



CONTACT INFORMATION

Mining Records Curator
Arizona Geological Survey
416 W. Congress St., Suite 100
Tucson, Arizona 85701
520-770-3500
<http://www.azgs.az.gov>
inquiries@azgs.az.gov

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Reconstruction Finance Corporation Arizona Records

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May 2, 1942.

Mr. Wm. B. Gohring
R F C Mine Loan Division
Heard Building,
Phoenix.

Dear Bill:-

I am calling a meeting of the field engineers of the Department of Mineral Resources for Monday, Tuesday and Wednesday of May 11th, 12th and 13th respectively.

We would like to have you meet with us for a short session, either morning or afternoon on any one of these days which will be most convenient for you.

The meeting will be held at our new offices, room 413 Home Builders Building, Phoenix.

Charlie Willis will be with us and also Bill Broadgate whom we expect will shortly after the meeting go to Washington to assist in certain work of this department.

I would like to know if and on what day we can count on you.

I know a meeting with you will be of value to our engineers, three of whom will be new to the department work, and to the plans we are working out for effective functioning of the department.

Hoping you can find time to meet with us, despite the fact you are crowded with your own work, I am,

Very truly yours,

J. S. Coupal. Director.

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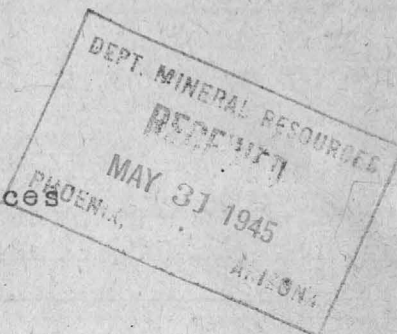
United States Senate

COMMITTEE ON APPROPRIATIONS

May 26, 1945

EVERARD H. SMITH, CLERK
JOHN W. R. SMITH, ASST. CLERK

Mr. Charles H. Dunning, Director
State Department of Mineral Resources
Home Builders Building
Phoenix, Arizona



My dear Dunning:

Bill Broadgate recently asked me to see if I could obtain for your up-to-date information on the disposition of loan applications submitted to the Reconstruction Finance Corporation by mine operators in our State. Enclosed herewith is a reply made to me on May 23 by Honorable Charles B. Henderson, Chairman of the Board of Directors at the Reconstruction Finance Corporation, together with a tabulation covering development loan applications from August 1940 through April 1945. I hope this will be helpful.

With kindest personal regards, I
am,

Yours very sincerely,

Carl Hayden

RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

CHARLES B. HENDERSON
CHAIRMAN OF THE BOARD

MAY 23 1945

Honorable Carl Hayden,
Senate Office Building,
Washington, D. C.

My dear Senator Hayden:

Pursuant to the request contained in your letter of May 9, 1945, I am enclosing herewith a tabulation setting forth the status of Arizona development loan applications received from August, 1940 through April, 1945. Copy of the previous tabulation, which was transmitted with my letter of January 20, 1944, is being returned.

With reference to "\$5,000 loans", sometimes referred to as preliminary development loans, you are advised that, as of April 30, 1945, a total of 455 such loans had been approved. The distribution for the States in which you indicated you were interested is set forth below:

<u>States</u>	<u>Number of Loans</u>
Arizona	125
California	64
Colorado	112
Nevada	22
Others	<u>132</u>
Total	455

With kind personal regards,

Sincerely yours,

Charles B. Henderson

Enclosures

FOR DEFENSE



Per.
File

325 Heard Building
Phoenix, Arizona
August 11, 1944

W. B. GOHRING, Supervising Engineer - RFC - Phoenix, Arizona

In re: F. D. Shuck - Docket No. ND-6017

At your request, and referring to the points raised in Mr. Tully's letter to you, dated July 26, 1944, regarding the captioned applicant's request for a loan for the purpose of establishing a custom milling operation in the Chloride district, I submit the following notes and comments on the subject:

SOURCES OF CUSTOM ORE

The applicant lists a number of properties in the region which he counts upon as suppliers of ore to his proposed custom milling enterprise. All of these properties have been examined by myself and/or other engineers in this office in connection with applications for mining loans. A number of properties were granted mining loans and additional information is available in reports following supervisory visits to these properties.

Reference is made to the dockets noted in the following summary paragraphs, covering the properties listed by the applicant as well as to several other R.F.C. loan projects in the region which can be considered potential suppliers of custom ore.

Reference is also made to surveys which were made in 1943 by the U. S. Geological Survey and the U. S. Bureau of Mines with regard to the feasibility of establishing a custom milling plant in the district. Copies of these reports are not available in this office but undoubtedly they could be obtained from the Washington offices of those agencies. In consulting these reports it should be noted that a number of the projects discussed below were begun subsequent to the time the surveys were made and some of the other projects have undergone considerable development since the surveys. And as a result of these subsequent events it can be said that the situation as it affects the subject is now more generally favorable than at the time the surveys were made.

Eureka Mine: H. H. & F. D. Shuck - Docket No. B-ND-3740

This property is being operated as a separate loan project by the applicant in the present loan application. Mr. Shuck is now building a road to the property and expects to be mining and shipping ore within the next 30 days.

Reports by engineers of the R.F.C. and of the U.S. Bureau of Mines estimate reserves of ore, blocked and inferred, at 4,000 tons of a grade which would yield a modest profit if shipped to milling plants in the Salt Lake region. If the ore were milled locally the margin of profit would be materially increased and the reserves of ore would be increased somewhat by the inclusion of material which is presently submarginal in grade. The prospect for developing additional ore in the mine is considered to be only fair.

The applicant's estimate of a production rate of 20 tons per day appears reasonable.

The property receives all the premiums on lead and zinc in the zero quotas.

Lone Jack - Blackfoot Mines: L. H. Syndicate - Docket No. ND-5659

The Lone Jack mine was rehabilitated under R. F. C. loan and a small shoot of ore exposed. Further development, however, did not disclose additional ore. The shoot presently exposed is estimated to contain 1200 tons of ore capable of yielding a modest profit if milled locally. The mine is now idle, but mining of the known shoot of ore could begin on short notice at a rate of about 10 tons per day.

The Blackfoot mine is reported with reasonable authenticity to contain a showing of ore grade material. The mine is inaccessible at present but the shaft is shallow and in good condition and requires only pumping to make the mine accessible. It seems probable that some small tonnage can be economically won from this mine.

The property has been granted B - 0 quota on lead and B - 0 and C - 50 ton quota on zinc.

Copper World Mine: Dye & Bathrick - Docket No. ND-5934

This property is under active development and is expected to begin shipping ore toward the end of September, 1944, when road, tramway and camp are completed. The mine contains an estimated 9000 tons of proven ore having a grade of 6.9% cu, 22% zn and offers excellent possibilities for developing a very much greater tonnage of ore than now proven. The mine is located near the Antlers mine (see below) and could be counted upon reasonably to supply 30 tons per day to the proposed custom mill.

The property receives A premiums only for copper and zinc.

Silver Hill Mine: Wm. S. Segar - Docket No. B-ND-4276

This mine contains a proven shoot of ore, estimated at 6,000 tons, with an indicated profit of \$4.00 per ton if shipped to the Shattuck-Denn mill at Bisbee. In addition there is approximately 600 tons of select material on the dump which would yield a good profit if milled locally.

The mine was under development until recently by Mr. R. P. M. Davis, operating under agreement with Mr. Wm. S. Segar, recipient of an R. F. C. mining loan. Mr. Davis shipped a number of carloads of ore and performed considerable development work but discontinued work and removed the greater part of the equipment, which belonged to him, after a small amount of development beyond the limits of the known shoot of ore failed to develop additional ore and loan funds were near exhaustion. He made no attempt to stop the body of ore exposed by his earlier development.

Mr. Davis' interest in the project came about through his having loaned Mr. Segar a substantial amount of money for the purpose of clearing Segar's title to the property, such clearance having been a requisite to the granting of the original R.F.C. loan to Mr. Segar. In return for this loan, Segar gave Davis a mortgage on the property and a controlling interest in the mine. Davis recently obtained a judgment against Segar for nonpayment of the mortgage. Mr. Segar informs me that he plans to bring suit against Davis, claiming that he abandoned mining operations despite the presence of profitable ore in the mine and funds still remaining in the R.F.C. account, with the bad faith intent of depriving Segar of the means, through profits from the mining operation, and/or enhancement of his equity, for paying off the mortgage. He plans also to claim that certain clearly indicated development was not performed because of this same bad faith intent. We in this office hold a good opinion of this property and deplore the fact that the personalities involved have prevented its orderly production and development.

It would be logical to expect that at some future date the mine will resume operations and would be able to furnish a substantial amount of ore to the proposed custom mill. Also, it seems possible that at an earlier date the dump ore (600 tons) would be sent to such a plant.

The property receives all the premiums on lead and zinc with zero quotas.

Juno Mine: J. H. Beauchamp - Docket No. ND-5998

This mine is being actively developed in ore and has recently shipped two carloads of good grade ore to Salt Lake. The development in this mine is directed toward opening the vein a short distance below an old extensively stoped area and the chances are considered good for developing a substantial amount of ore here.

A former leaser shipped ore from the lower part of this stope some six years ago. Despite the fact that he received no pay for zinc and very low pay for lead, shipping to the nearby mill of the Tennessee-Schuylkill Co., the operation was profitable until the company discontinued accepting custom ore. The leaser operated on small scale and for a time produced ore at the rate of 15 tons per day. It would seem reasonable to expect the present operator, assuming that his development continues favorable, to mine at least this daily tonnage when he begins stoping the vein. No estimate of ore reserves is possible in the present state of development of the property.

The property receives all the premiums on lead and zinc with zero quotas.

Summit Mine: El-Dorado-Rover Mining Co. - Docket No. B-ND-4511

The property was originally operated under an R.F.C. loan by the El Dorado-Rover Mining Co. The company made a substantial production but because of high operating costs and disappointment in deeper development of one of the two ore shoots present in the mine the operators became discouraged and abandoned the project. A subsequent lease operator assumed the R. F. C. loan and began mining and developing in depth the ore shoot which was not developed by the El Dorado-Rover Mining Co. To date he has shipped 15 carloads of ore to Salt Lake. The material returned little or no profit because of high marketing cost and it is obvious that the venture cannot be conducted profitably unless the ore is processed locally.

Summit Mine (Continued)

While the mine contains no blocked tonnage of ore the present exposures in the mine suggest that a substantial production could be made if a local custom plant were available, and the rate of output could probably be maintained at a minimum of 10 tons per day.

The property receives all the premiums for lead and zinc with zero quotas.

Samoa Mine: Brighter Days Mining Co. - Docket No. B-ND-4361

The mine has been a consistent small shipper of lead zinc ore with moderately high gold value to Salt Lake during the past year, and a broad development program is now in progress. Present production amounting to several tons per day would probably be sent to the proposed custom milling plant and in the event of favorable results from development the rate of production would of course be increased. No information is at hand regarding premium allotments to this property.

Hidden Treasure Mine: Frank Grammis - Docket No. C-ND-7949

The mine contains numerous small thin lenses of ore and is not believed capable of developing any substantial body of ore. It is being operated on a small scale and has recently shipped two carloads of moderately high grade closely sorted ore to Salt Lake.

The mine does not contain a blocked reserve of ore but could be reasonably expected to furnish several tons per day to a local custom plant.

The property receives all the premiums on lead and zinc with zero quotas.

Antlers Mine: Pete Vukoye - Docket No. ND-8309

This property is under active development and has shipped eight cars of low-grade copper-zinc ore. The shipments contained considerable oxidized material, which prevented its being concentrated, and was treated by smelters at Salt Lake and at Clarkdale, Arizona. Treated thus the shipments showed no profit on the operation. The property is believed to hold good possibilities for developing a substantial body of low grade copper-zinc sulphide ore at shallow depth, and this ore would logically be sent to the proposed custom mill some 51 miles distant northerly by practically level road from the mine.

The mine receives only A premiums for zinc and copper.

New London Mine: Roy Williams - Docket No. ND-8666

This property is being reopened under an R.F.C. loan and is believed on good authority to contain a body of lead-zinc ore in the lower portion of the mine. The dump contains 50 tons of moderately high grade ore and probably several times that amount of material of a grade which could be profitably handled in the proposed custom mill.

The project has not yet applied for metal premiums.

Manzanita - Uncle Abe Mine: Minnesota-Connor Mines Inc: Docket No. ND-5994

The Manzanita mine was actively operated during most of 1943 and shipped 29 carloads of ore to the U. S. Smelting & Refining Co. at Salt Lake.

The ore contained low lead-zinc values and moderately high gold-silver values. The ore shoot was mined out except for some pillars and a small amount of fringe material which might be profitably mined if a local milling plant were available.

The Uncle Abe mine shipped 5 cars of ore the latter part of 1943. The material was quite low grade and the last two cars showed a substantial loss before mining cost.

The property receives only A premiums for lead and zinc.

Detroit Mine: Sam Norris - Docket No. ND-5503

Development of this property failed to expose material of a grade which could be profitably shipped to distant custom treatment plants and the machinery has been removed and the loan liquidated. The mine contains a body of material estimated at 6,000 tons of a grade which would about break even or show a slight profit if sent to the proposed local custom plant. If a local custom mill were available it is possible that some attempt would be made to selectively mine a shippable grade of ore and/or attempt to develop better ore in the mine.

The property receives only A premiums for lead and zinc.

Columbus Mine: J. H. Hall - Docket No. ND-5484

The project shipped several carloads of ore to Salt Lake which returned little or no profit on the operations and development in the mine failed to open any important amount of ore. The machinery has been removed and the project liquidated. If a local custom plant were established it is possible that resumption of work on a small scale individual basis might result in a small intermittent production.

The property receives all the premiums on lead and zinc with zero quotas.

It will be seen from the above that three properties, namely: the Eureka, Lone Jack, and Copper World mines could be expected to supply a combined total of 60 tons per day to the proposed mill and a fourth, the Silver Hills mine, is capable eventually (see above) of producing at a substantial rate. The first three properties have combined estimated ore reserves of approximately 14,000 tons and the Silver Hills mine contains an estimated 6000 tons of proven ore. The Copper World mine, and the Silver Hills mine in somewhat lesser degree, are believed to offer excellent possibilities for developing a large amount of ore beyond that now in sight.

It will be seen also that several other of the properties described above are capable of producing at a substantial rate although in their present states of development they do not contain measurable reserves of proven ore.

The rest of the described properties appear to promise in the aggregate a significant amount of ore.

In addition to the above properties there are many in the district which contain attractive showings of ore, and there are many scattered dumps which could be shipped wholly or in part to a local plant.

It would seem reasonable to expect that the existence of a local custom mill would stimulate activity and development thruout the region served by the mill and thus, augmenting presently known reserves, insure a continuous flow of ore to the mill over a long period of time, assuming of course the continuation of prevailing high prices for metals.

The estimates of tonnages in the foregoing paragraphs refer only to sulphide ores amenable to concentration.

APPLICANT

The applicant has had considerable mining and milling experience and has had charge of small scale operations of this nature. He is not able to point to a management record equivalent to the requirements of the proposed undertaking and it is not possible therefore to state certainly that he possesses the necessary executive capacity to handle the job. However in his dealings with this office extending over the past two years we have found him to be industrious and resourceful and of good character, and I believe that he would have sufficient ability to conduct the proposed operation in an efficient manner.

It will be noted that he proposes to employ J. W. Sharp as mill superintendent. Mr. Sharp is presently employed as metallurgist and mill superintendent for the Tennessee-Schuylkill Co., a position which he has held for the past year and a half.

GENERAL

The ores of the region are primarily complex mixtures of lead and zinc and, occasionally, copper, with generally appreciable amounts of gold and silver. Except at the surface and at very shallow depth the ores are all sulphide in character. The sulphide mixtures are not intimate and the ore is easily concentrated differentially. The ores are rarely high grade and practically none can be shipped as crude smelting ores. The ore must instead be differentially concentrated before smelting and since there is no custom mill in the region it must be sent to distant milling plants, usually Salt Lake.

Ore shipped from Chloride to Salt Lake must bear a trucking charge to the rail point at Kingman amounting in most cases to \$1.50 per ton, and railroad freight from Kingman to Salt Lake amounting to \$4.95 per ton (minimum), or a total transportation charge of \$6.45. With the establishment of a custom milling outlet at Chloride the local shippers would realize a saving of all the above freight charges and a sizable portion of the ore trucking cost. Marketing cost of concentrates would be higher from Chloride than from Salt Lake and would reduce the savings somewhat. Altogether then the differential in favor of shipments to a plant at Chloride rather than Salt Lake would be around \$5.00 per ton.

W. B. Gohring -10-

While the ability of the applicant is less certainly indicated I believe that he will be able to handle the job competently, particularly since he will have associated with him a man of wide metallurgical and milling experience and recognized ability.

