Ex-labor official advocates foreign aid as tool to build world trade

By STAN FEDERMAN
of The Oregonian staff

"If the United States is to survive and prosper in the perilous waters of international trade it first must make a concerted effort to improve the standard of living for Third World nations," a former U.S. undersecretary of labor said Wednesday in Portland.

"Our job is to make the people of these nations our customers - and we can't do that without helping them to raise their wages," said Stephen Schlossberg of Washington, D.C., the U.S. representative of the International Labor Office.

The ILO, created by the Versailles Peace Treaty after World War I, sets international standards for worker rights and protections and provides information to its 150 member countries on labor problems affecting the world.

Schlossberg pointed out that for the United States to ignore using its influence to upgrade wages and living conditions of Third World nations would continue to put America at a competitive disadvantage in international trade circles.

"This would result in new customers not readily available for American-made goods because nobody out there is making enough money to buy them," he added.

The Portland visitor said U.S. aid to the Third World "is not charity, nor doing something for goodness' sake, but because we want to help babies with swollen starvation bellies."

"It's strictly a realistic outlook on the world," Schlossberg said. "In the long run, it's pure enlightened self-interest, because by helping them, we improve our own international trade position and authoritative image in the world."

"To ignore the issue, he stressed, was to risk instability and revolution in these poor nations and foment worldwide depression."

Schlossberg's comments came in an interview after he addressed the second-annual Private Sector Labor Relations Conference at the Portland Airport Holiday Inn. The conference, aimed at bringing key labor issues and speakers to area business people, was sponsored by the Labor Education and Research Center at the University of Oregon, the Oregon AFL-CIO and several individual unions.

Schlossberg, who was under secretary of labor during much of William Brock's tenure as labor secretary, said he was not surprised his former boss quit to join the presidential campaign of Republican Sen. Robert Dole.

"I think Bill is a man who has higher ambitions than labor secretary and would like to help pick the next president if he can," Schlossberg said.

He also said he believed that President Reagan would succeed Brock. Ann Dore McLaughlin, former interior undersecretary, probably would do a good job - providing she kept most of Brock's experienced staff and kept things at "an even keel" during her lame-duck term.

"Listen, it's not easy being a labor secretary in Reagan's administration. So many of their policies move directly opposite the goals of labor," said Schlossberg, who during his career once served as chief counsel for the United Auto Workers.

He viewed the recent reaffiliation of the Teamsters union with the AFL-CIO as "a good long-term association" for all of labor, despite the Teamsters' poor public image.

"Labor groups should be together and stand together. That's what the movement is all about," he said.

Klamath Falls firm garners basalt-processing rights

By ROBERTA ULRICH
of The Oregonian staff

A small high-technology company in Klamath Falls has obtained the license to technology to turn the Northwest's most common rock into the hope that will capture a major share of the multimillion dollar basalt market.

PyroPacific Inc., which makes fire-resistant products, outbid a Pullman, Wash., company for the rights to a process developed by Washington State University scientists to make a high-strength mineral fiber from basalt rock.

Basalt is the underlying material for 96,000 square miles of Idaho and Washington. Outcroppings are common, from the walls of the Columbia River Gorge to scattered gravel pits.

R.V. Subramanian, a professor of mechanical and materials engineering at WSU, and his associate, Helen Austin, developed a process for producing a fiber that can be used to replace asbestos or fiberglass in many uses, according to WSU officials. The system work was based on earlier technology from Europe and the Soviet Union.

The WSU Research Foundation and the two scientists hold the patent for the process. PyroPacific will pay a fee of $20,000 a year or 6 percent of revenue from sales of the product.

D. Duane Peterson, company president, said production of 14 million pounds of basalt fiber is anticipated the first year.

"We are negotiating with a company that wants to buy $6 million worth in the first year," Peterson said.

The company is seeking a source of basalt, looking at sites in Oregon, Idaho and Washington, Peterson said. One potential Oregon site is south of Arlington.

Although basalt is a common material, the fiber production requires rock of a certain chemical makeup, he said.

The production plant will be near the company's basalt source, he said. The initial employment is expected to be 16 to 18 people. By the fifth year, Peterson said employment is expected to rise to 96 to 100.

