

S J R

16

BILL: SJR 16

NAME: CSSJR 16(ITT)

TITLE: Relating to the acquisition, preservation, and interpretation of the historic Kennecott Mine by the National Park Service in the Wrangell-St. Elias National Park.

PRIME SPONSOR: STURGULEWSKI

CO-SPONSOR: KERTTULA, SZYHANSKI, KELLY, COGHILL, UEHLING

CURRENT STATUS: LEGIS RESOLVE 42

STATUS DATE: 06/13/89

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
HELP SUBJ EXIT MENU TEXT PRINT BWD FWD FIRST LAST QUIT
SJR 16 Bill/Resolution Floor Action Page 2 of 3

Current Status: LEGIS RESOLVE 42

Table with columns: Jrn-Date, Jrn-Page, Action. Rows 1-18 detailing legislative actions from 01/24/89 to 03/23/89.

Selection=>

PF1 PF2 PF3 PF4 PF5 PF6 PF7 PF8 PF9 PF10 PF11 PF12
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BASIS Journal Text

02/27/89

SJR 16

SENATE JOURNAL

PAGE 0533

The Resources Committee considered SENATE JOINT RESOLUTION NO. 16 (Relating to the acquisition, preservation, and interpretation of the historic Kennecott Mine by the National Park Service in the Wrangell-St. Elias National Park) and a majority of the committee recommended the Senate Special Committee on International Trade and Tourism Committee Substitute offered on page 372 be adopted and do pass. The report was signed by Senator Fahrenkamp, Chair, and concurred in by Senators Frank, Eliason and Sturgulewski. Senators Halfor

STATE OF ALASKA

STEVE COWPER, GOVERNOR

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

400 WILLOUGHBY AVE.
JUNEAU, ALASKA 99801-1798
PHONE: (907) 485-2400

February 8, 1989

The Honorable Mike Szymanski
Chairman
Committee on International Trade and Tourism
P.O. Box V
Juneau, AK 99811

Dear Senator Szymanski:

Subject: SJR 16, Kennecott Mine

Background: An historic site recognized for its national significance, the Kennecott Mine site combines a fascinating history and association with well-known national political and industrial figures. The historic site is a complex of buildings set in a dramatic geographic location with mountains rising to over 16,000 feet to the north and the Kennecott Glacier draining into the Chitina River Valley to the west.

In the United States there has long been a strong relationship between historic preservation and tourism. From Mt. Vernon and Williamsburg in the east to Spanish colonial missions in the west, historic sites draw hundreds of thousands of visitors each year. In Alaska, historic resources in our local communities and state and national parks, including gold rush towns, totem parks, mining trails and sites, and Russian Orthodox churches, attract thousands of visitors.

Alaska has many untapped historic resources with potential as tourism destinations. The Kennecott Mine site provides an opportunity for tourism development in a rural area of the state, bringing with it opportunities for entrepreneurship and employment.

The benefits for historic preservation of these tourism sites are equally important, although less tangible. Preservation provides a cultural memory for the future. It teaches us the value of our

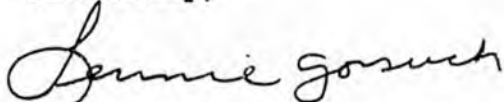
The Honorable Mike Szymanski -2-

February 8, 1989

historic resources and gives us a sense of who we are and how we got here. It gives us the tools to shape where we are going. Special places can inspire important ideas, emotions and recollections. The Kennecott Min site is a special place worthy of preservation.

Position: The Department of Natural Resources supports this resolution and looks forward to working with the committee and staff as it progresses.

