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1926

## **Ambrose Ely Ring                      Diary 1926**

**May 5th – Left for Australia. (H. A. Kursell as partner) to examine Lawn Hill deposits in North Queensland. Sailed from Vancouver on Aorangi. September 17 arrived at Vancouver on Niagara from Australia. Went to Salt Lake for 3 or 4 days & then to New York. Returned to Salt Lake October 10th.**

## **C. E. Ring,                      Year by Year Diary 1926**

**May 5th – Dad sailed to Australia with H. A. Kursell (AS&R Co.) to examine Lawn Hill deposits in North Queensland – Returned September 17 – Then to New York to report & home October 10th – He was away 5 months.**

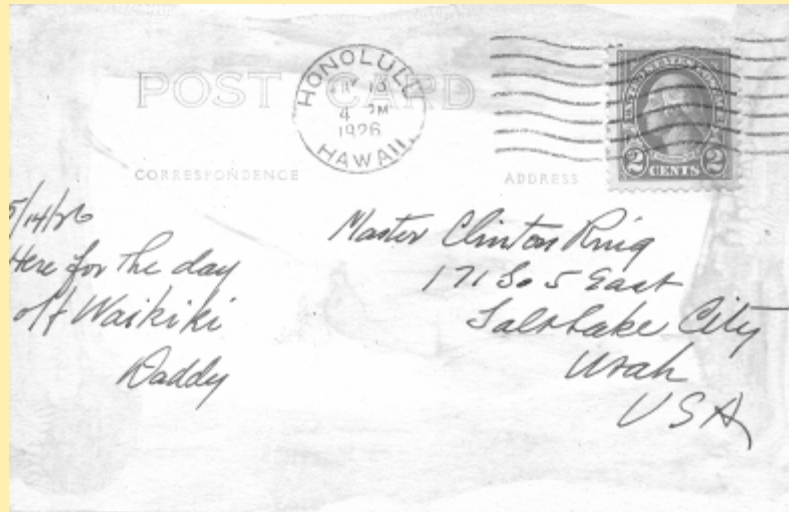
**Mother, Elizabeth & I went to visit mother's sister (Aunt Ella & Uncle Wallace) in Mineola, Long Island – My cousin, Winston Bogart was about my age & we became good friends (He later made music his career playing trumpet and played with the "Big Bands" in New York – Les Brown & His Band of Renown" for one.) - Stayed most of summer & on July 4 were at Uncle Ed Bogart's (Piano Manufacturer) home in White Plains – there were several summer trips to Mineola, Long Island with mother.**



1926



# Postcards from Australian Trip.



1926

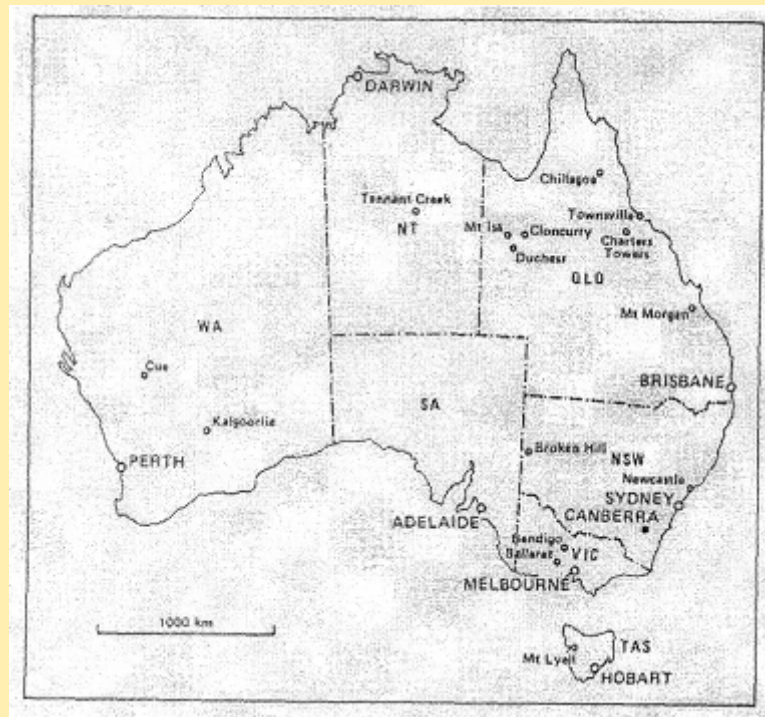


# Postcards from Australian Trip.



1926

# Australia Trip for ASARCO.

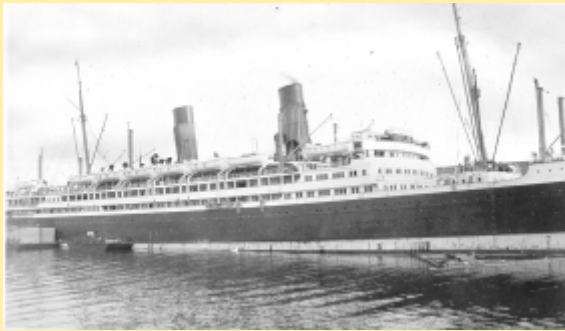






1926

# Australia Trip for ASARCO



Canadian Australian Royal Mail Steamer. "Aorangi" at dock Vancouver B. C. May 6, 1926.



23,000 tons displacement.



Aorangi, Vancouver – May 7, 1926.



Post Office – Honolulu.



Moana Hotel – Waikiki – Honolulu.



Moana Hotel – Waikiki – Honolulu.





1926

# Australia Trip for ASARCO.



Capital Building – Honolulu.



Outward bound from Honolulu –  
Waikiki Beach in middle distance.



At Pier – Honolulu.



Selling “Lei” wreaths on Pier –  
Honolulu.



Kanakas following ship in  
Honolulu Harbor – diving for  
coins thrown in.



Kanakas following ship in Honolulu  
Harbor – diving for coins thrown in.



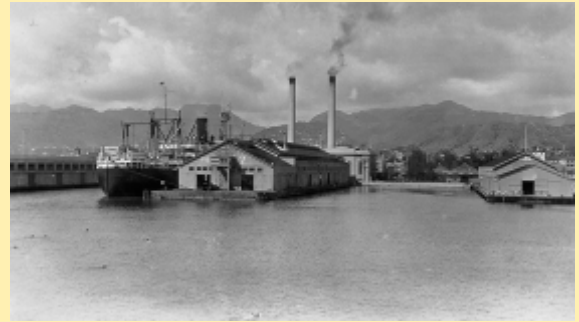


1926

# Australia Trip for ASARCO.



Kanaka jumping from upper deck – in mid air.



“President Pierce” at dock – Honolulu. Aorangi has just left opposite side of dock.



Out-rigger canoes going out and coming in on the surf – Waikiki Beach.



Out-rigger canoes going out and coming in on the surf – Waikiki Beach.



Passengers decorated with wreaths of flowers (“lei”) on Aorangi – leaving Honolulu.



Aorangi at Suva – Fiji Island.







1926

# Australia Trip for ASARCO.



Suva – Natives at dock – selling bead necklaces, grass baskets, fruit, etc.



Overlooking Suva harbor.



Native Village at Suva.



Overlooking Suva as Aorangi left dock.



Banana Plantation on Suva.



Over looking Suva & Harbor from Native Village.





1926

# Australia Trip for ASARCO.



Suva from the harbor.



Suva from the harbor.



Deck games on Aorangi May 1926.



J. Roos standing left, Mr. Marks & Mrs. Marks Mr. Mason standing right.



Deck Tennis finals on Aorangi.



Mrs. MacDonald, Mr. Mason.







1926

# Australia Trip for ASARCO.



Mt. Isa Lode – north of discovery shaft.



Main Crop – South Half looking South Black Star Lode.



Detail of Mt. Isa, characteristic Formation – “Ribbonstone”.



On top South Half Main Crop Black Star Lode. Mr. Corbould, T. M. Owen, H. A. Kursell.



