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C
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*Wenden Manganese
file*

Wenden, Arizona
July 13, 1959

TO ALL SHIPPERS:

In order that there will be no misunderstanding as to the closing of the carlot Manganese Program be advised.

1. Only material ready for immediate shipment and meeting the requirements of the regulation may be tendered. No tenders will be accepted after 5 P M local time August 5th, 1959.
2. Ore, fines or concentrates requiring further processing to be acceptable under the regulation can not be tendered.
3. All deliveries must be of the same quality as previously shipped. Material not properly sintered and not fused enough to permit handling without reverting to fines will not be unloaded or accepted.
4. In fairness to all shippers any attempt to ship material produced or processed after August 5, 1959 will result in refusal to accept material already legally tendered, and the tender document if false could result in severe penalties. All deliveries must be strictly in accordance with the regulation.
5. We call your attention in particular to Sec. 7, paragraph (b) of the original regulation. "If the lot fails to meet the specifications herein provided, the participant will be held responsible for the removal of the lot from the unloading site. Upon failure to remove the lot within fifteen (15) days after due notice, the Government may, at its option, remove such lot and the cost of such removal shall be for participant's account, or otherwise dispose of such lot without liability therefor. Lots delivered to the Government based on inaccurate information wilfully furnished by the participant may be the basis for terminating participation in the Program." This procedure will be strictly enforced.

We caution you in particular to the limit on fines and will appreciate your Continued cooperation.

Robert E. Reno, Jr.
Regional Director
Defense Material Service

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



July 23, 1959

Mr. A. V. Taylor, Vice-Pres.
Taylor-Knapp Company
Phillipsburg, Montana

Dear Al:

C
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It seems that the new Wenden depot has been slow getting under way, so that recent G.S.A. figures have not included any Region 9 production. The last difficulty was getting hold of a test car to check the railroad scale and I have not heard whether they are straightened out yet. Anyway, since Region 9 is supposed to have been producing about 47% of the car lot deliveries, its tonnage will considerably cut down your expected balance on August 5th.

I just had a letter from H. F. Lynn, written on his return from testifying at Washington. He says that at the present time he does not feel that we can get any action in behalf of manganese on the basis of its technical merits. The whole matter now seems to be political, with energies confined to the attempt to get a rider on the deficiency appropriation bill. I hear from Bill Broadgate that unfortunately Senators Hayden and Mansfield felt that they should hold a short hearing, which may not be good because of the probable adverse testimony of Government departments.

I understand that the Western Manganese Producers Association have changed their Washington representation and that Bob Palmer is now at bat for them.

Mr. Lynn says, "in regard to the short-fall of units, it was thought, after advisement, that this approach would only be taken after all chances of obtaining 10,000,000 units failed."

With kindest regards,

Sincerely yours,

FRANK P. KNIGHT
Director

FPK/H



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

January 12, 1959

To Arizona Manganese Producers:

Enclosed is a questionnaire which we hope you will fill out as completely as possible and return promptly.

As you know, it is going to be difficult to get extended help from Washington and it is considered necessary to have accurate information and united effort if we are to hope to succeed.

If we could get the whole mining industry behind a long range program with manganese included, we would be pretty well assured of getting somewhere. However, the first step is agreement among individual branches, and since time is short, manganese must act now - for itself or in combination with others - if it is to get any Washington action this year.

When we have received replies, we will send a compilation of the results to you. This can be done very soon if the questionnaires are returned right away.

Frank P. Knight

FRANK P. KNIGHT,
Director.

Encs.

Dear Mr. Knight,

2-13-59

Sorry I cannot fill this out but I have not produced manganese since the Wenden Depot Closed. Yours Truly L.C. Huthmacher

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



May 8, 1959

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

Dear Bill:

Al Stovall couldn't take the time to fill out a questionnaire, but phoned in to tell us to put him on record in favor of the incentive bill. He prefers the carlot program, but when I told him that they were unlikely to get it, he changed his preference to the bill most likely to pass.

There is a new manganese property near Cochran on the north side of the Gila River that Al Stovall thinks is good enough to carry on beyond the carlot program. Whether he thinks his Stella Maris (and the Black Jack, a similar mine) can also carry on, I do not know.

Two miners were in here yesterday with a Phoenix backer and they are proposing to start manganese production at this late date. They, and one or two others, have talked to us about Kaiser's buying of manganese. Mohave also talks about it and Travis Lane thinks that they really have some hope of supplying him if and when Government support is withdrawn. From my talk with them recently, I got the impression that they felt there would be a market but one difficult for them to do much with. The fellows yesterday said that Kaiser paid a flat rate for manganese ore of 25% of better grade. Evidently they got the information from Whiting.

Travis Lane reports that Mohave is shipping about half their output to Kaiser and are mining low silica material to keep the grade close to 25%. They are unable to ship the sinter to Kaiser because it is too fine. The reason for shipping such a large proportion to Kaiser perhaps is the exhaustion of 10,000 tons limit, although Easley did say that Kaiser was trying them out as a source of material.

Best regards,

FRANK P. KNIGHT,
Director.

FK:lp

C
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P
Y

W. F. Zelman Ph. Fed. City
Gibson G-3570 ER-480
S.F.

GENERAL SERVICES ADMINISTRATION



Region 9
San Francisco 3, California

In Reply Refer to:

9T - T&T 20
June 8, 1959

Albert T. Wagner
Sec. of Dist
Gen. W. Kohl
One Buysin Wilson Act
Box 11, Wenden

Gentlemen:

1. The General Services Administration has a requirement for the movement of ore in bulk from Arizona and California origins listed below to the General Services Administration Wenden Manganese Depot, Wenden, Arizona. The volume of movement during the period June 21, 1959 through September 30, 1959 is estimated to total 30,000 tons, estimated tonnages for each origin as indicated below. No guarantee can be made of the total volume or of the volume from particular origins, the estimates being based on shipments from the origins shown to other depots during the last five months.

2. Origins and estimated shipments are:

| <u>Origin</u> | <u>Estimated Shipment Volume in Tons of 2,000 Pounds</u> <u>June 21 - September 30, 1959</u> |
|----------------------|---|
| Bouse, Arizona | 2,800 |
| Casa Grande, Arizona | 6,200 |
| Wickenburg, Arizona | 12,800 |
| Inca, California | 1,800 |
| Ripley, California | 6,400 |

3. The shippers at the various origins will load carrier's vehicles, the carrier to transport, unload and pile at Wenden, Arizona in piles approximately 12 feet high, 100 feet wide and 300 feet long, carrier to trim piles. Ore will be piled by type as designated by the Manager, General Services Administration Wenden Manganese Depot, Wenden, Arizona.

4. Shipments will be made on Government bills of lading, carrier's equipment to be weighed, loaded and empty, at the GSA Depot, Wenden, Arizona. Carrier will be required to commence movement within 48 hours of receipt of request from shippers and to complete movement within 96 hours after receipt of request, except that an additional 24 hours will be allowed for each 50 tons for lots in excess of 100 tons.


June 8, 1959

The GSA Depot at Wenden will receive and weigh during the hours of 7:00 a.m. to 5:00 p.m., Monday through Friday, national holidays excepted.

5. Unrestricted common carrier liability as expressed in Condition 1 of the Uniform Freight Bill of Lading, shall attach to all shipments hereunder unless express limitations of liability are stated in the rates established.
6. Interested carriers may inspect the Depot at 10:00 a.m., Thursday, June 11, 1959; Mr. R. E. Reno, Regional Director, Defense Materials Service, General Services Administration, San Francisco, will be at the Depot to confer with interested carriers.
7. Carriers authorized by the Interstate Commerce Commission and/or the Arizona Corporation Commission to transport the commodity between the points specified are requested to submit a rate quotation in cents per ton of 2,000 pounds for any or all of the movements under the conditions specified herein and subject to the conditions of the U. S. Government bill of lading. Carriers must have the equipment capacity to transport the tonnage involved, and must submit evidence of such capacity with their quotation.

Quotations should be submitted to the Director, Charter and Routing Division, Transportation and Public Utilities Service, General Services Administration, General Services Administration Building, Washington 25, D. C., by noon, Tuesday, June 16, 1959.

Sincerely,


R. C. UTZELMAN
Regional Director
Transportation & Public
Utilities Service

FOR IMMEDIATE RELEASE

June 19, 1958

The Arizona Department of Mineral Resources is pleased to notify the many manganese producers of Arizona that the General Services Administration has issued the following reminder to all interested in the government's domestic manganese purchase program:

"Franklin Floete, Administrator of General Services today reminded producers of manganese ores and operators of manganese milling plants who wish to participate in the government's Domestic Manganese Purchase Program under governing conditions that they must apply in writing on or before June 30, 1958 to the nearest GSA regional office for a certificate of participation." (The nearest office for Arizona producers is 49 Fourth Street, San Francisco, 3, California).

"The conditions under which the program is operated are set forth in Regulation 6 and Amendments, Title 32-A National Defense, Appendix, Chapter XIV - General Services Administration.

Mr. Floete stated that, based on continued deliveries at present rates, the Program is expected to terminate sometime in or about the fourth quarter of calendar year 1959. At that time the program total of 28 million long dry ton units of manganese will have been reached.

The program was originally scheduled to close out no later than January 1, 1961, but the accelerated rate at which units are being acquired should, if continued, bring purchases to quota before the end of 1959.

As of June 16, it was estimated that only 9,400,000 long dry ton units remained undelivered to the program"

From:
Arizona Department of Mineral Resources

June, 1958

ARIZONA DEPARTMENT OF MINERAL RESOURCES
 Mineral Building, Fairgrounds
 Phoenix, Arizona

June 10, 1958

MANGANESE CARLOT PROGRAM

March 31, 1958

| | Mn Units |
|--|-------------------------------------|
| C/L total units | 28,000,000 |
| Cum. Pur. to 3-31-58 | <u>17,928,301</u> |
| Balance | 10,071,699 |
| 1st Quarter 1958 Deliveries | 1,210,083 |
| At 1st Quarter rate | |
| $\frac{10,071,699}{1,210,083} = 8.323$ | = 8.323 Quarters or about 25 months |

Program end would be about April, 1960 if the 1st Quarter rate held.

| | | |
|-------------|------------------------|-----------|
| <u>1957</u> | 2nd Quarter Deliveries | 1,760,697 |
| | 3rd Quarter Deliveries | 1,620,395 |
| | 4th Quarter Deliveries | 1,378,597 |
| <u>1958</u> | 1st Quarter Deliveries | 1,210,083 |

ARIZONA DEPARTMENT OF MINERAL RESOURCES
Mineral Building, Fairgrounds
Phoenix, Arizona

April 13, 1959

TO: ALL ARIZONA MANGANESE PRODUCERS:

A questionnaire was sent by this department to the Arizona manganese producers and to date returns have been received for about 70% of the total production.

It is difficult to arrive at accurate figures from these returns. Assumptions and estimates have been necessary in the compilation of the figures on the attached sheet headed Arizona Manganese Production in 1958. However, they are sufficiently accurate to allow the conclusion that the industry cannot continue without government support.