TPL-bkb



T. P. LANE
Supervising Engineer

The applicant claims that additional savings to the shipper would be realized because of the high recoveries which it is possible to make on Chloride ores. There would seem to be justification for this claim for the following reasons:

The Salt Lake schedules of payment are designed to cover a wide variety of ore from a great many sources. Payments are made at more or less fixed rates of recovery rather than upon the results of parallel laboratory tests on each lot of ore treated and in effect tend to average up on some and down on others at the expense of the more easily treated ores. The Chloride mill plans to pay for metals on actual recoveries based upon tests on each lot. The ores of the region are similar in character. The sulphides do not occur as intimate mixtures and are easily separated. The mill of the Tennessee-Schuylkill Co. achieves good metallurgical results on its ore, and tests on other ores in the district indicate that comparable results can be expected in the treatment of these ores.

The applicant's purchase agreement on the Arizona Magma Mill stipulates a rental rate per ton milled, one-half of such rentals to apply on the purchase price (\$10,000), or the lessee may take up the option to pay the full price, or balance due, at any time. The applicant chooses to purchase the mill outright and lists the purchase as Item No. 1 under "Purposes of Loan" in the application. In view of the uncertainty regarding future metal prices it would seem wiser to operate for a time on a rental basis and accept a 50% equity loss in the rental payments. When the plant is in operation and its future seemed assured, consideration to taking up the option would then be in order.

The applicant presents a letter from the local ore buyer for the American Smelting, Refining and Mining Co. which states that that company will purchase the lead concentrates from the proposed plant but that they would not be able at the present time to handle the zinc concentrates. This latter point would need to be cleared up before favorable consideration could be given to the loan application.

CONCLUSIONS

The region promises sufficient offerings of custom ore to provide capacity operations (60 tons per day) for at least one year, and the outlook at a number of properties is sufficiently attractive to justify the belief that a continuous flow of ore will be available for at least several years. This statement is made with the reservation that metal prices (with premiums) must remain at or near their present levels.

R.F.C. MINE LOANS GRANTED

JANUARY 1944

Sidewheel, Tombstone District, Cochise County.
Correspondent: W. E. Holt and John F. Ross, Box 644, Tombstone.

Sullivan Group, California District, Cochise County.
J. H. Byrd, 319 E. Congress Street, Tucson, Arizona.

Lorraine, Pioneer District, Pinal County.
Jos. T. Kingsley, Mills Building, Washington, D. C.

R.F.C. MINE LOANS GRANTED

NOVEMBER 1943

Daily Mine, Old Hat District, Pima County, Arizona
Correspondent: J. W. Daily, P. O. Box 2086, Tucson, Ariz.

New Jersey, Wallapai District, Mohave County, Arizona.
Correspondent: R. A. Thurstin, Box 223, Chloride, Arizona.

St. Louis, Greaterville District, Santa Cruz County, Arizona.
Correspondent: C. W. Gabrielson, Box 279, Bisbee, Arizona.

R.F.C. MINE LOANS

DECEMBER 1943

Received	2
On hand from November	1
Reviewed Favorably	2
Reviewed Unfavorably	1
On hand December 31	0

TO DATE

Received	212
Reviewed	212
Reviewed Favorably	109
Reviewed Unfavorably	93
Returned for B consideration	9
Withdrawn by Applicant	1
On hand December 31	0

R.F.C. MINE LOANS

NOVEMBER 1943

Received
On hand from October
Reviewed Favorably
Reviewed Unfavorably
On hand November 30

6
0
1
4
1

2
1
2
1
0

TO DATE

Received
Reviewed
Reviewed Favorably
Reviewed Unfavorably
Returned for B consideration
On hand November 30

210
209
107
92
1
1

212
212
109
93
9
0

with

R.F.C. MINE LOANS

SEPTEMBER 1943

Dockets Received	6	act. 2
Dockets on hand from August	4	0
Dockets reviewed favorably	4	1
Dockets reviewed unfavorably	6	1
Dockets on hand September 30	0	0

TO DATE

Dockets received	202	204
Dockets reviewed	202	204
Dockets reviewed favorably	105	106
Dockets reviewed unfavorably	87	88
Dockets returned for "B" consideration	1	1
Dockets on hand September 30	0	0

R.F.C. MINE LOANS

AUGUST 1943

Dockets Received	12
Dockets on hand from August	0
Dockets Reviewed favorably	2
Dockets Reviewed unfavorably	6
Dockets on hand August 31	4

TO DATE

Dockets Received	196
Dockets Reviewed	192
Dockets Reviewed favorably	101
Dockets Reviewed unfavorably	81
Dockets Returned for "B" con- sideration	9
Dockets Withdrawn by applicant	1
Dockets on hand August 31	4

R.F.C. MINE LOANS

AUGUST 1943

Dockets Received	12
Dockets on hand from August	0
Dockets Reviewed favorably	2
Dockets Reviewed unfavorably	6
Dockets on hand August 31	4

TO DATE

Dockets Received	196
Dockets Reviewed	192
Dockets Reviewed favorably	101
Dockets Reviewed unfavorably	81
Dockets Returned for "B" con- sideration	9
Dockets Withdrawn by applicant	1
Dockets on hand August 31	4

R.F.C. MINE LOANS

JULY 1943

Dockets Received	9
Dockets on hand from June	1
Dockets Reviewed favorably	4
Dockets Reviewed unfavorably	6
Dockets on hand July 31	0

TO DATE

Dockets Received	186 184
Dockets Reviewed	186 184
Dockets Reviewed favorably	100 99
Dockets Reviewed unfavorably	76 75
Dockets returned for "B" consideration	9 9
Dockets withdrawn by applicant	1
Dockets on hand July 31	0

R.F.C. MINE LOANS

JUNE 1943

Dockets Received	9
Dockets on hand from May	2
Dockets Reviewed favorably	6
Dockets reviewed unfavorably	4
Dockets on hand June 30	1

TO DATE

Dockets Received	177
Dockets Reviewed	176
Dockets Reviewed Favorably	96
Dockets Reviewed Unfavorably	70
Dockets returned for "B" consideration	9
Dockets withdrawn by applicant	1
Dockets on hand June 30	1

Dockets reviewed favorably by Department of Mineral
Resources and reversed by R.F.C. 10

R.F.C. MINE LOANS

MAY 1943

Dockets Received	11
Dockets on hand from April	3
Dockets reviewed favorably	6
Dockets reviewed unfavorably	6
Dockets on hand May 31	2

TO DATE

Dockets received	168
Dockets reviewed	166
Dockets reviewed favorably	90
Dockets reviewed unfavorably	66
Dockets returned for "B"	9
Dockets withdrawn by applicant	1
Dockets on hand May 31	2

Dockets reviewed favorably by Department and reversed by R.F.C.	9
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R. F. C. MINE LOANS

APRIL 1943

Dockets Received	9
Dockets on hand from March 31	9
Dockets reviewed favorably	7
Dockets reviewed unfavorably	8
Dockets on hand May 1, 1943	3

TO DATE

Dockets received	157
Dockets reviewed	154
Dockets reviewed favorably	84
Dockets reviewed unfavorably	60
Dockets returned for B consideration	9
Dockets withdrawn by applicant	1
Dockets on hand May 1, 1943	3

Note: Dockets reviewed favorably by Department
of Mineral Resources but reversed by
R.F.C. 8

R. F. C. MINE LOANS

March, 1943

Dockets Received	21
Dockets on hand from February	2
Dockets reviewed favorably	6
Dockets reviewed unfavorably	8
Dockets on hand April 1, 1943	9

To Date

Dockets Received	148
Dockets Reviewed	139
Dockets reviewed favorably	77
Dockets reviewed unfavorably	52
Dockets returned for "B" consideration	9
Dockets withdrawn by applicant	1
Dockets on hand April 1, 1943	9

R.F.C. MINE LOANS

February 1943

Dockets Received	11
Dockets on hand from January	2
Dockets reviewed favorably	5
Dockets reviewed unfavorably	6
Dockets on hand February 28	2

To Date

Dockets received	127
Dockets reviewed	125
Dockets reviewed favorably	71
Dockets reviewed unfavorably	44
Dockets returned for "B" consideration	9
Dockets withdrawn by applicant	1
Dockets on hand February 28, 1943	2

R.F.C. PRELIMINARY DEVELOPMENT LOANS

January, 1943

Dockets Received	13
Dockets on hand from December, 1942	3
Dockets Reviewed Favorably	8
Dockets Reviewed Unfavorably	6
Dockets on Hand January 31, 1943	2

TO DATE

Dockets Received	116
Dockets Reviewed	114
Dockets Reviewed Favorably	66
Dockets Reviewed Unfavorably	38
Dockets Returned for "B" Consideration	9
Dockets Withdrawn by Applicant	1
Dockets on Hand January 31, 1943	2

Total credit from R.F.C. to February 1, 1943 \$1,110.00

Dockets reviewed favorably but reversed by R.F.C. 5*

*Approved by Phoenix R.F.C. but reversed by Washington -1

R.F.C. PRELIMINARY DEVELOPMENT LOANS

December 1942

Dockets Received	15
Dockets on hand from November	9
Dockets reviewed favorably	11
Dockets reviewed unfavorably	6
Dockets withdrawn by applicant	1
Dockets referred for Class "B" consideration	3
Dockets on hand December 31	3

TO DATE

Dockets received	103
Dockets reviewed	100
Dockets reviewed favorably	58
Dockets reviewed unfavorably	32
Dockets returned for "B" consideration	9
Dockets withdrawn by applicant	1
Dockets on hand Dec. 31	3

Dockets reviewed favorably by the Department but reversed by the R.F.C.	3
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Credit from R.F.C. for the year 1942	\$970.00
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R.T.C. PRELIMINARY DEVELOPMENT LOANS

NOVEMBER 1942

Dockets Received	16
Dockets on hand from October	8
Dockets reviewed favorably	5
Dockets reviewed unfavorably	10
Dockets returned for Class "B" consideration	0
Dockets held pending further data	9

TO DATE

Dockets received	88
Dockets reviewed	79
Dockets reviewed favorably	46
Dockets reviewed unfavorably	27
Dockets returned for Class "B" consideration	6
Dockets held pending further data	9

"C" LOANS GRANTED NOVEMBER 1942

Armagasa Molybdenum, Twin Butte District, Pima County, Arizona.
Correspondent: Sam Iserman, P. O. Box 1463, Tucson, Arizona.

Columbus, Maynard Mining District, Mohave County, Arizona.
Correspondent: United Lead Zinc Mines, Inc., Kingman, Arizona.

Copper Bell, Amole District, Pima County, Arizona.
Correspondent: John Greenwood, 40 E. 13th St., Tucson, Arizona.

Copper Hill, Copper Basin District, Yavapai County, Arizona.
Correspondent: Fred Gibbs, Sunnyslope, Prescott, Arizona.

Esperanza, Pima District, Pima County, Arizona.
Correspondent: D. J. Miller, Box 2552, Tucson, Arizona.

Leviathan, Cedar District, Mohave County, Arizona.
Correspondent: M. B. Dudley, Kingman, Arizona.

Muheim-Grafen, Helvetia District, Pima County, Arizona.
Correspondent: Joe M. Muheim, Jr., 824 E. Helen St., Tucson, Ariz.

Stump, Silver Bell District, Pima County, Arizona.
Correspondent: Albert Beck, Secy., Artesia Development Co.,
4501 W. 16th Place, Los Angeles, California.

Tout, Dos Cabezas District, Cochise County, Arizona.
Correspondent: Walter N. Sim, Pearce, Arizona.

R.F.C. PRELIMINARY DEVELOPMENT LOANS

OCTOBER 1942

Dockets Received	21
Dockets on hand from September	7
Dockets Reviewed	18
Dockets Reviewed Favorably	12
Dockets Reviewed Unfavorably	6
Dockets Returned for Class "B" Consideration	2
Dockets Held Pending Further Data	8

TO DATE

Dockets Received	72
Dockets Reviewed	*64
Dockets Reviewed Favorably	**41
Dockets Reviewed Unfavorably	17
Dockets Returned for Class "B" Consideration	6
Dockets Held Pending Further Data	8

* R.F.C. charged for reviews on 61 only as three dockets were returned with letters rather than formal reports.

**Two dockets which were originally unfavorably reviewed were changed to a favorable recommendation in the light of subsequent information and conditions.

SEPTEMBER 1942

Dockets Received	19
Dockets on hand from August	5
Dockets Reviewed	18
Dockets Reviewed Favorably	12
Dockets Reviewed Unfavorably	3
Dockets Withdrawn by applicant	1
Dockets returned by Class "B" con- sideration	2
Dockets held pending further data	6

TO DATE

Dockets Received	51
Dockets Reviewed	45
Dockets Reviewed Favorably	27 28
Dockets Reviewed Unfavorably	13
Dockets Withdrawn by Applicant	1
Dockets Returned for Class "B" Con- sideration	4
Dockets held pending further data	6

September 1942	-- Loans approved by RFC	19
To date	" " " "	17

Of the first 35 dockets the department favorably reviewed 17 and the RFC granted all of them.

September 19, 1944

MEMORANDUM

TO: W. C. Broadgate

FROM: Chas. H. Dunning

In all of the various R.F.C. loan categories it seems to me that one very important and constructive field has been left out in the cold.

Class "C" loans were designed to make past development accessible for examination, where there is reliable information as to what might be found.

Class "B" loans were supposed to block out or develop ore that was already proven to exist to a certain extent.

Class "A" loans were for equipment, operating capital, etc.

Left from the field is any assistance in the exploration or development of a raw prospect, no matter how good. Technically a surface showing of wide width and high grade ore could not receive any help.

From time to time these specifications have been stretched according to the feeling of the powers that be or the psychology of the moment. Just now they are somewhat at a low ebb.

Do you think anything could be done to help this very constructive phase of our mining industry and put more men in the hills after "Berlin" or Tokyo?"

CHD:LP

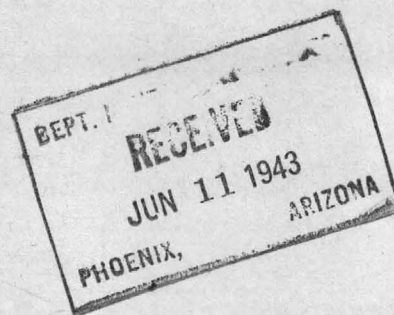
RECONSTRUCTION FINANCE CORPORATION

WASHINGTON

325 Heard Building

Phoenix, Arizona

June 10, 1943



Mr. J. S. Coupal, Director
State Department of Mineral Resources
413 Home Builders Building
Phoenix, Arizona

Dear Sam:

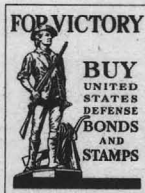
We have been noticing that the majority of new applications that come in here are for the flat amount of \$5,000.00, and we have held many of them up because the amount asked for does not seem to have much to do with the work that is proposed. In writing the applicants, we find that they are following advice from your engineers and I think it would be a good idea to tell your engineers again that applicants should estimate the cost of the work they want to do and that is the amount of the loan to be applied for, whether it is \$1,000.00 or \$100,000.00. We have held up several for further information from the applicant on this point and in every case, the applicants have admitted that the \$5,000.00 was not arrived at for any reason except that they were told that that was what to apply for. I know you will be interested in correcting this situation, as it really is delaying the processing of loans.

Sincerely yours,

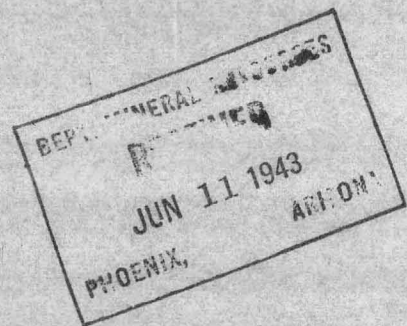
W. B. Gohring

W. B. GOHRING
Supervising Engineer

WBG:ml



325 Heard Building
Phoenix, Arizona
June 10, 1943



Mr. J. S. Coupal, Director
State Department of Mineral Resources
415 Home Builders Building
Phoenix, Arizona

Dear Sam:

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Sincerely yours,

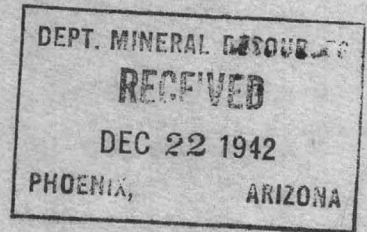
W. B. GOHRING
Supervising Engineer

WBG:ml

COPY

Loans General

Washington, D.C.
Dec. 17, 1942



SUBJECT: RFC POLICY

Senator Henderson called me this morning and asked if I would go over and see him, as he wanted to report on his Western trip. We made an appointment for 3:30 and I spend about an hour and a quarter with him.

After reciting the trip, which was interesting including his examination of various plants, we discussed a great many things. I gave him a brief but comprehensive report on what is going on at the WPB. I also told him that he should have reports from all branches interested in a complex mine before making a decision to reject a loan on WPB recommendation. I think this will bring about some interchange between the Senator and WPB.

