

AND YOUR MEMORIALIST WILL EVER PRAY.

Passed by the Senate March 10, 1949.

Passed by the House March 18, 1949.

Approved by the Governor March 24, 1949.

SENATE JOINT MEMORIAL NO. 30

TO THE PRESIDENT OF THE UNITED STATES, THE CONGRESS OF THE UNITED STATES, THE HONORABLE JULIUS A. KRUG, SECRETARY OF THE INTERIOR, AND THE HONORABLE E. L. BARTLETT, DELEGATE TO CONGRESS FROM ALASKA:

Your Memorialist, the Legislature of the Territory of Alaska, in Nineteenth Session assembled, respectfully represents:

WHEREAS, it is generally known that mining was one of the first commercial inducements to the white man to come and settle in Alaska since the purchase of the Territory by the United States; and,

WHEREAS, for the long period that followed, the mining industry in Alaska furnished, on a large scale, continuous employment in the various communities. The results therefrom contributed to the development of transportation facilities; and,

WHEREAS, the mining industry in Alaska, in our own opinion and supported by the known facts through investigations of the U. S. Geological Survey and the U. S. Bureau of Mines, lies mostly in the future and with the proper facilities and encouragement is capable of a most highly profitable expansion and development; and,

WHEREAS, many thousands of mining claims, once active are at present abandoned, due primarily to difficulties beyond the control of the owners, which in no way reflects on the merits of the

many prospects. At present, more than ninety-eight percent of this vast Territory, excluding the Government Reserves, are open for location, with no incentive for which to strive; and,

WHEREAS, the mining industry of the Territory of Alaska with needed support, either Federal or private, offers commercial returns second to none for the money invested—proved by the fact that out of eight fair-sized operations, five have achieved world records; and,

WHEREAS, the widespread mineralization and the known discoveries of the different minerals, metals and ores, also their abundance, commercial and strategic importance, with proper facilities cannot be overstated; and,

WHEREAS, the Alaska mining industry has, along with other adverse conditions been severally handicapped by the remoteness of transportation and the distance to the proper smelter by which, as a matter of necessity, the final extraction of the metal has to be made, all of which would be unnecessary if smelting facilities were available in Alaska. There is also the exorbitant expense of smelting charges, deductions, transportation and the time element required to receive returns, all of which has levied a hardship on the industry and more especially the small and under-financed operator; and,

WHEREAS, the nearest smelter at which the simple gold, silver, copper ores and concentrates therefrom can be sold and treated is located at Tacoma, Washington, more than one thousand miles from the point of production; and,

WHEREAS, the nearest smelter at which the important metal LEAD can be treated, and the only one on the Pacific Coast, is located another thousand miles farther south at Selby, California; and,

WHEREAS, tin and zinc must be shipped to the Atlantic Coast, the interior of the United States or to foreign smelters for final treatment, a deplorable and absolutely economically unprofitable condition which has retarded the development, and future development and production of these metals in Alaska is next to impossible; and,

WHEREAS, the most important, strategic, economic and indispensable metal, NICKEL, with its usual combinations of gold, sil-

ver, copper and cobalt, has no smelter or refining plant in the United States, while the United States imports and consumes more than fifty percent of the world's production of this metal in normal times, which is ample proof of the crying need for such plant; and,

WHEREAS, Alaska, with no incentive for development nor attempt at production, due to the lack of smelting facilities, has, in Alaska alone, more than twenty-five million tons of such nickel, copper ores and materials, estimated by the work done by the U. S. G. Survey and the U. S. Bureau of Mines, and by work done by private interests. (See Bulletin U. S. G. Survey No. 947C—1946, pages 39, 40, 50, 53 and 55;) and,

WHEREAS, a centrally located smelting plant, built by the Federal Government could treat on the custom basis all such ores and others that may be produced from the many showings now known in Alaska, including gold, silver, ores and concentrates and thus stimulate mining production otherwise unlikely, increase the payroll, the economy and population of Alaska by many thousands, and at least in a considerable measure free the United States industry and the Government from the complete dependence on the importation from foreign and monopolistic sources of this metal; and,