Characteristic Mt. Isa Formation.



Looking South from North side of “Race Course” over toward Black Rock Lode Mt. Isa.





1926

# Australia Trip for ASARCO.



Overlooking town of Mount Isa from Black Rock workings.



Queen Hotel Townsville.



Down sea shore drive toward Queens Hotel, Townsville.



Down sea shore drive toward Queens Hotel, Townsville.



Shop at Silver King.



Loading Ore on Camel at Silver King.





1926

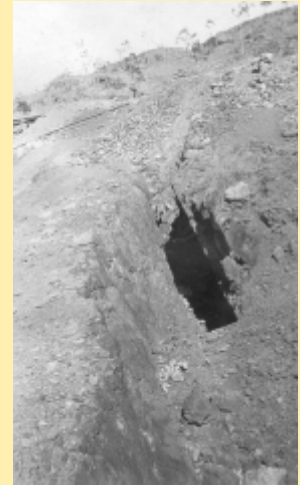
# Australia Trip for ASARCO.



Formation Silver King.



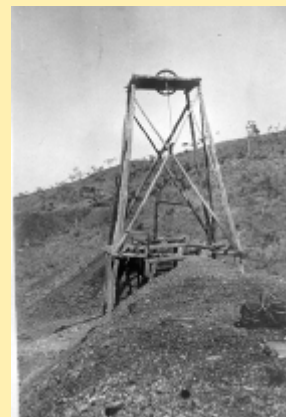
Vein at Silver King.



Surface Cut at Silver King.



Shaft at Quamby.



Silver King Carsons shaft and pumps.







1926

# Australia Trip for ASARCO.



Panorama Silver King Lode – Main or Carson Sh.



Silver King Camp.



Cut on Vein – Silver King.



Watsons Lode.



Watsons Lode.





1926

# Australia Trip for ASARCO.



Watsons Lode.



Windlas at Watsons Lode.



Watsons Lode.



Watsons Lode.



Watsons Lode.



Specimen – Watsons Lode,  
Sphalerite cemented breccia from  
100' crosscut.







1926

# Australia Trip for ASARCO.



On Watsons Lode Crops.



Watsons Lode Camp.



Tunnel Hill West Crops.



Watsons Lode.



Tunnel Hill Main Crops.



Tunnel Hill.



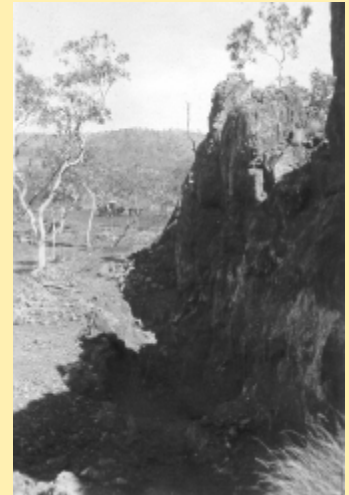


1926

# Australia Trip for ASARCO.



Tunnel Hill.



Ten Mile Crop.



On Tunnel Hill West Crops.



Ten Mile Lode Crops.



Blacksnake Lode.



Blacksnake Lode.



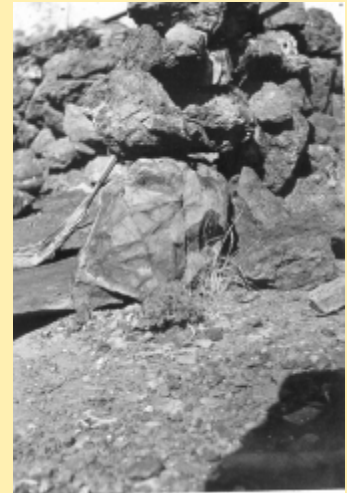


1926

# Australia Trip for ASARCO.



Looking North East from Queen Shaft.



Ore pile at Queen Shaft.



Queen Shaft.



Blacksnake Lode Crop.



Owen & Kursell Adit on Blacksnake Lode Crop.



South from "Just in Time" Crop "Banner" in middle distance.







1926

# Australia Trip for ASARCO.



Looking South East from  
Black Rock Crop.



On Black Rock Crop.



Lilydale, Workings.



Mended Hill Workings.



East Star Lode.





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# Australia Trip for ASARCO.



Open Cut at Lilydale.



Overlooking Lilydale Open Cut Workings.



Lilydale.



At Wooden Duck Shaft.



Prince Charles Shaft.



Mended Hill Dumps.







1926

# Australia Trip for ASARCO.



East Star Crop.



East Star Crop.



East Star Crop.



Cassowary  
Shafts.



Cassowary  
Diggings in  
Creek Bed.





1926

# Australia Trip for ASARCO.



Cassowary Workings.



Greater Britain.



Banner Shaft and Crop.



Looking South at "Just In Time"  
Crop.



Looking S. E. from Glencoe.



Magazine Hill.





1926

# Australia Trip for ASARCO.



Bauxite Deposit between  
Mt. Isa and Camooweal.



South East from Hill  
East of Queen Shaft.



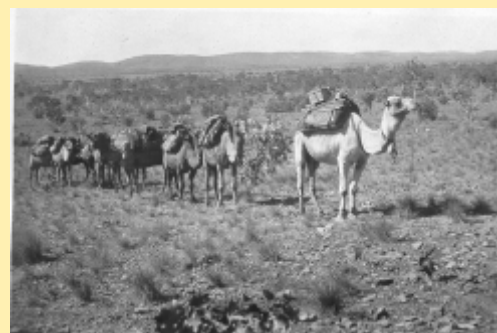
Along Silver King Crop.



Camooweal.



South East from Hill East of  
Queen Shaft.



Camels at Silver King, loading  
ore.







1926

# Australia Trip for ASARCO.



Camels at Silver King , loading ore.



Camels at Silver King , loading ore.



Ore Team.



In Chinese Garden – Louie Creek.



Louie Creek – Chinese Garden  
about 1500 gal. per min.  
flow.



Lawn Hill Station.



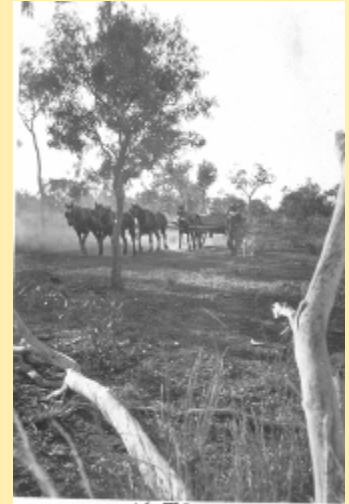


1926

# Australia Trip for ASARCO.



Camel Train.



Farm Cart.



General View Lawn Hill Station Buildings.



Between Camooweal and Lawn Hill – Rabbit proof fence between Northern Territory and Queensland.



Parrots.



Camp Wagon for “Mustering Crew” Lawn Hills.







1926

# Australia Trip for ASARCO.



Team on Lawn Hill – Burketown Road.



Camel Train packing ore Lawn Hills to R.R. at Dobbyn.



Camel Train packing ore Lawn Hills to R.R. at Dobbyn.



Unloading Camels at lawn Hill Station.



Aborigines Grave – Lawn Hills.



Louie Creek Crossing at Chinese Garden.





1926

# Australia Trip for ASARCO.



Louie Creek Crossing at Chinese Garden.



Tea Trees on Lawn Hill Creek at Millers Camp.



Crossing Lawn Hill Creek on way to Glencoe.



Lawn Hill Station from Garden on main creek.



Old pioneer's chair cut from tree at Lawn Hill Station.



Volkman's Camp at Lilydale.





1926

# Australia Trip for ASARCO.



30 Horse Team hauling ore Lawn Hills to Burketown.



Our party at Gregory River Crossing 55 miles from Lawn Hills toward Burketown – Miller, Owen, Lonergan, Kursell



Miller's Camp on Lawn Hill Creek 6.5 miles from Station – Miller & Gaden.



