STATE OF ALASKA
Department of Natural Resources
DIVISION OF MINES AND GEOLOGY

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HAPPY NEW YEAR

IN THIS ISSUE:

EL PASO GAS MINERAL OFFICE

El Paso Natural Gas Company of El Paso, Texas has opened a hardrock mineral exploration office and laboratory in Ketchikan. Robert Falk, a 24-year veteran with the company, will head the office. John Bridges is the lab supervisor. A staff of six or seven people will be employed on a year round basis.

This last summer El Paso employed 14 men for reconnaissance exploration work on Prince of Wales Island and the mainland. One property was drilled. The lab is chiefly for analyzing geochemical stream sediments collected in the field.

The company and its many diversified interests employs over 5500 people, and is listed in the New York Stock Exchange.

BERING SEA STUDY

The University of Alaska's Geophysical Institute has received grants from three companies in support of a symposium next summer on the Bering Sea regions. The symposium is entitled, "The Geophysics and Geology of the Bering Sea Region" and is expected to attract many Russian and Japanese scientists as well as Canadians and Americans.

The symposium is scheduled for June 26 through July 4 and includes field trips to Katmai National Monument, the Alaska Range, the uplands and Yukon River, and the Brooks Range and North Slope. Invited papers to be presented at the symposium will cover the subjects of volcanic and seismic activity in the North Circum-Pacific Belt, submarine geology of the Bering Sea Basin, the Bering Land Bridge, paleomagnetic studies of the Bering Sea floor and adjacent areas, and comparative regional geology of the Seward and Chukobskiy Peninsulas.

The three companies giving grants for the symposium are Atlantic Richfield Foundation, International Business Machines Corporation, and Mobil Oil Corporation.

REMOTE SENSING

According to the Alaska Reporting Service, the office of Governor Miller last week reported that program announcements for the Alaska Remote Sensing Symposium were mailed throughout the Nation to 14,000 persons having an interest in resource management and development.

The symposium will be held in Anchorage on December 8 through 11. It is co-sponsored by the State of Alaska and the U. S. Department of the Interior and is under the direction of the Departments of Economic Development and Natural Resources.

The symposium will demonstrate the use of remote sensing as the newest developing technology for efficient resource management. Airborne remote sensing employs photographic equipment, infrared sensors, radiometry, radar, multi-sensor devices and automated data reduction techniques simultaneously to provide a comprehensive picture of the characteristics and resources of the earth. Governor Miller will lead the program as speaker at an "All Alaskan" banquet the first evening of the program.

The program, according to the Governor's office, will include some of the Nation's leading experts in resource development and management programs and scientists who lead their field in the use of remote sensing systems for resource data gathering.

Speakers will include Undersecretary of the Interior, Hollis Dole; Director of U.S. Geological Survey, Dr. William Pecora; Director of the EROS Program, William Fisher; Leonard Jaffe, NASA; Dr. Robert Colewell, University of California; and Dr. A. R. Barringer, of Barringer Research Limited of Canada.

The symposium will draw on Alaska resource expertise and will include speakers such as Thomas E. Kelly, Commissioner of Natural Resources; Frank Murkowski, Commissioner of Economic Development; Dr. Max Brewer, Director of the Arctic Research Laboratory; Joseph Fitzgerald, Atlantic Richfield Company and George Gryc, Chief, Alaska Geology Branch. U. S. Geological Survey.

A mailing list was used for addressing the programs, and it is possible that some interested persons will fail to receive an announcement. The public is invited to attend, and they can obtain program announcements by writing to the Department of Economic Development, Pouch EE, Juneau, Alaska 99801.

COMMENTS ON MINING LAW AT AMC

The end of the Public Land Law Review Commission sessions is in sight. Interest in recommendations to the Commission, and what its recommendations to Congress will be, is running high. The Commission's report to Congress is due next June 30.

Mining law has been the most controversial subject brought before the PLLRC, and no one knows for sure what the Commission will recommend. Several speakers talked on the subject at the recent convention of the American Mining Congress at San Francisco. We are quoting the more pertinent remarks here.

