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Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - The Edna Bay limestone holdings of the Aluminum Company of America have been leased to the Edna Bay Pure Stone Co., a Texas corporation. The new company plans to quarry and crush the limestone, and then ship it to a lime plant to be constructed near Vancouver, Washington.

Airborne magnetometer exploration for mineral indications (other than oil) is being carried on in Alaska by more companies than ever before.

The aerial search for uranium continues.

SECOND DIVISION - Drilling early this season near Candle has proved disappointing. Property holders reported a uranium strike there last year.

OIL NEWS

Geophoto Services of Denver is making a mapping survey of the Kateel River country for the Texota Oil Co. The Kateel is in the lower Koyukuk region. Texota reportedly plans to begin drilling there as soon as a feasible location for the operation is found.

A slightly discouraging note has entered the Alaskan oil picture by the halting of the Havenstrite drilling operation at Iniskin Bay in mid-season. Plans are apparently being made for resuming the drilling next year, however.

NATIONAL WILDERNESS PRESERVATION SYSTEM PROPOSED

We wish to call your attention again to bills introduced by two members of Congress which seek to set up a National Wilderness Preservation System. This move is dangerous to the future of Alaska's mining industry. If passed, it would prohibit prospecting, mining, removal of minerals (including oil and gas), or any other form of commercial enterprise in national parks, monuments, wilderness areas, certain Indian reservations, wildlife refuges, etc. This would close to Alaskan prospectors and miners forever such areas as Mt. McKinley National Park, Glacier Bay National Monument, and the area between Endicott Arm and the Whiting River where the Forest Service proposes to create a wilderness area. The bills involved are H. R. 11703 by Saylor (Rep., Pa.) and H. R. 11751 by Metcalfe (Dem., Mont.)

The last-mentioned proposed wilderness area is open to objections by anyone so inclined until Nov. 1, 1956. Objections to this withdrawal should be addressed to the Regional Forester, U. S. Forest Service, Juneau, Alaska.

PLEASE NOTE CONTENTS OF THE PINK PAGE CAREFULLY

E. AND M. J. METAL MARKET PRICES

	<u>July 26</u> <u>1956</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	39.4¢	45.0¢	35.7¢
Lead, per lb.	16¢	16¢	15¢
Zinc, per lb.	13-1/2¢	13-1/2¢	12-1/2¢
Tin, per lb.	94.8¢	94.8¢	98¢
Quicksilver, per flask	\$255-257	\$257-259	\$259-261
Silver, foreign, New York	90.3¢	90.3¢	90-3/4¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Platinum, per oz.	\$103-110	\$103-110	\$80-87
Nickel, per lb.	64-1/2¢	64-1/2¢	64-1/2¢
Molybdenum, per lb. in conc.	\$1.10	\$1.10	\$1.05
Tungsten ore, per unit	\$63.00	\$63.00	\$63.00
Titanium ore (Ilmenite) per ton	\$26.25	\$26.25	\$20
*Chrome ore (48%, 3 to 1 ratio) per ton	\$115	\$115	\$115

* GSA guaranteed stock pile price. Not quoted by E & MJ

NOTICE

We find that many of our TDM Bulletins are not reaching the original "subscribers", and the time has come when we need to make our mailing list accurate and stop sending out useless Bulletins. If you wish to continue (or start) receiving the TDM Bulletin, please tear this notice off at the above line, fill in the spaces below with your name and correct mailing address, and mail it to us at Box 1391, Juneau, Alaska. If we do not hear from you within 60 days, your name will be removed from the mailing list.

Name _____

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QUARTZ DEMAND

Occasionally we receive correspondence from metallurgical firms that wish to obtain deposits of quartz. However, their specifications are high and no one has yet come up with a sufficiently high grade silica body. One firm states that it is in the market for a deposit of 100,000 tons close to tidewater that can be quarried in an open-pit operation and which will assay as follows: minimum of 99.3% silica oxide and maximums of 0.20% aluminum oxide, 0.20% iron oxide, 0.05% titanium oxide, 0.05% calcium oxide, and 0.05% magnesium oxide.

SHALL WE GAMBLE OR PROSPECT?

In reading the publication Economic Geology the other day, we ran across a paragraph under the title of "Geophysics Applied to Prospecting for Ores" by L. B. Slichter which we especially like. We quote it here for your thoughtful consideration.

