

STATE LEGISLATURE NEWS

REORGANIZATION OF TDM - Since we assume that most of our readers are almost as interested as we are in what is to become of us, we have held up publication of this issue for a few days while waiting to see the long-awaited revised State government reorganization bill. Having been the subject of some eight hours of Democrat caucus consideration, it is not likely to be changed much by any floor work, and will probably be passed quickly. The bill is H.B. 114, to be known as the State Reorganization Act of 1959. We quote here the section pertaining to resources:

"Sec. 15. DEPARTMENT OF NATURAL RESOURCES. There shall be a principal executive officer to be known as the Commissioner of Natural Resources.

"The Department of Natural Resources is hereby vested with the duties, powers, and responsibilities involved in the administration of the entire state program for the conservation and development of the State's natural resources including forests, recreational areas, lands, waters, agriculture, soil conservation and minerals including petroleum and natural gas; but excluding commercial fisheries, sport fish, game, and fur-bearing animals in their natural state. The functions and authority heretofore performed and exercised by the Department of Lands, the Land Board, and the Director of Lands; by the Department of Mines, the Commissioner of Mines, the Coal Miners' Examining Board, and the Oil and Gas Conservation Commission; and by the Alaska Resource Development Board and its Executive Director; the Soil Conservation Board, by the Department of Agriculture, and by the Commissioner of Agriculture, except those relating to public health, are hereby transferred to the Department of Natural Resources."

The organization of the various divisions within the Department of Natural Resources is not yet settled, of course, but it appears likely that there will be a Division of Mines and Minerals which will cover the present functions of the TDM plus those of the Oil and Gas Commission. The Act is to take effect immediately upon its passage, but some of the more difficult transfers of functions and personnel may be postponed up to 6 months by the Governor.

MINING ACCESS ROADS - The only bill introduced so far that is intended to assist prospectors and miners is H.B. 79 by Representative Bob McCombe. The bill would direct the Highway and Public Works Department to build access roads to inaccessible mineral areas as determined by the Commissioner of Mines. This Act was introduced because present policy restricts road construction to the approved road net and to standard construction specifications. It will not be effective, of course, without an appropriation. H.B. 92 would appropriate \$100,000 to the Highway and Public Works Department for the first year of operation of this Act. H.B. 79 was passed by the House with only one dissenting vote, has been reported out ~~the~~ the Senate Finance Committee with a "do pass", and is now in the Senate Commerce and Labor Committee. H.B. 92 was reported out of the House Resources Committee with a "do pass" and is now in House Finance.



## OTHER BILLS OF INTEREST

H.B. 13 - Administrative Procedure Act - would set up procedures for hearings and decisions on disputes and policy matters concerning public lands, mineral leasing, employment security, workmens compensation, and other subjects of State control. Still in House Judiciary Committee.

H.B. 84 - Would levy an additional tax of 5¢ per gallon on motor fuel to the tax already being collected under Sec. 48-5-2 ACIA 1949 as amended, which existing tax is 5¢ per gallon with a refund of 3¢ for off-highway use. In the new proposal, there is no provision for refund for off-highway use, or for use in stationary engines such as with pumps, etc. The bill is in the House Finance Committee. It was introduced by Representative Blodgett of Teller, near Nome.

S.B. 22 - Would establish a new Workmens Compensation Board and set new rates which are estimated by one mining operator to indicate a cost increase of 17% for the average employer. Presently in Senate Commerce and Labor Committee, then to Judiciary Committee.

S.B. 24 - Uniform Securities Act - Would set up Blue Sky Law for Alaska, regulating stock and securities transactions, requiring registration of dealers and agents, etc. Still in Commerce and Labor, then to Judiciary.

S.B. 41 - Would extend the time of redemption of delinquent lands under the Land Registration Law beyond the present limit of one year after court award of the land to the State. Proposal is to allow original legal owner to redeem delinquent land (including patented claims) at any time up until the State disposes of the land by lease or sale. Still in State Affairs Committee, then to Judiciary.

## MINING ACTIVITIES

FIRST DIVISION - Consolidated Mining and Smelting Company of Canada has optioned two copper properties on Prince of Wales Island. Their plans for these properties are not known.

FOURTH DIVISION - The Suntrana Coal Mine has been closed since February 11 by a strike. The shut down is a result of the firing of a motorman by a foreman. The union wants the foreman fired, and the company disagrees. Safety conditions are not involved.