We discussed the legal situation about loans and he called in Claude Hamilton. Hamilton agreed with the stand I took in my brief on 5-d-2, and that the RFC could go ahead without repealing section 14.

We also decided that additional amounts could be authorized under 5-d-2 where Class C loans are not sufficient, without disturbing the present Class C set up of one loan not to exceed \$5,000 to the borrower.

I also pointed out that it is very hard for the RFC mining sections to operate with one branch in the Commonwealth Building, one in the RFC Building and one on the HOLC Building (not to speak of my taxi fares, which I did not mention) and the Senator agreed with me that they should be under one roof and that he thought it would be a good idea to plan to move them together. Much of the delay is due to this separation.

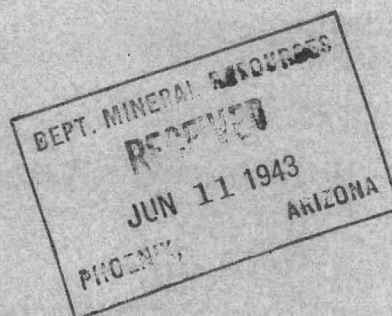
It would not be possible to go over all the points we covered, but I believe they will be beneficial. I pointed out among other things the absurdity of the policy that prevents the mining of strategic and critical minerals on the grounds that too much gold and silver will have to be mined along with them. Henderson agrees with us on this policy. He understands that the precious metal values are often the only thing which prevents the necessity for higher premium prices.

Bill Broadgate

P.S. When the Senator boasted about the raise in the tungsten price, I sprung Charlie's remark, saying, "yes, and made the specifications so difficult that the small lot shippers cannot afford the assay costs and many assayers can't handle the job". He expressed great surprise and said he would look into it. It is surprising how much never filters up to the top as most of the letters addressed to the chiefs never reach them.

Bill

325 Heard Building
Phoenix, Arizona
June 10, 1943



Mr. J. S. Coupal, Director
State Department of Mineral Resources
413 Home Builders Building
Phoenix, Arizona

Dear Sam:

We have been noticing that the majority of new applications that come in here are for the flat amount of \$5,000.00, and we have held many of them up because the amount asked for does not seem to have much to do with the work that is proposed. In writing the applicants, we find that they are following advice from your engineers and I think it would be a good idea to tell your engineers again that applicants should estimate the cost of the work they want to do and that is the amount of the loan to be applied for, whether it is \$1,000.00 or \$100,000.00. We have held up several for further information from the applicant on this point and in every case, the applicants have admitted that the \$5,000.00 was not arrived at for any reason except that they were told that that was what to apply for. I know you will be interested in correcting this situation, as it really is delaying the processing of loans.

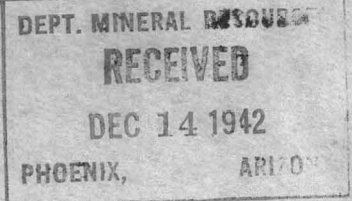
Sincerely yours,

W. B. GOHRING
Supervising Engineer

WBG:ml

COPY

Washington, D.C.
Dec. 12, 1942



MEMO TO CHARLES F. WILLIS

SUBJECT: WPB mining policy

I have yours of the 10th and agree with all of it.

I am paying my attention right now to the WPB to see what can be done.

There is little use of continuing work just now on RFC Class A general mining loans, as the bottleneck is the WPB, although I shall not lose sight of every chance to press the issue with RFC.

As I believe I wrote you, I have had a demand made on WPB for a tabulation of projects before the WPB Facilities Clearance Board which should make an interesting study and will be the basis for inquiry by the Murray Committee.

Today I had an inquiry sent to Donald Nelson, asking for the formula by which they determine whether a mine will produce sufficient metal to warrant certain expenditures in men, materials and money. This inquiry was based on the Boulder rejection letter from Henderson, in which Henderson says:

"in a memo dated December 4, the War Production Board withdrew its recommendation of April 16th, 1942, and suggested that no further loans be granted.

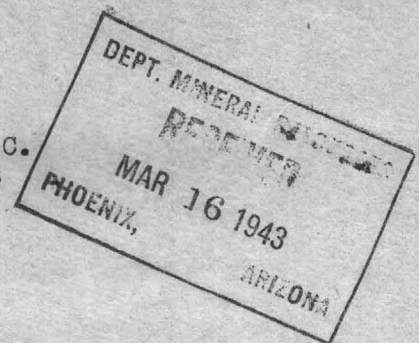
"War Production Board figured that the manpower and critical materials involved in the proposed \$200,000 loan to this applicant were too great in proportion to the amount of zinc that could be recovered; that the same elements used elsewhere would make bigger net production and advantage in the war effort. It observed that over half of the values in this mine are in gold and silver which are not needed, that the lead is not needed.

WPB felt that the relatively small tonnage of zinc would not justify the entire load of money, manpower, and materials the whole operation necessarily involves, and that the loan would not be advantageous to the national defense."

In passing it is well to note that RFC is already beginning to use this phrasing in some of their routine turndowns on loans which have not been through the WPB.

We pointed out to Donald Nelson that it is curious that a proposition which seemed sound to WPB in April is no good in December when the zinc shortage is more critical. I also had asked if it is true that mining will only be allotted 75% of this year's first quarter materials for next year's first quarter, and if this means that copper and zinc requirements are expected to be materially less in 1944.

Washington, D.C.
March 14, 1943



SUBJECT: Conference with Senator Henderson, RFC.

I was with the Senator for a hour and a quarter, and we went over the whole field very thoroughly. C

I stressed the need for shortening the time between successive loans so that a mine does not refill and the labor is not lost.

Also the need for keeping office time down, and left him Coupal's wire.

I asked that a booklet be prepared outlining steps the applicant must take to prepare for a loan and the legal forms necessary, etc. Kuehl does not care very much for this idea for some reason or other, but I think it would help.

The great rush of applications is off and over a million dollars in C loans are out. They are about up to date and things are rolling very nicely... almost too nicely as they are getting a little smug and I don't have enough complaints to needle them with any more.

That's the trouble with getting a reorganization and policy job thoroughly done.. you work yourself out of a job. But the WPB work is making up for it! That is like cleaning the Eagean stables.

I also mentioned elevating the Mine Loan Division to better status. He is thinking of it. It is a hard organixational matter.*

Bill Broadgate

* I suggested that if nothing else could be done, the gesture of naming Rait "Director of the Mining Division" instead of Chief of the Mining Section might be a good idea to give a psychological boost. I also thought this would be an easy way to get the Senator's feet wet on the proposal and lead graduallu to other improvements.

Bill

I think in treating this subject editorially, and, as a matter of fact in any discussion of the subject, it should be born in mind that mining, which produces the total pool of critical metals, actually consumes only a very small part of the pool itself. Consequently contracting the mining allotment means a vast shrinkage in the actual metals necessary to replenish the materials pool. On the other hand, if the allotment had been increased 25% instead of being decreased by that amount, it would not have diminished the total pool much and would have resulted in greatly increased production in 1944, and perhaps in 1943.

At least that is the way I look at it.

You say that it should not take much to make them see the error of their ways. I am afraid this is a little optimistic, although I am going to tackle the problem from all possible angles. I feel that the trouble lies, not with the lower officials, but with the general policy laid down by Eberstadt's Army and Navy advisors.

You know that, early in the summer, Nelson complained, off the record, to Senator Hayden that the military were shortsighted in applying critical materials to immediate armament to the exclusion of mining which would produce them more metal. I feel that as the Army and Navy seem to have taken the WPB over from the inside, they now are reverting to their own policy of grabbing everything in sight for present use.

Now that reason for this is not easy to see, but it must mean either one of two things; 1. they expect a short war, ending perhaps late in 1943 or early in 1944, which means they are contracting facilities programs to a smaller basis; or 2, they are being very shortsighted.

Until it is known which is the case, it is hard to know how to attack the ~~present~~ problems. My efforts are to find out what caused the policy and then we may either find that new mining is out or force them into a more sensible attitude depending on which of the above is the case.

I find that some of the gold cases which were appealed, notably the Cripple Creek case, are actually going to be allowed to mine new ore for 6 months as well as to operate their mills and mill ore already severed.

Furthermore, even though straight gold mines have obtained some relief in certain cases, there still is no formula in the Mining Equipment Branch which determines what a gold mine is, that is, if a mine contains base metals and gold and silver, when is it to be operated for the national defense as a producer of strategic metals and when is it to be considered a gold or silver mine and refused priority assistance? I have caused a letter to be sent to Knoizen asking for a definition of a gold mine. His men tell me that ^{they} would be glad to know also. I find that the Labor Branch are the ones putting the main pressure on withholding priorities from new operations where it is determined that the mine in fact is a gold mine. The definition involves a number of points revolving to some extent on whether the mine will mill and separate its strategics into saleable concentrates, or ship for the gold and silver and lose them; also the fluxing angle. How this can be definitely determined in advance in a development under an RFC loan or private capital also agitates the Mining Branch. To my mind, if a mine carries an appreciable amount of recoverable strategics, defined from the war standard no amount of gold makes it a gold mine, but the Labor Branch, I am told, will not accede to this. Everything is wildly empirical at the moment in making these decisions.

I believe you have a pretty good picture of conditions just now, from this and my other memos. Probably a better picture than anyone else, as I so far seem to be the only one working on this subject.... no one else seems much concerned about the small and medium sized mines, and further I have been close enough to the Branches of WPB, or to some of them, to sense what is going on and in many cases to get the off-the-record lowdown, which helps me to take alleviative action.

The real facts I have to work with are that you cannot get copper and zinc projects cleared at WPB and that materials to mines will be cut to 75% of first quarter 1942 requirement for the same period of 1943. Also that someone is nutty on the gold and silver production and will sacrifice strategies to prevent gold and silver being mined.

What is the answer I don't know any more than the assumptions I have outlined, but, God willing, I certainly intend to find out!

Bill Broadgate

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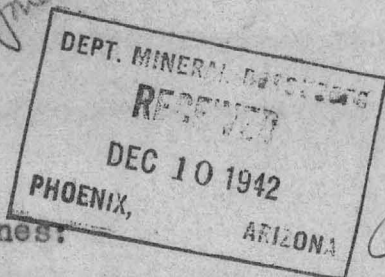
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LB268W (FIVE 25 COLLECT=Y WASHINGTON DC 11 947A:
=ARIZONA DEPARTMENT OF MINERAL RESOURCES=
413 HOME BUILDING BUILDING (PHOENIX ARIZ)=

=AM HAVING CONFERENCE WITH SENATOR HENDERSON RFC TOMORROW
AFTERNOON AND WOULD LIKE ANY CRITICISM OF REVISED LOAN PROGRAM
OR ADMINISTRATION TO DISCUSS WITH HIM=
BILL BROADGATE.

To Jessie Jones

Draft of letter as ~~filed~~ sent



December 4, 1942

7/4

Dear Mr. Jones:

I am not satisfied with the RFC mine loan situation as the program is being conducted under Section 14 of the RFC Act, especially the insistence of self-liquidating of General Mining Loans. It would seem to me that where the production of strategic and critical minerals for the war effort is involved, we can forget for the time being the banking phases of general mining loans.

Anticipating the necessity of loans for the production of critical and strategic materials and with a particular view to the production of critical and strategic minerals, at my instance the Congress amended the RFC Act in 1940 and again in 1942, giving the Corporation authority to loan money to individuals, partnerships, and corporations for this purpose. No limitations were placed on this authority other than that the loans must benefit the national defense.

I refer you to the Congressional Record of June 15, 1940, where the intent of the Senators sponsoring my amendments is made clear. My technical advisor, W. C. Broadgate, has already placed in the hands of your Mr. Harry F. Hossack a brief with quotations from the Record showing that the Senators particularly passed this amendment, now known as Section 5-d-2, for the especial benefit of mineral production.


CHECK SERVICE DESIRED OTHERWISE MESSAGE WILL BE SENT AT FULL RATE			
DOMESTIC		FOREIGN	
FULL RATE		FULL RATE	
DAY LETTER		CODE RATE	
NIGHT LETTER		URGENT	
SERIAL		DEFERRED	
RESERVATION		NIGHT LETTER	
TOUR-RATE		SHIP RADIO	

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Postal Telegraph

all America Cables
all America Cables



Commercial Cables
Canadian Pacific Telegraphs

CHARGE ACCOUNT NUMBER		TOLLS	
CASH NO.		CHECK	
TIME FILED		(STANDARD TIME)	

DAY LETTER

Phoenix, Arizona, March 11, 1943

W. C. Broadgate
Hotel Harrington
11th & B Sts., N.W.
Washington, D. C.

Discussed revised loan program with Charlie. We agree present plans working very satisfactory only suggestion is keep time element for processing loans in Washington at minimum particularly watch time loss between completion of first stage or C loans and starting of B or second stage in loans.

J. S. Coupel
Department of Mineral Resources

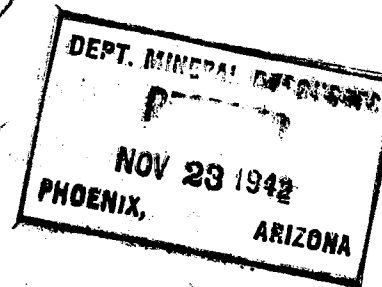
That the RFC at this time realized this is clear from the fact that shortly thereafter the General Mining Loan form was revised to include loans under this section. However, I believe that all mining loans have been made under the restrictions of Section 14 up to the time the Corporation began to make Class C loans.

The Senators interested in mining loans have been disappointed that the Corporation has not taken advantage of its clear authority under Section 5-d-2 of the RFC Act as amended to make mine loans, instead of under the restrictions of Section 14. I cannot believe that, with the intent of Congress being so clear, further legislation is required to point this authority out to the RFC. If however, the Corporation insists that it must follow banking practices under Section 14 rather than operate under the liberal 5-d-2, perhaps we should have further legislation somewhat along this line:.

"Section 14 of the RFC Act as amended is hereby repealed and the Corporation is directed hereafter to make mining loans for the purpose of discovering, developing and producing minerals, under the authority of Sub-paragraph 4 of Paragraph 2 of Section 5d of the RFC Act as amended."

I shall be pleased to have your comments.

(Signed) James E. Murray



77TH CONGRESS
2D SESSION

H. R. 7800

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 1942

Mr. MURDOCK introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To amend the Act entitled "An Act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", as amended, by authorizing loans for mineral development purposes in time of war.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That so much of section 14 of the act entitled "An Act
4 relating to direct loans for industrial purposes by Federal
5 Reserve banks, and for other purposes", approved June 19,
6 1934, as amended (54 Stat. 897; U. S. C., title 15, sec.
7 606 (d)), as reads as follows: "when, in the opinion of the
8 Reconstruction Finance Corporation, there is sufficient reason
9 to believe that, through the use of such loan in the develop-

77TH CONGRESS
2D SESSION

H. R. 7800

A BILL

To amend the Act entitled "An Act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", as amended, by authorizing loans for mineral development purposes in time of war.

By Mr. MURDOCK

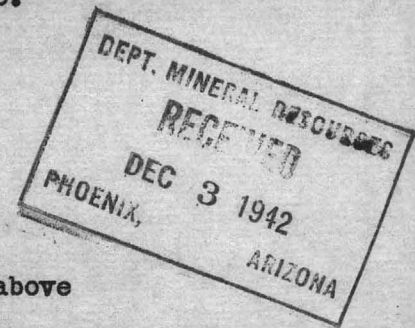
NOVEMBER 19, 1942

Referred to the Committee on Banking and Currency

Memo to Charles Willis

Washington, D.C.
Nov. 30, 1942

SUBJECT: RFC Mine Loans
Forms and policy



I agree with all you say in your memo of the 28th on the above subject.

This is all being taken care of, but there is no use doing a part of the job when the whole program can be changed as soon as the RFC bills pass the House (where we are having a Hell of a time getting anyone together with the committee, etc., on procedure). In other words, the deficiencies are pretty well realized and I think the program which is being devised and is about ready to go to the Board when the authority is given should correct all these things.

I am hoping that, if anything should happen to the legislation due to the short time, the material in my brief to Hoasack will furnish sufficient authority to go ahead even without the amendments to Section 14. It is a sort of insurance. I am anxious to see what the decision of their counsel on this same material will be.

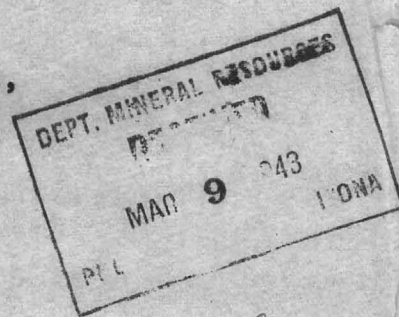
The suggestions of Bill Gohring should be of value in helping to get the program in order.