The returns also showed steady improvement from 1956 through 1958 in treatment of manganese ores, to a point where some see possibility of continuing without government support if they are granted help for another five years. New metallurgical processes have considerable promise. The use of domestic ores in the making of ferromanganese is claimed to be practical.

A domestic manganese producing industry is a defense necessity as well as an economic deterrent to unreasonable prices for foreign ores and concentrates.

The questionnaire returns were disappointing in their answer to which one of four forms of government support was favored and why. The sheet evidently did not make it clear that a producer's preference was wanted; not his opinion of each form of support mentioned.

Therefore, another sheet is attached to this letter and it is requested that you put down your preference and return the sheet to this Department by return mail.

It is going to be difficult to get the government to continue to help domestic manganese producers. The fight is up hill and without solid support of the producers, the chances of winning are very slim.

Act now for your own interests if you want to stay in the manganese business.

FRANK P. KNIGHT,
Director.

P.S. We would appreciate figures from those who did not fill out the questionnaire. We would also welcome discussion of any phase of the questionnaire or the material attached hereto.

ARIZONA MANGANESE PRODUCTION IN 1958

The U. S. Bureau of Mines has published the following preliminary figures for 1958:

Manganese ore and concentrate (35 per cent or more Mn)

| | |
|--------------------------|--------------|
| Short tons produced | 63,000 |
| Value | \$ 5,214,000 |
| Equivalent long tons | 56,250 |
| Value per long ton | \$ 92.69 |

Questionnaire returns from approximately 70% of Arizona's production indicate the following approximate figures:

| | |
|--------------------------------------|--------------------------|
| Total crude ore produced by this 70% | 302,000 long tons * |
| Total contained manganese | 2,766,000 long ton units |
| Average per long ton, crude ore | 9.2 units or % * |
| Total units recovered | 1,602,000 |
| % recovered | 58 |
| Average value per unit recovered | \$ 2.21 |
| Average value per ton of crude ore | \$ 11.73 * |

The balance (30%) of 1958 production is estimated to run 10% Mn in crude ore

| | |
|--|-------------------------|
| Value per ton of this crude ore, $10/9.2 \times \$11.73 =$ | \$ 12.75 * |
| Gross value of 30% balance \div value per ton crude = | 131,000 tons crude ore* |

| | |
|--|---------------------|
| Total crude ore production in 1958 | 433,000 long tons * |
| Average grade crude ore | 9.4% Mn * |
| Average grade of concentrates or ore shipped | 42.0% Mn ** |
| Average price per unit shipped | \$ 2.21 |
| Value per ton of crude | 12.00 * |

Operating Cost per Ton of Crude Ore

| | |
|---------------|-------------|
| Labor | \$ 4.10 |
| Supplies | 2.50 |
| Power | .60 |
| Contract work | 2.10 |
| Hauling & Frt | <u>1.20</u> |
| | \$ 10.50 |

* These figures relate to crude ores and involve estimates of quantities of ores upgraded. They are to be regarded as rough approximations.

** Penalties unknown. Would have the effect of raising average grade.

Which do you favor? (Please indicate your preference either of a,b,c,d, or e)

(a) Extension of Car-Lot Program? YES _____ NO _____

How Long? _____ How Many Units? _____

What limit per mine? _____ What Price? _____

Why? _____

(b) Increase in Tariff? YES _____ NO _____

How Much? _____ Why? _____

(c) Quota Limitation of Imports? YES _____ NO _____

How Much? _____ Why? _____

(d) Small Tariff with Proceeds used to relieve domestic producers?

YES _____ NO _____

How Much? _____ Why? _____

(e) Incentive Payment Plan? YES _____ NO _____

(Senate Bill S. 1488, House Bill H.R. 5631. These bills provide for incentive payments of \$1 per long ton unit of manganese sold, with a limit of 23 million units annually. A maximum of 1,400,000 units annually from any one producer from properties in any one mining district controlled by him, would be eligible for payments.)

Why? _____

Date: _____

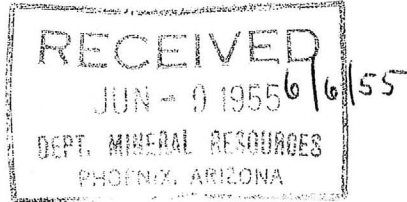
Name of Company

Signature

Title.

To: Roger Manning

Memorandum



From: Bill Brodgate

About: S 922, HR 6373 with respect to Wenden.

There is no doubt that under S 922 the language of the bill and report no 359 it will be mandatory to reopen and continue Wenden.

I feel that under the language of HR 6373 not only it is not mandatory to reopen Wenden (though GSA might consider that there is a Congressional policy involved and do so) but even the two new stations directed therein might be in jeopardy, and without regulations.

Note Sec. 3 of HR 6373, "at prices and specifications and under regulations identical with those in effect under the program operating for the depot established at Wenden, Arizona." Now, there is no program at Wenden at present. It merely is a storage depot. The Interior Dept had a large hand in drawing this bill and I would not put it past them to have deliberately thrown in this technicality. The bill is very badly drawn, at the best.

If HR 6373 moves ahead, I shall take steps to have this language amended.

Memorandum

To: Roger Manning

From: Bill Broadgate

5/17/55

About: Weiden and S922

I am happy to say that the Interim Committee has reported out S922 as amended, by unanimous action.

I am sure Goldwater will have it in the press before you get this.

Now, pressure should be put on Hayden and Goldwater to get it passed quickly. Each day the Administration will build up more resistance.

I am asking that Hayden go to Johnson and Goldwater go to Knowland. Between them they should be able to do the trick.

There will be slight revisions to the final report

Memorandum

To: Roger Manning

From: Bill Broadgate

4/26/55

About: Wenden manganese.

Mr. Willis suggests that Howard Pyle might be used to support our bills. I don't think he would, but at any rate he could do only harm until and if, we can get a bill favorably reported. If he would, he could do a lot of good at the White House, should the bill go that far. Up to that time he would be trucking ODM, which reports directly to the President, more or less in a public fashion. A talk with the President to help prevent a veto would be private.

I am surprised at Reno's statement that the Sintering deduction would only run Wenden for a few days. The figure I have is approx 8%, which would be 480,000 units. My figure is, of course, unofficial.

JAMES E. MURRAY, MONT., CHAIRMAN
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RICHARD L. CALLAGHAN, CHIEF CLERK

United States Senate

COMMITTEE ON
INTERIOR AND INSULAR AFFAIRS

April 22, 1955

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

Dear Dr. Fleming:

After the Wenden Depot was closed the first time, your office decided that the units should be recoverable, rather than contained, and, because of this, the unit figure was moved up to 7,200,000 long-ton units and the Depot was allowed to remain open until closed recently.

It has now come to my attention that the ores stored at Wenden may require sintering in addition to other beneficiation, and, if this is true, it would entail a further loss of between 5 and 10 per cent. To my mind, this has not been taken into consideration by GSA and it is something that I feel should be discussed by your office, because, if this is true, then to bring the stockpile up to the anticipated units it would be necessary to add something between 300,000 and 600,000 long-ton units, thereby enabling Wenden to stay open for a short time longer. In view of the doubtful capacity of Denning to handle the increased load from Arizona, I think this would be a wise thing to discuss at this time.

I would appreciate your early reaction to this proposal.

Sincerely,

Barry Goldwater

BG/bms

Memorandum

To: Roger Manning

From: Bill Broadgate

4/26/55

About: Wenden manganese

I have been spending nearly my whole time trying to help this situation, for a long period.

Yesterday I was at the House hearings helping out, all day. Udall was there, but as usual, not Rhodes.

We got a flat turnout from the Administration in every way.

The same old song was sung, but more emphatically. They have enough manganese to fight a long war - they have even cancelled some high-grade foreign contracts at cheap prices - they simply cannot go for buying more domestic manganese at bonus prices.

If anything is to be done it will have to be by legislation - but it is going to be tough. The House record is so bad that I wish they never had held the hearing.

I am going to try and get the Senate bill reported Thursday - at least by the subcommittee on Metals and Minerals - in spite of the adverse testimony and reports. Felix Wornsen really kicked us in the pants nearly as hard as ODM. I shall be tied up on these matters the rest of the week, solid.

To: Roger Manning

Memorandum

From: Bill Broadgate

4/4/55

About: Wendon manganese

I have talked with Sen. Hayden's man about the suggestions in the letter of April 1 - Willis to Hayden.

I have suggested that, as well as discussing making better arrangements at ~~the~~ Deming (GSA has agreed to improve the facilities) ODM be asked to add to the Wendon quota and keep the station running until the fate of the extension legislation is known. I know they will resist the idea but it is worth trying.

Memorandum

To: Roger Manning

From: Bill Broadgate

About: Wenden manganese and S922

3/31/55

Things seldom go smooth in love or legislation.

The meeting of the Interior Subcommittee on S922 and companion bills had to be transferred from today to Friday April 1 because of a mixup in room space at the Committee room.

I had things fixed up slick as a whistle - I thought - and the Senate decided to meet early tomorrow and all meetings had to be cancelled, whether there can be a meeting before the end of the recess is dubious as Murray and other Senators will be out on speaking tours and hearings.

I feel let down completely as I have worked very hard to line up all possible factions and to keep it a secret from ODM. Should get drunk!

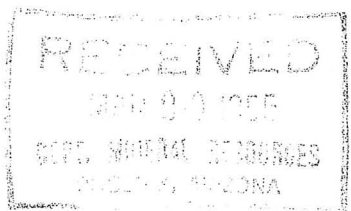
However I will keep pitching at it.

Memorandum

To: Roger Manning

From: Bill Boardgate

About: Wenden manganese program.



3/25/55

I understand that G.S.A. again has notified the Wenden shippers of the termination of the program.

Yesterday Goldwater and I had in his office Mr. Floyd, the new asst administrator of ODM in charge of minerals, Dr. John Morgan, Tom Curtis, an attorney and an assistant economist, all from ODM and worked them over for 1/2 hour with no results. They simply do not want the manganese, especially at the price. There is absolutely no possibility of Administrative relief.

Senator Murray has again asked me to act as his consultant on certain mineral hearings as they come up. As Congressional relief is the only out, I persuaded Murray to call his subcommittee together on Thursday of next week and do try to report out S922 and S1543 (the Scott bill which does the same thing) (no copies yet available) without agency reports and without Government witnesses (who I know would try to kill it). I have asked Goldwater to appear as the only witness. A nice trick if I can get away with it!

If I can get the bill on the Calendar and Barry will talk to Kirschband and Scott and Murray will

talk to Lyndon Johnson, we just might get the bill passed promptly on Calendar call - hold your hat for this is tricky business. I have asked Barry this afternoon to approach the other subcommittee members and sweeten them up before the meeting.

Also, I have generated a hearing on vacancies which will be held April 13-14 (tentatively), during the course of which these low-grade purchase programs will come up for discussion and also appropriation. I hope these will help to support the Goldwater-Murray-Scott bills.

Confidential note: You will readily see why I do not want to get crosswise with Barry on the Papago matter!