Burketown – Looking North.



Mirage on tidal flats North of Burketown. No water or trees where they appear to be.



Chinese Pump – Garden near Burketown.







1926

# Australia Trip for ASARCO.



Kursell – Lonergan –  
Miller – Large lemon tree  
in garden near Burketown.



Mackenzie's auxiliary sloop in  
which we went down to the bar at  
Ballast Ground.



Up Albert River from Ballast  
Ground.



Ballast Ground shore from  
River.



Jetty on Albert River at  
Burketown.







1926

# Australia Trip for ASARCO.



Artesian Well at Burketown – town water supply – about 110 degrees f.



Motor lorries built to haul ore to Burketown – never used – impractical.



Leichardt River Crossing South of Burketown on road to Cloncurry.



Cloncurry.



Freight Cars used on Cloncurry – Townsville run.



Passenger Coach used on branch lines Cloncurry.





1926

# Australia Trip for ASARCO.



Our "private" car Cloncurry to  
Townsville.



Kangaroo – Station east of  
Cloncurry.



Kangaroo – Station east of  
Cloncurry.



Post Office Hotel ( on left)  
Cloncurry.



Kangaroos and Emus on plains  
east of Cloncurry – taken  
from train.



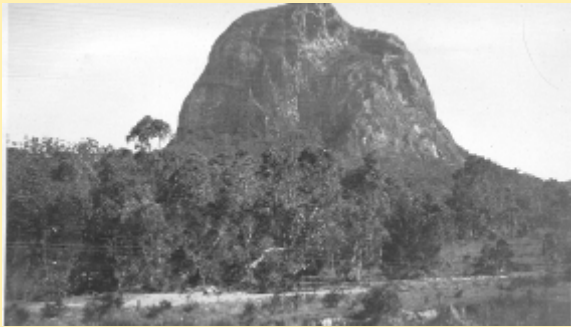
Kangaroos and Emus on plains east  
of Cloncurry – taken from train.





1926

# Australia Trip for ASARCO.



Near Brisbane – taken from train from Rockhampton.



Camooweal – Hotel.



G. Watson, Alec Steele, “Bill” Allis, T. M. Owen, J. B. Miller – “Lunch”.



Ready to leave Lawn Hill for Burketown.



At Millers Camp.



A. E. R. – Miller – Owen, Kursell, at Rabbit proof fence (North of Camooweal) between N. Territory & Queensland.

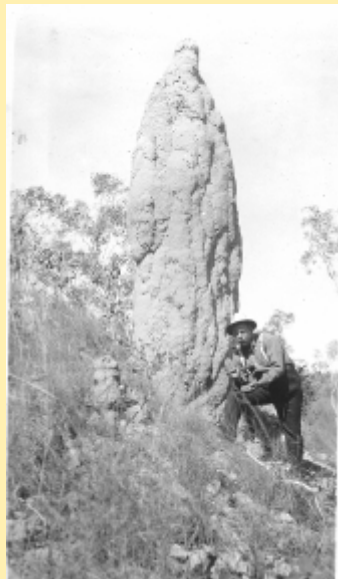




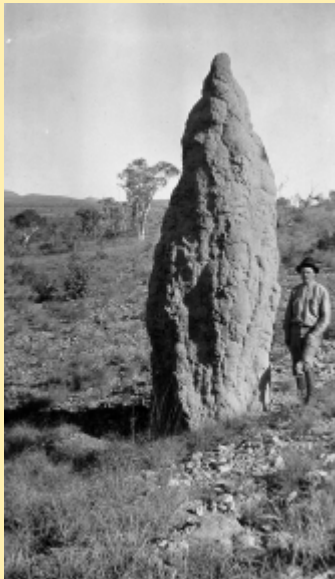
1926



# Australia Trip for ASARCO.



Miller – Ant Hill near his camp, far left.



A. E. R. – ant Hill near Silver King, middle.



J. B. Miller at his camp, Right.



Ant Hills near Queen.



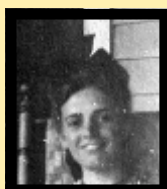
Kangaroo and Turkey.



Mr. & Mrs. J. B. Miller and cauliflower from their garden.



Leaving Sydney Dock.







1926

# Australia Trip for ASARCO.



Sydney Dock – Au Revoir



Sydney Harbor.



Sydney harbor.



Sydney harbor.



Headlands at entrance to Sydney Harbor.



Unloading trunks at Suva Fiji Island.





1926

# Australia Trip for ASARCO.



Suva at Fiji Island.



Not captioned.



Not captioned.



Sailing out of Suva Harbor – Fiji Island.



An Atoll Island in Mid Pacific.



Suva – Fiji Island.





1926

# Australia Trip for ASARCO.



Suva – Fiji Island.



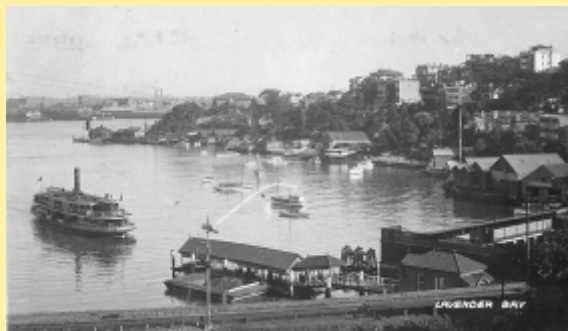
Suva – Fiji Island.



Suva – Fiji Island.



Suva – Fiji Island.



Sydney – Australia.





1926

# Australia Trip for ASARCO. The R. M. M. S. Aorangi.



Like their room.







# Results — Australia Trip for ASARCO.

Ambrose’s pictures of the 1926 ASARCO Australia trip tell a wonderful story of the “trip” itself. However many in the family have always wanted to know what the RESULTS of the trip were—

Below and in the pages that follow are some quotes and a full chapter, *To The Southern Hemisphere*, from a the book *The Man From ASARCO a life and times of Julius Kruttschnitt* by D. Chaput and K. H. Kennedy.

Before the chapter: One sidelight on Silverbell in the late 1920s was the search for new ore reserves on nearby properties. The largest prospect was the Oxide Copper Company’s holding: Kruttschnitt personally supervised three geological studies there, the last in July-August 1930. His associate on this project was Roland Blanchard, a young geologist who would figure prominently in Kruttschnitt’s career in the 1930s. In 1929 they had a conversation in the Arizona desert which not only influenced Blanchard’s future buy also reflected Kruttschnitt’s knowledge of international developments:

When Kruttschnitt was informed by Roland Blanchard that he had been offered a position by Mining Trust to examine silver-lead deposits **at Lawn Hill, Queensland**, Kruttschnitt advised Blanchard to accept the offer, and in November 1929, he and several assistants sailed from San Francisco to Australia.

Mining Trust was a new London-based company, promoted by Leslie Urquhart, with properties in France, Rhodesia, New Guinea and Australia. **Lawn Hills and Mount Isa were two of Mining Trust’s ventures in Australia which Guess had been scrutinizing for some time, and which ASARCO engineers had visited in 1926.** Kruttschnitt would soon learn more about Mount Isa and Mining Trust, but in the meantime he was pre-occupied with a troublesome search for mines in Arizona.



Julius Kruttschnitt



Leslie Urquhart





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**1926**

# Results — Australia Trip for ASARCO.

## To the Southern Hemisphere

Mount Isa is remote, located in Queensland's northwest, two hundred miles south from the mangrove fringed shore of the Gulf of Carpentaria and six hundred miles west from the sea-board at Townsville to which it is linked by railway. The surrounding landscape is monotonous: weathered red hills and broken waterless gullies, twisted ghost-gums and hardy iron-barks, spinifex and sparse brown spear-grass predominate. Climatically the area is dry and hot. In winter, the tropical afternoon heat is uncomfortable; in summer, it is oppressive and debilitating. A British financier wrote during a visit in 1928: "There is not a breath of air & were it not that the heat is dry heat we should be dead", and further, "the heat was that of Hades", "of a blazing sun 130 Fhr in the shade".

