

Territory of Alaska
Department of Mines

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TDM BULLETIN

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MINING ACTIVITIES

FIRST DIVISION - A large number of beach placer claims have been staked along the shores of the Gulf of Alaska during the past few months by a company named Minerals, Inc. One group of 82 claims were staked near the Situk River in the Yakutat area and another of 156 in the vicinity of Lituya Bay. The beach sands are reportedly valuable for iron, titanium, gold and other minerals.

OIL NEWS

Applications continue to be filed in the Fairbanks Land Office for large blocks of land in the Kateel River area. A group of oil men filed for 342,000 acres there in late January, and more recently, 15 applications for 58,800 acres in the same area were made. Only last December, another group applied for 600,000 acres there. The contest to obtain the most promising part of the area seems to be centered around three competitive groups. The Kateel area is about 300 miles north-west of Fairbanks.

KETCHIKAN CLAIM HOLDERS ASSOCIATION

A group of Ketchikan men and women vitally interested in the future of Alaskan mining gathered together in late January to form the Claim Holders Association of Ketchikan. The Association's chief aim is to assist small claim holders by action as an organized body in presenting mutual problems before proper Federal and Territorial authorities in an effort to obtain more and improved mining benefits.

According to a news release, one of the Association's first objectives is to obtain a change in the regulations governing Annette Island so that entry under the mining laws may be made on that island. Mineral rights there are presently held by the Metlakatla Natives, and although minerals are known to exist, no development or activity has taken place for many years. This objective is said to be only one of many actions the group intends to take toward developing and promoting mining in Southeast Alaska.

NEW CANADIAN OPERATION

We are looking enviously at Canada again. In British Columbia, a new copper producer has started at Greenwood. It is on an old producing property that has been closed since 1918. A thousand-ton-per-day mill has been built which can be readily enlarged. Concentrates will be shipped to Tacoma. As with other new Canadian mining ventures, one of the reasons it was able to attract the necessary financing is that not a cent of taxes will be paid for the first 3-1/2 years. Canada realizes that it is her mining that will make her great, and as a result she does everything she can to get these new operations started. It is not that Alaska does not have the minerals, it is only that we don't have the incentives.

WILDERNESS AREAS

Proposed Congressional legislation to create a National Wilderness Preservation System should be carefully watched by all those interested in prospecting and mining, and it has particular significance when considering the proposed Tracy Arm-Fords Terror Wilderness Area.

H.R. 361 by O'Hara of Illinois and several other identical bills have been introduced which would establish the System to be "composed of areas in the United States and its Territories and possessions retaining their natural primeval environment and influence...." Such areas would include (1) the wilderness, wild, roadless, and primitive areas as presently designated within the national forests; (2) designated units within the National Park system, wildlife refuges and ranges, and Indian reservations with consent of the tribal council; and (3) such other areas as shall be designated in accordance with the Act by the Secretary of Interior, Secretary of Agriculture, Presidential order or proclamation, or Act of Congress.

No portion of any area within the System could be devoted to "community production, to lumbering, prospecting, mining or the removal of mineral deposits (including oil and gas), grazing by domestic livestock, water impoundment or storage, or to any form of commercial enterprise except as contemplated by the purposes of this Act." A National Wilderness Preservation Council would be created to perform certain functions including coordinating the administering agencies and obtaining cooperation between Federal and State agencies, organizations, and individuals concerned.

As noted in earlier TDM Bulletins and an FS press release, the U.S. Forest Service proposes to create a wilderness area between Tracy Arm and Fords Terror in Southeast Alaska. A public hearing will be held on this matter in Juneau on April 10 for the purpose of hearing arguments pro and con. The Forest Service people of this region have conferred with the TDM on the subject and have stated emphatically and sincerely that they do not wish nor propose to hinder prospecting or mining in any way within the area. We accept these statements without hesitation and would worry about it no further if we could be assured that the future administration of the proposed wilderness area would be under the sole jurisdiction of the present FS personnel in Alaska. However, if the above Congressional legislation is passed, (its chances are good, sooner or later) then the proposed local wilderness area, if established, would either be automatically included under the National System with all its restrictions, or it could be put there at the drop of a hat. For this reason, then, the TDM is against the proposed establishment of the Tracy Arm-Fords Terror Wilderness Area. We urge all interested persons to attend the above-mentioned hearing to present their arguments, or to send in written statements which will be accepted into the record if the writer cannot attend.

As a final word on the subject, we would like our readers to also consider what the proposed national legislation is likely to do to future prospecting and mining in Mt. McKinley National Park, Glacier Bay National Monument, and the long proposed large wilderness area in the northeast corner of Alaska.

NEW TDM ASSAYERS

The two vacancies in our staff of assayers have been filled. To replace Art Glover at Ketchikan, Mr. Ralph Pray of Socorro, New Mexico has been hired and will arrive late this month. Mr. Pray had his own commercial assay laboratory at Socorro for a number of years and recently sold out.

