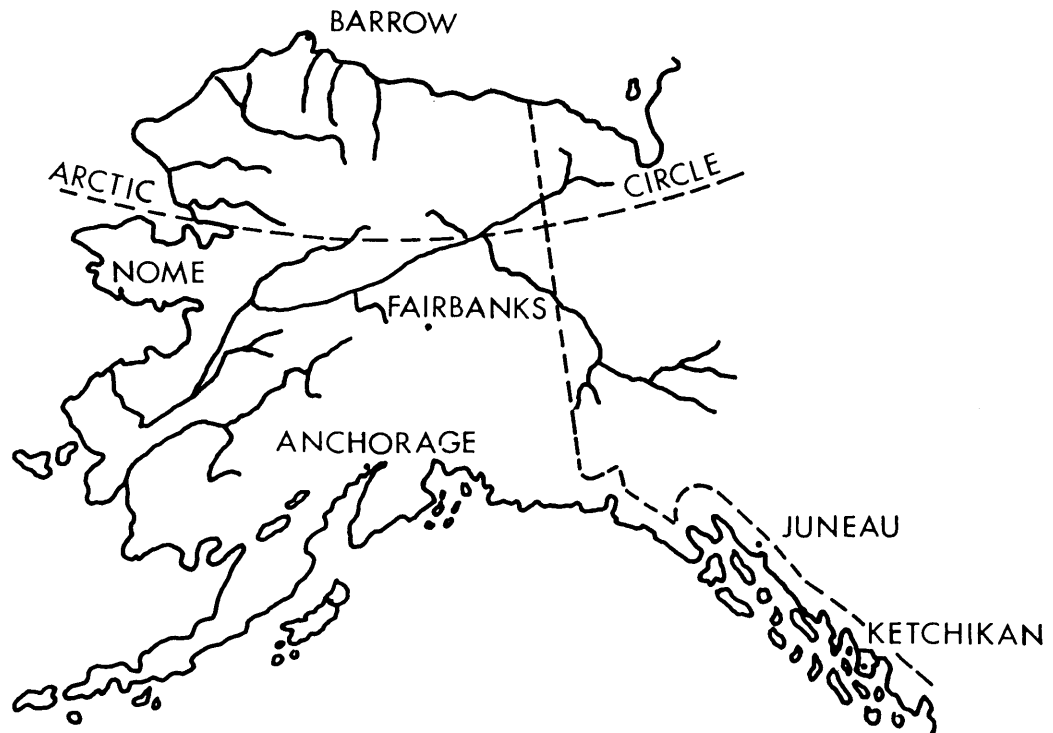


LDIR#107A
MINING ALASKA
AND CANADA

STATE OF ALASKA
DEPARTMENT OF NATURAL RESOURCES



DIVISION OF MINES AND GEOLOGY

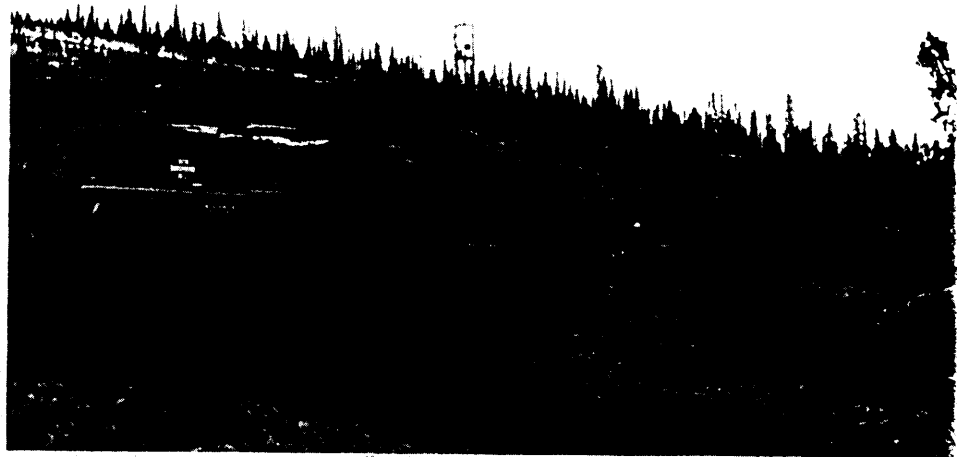
REPORT
FOR THE YEAR

1968

COLLEGE, ALASKA

MINING IN THE NORTH

1967



DEPARTMENT OF INDIAN AFFAIRS AND NORTHERN DEVELOPMENT

Public Land Law Review Commission

1730 K Street, N.W.
Washington, D. C. 20006

No. 91
For Immediate Release
December 11, 1969

For further information
call Kerr - 343-5021 (office)
439-4619 (home)