C
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June 6, 1955

MEMORANDUM

TO: Senator Goldwater

FROM: Redwine

SUBJECT: H.R. 6373 - Supplemental to our Memorandum dated May 31

GSA informed us today that at the present rate of purchases at the Deming New Mexico manganese depot the program will end not later than June 30, 1956, in that deliveries are running at the rate of about 240,000 recoverable units per month. GSA further said that it could see nothing in the foreseeable future that there would be any fall off in the rate of deliveries.

GSA further informed us that as of March 31, 857 tons of the 1500 ton asbestos purchase program, has been received and that the asbestos purchase program, if the present rate of deliveries is maintained, will end on or before June 30, 1956.

It would appear from the language of H.R. 6373 that there would be no "prices and specifications and regulation" for the proposed new manganese purchase depot in the Ozark-Cushman and Appalachian areas, or any mandatory reopening of the Wenden depot.

Attention is called to Sec. 3 of H.R. 6373, with particular reference to the following, line 20: "in effect under the program operating for the depot established at Wenden" - after all there is no program now operating at Wenden.

RWR:ch

Murray

CC: Bill Broadgate
Charles Murray

C
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P
Y

ARIZONA SMALL MINE OPERATORS ASSOCIATION



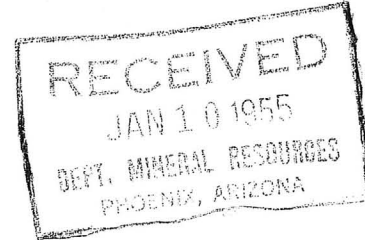
OFFICE OF STATE SECRETARY
 CHARLES F. WILLIS
 508 TITLE AND TRUST BLDG.
 PHOENIX 13, ARIZONA

January 6, 1955

COUNCILS

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- FLORENCE
- GLOBE
- HUACHUCA
- KINGMAN
- KIRKLAND
- KLONDYKE
- MAYER
- MESA
- MIAMI
- MORENCI
- MORRISTOWN
- NOGALES
- OATMAN
- ORACLE
- PARKER
- PATAGONIA
- PAYSON
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- QUIJOTOA
- RAY
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- SALOME
- SELLS
- SUNFLOWER
- SUPERIOR
- TEMPE
- TOMBSTONE
- TUCSON
- VERDE
- WICKENBURG
- WILLCOX
- WINKELMAN
- YARNELL
- YUMA

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



Dear Roger:

You will be interested in the following figures:

Manganese delivered to the Wenden Depot:

| | | | |
|------|--------------|----------------|--------------------|
| 1953 | 92 producers | \$1,745,000.00 | approx amount paid |
| 1954 | 149 " | 3,904,000.00 | " " " |

Asbestos delivered to the Globe Depot:

| | | | |
|------|--------------|--------------|--------------------|
| 1953 | 10 producers | \$209,450.00 | approx amount paid |
| 1954 | 12 " | \$709,550.00 | " " " |

Tungsten concentrates delivered under the Tungsten Program

| | | | |
|------|-----|--------------|--------------------|
| 1953 | 3 " | \$422,000.00 | approx amount paid |
| 1954 | 7 " | 247,000.00 | " " " |

Although direct purchases were made from only 7 Arizona producers, records indicate that approximately 50 Arizona miners and producers have sold small lots of tungsten to mills or brokers for resale to the Government.

Sincerely,

Charlie

Charles F. Willis

CFW:VSW

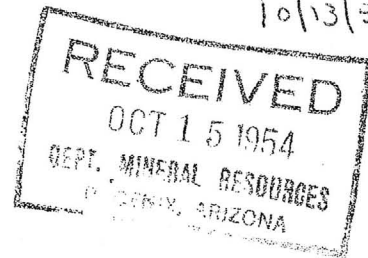
Memorandum

To: Roger Manning

From: Bill Broadgate

About: Wenden manganese allotment

10/13/54



This morning I am in receipt of a copy of a letter from Mr. Willis to R. E. Rens, Jr., asking if the net (manganese recoverable and paid for) content is counted against the six million units rather than the gross (actual content in pile). It is an ingenious suggestion.

This question was raised in the early days of our struggle to increase the quota, and, based on recoverable values it would give Wenden nearly a million more units.

I wrote a memo at the time, after conferring with GSA, stating that the Regulation was specific in that the gross content was credited against the quota, sending a copy of the Regulation and pointing out the wording that "contained manganese" is so credited.

However, I checked again today and find that GSA has had the matter up recently with ODM and has been instructed by ODM to stick with the regulation as it is being carried out, i.e., that the total "contained manganese" is to be credited against the allotment as per the Regulation.

I have informed Senator Goldwater's office of my discussion with GSA as they got a copy of the Willis-Rens letter.

I feel confident we can
continue the continued
through a 2 estimated
production of less
grade for 1955
same as 1954.

Call on us for
any info. & help
we can give you
this end.

I feel the Mn.
programs will be
continued & expanded
rather than curtailed.

Your folks in Arizona
are doing a good
job. Congratulations & Thanks.
No. Carson admission

October 11, 1954

R. E. Reno, Jr.,
Deputy Regional Director, Region 9
General Services Administration,
49 Fourth Street,
San Francisco 3, California.

Dear Bob:

We have been asked a question to which you can probably give us the answer and on which we would like to have something authoritative.

We would like to know whether, in figuring the six million units of manganese allocated to the Wenden stockpile, you count only the manganese content as paid for.

In other words, you would not count the units of manganese contained as silicate, nor would you count the units contained but figured as not recoverable.

While we believe this to be the situation we have never seen anything authoritative on it and we would like to have some definite advice.

Sorry I did not get a chance to visit more with you in San Francisco but there was such a huge crowd that it was almost impossible to get around.

Thanking you for an early reply, and with warmest personal regards, I am

Very sincerely,

CFW:VSW

Charles F. Willis

cc: Roger I. C. Manning ✓

C
O
P
Y

Memorandum

To: Roger Manning

10/5/54

From: Bill Broadgate

About: manganese program.

ODM director Flemming, in a recent letter, a copy of which fell into my hands, states that they prefer the carlot program to the purchase depot programs because, "there is a definite security advantage in obtaining ore ready for immediate use. Where low grade ore is purchased, a beneficiation plant must be built and two years or more may be required to obtain an end product, the composition of which cannot be known with certainty. Furthermore, the carlot program is available to all producers of specification grade ore whether or not near the purchase depots, and thus broadens the production potential." The flaws in this argument will immediately be apparent to you. However, it endorses my assumption that there is an attempt on foot to drive producers into the carlot program and to terminate the low grade depot programs.

Flemming also states he intends to increase the 19 million carlot units in case they are delivered before June, 30, 1958 but has not decided upon extending the date of termination in case the 19 million units are not delivered or extending the date and adding more units. Let's hope Flemming won't be there in 1958!

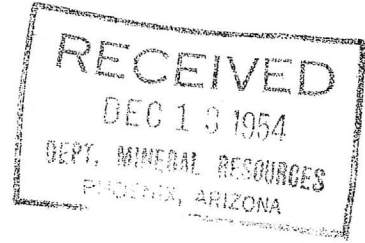
Memorandum

12/2/54

To: Roger Manning

From: Bill Broadgate

About: Wenden manganese.



I was just talking to Sen. Goldwater and we have decided to send another letter to Flemming - probably a waste of paper, but we must keep trying.

Although the Senator went up to the White House the other day and discussed this matter with ~~Mr~~ Adams and others, he got no satisfaction whatever and he is thoroughly disgusted with Adams, Flemming, etc and has come to the opinion they are both administratively and politically inept.

When they will not even make concessions to the perhaps next chairman of Appropriations things are bad indeed.

No one seems to have a good word for Flemming or ODM but a few great corporations like Transport Sulphur & Du Pont.

UNITED STATES SENATE

Committee on Appropriations

November 9, 1954

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

Dear Dr. Flemming:

Referring again to the problems of the shippers of manganese ores to the Wenden, Arizona buying station, we have had it called to our attention that, operating under a strict interpretation of the Regulation, the General Services Administration is paying shippers only for "recoverable units" but is crediting against the 6,000,000 long ton unit allotment the gross units delivered. You will recall that on November 1, Senator Hayden addressed a general inquiry to you concerning this matter.

As the potential recovery at Wenden is expected to be 80 per cent, in order to obtain a net 6,000,000 units GSA would have to purchase enough ore to yield a gross total of 7,500,000 units. It seems to us to be reasonably certain that the original intent was to obtain at Wenden the 6,000,000 recoverable units for which funds were set aside, and that a narrow interpretation of the Regulation is being used to cut the Wenden quota to an actual 4,800,000 allotment. The additional 1,200,000 long ton units would extend the life of the Wenden Station by a considerable number of months, and we ask that you instruct GSA to reinterpret or revise the Regulation so that 6,000,000 recoverable long ton units can be bought.

We also have been informed that, under the present Regulation, the gross tonnage of ore delivered to the Wenden Station will be about 300,000 long tons. Experts in the area have informed us that it will not be economical to build a proper beneficiation plant for this amount of material and that twice this amount of ore should be on hand in order that a plant of sufficient capacity can be built to produce concentrates at a reasonable cost and to give the entrepreneur a reasonable profit. We should appreciate having your comments on this observation.

Yours very sincerely,

signed

Carl Hayden

signed

Barry Goldwater

C

O

P

Y

Memorandum

To: Roger Manning

11/4/54

From: Bill Broadgate

About: Wenden allotment

I have drafted a letter to be signed by both Goldwater and Hayden, demanding that Flemming order GSA to revise its manganese Regulation so that an additional 1,200,000 units of "recoverable manganese" may be taken at Wenden, thus making a total of 6,000,000 recoverable instead of gross units. A 80% recover, 7,500,000 units would have to be delivered in order to produce 6,000,000 units. At the figure of 6,000,000 delivered units the recoverable units would only be 4,800,000. Of course, I have had this matter up since last June, but we have never made a flat demand that the Regulation be changed and I think it is time we did so. I agree with Mr. Willis that it seems to be our only point of attack.

I am also pointing out that 600,000 long tons of ore should be on hand for an economical beneficiation operation. Copies of the letter will follow.

Memorandum

To: Roger Manning
From: Neil Broadgate

10/19/54

About: Wenden manganese quota

Further regarding the correspondence between Mr. Willis and R. E. Reno, Jr., I have this morning a copy of a letter written to Mr. Reno by Mr. Willis on Oct 15 in which it appears that over the phone Reno assured Willis that he was counting against the quota only the "recoverable units" paid for.

On receipt of this copy I checked with Mr. F. W. Witt, who, in the absence of Mr. Freeman who is in Brazil, is in charge of the program. He stated he recently talked to Reno on the phone and that he thought Reno understood the ruling of the Washington office. However, he agreed that telephone conversations sometimes are misunderstood and that either the Willis - Reno or the Witt - Reno conversation might have been misinterpreted. Witt stated he would take steps immediately, possibly by a phone call to Reno, to clear up any misunderstanding.

The "net recoverable paid for" interpretation certainly would help Wenden and also Deming and Butte and Witt quite understands this. GSA is liberally minded but ODM is not as ODM undoubtedly wants to put an end to the lowgrade purchase program @ \$2.30 base as soon as any technicality will permit it to do so, as I previously have indicated.