Mr. Willow Burand, lately of Manley Hot Springs, will fill the Nome vacancy. Before coming to Alaska recently, Mr. Burand was for three years a mining engineer at the Haystack Mountain Development Company uranium mine near Prewitt, New Mexico. He will open the Nome assay office in April.

TERRITORIAL LEGISLATIVE NEWS

At the half-way point in the Twenty-third Session of the Territorial Legislature, it appears that fewer bills have been or will be introduced affecting mining or prospecting than for several sessions. However, the bills to raise various taxes have been hitting the floor at a rapid pace. Senate Bill 46 and House Bill 126 are two in which miners will be interested. S.B. 46 calls for a Territorial sales tax of 2% on retail sales and services and one-half percent on wholesale sales and exports of various items including gold and other mined products. The Senate Finance and Revenue Committee recommended that it do not pass, with one Senator not concurring but not recommending. S.B. 46 is currently being continued in second reading. H.B. 126 calls for a general property tax of one percent of full and true value of all real and personal property in Alaska. To show how this bill would affect mining properties, we quote Section 3:

"Sec. 3. LEVY OF TAX. For the calendar year of 1957, and each calendar year thereafter there is hereby levied, and there shall be assessed and collected, a tax upon all real property and improvements and personal property in the Territory at the rate of one per centum of the true and full value thereof. For the purposes of this section the value of unimproved, unpatented mining claims which are not producing, and non-producing patented mining claims upon which the improvements originally required for patent have become useless through deterioration, removal or otherwise, is hereby fixed at \$500.00 per each 20 acres or fraction of each such claim, except that if the surface ground of any such claim is used for other than mining purposes and has a separate and independent value for such other purposes, the valuation as pertains to such non-mining uses and of improvements incidental to such uses shall be according to the true and full value thereof."

However, some exemptions favoring active mines are noted in H.B. 126. Sec. 6 (f) states that new construction would be free of this tax until the plants or buildings are operated or occupied, but not for longer than three years. Sec. 6 (j) says that any property granted any exemption as an industrial incentive under Alaskan law would be likewise exempt from this tax. Sec. 6 (k) states that any property paying a severance tax on regularly or seasonally extracted resources shall be exempt under this Act.

A bill to provide for a correspondence course for prospectors and miners by the University of Alaska has already been passed and signed into law. The course is intended to cover approximately the same subjects as are included in the Mining Extension Course which is taught in the various centers of population about the Territory. The new law allows for fees to be charged for the correspondence course to cover the costs.

S.B. 29 would make the filing of assessment work affidavits mandatory if claims are to be held. The bill as presently written states that if the affidavit is not filed as provided by existing law (within 90 days of the end of the assessment work year, or by September 29) the claim would be deemed abandoned and would be open to location by others, provided, however, that if the original claimant should comply before others did any locating, his rights would not be lost. The Act passed the Senate but is presently being held up in the House because of objections that placer operators might be too busy to file the affidavit within the specified time. A suggestion has been offered that the bill be amended to allow a six month's period from the end of the assessment year during which the filing could be done before the claim would be considered abandoned.

CONGRESSIONAL NEWS

A number of bills have again been introduced in Congress to create a free market for gold for U. S. producers. They would permit gold in any form to be bought, held, sold, or traded upon the open market and to be exported without restrictions. The provision would also be made that all gold held by the U. S. Government would be construed to be monetary gold and could not be sold for commercial purposes.

H.R. 627 by Engle of California, and other similar bills, would provide that land withdrawals of more than 5,000 acres of public lands for defense purposes would not become effective until approved by an Act of Congress.

E. AND M. J. METAL MARKET PRICES

	<u>Feb. 21</u> <u>1957</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	32.3¢	35.5¢	45.0¢
Lead, per lb.	16¢	16¢	16¢
Zinc, per lb.	13-1/2¢	13-1/2¢	13-1/2¢
Tin, per lb.	99-1/4¢	102-1/2¢	100¢
Quicksilver, per flask	\$255-257	\$255-257	\$268-271
Silver, foreign, New York	91-3/8¢	91-3/8¢	91-1/2¢
Silver, domestic, per oz.	90-1/2¢	90-1/2¢	90-1/2¢
Nickel, per lb.	74¢	74¢	64-1/2¢
Molybdenum, per lb. in con.	\$1.18	\$1.18	\$1.10
Platinum, per oz.	\$96-101	\$98-101	\$97-112
Tungsten ore, per unit	\$55.00	\$55.00	\$63.00
Titanium ore (Ilmenite) per ton	\$26.25-30.00	\$26.25-30.00	\$26-29
*Chrome ore (48%, 3 to 1 ratio) per ton	\$115.00	\$115.00	\$115.00
*GSA guaranteed stockpile price.	Not quoted by <u>E. & M. J.</u>		