COMMISSION ANNOUNCES PUBLICATION: "FEDERAL LEGISLATIVE JURISDICTION"

About one million persons living in the 50 States are not subject, generally, to state laws. They live in "Federal enclaves", areas owned by the Federal Government such as military reservations, where exclusive legislative jurisdiction is maintained by the Federal authority, according to a study report prepared for the Public Land Law Review Commission by the Land and Natural Resources Division of the Department of Justice.

Serious problems are encountered by residents of such Federal enclaves. The report explains that, in most places, the Federal Government has no machinery for administering the types of laws which are normally administered by the states -- no birth registrars, no coroners, dog catchers or other services.

"Frequently they cannot vote or hold public office, they have no right to send their children to public schools, they cannot use the courts to get a divorce, adopt a child, or for other purposes dependent on local residence or domicile."

One example cited is that of residents at the Fort Meade, South Dakota, Veterans Administration Hospital who cannot vote because the state has ruled that they are not legally state residents.

on of the Soviet of the Union, one of the two chambers of the Supreme Soviet (Parliament), recommended that the treaty be ratified, Moscow radio said.

Discuss Downing

SEOUL (AP) — The U.N. Command has accepted North Korea's proposal for a meeting of the Korean Armistice Commission Thursday to discuss the downing of a U.S. Army helicopter in North Korea.

Pleads Innocent

SYDNEY, Australia (AP) — The captain of the Australian aircraft carrier Melbourne pleaded innocent today to charges that he was partly responsible for his ship's collision with the American destroyer Frank E. Evans.

Capt. John P. Stevenson appeared before a court-martial of five senior officers. He is charged with failing to give the destroyer a "positive" direction after he determined it was on a collision course and with failing to put the carrier's engines astern when he determined the collision could not be avoided by action of the destroyer alone.

New Director

MONTPELIER, Vt. (AP) — The way has been officially cleared for 44-year-old Charles G. Adams Jr. to become director of corrections in Alaska in October.

The Vermont Corrections Board accepted Adams' resignation from his post as Vermont Corrections Commissioner Tuesday.

U.N. Shelves Issue

UNITED NATIONS, N.Y. (AP) — The Security Council Wednesday shelved the Republic of Ireland's request that it send a U.N. peacekeeping force to troubled Northern Ireland.

At the end of an hour's procedural debate, the 15-nation council adjourned by unanimous consent without voting on whether to put the question on its agenda. It was not expected to meet again on the matter.

More Fire Fighters

ANCHORAGE (AP)—The Bureau of Land Management today called for another 1,000 fire fighters to help battle the 85,000-acre Swanson River forest fire on the Kenai Peninsula.

manpower on the blaze to more than 4,300.
Burton Silcock, state director

Transportation Key To Growth of State

(cf. Tussing/Ericksen report)

By MIKE DALTON
News-Miner Staff Writer

Two of President Nixon's cabinet members and the governor of Alaska are on a tour of Alaska's North Slope today after a day of meetings, briefings and social events in Fairbanks Tuesday.

Secretary of Transportation John A. Volpe, a former governor of Massachusetts, is being shown Alaska's arctic by Gov. Keith H. Miller and Secretary of the Interior Walter J. Hickel.

Hickel, the former governor of Alaska, was still in the governor's chair when he ordered the Highway Department to begin

construction on the winter road to the North Slope.

The cabinet members and their party flew over that route today as well as covering the proposed route of the Trans Alaska Pipeline System and a future rail extension into the arctic and to Bornite near Kobuk.

Secretary Volpe was briefed Tuesday morning by leaders in transportation planning, highways, conservation, aviation and arctic engineering.

He told the 50 people attending the 10:45 a.m. briefing, "I came to Alaska to listen and learn. I want to find out firsthand what the problems and the potentials of this great state really are."

Volpe said one thing he already knew was that in Alaska "transportation is the master key to the future. Your highways, railroads, landing strips and pipelines will determine the rate and direction of growth in this state."