It is hoped, under the proposed new system, to wipe out the various distinctions between classes of loans, and also the ceilings on them.

Bill Broadgate

1 ment of a lode, ledge, or vein, or mineral deposit, or placer
2 gravel deposit, there will be developed a sufficient quantity
3 of ore, or placer deposits of a sufficient value to pay a profit
4 upon mining operations," shall be suspended during the
5 period commencing upon the date of enactment of this Act
6 and ending six months after the termination of the present
7 war or at such earlier time as the Congress by concurrent
8 resolution or the President by proclamation may designate.

Washington, D. C.,
March 8, 1943



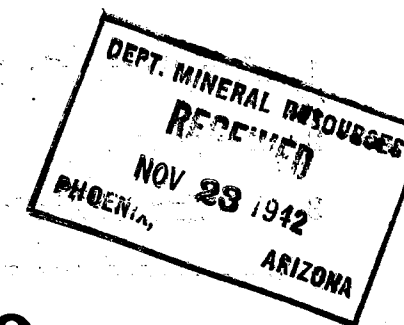
SUBJECT: Mining Loans
4% Interest Item
Memorandum of J. S. Coupal, March 2nd

It is my understanding that a reduction in interest from 6% to 4% will not be retroactive as far as monies already paid are concerned. Also, I do not believe that there will be any change in the percentage as written into outstanding agreements and notes.

However, on all loans, new and old, the Reconstruction Finance Corporation will collect only 4% of payments due subsequent to January 1st.

I will check this curbstone opinion, which I believe I obtained some time ago from either Senator Henderson or Frank Kuehl, and which I believe is correct.

Bill Broadgate



77TH CONGRESS
2D SESSION

H. R. 7799

IN THE HOUSE OF REPRESENTATIVES

NOVEMBER 19, 1942

Mr. MURDOCK introduced the following bill; which was referred to the Committee on Banking and Currency

A BILL

To authorize the Reconstruction Finance Corporation to make loans to those desiring to engage in producing minerals of value to the United States in time of war.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 14 (authorizing the Reconstruction Finance
4 Corporation to make loans for mineral development pur-
5 poses) of the Act entitled "An Act relating to direct loans
6 for industrial purposes by Federal Reserve banks, and for
7 other purposes", approved June 19, 1934, as amended (54
8 Stat. 897; U. S. C., title 15, sec. 606 (d)), is hereby
9 amended by inserting in the second sentence of such section,

77TH CONGRESS
2D SESSION

H. R. 7799

A BILL

To authorize the Reconstruction Finance Corporation to make loans to those desiring to engage in producing minerals of value to the United States in time of war.

By Mr. MURDOCK

NOVEMBER 19, 1942

Referred to the Committee on Banking and Currency

1 after the words "engaged in" the words "or desiring to
2 engage in".

3 SEC. 2. Section 14 of the Act approved June 19, 1934,
4 as amended (54 Stat. 897; U. S. C., title 15, sec. 606 (d)),
5 is amended by striking out the period at the end thereof and
6 inserting a colon and adding the following: "*Provided fur-*
7 *ther*, That nothing contained in this section, as amended and
8 supplemented, shall be construed to limit or modify the
9 authority to make mining or other loans vested in the Recon-
10 struction Finance Corporation by subparagraph 2 of the
11 fourth paragraph of section 5d of the Reconstruction Finance
12 Corporation Act, as amended, or by any other Act of
13 Congress or Executive Order."

March 2, 1943

MEMORANDUM

SUBJECT: Mining Loans
4 Percent Interest Item

TO: Bill Broadgate

FROM: J. S. Coupal

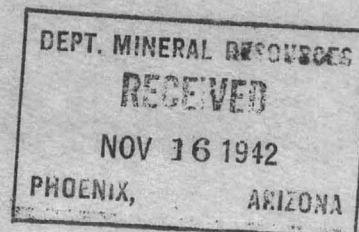
Grace Sparkes asked me to take up with you the question of whether or not the granting of mine loans on 4 percent interest as set forth in Revised Circular No. 14 of January, 1943 could be made retroactive so as to apply to former loans granted. I told her I thought this would be difficult, but at the same time, it seems unfair for a property operating under a government loan of last year to pay 6 percent interest or 5 percent and have properties operating today on a 4 percent interest charge.

Just as a matter of record you might take this up with Mr. Kuehl and let me know the reactions.

To:
J. S. Coupal

Washington, D.C.
Nov. 13, 1942

SUBJECT: Mine Loans
General policy



In your memo on the Loan Star loan you state that you understood that B loans would be streamlined to close the gap between C and B loans.

The necessity for quick action is obvious due to the situations which may come up regarding water, men, etc.

In the case which brought up this comment it would seem as though there was pretty fair speed... The application was mailed in Oct. 21 and the final result went out from the RFC Nov. 11. When you consider that nearly two weeks of this time as noted was in getting a field report and there was needed some time for transmission, I would say that the net office time in Washington was nearly a minimum. If all loans could be reduced to a total of a month, I would be happy.

About the two weeks for the field report. You know, of course that the Phoenix office is undermanned and I think they just lost a man. Also they are having to wait considerable periods for assays, which delay reports I hear. I wonder if they spread their work among several assayers? I feel sure that Smoot is not overworked and Giroux can usually take on more and there must be some down south. Perhaps Gohring feels that the work would be done handier in Phoenix. I really know nothing about the situation excepting that I hear they are having trouble getting assays made.

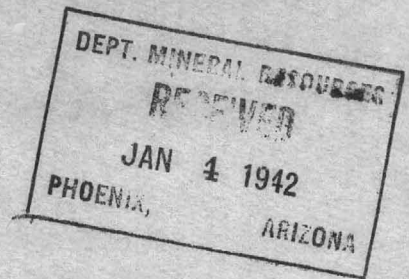
In some cases an applicant can anticipate the B loan and file before the C loan is all gone.

As I stated in a short memo, we got three RFC amendments to Section 14 through the Senate yesterday afternoon, and I am very happy about it. Senator McFarland did a grand job of steering these bills and getting them out in the face of more important legislation scheduled. Now the House passage is going to be the chore.

But just as soon as these bills pass the House, you are going to see vast changes in RFC routine, handling, types of loans and many other things which will be most gratifying. As these things are now in the mill and no one has the right to speak for the RFC or give out this information until the Board has passed on the new ideas, I cannot say much. Anyway, nothing can be done until the bills pass the House. I always hate the job of getting House legislation lined up because of the conditions over there, but it has to be done, and the quicker the better.

Bill Broadgate

Washington, D.C.
Dec. 31, 1942



SUBJECT: Willis memo Dec. 29
on RFC-WPB policy

I was interested especially in your comment about jobs being turned down in Washington after field approval, and the line of argument to be used.

I have not overlooked this side of the case, and had quite an argument with Macartney about it. He maintained that with the data available here from U.S.G.S., Bureau of Mines and WPB, the Examiner here frequently has a better outlook on some deals than the engineer in the field, although he admitted that this is not always the case. However, in this way he explains some of the seemingly odd cases of turndown. In other words, the report of the field engineers, according to Macartney, is only a part of the picture to the man at the desk here, although an important one.

I have been cracking down on this for some time and will continue to do so.

I don't want to be too hot about anything just now until I get the new plan published. Then, on the strength of this victory, and what I have been able to do with the men at the top, I think the men below will be much easier to handle.

You are right about having help from the men in the metal branches of the WPB, as they do not agree with the short-range program. Yet they are not sufficiently informed to see the whole picture. I am gradually collecting more and more of the picture and now have access to a great deal of official material and various slants which is permitting a ray of light to filter through and base a fighting program on. And now I am accumulating some powerful backing to pry into the WPB with and I shall be able to bore from within a little. It is a case of planning the utilization of the influences to do the most good.

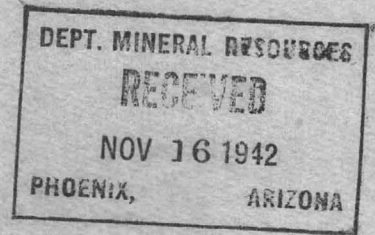
Certainly, if we are to have the benefit of the new mine loan program, the Searles policy must be relaxed.

After struggling with the RFC for so long it is going to be hard to summon the energy to struggle with the WPB. Besides, it seems a little impertinent to tilt with such a vast and uncoordinated monster. But we may put a little coordination into it. I am working with a Senate lawyer on a bill for a War Minerals Director. This would give us a concrete point to place our finger on and we would know who we are dealing with.

Happy New Year to all the gang and especially to you and Coupal.

Bill Broadgate

Washington, D.C.
Nov. 13, 1942



SUBJECT: Mine Loans
Class B
Lone Star Mines, Inc.,
Safford, Ariz.

The docket number furnished on the memo of Nov. 11 was C-ND-7517,
a Class C number.

A long time ago a B loan was requested for this mine, under docket
B-ND-3956, which was rejected.

Apparently the application of October 21st must have been attached
to the same docket B-ND-3956 as a reopening.

There is some confusion as to the facts stated in the memo.

The Field engineer's report reached Washington on Nov. 4th and
the loan was declined Nov. 11 as the expenditure of the C loan
evidently did not show sufficient worth. I have not examined into
the merits of this case here.

It appears to me that, generally, when a B loan is turned down
after the C expenditure, the results shown must have been very
bad and that it would not be good practice to question the decision
in such cases as we know that a large proportion of C loans will
not show sufficient merit for B and other loans.

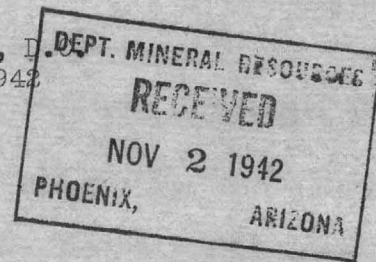
There may be some notable exceptions when the examining engineer
in the field is obviously wrong when we might have to ask a re-examination
but we scarcely could do that unless we had ourselves made a physical
examination to prove the field report wrong.

Naturally the RFC wants as many C loans to progress to B loans as
possible or the C money is a dead loss.

Bill Broadgate

Memo to Charles Willis.

Washington, D.
Oct. 30, 1942



SUBJECT: Priorities
Coordinated with RFC Mine Loans

Your further memo on subject matter received and noted.

I have been discussing this further with various individuals, and getting reactions, which seem about the same as mine, already communicated to you.

Referring to your next to the last paragraph, I had no intention at any time of taking this up with the RFC, as it is directly none of their affair, but the news would soon spread about that loans had some sort of automatic priority rating.

As it is, the engineering division tries to practice law, economics, worries about labor shortages, equipment and supply shortages, etc., etc., and these things all color their decisions, whereas as I see it their only business is to decide on the merits of the project from the standpoint, "will it produce mineral for the national defense commensurate with the outlay". I am continually sniping at this situation.

We fear two possible outcomes of asking for special priority ratings;

First that the RFC engineers will begin to worry about the fact that they are, in effect, also granting priorities and it will be an added excuse to be conservative; second that the attention of the WPB and Mining Branch in particular will be focused on all these small loan jobs and it may crystallize the already bad sentiment about starting up new small mines. As you know, many feel that it is a waste of machinery, supplies and manpower and I am really afraid to bring this sharply to attention.

As you remark, not a great deal is required. Much of this is secondhand. I feel sure that the applications for priorities that go in marked for RFC loan jobs get good attention, as individual requests.

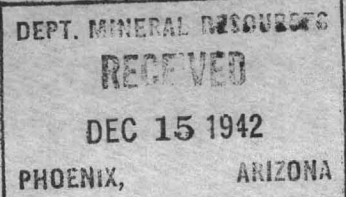
I perfectly agree with the contentions in your fifth paragraph, but many do not, and they are in the saddle.

Why don't you have the Ed Mills case looked into and let me know the exact circumstances... this will give a few more days to think it over and then I will have something specific to discuss with Nelson.

You understand, I have no reluctance to take the matter up; it is the question of policy that I am bothered about and its ultimate effect. As a specific matter, there is no doubt that automatic blanket priorities for RFC loans would be ideal, but the boys are getting mighty touchy on the materials situation and I don't want to make any mistakes by being precipitate. This problem has bothered me for months.

Bill Broadgate

Washington, D.C.
Dec. 13, 1942



SUBJECT: LEGISLATION
RFC BILLS

It is unfortunate, after getting our RFC bills through the Senate and to the House Committee, we are going to lose them.

But I am afraid there is no alternative.

There is no quorum in either the House or the B & C Committee, and that is something beyond me.

I shall reintroduce the bills both in the House and Senate in the next session.

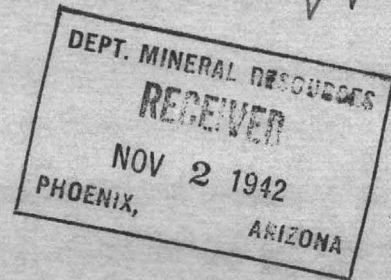
I should not cry too much. The President is going to lose his five billion dollar RFC bill. I wanted to try and tack our bills on as riders, as I did with the Murray amendment in 1940, as the larger would certainly have carried the lesser through, there being no controversy about the merits of the ~~lesser~~ riders, they already having passed the Senate. I believe the House would have concurred as a matter of course, cutting out the B & C Committee and other parliamentary nuisances.

Too bad, after all the work with the RFC which this would have released in the form of new procedure.

Bill Broadgate

Washington, D.C.
Oct. 30, 1942

SUBJECT: RFC Policy
Mine Loans.



Memo of Charles Willis, Oct. 27

Dear Charlie,

I am glad you are pleased with the progress we are making in the matter of mine loans.

Of course, my policy is, regardless of what Department I am working with, when I get a number of cases along certain lines to try and get the policy changed so as to cure the matter at its source.

There is no use fighting case ~~after~~ after case if you can adjust the cause satisfactorily.

Perhaps the best case in point is the matter of the Metals Reserve Premium Payments. You will remember all our trouble with it, and I was over there in the Accounting Section and engineering section almost daily trying to get a check for someone.

Since I got the general plan changed, I have not had one case brought to my attention so I guess it is working out OK.

You have by now noted the Hossack letter... I feel sure that things will work out much better as time goes on. Large bodies move slowly and you have to keep prying on them. I am in touch with the RFC almost every day and am trying to get the policy shaped to be satisfactory when the new rules come out. Kuehl is wonderful and a great help.

I have discovered a new pry on them and am using it to speed up the action on the new procedure... it is something off the record I can't discuss.

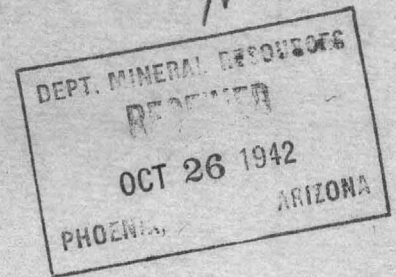
Of course, I realize that the engineering staff is too small and is snowed under, but if they would strictly attend to their own business they would have more time for it.

Yesterday afternoon ~~ix~~ and, in fact part of the morning when I was not with Davis, I had a regular knock-down about the proposed policy of deducting C from B loans. Quite an argument. But I have, I hope, gotten the thing cured at its root..... I hope. They are always one jump ahead of you in all these Departments. About the time you think you have slain all the dragons another one pops up to plague you. So it is perpetual like the labors of Sisypheus.

Anyway, I think I detect progress in all this, so thats some ~~consolation~~ consolation against feeling too frustrated. Thats what most people here aquire... a frustration complex from dealing with too many Bureaucratic buck-passers.

Bill Broadgate

Washington, D.C.
Oct. 23, 1942



SUBJECT: Mine Loans,
RFC Policy

As you know, I have been for some time trying to get the RFC to loosen up in giving out information as to the reason for rejections.

I have dictated several letters for the Senators on this subject and have also discussed it over at the RFC at various times.

These things take time, but the results are beginning to show.

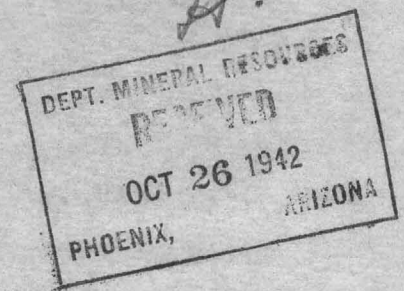
In the letters to the Senators and Congressmen, Henderson is finally letting whoever dictates them for him to give out enough information to get an idea what it is all about.

This trend is in the right direction and I think we can accelerate it as time goes on. Big bodies move slowly when it comes to changing long established policy.

You will get some copies of cases from Senator Hayden, not so much to do any work on as to show how this attitude is changing and so that you will have information in case any of these applicants pop in on you.

Bill Broadgate

Washington, D.C.
Oct. 23, 1942



RFC Policy
SUBJECT: Mine Loans

I understand that a current trade magazine... I haven't found out which one or seen the editorial, scored the RFC heavily for delays in granting a certain loan.