Use of asbestos has been dropping sharply since discovery that it can cause cancer. Peterson said the market for asbestos had been "considerably larger" than the market for fiberglass insulation, which it estimated at $8 billion a year.

Both the WSU scientists and Peterson say the long basalt fibers offer the hazard of the short asbestos fibers.

In addition to replacing asbestos as a fire-resistant insulation material, Peterson said the basalt fiber can be used as a strengthening material in wall panels, in pressure concrete pipe, as a substitute for fiberglass in marine products, and as carpet pads and backing for carpets.

Production of the material by PyroPacific is expected to begin within nine to 12 months, Peterson said.

PyroPacific was formed about 18 months ago at Klamath Falls to turn basalt obdian from a nearby company mine into fire-resistant coating for wood panels.

The WSU scientists began about 10 years ago to experiment with their process to create a higher-strength fiber than previous methods produced. A company was formed in Pullman to produce the fiber, but the economic recession began before it could become profitable, said Al Ruddy, a WSU information officer.

Bill Hostetler, trademark officer for the WSU Foundation, said the basalt fiber has the potential to be the biggest revenue producer among the 26 WSU discoveries the foundation has licensed.

Late October U.S. auto sales rise 10.8 percent

The Associated Press

DETROIT - Sales of U.S.-made cars and light trucks rose 10.8 percent in late October over last year, indicating buyers were not frightened off by the stock market plunge.

"Consumers, really retained cool heads and did not substantially alter their buying plans," auto-industry analyst Chris Cedergren, of the California firm J.D. Power & Associates, said after the figures were released Wednesday.

The late-October figures had been awaited as a concrete sign of consumer reaction to the sharp drop in stock values on Wall Street last month.

The total included 218,893 domestic cars, down a slight 0.3 percent from 219,567 in the same period last year, and 125,387 domestic trucks, up a healthy 37.7 percent from 91,304 a year ago, the company reported.

Among the Big Three automakers, Ford's domestic car sales rose 10 percent, to 99,603 from 89,844 a year ago.

Discount Egghead Software

Perfect Prices
TO: HMD
FROM: RSM

Re: Cast Basalt

You will recall our earlier discussion of ESCO's interest in basalt-lined pipe. Yesterday Howard Morgan, Pioneer Construction Co., NW St. Helens Road, called. It seems that ESCO, at my suggestion, visited their quarry and got to discussing their problem with Morgan. Morgan is real interested, partly because his wife is an art potter interested in glazes, partly because Pioneer is putting in a new hot plant and cyclone which will trap most of the dust. Morgan's interest actually centers around the possibility of making basalt brick and that was why he called us. I told him we would help all we could but made no specific commitments other than to mail him Jacob's "Glazes from Oregon Volcanic Glasses".

Another interesting facet at the local level involved Allis Chalmers which has a ceramic lab out at Beaverton where they are working on insulators. Phil Eagle is their ceramist and ESCO was advised by Morgan that they ought to talk with Eagle since he has been doing a lot of work on basalt glazes.

r.
Sent 1-28-65

Dr. Ing. Mauritz K.G.
Basalco Div. of Schmelzbasaltwerk
Kalenborn, West Germany

Dear Dr. Mauritz:

We have read with interest some material supplied by your licensee M.H. Detrick Co. of Chicago Illinois concerning your "Abresist" abrasion resistant materials. We are particularly interested in the composition of the basalt used in your process since the state of Oregon contains large deposits of these same volcanic rocks. Our thought is that if we had a basalt compatible with your process that you might consider establishing a plant in this area.

In addition to a possible raw material we have an abundance of cheap electric power, natural gas is available through a network of pipelines,
transportation by means of rail, steamship and highway is excellent and
the climate is such that a year around operation is entirely feasible.

Our department would be happy to assist you in determining whether
composition
basalt of the proper chemical and physical characteristics is available
here. If you wish to avail yourself of our services you may rest assured
that the matter will be handled in a confidential manner.

if you wish,
Also we can/put you in touch with the various utilities supplying energy
and other services and materials
State of Oregon  
Department of Geology  
and Mineral Industries  
1069 State Office Building  
Portland, Oregon 97201

Gentlemen:

I have been asked by the Schmelzbasaltwerk Kalenborn to translate their letter to you and to send it on to you together with their original, and I am enclosing same herewith.