Sincerely,



Lennie Gorsuch
Commissioner

cc: Committee Members
Bill Sponsors
Bob Evans, Legislative Liaison
Office of the Governor
Denby Lloyd, Special Staff Assistant
Office of the Governor
Fred Fisher, Office of Management and Budget
Office of the Governor

STATE OF ALASKA
1989 LEGISLATIVE SESSION

BILL VERSION: SJR 16
PUBLISH DATE: _____

FISCAL NOTE

REQUEST:

Revision Date: 8-Feb-89 Agency Affected: Natural Resources
Title: Relating to acquisition, preservation of Kennecott Mine by Natl Pars Svc BRU: Management & Administration
Sponsor: Sturgulewaki, Kertulla, Szymaniski Kelly, and Coghill Components: Commissioners Office
Requester: Special Committee on International Trade and Resources

EXPENDITURES/REVENUES: (Thousands of Dollars)

OPERATING	FY 89	FY 90	FY 91	FY 92	FY 93	FY 94
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND&STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0.0	0.0	0.0	0.0	0.0	0.0
CAPITAL						
REVENUE						

FUNDING: (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0.0					

POSITIONS:

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS: (Attach a separate page if necessary)

Prepared by: ^B Larry Ostrovsky Phone: 465-2400
Division: Commissioners Office Date: 8-Feb-89
Approved by Commissioner: Lennie Gorsuch *Lennie Gorsuch* Date: 8-Feb-89
Agency: Department of Natural Resources

Distribution (by preparer) :
Legislative Finance
Legislative Sponsor
Requestor
Office of Management and Budget
Impacted Agency(ies)

KENNECOTT, ALASKA

Historic American Engineering Record
Recording Project

Compiled by

Robert L. S. Spude
Sandra McDermott Faulkner

National Park Service
Alaska Region
Anchorage, 1987

Kennecott: Historical Overview

During the two decades preceding and those following World War I, when the United States produced more than half the world's copper, the mines at Kennecott, Alaska were among the nation's largest, and contained the last of the great high grade copper ore deposits discovered in the American West. Just as mining technology was gearing up to exploit the low-grade ores that remained in the West, the Kennecott mines exposed an ore deposit of a quality unequaled anywhere in the twentieth century. Mining journals and mining engineers used superlatives to describe the rich deposit found at the Kennecott mine. Competition for the ownership and the development of the mine affected territorial and national politics and led to the Ballinger-Pinchot affair.

On July 4, 1900, Clarence Warner and "Tarantula Jack" Smith staked the Bonanza mine outcrop. By mid-August they and nine of their partners had staked much of the ground which would become known as the Kennecott mines. A young mining engineer, Stephen Birch, was in the area and acquired options on the claims. Backed by Henry O. Havemeyer, a New York investor, Birch formed the Alaska Copper and Coal Company which was promptly sued by others claiming ownership of the rich deposit. From 1901 to 1904 the Chitina Exploration Company, which claimed to have grubstaked the prospectors, and the Copper River Mining Company, which claimed legal title, dragged the suit through territorial and federal court and were denied judgement in their

favor. The Supreme Court of the United States refused to hear the case.

In 1905 the Alaska Copper and Coal Company was reorganized as the Kennecott Mines Company. The Guggenheim family, controllers of the American Smelting and Refining Company (ASARCO) smelter monopoly, and J.P. Morgan, another wealthy industrial investor, entered the enterprise and organized the "Alaska Syndicate" to fund the mine's development. Between 1905 and 1911 the syndicate spent \$25 million to build mine and mill works, a 196-mile railroad, and organize a steamship line connecting the copper port of Cordova with ASARCO's Tacoma smelter. All this occurred prior to the first shipment of copper.

On April 8, 1911, the first trainload of copper, worth \$250,000, was shipped from Kennecott in 32 railroad cars. By 1916 production had reached 108,372,783 pounds of copper worth \$28,042,396. Kennecott was classed among the nation's largest mines, with those at Butte, Montana, Bisbee, Arizona, and Bingham Canyon, Utah. During 1915-1922 it ranked 3rd to 7th in production. With the building and operation of the mines and their supply line - the Copper River and Northwestern Railway - this was the largest, most costly, and complex mining enterprise in Alaska. But Kennecott's significance lies more in the quality of its ore. Despite the general assumption that Alaska's gold was preeminent, no single Alaskan placer gold district or gold lode entity was as productive of mineral wealth as the Kennecott.