It may well have been warranted, excepting that I understand that the fault was entirely ascribed to the legal section.

This is a leftover from the time when the legal section was quibbling about commas but now they are the ones with greased roller-skates and they do not delay anything.... they do everything to move as rapidly as possible.

The whole fault now seems to be with the engineering section... I am sorry to pan out own group, but both in the RFC and the WPB the engineering sections are the hide-bound conservatives whose shells are so hard to crack. They take their time, and they ~~take~~ take a chance on anything, unless pushed. (except C loans) Hate to

As to the legal section, for instance, I know of a loan which got in to them Tuesday, went to the Board Wednesday and went out today.

On the otherhand, the Victory Manganese loan, which ~~was~~ was finished by the examiner last week, and which I have been trying to push in the engineering section, only just landed in the legal today. It will be moved out just as soon as they can get it to the Board. If it had gotten in yesterday it would be passed by now. Darned if I know where it has been for the last week unless the mimeographing section is behind in its work.

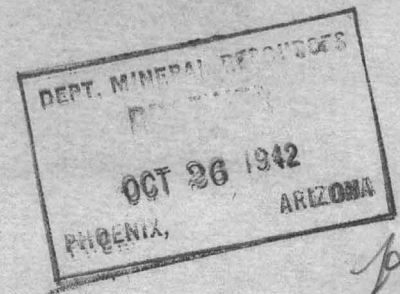
I am trying hard to attack the conservatism of the engineering groups both in the RFC and the WPB. Their administrative bosses are not that way. The nearer the top the more liberal the attitude.

Well, we can just keep sniping at it. Our results gradually become visible but it takes patience. I told Kuehl this afternoon that I'd like to have the hiring and firing in the Self-Liquidating section for about ten minutes.

Anyway, I think that, as the legal section is doing such splendid work and trying so actively not only to streamline their segment, but to pull the rest along with them as well as they can without stepping on toes that do not belong to them, they should be given every credit. I know I have discoursed on this before in previous memos.

Bill Broadgate

Washington, D.C.
Oct. 24, 1942



SUBJECT: RFC Mine Loans
Class 5-d-2

As I amended the section referred to in 1940, only corporations were covered, for reasons there is no need now to go into.

The Murray amendment of 1942, passed early in this year further amended this section so that 5-d-2 now covers every class of borrower.

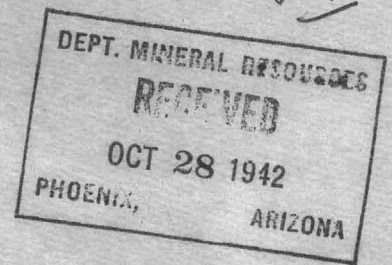
The General Mining Loan form may be used in these applications. It happens that no reprints of this form were made since the amendment made early in this year, as the RFC has quite a stock on hand, hence the statements on the cover page do not seem to check and are not quite up to date with the law.

However, a covering letter can be sent in stating that the application is made "under section 5-d-2 of the RFC Act as amended".

Bill Broadgate

CC/ A. S. Lewis

H.
Washington, D.C.
Oct. 25, 1942



SUBJECT: Mine Loans
Data on loans granted in Arizona.
Willis memo of Oct. 23

The RFC has been asked for this information and you will get it from Senator Hayden in due course. C

I checked on this Friday last.

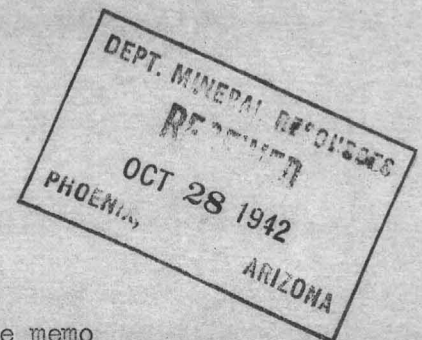
The RFC is buried under hundreds of loans. I believe I heard they handled about 300 last month alone. Of course, this means initial applications, of which many make no showing warranting field examination, but the examiners are snowed under, although the curve of applications received is steadily dropping and has been for the last six or eight weeks, as I remember a chart I saw in Henderson's office. This volume delays requests for routing information as you will appreciate.

Bill Broadgate

H.

Washington, D.C.
Oct. 26, 1942

SUBJECT: Priorities
Coordinated with RFC Mine Loans
Memo of Charles Willis, Oct. 24.



Dear Charlie,

I have given the matter covered by your comprehensive memo considerable thought, for some time past.

I shall be pleased to discuss this with Dr. Nelson at any time you wish.

There is a good deal to be said for an arrangement which will give holders of mine loans special consideration.

The reason why I have not taken the matter up is this;

The RFC engineers are already taking into consideration the matter of labor and materials in their attitude on loans. I have also heard some unofficial but interesting comments on the effect that the granting of such a large body of small loans will have on the situation of labor and materials in larger mines... you know the old argument.

I have felt that the minute RFC loans are hooked to some automatic priority status the RFC engineers (some of whom seem to me to be over-conscientious, probably because that was very proper in private practice) will become even more conservative and feel that they are then responsible for the priorities situation also, at least as regards loan projects, and will start calling up the priorities division to find out how the supply situation is before passing loans.

This is why, although I realize the benefits of a special intermediate status, I have not done anything about it, lest the reaction in general be such as to offset the immediate good. I have no idea but when PD-1-a's etc come through showing that the mine is an RFC project it gets good attention as it is.

Perhaps the individuals could follow Ed Mills and apply directly to WPB and in that way not stir up the RFC end.

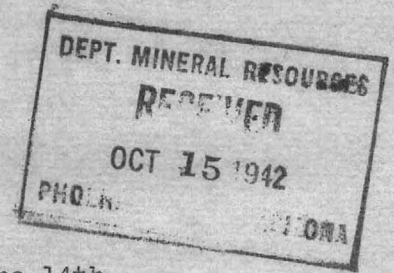
I want you to consider these thoughts before I try and arrange a blanket rating arrangement, and let me know what your final reaction is. I will hold the memo in the meantime.

Bill Broadgate

*I should go on
procedure with
Johning
Be.*

Washington, D.C.
Oct. 13, 1942

SUBJECT: RFC Legislation,
S 2746



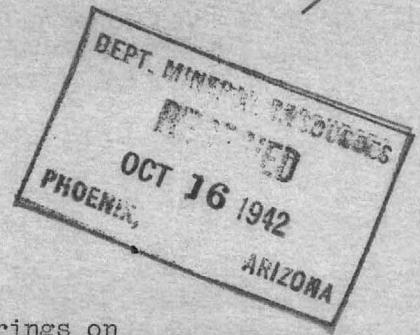
The Hearing on this bill has been put forward to tomorrow, the 14th and the chances are that I will have to represent Murray and the other Senators there, as they all seem to have Committee meetings at that time.

I expect that the hearings will be quite nominal, due to the favorable report of Jessie Jones, so my statement will be short and extemporaneous.

Bill Broadgate

Washington, D.C.
Oct. 14, 1942

SUBJECT: Mine Loan Legislation
S-2746 Hayden
S-2783 McCarran



I appeared at the Banking and Currency Committee Hearings on these bills today.

I was the only one appearing, representing the ASMOA, the DMR, personal representative of Murray, Hayden (sponsor of the bill) and MacFarland..... in other words, the mining industry.

I called Murdock in from the House and at the end of my statement I introduced him and gave him a chance to say a few words, as I thought it might help him; he has the duplicates in the House, you know.

I discovered that Jessie Jones reported favorably on the McCarran Bill, so I thought we might as well ride along on his coat-tails. Therefore, when McCarran appeared to talk for his bill, I struck a bargain and we each talked for each others' so that the Committee would have at least one representative of the mining industry on record instead of just the legislative sponsor, for each bill.

Senator Wagner was most cordial.

So I put us and my Senators on record as favoring the McCarran bill.

Clark of Idaho moved a favorable report and the bills were so reported out of the Committee.

I have been keeping the RFC informed as to progress and the legal section constantly checks with me off the record.

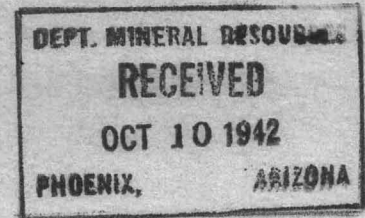
Senator Wagner asked why the profit clause was put into the bill originally and I answered something like; "Mr. Jones wanted to prevent some easterner from acquiring a mine in the West, borrowing Government money and galloping off with it! Or words to that effect. Clark got a great kick out of ragging Wagner, who is such a tight eastern banker and generally rather short with the poor Westerner in money matters because he thinks we are not conservative enough. Wagner took it in good part.

Anyway, the bills got the committee blessing.

Bill Broadgate

The Senators had other Committees and said
I knew more about the bills than they did anyway.

Washington, D.C.
Oct. 8, 1942



SUBJECT: Mine Loans,
Approved,
Arizona list.
Willis' letter Oct. 5th

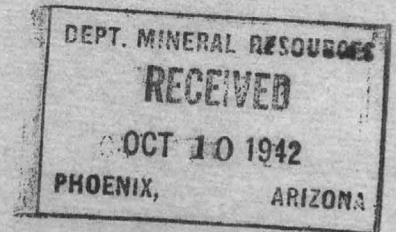
Dear Charlie,

Senator Hayden understood your letter as I did..... that is, we misunderstood it, but now have the right idea.

I believe he is taking action on your request, but don't know just what he has done.

Bill Broadgate

Washington, D.C.
Oct. 8, 1942



SUBJECT: Mine Loans
Legislation
Hayden's S 2746

I am glad to say that my bill to insert "or desirous of developing ore bodies" today received a favorable report from Mr. Jessie Jones to Mr. Wagner of Banking and Currency.

Jones says, referring to the limitation removed by my bill;

"its elimination would be of assistance to the Corporation in making funds available for the development of minerals needed for war production. I therefore recommend the enactment of the proposed legislation."

"The Bureau of the Budget advises me that there is no objection to the submission of this report."

The date of October 15th, Thursday, 2:00 PM has been set for hearing.

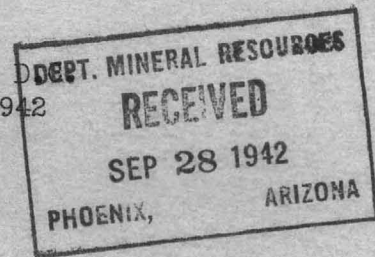
Bill Broadgate

P.S. You may want to publish something on this as it is our bill.

As the hearing date was set the day the report came in — which was today — you can see how easy it is to set a hearing when a Department wants something. How hard it was to get some hearings set on things they are now glad they have in the law!

Brie

Washington, D.C.
Sept. 25, 1942



SUBJECT: Mine Loans
Legislation,
McCarran Bill S 2783

I think McCarran picked this up from some of our old stuff and discussions, but don't know.

However, although I should have been in favor of this during Jessie Jones' penny pinching days, I am not now interested in ~~it~~ it.

The RFC is paying no attention to the profit clause in any case where passing an application will possibly add to minerals for the National defense. They only use it to throw out really frivolous applications.

With the clause eliminated, the field offices, which cannot get engineers now, would be swamped and good applicants would not be able to get attention.

I have considered it carefully and I am afraid the bars will be too far down to do anyone any good.

If McCarran had added the clause in place of the one he eliminates "when in the opinion of the Reconstruction Finance Corporation the expenditure of money and materials will result in the production of satisfactory amounts of strategic and critical minerals for the war industries", it would have been OK, as a check would still ~~have~~ have been left on really bad loans which might dissipate not the money, but men and materials in the wrong direction.

Bill Broadgate

77TH CONGRESS
2D Session

S. 2783

IN THE SENATE OF THE UNITED STATES

SEPTEMBER 17, 1942

Mr. McCARRAN introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To amend the Act entitled "An Act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", as amended, by authorizing loans for mineral development purposes in time of war.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That so much of section 14 of the Act entitled "An Act
4 relating to direct loans for industrial purposes by Federal
5 Reserve banks, and for other purposes", approved June 19,
6 1934, as amended (54 Stat. 897; U. S. C., title 15, sec.
7 606 (d)), as reads as follows: "when, in the opinion of
8 the Reconstruction Finance Corporation, there is sufficient
9 reason to believe that, through the use of such loan in the

77TH CONGRESS
2D Session

S. 2783

A BILL

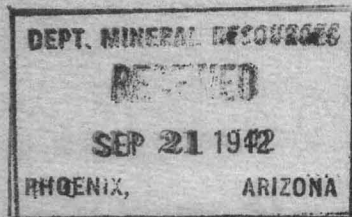
To amend the Act entitled "An Act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", as amended, by authorizing loans for mineral development purposes in time of war.

By Mr. McCARRAN

SEPTEMBER 17, 1942

Read twice and referred to the Committee on Banking and Currency

1 development of a lode, ledge, or vein, or mineral deposit,
2 or placer gravel deposit, there will be developed a sufficient
3 quantity of ore, or placer deposits of a sufficient value to
4 pay a profit upon mining operations", shall be suspended
5 during the period commencing upon the date of enactment
6 of this Act and ending six months after the termination of
7 the present war or at such earlier time as the Congress by
8 concurrent resolution or the President by proclamation may
9 designate.



Washington, D.C.
Sept. 18, 1942

~~XXXXXX~~

SUBJECT: Mine Loans
RFC attitude toward silver mines.

It was fortunate that I had just come from the silver conference this morning and have kept in close touch with the situation.

I brought up to Senator Henderson the question of general policy of the RFC in rejecting applications on silver properties.

I pointed out that the silver situation has changed radically in the last couple of months and that a policy which was OK before that time is probably not proper now.

As a specific case, I cited the Kingdon Mining and Milling Company application, which, I stated, as it will probably be rejected without a field examination, could be assumed to be due to the policy of the examiners rejecting silver mines on general principles.

Henderson told Macartney to pass the word down the line to ease up on silver applications and not to reject those of merit just because they are silver.

Macartney also took a note of the Kingdon M & M application to check on as an example.

Bill
Bill Broadgate

September 17, 1942

MEMORANDUM

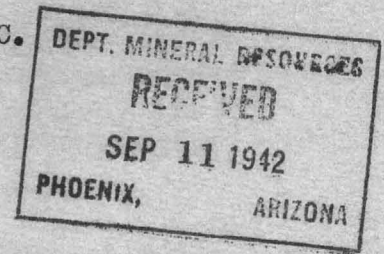
R.F.C. LIENS

TO: C. F. Willis

FROM: Earl F. Hastings

1. Mr. W. B. Gohring states that the lessee cannot obligate property in any way and if the lessee obtains an R.F.C. loan the lien upon the ore is in effect only so long as the lease is in effect. Without the expressed approval of the owner the property cannot be in danger through the actions of the lessee.
2. The same party cannot have more than one active loan, however, a corporation having a loan does not hinder the individual officers in that corporation from having other loans on other properties in their own names.
3. Mr. Gohring has accepted our proposal of a flat rate for the reviewing of R.F.C. Class "E" loans. We are to present him monthly with a statement of reviews made, listing the docket numbers, which he will forward with his approval to Washington. The question of examination following R.F.C. loans has not been discussed.

Washington, D.C.
Sept. 8, 1942



Subject: Mine Loans
Capital Loans

I spoke to Kuehl about this matter, as covered in Willis memo of August 26th.

Kuehl states as he did to Charlie, that 5d amply covers this situation and that applications can be made on the general mining loan form.

However, aside, he practically warned me that it would be a good idea, in case any of these came through, for me to get a copy of the application and let him know about it, otherwise the mining division might turn thumbs down on it without him knowing a thing about it. Kuehl is the advanced thinker.... Rait and Tully are the conservatives.

Bill
Bill Broadgate

CONFERENCE ON R.F.C. MINE LOANS

August 26, 1942

Attendance: Kuehl, Gohring, Rockwood, Lane, Willis, Hastings.

Problem presented: To obtain operating capital for those properties which have ore developed and ready for shipment, but where the owner or operator does not have sufficient funds to cover labor, supplies, and prepaid freight to carry the project until settlement is received.

Conditions contributing to problem: There are numerous small mining properties in the state having ore which is available for immediate mining. Following R.F.C. class "C" loans there will probably be found some mines which will not need immediate development in order to produce and such development as is required can follow and be paid for by proceeds from actual mining operations.

Many of the mine owners and operators, some of whom have equipment, do not have funds for the actual cash expenditures necessary to commence operations. Bank loans are not available, as the bank can loan only on ores already shipped and on which there is a warehouse receipt.

The labor laws are such that an employee's pay must be deposited before the employee starts work. A six month's advance insurance premium must be deposited with the Industrial Commission. Freight must be prepaid on ores shipped. Supplies must be obtained and credit to individual miners is limited by dealers.