Sincerely yours,

Bertl Clement Dietrich

Encl.

General Agents and Distributors for "ABRESIST" in U. S. A. — A Product of Western Germany,  
by Schmelzbasaltwerk Kalenborn b. Linz/Rhein  
Dr. Ing. Mauritz K. G.
Betreff: Verwertung Ihrer Basalt-Vorkommen

Sehr geehrte Herren!


Wir bedauern nochmals, Ihnen nach Lage der Dinge einen günstigere Bescheid nicht geben zu können.

Hochachtungsvoll

Schmelzbasaltwerk Kalenborn
- Dr. Ing. Mauritz K.G. -

D. & Ø: Basalco, Wilmette
STATE OF OREGON
Department of Geology
and Mineral Industries
1069 State Office Building
Portland, Oregon 97201
U.S.A.

Re: Utilization of your Basalt Deposits

Dear Sirs:

After the return of our Dr. Mauritz from an extended trip we refer to your letter of January 28, addressed to him, for which we thank you very much. We have carefully investigated your suggestion to establish a branch plant in Oregon for the purpose of utilizing the considerable deposits of basalt there. As a result of our investigation we are sorry to have to inform you that we cannot be interested in the realization of this idea. Realistically speaking, the cost of the investment needed to build a basalt plant would be in no economic relationship to the business that could possibly be obtained. The same question was put to us repeatedly during the course of the past thirty years by the most diverse industrial countries of the world. In each such case the party concerned could be convinced of the correctness of our above sketched argument.

We are sorry that under the circumstances we cannot give you a more favorable reply.

Sincerely yours,

SCHMELZBASALTWERK KALENBORN
Dr. Ing. Mauritz K.G.
January 10, 1969

Battelle Northwest
P.O. Box 999
Richland, Washington

Attention: C.E. Vogel, Manager, Materials Research
A.M. Schneider, Senior Spec., Business Economics

Gentlemen:

Mr. Paul Nordstrom, Director of the State of Oregon's Division
of Economic Development, has referred your letter of December 16
to our Department.

I am sure you are aware of our Bulletins 29 and 46 concerning
the ferruginous bauxites of northwestern Oregon.

In a recent issue of our monthly publication, THE ORE BIN, we
walked an article entitled "Emery and Emerylike Rocks of the
West-Central Cascade Range, Oregon". The conclusion reached
in this publication was that basalt flows had metamorphosed
bauxite deposits to emery or emerylike rocks. This indicates
to us that although we have published on the more obvious
bauxite deposits of Oregon, much still remains to be done.
It would appear to me in light of the quantity of fairly good
quality bauxite in Oregon that it would prove more attractive
to utilize these deposits than try to upgrade unweathered
basalts.

Although we had anticipated that our ferruginous bauxites would
have been mined long before this, such has not been the case.
There are vast reserves of good quality bauxite throughout
the world, particularly in Jamaica and Australia, and the
raw material can be shipped to this country for a very low
price. The Oregon bauxites, having a lower alumina content
than the foreign ores, cannot compete economically with
these imported materials at the present time because of their
greater processing costs. This being so, it would seem that
regardless of the high merit of your research proposal, it
could be a little premature.
We have investigated the utilization of lavas for ceramic or pipe purposes similar to what they are doing in Czecho-
slowakia and West Germany. Apparently this is a fertile
field that could stand a great deal more research, and an
area that is somewhat untapped here in the United States.
We expect to continue searching for basalts that have the
right chemical and petrologic properties suitable for cast-
ing but it will not be a heavily funded project within the
Department. Perhaps this should receive more attention by
research groups such as Battelle.

We wish you well on your projects and commend you for your
farsightedness.

Thank you for contacting us.

Sincerely yours,

HMD:jr
cc Paul Nordstrom

Hollis M. Dole
State Geologist
Gentlemen:

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We wish you well in your projects and commend you for your farsightedness.

Thank you for contacting us.

etc.

Thank you for contacting us.