The whole region had been occupied by nomadic Aborigines for tens of thousands of years before the first white pastoralists arrived in the 1860s. Then came the gold-seekers, not in great numbers, but in an alliance with the pastoralists dispossessed the original inhabitants whose brief resistance to the European invasion was quelled by deafly rifle fire. Copper was discovered to the east in 1867 and mined in the 1880s when prices were high. With the onset of depression however, the field was abandoned until 1907 when prices again escalated. By 1914 the smelters of Kuridala, Mount Elliott and Mount Cuthbert supported a population of seven thousand miners, smelters, and their families. When metal prices collapsed after the Armistice, operations ceased; the timber and galvanized iron townships were abandoned. Aside from a few persistent gougers, the search for minerals was in limbo. In February 1923 however, John Campbell Miles, a veteran prospector of little past success, pegged leases on lead carbonate outcrops on the western bank of the Leichhardt River as he later admitted, "I was not prospecting... I knew the piece of stone must contain mineral from its weight, but what it was I did not know". He named his find Mount Isa.

By mid-1923, scores of men were hand-picking and bagging rich silver-lead ores, dispatching parcels to treatment works over a thousand miles away. Freight costs were ruinous; ores assaying less than fifty percent lead were uneconomic. Although the mineralized ground was extensive, ore grades diminished at depth, if Mount Isa was to be developed in an era of depressed base metal prices, it would have to be undertaken on a large-scale, with large amounts of capital. This was implicit in a report by a government geologist whose praise of the field's potential sparked off another phase of lease this time by speculators chasing fast profits, not from mining but from trafficking in leases. A Cloncurry store-keeper, Douglas MacGillivray out-maneuvered them all. Over a period of months he had been acquiring options over promising leases and enlisted William Corbould to aid him in floating a public company.

Few mining men in Australia were better equipped than Corbould to evaluate Mount Isa's prospects. He had worked in the United States, South Africa, Western Australia and New South Wales before managing Mount Elliott's properties for over a decade. During World War I, he was the most influential individual at Cloncurry then the largest copper field in the British Empire; he was a champion of large-scale operations under a single management, the antithesis of the historical development of Broken Hill, Australia's premier base metal field.

Following a personal inspection of the locality, Corbould hurried to Sydney and registered Mount Isa Mines Limited. He then systematically tackled the more pressing issues he had identified. First, he consolidated the leases by buying out rivals, giving his company a monopoly on the ground. Second, he persuaded the Queensland government to extend the railway from Duchess to Mount Isa, to provide a direct rail link with the port of Townsville. Building the thirty-five mile connection took four years and involved the enterprise in political controversy as Ministers of the Crown approving the line held shares in Mount Isa companies. Third, he initiated a search for development capital for the mines and a treatment plant; this proved long and frustrating.





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1926

## Results — Australia Trip for ASARCO.

Broken Hill interests declined participation. W. S. Robinson's Austral Metals Limited secured an option but allowed it to lapse. An international syndicate comprising Anglo-American Corporation of South Africa, Chester Beatty's Selection Trust, British Metal Corporation and Morgan, Grenfell & Co took up shares and options in October 1926, and appointed Anglo-American's Carl Davis to inspect the properties. In a report dated 19 April 1927, Davis put his finger on the dilemma facing any investor in Mount Isa: reserves were temptingly large, but prevailing lead prices and unsolved difficulties in treating sulphide ores, ruled out any prospect of early returns on what would be a very large investment: "If we can prove sulphide profitable should have a great mine therefore ask allow me to negotiate two year option ... or drop whole business".

Anglo-American took the safer course and withdrew. Close to despair, Corbould re-packed his suitcases for another visit to London. Unknown to him, and to each other, two of the shrewdest mining financiers of the time were quietly waiting to pounce: Leslie Urquhart in London; **H.A. Guess in New York**. Urquhart was chairman of Russo-Asiatic Consolidated. For many years he had been influential in London, Paris and Berlin, and even more formidable in St Petersburg and Moscow. In the first decade of the century; he was general manager of the British petroleum cartel at Baku; after 1907 he dominated Tsarist Russia's base metals industry in Siberia. By the eve of the Russian Revolution, Urquhart's companies produced forty percent of Siberia's gold, sixty percent of its copper and all silver-lead. His enterprises were lost in December 1917 when Lenin nationalized his assets which Urquhart valued at £(stg)56 000 000. In the 1920s, he acquired properties in France to keep his technical team together, and searched three continents for new mining prospects. Having been edged out of the race for Rhodesian (Zimbabwean) copper by Chester Beatty, Urquhart turned to Mount Isa in 1926, acquiring shares on his own account as a possible stepping stone to a new mining empire.

**Guess was alert to Mount Isa early in 1926, though almost certainly he read of developments there at least two years beforehand.** Correspondence in the New York office reveals that Guess sent a telegram to Herbert Hoover, then Secretary of Commerce, on 1 March 1926 enquiring "whether there is any law in Queensland or in any other State of Australia, prohibiting foreigners from owning all or controlling interest in metal mining property or in metal mining company incorporated in Australia". Although consistent with **Guess's strategy of constantly expanding ASARCO's orbit of operations to other continents, the enquiry had a specific purpose. Lead-zinc properties at Lawn Hills, north of Mount Isa, had been offered to ASARCO by a Sydney mining agent. Guess accordingly instructed H.A. Kursell, a Freiberg Mining Academy graduate with wide experience in Europe, Africa and South America, to hasten to Queensland.** He also suggested that Kursell visit Mount Isa as he had been told an "opportunity might arise in near future to obtain an interest therein", although unlikely "upon an attractive basis". That Guess was serious about an ASARCO presence in Australia was reflected in his instructions on Lawn Hills:

**The said assignment should recite the terms on which it is assigned, which briefly are that we pay on or before October 31st, 1926, \$85,000 to whomever the payees may be; and that we proceed with the formation of a company to take title thereto and raise £250,000 for working capital within 4 years, and retain for ourselves 75% of the capital of the company....**



**Kursell and a colleague visited Mount Isa over three days in mid-June 1926, and praised the property in a report dated the 19th. Guess meanwhile, far removed in New York, was becoming anxious. Eight days beforehand he cabled: "Recommend examine Mount Isa**



1926

## Results — Australia Trip for ASARCO.

received Kursell's report on 29 July, he again cabled "to try to tie up Mt. Isa": "Do not disclose your employer's name unless necessary". Neither cable reached Kursell until 4 August; a long letter of 29 July - "I feel this property has great promise for profits", and "we should make an attempt to secure control - missed him completely just as ASARCO missed the opportunity to take up options after W.S. Robinson surrendered the property and Anglo-American and its associates stepped in during October 1926. On Kursell's advice, Guess declined the Lawn Hills property; because of the formers favorable impressions of Mount Isa in a detailed report of 5 October 1926, he kept that file open.

Anglo-American's decision to reject Mount Isa was announced on 21 April 1927; within twenty-four hours, Urquhart, who had "inside information" on Carl Davis's report cabled Mount Isa Mines' directors in Sydney for a provisional agreement. Urquhart's bid was made without his Board's consent; it was accepted without Corbould's knowledge. For Urquhart's part, it was a skillfully handled and carefully timed maneuver. His company could not commit capital until it was restructured: the terms involved purchasing £550 000 of shares over eighteen months, a two year option on 200 000 additional Mount Isa shares at two pounds each and other finer details: almost a million pounds outlay. Urquhart immediately went to work on securing the capital entailed. Guess also had heard the Anglo-American announcement.