U. S. Representative Wayne N. Aspinall of Colorado, Chairman of the PLLRC and a long-time friend of mining, said,

> I would be less than candid if I failed to mention the fact that one of the most intense points of controversy involves the conditions under which mineral exploration, development, and production should proceed. That the basic mining law needs close review and major revision is recognized in the paper presented to the Public Land Law Review Commission on behalf of your industry in January 1968, wherein it was stated:
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> > In 1872, 90 percent of the land in the 11 western states was unsurveyed and there was no real competing demands for use of the public domain. Today, less than 17 percent of the land in these states remains unsurveyed, and there are stronger competing demands for use of the public domain.
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> At one extreme, we have those who, mostly out of sentiment, would nonetheless, retain the Mining Law of 1872 without significant amendment, while at the other extreme there are those who would scrap that law in its entirety and replace it by a system similar to that employed in the leasing of oil and gas reserves. In the middle, we find many recommendations for modification of the procedures involved in the 1872 Law, while retaining the principle of location and patent, except that most, including your industry, recommend patent to the minerals only, with surface rights to be obtained by purchase for use in connection with mining activities......
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> The final significant element of future mining on the public lands that I want to consider this afternoon involves the question of the payment, if any, that should be made first for the right to explore and develop minerals, and then for either their production or the acquisition of mineral lands or the mineral estate. It is a question that we are asking in similar form with regard to every commodity of the public lands.

Milton A. Pearl, Staff Director of the Public Land Law Review Commission, included these remarks in his address:

> First, and by far most important, is the aspect implied by the subject of my remarks and involves the question of where and how mineral exploration, development, and production will rank, that is, what priority will it have, vis-a-vis, other public land uses. Our studies have focused on the manner in which segments of the public lands can be designated as being chiefly or primarily valuable for some dominant use. Under multiple-use laws, land management agencies are given the authority to administer for various purposes, but no priority is established in the laws themselves.
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> We have been seeking the feasibility of designating parts of the public lands, even though they are retained in Federal ownership, as being chiefly valuable for certain designated uses in given areas. It is a difficult task, at best, but a relatively simple one when you are talking about commercial timber development areas, recreation areas, lands suitable for intensive agriculture, grazing lands, and so forth, until you come to minerals. For, who knows where the minerals are?
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> There seems to be no doubt that the overwhelming opinion from the witnesses at our meetings, as well as the views of the Advisory Council and Governors' Representatives

indicate a strong desire that Congress establish guidelines for priorities in multiple-use management. And, if the Commission is to recommend this as a general policy, the question must then be answered as to the point at which you determine that mining activity or mineral development should be the dominant use of a particular area.

Earlier on this program, you heard Assistant Secretary Loesch relate the Department of the Interior recommendation that a patentee should attain "the right to use so much of the surface as is necessary for mining and related activities" with a preference to purchase surface rights; and Forest Service Chief Cliff expressed the recommendation of the Department of Agriculture "to permit the holder of mineral patent (to) have the option of purchasing, at fair-market value, and with the consent of the agency having jurisdiction, land within the mineral patent area actually needed for mining and processing operations."

While each of these is in harmony with the other, none suggests who will decide how much, if any, of the land is needed. Does the industry agree that the agency having jurisdiction over the land should be required to give its consent? Can you suggest a statutory framework for decision as to the surface area that would be provided, or are you willing to leave it to administrative discretion? Can you offer us a formula, or at least the beginning of a formula on which we can work, to provide a scientific base for the Commission to say that for every 5 acres of mineral land, there is needed a given number of acres of the surface?.......

There is one area, however, in which the other users have not understood and, therefore, have not accepted the position advocated by the mining industry. At meetings two weeks ago tomorrow and Friday, of the Advisory Council with the Governors' Representatives participating, there was not one single member other than the representatives of the mining industry supporting the mining industry's position that you should not pay market value for minerals extracted from the public lands.

In connection with each commodity, we have raised several questions for the Commission's consideration. One of these questions has been concerned with fees and charges for all goods and services of the public lands, such as recreation, including hunting and fishing, grazing, timber, agriculture, and all the other uses. In addition, we are putting together a staff study focusing on user fees and charges as a separate subject so that the Commission can look at the overall matter, and it was this overall subject that was discussed two weeks ago......

Written comments or oral statements have been received from the majority of the members of the Advisory Council. We are urging all of them and also the Governors' Representatives to get their views in to us, particularly in the light of earlier views submitted in connection with and discussed at our last meeting. An overwhelming majority of those from whom we heard have taken the position that the United States should receive for any of the goods and services of the public lands a return in the nature of fair-market value, although this need not be in dollars and could involve other considerations such as improvements to the land.