Present status of loans: The general mining loan already applies to conditions such as those mentioned but is ineffective for two reasons (1) The board of engineers has, by practice, applied the loans to ^{LARGER} projects where operating capital was secondary to large equipment expenditures. A precedent has been established on "A" loans. Probably on the basis of lack of security the board would discredit these applications, although the war emergency clause would cover loans of this type. (2) The cumbersome nature of application for the "A" loan discourages small applicants, particularly in the time element.

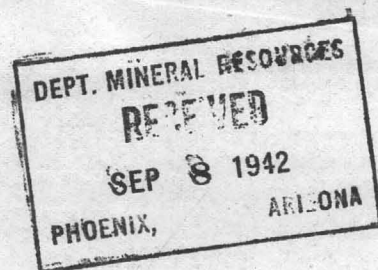
Suggested remedy: A system was discussed whereby operating capital could be advanced by a bank and secured by Metals Reserve. These funds would be available, in part, to commence operations on an unsecured basis. That is, until the first shipment was in transit there would be no concrete security. After the shipment (which would be assigned to the bank) there would be cumulative security with each shipment. Money would be thus made available to start operations and to continue them until ore settlements were coming in with regularity. There would need be no recess in operations in waiting for settlement funds with which to produce the following carload. The initial unsecured loan would be relatively small in comparison with the rotating secured operating fund. The operating fund could be made self-liquidating by the banks' retention of 20 per cent of settlements.

A fund should be set up in a bank whereby a small shipper, delivering his ore to an established ore buyer, could deliver his settlement sheet to the bank and literally cash it. This would relieve the ore buyer, having limited funds, from borrowing for his own account to make purchases and would assure the small shipper of immediate returns with which to continue production.

The entire project would be made possible only by granted authority to the District Engineer similar to his position in "C" loans. Immediate action on the operating loan application would be necessary for its satisfactory functioning and complete power of execution placed in the hands of the District Engineer for expeditious treatment of each operator's particular problems.

Facilities of the Department of Mineral Resources could be utilized in reviewing and evaluating application as well as in subsequent checking on progress.

S. 2746



IN THE SENATE OF THE UNITED STATES

SEPTEMBER 3, 1942

Mr. HAYDEN (for himself, Mr. MURRAY, Mr. CLARK of Idaho, Mr. THOMAS of Idaho, and Mr. McFARLAND) introduced the following bill; which was read twice and referred to the Committee on Banking and Currency

A BILL

To authorize the Reconstruction Finance Corporation to make loans to those desiring to engage in producing minerals of value to the United States in time of war.

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*
3 That section 14 (authorizing the Reconstruction Finance
4 Corporation to make loans for mineral development pur-
5 poses) of the Act entitled "An Act relating to direct loans
6 for industrial purposes by Federal Reserve banks, and for
7 other purposes", approved June 19, 1934, as amended (54
8 Stat. 897; U. S. C., title 15, sec. 606 (d)), is hereby
9 amended by inserting in the second sentence of such section,
10 after the words "engaged in", the words "or desiring to
11 engage in".

August 31, 1942

SUBJECT: MINE LOAN PROCEDURE

Dear Bill:

I have your memorandum of the 27th regarding the streamlining of the mine loan program. I am mighty glad to know you are going to have a conference with Senator Henderson.

Kuehl is going back to Washington with quite a different idea of the mine loan program than he had before and there have been a lot of changes made by him and Cohring in their trip around the various offices; also, there are a lot of other changes coming up. I hope that you will see Kuehl in the near future and you will find that he pretty fully understands the whole situation.

I note your comment that Wilbur Nelson would snap at the chance to take over the loans. I can verify that fact. The evening I spent with Wilbur Nelson in Denver indicated that he was not alone willing but really anxious to do so. His appointment as head of the whole mining program is another result of our persistent yelling for a single head. Nelson has a pretty good picture of the whole situation, although he is a bureaucrat from beginning to end and handles things with the angle of cramming them down your throat rather than co-operating. I doubt if he can handle the mining people that way for they simply would lie down and quit rather than be bullied.

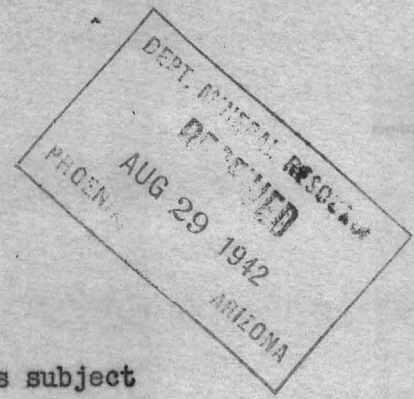
With kindest personal regards, I am

Yours very truly,

CHARLES F. WILLIS, Chairman
Board of Governors

CFW:MH

Washington, D.C.
Aug. 27, 1942



SUBJECT: MINE LOAN PROCEDURE

I was very pleased to have Willis' memo of Aug. 26th on this subject written after the conference with Kuehl.

I have not let up at all on the pressure from this end to get the B loans "streamlined" and the combination of one thing and another resulted in this trip by Kuehl; and, by the way, Macartney went to the Tri-state area on the same business.

Evidently you got in some real good licks and I feel sure that good things will come of it all. As a matter of fact, Senator Henderson called me on the phone this morning and proposed a conference with Macartney and Kuehl just as soon as they get back.

I am interested in the outcome of the discussions on the general loan under 5-d, and particularly that you have been able to get some action where I failed for a couple of years.

As you know, I wrote this into the section originally, and made quite a play of it in the papers and Pay Dirt, but nothing came of it. I prodded Henderson by mail to no effect; even since coming back here I have tried to get an opinion in writing from various RFC officials, and only could get "no applications have ever been considered under this section for mine loans". Only Monday I was discussing the matter with Kuehl's assistant. Since the last Murray amendment, this section is much more liberal than as I wrote it in 1940, and of really more use.

So I certainly am pleased and take my hat off to you that you were able to get Kuehl interested.

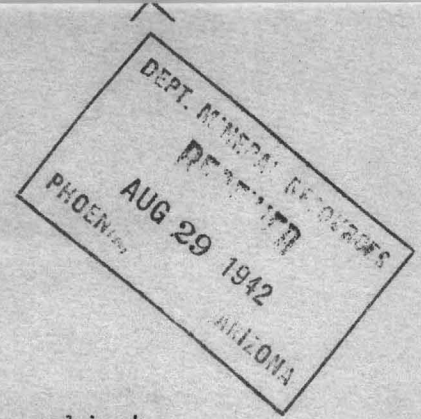
The Hayden amendment will take off still another curse.

As a matter of fact, we really have Henderson on the run, as he is very much afraid from "things he has heard" that the mine loans may be taken out of his hands unless he moves fast. I am told quietly that Wilbur Nelson would snap at the chance to take the loans over if the RFC does not do its stuff as it should, and the necessary legislation should and would, not be hard to press to make the transfer as some already have it in mind. But it looks as though this step would not be necessary. However, it means we have an additional weapon if we need to use it to put on more pressure.

Congratulations.

Bill Broadgate

Washington, D.C.
Aug. 27, 1942



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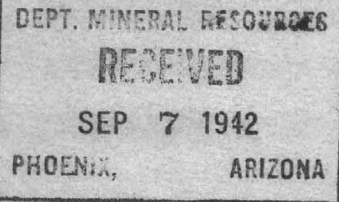
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Congratulations.

Bill
Bill Broadgate

Washington, D.C.
Sept. 4, 1942



SUBJECT: MINE LOANS
Legislation
~~Relaxing~~ requirements

Herewith copies of the new bill to relieve the necessity for the applicant for a loan to be "engaged in the development of ore bodies".

Oddly enough, Senator Murray has a tungsten deposit which he inherited from an Uncle and on which nothing has been done but keep up the taxes. He deeded it to his sons, but they did not apply for a loan largely because of this clause, I gather. But they never thought to cure it. This, of course, is confidential.

This change will not only make unworked claims and mines eligible, but will relieve the Engineer Examiner section on another routine bit of rad tape inquiry, and the legal section from the necessity of reviewing this point, all of which means a saving of a little time, so important especially in the case of B loans. Of course, the limitation does not apply to C loans as they come under section 5d, and A loans are granted usually on operating properties.

Clark of Idaho has promised to ~~steer~~ steer this bill in committee. He is the only Western member of Banking and Currency on whom we can depend, and about the only Western member here.

Yesterday I pulled some wires to get the clerk of the committee to write the RFC for a report, and unless the Legal Section lied to me, it should be favorable. We should, then, be able to get the bill out promptly when Wagner returns on the 14th, without a hearing, on poll of the committee. At least, that's the way Hayden and I have it figured out.

Lorna Lockwood is contacting Murdock about a duplicate bill in the House. She can have it put in as soon as she hears favorable from John R.

I think that this item should be good for a press release.

Bill Broadgate

Re Loans



AUG. 24, 1942

Hotel Harrington,
Washington, D.C.

Hon. Charles B. Henderson,
Chairman of the Board,
Reconstruction Finance Corporation,
Washington, D.C.

Dear Senator Henderson,

I am pleased to be informed that the new Class C preliminary development loans are being handled with gratifying expedition.

The time of handling Class B loans, however, still seems to leave much to be desired, although I understand that when Messrs Ruchl and Macartney return from the field plans will be formulated to "streamline them".

It has been suggested that in cases where, under the present necessity for accelerated mineral production, a worthy property should be put into immediate production or at least its development begun without delay, it might be possible to get quick action by the device of applying for a Class C and Class B loan simultaneously. The Class C would then be absorbed into the Class B if the case was found worthy of the larger loan. In this way the work could start and be continuing while the development loan was being processed.

There might be certain technical difficulties in carrying out this plan but certainly the phrase in the rule "for preliminary development of mine workings" is broad enough to cover it and the time of placing a mine into operation would be shortened to at the most a few weeks instead of months.

I should be pleased to have your comment on this suggestion which, you will appreciate, is advanced in a spirit of helpfulness.

With kindest personal regards,

Very truly yours,

CC/ Senator Hayden
Senator MacFarland
Senator Murray

W. C. Broadgate
Asst. Director

August 26, 1942

Dear Bill:

A couple of days ago Bill Gohring got back to Phoenix after his trip around all the R.F.C. mine loan offices. He had with him on that trip Frank Kuehl who is in the legal division of the R.F.C. in Washington and Kuehl has gotten a real picture of the mine loan situation with a complete understanding of what it is all about, and a truly sympathetic attitude toward the problems and the necessity for streamlining and speeding them up.

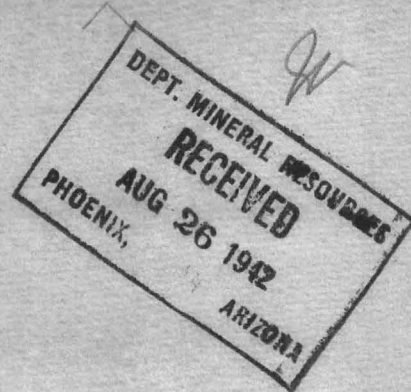
During the trip they sent a considerable number of recommendations to Washington, most of which will be carried out immediately and all will be followed up as soon as he gets back there.

I think the trip is going to result in giving the field offices complete jurisdiction over both preliminary development and development loans with powers to make the loans and carry them out as they deem advisable and merely keeping Washington informed as to what they are doing.

We spent all morning today with Kuehl and Gohring and the staff of the Phoenix office on a program to streamline the whole mine loan set-up which included a plan for getting quick action on a "B" loan immediately after a "C" loan is expended.

Among the things we discussed was the loan which we have talked about and which is recognized under the law, but on which almost nothing has been done, which is a loan for operating capital. Kuehl agrees that it is very necessary to set up such a loan. In line with this a telegram went from him and Gohring to Washington today to Macartney, Rait and Mills as follows:

"Conference with Willis, Hastings, Rockwood, and Lane discloses there is need for loans for operating capital after certain preliminary loans have been exhausted or where ore is ready to be mined or shipped but lacks working capital and capital to cover lag in premium payments. We have advised present circular authorizes such loans and application from L-197 is satisfactory. Security in many cases will be warehouse receipts or smelter premium settlement sheets, except probably for initial disbursements for early shipments in nominal amounts. We have suggested that Phoenix people in cases this type assist applicants and that supervising engineers forward letter relating to such applications giving sufficient information on basis of which Washington can adopt procedure similar to procedure for pre-development loans and give supervising engineers sufficient authority to permit expeditious handling in field. We recommend your favorable decision and consideration for above purposes under 5-D in assisting the war effort and suggest Wiley draft documents giving field engineers authority and control



Aug. 25, 1942

Hotel Harrington
Washington, D.C.

Hon. Carl Hayden,
United States Senate,
Washington, D.C.

Dear Senator,

For the record I am transmitting to you this memorandum covering the attached amendment to the RFC Mine Loans Act Sect. 14, Pub. 417, 73rd Congress and Public 784, 76th Congress.

In order to prevent, during the depression, promoters from acquiring or leasing mines and operating them on borrowed money, we left in the act during its revisions, the clause "The Corporation is authorized to make loans to corporations, individuals, and partnerships engaged in the development of ore bodies". At the present time, when all possible sources of mineral must be rapidly exploited, this clause in some instances makes it impossible to obtain an RFC loan.

If, for instance, you had obtained a mine at tax sale, paid the taxes for a number of years, but had never operated it, and although it might be a very desirable property in every way and well qualified for a loan, technically, the RFC could not grant such a loan as you are not and have never "engaged in the development" thereof.

Credit must be given the RFC for construing this clause with all possible liberality where there has been any chance of getting by with assessment work, road work to improve the property, etc. But still some cases would not qualify. It is very desirable, therefore, to amend the act as soon as possible. I feel that the R.F.C. will not object to such an amendment.

Senator MacFarland approves and would like to join on the bill, and I feel sure from my conversations with Senator Murray that he would also, although I was not able to see him this afternoon about it. Probably the Senators who have joined us in mine loan legislation in the past would also join.

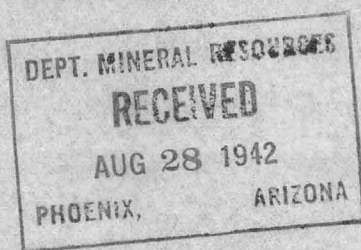
The words "engaged or desiring to engage in" cure the trouble and will also eliminate a point of inquiry necessary for all loans which sometimes results in time consuming correspondence.

CC/ Senator MacFarland
Senator Murray
Mr. J. W. Mills, RFC

Very truly yours,

W. C. Broadgate
Assistant Director,
Department of Mineral Resources

77th
2d

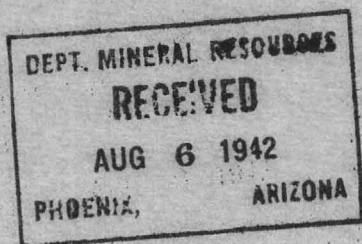


HAYDEN

To amend provisions of present law which authorize the Reconstruction Finance Corporation to make mining loans to persons already engaged in certain types of mineral developmental work so as to authorize similar loans to be made to persons desiring to engage in such types of work.

That section 14

(authorizing the Reconstruction Finance Corporation to make loans for mineral developmental purposes) of the Act entitled "An Act relating to direct loans for industrial purposes by Federal Reserve banks, and for other purposes", approved June 19, 1934, as amended (54 Stat. 897; U. S. Code, Title 15, sec. 606 (d)), is amended by inserting in the second sentence of such section, after the words "engaged in", the words "or desiring to engage in".



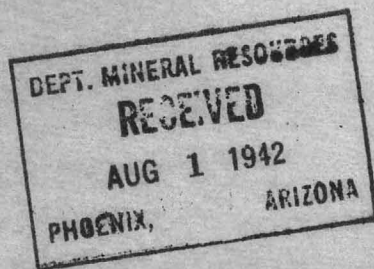
Washington, D.C.
Aug. 4, 1942

SUBJECT: Mine Loans,
Grants under Section 5 of the
General RFC Act.

Regarding Willis question as to this matter, Mr. Frank W. Kuehl, Counsel for RFC informs me that the Mining Section has never recommended a loan under the authorization to purchase the capital stock of a company producing strategic and critical ~~minerals~~ minerals, to date.

Therefore, no specific forms have been prepared to cover this situation.

Bill
Bill Broadgate



Washington, D.C.
July 30, 1942

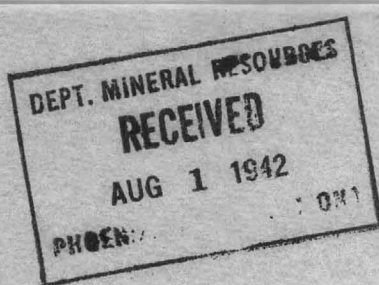
SUBJECT: Mine Loans
RFC Final Action.

The P. R. Helm case brings up an interesting point regarding bottle-necks which has been concerning me for some time. I have observed a decided loss of time in getting final action on loans by the RFC Board of Directors.