At the same time, the Guggenheim's acquisition of fraudulent coal claims in the nearby Bering Rive coal fields caused a feud between Secretary of Interior Richard Ballinger and the head of the Forest Service, Gifford Pinchot. President William H. Taft inflamed the feud by firing Pinchot, but declared the coal claims invalid over Ballinger's protests. Taft's action effected the upcoming presidential election. The Alaska Syndicate failed to acquire the coal needed to fuel their railroad and mill and became, to many people, a monstrous grabber of Alaska's resources.

To meet the changing political and mining world, on April 12, 1915, the Guggenheim and Morgan interests formed the Kennecott Copper Corporation. Stephen Birch became the first president and saw to the transfer of the Alaska Syndicate holdings--the Kennecott Mines Company, the Copper River and Northwestern Railway, the Alaska Steamship Company, and the Beatson Copper Company, all in Alaska--into the new corporation. The phenomenal profits from the Alaska mine provided the capital to fund Kennecott's purchase of the Bingham Canyon mine in Utah and other low-grade mines in Nevada, Arizona, and New Mexico. By the 1930s, while the deposit in Alaska was nearing exhaustion, the corporation had expanded to become the nation's largest copper company and an international force in the metals market. The Kennecott business organization had met the shifting realities of the mining world.

The structures at Kennecott, cumulatively, are a true vestige of an early twentieth century copper mining camp. The mill represents mining technology of the era. The copper industry was transformed

during the first quarter of the twentieth-century by the ability to work large deposits of low grade ore by concentrating 2% or lower grade ore up to 50% to 80% copper concentrate, which then went to the smelter. Among other innovations were "leaching," where chemicals acted to dissolve out the mineral, then precipitate it into a concentrate, and "flotation," where oil or grease was used to separate, through a bubbling action, the mineral from its host rock. All these processes are represented at Kennecott; the ammonia leaching process was first successfully used on a commercial scale at Kennecott. E. Tappan Stannard perfected the process in 1915 and enabled the company to work its "low grade" (8%) ores. A flotation plant, planned earlier but delayed because of litigation between the patent holder and a number of western mining companies, was built in 1922-1923 (the year of an out of court settlement). Thus by 1924 the milling plant equalled, if not in size at least in function, all western copper mills. That year was the last year of major mining discoveries at Kennecott.

The Kennecott deposit, though rich, proved limited in extent. The operation closed in 1938 (producing an estimated \$200 to 300 million worth of copper in 28 years); the company vacated the camp and donated its railroad to the territory.

Unlike most Western mining companies capable of working with only geographically isolated, high grade ore deposits, the Kennecott Copper Corporation (backed by the Guggenheims) was able to reorient into an international conglomerate owning long-term, low grade ore mines. By designing the

world's first ammonia-leaching plant at the Kennecott site, the corporation was able to extract higher mineral values from the low-grade ores which were once discarded, ensuring further profits. Increased profits allowed investment and expansion elsewhere.

The camp of Kennecott is little changed since the 1938 closing and today provides a window into the technology and work environment of the early twentieth century. Technological artifacts remain in situ due to the site's remoteness. The mining camp, with its striking red buildings with white trim, dominated by the woodframe fourteen-story concentrator, is overwhelmed by the Kennecott Glacier and the Wrangell Mountains, which stand 14,000 feet above the camp. The camp is within the Wrangell-St. Elias National Park and Preserve/Kluane National Park (Canada) area, a World Heritage Site noted for its geology.

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Alaska Environmental Lobby, Inc.

P.O. Box 22151 Juneau, Alaska 99802

907-586-2345

AEL TESTIMONY ON SJR 16 - KENNECOTT MINE

The Alaska Environmental Lobby strongly supports SJR 16. Preservation of the historical buildings at Kennecott and interpretation of the area's natural and human history for visitors will help fulfill the purposes for which the Park was established, and will help the local tourism industry as well.

I have spent time in the area myself; have witnessed the deterioration and collapse of some of the buildings; and can heartily attest to the value of adding the old townsite to the Park. The low-impact tourism that has sprung up in the area in recent years is a good example of an economic activity we support: one which contributes to a sustainable, high-quality way of life.