Sincerely yours,

Hollis M. Dole
State Geologist
Mr. Paul Nordstrom, Director
State of Oregon
Department of Economic Development
State Office Building
Portland, Oregon 97201

Dear Mr. Nordstrom:

We are writing to you at the suggestion of Keith Yandon, our research economist, to determine your interest in research and development work on a material that we believe would be of interest to you – Basalt. This material covers approximately 200,000 square miles in the Northwest and has an average depth of about 3,000 feet. The analyses which have been made of this material over this region have shown it to be quite uniform in composition. Therefore, if some application could be found, a ready supply of raw material exists. This would create employment opportunities in the mining, processing, and fabrication segments of our economy.

We have enclosed some information which summarizes the work which Battelle-Northwest has done with basalt to date. This work has been sponsored by Battelle funds and we believe has shown enough promise to merit consideration by an organization such as yours. We have also enclosed some ideas of what we think could be done toward defining a specific product(s) and evaluating the business potential of that product(s).

One possible product which is not discussed in the enclosed information is bauxite. Bauxite is the starting ore from which aluminum is recovered. There are several places in the Pacific Northwest where surface layers of basalt have weathered and converted to high grade bauxite. Commercial recovery of this material from this natural state has not been accomplished because of the spotty nature of these deposits. It can be reasoned, however, that if high grade bauxite is produced by weathering of basalt over thousands of years, it may be possible to accelerate this process in a plant and thereby economically produce large quantities of high grade ore for the aluminum industry. Presently, a low grade bauxite is mined in the State of Arkansas and high grade ore is mined in South America and Australia. We believe that a laboratory study should be undertaken to determine the technical feasibility and economic advantages of converting basalt to bauxite and providing raw material from the Northwest to the aluminum industry.
Mr. Nordstrom

December 16, 1968

Battelle-Northwest is a non-profit organization interested in conducting research and development in a variety of fields. We have a large, highly competent staff, and extensive laboratories which are available for independently sponsored research. Much of the equipment located in these facilities is government owned, but it is available for privately sponsored research at extremely low use rates. You are invited to visit with us, to tour our facilities and discuss in more detail any of the areas which we have mentioned, or to review in a more general way the breadth of our capabilities.

We hope to be hearing from you after you have had an opportunity to review this information.

C. E. Vogel
Manager
Materials Research

A. M. Schneider
Senior Specialist
Business Economics

Enclosures
MANAGEMENT PLANNING

Battelle-Northwest has the experience to offer a complete line of research services in the fields of management planning and management information systems. These services encompass a rather broad interdisciplinarian approach to general management, finance and accounting, economics, marketing, manufacturing, engineering and R & D management, and management information systems. Battelle's staff includes professional personnel with diverse experience in industry.

In more specific terms, general management is usually recognized as including operational and long-range planning, economic studies and forecasts, organizational planning and staffing, new product programs, management control, and business risk analysis. In finance and accounting, Battelle-Northwest offers services in financial planning and analysis, budgetary control, and cost control. Financial planning analysis includes capital budgeting, capital management, and funds-flow analysis.

Marketing is also a general term which includes market research and analysis, market surveys, sales forecasting, pricing studies, product line analysis, product distribution studies and warehouse location. In market research and analysis, for example, Battelle-Northwest has the capability of assisting in determining the types of products that will sell, or developing innovations to existing products that will increase their demand. For demand analysis, both industrial and consumer, such items as the population, socio economic characterization, product price, inflation, disposable income, availability for substitutes or competing products become important factors when developing demand curves and consumption functions.
Well designed questionnaires and interviews are important in determining attitudes and interest of potential buyers about a given product. These market survey techniques are capable of providing important information for sales forecasts showing the number of projected units to be sold by territory by year. Market surveys can indicate impact of different pricing policies, and help to formulate a strategy for optimizing a sales profile to produce the best profit picture. In addition, Product-line analysis can be conducted to determine what product mix, including the addition of new lines, which would be most profitable. In the field of product distribution, analysis can be undertaken to determine the optimum overall distribution function. This would include selection of new warehouse locations and channels of distribution.

In the field of manufacturing, Battelle-Northwest is capable of conducting studies of manufacturing organizations, production scheduling, production control, inventory control and plant location.