He said an integrated, balanced transportation system would bring not only prosperity but could keep environmental damage to a minimum.

He told the Alaskans that the Federal Railroad Administration has requested funds for a multimodal economic and engineering feasibility survey of a surface transportation corridor to serve the North Slope. That transportation corridor, he said, could open up the bulk of the state to year-round access and development; make more efficient use of funds than separate corridors for roads, railroads and pipelines; and it would minimize damage to the fragile ecology of the arctic.

Volpe described Alaska as a "once-in-history position of starting almost from scratch in building a transportation system for a modern industrial structure."

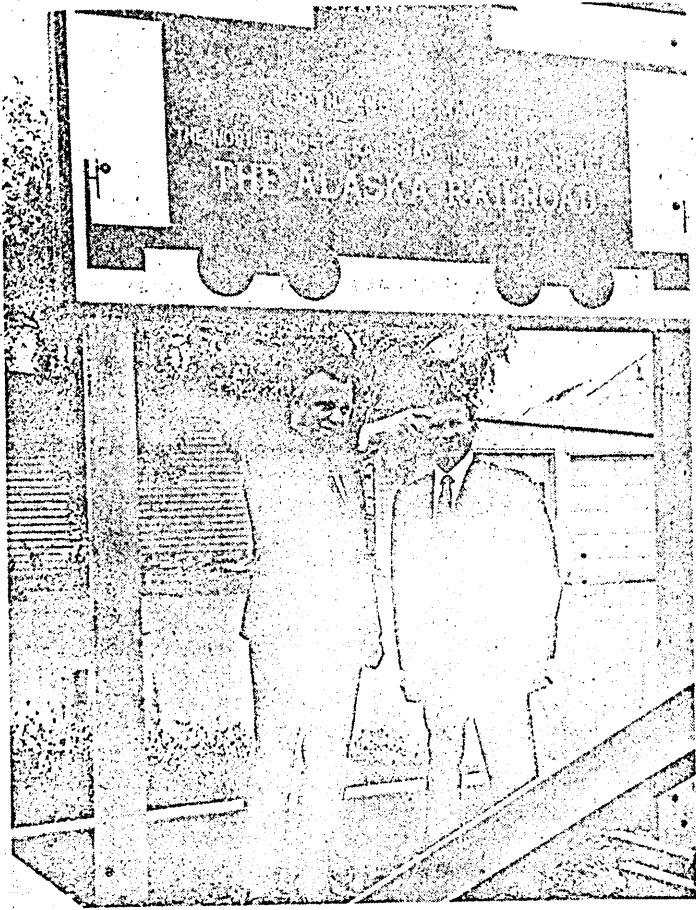
Volpe later appeared at the Tuesday membership meeting of the Fairbanks Chamber of Commerce. Before a capacity, standing room only crowd he reported his department's program for working out "a reasonable method of opening up the North Country."

He noted the Department of Transportation's (DOT) increased activity through the FAA and its increased services to assist northern aircraft activity. He said DOT officials have been meeting and conferring with oil companies to insure proper pipeline safety.

Other DOT officials—in the form of the officers and men of the United States Coast Guard—are providing expertise and equipment in the "effort to open up the fabled Northwest Passage with the supertanker Manhattan."

(Staff Photo)

(See VOLPE, Page 3)



RAILROAD TALK—Secretary of Transportation John A. Volpe listens as Secretary of Interior and former Alaska Governor Walter J. Hickel point out the final few feet of track on the Alaska Railroad. Hickel favors extending the Alaska Railroad to the North Slope.

RCA Sets July of '70 Date For Better Phones, Live TV

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Mining State Should Determine Mineral Management

By A. CAMERON EDMONDSON
Business and Resources Editor

Three basic principles are outlined in a new publication "Mining and Public Policy in Alaska" by A. R. Tussing and Gregg K. Erickson which, if adopted, would result in radical changes in Alaska mining policy.

Prepared for federal planning and development agencies, the authors state land and mineral management should be done by the state, minerals should be disposed of by competitive leasing, and more geologic information should be gathered and published by government agencies.

PREPARED BY the Institute of Social, Economic and Government Research, University of Alaska, the report was financed by the Office of Regional Development Planning.