Corbould arrived in London on 21 May 1927. Three days later Guess cabled him offering to enter into negotiations and asking him to meet Hamilton Brush, an ASARCO vice-president visiting London. Corbould replied on 28 May that several London houses were interested in Mount Isa, but "so far no commitments", and that he would gladly meet Brush. Guess, after careful calculations, instructed Brush to submit terms of 50,000 shares at par and a year's option, after which ASARCO would purchase another 750 000 at eighteen shillings. Unluckily for Guess, Brush sailed for New York only hours before the cable arrived. When Guess learned that the cable-service had let him down for a second time, he offered to journey to London personally to speak to Corbould. However, having finally learned of Urquhart's clever and clandestine action, Corbould replied that it was impossible to keep the matter open.

At first sight it would seem that Guess's offer was inferior to Urquhart's. Guess was proposing ultimately a possible commitment of £725 000 over twelve months against Urquhart's £950 000. But Urquhart still had to re-structure Russo-Asiatic Consolidated, segregate his Russian claims (which were earning no revenue) from his non-Russian operations, and also raise fresh capital. ASARCO, alternatively, had greater financial backing and more extensive metallurgical expertise. Two considerations tied Corbould's hands. First, Australia traditionally dealt with London for overseas investment. Second, the Sydney board had jumped at Urquhart's offer unaware of ASARCO's interest.

**Twice Guess had reached for Mount Isa; twice he had been forestalled. This was a new experience for a man accustomed to having his way, and there is every reason for thinking that it rankled him. To a degree this conclusion is borne out by the remarks of Dr. R. L. Brown of ASARCO, who carefully scrutinized the New York files on the early overtures to Mount Isa Mines:**

**It is interesting to note that Guess was always thereafter slightly on the defensive in his various reports and recommendations, because Asarco engineers never really examined and sampled the mine prior to ... 1930. All his later memoranda contained detailed descriptions of the work done by others, and Guess always went to great pains to give his opinion that this work was sound, valid and reliable.**



**Guess, however, was far from finished with Isa; indeed, while Kruttschnitt was reporting diligently on the Tucson office's operations and reading industry reports on Mount Isa, Guess remained quietly watchful.**





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## Results — Australia Trip for ASARCO.

In 1928 the Mount Isa mis-adventure was reinforced by Simon Guggenheim's temptation to become involved with the Soviet government, at pains to secure financial accommodation from embittered former Allies in order to develop light and heavy industry Russo-Asiatic's Siberian properties were high priority. In April 1928, the Soviet government's intermediary, Averill Harriman, held talks with Urquhart and subsequently invited Guggenheim and ASARCO to participate. Urquhart met Guggenheim in Paris in July 1928, and even offered him an interest in Mount Isa. His terms were too stringent; Guggenheim turned his back on both propositions, perhaps mindful of his advice to Guess a year earlier that "it is better that the Company operate in South America". For Urquhart's part, he remarked: "I do not care a hoot whether we have an American connection or not as I think I can get all the money I want in England". **Guess however did not share Urquhart's confidence: his calculations told him it would be an expensive mine to equip. It was a case of patience on his part, notwithstanding Guggenheim's disinterest. By October 1929, Guess was again devoting more attention to Mount Isa.**

In the interim, progress at the distant locality, under Urquhart's technical team, seemed remarkable. Estimates of commercial ore reserves had doubled; underground work was proceeding rapidly; a rail-link, dam and pipeline had been completed, and an extensive housing and community welfare program was well-advanced. Machinery for the mill, smelter and power plant, acquired from the United States, was being erected. The principal engineers were not British, nor Australian, but American: few however had little to do with ASARCO. They were the "old school" connections of Hoover H.H. Knox of New York, who worked with Urquhart in Siberia twenty years earlier, recruited C.A. Mitke, an authority on mining methods, who Kruttschnitt met at Vanadium where they discussed his contract, and J.M. Callow, president of the General Engineering Company of America, an expert on treatment plant design. F.W. Draper, Russo-Asiatic's chief engineer for more than a decade, was in charge of surface infrastructure; L.K. Jacobsen from Salt Lake City was conducting metallurgical tests. Coordinating technical aspects for the London board was D.P. Mitchell, a Stanford graduate who worked with Hoover for the London consultancy of Bewick Moreing at Zinc Corporation in Broken Hill, and with Urquhart's Russian companies from 1911.

Activity on the surface, in the laboratories, and underground at Mount Isa was deceptive: financially the operation was in enormous difficulties, and Russo-Asiatic's other ventures were in deficit. Urquhart, ever the optimist and financial wizard, refused to concede that shortage of capital was an obstacle: if an additional £1 500 000 was required, he would find it, and he did, through a substantial injection of his own capital and a clever corporate re-organization in which the non-Russian assets, including Mount Isa, were regrouped under the Mining Trust. En-route to Australia, via New York and Vancouver, in June 1929, Urquhart discussed Mining Trust with several Wall Street brokers but "did not press the question of placing a certain number of Mining Trust shares". He added that the share price was the crucial factor: "I now see that London is the barometer of the New York stock market". London quotations therefore would reflect Mount Isa's fate. He also gave an interview to Simon Strauss from the *Engineering & Mining Journal* on Mount Isa. That Guess read it is certain as subsequent correspondence demonstrates.

Urquhart returned to London in mid-October 1929. **Within days he had twice met with Kursell, now a full-time ASARCO engineer based in London. There can be no doubt that Kursell took the initiative, on instructions from Guess. This is implicit in a letter from Guess to Kursell of 14 December 1929:**



Among other things you said that Mr. Urquhart's response to your intimation that A.S.& R. Co might, if conditions were suitably attractive, be inclined to feel interested in Mt. Isa, was that he would write to me sometime in November. I have not heard from Mr. Urquhart but I notice that due to the low zinc and lead prices and a probable feeling of skepticism [*sic*] in London regarding Urquhart's ability to make a success of Mt. Isa, the quotations for Mt. Isa as of December 2nd were £1-3/8ths and for Mining Trust 10½ shillings.



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## Results — Australia Trip for ASARCO.

Guess, astute mining administrator that he was, correctly evaluated Mount Isa's plight and the despair of Mining Trust directors, desperate for even more capital at the very time that the reverberations of the October stock exchange crash were arresting international confidence in mining and industrial scrip. For Guess, the time was ripe:

...isn't it a fact that Mt. Isa, if a controlling or practically controlling interest could be obtained therein at anywhere near present prices, would represent for us a better mining acquisition than anything else we have in sight, with the added advantage that pioneering work has already been done and done intelligently and the property is fairly well along toward the completion of its construction programs in preparation for production.

Accordingly he instructed Kursell to pursue the matter and to pave the way for "the entry of the A.S.& R. Co. with its prestige into the enterprise".

Clandestine negotiations between Urquhart, Kursell and Preston Locke, ASARCO's London principal, continued throughout December and January Kursell cabled that Urquhart was receptive to ASARCO participation, but "would prefer cooperation and partnership arrangement A.S.& R. Co. financial group, but because distribution shares he will not sell control as he owes his shareholders who have stuck to him and lost heavily in Russia to see business through to success". The major obstacle was how to acquire shares on the market without inflating prices. Urquhart suggested a planned debenture issue of one million pounds "to keep market price down during buying campaign. **To Guess, a raid on Mount Isa and Mining Trust shares was fraught with risk especially as other London financial houses were eager to acquire substantial interests in the project. Reluctantly he called off the negotiations.**

Urquhart made his debenture issue in May 1930. The terms were generous: £500 000 was underwritten by the Queensland government, but it was undersubscribed. To exacerbate matters, metal prices continued to retreat and, locally, problems compounded. An inflow of water in the Man and Supply shaft nearly drowned the mines in April; in May, Callow's mill was experiencing difficulties. By the beginning of June it was clear that yet another half a million pounds was required to bring the venture to production, but Mining Trust coffers were bare. As Geoffrey Blainey wrote: "The lords of the greatest group of mines in the old Russian Empire had been humbled by the greed of an outback Australian mine". Then, on 4 June 1930, Urquhart received a radiogram from Constantinople:

EXPECT VISIT LONDON TOWARD END JUNE AND HOPE HAVE PLEASURE SEEING YOU THERE  
UPON MATTERS OF MUTUAL INTEREST

H. A. GUESS.

Guggenheim, now fully behind Guess, was kept informed of each stage of negotiations which commenced on 28 June and concluded three weeks later. For only £866 000 outlay, ASARCO acquired a third of Mining Trust equity and technical involvement for ten years through an ASARCO general manager: Guess described the deal, which Urquhart forcefully persuaded shareholders to ratify, as "the most important mining acquisition the A.S.& R. Co. has ever made and the best bargain". The general manager he appointed was Julius Kruttschnitt.