Note:

Since writing the above I have had a phone call from Witt, who already has talked with Reno by phone.

Reno states there has been a misunderstanding and he will talk to Mr. Willis tonight, I think in person, and get the matter straightened out.

Fast work, huh?

To: Roger Manning

Memorandum

From: Bill Broadgate

10/15/54

About: Manganese situation, Fleming letter of Oct 13 to Hayden. (attached)

A copy of this memo has gone to Sen. Hayden.

It appears to be quite impossible to get from ODM a short, direct answer to any simple questions as posed in the Hayden letter, a copy of which you have seen, and which was written in response to my memorandum. Copy of Fleming letter attached hereto.

My impression is that the second paragraph means that manganese procurement under the long-term program will be at market prices or ~~at~~ less, yet an element of uncertainty is injected, as in all ODM answers, which invariably are hedged. I call your attention to the phrase, "which in general means market price or better." If "market price or better" is not to be the invariable rule, what are the exceptions and how will they be applied?

The 4th paragraph states "the directive establishes a limited quota." The size of this quota never has been revealed and the answer might be denied us as a "security" secret. Yet this would seem silly as the long-range domestic quota for mercury, which probably is more critical, was revealed in the directive and the press release. We should be told the size of this quota.

Note the statement that "such purchases can be made only where favorable prices prevail and where important elements of the mobilization base are in distressed condition."

How is this phrase to be interpreted? I am quite unable to interpret it definitively. If the words "in general" in the 2nd pp. of the ODM letter had not been used to modify "means market prices or better" we would have some idea what is meant. At the same time, the word "favorable" as used here, makes the meaning entirely unclear. "Favorable" as interpreted by ODM may not even be as high as the prevailing market, which today is quoted 46% - 48% @ 80¢; 45% - 46% @ 70¢. On the other hand, taking the words "in general" in conjunction with "favorable" and "are in distressed condition" and it is conceivable that when the Wenden quota is completed and the "elements" of that "mobilization base are in distressed condition" ODM could authorize purchases at such prices as would keep the mines running, though it is unlikely that they would as long as the cartel program is operating at \$ 2.30 per long ton unit for high grade material.

Some of the above questions should be resolved and clarified by ODM for the public interest. In fact ODM should be asked bluntly how much domestic manganese it expects to purchase under this new program at the market or better.

The ODM letter boils down to this, all hedging aside: -

- 1) Unless ODM exercises the special options it has left open by wessel-wording the answer, under the new program the price offered will be below the U.S. cost of production, with minor exceptions.
- 2) The new program will in no way affect Arizona manganese producers.

I was informed this morning that manganese has a very low priority with the Budget Bureau.

Memorandum

To: Roger Manning

From: Bill Broadgate

12/9/54

About: Warden

Due to the Fleming-Hayden-Goldwater conference yesterday afternoon it was not necessary for the Senators to call Mansure and Walsh as I had suggested in order to carry out my last minute pressure play.

I was happy to find out that, however, Freeman, Walsh and Mansure, at my unsupported suggestion, did get a satisfactory letter over to Fleming immediately, thus giving ODM an excuse to get off the spot.

Memorandum

To: Roger Manning

From: Bill Broadgate

About: Weiden



12/8/54

Attached hereto, letter from Goldwater to Fleming dated Dec 7 and one from Fleming to Goldwater dated Dec 6, which crossed in delivery.

Actually, ODM probably knew nothing officially about the shutdown order, this being the province of GSA, which agency made the tactical error - and I already have discussed this with them.

Perhaps Fleming, in trying to pass the buck to GSA may have put his foot in it. Freeman this morning received from Mansure via Walsh the letter asking GSA to report to ODM. I suggested that Freeman see Walsh and Mansure and, as ODM has asked, even if it is not in GSA's actual province, draft a letter to ODM recommending the purchase of the additional 1,200,000 units by changing the regulation as we requested. I pointed out that this will clear GSA, make us all love them, and put the ball squarely in Fleming's lap, just where it belongs.

Memorandum

To: Roger Manning

12/8/54

From: Bill Broadgate

About: Wendell

The word is "Eureka" - I found Fleming's Achilles' heel!

Barry Goldwater just called me and congratulated me on the Wendell job.

Fleming has agreed to 1,200,000 more units, if that is necessary to make up the 6,000,000 recoverable!

So Wendell will have a few more months and we can whack at it some more, though do not expect a further extension unless miracles are in the making again.

I have promised no publicity until the Senators put theirs out, or I should have wired you. After the slip that GSA made in the Phoenix announcement, they are ticklish about it.

Anyway, I know you will be happy and perhaps Stovall will take the curse off me.

I hope the news comes out in time for Pay Dirt.

H. ALEXANDER SMITH, N. J., CHAIRMAN
IRVING M. IVES, N. Y.
WILLIAM A. PURTELL, CONN.
BARRY GOLDWATER, ARIZ.
JOHN SHERMAN COOPER, KY.
ROBERT W. UPTON, N. H.

JAMES E. MURRAY, MONT.
LISTER HILL, ALA.
MATTHEW M. NEELY, W. VA.
PAUL H. DOUGLAS, ILL.
HERBERT H. LEHMAN, N. Y.
JOHN F. KENNEDY, MASS.

ROY E. JAMES, STAFF DIRECTOR

1) Willis
2) Manning
3) Burdgate

United States Senate

COMMITTEE ON
LABOR AND PUBLIC WELFARE

December 7, 1954

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

Dear Dr. Flemming:

The entire episode of the Wenden Arizona Depot has been a most disagreeable one to me, but the climax to this whole period of indecision and misleading statements on the part of your office came in the Phoenix papers of last Friday, received today. The enclosed clipping is from the Phoenix Gazette of Friday, December 3. This is the first information that I or any member of the Arizona delegation had concerning the closing of the station at Wenden. Don't you think it would have been the better part of courtesy for you to have notified us of your decision to close this down before releasing it to the press?

Frankly, in my experience in Washington in the United States Senate I have always had the fullest cooperation from the agencies of government, particularly when it came to releases on matters of great importance to my State; and it shocks me to find that the culminating act in our long and unproductive association regarding manganese stockpiling should come in this form.

As I have told you repeatedly, all we have sought from you have been reasonable answers to reasonable questions. These have not been forthcoming.

Now, would it be assuming too much for you to explain this act of discourtesy.

Sincerely,

Barry Goldwater

BS/bj

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

OFFICE OF THE DIRECTOR

Honorable Barry Goldwater
United States Senate
Washington, D. C.

Dear Senator Goldwater:

I have the November 9, 1954, letter which you and Senator Hayden sent me. In your letter you note that the purchase quota for the low grade manganese purchase depot at Wenden, Arizona, could be construed to be in terms of recoverable manganese instead of actual manganese content. You also request comment on the statement that the 300,000 tons of low grade manganese ore to be acquired in the Wenden, Arizona, purchase depot is not sufficient to support a beneficiation plant on an economical basis.

As I wrote Senator Hayden, these are technical questions which can best be answered by the General Services Administration, which is responsible for administering the program.

I am, therefore, asking Mr. Mansure, Administrator of the General Services Administration, to provide me with the necessary information which will enable me to reply appropriately to your letter.

Sincerely yours,

(Signed) Arthur S. Flemming

Arthur S. Flemming
Director

ARIZONA SMALL MINE OPERATORS ASSOCIATION

December 17, 1954

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

Dear Roger:

In connection with the Department project of getting some of the manganese producers to put in their own milling plant in order to keep manganese production going after the stockpile has filled its quota; you will be interested in a paragraph in a letter written to Bob Reno by Bruce Clemmer of the U. S. Bureau of Mines. Clemmer states:

"We recently completed a statistical study of the ores in the Wenden depot using the data you furnished us on ores from the larger shippers. On the assumption that the 200,000 tons included in our study is representative of all Wenden ore, we found that the entire tonnage at Wenden would assay 21 percent Mn and 4 percent CaO. We then segregated this tonnage into siliceous and calcareous types and correlated these data with the results of amenability tests. From this analysis we found that all the ore received at Wenden, when blended, could be classed as siliceous and treated by a simple flotation method. Briefly, our calculations show that about 79 percent of the manganese in the entire Wenden stockpile should be recoverable in a concentrate assaying 39 percent Mn, 10 percent SiO₂, plus Al₂O₃, 9 percent CaO, and 1.5 percent Pb plus Zn plus Cu. Sintering would reduce the base metal content to an acceptable amount. Because of the relatively large amount of calcite in the flotation concentrate, sintering would upgrade the concentrate to 45 percent Mn and 12 percent SiO₂ plus Al₂O₃. Our report giving details of the statistical study of the Wenden and Deming ores is being typed. We will mail you a copy for your use as the report explains in detail why we believe all the ores at Wenden may be put into one class."

In other words, according to Clemmer's analysis the whole stockpile in Wenden can just be mixed up together and put through a mill. This should simplify the proposition insofar as somebody taking over the stockpile and milling it is concerned.

I thought this information would be very helpful in getting some action along that line, and in talking to people who may be interested.

Sincerely,

CHARLIE
Charles F. Willis

CFW:VSW

Memorandum

To: Roger Manning

12/13/54

From: Bill Broadgate

About: Wenden

I think it is highly improbable, unless there is another emergency or a considerable shift in Administration policy, that we can further extend Wenden.

On the other hand, the car-lot program has a long way to go and ODM has stated it will allot enough units to extend it to the expiration date.

I recommend, therefore, that we encourage the Wenden producers to get together and finance a central mill to upgrade to the car lot specifications. If they could raise the money to stockpile for a mill between the time Wenden shuts down and such a mill could be started it would keep the small fellows in business also.

If a successful mill could be operated there I believe we eventually could persuade ODM-GSA to give a contract to mill the Wenden stockpile - when it proved the metallurgy to be OK.

ARIZONA SMALL MINE OPERATORS ASSOCIATION



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

December 10, 1954

COUNCILS

- AGUILA
- AJO
- ALAMO
- ARIVACA
- BENSON
- BISBEE
- BOUSE
- CASA GRANDE
- CAVE CREEK
- CHERRY
- CHLORIDE
- CLEATOR
- CLIFTON
- CONGRESS
- CROWN KING
- DOUGLAS
- DUNCAN
- ELLSWORTH
- FLORENCE
- GLOBE
- HUACHUCA
- KINGMAN
- KIRKLAND
- KLONDYKE
- MAYER
- MESA
- MIAMI
- MORENCI
- MORRISTOWN
- NOGALES
- OATMAN
- ORACLE
- PARKER
- PATAGONIA
- PAYSON
- PEARCE
- PHOENIX
- PRESCOTT
- QUARTZSITE
- QUIJOTOA
- RAY
- SAFFORD
- SALOME
- SELLS
- SUNFLOWER
- SUPERIOR
- TEMPE
- TOMBSTONE
- TUCSON
- VERDE
- WICKENBURG
- WILLCOX
- WINKELMAN
- YARNELL
- YUMA

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



Dear Roger:

Now that the Wenden station has gotten a lease of life for an additional six months, I feel that it would be a waste of effort to put in a lot of work to try to get any further extensions. We had trouble enough getting this one. In fact, we were very lucky in being able to do so and the success of it was very largely due to the work Bill did in Washington with Goldwater and Hayden. Of course the Senators will get the credit but you and I know who really did the work.