More specifically, the report offers the thesis that policy should be made by the state except in cases of overriding national interest; that a broad spectrum leasing policy will answer most serious objections to such a

The Tussing-Erickson Report Disagrees with North Commission

A report of mining policy for Alaska takes dead aim on the NORTH Commission—and political leaders who favor railroads into undeveloped areas on the premise that it will lead to mineral exploitation—and blasts away.

The report by A. R. Tussing and Gregg K. Erickson flatly asserts that lack of transportation is not a key factor in delaying Alaska mineral development, that no railroad has ever been built into an area of the United States as sparsely populated as Alaska's northland, and that any mining development is unlikely to generate enough economic development to justify a transportation system being built at public expense.

No specific instance has been found where transportation is the

authors said. They further pointed to the opposite instances of mineral deposits readily accessible in central Alaska that are not being developed.

Consequently, Tussing and Erickson said, transportation facilities to serve remote mineral developments should be financed as part of the development.

There is very little economic advantage to the state in remote mining developments because of the nature of such operations, the economists declared.

While there may be valid reasons to "open up the country" by extending transportation systems such as strategic or sociological ones, the authors concluded; "From an economic point of view, however, it is difficult to find

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MINERAL RIGHTS ON STATE-OWNED LAND 1/

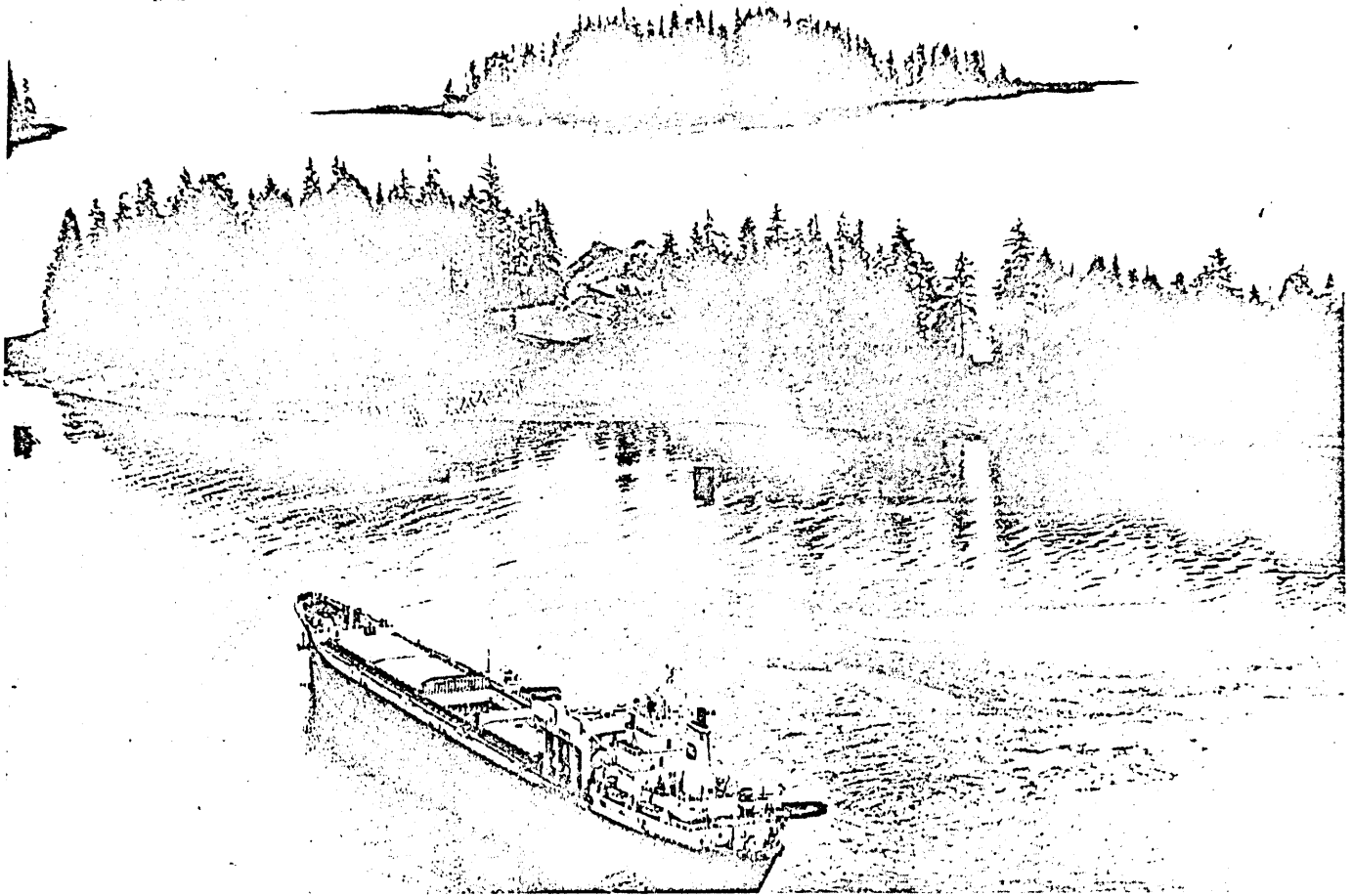
The State Constitution says in Section 11 of Article VIII that discovery and appropriation shall be the basis for establishing a right in those minerals which were subject to location under the Federal mining laws on the date of the ratification, and that prior discovery, location, and filing as prescribed by law shall establish a prior right to these minerals and also a prior right to the permits, leases, and transferable licenses for their extraction. However, as we shall see, permits, leases, and licenses will not in all cases be necessary for extraction of locatable minerals. The same section states further that the continuation of these rights shall depend upon the performance of annual labor, or the payment of fees, rents, or royalties, or upon other requirements as may be prescribed by law. There is a definite intent here in the Constitution to maintain the old traditional manner of acquiring locatable mineral rights by discovering and staking them to the greatest extent possible.