There is no explicit evidence why Guess chose Kruttschnitt, or indeed if Kruttschnitt was his initial choice. Kruttschnitt was a senior field executive of longstanding, held in high regard, and experienced in similar operations, though not on the scale of Mount Isa. He had spent more than two decades in remote terrain and harsh climate, and was intensely loyal to his employers, which is probably why he was entrusted with what Guess termed "one of the greatest lead mines





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## Results — Australia Trip for ASARCO.

in the world". The only hint Kruttschnitt gave of the circumstances of his appointment was in an interview forty years afterwards:

I was in Arizona. I was in charge of the south west mining department of ASARCO. They asked me to come as General Manager of Mount Isa Mines. If you're a mining engineer you don't say "where is it" and "what kind of living accommodation" and "how much am I going to get" you go - that's your profession to go where the mines are.

Only five weeks elapsed between Kruttschnitt's public announcement in Tucson and his departure from New York after several sessions with Guess. Kruttschnitt engaged in even lengthier discussions in London with Urquhart and Mining Trust's technical committee which included Mitchell, Mitke, Callow, Knox and E.D. McDermott. Another with whom Kruttschnitt would become closely involved was J.P.B. Webster, an accountant. One task Kruttschnitt completed before leaving London was an application for membership of The Institution of Mining and Metallurgy. More than likely the initiative was Urquhart's as he had been strongly criticized for bringing ASARCO into a British Empire operation: Urquhart and fellow director, Robert Gilman Brown, a former President of the Institution, were supporters for the application. Kruttschnitt, accompanied by Mitchell and Webster, reached Sydney aboard the Orient Line's *Orford* at the beginning of December 1930 to meet with an antagonistic local board.

The Sydney-based directors of Mount Isa Mines Limited had been smarting since July 1930 when they learned of the Mining Trust - ASARCO arrangement through the columns of the *Sydney Morning Herald*. The chairman, William McRae, a retired bank manager, had bitterly complained to London about "the awkward position in which the Sydney Directors are placed through announcements ... being made to the press by The Mining Trust before Sydney Directors are fully advised thereof". Their memories were short as they had placed Corbould in the same invidious position in 1927 when Urquhart sought his option and when Corbould was kept in the dark on the arrangements struck by cable. Urquhart ignored the remonstrations and soon afterwards demanded an authorization "to sub-delegate to any person any powers conferred" by London. Moreover, in October 1930, they were instructed to appoint Julius Kruttschnitt a director of Mount Isa Mines Limited, and were issued with terms of his appointment as General Manager to be ratified when Kruttschnitt was in attendance.

**If Urquhart had been reluctant to give ASARCO a share in Mount Isa prior to June 1930, there was nothing half hearted about his co-operation once the die was cast, Guess was made Vice-Chairman of Mining Trust in July 1930, along with Preston Locke, ASARCO's London principal, a director. In November, a third ASARCO appointee was confirmed. Earl Castle-Stewart, an Irish peer, was a former school teacher and member of the House of Commons; he was married however to Eleanor, eldest daughter of ASARCO president Simon Guggenheim and Irene Rothschild. As he later remarked, the American company "is controlled to a large extent by some relatives of mine by marriage". Little wonder Kruttschnitt's first board meeting in Sydney was tense: his salary of £1 000 per annum and £150 traveling allowance in addition to director's fee was formally approved (and back-dated to 1 October 1930), as was a power of attorney "authorizing him to do all acts necessary for the management of the company's business". In theory, Kruttschnitt had virtually total control over Mount Isa, where he arrived in the third week of December 1930 after an exhausting train journey from Sydney to Townsville, then west to Isa.**





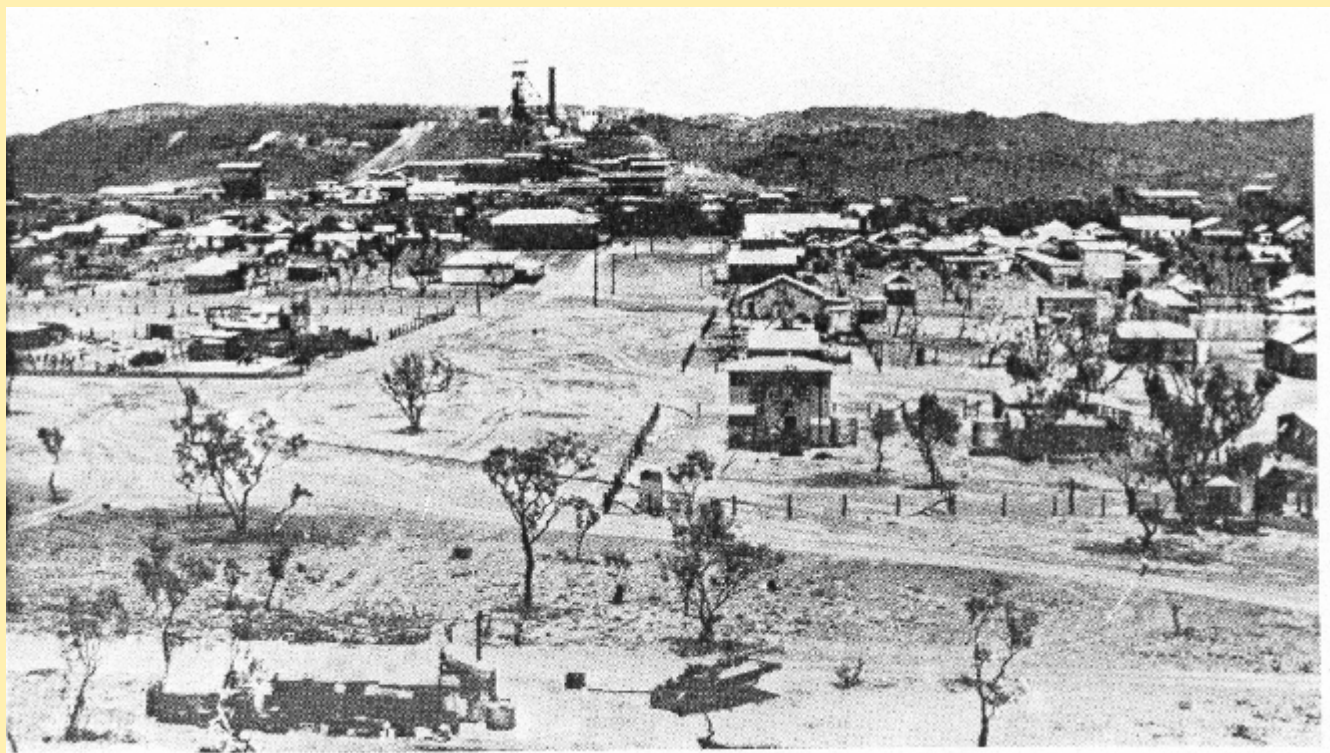


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## Results — Australia Trip for ASARCO.

The reception committee at the railway station comprised nearly all senior staff of the mine. Dressed in suit and neck-tie, Kruttschnitt stepped to the platform to survey his new domain: "my first impression was nothing but dusty roads and nothing above the height of a one story building. There was nothing there. The railway yards were quite barren and the settlement was back I suppose about half a mile from the railway, it was pretty formidable". His accommodation was equally unimpressive: "As General Manager they gave me a house up on stilts which had harbored goats underneath for I don't know how many years and it smelled to high heaven". Accommodation for over half of the mine-site workforce was far less enticing: "When I arrived at Mount Isa it was obvious that one of the most needed factors was accommodation for the workers because I found that many of them were living in impossible humpies and shacks along the river bank under very poor conditions indeed.