For engineering and R & D management, studies can be conducted in long and short-range planning, programming, budgeting and control of R & D effort and projects. Battelle-Northwest also offers special services in the development of management models and simulation techniques, including application of PERT techniques for project control and plant expansion. Another Battelle-Northwest specialty is management information system development. Battelle has the capability to design new management information systems, develop software for it, and to manage the procurement and installation of the information system.

In the field of Business Economics, Battelle-Northwest conducts unit cost and price studies, break-even analysis, and sales forecast to show the degree of market penetration and financial risk in a new product.
Through risk analysis and capital management techniques, the suitability of a new product to the present product line can be investigated. Efficiency of plant operation is important in determining effective ways of controlling unit costs. Market Research techniques may be used to determine the suitability of a new product to the place, and to ascertain potential customer attitudes toward the product.

Battelle-Northwest can develop a complete planning program for new products using sales forecast as a base from which a complete set of operational and capital budgets can be generated. The planning may include a step-by-step plan for introducing the product into the market, including production scheduling and inventory control. Battelle-Northwest is fully aware that business economics and marketing studies must be tailored to meet the sponsor's special needs.
January 21, 1976

Mr. A. M. Matlock
P.O. Box 2307
Eugene, Oregon 97402

Dear Mr. Matlock:

Thank you for your letter inquiring about expanded basalt.

Our Department has conducted no studies in this area but we can provide you with machine copies of two reports which might be of interest to you. Pacific Northwest Laboratories has distributed limited copies of its report, "Some Application Experiments with Basalt," by J. W. Shade. We can provide a machine copy of the report (81 pages) for $1.26. A second report, "Economic Criteria for Producing Basalt Fibres in the Pacific Northwest," by Dean Wullenwaber and R. T. Bailey of the University of Idaho, can be provided at a service charge of $3.18 for the 53-page study.

Although I have no first-hand information on the subject, I believe that considerable variations exist in the melting behavior of basalts, and the temperatures and heat-soak periods required. I am not aware of any plants in this part of the country that are producing fused or expanded basalt items.

If you wish copies of the above reports, let us know and we can arrange for copies quite promptly.

Sincerely yours,

Ralph S. Mason
Deputy State Geologist

State of Oregon
Department Of Geology &
Mineral Industries
1069 State Office Building
Portland, Oregon 97201

Dear Mr. Mason;

The Ore Bin in a recent issue contained an article in regard to expanded basalt.

Information regarding this potential, such as degree of heat required, and where one could see a plant in operation, or any help you can render. I feel sure you are familiar with what is cooking, and it appears this is about what is required.

Thanking you for past favors, and any assistance you can render, I remain,

Yours truly,

Archie M. Matlock
February 17, 1976

Mr. Archie M. Matlock  
P.O. Box 2307  
Eugene, Oregon 97402

Dear Mr. Matlock:

Thank you for your letter requesting a copy of the Wullenwaber report on fibers from basalt. We hope the report will be of benefit to you. Certainly there is a wealth of raw material to work with!

With kindest personal regards.

Sincerely yours,

Ralph S. Mason  
Deputy State Geologist

RSM:lk  
Encl.
July 19, 1966

TO:      HMD
FROM:    RSM

Re: Cast Basalt

You will recall our earlier discussion of ESCO's interest in basalt-lined pipe. Yesterday Howard Morgan, Pioneer Construction Co., NW St. Helens Road, called. It seems that ESCO, at my suggestion, visited their quarry and got to discussing their problem with Morgan. Morgan is real interested, partly because his wife is an art potter interested in glazes, partly because Pioneer is putting in a new hot plant and cyclone which will trap most of the dust. Morgan's interest actually centers around the possibility of making basalt brick and that was why he called us. I told him we would help all we could but made no specific commitments other than to mail him Jacob's "Glazes from Oregon Volcanic Glasses".

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re.

The ESCO people involved are: T.J. Smith, Product Development, and R.J. Richenberg, Spun Cast Dept.

Pioneer Quarry address: 7881 NW St. Helens Road

Allis Chalmers address: 13404 NW Cornell Road (644-9166)

"Crystallization of Melted Rocks" by L. Kopecky and J. Voldan (Andy's shelf)