Next to consider is the Federal Statehood Act (Public Law 85-508) which enabled Alaska to become a State and granted it more than 100 million acres of land which the State must select from unappropriated Federal domain. A valid mining claim, located before the State makes its selection, cannot be taken by the State. The claim holder retains all rights, including that of obtaining patent to the claim, granted by the Federal mining laws. Under Section 6 (i) it states that all land grants made to the State under this Act shall include the mineral deposits, and that the grants of mineral lands are made upon the express condition that all sales, grants, deeds, or patents (by the State) for any of the mineral lands so granted shall be subject to and contain a reservation to the State of all the minerals in the lands so sold, granted, deeded or patented, together with the prospecting and mining rights. In other words, the State gets the minerals in the lands it receives from the Federal Government, but when it sells or grants any of these lands to a third party, it must reserve to itself the mineral and mining rights of the lands so sold or granted. It is quite apparent from this that after the State obtains title to land from the Federal Government and before it sells or otherwise disposes of it to others (in other words, while it is State public domain), the locatable minerals in the State land are subject to discovery, location, and mining in the traditional manner without permit or lease if the State wishes it so.

Article IX of the Alaska Land Act, passed by the State Legislature in 1959, shows that the State does wish it so. It states that except for the tide and submerged lands, all locatable minerals and the mineral lands in which they are contained shall be subject to discovery, appropriation, and location under the provisions of Sections 47-3-9 through 47-3-60 and 47-3-81 through 47-3-92, ACLA 1949, as amended. These sections are the very same laws we have been operating under in staking claims on Federal public domain. So by State Constitution,

1/ Excerpt from Mines and Petroleum Bulletin, February 1960, State of Alaska, Department of Natural Resources, Division of Mines and Minerals.

MINING



The finest Barite in America comes out of the mine in the Castle Islands, in Duncan Canal near Petersburg.

It's of far higher quality than Barite coming from Nevada, Missouri and Arkansas, where the low-grade material must be mixed and concentrated to be used. And while Alaska Barite has been shipped for some time to oil-industry buyers along the Gulf of Mexico (as well as Cook Inlet and the North Slope), production is soon to be expanded at the Castle Island mine.

Inlet Corporation, an Alaska independent, has successfully negotiated the purchase of the interest and properties of Alaska Barite Company. Partners with Inlet are APCO Oil Corporation of Oklahoma City, the New York investment firm of Loeb-Rhoades, and a mutual-fund investment group, the Donner Advisory Corporation.

Inlet owns 50% of the new venture, with APCO, Loeb-Rhoades and Donner owning the balance. These last three companies own 40% of Inlet Oil and are part of the same venture group that now holds roughly three-quarters of a million acres in offshore prospecting permits around Alaska.

The purchase of Alaska Barite involved

new owner...