The following day Kruttschnitt sat down to work. Quickly he formed a true picture of the situation, one contrary to the eloquent descriptions he had heard in London. Affairs were in chaos: bills were unpaid, mine development lagged behind schedule, morale was low. Moreover, even more money was required from the parent company, which it did not have. As he later reflected: "We never really knew when the next payroll was coming". New Year's Eve can hardly have been an occasion for celebration for Mount Isa Mines' new general manager. The tasks which lay ahead of him must have seemed Herculean. 1931 was a critical year for Mount Isa and for Kruttschnitt. As events would demonstrate, the crisis of 1931 would spill over to successive years, six in fact, all taxing the energy and determination of the man from ASARCO.



View of Early Mount Isa (M.I.M. Holdings)





## Mount Isa Mill to Start in August; Reserves Now 28,000,000 Tons

MILLING of lead-zinc-silver ore at the Mount Isa Mines property, in western Queensland, Australia, will probably be started in August, when the first 500-ton section of the 2,000-ton plant will be put into operation. Smelting of lead concentrate will probably be started before the end of the year. Ore reserves have been further increased, according to a report by the technical committee for the period up to April 30, and are now estimated at 28,000,000 tons, with a gross value of £80,000,000 at current low metal prices. Nearly this entire tonnage is above the 750 level, and drilling is still in progress.

The limits of the three orebodies for which reserves have been estimated have not yet been reached either in length or depth. In addition, several other orebodies have been encountered. As at present known, the mineralized area is 2½ miles long and 1,500 ft. wide. The deepest drill hole on the Black Star lode, at a depth of 1,000 ft., has given results that check remarkably with those obtained on higher levels. At this point the total width is 200 ft., assaying 6.8 per cent lead, 5.6 per cent zinc, and 4.3 oz. of silver to the ton. The total length of the Black Star orebody proved to date is 2,400 ft., drill hole A11 having cut a total of 130 ft. of ore at a depth of 500 ft. at the southern end of the orebody. The average width of the Black Star orebody over the length of 2,400 ft. is 183 ft., or about 4,000,000 tons of ore per 100 ft. of depth.

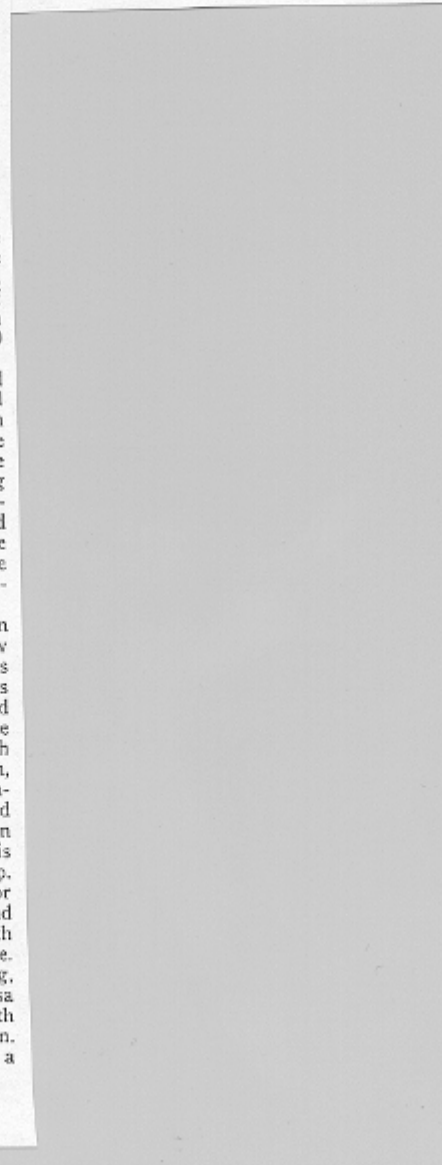
All the drill holes that have penetrated the ore-bearing territory in the footwall of the Black Star orebody have cut through parallel veins of good width and have already proved 2,500,000 tons of high-grade ore. Underground crosscuts now being driven across the 1,500 ft. of territory between the Rio Grande, Black Rock, and other orebodies on the one side and the Black Star orebody on the other side are expected to cut additional parallel orebodies.

Some delay has been experienced in developing the mine because the flow of water encountered underground was larger than expected and also because floods on the government railroad have delayed delivery of coal and other materials. The Davidson shaft has been connected with the main ventilation shaft, 850 ft. north, and is now being connected with the man-and-supply shaft, which has been completed to the main haulage level. The main hoisting shaft is almost complete to this level, which will be 350 ft. deep. Ultimately, the mine will be equipped for a daily output of 10,000 tons of ore, and metallurgical plants are being built with a view to ultimate expansion to that figure.

L. D. Anderson, of U. S. Smelting, Refining & Mining, is visiting Mount Isa and reports that he is well satisfied with the progress made in plant construction. Milling will be started one section at a

time, so as to break in the milling crews and make necessary adjustments. Even with the price of lead at its present level, and assuming no credit for zinc, estimated profits are £596,000 annually.

Drilling has already been started at the Silver King mine, on the Lawn Hills Concession of Mining Trust, which controls Mount Isa. Three diamond drills are now in operation at the property, which is in northern Queensland, under the direction of Roland Blanchard, geologist. Ore has been proved for a length of 600 ft. and a width of 60 ft. at the Silver King, but to a depth of only 200 ft.





# Julius Kruttschnitt.



Star - Sept. 13, 1930

## KRUTTSCHNITT BADE FAREWELL

Friends Of Smelter Man Pay Honor At Dinner; Watch Is Memento

Friends and close acquaintances of Julius Kruttschnitt, Jr., bade him farewell last night at dinner at the country club. He will leave shortly to assume charge of Australian properties of the American Mining and Smelting company. Seventy-five guests were present.

Gift of a wrist watch, the words, "Presented to Julius Kruttschnitt, Jr., by his many friends of Tucson," engraved upon its back, was presented to the departing guest. The presentation speech was made by John E. Wright, a local attorney.

Musical entertainment was prepared for the evening by Max Klingner. The dinner was arranged by H. S. Corbett.

Residing in Tucson for a score of years, Julius Kruttschnitt has been in charge of the southwestern properties of the aforementioned company. He entered its service shortly after graduation from Yale university. Announcement of his new assignment was made in Tucson nearly a month ago.

Citizen - Sept. 7, 1930

## FAREWELL BANQUET TO HONOR KRUTTSCHNITT

In honor of Julius Kruttschnitt, who is leaving Tucson for Australia next month in the interest of mining, a farewell banquet is being prepared by his friends to be held at the Tucson Golf and Country at 8 o'clock Friday night.

While in Tucson as development and exploration manager for the American Smelting and Refining company, he has been interested in all community welfare drives. He has been a prominent leader in advancing the Sunshine club Chamber of Commerce, Tucson Golf and Country club and other public enterprises.

His friends are preparing the banquet in token of their appreciation for his work in advancing the interests of the Old Pueblo. H. S. Corbett is serving as chairman of the committee.

Aug. 20, 1930

## J. KRUTTSCHNITT HAS NEW POST

Huge Australian Properties Will Be Managed by Tucson Mine Man

Following 20 years continuous service with the American Smelting and Refining company, J. Kruttschnitt, Jr., for the past 13 years manager of the development and exploration department of the huge mining interest in the Southwest, with headquarters at Tucson, has been appointed manager in full charge of operations of the Mount Isa silver lead and zinc property in Australia. A substantial interest in the Australian property recently was purchased from Mining Trust Ltd., a British mining unit. Announcement of his appointment to the new post was made yesterday by Kruttschnitt who returned to his desk Monday following a conference in New York City with the American Smelting executives.