Now, I feel that it definitely should be a project of the Department to see what can be done in the next six months to get one or two of the larger manganese producers in that area to put in milling plants of their own and make a product that can be sold under the high grade program.

It should be one of the producers who has a fairly good size mine of his own, but his plant should be larger than that which he can supply from his own mine. He could then purchase the products of some of the other smaller producers, thus giving a much more permanent life to manganese production in Arizona. Furthermore, I feel confident that if a satisfactory mill were erected by one or two of the producers, an arrangement could be made with the Government to convert the Wenden low grade stockpile into a marketable product, thus give substantial life and profit to whoever puts up the mill.

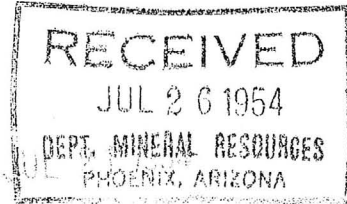
This is a project that should be well worth while for the Department to put some work on as it could mean the starting of a permanent manganese-producing industry in the state. However, it is something on which work should be started quickly because of the definite limited life of the Wenden station, with no chance for any further extension of its life.

I am very sure that the experimental work of the U. S. Bureau of Mines on the milling of these ores will be made available to anyone who would like to get such a project under way.

Sincerely,
Charlie
Charles F. Willis

CFW:VSW

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



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

Dear Mr. Manning:

Mr. Flemming, Director of the Office of Defense Mobilization, asked me to reply on his behalf to your letter of June 7, 1954 in which you point out the advantages of continuing the manganese purchase depot operations at Wenden, Ariz., and you offer the assistance of your department in our consideration of the problem.

The great improvement in the manganese situation over the past two years has raised a question as to our need for acquiring additional quantities of metallurgical ore for our defense program. Currently, industry stocks are close to record levels and the National stockpile inventory of this material approaches the stockpile objective. These stocks, together with scheduled deliveries under stockpile contracts and Government commitments under the manganese ore expansion program would substantially free us from dependence on any overseas imports in time of war.

We are aware, however, of the importance to producers in the Wenden area of increasing the purchase quota of the depot in view of the prospect of early achievement of the quota. We also appreciate the security advantage of having additional production of this material. A decision in the matter, therefore, has been difficult and in consequence, has been under consideration by Government officials at the highest levels. We expect that this decision will be reached within the next few days.

Meanwhile, I want to express our appreciation for your offer of cooperation and our regret for the long delay in replying to your letter.

Sincerely yours,

A handwritten signature in dark ink, appearing to read "E. H. Weaver". The signature is fluid and cursive, with a long horizontal stroke extending to the right.

E. H. Weaver
Assistant Director for Materials

GENERAL SERVICES ADMINISTRATION - Region 9



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X

Emergency Procurement Service
Forty-Nine Fourth Street
San Francisco, California

January 18, 1954

TO ALL CERTIFICATE HOLDERS FOR WENDEN DEPOT:

In order to increase the efficiency of the Wenden Purchase Depot - provide time for maintenance and repair - and permit unloading of railroad deliveries, please note:

Beginning February 8th and until further advised, no truck shipments will be weighed or accepted at the Wenden Arizona Depot before 11:00 A.M. or after Midnight Monday through Friday (no deliveries will be accepted on Holidays).

Contact the Manager at the Depot (Wenden 82115) to determine the most desirable time to deliver your shipments so that your trucks will be unloaded promptly.

Railroad Shippers please be advised that cars arriving at Wenden without prior notice can not be weighed or accepted until such information has been supplied, together with copy of the waybill or bill of lading.

Robert E. Reno, Jr.
Robert E. Reno, Jr.
Deputy Regional Director

DEPARTMENT OF MINERAL RESOURCES
STATE OF ARIZONA
FIELD ENGINEERS REPORT

Mine Manganese properties

Date Feb. 20, 1954

District TO: R. I. C, Manning, Director

Engineer Mark Gemmill

Subject: Present Activities

WENDEN DEPOT

Receipts of ore continue heavy averaging about 4000 tons per week for the past month. The grade of the ore is about 20%.

AGUILA MILL - Harquahala Mining & Milling Co.

Trouble continues to beset this operation. Flotation Concentrates produced were not acceptable at the Wenden depot as it was found that it was impossible to upgrade them higher than 25 or 30%. Installation of slime tables is now being made to replace flotation units. These slime tables will operate with the jigs and sand tables already in use.

MANGANESE CORP. OF ARIZONA - Mill at Bouse

With the recent installation of a sink-float unit, this plant seems to be doing very well. Fines in the ore are screened out dry. This product is not suitable for the sink-float treatment, and is shipped as is to the Wenden Depot. It is reported that the sink-float product runs better than 40%. This company has leases on the Black Bird and Black Rock mines near Bouse from which ore for the mill is now being produced. It is reported that a lease on the Shannon mine in the Artillery Peak area has been obtained and ore from it will be hauled to the Bouse plant for treatment. The capacity of the plant is said to be four to five hundred tons daily.

LINDA K - Cockran and Dale - Mill at Bouse

This mill appears to be doing very well. Treatment consists of jigs and tables. Ore for the mill is produced at the Mildred 1 & 2 (Hart Property) mine, located about 9 miles east of Bouse. The mill capacity is said to be 25 tons in 8 hours. Regular shipments of concentrates are being made to the Wenden Depot.

MERRILL & SONS

These operators have just about completed a mill located near Bouse in which they will treat ore from the Planet area. No information direct from the owners was available as to what property the ore is to come from. It appeared that the only treatment planned is jigging.

LENTZ & MCELVANY - Black Crow Mine - 25 miles East of Bouse

It is reported that work has been discontinued at this property. The operators recently shipped some 1500 tons of ore to the depot which was not acceptable being below grade.

A. R. Buell - Black Rock Mine - 18 miles south of Aguila

This property continues to operate successfully making regular shipments to the depot. It was reported that the ore runs from 25 to 30%

National Debt - 5 miles west of Hope.

This property owned and operated by Bill Huthmacker, Wenden, produced about 750 tons of ore last year running about 23%. Lately development work has been carried in a new place and production has just started again. Thus far ore shoots on the vein have been very spotty with no indication of any large tonnage.

Another Mill

It is reported that a mill will be built at a site about 15 miles south of Aguila. No reliable information was available as to who the people are or what property was going to be worked.

Black Queen - 15 miles south of Aguila

Production continues at this property but I was told that shipping ore is getting scarce. There appears that there is considerable in the mine which will not quite run the required 15%. The operator Mr. Smith has expected to ship to the Aguila mill.

Purple Pansy - 16 miles southeast of Aguila

The owners, Smith and Sethwick have delivered considerable ore to the Aguila mill but milling results there have been disappointing so far. The ore is too low grade for shipment direct to the ~~the~~ Wenden Depot

LIST OF ACTIVE ARIZONA SHIPPERS TO GSA MATERIALS PURCHASE DEPOT -

WENDEN, ARIZONA - dated February 4, 1954

| SHIPPER | MINE NAME | LOCATION |
|---|---------------------|------------------------------|
| Bruce Alsup Wenden, Arizona | Blackwell # 1 | Alamo Mining District |
| Chester A. Black Aguila, Arizona | Black Roger | 18 miles south of Aguila |
| Black Nugget Mining Corp Aguila, Arizona | Black Nugget | 15 miles south of Aguila |
| R. W. Bennett Mayer, Arizona | Black Duke | Agua Fria Mining District |
| H. V. Bosley, Jr. Flagstaff, Arizona | Dennison | Long Valley Mining District |
| R. J. Bracken Aguila, Arizona | Crow | 17 miles south of Aguila |
| A. R. Buell Aguila, Arizona | Black Rock | 20 miles south of Aguila |
| Burmister and Maxwell Mayer, Arizona | Black Magic | Mayer, Arizona |
| Lord M. Butler Wickenburg, Arizona | Black Top | 6 miles north of Wickenburg |
| R. E. Canon, Jr., 1415 S. 19th Ave., Phoenix | Magic | 18 miles south of Wenden |
| Alton B. Carter Box 469, Yuma | Black Dahlia | T of A Mining District |
| J. M. Dale Bouse, Arizona | Mildred # 1 and 2 | Bouse, Arizona |
| Paul A. Edwards 2745 E. Pierce, Phoenix | Hilltop # 3 | 45 Miles southwest of Wenden |
| Dale Goyn Bouse, Arizona | Black Burro | Alamo Mining District |
| Robert Hare 3509 Laclede Ave., Los Angeles | Black Bat # 1 and 2 | 42 miles north of Wenden |
| J. D. Harris 1008 Campbell Ave., Phoenix | Last Chance | 9 miles north of Aguila |
| Harryman and Robison Parker, Arizona | Manganese King | 15 miles northwest of Parker |

| SHIPPER | MINE NAME | LOCATION |
|--|---|--|
| J. F. Hicks Bouse, Arizona | Black Hawk # 2 | 3 miles northwest of Bouse |
| Hill and Russell Aguila, Arizona | Crow | 18 miles south of Aguila |
| Harry Jessee Wickenburg, Arizona | State Land Lease | 14 miles south of Aguila |
| Lentz and McElvany Parker, Arizona | Black Crow | 24 miles northeast of Bouse |
| Lewis and Neal Wenden, Arizona | Black Eagle | 4 miles from Artillery Peak, Southwest |
| Miller and Christofferson Aguila, Arizona | Black Raven | 18 miles southwest of Aguila |
| V. J. Morgan Bouse, Arizona | Black bird | Bouse, Arizona |
| Dennis Newlin 1040 East Whittton, Phoenix | Black Buck # 2 | 26 miles north of Morristown |
| Patterson and Neal Valentine, Arizona | Black Diamond | 45 miles north of Wenden |
| Paul Pellegrini Wickenburg, Arizona | Mistake | 10 miles north of Wickenburg |
| R. E. Power Yuma, Arizona | Betty | Trigo Mountains, Sibola |
| J. F. Power Yuma, Arizona | Power # 1 | Trigo Mountains, Sibola |
| R. S. Rodgers Wenden, Arizona | Last Chance | Owens Mining District, Mohave County |
| L. W. Smith Aguila, Arizona | Black Queen | 15 miles south of Aguila |
| Al Stovall 1644 Palmcroft Drive Phoenix, Arizona | Doyle Lake Love Magma Price and Priceless | 26 miles north of Wenden 52 miles north of Wenden 48 miles north of Wenden Superior, Arizona North of Wenden |



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



July 24, 1954

REPORT OF GSA Depot at Wenden

Lot Units
Paid Out

4,236,344.7
\$ 5,760,370.51

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



October 24, 1956

Mr. Robert E. Reno, Jr.
Deputy Regional Director
General Services Administration
49 Fourth Street
San Francisco, 3, California

Dear Mr. Reno:

I am listing below tungsten production of Arizona which we have compiled from U. S. Bureau of Mines releases and sincerely hope that this will be of some value to you:

60% WO₃ Tungsten Ore

| Years | Short Tons | Value |
|-----------|------------|--------------|
| 1910-1934 | 1,400 | \$ 1,000,000 |
| 1935-1950 | 2,459 | 2,787,596 |
| 1951 | 11 | 37,000 |
| 1952 | 73 | 258,000 |
| 1953 | 134 | 474,836 |
| 1954 | 117 | 411,500 |
| 1955 | 130 | 450,000 |

Sincerely yours,

R.I.C. Manning,
Director

RICM:lp

Memorandum

To: Roger Manning

3/18/54

From: Bill Brewbaker

About: Wenden manganese

Charlie Willis will get a letter from Sen. Goldwater with an attachment from Mansure which he no doubt will show you.