INLET CORP. TO EXPAND BARITE OPERATION

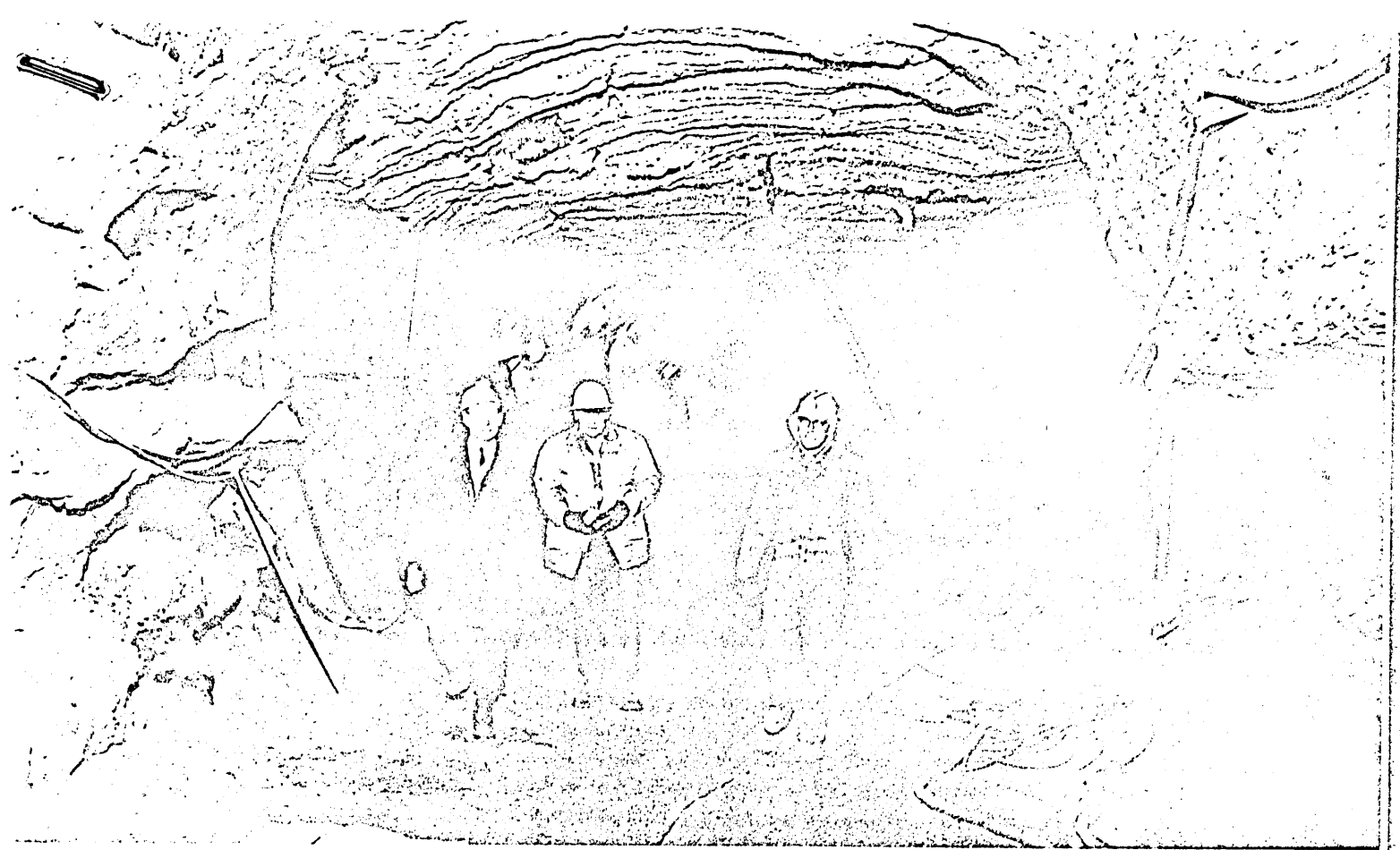
the company's Barite processing plant at Kenai, the mining, loading facilities and camp in the Castle Islands near Petersburg and all reserves remaining within the lode mining claim from which the Barite has been produced.