### Is Big Project

The Australian project is known to the mining trade as Mt. Isa Mines Ltd., Kruttschnitt explained. Approximately 25,000,000 tons of ore have been developed and there now is being completed a mining plant, and a flotation mill with a capacity of 3000 tons a day. In addition, a lead smelter is in course of construction. The property is located in what is known as the Mt. Isa district in Northern Queensland. The property is connected with the shipping port of Townsville by government railway. It for some time past has been one of the best known mining properties in eastern Australia.

Mining Trust Ltd., Kruttschnitt explained, with headquarters in London, has holdings in France, Africa and New Guinea.

### In States 21 Years

Commencing his professional career immediately upon his graduation from Yale Kruttschnitt 21 years ago came to Morenci where he was a member of the engineer-

ing department of the Arizona Copper company. Shortly afterward he became associated with the American Smelting and Refining company, first serving as superintendent of the Reforma Lead mine in the Mexican state of Coahuila. He later had charge of the company's properties in the state of Aguas Calientes.

He has been in active charge of the local office, covering the entire southwest territory, since his appointment in 1913.

### Father Worked Here

Kruttschnitt is the son of the late J. Kruttschnitt, sr., who, previous to his death in 1925 was chairman of the executive committee of the Southern Pacific.

Mr. and Mrs. Kruttschnitt plan to go to Australia shortly after Oct. 1. They have four children.

Kruttschnitt will be succeeded in





Julius Kruttschnitt & R. B. Hatcher.



Citizen - August 20, 1930

Citizen - Sept. 21, 1930

To Antipodes

Julius Kruttschnitt, Jr., who will go to Australia about October 1, to take charge of A. S. & R. Co. lead mining and milling operation. 7-20-30



Hatcher Succeeds Kruttschnitt Here

R. B. Hatcher will succeed Julius Kruttschnitt, Jr., as development and exploration manager for the American Smelting and Refining mining interests in the southwest, with offices here, it was announced today. Hatcher was Kruttschnitt's assistant.

Kruttschnitt will be manager of operations at the Mount Isa silver, lead and zinc property of the A. S. and R. Co. in Australia. He and his wife and four children, 287 North Main avenue, will move about Oct. 1.

A Yale graduate, Kruttschnitt has been in the mining business for the A. S. and R. for 21 years.

Farewell Social Courtesies Honor Mr. and Mrs. Julius Kruttschnitt Jr.

The host of friends of Mr. and Mrs. Julius Kruttschnitt, Jr. are according them special social courtesies as they prepare to leave Tucson for their new home in Australia. The affairs have been attended chiefly by a coterie of their intimates and informally arranged to offer an opportunity for farewell visits. Opening the week's affairs was the beautiful garden tea on Tuesday afternoon for which Dr. and Mrs. Bascom Morris were hosts.

One of the most interesting parties was the bon voyage dinner at the country club on Thursday night when Mr. and Mrs. Hiram S. Corbett invited a company of twenty-four friends to meet Mr. and Mrs. Kruttschnitt. The bon voyage motif formed the keynote of the dinner appointments and was elaborated upon in all the detailed arrangements. The table was centered with a miniature replica of a lighted ocean liner, surrounded with smaller craft, all resting on the sea waves. At either end of the banquet table were miniature islands, each centered with diminutive light houses. The name cards were designed with sailor lads and lassies in blue and white. The after-dinner confections were in the form of the traditional life savers. Mr. and Mrs. Corbett's guests included:

- MESSRS AND MESDAMES  
 Monte Mansfield Bascom Morris  
 Carl Zinsmeister Wm. A. Bell  
 Harry Bryant Sam Hughes III  
 H. K. Welch  
 MESDAMES  
 Wm. E. Thompson Fred R. Mason  
 son, New York City New York City  
 Hazel Hill  
 MESSRS  
 William Hargis Harold Steinfeld  
 Archie Conner  
 Buffet Dinner

Mr. and Mrs. Harry Bryant and Mrs. F. W. Rueckhelm, Jr. complimented Mr. and Mrs. Kruttschnitt with a delightfully planned buffet dinner Saturday night at the Bryant home. Guests were seated at small tables in the drawing room and on the veranda. Autumn flowers were used profusely in the decorative de-

tails. Bridge formed the after-dinner diversion and trophies were awarded to the winners of the high scores.

Those invited to enjoy the hospitality of Mr. and Mrs. Bryant and Mrs. Ruckheim and have one more informal visit with Mr. and Mrs. Kruttschnitt, were:

- MESSRS AND MESDAMES  
 W. A. Bell Bascom Morris  
 H. S. Corbett Carl Zinsmeister  
 Meade Clyne John Murphey  
 Sam Hughes III Monte Mansfield  
 Roy Place  
 MESDAMES  
 Nona Shelton F. R. Mason  
 MESSRS  
 Harold Steinfeld Fields  
 M. A. Pooler Archie Conner

Mr. and Mrs. Kruttschnitt and their son, Ernest Benjamin, and their daughter, Mrs. William E. Thompson, are leaving for the east the last of the week. Mrs. Thompson resides in New York and will bid her parents and brother bon voyage from there. In London Miss Barbara Kruttschnitt will join her parents and meet them as they arrive on the Aquitania.

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1926

# H. A. Guess & H. A. Kursell.

## H. A. Guess ( - 1946)

H. A. Guess was a Canadian by birth and a mining engineer of rare perception by profession, he was identified with many of the Company's most important operations in North, Central, and South America and in Australia and the Middle East. His contribution to the mining industry was of recognized importance.

In 1930 he was Vice-President in charge of the Mining Department for ASARCO and stayed in this position until his death in 1946.

## H. (Herb) A. Kursell

Made 1926 Australia trip with Ambrose.

H. A. Kursell was a graduate of Freiburg Mining Academy, who took a postgraduate course at Liege University, in Belgium. He had wide exploring and operating experience in Europe, Africa, and South America. He joined the Federal Mining and Smelting Company in 1924 and became Resident Engineer in New York for ASARCO three years later. We know in 1926 he was with Ambrose on the Australia trip.

In 1949 we know that Mr. Kursell was referred to as Consulting engineer, American Smelting & Refining Co. and was instrumental in getting Ambrose to come to New York after retirement for a short period of time and work on a project (study of available lead-zinc resources, on the eastern seaboard of the Atlantic Ocean.) They were very good friends.





Mr. B. R. Hatcher would become good friend and boss  
of Ambrose in 1933.



## B. R. Hatcher Takes Charge Of Mine Work

9-26-30 CIT  
Promotion Is Boost For  
Native Son And U. A.  
Graduate

Burrell R. Hatcher has succeeded Julius Kruttschnitt, Jr., as manager of the southwest mining department of the American Smelting and Refining company. Mr. and Mrs. Kruttschnitt left yesterday for New York from which city they sail, October 1, for Australia. Mr. Kruttschnitt was recently appointed general manager of the company's operations at Mount Isa, Queensland, Australia.

Promotion of Mr. Hatcher to the management of the local office marks the advance of a native Arizonian. He has been with the A. S. and R. company for 12 years.

He was born in Prescott, attended the grade schools there and high school at Phoenix. He continued his studies at the University of Arizona, taking one year of prep school work and four years of regular college work, being graduated in 1909. He married Miss Estelle Goldtree here two years later.

His record in athletics at the University is one of the best ever established. He played football and baseball every year he was there and also won letters in basketball, track and tennis.

Following his graduation, he was associated with the Tucson Assaying and Engineering company. He served the Copper Queen company in Douglas and spent two years with the Cody-Dyer Mining and Milling company near Oracle. He was a member of the firm of Hatcher, Carpenter and Andrus here when America entered the World War in which he enlisted. His first work following his discharge from the army was superintendent of the Road-Side mine, and in 1919, he became assistant manager of the A. S. and R. company, which position he held until his present advancement.