Senate International Trade & Tourism Committee
February 8, 1989
by Bill Glude

ALASKA CENTER FOR THE ENVIRONMENT • ALASKA CHAPTER, SIERRA CLUB • JUNEAU GROUP, SIERRA CLUB • SITKA GROUP, SIERRA CLUB
KNIK GROUP, SIERRA CLUB • DENALI GROUP, SIERRA CLUB • ANCHORAGE AUDUBON SOCIETY • ARCTIC AUDUBON SOCIETY
DENALI CITIZENS' COUNCIL • ALASKA FRIENDS OF THE EARTH • JUNEAU AUDUBON SOCIETY • KACHEMAK BAY CONSERVATION SOCIETY
KENAI PENINSULA AUDUBON SOCIETY • KODIAK AUDUBON SOCIETY • LYNN CANAL CONSERVATION • ALASKA WILDLIFE ALLIANCE
SITKA CONSERVATION SOCIETY • NORTHERN ALASKA ENVIRONMENTAL CENTER • SOUTHEAST ALASKA CONSERVATION COUNCIL
KNIK KANOERS AND KAYAKERS



Company Commentary

Alaska Airlines December traffic up 9 percent

Alaska Airlines has reported its December traffic rose 9 percent to 312.7 million revenue passenger miles from the 287.5 million flown a year earlier. The passenger load factor for the month was 55.8 percent, up from the 52.6 percent recorded in December 1987.

Capacity during December was 560.3 million available seat miles, a 3 percent increase from the 544.2 million in December 1987. The airline carried 398,300 passengers in December, compared to 380,700 in December 1987.

For the 12 months ended December 1988, revenue passenger miles totaled 3.66 billion, an increase of 23 percent from the 2.987 billion recorded a year earlier. The passenger load factor for the 12 months ended December 1988 was 54.7 percent, down from 55.3 percent for the prior year.

Capacity for the 12 months ended December 1988 increased 24 percent to 6.687 billion, up from the 5.398 billion in 1987. The airline carried 4.87 million passengers compared to 3.97 million in 1987.

Mikunda, Cottrell & Co. moves Anchorage offices

Mikunda, Cottrell & Co., the state's largest locally-owned public accounting firm, has moved its Anchorage offices to 3301 Denali St.

The firm may be reached at 278-8878. The mailing address is 3301 Denali St., Anchorage 99503.

Mikunda, Cottrell & Co. serves Alaskans throughout the state, with offices in Anchorage, Kenai and Bethel.

Psychologists form consultation group

A group of Anchorage psychologists recently formed an association for consultation, counseling and evaluation under the name of Alaskan Associates for Professional Psychology.

Glade Birch, Ph.D.; Robert Morgan, Ph.D.; Janet Guinn, Ph.D., and Charles R. Mundorff, M.S., offer consultation in business, forensics, individual, family and child psychology. They also offer adult psychotherapy, rehabilitation, management consultation, and retirement counseling. Psychiatric counseling is also available.

Alaskan Associates for Professional Psychology is located in the Chez Braun Building, 1407 W. 31st. Ave., Ste. 602, Anchorage 99503, phone 276-8881.

Shearson invests in Anchorage's literacy

The Anchorage Literacy Project was recently presented with a \$4,000 check from Shearson Lehman Hutton and the American Express family of companies. Shearson is an American Express company.

"It's a real pleasure to give the Anchorage Literacy Project this check," said Dave Allen, Anchorage branch manager. "Illiteracy is a problem we can fight."

The \$4,000 is a grant awarded through the American Express Foundation, Allen added, and is being given to the Literacy Project to help train tutors and develop a new outreach brochure.

Alaska Magazine to hire interns for restoration work

Alaska Magazine will hire three interns this summer to do historic preservation work on the Kennecott Mining Complex near McCarthy.

"Our goal is nothing less than the stabilization and preservation of this huge, abandoned mill and housing complex," said editor Ron Dalby. He said this would be an ongoing project in the years ahead, one not nearly completed by three people working for 12 weeks. Alaska Magazine is working closely with the McCarthy-Kennecott Historical Museum on the project.