In addition to the old claim, Inlet has conducted an extensive exploration program over acreage held on offshore permits in waters adjacent to the island. Substantial reserves of high-grade Barite have been uncovered, which are currently being mined.

shipped to Kenai for processing, where the white, crystalline mineral is converted into pellets for use in drilling muds along Cook Inlet and on the North Slope. Larger shipments of 25,000 tons are shipped from Castle Island to the U.S. Gulf Coast. These shipments are usually taken by ships on a back-haul to the West Coast. Once on the Gulf Coast, International Minerals and Chemical Corporation is the principal buyer/distributor.

Inlet is probably the only company in the world mining a lode deposit from beneath the ocean bottom. And with its three partners, Inlet is engaged in an extensive search for offshore minerals over 700,000 acres of Alaska. Almost 300,000 acres of these holdings are in Southeastern Alaska waters.

The company is also participating in oil and gas leaseholding covering the North Slope, Bethel Basin, Alaska Peninsula, Gulf of Alaska and Cook Inlet. Inlet has also participated in three wells this year in Cook Inlet, and holds a 25% interest in the Gulf of Alaska wildcat off Katalla drilled by Pan Oil and Arabian Shield Development. The Katalla well was recently suspended because rough weather made drilling



MINERAL INDUSTRY Research Laboratory researchers cooperate with federal and state agencies on many projects. Here, Earl H. Beistline, left, director of MIRL, Bruce I. Thomas, a Fairbanks mining engineer with the U. S. Bureau of Mines, and Kelly C. Strebis, also a bureau engineer, take a stroll in the permafrost tunnel complex at the U. S. Army's Terrestrial Science Center station near Fox.

A Plan to Revive Alaska's Mining

By DENNIS A. COWALS

Ever since the now legendary strikes of Gold Rush prospectors at the turn of the century, Alaska has surrendered more than \$1.3 billion in troy ounces of gold, barrels of oil, cubic feet of natural gas, tons of coal and other minerals.

But many of the strikes that made Alaska synonymous with mineral wealth are played out now. Rusting dredges and silent tunnels mark the old diggings like tombstones from a bygone era.

Many of Alaska's miners are played out, too.

The easy pickings are gone, and miners scratching at Alaska's bones with pick and shovel have been left behind.

Dennis Cowals of Fairbanks is the science editor of the University News Service at the University of Alaska and also a freelance writer and photographer.

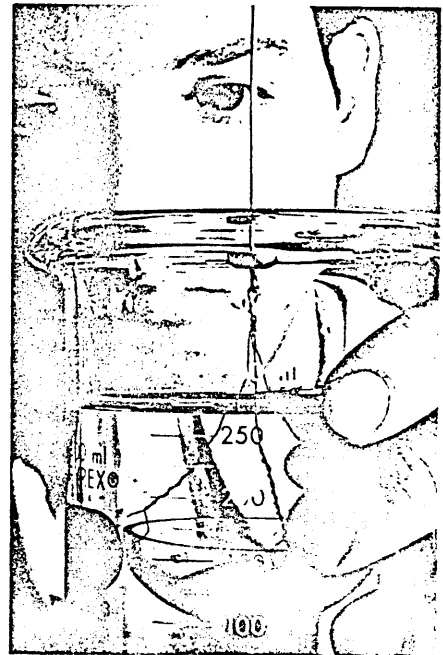
Panning for gold in Alaskan streams has become a technique for tourists.

Long ago the whizzened old timers were squeezed out of competition in the increasingly costly business of finding, extracting, and marketing minerals.

Today's prospectors are businessmen.

Most stay in business by finding, staking, and then selling mineral claims to large companies. For even small mining operations, by Alaskan standards, often require an initial investment of \$500,000 or more to begin production.

Grubstaking 20th century sourdoughs with the tools and techniques that are their stock-in-trade is one way to stimulate the state's mineral industry. But it is only one of several approaches now being taken by the University of Alaska's Mineral Industry Research Laboratory (MIRL) to revitalize the industry through applied and theoretical



UNIVERSITY of Alaska student Thomas Riley works part-time at MIRL. He is shown making a routine density measurement of a sample be-

MINES BULLETIN

Published to Accelerate the Development of the Mining Industry in Alaska

September 1969
Vol XVII
No. 9

IN THIS ISSUE:

- Mining News
- Alaska Mining and Smelting Merger
- Alaska Barite
- New Standards for Metallic-Nonmetallic Mines
- Proposed Land Use Regulations
- Exploration
- Conclusion: Small Mining Company Exploration
- Mining Extension Courses
- Mining Leasing Proposed
- New Publications
- E. & M.J. Metal Market Prices

MINING NEWS

Alaska Mining and Smelting Merger -- The merger of Alaska Mining and Smelting, Inc., with Trans Pacific Resources, Inc., has been approved by the Trans Pacific stockholders. Alaska Mining and Smelting holds active iron mining claims near the head of Tuxedni Bay in Southern Cook Inlet.