In effect it endorses what I said in Arizona and have repeated several times, i.e., that the present regulations constitute firm commitments to the various programs and that transfers from one to the other are not legally possible, so that additional units for Wenden must be a new commitment.

Such a commitment and the funds therefore must be approved by the Office of Defense Mobilization.

When Goldwater and I were over to see Mansure on the Riviera matter he said that ODM held a meeting on the subject of Wenden on Tuesday the 16th, as well as general manganese discussion. We have no information as to the attitude as yet.

MEMORANDUM

TO: Charles F. Willis

Roger Manning

FROM: Bill Broadgate

ABOUT: Additional manganese quota for Wenden depot.

A meeting was held in the office of Senator Goldwater. Present were Senator Goldwater, Senator Hayden and Paul Eaton; Representative Patten and A. B. Sieh; and myself, of about two hours duration.

From the ODM were present Mr. Weaver, Director Flemming's deputy for minerals, and Mr. Curtis, who I believe is an economist, one of those whose charges is the manganese program.

All the familiar arguments were used by the Congressmen and myself, Senator Goldwater taking the lead.

We were informed:

1. The manganese stockpile is overbought, both on the short term program and the long term program covered by the President's release of March 26, 1954.

3. The deficiency in delivery against the domestic programs anticipated at the expiration date already has been discounted in estimating the fulfillment of stockpile objectives, hence my suggestion of allocating an additional 6 million long ton units to Wenden on the presumption that the entire 37 million units will not be delivered and there will be a credit balance of more than this when the programs come to a close was rejected. Curtis, who did all the talking for ODM admitted there would be a substantial deficiency in total deliveries, particularly in the carlot program.

I suggested (not in the presence of the ODM people) that we might introduce a bill directing ODM to allocate the needed units. Such a bill would not have much of a chance against Administration disapproval, but at least would have exhausted all possible resources.

ODM admitted that industry should be promptly and definitely informed as to what programs are completed so it will not anticipate extensions under the President's program of March 26, 1954.

C
O
P
Y

C O P Y

March 17, 1954

Mr. Charles F. Willis, Secretary
Arizona Small Mine Operators Association,
508 Title and Trust Building,
Phoenix 13, Arizona.

Dear Charlie:

Just to bring you up to date on what is going on regarding the Manganese Depot at Wenden, I wish to advise that during a visit with Mr. Mansure of GSA yesterday I was informed that ODM held a meeting yesterday morning, at which this matter was the principal subject of discussion.

I am also enclosing a copy of a letter from Mr. Snyder to indicate the thinking of GSA on my recent request to transfer units from other commitments not doing as well as ours.

We are very hopeful that ODM will come up with an answer to this and some of our other stockpiling problems in the west in the very near future.

Sincerely,

BARRY GOLDWATER /signed/

Enclosure

C O P Y

GENERAL SERVICES ADMINISTRATION

Washington 25, D. C.

March 12, 1954

Honorable Barry Goldwater
United States Senate,
Washington, D. C.

Re: Manganese Purchase Depot,
Wenden, Arizona.

Dear Senator Goldwater:

The Administrator has asked me to reply to your letters dated February 19, 1953, addressed to him and Mr. A. J. Walsh, as he is out of town visiting our regional offices.

The regulations establishing the various manganese purchase programs created binding obligations or commitments on the part of the Government under the Defense Production Act of 1950, as amended. A reduction in the maximum number of units applicable to any such program would, therefore, be considered to be a violation of an existing commitment.

Consequently, the addition of 6,000,000 units at Wenden could be accomplished only as a new commitment, requiring initially the approval of the Office of Defense Mobilization and the making available by that office of the necessary additional funds through a further allocation of borrowing authority under the Defense Production Act.

I am sending a copy of this letter to the Office of Defense Mobilization, which, I am informed, is presently considering the situation at Wenden.

Cordially yours,

/signed/

Al E. Snyder
Assistant Administrator

GENERAL SERVICES ADMINISTRATION



Emergency Procurement Service
Washington 25, D.C.

March 11, 1954

AIR MAIL

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

Dear Mr. Manning:

Your letters of March 2, 1954 addressed to Mr. Edmund F. Mansure, Administrator of General Services and Mr. A. J. Walsh, Commissioner, Emergency Procurement Service, General Services Administration, requests that consideration be given to increasing the number of units of manganese ore pertaining to the Purchase Depot at Wenden, Arizona.

This matter is under consideration at the present time by the Office of Defense Mobilization.

Sincerely yours,

W. M. B. Freeman
Special Assistant
to the Commissioner

1/8/54

Charlie -

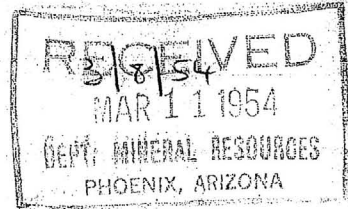
Will you please pass
this on to Roger -

Bill

United States Senate

MEMORANDUM

(This memo attached to
following letter)



Dear Roger,

I have the copy of your excellent letter to Fleming. If anything will move ODM just now it is the unemployment angle. For this reason perhaps a copy should go to Sherman Adams at the White House. I hope Gov. Pyle will write also, especially to Adams, stressing this situation as a governor very properly can, strongly.

With the tremendous urge for metal contract cancellations now being the Bureau of the Budget and ODM the minerals situation may be in bad shape for some time and it certainly makes our plea for additional units at Wenden a tough nut to crack.

I think, also, copies of your letter should go to Rhodes, Patten, Hayden and Goldwater.

Sincerely

Bee

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



March 5, 1954

Mr. Charles F. Willis
508 Title and Trust Building
Phoenix, Arizona

Dear Charlie:

In regard to the Wenden Depot letter, I wrote the same letter to Flemming and Mansure that I wrote to Walsh - none of them were copies.

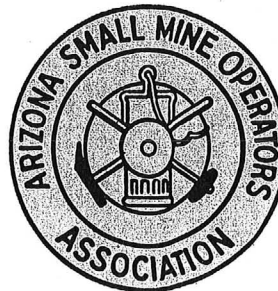
I am today sending a copy of the letters to Al Stovall and Bill Broddgate.

COPY

Sincerely,

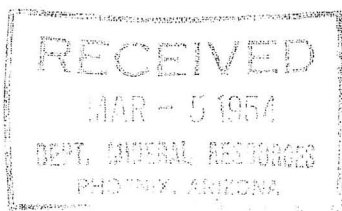
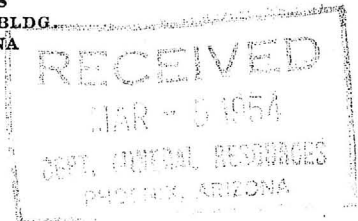
RICM:lp

ARIZONA SMALL MINE OPERATORS ASSOCIATION



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

March 4, 1954



COUNCILS

- AGUILA
- AJO
- ALAMO
- ARIVACA
- BENSON
- BISBEE
- BOUSE
- CASA GRANDE
- CAVE CREEK
- CHERRY
- CHLORIDE
- CLEATOR
- CLIFTON
- CONGRESS
- CROWN KING
- DOUGLAS
- DUNCAN
- ELLSWORTH
- FLORENCE
- GLOBE
- HUACHUCA
- KINGMAN
- KIRKLAND
- KLONDYKE
- MAYER
- MESA
- MIAMI
- MORENCI
- MORRISTOWN
- NOGALES
- OATMAN
- ORACLE
- PARKER
- PATAGONIA
- PAYSON
- PEARCE
- PHOENIX
- PRESCOTT
- QUARTZSITE
- QUIJOTOA
- RAY
- SAFFORD
- SALOME
- SELLS
- SUNFLOWER
- SUPERIOR
- TEMPE
- TOMBSTONE
- TUCSON
- VERDE
- WICKENBURG
- WILLCOX
- WINKELMAN
- YARNELL
- YUMA

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

Dear Roger:

I have the copy of your letter of March 2 to A. J. Walsh relative to the longer life of the Wenden buying station. I presume you sent this same letter to Mansure and Flemming.

If you have any extra copies of this letter I suggest you send them to Al Stovall so he may know that the Department is active and desirous of being helpful on the subject.

If you send him a copy of one of these letters please note that the same letter went to the others. It was a very good letter.

Incidentally, it might also be well to let Bill Broadgate know what you have done in this connection.

Sincerely,

Charlie
Charles F. Willis

CFW:VSW

March 2, 1954

Mr. Edward F. Mansure
Administrator
General Services Administration
Washington, 25, D. C.

Dear Mr. Mansure:

As you are no doubt aware, there are presently some fifty odd individuals and mining companies shipping manganese ores to the Wenden Purchase Depot. These operators are employing upwards of 800 men and have, so far, done a real job toward giving us a much needed stockpile of the strategic material.

In employing these men the manganese industry has gone far toward alleviating what would have been a critical unemployment situation in the mining industry due to the closing of the lead-zinc mines, caused by the sudden drop in price.

To date the rate of shipments to this depot far exceeds that of any other manganese depot established by your agency and bids fair to fill its quota by April 1, 1955, which means that unless something is done to remedy the situation, this depot will be forced to close prior to the date set by Congress, June 30, 1958.

It is our hope, as well as that of all interested in the manganese industry of Arizona, that some means will be found whereby additional quotas can be assigned to this station in sufficient quantities to enable it to remain in operation at least until June 30, 1958, and longer, if possible. We feel that there has been created within the State a growing industry and one that it might be possible to perpetuate for the benefit of all concerned.

We, therefore, urgently request you to have a check made of the situation at Wenden to ascertain if additional units cannot be allocated and the operators assured of a market for their ores, at least for the life of the program.

Knowing that you will do everything within your power to assist us, I am,

Sincerely yours,

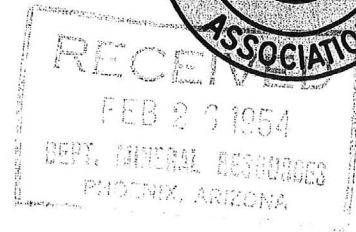
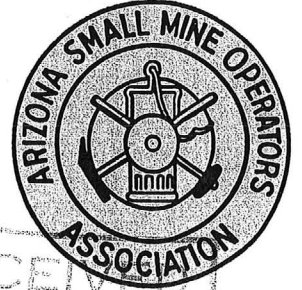
R.I.C.Manning,
Director.

