

FREEMAN: No. A charge will have to be made if there is any beneficiation.

WILLIS: Our Senator Hayden states that he believes the people have a claim against the government. We don't know whether they do or not but the reason we want this information is to be helpful; not for harmful uses; we do need specific information as to amounts expended and reasonably definite information as to location of the properties.

From the audience: We have no records with us for detailed information

WILLIS: It doesn't have to be detailed; just approximate amounts. People who have spent money on the basis of the July release; without expecting other charges or burdens put on after they agreed to buy at a schedule price - that is why they believe a contract has been violated. Whether or not ~~whether~~ they have a claim against the Government is another story. The July release was deceiving to the point where people spent money getting ready for production.

from the audience: Why didn't they originally tell us about the charge?

KLEIN: They had understood when drawing up the program that the schedule included milling charges and it was unwritten that the milling charges would be charges but not sufficiently explained. No one changed their minds; it was intended all the time.

From the audience: Why ship to Deming? Its the freight that makes the difference - you can't pay the freight and switching charges and still operate.

WILLIS: How many could ship if there was a depot in Arizona

24

WILLIS: How much ore could the 24 ship every day? How much could you ship per day if we had a centrally located plant in Arizona?

KLEIN: I just want to say that there are over 600 applications for buying depots in our office at the present time. Everybody wants one in their backyard. I don't know if anything can be done - we are trying to come up with something. So far as I know there is no buying station being considered for Arizona. We shall get the information back to Washington tho,

- if there was a buying station in Arizona, how much could you ship?

From the audience: Why can't we have a special freight rate since the Government owns the railroads?

From the audience: Could we put a stockpile in Phoenix?

STOVALL: I believe it should be near the Artillery Peak area because of the large deposits being so near there. . . .

WILLIS: The stockpile should be near the area where the most ore is; however, that is not the question; where we will put the stockpile; but how much could be shipped per day if we got a stockpile in Arizona, centrally located.

TAYLOR: There are certain things that are reasonable and in deliberation to help us; there is nothing to be gained by getting freight rates. If the Government is concerned with supplementing manganese production in the United States; it becomes necessary for the government to pay for it. It is almost obnoxious for me to read how much atom bombs cost - \$2,000,000 compared with those figures that are considered to be economically necessary on their schedule. Now let the government come up with a revised program that will make it possible to produce these low grade ores.

Some of us are concerned with mining other things - copper, lead, zinc, tungsten and manganese. During the last war; many of these men who had devoted their life savings and the money of their stockholders in getting into production under a government program to produce for the United States were told to take a long jump. Many of them were ruined and have turned to other industries to make their living.

When the Congress of the United States in mature deliberation saw fit to keep faith with the mining industry and go on with the program they were asked to carry on the Congress voted such action and the President ~~wasn't~~ vetoed the congressional action.

We need some assurance so we can be justified in spending our money - let us have a reconsideration of this program if the Government needs manganese and tungsten and they do need these minerals if they cannot get some foreign nations to ship the ore obtained by slave labor prices. When Fred Searls was before a congressional committee, he was forced to admit that if a shipload of foreign ores was sunk

WILLIS: There was very definitely an injustice done the miners at the end of World War II and there is still actions pending in Congress for the relief of those producers; but they are putting a specific time on this program to offset the ~~damage~~^{damage} done during the last war.

From the audience: What about the 70,000 tons from the last war stockpile - what was done with that ore?

CLEMMER: Some of the ore is just trash.

From the audience: If the ore at the Deming depot was no good - why get more of the same?

CLEMMER: That is why the specifications are more definite this time

From the audience: During World War II they had a high-grade stockpile at El Paso and a low grade at Deming.

WILLIS: They have taken all the good ore from Deming; they have used the cream and there is only skim milk left. They are attempting through this program to avoid the mistakes they made last time.

From the audience: Suppose they charge this \$10 charge and then don't build this mill at Deming? Will they pay back the miner?

KEEIN: Can't answer that question.

From the audience: Do they accept small samples to see if it is amenable before we get into production?

CLEMMER: If you have sufficient ore we would be glad to receive it to make a test and see if it is amenable. We do this on preliminary shipments; but just prospects; an assay should be run by an actual assayer, locally as we cannot go into that sort of work and compete with private enterprise. My advice would certainly be to get a commercial lab test on ore you produce before \$5,000 or \$10,000 are expended.

From the audience: The milling charge isn't as much as the outrageous switching charges they've stuck on.

" the audience: As I understand it two railroads come into Deming - one charges this switching charge - the other doesn't.

WILLIS: We have a situation right now where it isn't possible for any material production of manganese from Arizona to be shipped, even tho the charge is ~~reduced~~ reduced from \$12 to \$10.

STOVALL: I respectfully request them to reduce this \$10 charge because it is impossible for the miner at the prices listed to ship.

WILLIS: Would not the putting of a depot in Arizona offset the charge?

STOVALL: Yes sir, if it were located close to the area; but there are people in Globe and other places where they would have freight to pay.

WILLIS: Yes, but you would have truck shipments possible then. In other words, if the \$10 charge remains; and we get a stockpile somewhere in Arizona we could save the freight money and afford to produce wouldn't we?

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We do appreciate these men coming out and everyone in this room appreciates what Mr. Clemmer is trying to do for us. There are many producers who could not come but they are vitally interested in the program. - 14 -

KLEIN: They say when a new baby is born there is bound to be a lot of pain; and there is a lot of pain in all these programs that are out out. I have been treated well here today; I have just come from Butte where the treatment was I do appreciate your problems; and I am sure that we in the field have plead our cause as honestly as we could. Mr. Freeman will take back the information received and the discussions held here so we can tell those folks back there how you feel and just what the situation is, and we will do our best to get the information to the right source. I still feel that when I am among miners I am among friends - and I still like sow belly and beans.

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WILLIS: I want to add my appreciation to that of the group and do hope that we have given you enough of a picture by our discussions that some beneficial changes can be made.

Other acknowledgements of appreciation and the meeting adjourned.