WHEREAS, custom smelting is nothing new, is highly profitable, and stimulative of mining activities, and has been responsible in the past for the erection of new towns and settlements, examples of which are widespread in continental United States and elsewhere, none of which would have been attained but for the erection of smelting facilities and the stimulation thereby of the mining activities; and,

WHEREAS, no private finances are available for the purpose under the present conditions, as has been proven by diligent efforts made by private interests to accomplish that purpose which have failed due to the lack of sufficient finances; and,

WHEREAS, Henry M. Eakin, foremost Geologist of the U. S. Geological Survey in sixteen years in Alaska, and who directed the diamond drilling and chemical analysis of the ore development for the private interests mentioned, states in his Report of 1934:

"Practical development of these deposits can make the United States an important factor in primary production of nickel, to do this at the present time can give immediate employment to several thousand men in the United States and Alaska and permanently divert a large part of our annual nickel import bill from foreign to domestic payrolls.

"Upon the basis of costly pilot test mills, which were run upon the property, the power surveys, proper plans were drawn up in 1931 for a nickel smelting and refining plant to treat the ores of the _____ Mine. This execution has been prevented only by the drying up of normal sources of investment capital for this kind of enterprise.

"A central plant at this favorable locality, on the excellent harbor of _____ and furnished with abundant and cheap hydroelectric power, if large enough to offer custom service in addition to treatment of _____ Mine output, would permit development and commercial production from smaller mines throughout the nickel bearing province.

"Such production from numerous mines should quickly build up a general nickel mining industry of large proportions in the same way that the central smelters at _____ and elsewhere led to major development of the copper industry some forty years ago by affording commercial market for shipment of ore from mines too small individually to afford smelting plants of their own.

"Early construction of the proposed _____ plant as a means to develop American production of nickel is apparently impossible through ordinary financial channels. The enterprise can qualify as self-liquidating within reasonable time, as a means to aid industrial recovery and progress through immediate and permanent re-employment of labor, as non-competitive with any presently established domestic industry, as a means to free American industry from sole dependence upon foreign sources now under strong monopolistic control and as highly advantageous to the public interest from the viewpoint of National defense.

"The enterprise thus appears pre-eminently qualified for special action by the present loan agencies of the Government. It is submitted for possible executive consideration with a view to securing suspension of established rules that otherwise pre-

clude Federal assistance to this general class of enterprise.”; and,

WHEREAS, since ample water power is available at several places in Alaska for the production of electric energy wherewith to operate a suitable smelting plant at minimum cost, as well as protected harbors along the regular steamship lanes serving western and interior Alaska, the construction and operation of such a plant at some such location would immediately stimulate the mining industry and incidentally solve, or at least greatly help to solve, the vexing transportation problems which have so injuriously confronted this Territory for years past and almost stymied its economic development; and,

WHEREAS, the United States has made attempts to secure such metals by importation for the emergency use during World War II by building and assisting plant construction outside of the United States, with unsatisfactory results and comparatively small returns; and,

WHEREAS, it appears to the Legislature of Alaska advisable and indispensable and for the best interests of Alaska and its defenses and the security of the United States as a whole that immediate steps be taken to secure the construction of such a plant or plants, centrally located in Alaska, if upon investigation such is found feasible and can be self-liquidated, to serve all the prospective miners and shippers or such ores and metals;

NOW THEREFORE, We, your Memorialist, the Legislature of the Territory of Alaska, respectfully pray that the Secretary of the Interior be authorized and requested to investigate the advisability and feasibility of erecting a smelter at some strategic point in Alaska, and that, upon his recommendation, it be constructed by the Federal Government, as a “Custom Smelter” to the end that the valuable mineral and metal deposits known to exist in the Territory of Alaska may be reduced to commercial value within its confines, and that \$25,000,000.00 be appropriated, or so much thereof as found to be necessary, to accomplish that end.

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Approved by the Governor March 24, 1949.