RICM:lp

ARIZONA SMALL MINE OPERATORS ASSOCIATION

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

February 24, 1954



COUNCILS

- AGUILA
- AJO
- ALAMO
- ARIVACA
- BENSON
- BISBEE
- BOUSE
- CASA GRANDE
- CAVE CREEK
- CHERRY
- CHLORIDE
- CLEATOR
- CLIFTON
- CONGRESS
- CROWN KING
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- SUPERIOR
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- TOMBSTONE
- TUCSON
- VERDE
- WICKENBURG
- WILLCOX
- WINKELMAN
- YARNELL
- YUMA

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

Dear Roger:

Enclosed is copy of a letter I sent to Edmund F. Mansure, administrator, GSA, Washington 25, D.C. I also sent the same letter to A. J. Walsh, commissioner, Emergency Procurement Service, GSA, 7th and D Streets, S. W., Washington 25, D.C., and Arthur S. Flemming, director, Office of Defense Mobilization, Executive Office Building, Washington 25, D. C.

I sent copies of these letters to our four Arizona Congressmen, urging them to get busy and help in getting an early decision on a continuation of the Wenden buying program.

I have a letter from Senator Goldwater acknowledging receipt of my letter and enclosing a copy of a letter he wrote to the same people.

Goldwater suggests, however, that letters along similar lines should be sent by the Department of Mineral Resources to the same group. He also suggests that the Governor be contacted and that we ask him to write similar letters to the same people, urging such extension of the buying program at Wenden. Goldwater further suggested that the Governor might be willing to write to Sherman Adams of the President's staff as he knows him personally.

I will leave it up to you to follow through on the above and send letters from the Department to these people, and to contact the Governor on what he can do to help.

Bill, of course, is working on this in Washington.

Sincerely,

Charles F. Willis
Charles F. Willis

CFW:VSW

February 17, 1954

Edmund F. Mansure, Administrator,
General Services Administration,
Washington 25, D.C.

Dear Mr. Mansure:

It is very important that an early decision be made as to what can be done to provide for an extension of the life of the GSA manganese buying station at Wenden, Arizona.

The small mine operators have really gone to bat in making this a successful station and in doing what the government wanted in the production of manganese. However, at the same time their activities are limiting their own operating life, and they should be rewarded -- not penalized -- for what they have done.

While the Wenden station can go, under present allocations, until April 1955, it is essential to the 50-odd producers who are shipping, that they know, as far ahead as possible, what is facing them. It is the only way their investments can be justified and their plans properly made for economic production.

As the situation stands right now, each of the three authorized manganese purchase depots was allotted six million units. Deliveries to these stations, to December 31, 1953 were:

| | |
|---------------------------------|-----------|
| Butte and Phillipsburg, Montana | 428,809 |
| Deming, New Mexico | 789,618 |
| Wenden, Arizona | 2,089,283 |

The nation-wide carlot program, restricted to 10,000 tons of eligible concentrates per shipper, was allotted 19 million units of which only 557,252 units were delivered up to December 31, 1953.

From the above it is obvious that the Wenden depot has taken in far more manganese than all the other depots put together, and including the carlot program. However, the presently authorized quota of six million units of manganese for the Wenden depot will be exhausted by April, 1955 at the present rate of delivery.

Under the Malone-Aspinall Act the date on which the depot will have to be closed, excepting for another Act of Congress, will be June 30, 1958. Thus, it is very important that an additional authorization of six million units be made because it would, at the present delivery rate, make it possible to hold the depot open until the end of the authorized period.

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It would seem entirely logical that rather than authorize so much to this station, so much to that one, and so much to another program, and have some stations doing good business and some a bad job, the total program might well be thrown all together with 37 million units allocated to the entire program rather than broken down into allocations to stations which will never deliver anything like their quota.

In other words, some method must be found whereby at least six million additional units is allocated to the Wenden program because those who have made the success of the station possible should not be penalized for having done so. We are very hopeful that, if permitted to carry on their activities for the full life of the program, we will have a manganese industry developed in Arizona which would live and prosper without a government buying program after the present requirements have been met.

There is another very important angle insofar as Arizona is concerned, and that is that the expanding manganese-producing industry of the state has very largely taken up the unemployment slack caused by the shutting down of the lead-zinc mines. This in itself is plenty of reason for putting forth extra effort to make sure the industry keeps on going.

It will be greatly appreciated if you will have a check made of the situation as to the Wenden manganese buying station, with a view to authorizing and directing General Services Administration to allocate not less than an additional six million units to be purchased at that depot under the regulations no less favorable than those presently in force. By this move it is believed that an industry of vital importance to this country and our national security will be making a start toward permanency.

Thanking you for giving the above your early consideration,
I am

Very sincerely yours,

Charles F. Willis
State Secretary

CFW:VSW

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Memorandum

To: Roger Manning

4/5/54

From: Bill Brewster

About: Wenden manganese quota

Attached you will find a copy of a letter which I asked Patten to send to Flemming, using the "new look" in mineral policy as an excuse.

It seems to me that the honesty of the "new" policy will largely be shown by the way ODM treats our request.

If ODM takes as long to get out directives under the new policy to put it into effect as it takes to come to a decision on a simple request like our Wenden case some one should deliver to Flemming a good, swift kick.

It is more than 6 weeks ~~since~~ since the joint request of our delegation went to ODM and we do not even have a routine acknowledgement. In the meantime Hayden's office has called weekly for an answer, Goldwater has at my request written several memos and we have kept the pressure on all around by one means or another. But no glacier could move more majestically or deliberately than ODM its wonders to perform.

I have held off on taking the delegation to see Flemming. When we get the answer, we can then map a campaign and it might do us damage to press

1 of 3

too hard at the wrong time.

If the answer is satisfactory, OK. If not, we now have this policy to back us up, such as it is.

G.S.A. informs me today that they have had no detailed request from ODM for an opinion, only a telephonic request for the tonnage figures.

2023

DEWEY SHORT, MO., CHAIRMAN

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A. FERNÓS-ISERN, PUERTO RICO

ROBERT W. SMART, CHIEF COUNSEL

JOHN R. BLANDFORD, N. Y.
COUNSEL
DUCANDER, LA.
COUNSEL
PHILIP W. KELLEHER, VA.
COUNSEL

HOUSE OF REPRESENTATIVES
COMMITTEE ON ARMED SERVICES
SUITE 313, HOUSE OFFICE BUILDING
WASHINGTON 25, D. C.

April 2, 1954

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

Dear Mr. Flemming:

Several weeks ago a letter was addressed to you signed by the two Arizona Senators and me requesting that additional units of manganese be authorized for the Wenden Depot. We have contacted your office on several occasions concerning this matter but as yet have not had a response to our letter.

In view of the White House release of March 26 prepared by the Minerals Policy Committee, may we assume there will be no question about granting the additional units for the Wenden Depot.

Sincerely yours,

Harold A. Patten, M. C.

P/mac

303

Memorandum

To: Roger Manning

About: Wenden manganese allotment

From: Bill Broadgate

As the decision will not be final (not to allow this request) until Fleming officially puts it on paper, I ~~am~~ have drafted another letter to Fleming for the Congressional delegation to sign. This will point out that the Molone-Aspinall Act clearly shows that Congress wanted the Government to procure the entire 37 million long ton units regardless of source.

Weaver and Curtis admitted that they do not expect the programs to deliver anywhere near the entire amount.

Therefore ODM can expect that at the end of the program there will be more than enough funds available to take care of a commitment to Wenden of 6,000,000 additional units.

I am afraid the President's policy is a cruel fraud when manganese, at least, had its long range program completed before March 26. I wonder how many other metals are in the same position?

We must not give up the ship as there may be things happen which will push up the objectives again.

10/2

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

1) Willis
2) Manning
3) Broadgate
APR 20 1954

OFFICE OF THE DIRECTOR

APR 20 1954

Honorable Barry Goldwater
United States Senate
Washington, D. C.

Dear Senator Goldwater:

This is in reply to your letter of April 15, 1954, in which you point out our negligence in not replying to your letter of February 19 recommending the allocation by the Government of an additional 6,000,000 units to the manganese depot at Wenden, Arizona.

You are quite right. Such delay in at least an acknowledgment cannot be justified, and you have our apologies. In fact, I am using this case to get across to ODM staff that such delays will not be tolerated in the future.

In explanation, but not as an excuse, the proposal made by your letter has been complicated by a number of varying but related proposals for manganese depots and programs. It proved difficult to decide one without deciding all.

During the past two months we have been examining the supply-requirements situation in manganese, which has changed considerably since current objectives were set. Interagency advice has been secured on some of the difficult issues involved. Finally, we are studying the implications for manganese of the policies recently announced by the President for long-term stockpile objectives.

You may be sure I will let you know at once when a decision is made. In the meantime, I am going to ask one of my assistants to contact you within the next week in order to go over the entire picture with you. Again, my sincere regrets at our delay in acknowledgment.

Sincerely yours,

(Signed) Arthur S. Flemming
Arthur S. Flemming
Director

2052

83d CONGRESS
2d Session

H. R. 8919

IN THE HOUSE OF REPRESENTATIVES

April 28, 1954

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

A B I L L

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

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

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

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

83d CONGRESS H. R. 8 9 1 9
2d Session

A B I L L

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

By Mr. Patten

April 28, 1954

Referred to the Committee on Armed
Services

83^D CONGRESS
2^D SESSION

H. R. 8919

IN THE HOUSE OF REPRESENTATIVES

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A BILL

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6 sources except in the case of that limited group of countries
7 to which wartime access can be had with the same degree of
8 reliance as afforded by sources within our own country.

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

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

83d CONGRESS
2d SESSION

H. R. 8919

A BILL

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

By Mr. PATTEN

APRIL 28, 1954

Referred to the Committee on Armed Services

Confidential
Memorandum

To: Roger Manning

From: Bill Broadgate

4/23/54

About: Weiden depot additional manganese units

The memorandum of even date addressed to you and Mr. Willis tells the official story and, as copies are going to the Congressmen I did not elaborate.

The interview was a 2 hour farce. Weaver knew nothing about the subject and Curtis only knew what the general statistics were and little about the real picture.

Confidentially, he disclosed that they are about 100% overbought on manganese. As EPS never contracts for anything without ~~a~~ a directive and allocated funds, this means to me that the stockpile (minimum) objectives have been reduced 50% so that the former military objectives now are the "long-range" objectives. Evidently the "long-range" objectives are even less than the former regular objectives as they have managed to cancel half a million tons on order and are not satisfied.

Curtis said that ODM could go out and buy the 6,000,000 units on the open market (if they needed it) in 10 minutes, and save 5 million dollars. I remarked they might be able to do so today, but in case of a war, not next ~~week~~ week or next month. It did not register,

1022

I don't know why they bothered to come over except to try and ease the blow to the Senators. They could merely have sent word that they would buy no more manganese under any circumstances.

I pointed out the various statements in the March 26 policy and public statements of policy by Flemming but these policies do not apply where "long-range objectives are already met. I am afraid we will find other minerals in the same position. I know that chrome is "overbought." Of course, as I have pointed out many times, the entire stockpile objective program can be fulfilled or be overbought, by the simple device of lowering objectives.