Alaska Barite -- In the August Bulletin we reported that Alaska Barite Company had sold its barite operation to International Minerals and Chemical Corporation. Since that time we have learned that the sale was to Inlet Oil, not I.M.C.

New Standards for Metallic-nonmetallic Mines -- Secretary of the Interior Walter J. Hickel has promulgated the first Federal Health and Safety Standards to be established for all domestic metal and nonmetal mines. The more than 1000 new standards are being published in the Federal Register and include both mandatory and advisory provisions. All mandatory standards will be enforceable one year from date of publication.

The standards are published in three parts: open pit mines, sand, gravel and crushed stone operations, and underground mines. Further standards in all three groupings will be promulgated after pertinent comment and recommendations have been submitted by interested parties.



WHEN REPLYING PLEASE REFER TO

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DEPARTMENT OF MINES AND PETROLEUM RESOURCES
VICTORIA

*Letter to
Herbert
1/28*

December 1, 1967.

"MINERAL ACT," CHAPTER 244, REVISED STATUTES OF
BRITISH COLUMBIA, 1960

CONDITIONS GOVERNING ACCEPTANCE OF GEOLOGICAL, GEOPHYSICAL,
AND GEOCHEMICAL SURVEYS AS ASSESSMENT WORK

Authority for acceptance of geological, geophysical, and geochemical work as assessment work under the "Mineral Act" is given in Order in Council No. 1491, approved June 25, 1959.

Subject to Order in Council No. 1491 and the conditions set forth below, the Department of Mines and Petroleum Resources will accept as assessment work geological, geophysical, or geochemical work singly, together, or combined with physical work. The resultant reports form part of the permanent record and must conform to the following rules:

APPLICATION FOR CREDIT

1. Application for credit for geological, geophysical, or geochemical work as assessment work must be made by the anniversary date of the claim in the assessment year in which the work was done.

QUALIFICATIONS OF THOSE MAKING SURVEYS AND WRITING REPORTS

2. A geological report shall be prepared by a professional engineer registered in the Province of British Columbia.
3. A geochemical report shall be prepared by a professional engineer registered in the Province of British Columbia.
4. A geophysical report shall be prepared by a geophysicist registered in the Province of British Columbia.

MINES BULLETIN

Published to Accelerate the Development of the Mining Industry in Alaska

January 1970
Vol XVIII
No. 1

IN THIS ISSUE:

Stock Sale

New Coal Mine Superintendent

Remote Sensing Symposium

New Publications

Metal Market Prices

STOCK SALE

Alaska Mines and Minerals Inc., of Anchorage, Alaska, filed a registration statement with the SEC on December 8, seeking registration of 3,500,000 common shares of which 1,608,678 will be offered for public sale at \$3 per share and 500,000 to John F. Firestone at \$1 per share.

An additional 1,391,322 of outstanding shares may be offered by the holders thereof. Of the proceeds to the company from its sale of stock, \$1,000,000 will be used to retire debentures, \$600,000 for accumulated interest on debentures retired, and \$500,000 for payment of current and non-current liabilities. The balance will be used for exploration, plant expansion, mine development, and operating reserve.

The company has active claims for mercury and antimony on the Kuskokwim River in the Sleetmute quadrangle and for mercury on Montana Creek in the Iditarod quadrangle.

NEW COAL MINE SUPERINTENDENT

William B. Hall, President of Vitro and Senior Vice President of Earth Resources Company, has announced the appointment of Robert E. Anderson as mine superintendent of Vitro's Cripple Creek coal mine.

Anderson is a graduate of Washington State University and has worked for Phelps Dodge Corporation and the Anaconda Company. He has spent the last two years as a Mining Engineer for the Alaska State Division of Mines and Geology.

Anderson will be replacing C. E. McGuire, who has been mine superintendent since 1965. McGuire will become mine superintendent at the newly discovered Earth Resources Company Cuba, New Mexico copper mine near Albuquerque.