## OIL NEWS

"We believe that if all goes well, Fairbanks consumers will be cooking with gas by the fall of 1961" said the president of Alaska Propane Company of Fairbanks recently. Alaska Propane was the lucky bidder for much of the Gubik gas structure on the Arctic Slope and also has obtained a pipeline right-of-way from there to Fairbanks. In a surprise move, Colorado Oil and Gas Company purchased the Alaska Propane leases and right-of-way, giving more strength to the proposal. However, early exploration of the Gubik field and construction of the pipe line (cost: at least 42 million) is contingent on two things: (1) release of the withheld buffer zone between the leases and Pet 4, and (2) a firm commitment from the military for use of the gas at Ladd and Eielson Air Force Bases. Proposed price of gas to Fairbanks consumers has not been mentioned.

Colorado Oil and Gas is denying an oil strike in their third well near Yakutat. They report good gas pressures, but no oil.

The Interior Department is asking Congress to increase noncompetitive oil lease



rental rates to discourage speculation. The requested rate would be 50¢ per acre for each 3 every year. At present, the rent is waived during the second and third years.

The water-borne seismic work in Cook Inlet by Standard Oil and others is apparently proceeding without difficulties.

Union Oil Company has purchased tank farms at Valdez and Fairbanks.

Union Oil Company and Ohio Oil Company have been awarded a development contract covering approximately 229,000 acres in the Knik Arm area northwest of Anchorage. Three wells must be drilled within four years.

The Humble Oil well being drilled at Bear Creek on the Alaska Peninsula is now below 14,370 feet, which is a record depth in Alaska. This has been a tremendously expensive operation, and is being abandoned as a dry hole. As we have stated before, the oil business is not all gravy.

#### ALASKA MINERS ASSOCIATION

In recent years, this organization has met chiefly in Seattle during the winter. Lately, however, units of the Association have elected officers and become active in Anchorage and Fairbanks. The Anchorage branch, under the chairmanship of Harold Strandberg, recently published a resolution of opposition to the projected nuclear reactor power generator of the Chugach Electric Association. Basis for this opposition is the effect atomic power would have on the nearby operating coal mines and miners. (Since this resolution, a press release has announced the cancellation of the planned reactor because of a policy change by the Atomic Energy Commission.)

In Fairbanks, Carl Barker was elected chairman of that branch, and further meetings are planned to keep informed on State and Federal legislation in progress. Charles Johnson of Goodnews Bay Mining Company is president of the parent Association in Seattle. Charles "Chuck" Herbert is representing the Association at Juneau during the State Legislature.

#### WITHDRAWALS

Secretary Seaton is making good his intention to leave up to Congress the matter of whether or not to withdraw the 9 million acres in Alaska's northeast corner for an Arctic Wildlife Range. He is now preparing a bill for introduction. He states that the proposal will seek authorization to allow mining there under the permit system. The mining industry has repeatedly emphasized that the permit system is not conducive to hardrock prospecting, nor to the expenditure of exploration capital. This would be particularly true within a wildlife range.

We were happy to see Senator Bartlett decline to co-author one of the pending National Wilderness Preservation System Bills in Congress. Also, he is proposing that the limits of the Katmai National Monument be reduced so that some of the land presently within the Monument that has no scenic value will be available for other uses.

Senator Bartlett has further requested that the Naval Petroleum Reserve No. 4 be open to development by private oil companies. There is not as much opposition to this proposal as formerly, and it is considered likely to be accomplished.

The requested Kuskokwim withdrawal of 2,924 square miles is still being considered.

THE UNIVERSITY OF CHICAGO

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PHYSICS 309

LECTURE NOTES  
BY  
PROFESSOR [Name]

DATE: [Date]

## PROPERTY TAX ON CLAIMS

Some of our readers have been getting tax bills on unpatented claims lately and are wondering what goes on. The Territory-wide property tax that was enacted in 1949 and repealed in 1953 was fought from the time of the first attempted collection as illegal and carried all the way through the courts. A recent U. S. Supreme Court decision held that the tax was valid. Since then, the State Department of Taxation has been sending out new notices to all who were on the tax rolls during 1949-53 and who did not pay. Unpatented claims were valued by the tax law at \$500 and the rate was set at 1%, making the tax \$5 per claim per year. Anyone who held claims during that four-year period is apparently liable, according to the law. A court case in the State of Washington resulted in a decision that an unpatented claim can be taxed as personal property rather than real estate, and that only after a patent is issued does the claim become real estate.

## CHATANIKA POWER PLANT

Of particular interest to those who are familiar with the F.E. Company workings near Fairbanks is the news that power is to be generated with water from the famous Davidson Ditch. Because of the dwindling operations of the F.E. Company (U.S.S.R. & M. Co.), the ditch will no longer be needed after August 15, 1959, and the newly-formed Chatanika Power Company is negotiating with F.E. for its use after that. The power plant will be tied in to the Chatanika siphon, and will consist of a double overhung pelton unit with a rating of 2350 hp maximum and a generator of 5625 kw. rating. The existing power lines of the F.E. will be used for transmission.