In my humble opinion the program is not being operated for the benefit of the national defense, but for the benefit of the Bureau of the Budget.

I shall have more to say later, but wanted to get this to you.

I hope you can read this as I am writing it on my knee.

Even though I expected some such sort of situation I was and am horribly upset by the stupidity of the ODM people.

2082

Memorandum

To: Roger Manning

From: Bill Brodzatz

4/28/54

About: Wenden manganese quota

Today Rep. Patten introduced a bill to increase the Wenden allotment by 6,000,000 units which I drew for him on Monday.

It will at least point up our demand on ODM. When copies are available I shall send them. A bill to direct an Executive Agency to perform is, to say the least, unusual, but it is perfectly legal.

I have some other angles I am also working. Much may happen in the next year and, although the attitude of ODM is disgusting and foolish, the operators should not despair of eventually getting some relief.

I still think the policy of March 26 is a fraud.

I hear we are talking about trading manganese for wheat. If I can get positive proof I shall have something to use as a weapon.

Memorandum

To: Roger Manning

From: Bill Broadgate

4/29/54

About: Wenden manganese quota

As you say, Flemmings letter of the 19th April did not look good. It was a groundwork for the turn down of April 23 about which I wrote at length.

However, though this was disheartening, I do not consider the matter closed by any means.

I drafted a bill, which was introduced yesterday by Patten - no copies yet available. HR 2919.

At lunch yesterday I picked up a rumor that Commerce is negotiating for manganese in exchange for wheat at the world prices. If I can button this down I can raise a little hell for Mr. Flemming and his deputies, now they have said we have already bought too much.

The world picture may change. The "new look" military program will not be suitable for Indo-China, where an "old-fashioned" war will have to be fought. This war also will jeopardize our Indian supply lines and, in fact, Russia might persuade them to cut us off.

A year may produce a lot of changes.

Memorandum

To: Roger Manning

From: Bill Broadgate

5/3/54

About: Wenden manganese quota.

As per the attached documents, I have taken two further steps on this case:

1. Drafted an omnibus letter to Flemming to be signed by our delegation. This should be signed and go out today.
2. Drafted a bill and furnished the information to our delegation. Patten introduced it; Hayden did not ~~care~~ care for the idea; Rhodes I have not heard from; Goldwater seemed lukewarm and so far has not moved.

You will notice that I hooked the preamble to the President's policy of March 20. It will make ODM uncomfortable when they write the report on the bill, if it has no other effect.

This is a unique bill, in that it would, in effect, be a directive to an Executive agency. At least it points up the problem and will give Stovall's boys a rallying point.

Please call Stovall's attention to the letter and the bill. More copies of the bill are on the way.

UNITED STATES SENATE

Committee on Banking and Currency

May 1, 1954

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

Dear Mr. Flemming:

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

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

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

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

Sincerely,

Barry Goldwater, U.S.S.

Harold A. Patten, M.C.

Carl Hayden, U.S.S.

John J. Rhodes, M.C.

THE UNITED STATES SENATE
Committee on Banking and Currency

May 1, 1954

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Office of Defense Mobilization
Executive Office Building
Washington 25, D. C.

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Harold A. Patten, M.C.

Carl Hayden, U.S.S.

John J. Rhodes, M.C.

3075

83^D CONGRESS
2^D SESSION

H. R. 8919

IN THE HOUSE OF REPRESENTATIVES

APRIL 28, 1954

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

A BILL

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

1 *Be it enacted by the Senate and House of Representa-*
2 *tives of the United States of America in Congress assembled,*

3 That the President of the United States has declared it to be
4 Administration policy to calculate stockpile objectives on the
5 assumption that supplies will not be available from foreign
6 sources except in the case of that limited group of countries
7 to which wartime access can be had with the same degree of
8 reliance as afforded by sources within our own country.

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

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4 General Services Administration the requisite funds therefor.

89th CONGRESS
2d Session

H. R. 8919

A BILL

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

By Mr. PATTEN

APRIL 28, 1964

Referred to the Committee on Armed Services

5/5

MEMORANDUM

5/3/54

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

As per the attached documents, I have taken two further steps on this case:

1. Drafted an omnibus letter to Flemming to be signed by our delegation. This should be signed and go out today.

2. Drafted a bill and furnished the information to our delegation. Patten introduced it; Hayden did not care for the idea; Rhodes I have not heard from; Goldwater seemed luke warm and so far has not moved.

You will notice that I hooked the preamble to the President's policy of March 26. It will make ODM uncomfortable when they write the report on the bill, if it has no other effect.

This is a unique bill, in that it would, in effect, be a directive to an Executive agency. At least it points up the problem and will give Stovall's boys a rallying point.

Please call Stovall's attention to the letter and the bill. More copies of the bill are on the way.

Memorandum

To: Roger Manning

6/7/54

From: Bill Brodgate

About: Wenden manganese

Apparently so many additional producers entering the field will exhaust the Wenden quota well ahead of your original anticipation as I note some are saying the end of this year may be the deadline.

I talked to Sen. Goldwater this morning. He has talked to the White House and to Pres Nixon about Fleming's attitude but we seem to be getting nowhere fast as they do not show interest in pushing Fleming.

Today I am going through Goldwater's files and prepare a case to turn over to the Senate Select Small Business Committee and let them join in the battle. I am having Patten & Rhodes do the same thing with the House Select Committee on Small Business. At least this will harass Fleming and may give some publicity to his tactics and it will give Stovall some working points if he comes back here as I understand he may, though as Goldwater says, it is hard to see what all can do that we haven't, but he can take a first-hand story book.

Stovall's people should also write these committees directly.

Note: A. B. Siah, Rep. Patten's office, has been very active
in this manganese matter for us.

THE UNITED STATES SENATE

Committee on Banking and Currency

May 1, 1954

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

Dear Mr. Flemming:

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Sincerely,

Barry Goldwater, U.S.S.

Harold A. Patten, M.C.

Carl Hayden, U.S.S.

John J. Rhodes, M.C.

83d CONGRESS
2d Session

H. R. 8919

IN THE HOUSE OF REPRESENTATIVES

April 28, 1954

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

A B I L L

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

1 Be it enacted by the Senate and House of Representa-
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3 That the President of the United States has declared it to be
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C
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P
Y

2 of 3

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- 4 General Services Administration the requisite funds therefor.

83d CONGRESS H. R. 8919
2d Session

A B I L L

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

By Mr. Patten

April 28, 1954

Referred to the Committee on Armed
Services

COPY

UNITED STATES SENATE

Committee on Banking and Currency

June 9, 1954

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

Dear Senator Thye:

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

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

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

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

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

June 9, 1954

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

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

Sincerely,

Barry Goldwater

Attachments

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

BG/hms

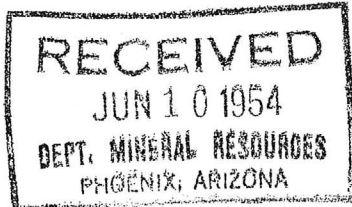
ARIZONA SMALL MINE OPERATORS ASSOCIATION



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

COUNCILS

- AGUILA
- AJO
- ALAMO
- ARIVACA
- BENSON
- BISBEE
- BOUSE
- CASA GRANDE
- CAVE CREEK
- CHERRY
- CHLORIDE
- CLEATOR
- CLIFTON
- CONGRESS
- CROWN KING
- DOUGLAS
- DUNCAN
- ELLSWORTH
- FLORENCE
- GLOBE
- HUACHUCA
- KINGMAN
- KIRKLAND
- KLONDYKE
- MAYER
- MESA
- MIAMI
- MORENCI
- MORRISTOWN
- NOGALES
- OATMAN
- ORACLE
- PARKER
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- PRESCOTT
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- RAY
- SAFFORD
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- SELLS
- SUNFLOWER
- SUPERIOR
- TEMPE
- TOMBSTONE
- TUCSON
- VERDE
- WICKENBURG
- WILLCOX
- WINKELMAN
- YARNELL
- YUMA



June 9, 1954

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

Dear Roger:

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

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

With kindest personal regards,

Sincerely,

CFW:LC
Enc.

June 7, 1954

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

Dear Dr. Flemming:

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

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

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

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

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

Page - 2 - Dr. Flemming

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

Very truly yours,

R.I.C.Manning,
Director.

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

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

August 18, 1954

Office of the Director

MEMORANDUM

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

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

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

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

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

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

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

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

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

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

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

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

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

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

August 16, 1954

INFORMATION SERVICE TO MEMBERS

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

The Bill now becomes law.

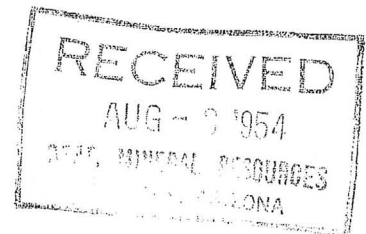
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STATE OF ARIZONA
DEPARTMENT OF MINERAL RESOURCES
MINERAL BUILDING, FAIRGROUNDS
PHOENIX, ARIZONA



Prescott, Arizona, July 31, 1954



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

Dear Roger:

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

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

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

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

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

With best regards,

Sincerely

Mark

Mark Gemmill

1 of 4

Memoandum

To: Roger Manning

6/11/54

From: Bill Brodgate

About: Wenden manganese quota

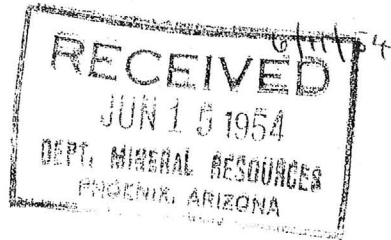
Tlemmings office must be bothered at the pressures brought to bear. He stated yesterday that although the manganese stockpile is adequate, they will take a "new look" at the Wenden situation because of other considerations and will let us know more by the end of June.

Memorandum

To: Roger Manning

From: Bill Swadgate

About: Wenden manganese



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

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

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

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

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

Your letter to Flemming of June 7 was excellent!

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MANGANESE

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

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

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Memorandum

To: Roger Manning

8/23/54

From: Bill Broadgate

About: Wenden manganese quota.

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

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

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

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

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

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

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

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

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

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

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

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

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

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the Arizona producers would be forced to build mills and ship under the carlot program, thus the government would have no beneficiation problem.

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

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

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

SoA 6

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

Memo

Memorandum

To: Roger Manning

From: Bill Broadgate

About: Wenden manganese.



9/3/54

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

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

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

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delay a decision.

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

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

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

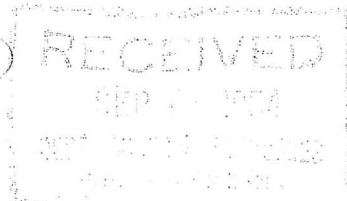
I think it would be a good idea ^{for you} to bring to the attention of Senator Goldwater the points I have raised in this memo so he can launch a further inquiry at Farming. You may think of additional points.

Zsfz

Memorandum

To: Roger Manning

From: Bill Broadgate (via Miller)



9/2/54

About: Wenden manganese beneficiation.

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

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

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

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