They, of course, have to pass on everything from a few dollars up and actually say yes or no. There is no delegated authority, as there would be in any civil organization, (at least in matters where small sums are involved). Imagine a bank whose cashier could not make loans of small sums unless reviewed by the Board! The consequences are that important matters take precedence (what they consider important) and others hang around till they finally get to it, like these cases à la Helm. I think the only turndowns that are handled by the engineers are those which never get as far as examination, because of no merit shown to warrant an examination.

This situation seems to grow out of some peculiarity of the law, and I intend to study it over and see if legislative relief is necessary to allow the Board to delegate its authority to pass on loans under certain amounts, or whether it is one of those Jessie Jones regulations.

Bill
Bill Broadgate



Washington, D.C.
July 30, 1942

SUBJECT: Development Loans,
Operating after loan is withdrawn.

I have talked to John Norton about this matter in past years, but thought I would get the latest slant. Could not see Rait, but talked to his assistant. The property may be in one of two positions...

1. Foreclosure proceedings may have been completed and the title be now vested in RFC.
2. The loan may have been suspended and no formal foreclosure proceedings carried out, in which case the mine is still in the name of the original owner.

In cases under (1), the RFC will consider any sort of a business lease on the usual royalty basis, usually giving preference to the old owner if possible.

In cases under (2), The RFC will negotiate with the owner, to allow him to lease or sell the property on some reasonable basis, all the proceeds from the owner's lease to be applied to the loan as a rule, with the idea that the owner will eventually be returned to full standing as owner when the contract has paid out the loan and interest, any balance then going to the owner.

Where the owner himself wishes to operate the property an odd circumstance arises out of the fact that the RFC already has a total lien on the mine and its contents (practically the same under the old mortgage provisions or lien provisions, excepting that now there can be no foreclosure) consequently the RFC would be due all proceeds from the operation and there would be little inducement for the owner to operate unless he thought well enough of the property to try and pay off the loan and get in the clear.

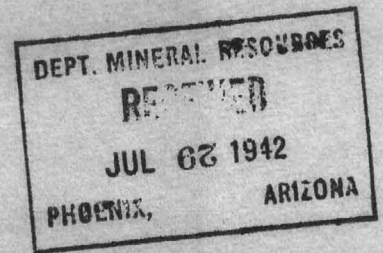
I pointed out that producing metal was more important than saving the face of the legal division or squeezing out repayments. The reply was that RFC will consider any applications from the owner to operate, carefully, and probably allow him to pay a definite percentage of the returns into the loan kitty, keeping any excess.

Anyway, it is a matter of individual negotiation with RFC, and they are very favorably inclined toward getting any property they have mortgages or liens on into operation to pay the loans off.

Bill
Bill Broadgate

I think most such deals to date have been of 10% royalty.

Washington, D.C.
July 27, 1942



SUBJECT: Mine Loans
General

I stated in a former memo that Macartney intended to make a trip throughout the West to interview all the Field Offices of the RFC and reach certain conclusions about procedure.

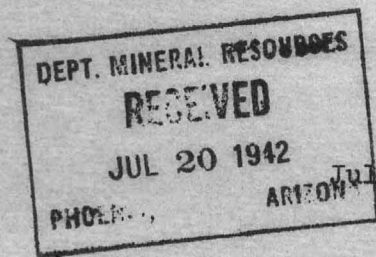
Gohring tells me that Macartney found he was unable to go and Bill is going along with a member of the Legal division to make the tour.

Bill tells me welcome news that word has been passed down from the top to "streamline" mine loan procedure and shorten the routine. He cautioned me about saying about this publicly, so he will no doubt tell you all about it when he hits Phoenix after the tour. I do know that the legal department has certainly changed its tune and is much more cooperative than ever before.

Perhaps ~~our~~ pecking away does have concrete results after a time. But one almost gets discouraged before seeing the results faintly emerging.

Bill Broadgate

P.S. Was glad to get the copy of the letter to Gohring ~~reaching~~ giving the proposed Class C procedure. I think it will help a lot. Gohring stated he spent considerable time going over this with RFC. There is no doubt that all these people like to use our Department as a ~~showcase~~ test spot because of our excellent organization.



Subparagraph (2) of the fourth paragraph of section 5d of the Reconstruction Finance Corporation Act, as amended,

(2) To make loans to and purchase the obligations of any business enterprise, including, when requested by the Secretary of Commerce, subscription to the capital stock thereof, for any purpose deemed by the Corporation to be advantageous to the national defense, Such loans, purchases, or subscriptions shall be made under such terms and conditions and with such maturities as the Corporation may determine.

This law certainly permits capital or operating loans to mining companies... or anyone else.

Bill

Bill Broadgate

July 27, 1942

MEMORANDUM

DEVELOPMENT LOANS

TO: W. C. Broadgate

FROM: J. S. Coupal

I have received the following from A. C. Nebeker:

"A miner gets a \$5,000 or \$20,00 loan which is supposed to be paid out of production, he has used part of it, or maybe all of it, and it is not at this time shipping, and the property is closed down by order of the R.F.C. Agency. Some months after the owner or a lessee starts working the mine again on their own money, and shipments of ore are made. Will the Government take the returns from said shipment to apply on the loan?

"When shipments are made during a development job what per cent of that shipment will be applied on the loan, in case the amount of the loan is just used up?

I have advised Nebeker that under these conditions it would be necessary for the owner or the lessee to consult the RFC Mine Loan Division before starting operations and they can advise just what percentage of any shipment will be applied to the repayment of the loan.

July 24, 1942

MEMORANDUM

DEVELOPMENT LOANS

TO: A. C. Nebeker

FROM: J. S. Coupal

Referring to your memorandum of July 18 I am unable to give you a definite answer to your question as to the resumption of operations on a property on which a \$5,000 or a \$20,000 loan has been made after property was closed down by the RFC. That particular question should be taken up by the owner of the property or a leaser of the property with the RFC Mine Loan Division before he starts shipment.

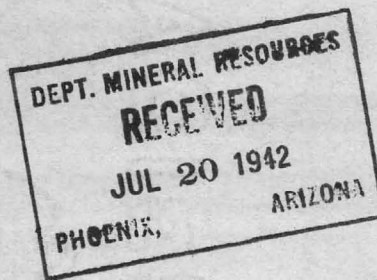
The loan was originally made and the security was the ore in the mine. I believe your lien against the ore will hold and must be paid off from the property from production even though there has been a period during which the mine was not operated. The returns that the Government expect from any ore taken from the property after it was closed down by RFC order is a question also that will have to be taken up with the RFC.

No fixed rule is made but I do believe an owner or a leaser could make arrangements for a 10 per cent royalty to apply on the loan. Just how much the Government will hold out on any ore shipments during development is also a point which is more oreless flexible and should be taken up by the owner or lessee with the RFC.

We have not made any sample loan applications nor do I have a copy of any that have gone through. Each loan application is a special individual problem. The more complete the information given, the better chance one will have of getting a loan. That not only includes the physical information regarding the property, but also a careful estimate of the proposed development work along with the costs of equipment and work to be done. Rough sketches and clear concise description of the property will aid in getting any loan prompt consideration.

I will keep in mind your request for a sample application and it may be worth while to get one up and I will do so if I can find the time.

W



July 18th, 1942.

To J. S. Coupal

Development Loans;


By A. C. Nebeker

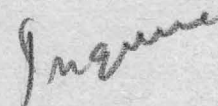
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When shipments are made during a development job what per cent of that shipment will be applied on the loan, in case the amount of the loan is just used up?

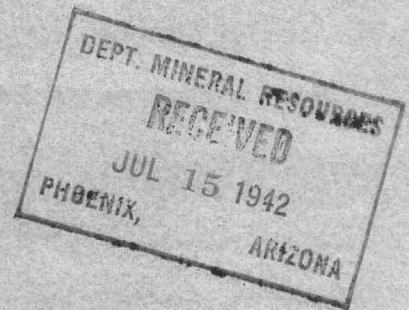
Can you furnish us with a sample contract where a Mr John Doe has got a loan of say, \$20,000?

The above two questions comes up with some of the operators here.


A.C. Nebeker



Washington, D.C.
July 13, 1942



SUBJECT. MINE LOAN SECTION, RFC.
CHANGE IN ADDRESS

Apparently in order to make life as miserable as possible for me, the whole Mine Loans section has moved again. The first time I called on them this trip I had to sit on a wastebasket while they found their files, and now they are in the same fix. They have moved to a partly finished building... which will be very nice when and if completed and some air cooling turned on at;

D. M. Rait, Chief,
Mining Section,
Reconstruction Finance Corporation,
Commonwealth Building,
1625 K Street, N.W.
Washington, D.C.

I no longer can hit the Metals Reserve and Mine Loans in one call, and its a long, hot walk, and just too close to take a taxi with a clear conscience, from the RFC Building

#*:??_&") :

Bill

Bill Broadgate

July 3, 1942

MEMORANDUM

ARIZONA MINE LOANS

To: W. C. Broadgate

From: J. S. Coupal

Would it be possible for you to get a list of the mines in Arizona on which general mine loans and development mine loans have been made? It would be of help to us also if, when, and as any new loans are made we could be notified.

There may be difficulties in getting these but please keep this inquiry in mind and do what you can.

W

June 2, 1942

Hotel Harrington,
Washington, D.C.

Mr. D. M. Rait,
Mining Section,
Reconstruction Finance Corporation,
Washington, D.C.

Dear Mr. Rait,

As per our conversation, please call on us for information regarding Arizona properties at any time. You may address your inquiries through me here at the Harrington, and I will see that they get the proper attention.

As we have engineers in every section of Arizona, we are in a position to obtain information quickly and efficiently, and, perhaps, save your small examining staff some preliminary effort. While I quite understand our men cannot substitute for your engineers, yet we can make certain of some facts that you may need to complete an application or judge it, and which may be missing.

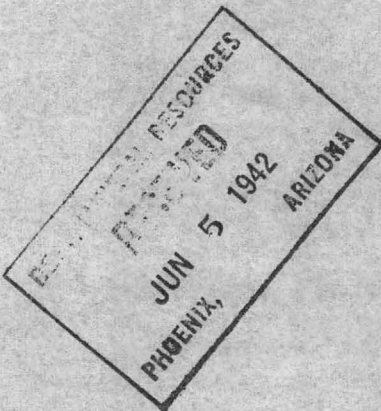
We will be glad to help in every way.

I am sure that we will be able to work together here to our mutual advantage and to the benefit of the metals program as it concerns Arizona.

Very truly yours,

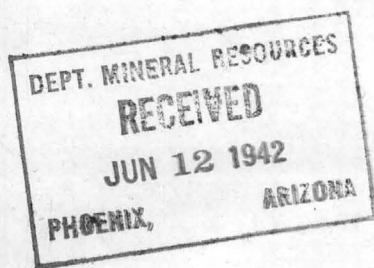
W. C. Broadgate
Assistant Director

JSC



RECONSTRUCTION FINANCE CORPORATION
WASHINGTON

W



June 8, 1942

Mr. W. C. Broadgate, Assistant Director
Department of Mineral Resources
State of Arizona
Hotel Harrington
Washington, D. C.

Dear Mr. Broadgate:

Receipt is acknowledged of your letter of June 2, 1942, offering the services of your engineers in connection with preliminary examinations of mining properties in Arizona.

Please feel assured that we appreciate your courtesy in making this offer, and that we shall be very pleased to take advantage of it should the occasion arise.

Very truly yours,

D. M. Rait

D. M. RAIT
Chief, Mining Section

Do you think our State assistance plan would be good for a press release?

Bill

JAMES E. MURRAY, MONT., CHAIRMAN
ALLEN J. ELLENDER, LA.
JAMES M. MEAD, N. Y.
TOM STEWART, TENN.
CLAUDE PEPPER, FLA.
BRIEN MCMAHON, CONN.
GLEN H. TAYLOR, IDAHO

ARTHUR CAPPER, KANS.
GEORGE A. WILSON, IOWA
KENNETH S. WHERRY, NEBR.
C. DOUGLASS BUCK, DEL.
HOMER E. CAPEHART, IND.

DEWEY ANDERSON, EXECUTIVE SECRETARY

United States Senate

Special Committee to Study Problems of
American Small Business

June 11, 1946



Dear Senator Henderson:

Pursuing further our correspondence on the Mardun and Langley cases in Arizona, you probably are more conversant with the facts in Steep Rock than I am, and no doubt you are correct in saying it is not a proper parallel with the aforementioned cases.

The fact that the WFB Copper Branch did not recommend financing the Mardun project is not a criterion of its excellence. Perusal of our Subcommittee Report No. 6, pages 12 to 14, will show the trouble with that situation. We have a list of more than 30 projects totalling more than 250,000 tons of copper per year, most of which were heartily recommended by the Copper Branch's Copper Production Section but which never got out of the Copper Branch or the Facilities Bureau for reasons entirely aside from the merits of the mines. I am surprised that the RFC would use such a yardstick at this time.

Regarding the Langley case, it is my understanding that rejection occurred principally because in the opinion of your Washington office production of only around one ton per man shift could be maintained. This, in spite of protestations by the applicant that production of around 4 tons per man shift could be maintained, which opinion, I am informed, was generally concurred in by your field office. Such a lead-pencil reduction naturally made the loan uneconomical on paper.

By one means or another we have helped this mine to keep in operation as it produces lead, which is critically short, and zinc, which will be critically short this fall. They may still need RFC help.

It may interest you to know that from January 1, 1946 to May 1 inclusive, production of 4.38 tons per man shift of marketed or marketable ore has been maintained, averaging 4.5% lead and 7.5% zinc.

Hon. Charles B. Henderson

- 2 -

June 11, 1946

In the opinion of the writer, neither of these loan applications was reasonably handled; the Warden on the policy level or the Langley on the analytical level.

As pointed out in your Circular 13 of May, 1946, RFC has acquired the authority of SWPC and it can now make liberal loans to mines without considering the restrictions of either section 5(d) or section 14 of the RFC Act.

It appears to me the whole mine loan situation is steadily deteriorating to the condition it was in before 1942 and that it badly needs a shot in the arm of some kind and a recrystallization and restatement of policies. Possibly some tentative policy should be worked out and then Rait and Kuehl should take another swing through the country as was done once before to get the feeling of the field offices.

I am glad you are going to take a trip to the field and will talk with the Agency men, also that you will have a much-needed rest in California.

Kindest personal regards.

Sincerely yours,

Bill Broadgate

W. C. Broadgate
Technical Consultant

Honorable Charles B. Henderson
Chairman of the Board
Reconstruction Finance Corporation
Washington, D. C.

cc: C. H. Dunning ✓

8/22/95 Tuesday

①

"ORIGINAL" LISTING BEFORE

COMPUTER CATALOGING AND CROSS REFERENCING TO
AZMILS. MANY OF THE "FILES" WERE JUST CROSS
REFERENCING TABS TO THE ACTUAL FILES. NFA
3-96

Drawer RFC Files A-Z

- 1 1. Lists of R.F.C. Applications
- 1 2. Loans - RFC General
- 1 3. Miscellaneous - R.F.C.
- 1 4. State of Utah
- 1 5. Abe Lincoln Mine - Yavapai County
- 1 6. Abril Mine - Cochise County (see Abril Bros. & H. W. Smith Group)
- 1 7. Addie Mine - Yuma Co. (see Nottbusch Mine File)
- 1 8. Adjust Group #369 - Pinal Co.
- 1 9. Amsworth Mine - Cochise Co. Mil No. 16
- 1 10. Alpha Mine - Mohave Co.
- 1 11. Alto Mine - Santa Cruz Co.
- 1 12. Amargosa Molybdenum & Copper Corp. - Pima Co.
(see Esperanza Mine)
- 1 13. Arbitration Zinc Group - Gila Co.
- 1 14. Astonished - Fairview Mine (American Mine) - Pinal Co.
- 1 15. B. & R. Mines Inc. Santa Cruz Co (see Alto mine)
- 1 16. Bellevue Mine (see Gibson Mine) - Gila Co.
- 1 17. Best Bet Mine - Mohave Co.
- 1 18. Bender Mine - (see Mina Prieta Mine) - Santa Cruz Co.
- 1 19. Big Blue Mine (formerly de Braathen) - Santa Cruz Co.
- 1 20. Binghamton Mine - Yavapai Co.