The Kennecott Mining Complex closed down in 1938 when the high-grade

copper ore ran out. With the exception of a few of the houses still maintained as private residences, very little has been done in the way of preserving buildings near the mill. Kennecott was a leader in advanced mining technology for its time, and the site was abandoned intact.

The interns will be working to stabilize buildings and catalog historic information about the site. Two will be putting temporary roofs on several buildings, the third will be researching history of the region and preparing a brochure for travelers visiting the area and surrounding Wrangell-St. Elias National Park.

Interns will be recruited this year on college campuses in Alaska. They must be full-time students at Alaskan colleges or universities or Alaska residents attending a full-time course of university instruction outside the state. Applications will be available later this month.

Interns will earn \$3,000 for 12 weeks' work. Room and board will be provided. Applications also are available from Alaska Magazine Intern Program, 808 E. St., Ste. 200, Anchorage 99501.

Those interested in donating cash or building materials to assist in the project can do so by contacting Friends of Kennecott Historic Preservation Fund, Box 281893, Anchorage 99524. Contributions are tax deductible and the fund's initial goal is to raise sufficient building supplies or money for installing the temporary roofs.

SEE ALASKA FIRST



Celebrate The Country

WARM CARS



Alaska Historical Society



SUITE 204C, OLD CITY HALL
524 W. 4TH AVENUE
ANCHORAGE, ALASKA 99501

October 23, 1988

Mail to:
P.O. Box 100299, Anchorage, Alaska 99510-0299

A RESOLUTION
ADOPTED UNANIMOUSLY
BY
THE MEMBERSHIP OF THE ALASKA HISTORICAL SOCIETY
DURING ITS ANNUAL MEETING FOR 1988
AT
CORDOVA, ALASKA

WHEREAS, Kennecott Mines have been identified as an historic resource of national significance; AND

WHEREAS, the Alaska Historical Society understands that National Park Service acquisition and preservation of Kennecott Mines has been proposed;

THEREFORE, the Alaska Historical Society urges the Alaska Congressional Delegation to initiate and support legislation to preserve Kennecott Mines.

ATTESTED TO:

(by mt) Gerald Clark
Gerald Clark
Secretary

POSSESSION PLAQUE

Nineteen iron tablets inlaid with copper crosses and the words "Russian Territory" were buried at various locations.
This one found at Old Sitka is adapted as our seal.

December 20, 1988

Dear Friends of Kennecott and M.K.H.M. Members:

As 1988 draws to an end we want to take a moment to bring you up to date on activities of the McCarthy Kennecott Historical Museum this Fall. We have been quite busy with a number of projects relating to the preservation of Kennecott, and some exciting things are happening.

The museum is currently involved in organizing a preservation effort at the Kennecott Mine Site. We became involved with this project at the request of the National Park Service which is currently studying a proposal to acquire all of the buildings and land at Kennecott which now belong to the Great Kennicott Land Company. Since the ultimate outcome of this proposal is uncertain and the time for eventual approval may be lengthy, the Park Service contacted the museum with the idea of creating private involvement.

Since we started this effort in August we have made considerable headway. The museum has become a focal point for various organizations interested in the preservation of the Kennecott Mines, including the National Park Service, the Alaska Historical Society, the Alaska Association for Historic Preservation, the National Trust for Historic Preservation, Alaska Magazine, the Great Kennicott Land Company, and other organizations and individuals.


The museum has set up a special fund for individuals and organizations who want to help with this preservation effort. The initial goal will be to raise \$40,000 by May of 1989 for the purpose of emergency roof repair, to a number of endangered buildings during the summer of '89. The Board of Trustees have voted to name the fund the "Friends of Kennecott Historic Preservation Fund"

If you would like to make a tax deductible donation for the preservation of Kennecott prior to year end 1988, please send your check made payable to "Friends of Kennecott", McCarthy Kennecott Historic Museum, PO Box 241893, Anchorage, AK 99524.

If you would like more information please do not hesitate to write or call me at the above address or phone number below.

Sincerely,

McCarthy Kennecott Historical Museum


Bernd D. Hoffmann
Trustee/President

(907) 562-2262