The Davidson Ditch was constructed in the late 1920's and was originally about 75 miles long, going all the way from the intake at the headwaters of the Chatanika River to Goldstream. In a number of places the water is carried from one hillside to another by means of inverted siphons to reduce the length of the ditch and maintain the water's elevation, or head. Large pressures are developed at the bottom of these siphons, and the pressure is particularly great at the bottom of the Chatanika Siphon. About 42 miles of ditch and 13 siphons will have to be maintained. We are glad to learn that the famous old ditch will continue to fill a need, even though not for mining.

## NEW BOOK FOR ALASKAN PROSPECTORS

"Introductory Prospecting and Mining" by Leo Mark Anthony is the title of a book just off the press at the University of Alaska School of Mines. It is a 90-page bulletin written on the fundamentals of mineral identification, geology, and mining, and covers about the same ground as the mining extension courses taught throughout Alaska each winter. It may be obtained from the School of Mines, Box 498, College, Alaska for \$2.50 per copy.

A booklet entitled "Geochemical Prospecting" was published by the School of Mines about a year ago. Two other books have been in progress for several years, but are not yet ready for the press. One is a book on placer mining methods and costs and the other is a handbook for Alaskan prospectors. This latter book will be quite detailed, rather voluminous, and a valuable addition to the serious prospector's library.

## P. L. 167 AREAS FOR DETERMINATION OF SURFACE RIGHTS

Four more areas have been designated by the U.S. Forest Service for the determination of surface rights on mining claims under Public Law 167 of July 23, 1955. These are in addition to many earlier areas within the Tongass and Chugach National Forests, all reported in earlier issues of the TDM Bulletin. Holders of claims staked prior to the date of the Act have 150 days from the starting date of publication to file verified statements if they wish to retain exclusive surface rights to their claims. Descriptions of the new areas follow:

Port Wells Area: In general, all lands north of Passage Canal and east of a N 45°E line running from Whittier to the mouth of Harriman Fiord. Publication starts on March 4, 1959 in the Anchorage Daily Times.

Burroughs Bay Area: In general, all lands within two miles from the shores of Burroughs Bay and Unick River and within four miles north and south of the mouth of the Klahini River. Publication on this and the two following areas started on February 4, 1959 in the Ketchikan Daily News.

Dall-Long Island Area: In general, all of Long Island, and all of Dall Island south of Sea Otter Harbor.

South Prince of Wales Island Area: In general, all lands on Prince of Wales Island south of the head of McKenzie Inlet and east of the entrance to Hutkwa Inlet.

#### MISCELLANEOUS

We again call attention to the Prospector Assistance Program for 1959. Assistance will not be given for prospecting trips of less than one month nor to those not bona fide residents of Alaska. To be considered with the first group, applications must be received in our Juneau office by April 6. Later applications may or may not be considered. For further information, write to the Juneau office or contact any of our field or assay offices.

The USBM has published Information Circular 7871, "Lode Tin Mining at Lost River, Seward Peninsula, Alaska." It describes the operation of the tin mine and mill there, which produced from 1951 to 1955. In addition to mining and milling details, problems of transportation, housing, permafrost, and water supply are recounted, and costs are detailed. The circular can be obtained from the Bureau of Mines, Publications-Distribution Section, 4800 Forbes Avenue, Pittsburg 13, Penna.

#### E. AND M. J. METAL MARKET PRICES

	<u>Feb. 26</u> <u>1959</u>	<u>Month</u> <u>Ago</u>	<u>Year</u> <u>Ago</u>
Copper, per lb.	30.1¢	29.0¢	24.5¢
Lead, per lb.	11¢	13¢	13¢
Zinc, per lb.	11¢	11.5¢	10¢
Tin, per lb.	104.8¢	99.8¢	94.5¢
Nickel, per lb.	74¢	74¢	74¢
Platinum, per oz.	\$67-75	\$51-55	\$71-75
Quicksilver, per flask	\$218-223	\$218-223	\$225-230
Silver, foreign, New York	90.5¢	90.2¢	89.6¢
Silver, domestic, per oz.	90.5¢	90.5¢	90.5¢
Antimony ore, per unit	\$3.10-3.20	\$3.10-3.20	\$3.00-3.10
Chrome ore, per long ton	\$40-42	\$40-42	\$115
Molybdenum conc., per lb.	\$1.25	\$1.25	\$1.18
Titanium ore, per ton	\$23-26	\$23-26	\$26-30
Tungsten ore, per unit	\$19-22	\$20-22	\$19-20