"It seems noteworthy that among the fastest growing industries in this country is gambling. Since 1929, expenditures in pari-mutual betting have multiplied thirty-three-fold, and on gambling coin machines, nineteen times. In 1952, \$419,000, 000 was expended in these two activities. Canada seems to have shown how this rich source of funds may be put to useful work in prospecting. Under skilled management mining ventures may show, on the average, high expectations of profit. When failures result, the losses, unlike those from the one-armed bandits, at least are incurred in the public interest. When success is obtained, everyone benefits, and the winnings come from no one's pocket."

AMC MINING SHOW

October 1 - 4 are the days on which this year's American Mining Congress Convention and Mining Show will be held. The place is the Shrine Exposition Hall, Los Angeles, Calif. All mining and milling men are invited to attend. Convention sessions will cover a wide range of topics from national mineral policies to the practical every-day operating problems of mines, quarries, and processing plants. Ample time is planned for questions and open discussion. Gold and silver policies will be given a thorough treatment, as usual. The future of uranium will be the subject of one of the interesting sessions. The recommendations resulting from these sessions that are sent to the U. S. Congress carry much weight. A large exposition of all the latest mining equipment will be on display throughout the Convention. Field trips to nearby plants and mines will be held on Oct. 5. For practical mining men, this function cannot be surpassed in the U. S. For the ladies, special events such as sight-seeing trips, shopping expeditions, and a style show will be held. Full information can be obtained from the American Mining Congress, 1102 Ring Bldg., Washington 6, D. C.

NUCLEAR POWER AND COAL

Many people interested in the future of coal mining are apprehensive that nuclear power will shortly put an end to the need for coal. Such is not the case. The following paragraphs are quotes selected from an address by W. Kenneth Davis, Director of Reactor Development, U. S. Atomic Energy Commission. They indicate that coal mining should continue to increase for at least the next 15 or 20 years. His predictions are based on data from such sources as the Paley

Commission's report, Energy in the Future, a book by Palmer Putnam, and the McKinney Panel Report on Peaceful Uses of Atomic Energy.

....."The general result of the predictions is that the energy demands of the United States will be increased 80 percent over 1955 in this period of (the next) 15 to 20 years. The demand for electricity is expected to increase about 150 percent in this period.

"Bituminous coal requirements, excluding exports, are predicted to increase 95 percent from about 420 million tons in 1955 to about 820 million tons for this future period. The predicted use of bituminous coal for electric power generation, taking into account expected increases in average efficiency, increases from 140 million tons in 1955 to 300 million tons, an increase of 125 percent. The necessity for an increasing dependence upon coal as a source of fuel in the future is quite clear.....

"Several estimates have been made of the installed nuclear generating capacity by the time under consideration and these are mostly in the range of 30,000,000 to 40,000,000 electrical kilowatts. Such plants would replace 80 to 100 million tons of coal per year.

"However, even if this large amount of nuclear generating capability were built, the demand for coal would still be very much larger than it is now, about 75 percent larger, and far larger than the present capacity of the bituminous coal mining industry today. The effect of nuclear power on this scale would thus be to let bituminous coal mining grow at the same rate as the average U. S. demand for energy.

"One must also consider the great likelihood that exports of coal will grow during this period more than 80 percent from the 51 million ton level of 1955. There is the further possibility that coal may have to be used instead of liquid fuels or converted to liquid fuels. If by 1970-75 it is found necessary and economic to supply 5 percent of the demand for liquid fuels by liquefying coal, the resulting coal requirement would be about 100 million tons per year.

"Thus, having reviewed the various factors, it seems rather apparent that the demand for coal will run ahead of the demand for other fuels during the next 15 to 20 years despite the advent of nuclear power. In fact, it does not seem unlikely that by 1970-75 the rate of bituminous coal mining will double the present rate.....

"The 450,000 kilowatt, supercritical units recently announced by Phil Sporn for the American Gas and Electric System are a good example. These units were said to cost \$55 million each or a cost of \$122 per kilowatt and to give efficiencies of 41 percent or 0.64 pounds of coal per kilowatt-hour.

"It can be easily calculated that these units plus all the coal needed to run them for 20 years could be furnished for \$255 per kilowatt with coal at \$4 per ton. This is just about equal to the lowest investment cost for any large nuclear powerplants being contemplated today without any allowance for fuel costs. It indicates the improvement which is necessary before nuclear powerplants can be expected to compete in the United States with modern conventional powerplants utilizing cheap natural fuels."