(2)

Drawer

RFC Files

- | | |
|---|--|
| 1 | 21. Black Bird Bird Mine - Pima Co. |
| 1 | 22. Black Chief Copper - Yavapai Co. |
| 1 | 23. Black Diamond Mine - Cochise Co. |
| 1 | 24. Black Metal Copper - Yuma Co. |
| 1 | 25. Black Oxide (Superior & Boston) - Gila Co. |
| 1 | 26. Black Rock Group - Yavapai Co. |
| 1 | 27. Black Mine - Santa Cruz Co. |
| 1 | 28. Blackfoot Group - Mohave Co. |
| 1 | 29. Blue Lead Group, Unida Group - Yavapai Co. |
| 1 | 30. Blue Bell Claims - Gila Co. |
| 1 | 31. Blue Bird Mine - Gila Co. |
| 1 | 32. Bluebird Mine - Pinal Co. |
| 1 | 33. Blue Bell Mine - Yavapai Co. |
| 1 | 34. Blue Eagle Mine - Pima Co. |
| 1 | 35. Blue Nose Mine - Santa Cruz Co. |
| 1 | 36. Blue Shale - Pima Co. |
| 1 | 37. Boggs Mine - Yavapai Co. |
| 1 | 38. Boston Mine - Pinal Co. |
| 1 | 39. Boston - Arizona Mine - Yavapai Co. |
| 1 | 40. Bridal Veil Mines - Coconino Co. |

Drawer

R.F.C. Files

- | | |
|---|---|
| 1 | 41. Braathen Mine (See Big Blue Mine) Santa Cruz Co. |
| 1 | 42. Broken Promise Mine - Cochise Co. |
| 1 | 43. Buena Vista Mine - Cochise Co. |
| 1 | 44. Bueno Copper Mine - Yavapai Co. |
| 1 | 45. Bullard Mine - Yavapai Co. 1 of 3 |
| 1 | 46. Bullard Mine - Yavapai Co. 2 of 3 |
| 1 | 47. " " " " 3 of 3 |
| 1 | 48. Bulldozer Mine - Pima Co. |
| 1 | 49. Burmister Manganese Mine - Yavapai Co. |
| 1 | 50. Cabot Mine - Pinal Co. |
| 1 | 51. Caetus Queen Mine (See Iron Clad Mine) - Mohave Co. |
| 1 | 52. California Properties - ? Co. |
| 1 | 53. Camden No 2 & 3 claims - Pima Co. |
| 1 | 54. Canadian Mine (See Pine Top Abestos) - Gila Co. |
| 1 | 55. Cara Vaca Mine - Pima Co. |
| 1 | 56. Carlota Mine - Gila Co. |
| 1 | 57. Castle Mine (Two Friends) - Pima Co. |
| 1 | 58. Centurion Mine - Cochise Co. |
| 1 | 59. Chance Mine - Cochise Co. |
| 1 | 60. Chance Mine - Yavapai Co. |

DRAWING

R. F. C. Files

- 1 61. Charleston Mine - Cochise Co. (Woolery Mine.)
- 1 62. Chase Mine - Yavapai Co.
- 1 63. Christmas Mine - Yavapai Co.
- 1 64. Circle Group (J. R. Brann) Pima Co.
- 1 65. Climax Mine - Yavapai Co.
- 1 66. Columbia Mine - Gila Co.
- 1 67. Columbia Group - Santa Cruz Co.
- 1 68. Columbus & Lead Carbonate - Mohave Co.
- 1 69. Conlig Tungsten Mine - Cochise Co.
- 1 70. Contact Mine - PIMA & Santa Cruz Co.
- 1 71. Contention Mine (Twin Buttes Mines) - Pima Co.
- 1 72. Copper Bell Mine (see Defiance Mine) - Gila Co.
- 1 73. Copper Belt Mine (Tri-Metals) - Maricopa Co.
- 1 74. Copper Dome Mine - Maricopa Co.
- 1 75. Copper Giant - Mohave Co.
- 1 76. Copper Giant - ? Co.
- 1 77. Copper Glance Mine (See Twin Butte Mines) - Pima Co.
- 1 78. Copper Hill Mine - Yavapai Co.
- 1 79. Copper Queen - Yavapai Co.
- 1 80. Copper Ridge Group - Pima Co.

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Drawn

R.F.C.

- 1 81. Copperville Mine (See Siamese Group) - Mohave Co.
- 1 82. Coyote Mine (see Black Bird Mine File) - Pima Co.
- 1 83. Critic Mine - Yuma Co.
- 1 84. Crosby Mine (Sullivan Group) - Cochise Co.
- 1 85. Crump Mine - Maricopa Co.
- 1 86. Curtis Property - Yavapai Co.
- 1 87. Daily Mines Co. - Pima Co.
- 1 88. Defiance $\frac{1}{2}$ Copper Bell Mine - Gila Co.
- 1 89. Del Pasco Mine - Yavapai Co.
- 1 90. Detroit Mine - Mohave Co.
- 1 91. Dixie Mine - Maricopa Co.
- 1 92. Dragon Zinc Mine (see Democrat Mine) - Cochise Co.
- 1 93. Duncan Tungsten Mine - Mohave Co.
- 1 94. El Tigre Mine - Cochise Co.
- 1 95. El Oso Mine - Gila $\frac{1}{2}$ Maricopa Co.
- 1 96. Ellwood Claims - Gila Co.
- 1 97. Empire Mine - Yuma Co.
- 1 98. Esperanza Mine - Pima Co.
- 1 99. Eureka $\frac{1}{2}$ Eureka No. 1 - Mohave Co.
- 1 100. Eureka Mining $\frac{1}{2}$ Milling Co. - Santa Cruz Co.

(6)

Drawer

R. E. C. files -

- | | |
|---|--|
| 1 | 101. Evening Star Mine (See Evening Star & North Star Group) Yavapai Co. |
| 1 | 102 Flourine Mine - Pima Co. |
| 1 | 103 Fox Group - Yavapai Co. |
| 1 | 104 Gladstone Mine - Santa Cruz Co. |
| 1 | 105 Gibson (or Bellevue) Mine - Gila Co. |
| 1 | 106. Lyle M. Glassburn (See L. N. Wisner & Lyle M. Glassburn) Gila Co. |
| 1 | 107 Globe Transit Mine - Gila Co. |
| 1 | 108. Goat Camp No. 1 & Claims - Greenlee Co. |
| 1 | 109. George Group - Mohave Co. |
| 1 | 110. Gold Nugget (Formerly Josephine) Mine - Cochise Co. |
| 1 | 111. Gold Hill Mine (Quartzite Tungsten Mine) - Yuma Co. |
| 1 | 112. Good Enough Mine - Pima Co. |
| 1 | 113. Good Luck (Jumbo) Claim - Maricopa Co. |
| 1 | 114. Gould Mine - Pima Co. |
| 1 | 115. Grand Reef Mine - Graham Co. |
| 1 | 116. Graveyard Mine - Pima Co. |
| 1 | 117. Gunsight Mine - Pima Co. |
| 1 | 118. Guy Buster Mine - Pima Co. |
| 1 | 119. Hack Mine (Sonora Claims) - Yuma Co. |
| 1 | 120. Hackberry Mine - Yavapai |

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Drawer

R. F. C. Files

- | | |
|---|---|
| 1 | 121. Harris Mine (See Silver Hill Mine) - Cochise Co. |
| 1 | 122. Havasu Mine (Bridal Veil Mine) - Coconino Co. |
| 1 | 123. Hedderman Mine (Democrat Mine) - Cochise Co. |
| 1 | 124. Helmet Peak Mine - Pima Co. |
| 1 | 125. Hercules - Badger Mine - Mohave Co. |
| 1 | 126. Hidden Treasure Mining Co - Yavapai Co. |
| 1 | 127. Hilltop Mine - Cochise Co. |
| 1 | 128. Home Stake Mine - Santa Cruz Co. |
| 1 | 129. Horseshoe Copper Group - Graham Co. |
| 1 | 130. Humdinger Group - Yuma Co. |
| 1 | 131. Independence Mine - Gila Co. |
| 1 | 132. Independence Group - Yavapai Co. |
| 1 | 133. Indiana Mine - Pima Co. |
| 1 | 134. Ireland Lead Mine - Gila Co. |
| 1 | 135. Irene Mine (Doughboy Group & Irene Group) - Gila Co. |
| 1 | 136. Iron Clad Mine (Cactus Queen Mine) - Mohave Co. |
| 1 | 137. Jacobs Custom Mill - Pima Co. |
| 1 | 138. Jefferson Mine - Santa Cruz Co. |
| 1 | 139. Johnny Bull Mine - Mohave Co. |
| 1 | 140. Josephine Mine (Gold Nugget Mine) - Cochise Co. |

Drawer

R.F.C.

- 1 141. Jumbo Claim (Good Luck claim) - Maricopa Co.
- 1 142. Jupiter Group - Mohave Co.
- 1 143. Keystone Copper Mine - Cochise Co.
- 1 144. King Mine - Cochise Co.
- 1 145. Kitty Why Mine - Pinal Co.
- 1 146. Kullman - McCool Group - Gila Co.
- 1 147. Kuno Mine Co. (Gibson Mine) - Gila Co.
- 1 148. L. N. Wisner & Lyle M. Glassborn - Gila Co.
- 1 149. Last Chance Mine - Graham
- 1 150. Lead Carbonate Mine (Columbus & Lead Carbonate) - Mohave Co.
- 1 151. Lime Cap Mine - Greenlee Co.
- 1 152. Line Boy Mine - Santa Cruz Co.
- 1 153. Little Fanny Extension Group - Cochise Co.
- 1 154. Logan & Lucky Mine - Yavapai Co.
- 1 155. Loma Prieta Mine - Yavapai Co.
- 1 156. Lone Jack - Blackfoot Group (see Blackfoot Group) - ? Co.
- 1 157. Lone star mine - Graham Co.
- 1 158. Lorraine Mine - Pinal Co.
- 1 159. Louise No. 1 - Gila Co.
- 1 160. R. H. Lund Manganese Mine - Gila Co.

Drawer

R.F.C.

- 1 161 Mammoth Mine - Cochise Co.
- 1 162 Mammoth-Tiger Extension - Pinal Co.
- 1 163 Mackay (Mckay) Mine - Cochise Co.
- 1 164 Manzanita & Uncle Abe Mines - Mohave Co.
- 1 165 Mary Bell Mine - Mohave Co.
- 1 166 Mary Copper Mine - Yavapai Co.
- 1 167 New Hope Mine - Pima Co.
- 1 168 Mina Prieta Mine - Santa Cruz
- 1 169 Minor Mine (Mountain Copper Mine) - Yavapai Co.
- 1 170. Mowey Metals Mine - Gila Co.
- 1 171. Moon Mine - Mohave Co.
- 1 172. Morgan Mine - ? Co.
- 1 173. Mountain Copper Mine (See Minor Mine) - Yavapai Co.
- 1 174. Mountain Queen (See Scribner Mine & Mountain Queen) - Cochise Co.
- 1 175. Mudbank Mine - Santa Cruz Co.
- 1 176. Moheim - Grafen Mine - Pima Co.
- 1 177. Night Hawk & White Dike Group - Yuma Co.
- 1 178. Narragansett & Daylight Mines - Pima Co.
- 1 179. New Jersey Mine - Mohave Co.
- 1 180. New Years Eve (See Esperanza Mine) Mine - Pima Co.

(10)

Drawer R.F.C.

1 181. Newnan Mine - Pima Co.

~~Night Hawk~~

~~Stopper~~

182. Ninety-One Mine (Troy Arizona Copper Co.) - Pinal Co.

1 183. No. Name Mine - Cochise Co.

1 184. Old Mercury Mine - Gila Co.

1 185. Nottbusch Mine (Addie Mine) - Yuma Co.

1 186. Orizaba Mine - Maricopa Co.

1 187. Oro Blanco Mines - Santa Cruz

1 188. Packard Fluorspar Mine - Gila Co.

1 189. Padres - Hester Mine - Pima Co.

1 190. Palo Verde Mine - Pima Co.

1 191. Papago Chief Mine - Pima Co.

1 192. Paymaster Silver-Lead Mine - Pima Co.

1 193. Pine Mtn. Quicksilver Mine - Gila & Maricopa Co.

1 194. Pine Top Asbestor - Gila Co.

1 195. Phillips Group - Gila Co.

1 196. Plomosa Mine - Gila Co.

1 197. Polly Ann Group - Greenlee Co.

1 198. Prieta Chinda Mine - Maricopa Co.

1 199. Primos Group - Cochise Co.

1 200. Prosperity Group - Santa Cruz Co.

Drawer

R.F.C. Fites

- | | |
|---|---|
| 1 | 201. Quartzite Tungsten Mine (See Gold Hill Mine) - Yuma Co. |
| 1 | 202. Rambo Mine - Gila Co. |
| 1 | 203. Rare Metals claims (Johnson Mine) - Pinal Co. |
| 1 | 204. Regmont Mine - Pinal Co. |
| 1 | 205. Rattlesnake Quicksilver Group - Gila Co. |
| 1 | 206. Red Oxide claim - Gila Co. |
| 1 | 207. Ridley Mine (See Graveyard Mine) - Pima Co. |
| 1 | 208. Rocky Mountain Mine, Inc. (See Chase Mine) - Yavapai Co. |
| 1 | 209. St. Louis Group - Mohave Co. |
| 1 | 210. St. Louis Mines - Pima Co. |
| 1 | 211. St. Louis Claim - Yavapai Co. |
| 1 | 212. Samoa Mine - Mohave Co. |
| 1 | 213. San Manuel - Pinal Co. |
| 1 | 214. San Pedro Mine (See Crescent Mill & Mines) - Pinal Co. |
| 1 | 215. San Xavier Extension - Pima Co. |
| 1 | 216. Savage Mine - Gila Co. |
| 1 | 217. Scribner Mine (Mountain Queen) - Cochise Co. |
| 1 | 218. Senator Morgan - Pima Co. |
| 1 | 219. Seneca Mine - Cochise Co. |
| 1 | 220. Shannon Mine - Cochise Co. |

Drawer	R. F. C. Files
1	221. Side wheel Mine - Cochise Co.
1	222. Silver Creek Mine - Gila Co.
1	223. Silver Hill Mine - Pima Co.
1	223. Silver Hill Mine - Cochise Co.
5	224. Slate Mountain Mine - Pinal Co.
1	225. SNYDER Mine - Gila Co.
1	226. So & So Mine - Gila Co.
1	227. Sonora Claims (see HAACK Mine) - Yuma Co.
1	228. Southern Cross Mine - Pima Co.
1	229. Spring Manganese Co. - Yuma Co.
1	230. Springfield Mine - Yavapai Co.
1	231. Squaw Peak Mine - Yavapai Co.
1	232. Starlight Mine - Graham Co.
1	233. Star of Texas Mine - Cochise Co.
1	234. Storm Cloud Mine - Yavapai Co.
1	235. Stotts Mine - Greenlee Co.
1	236. Sullivans Group (see Crosby Mine) - Cochise Co.
1	237. Suns Dance Mine - Yavapai Co.
1	238. Sunflower Group - Maricopa Co.
1	239. Sunset Mine - Gila Co.
1	240. Swiss helm Mine - Cochise Co.

Drawer

R.F.C. Files

- | | |
|---|---|
| 1 | 241. Tarr Claim - Pinal Co. |
| 1 | 242. 31 mine (See Chance Mine) - Yavapai Co. |
| 1 | 243. Telluride Chief Mine - Mohave Co. |
| 1 | 244. Texas Chief & Copper Prince - Yavapai Co. |
| 1 | 245 Thunderbolt Mine - Pinal Co. |
| 1 | 246 Tout Mine - Cochise Co. |
| 1 | 247 Treadwell Claim - Yavapai Co. |
| 1 | 248. Tri - Metals (See Copper Belt Mine) - Maricopa Co. |
| 1 | 249. Tri - Metals Mine - Yavapai Co. |
| 1 | 250. Troy Mine (See Ninety - One Mine) - Pinal Co. |
| 1 | 251. Turtle Spar Group - Pima Co. |
| 1 | 252. Twin Bottles Mine - Pima Co. |
| 1 | 253. Two Friends (See Castle Mine) - Pima Co. |
| 1 | 254. Uncle Abe Mine (See MANZANITA & Uncle Abe Mines) - Mohave Co. |
| 1 | 255. Urida Group (Blue Lead Group) - Yavapai Co. |
| 1 | 256. Union Hill Mine - Maricopa Co. |
| 1 | 257. Universal Mining & Smelting Corp. (See Columbia Mine) Gila Co. |
| 1 | 258. Victory Manganese Mine (Burgmeister Manganese Mine) Yavapai |
| 1 | 259. Victory Mines & Mill Co. (See Wrigley Group) - Mohave Co. |
| 1 | 260. Vivian Mining Company, Inc. (See Grand Reef Mine) Graham Co. |

Drawer	R.F.C. Files
1	261. Wodge Mine - Pinal Co.
1	262. Westerner Gold Lead Mines - Yavapai Co.
1	263. White Dike Group (Night Hawk & White Dike Group) - Yuma Co.
1	264. Williams Tungsten Mine - Mohave Co.
1	265. Wolverine & Arizona Mine (see Broken Promise Mine) Cochise Co.
1	266. Woolery Mine (see Charleston Mine) - Cochise Co.
1	267. Wrigley Group - Mohave Co.
1	268. Yuma Copper Mine - Yuma Co.
1	269. Zannarapolis Tungsten - Yavapai Co.

End of R.F.C. 8/31/95 Thursday