Edward P. Cliff, Chief, Forest Service, U. S. Department of Agriculture, stated the position of the Forest Service to be as follows:

I want to reassure you the Forest Service considers minerals one the important resources in the multiple use management of the National Forests. Our objective is to integrate development and use of minerals with the use and conservation of the renewable surface resources. We fully recognize that the minerals on these public lands are necessary to human needs and the economy. But we must also respect, so far as we are empowered to do so, the demand for the surface resources, such as outdoor recreation, timber and forage, food and habitat for wildlife, quality water, and a pleasant environment.

We do think the mining laws of 1872 should be changed to bring them into line with modern conditions. We have noted that our position, independently arrived at, does rather closely parallel the position developed by your Industry. There are of course some differences.

In our recommendations last January to the Public Land Law Review Commission, we proposed a system of exploration and development on public lands which will permit enough control by Government to:

-- Prevent pollution, control erosion, and provide for reclamation and restoration of mine-out land, and

-- Provide a program more in harmony with the proper management of the renewable surface resources.

Another address on the same subject was made by Harrison Loesch, Assistant Secretary of the Interior for Public Land Management. His remarks included the following:

I fully recognize that in some circles it is fashionable to call the body of U.S. mining laws a "relic" or "antique". An "antique" which is a century old and which is the vehicle for providing so much of the minerals vital to our economy and way of life has much to commend it. When the Atomic Energy Commission in the 1950's was anxiously seeking to buy uranium supplies, the mining laws furnished the vehicle which met the need. This example, I feel certain, is buy one of many which could be cited.

The most cogent impact of the body of U.S. mining laws if the financial incentive it gives for location, exploration, and development. There is a greater need for new supplies of minerals in the economy of the country than ever before. It has been said that in the past 30 years Americans have consumed more minerals than for all time previous to that period. Some experts anticipate that in the next 30 years consumption will double. Informed people recognize that mining is a high-risk industry. The amount of capital investment required to make a deep level discovery and to put a mine into operation is often on the order of 15 to 20 million dollars. I regard the incentive as fully justified.....

The mining laws do not address themselves in any way to protection of any environmental facets; in some aspects they make provision for compensation for certain damages to the surface where it is owned by another private party. In contrast, our regulations require protection and reclamation in surface exploration and mining carried on under the Mineral Leasing Acts, the Materials Act, and the Federal Aid Highway Act. Candidly, I believe the time will be soon upon us when measures for the protection of resources incident to operations under the United States mining laws will be instituted. This is not to suggest that there are not substantial segments of the mining industry, dealing with "locatables" and "leasables" which have not shown a positive enlightened attitude, manifested by concrete action, to minimize damage to lands and the total environment. Indeed, many mining companies have actually improved the condition of the lands from which minerals were removed.

METAL MARKET PRICES

	Nov. 24	Month Ago	Year Ago
Copper, per lb.	51.9¢	51.9¢	42¢
Lead, per lb.	15.5¢	15.5¢	13¢
Zinc, per lb.	16.0¢	16.0¢	14¢
Tin, per lb.	177.5¢	167.2¢	166.5¢
Nickel, per lb.	$1.03	$1.03	94¢
Platinum, per oz.	$130-135	$120-125	$120-125
Mercury, per flask	$515-520	$485-490	$516-520
Antimony ore, per unit	$13.39-13.62	$11.25-11.47	$5.00-5.95
Beryllium powder, 98%	$54-66	$54-66	$54-66
Chrome ore, long ton	$31-35	$31-35	$31-35
Molybdenum conc, per lb.	$1.72	$1.72	$1.62
Titanium ore, per ton	$20-21	$20-21	$20-21
Tungsten, per unit	$43.00	$43.00	$43.00
Silver, New York, per oz.	189.9¢	186.7¢	205.0¢
Gold, per oz.	$37.10	$40.35	$40.15
Barite (drilling mud grade from E/MJ October)	$12-16	$12-16	----

NOTES ON METAL PRICES

Tin is reported nearing the international tin council's "must sell" level. Upon reaching this level the buffer stock manager must sell to hold down the market. A similar situation existed in 1961 and resulted in sales from the U.S. stockpile.

Platinum prices raised $10 after rumors that Russia was going to withdraw from the market. After word that Russia is selling and not withdrawing, the market appeared to be settling down with prices expected to fall back to the normal level.

Gold prices hit a new low as the free-gold market fell to $36 - only one dollar above the "official price". This virtual elimination of the two-tier gold price is seen as a clear victory for the U.S.

Tunsten prices in Europe have climbed upward due to heavy demands from eastern Europe and very limited Chinese supplies. Although the GSA stockpile has served to keep a lid on the U.S. market, the European demand for wolframite has lifted the lid from the European market.