



STATE OF ALASKA  
Department of Natural Resources

# Division of Geological Survey MINES BULLETIN

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STATE OF ALASKA  
DIVISION OF  
GEOLOGICAL SURVEY

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Published to Accelerate the Development of the Mining Industry in Alaska  
William A. Egan - Governor

Charles F. Herbert - Commissioner

James A. Williams - Director

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1. The first part of the document discusses the importance of maintaining accurate records of all transactions. This is essential for ensuring the integrity of the financial statements and for providing a clear audit trail. The records should be kept up-to-date and should be accessible to all relevant parties.

2. The second part of the document outlines the procedures for handling discrepancies. It is important to identify the source of the discrepancy as soon as possible and to take appropriate action to correct it. This may involve reviewing the original documents, contacting the relevant parties, and making adjustments to the records.

3. The third part of the document discusses the importance of regular communication and reporting. This is essential for ensuring that all parties are kept up-to-date on the progress of the project and for identifying any potential issues early on. Regular reports should be provided to the relevant parties, and any issues should be discussed and resolved as soon as possible.

4. The fourth part of the document discusses the importance of maintaining a clear and concise record of all communications. This is essential for ensuring that all parties are kept up-to-date on the progress of the project and for identifying any potential issues early on. All communications should be recorded in a clear and concise manner, and should be accessible to all relevant parties.

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## SILVER

An Associated Press release announced that the U. S. was officially getting out of the silver business as of November 11, 1970. This is the end of government release of silver for industrial use. The Treasury Department still has about 24 million ounces of unrefined silver and the Defense stockpile has another 165 million ounces for industrial use in emergencies.

It is interesting to trace the history of silver especially because the price has affected mining in the past two centuries. From the early years of the republic and through most of the nineteenth century, the U. S. money system was based on both gold and silver. An attempt was made to establish a value ratio of 16 to 1 for silver to gold. However, nearly a century ago, in 1873, the U. S. along with most of Europe went on a strict gold standard, leading to a struggle that nearly split the Democratic party and embittered the U. S. farmer against the Eastern business and banking community, and the western miners. These were the boom days of mining in the new silver strikes in Colorado, Nevada, and Idaho.

The political issue reached a climax when Williams Jennings Bryan won the Democratic nomination in 1896 after his famous speech in which he thundered at the bankers: "You shall not crucify mankind upon a cross of gold".

For the first 30 years of the twentieth century, silver had a fairly stable price with a range of 52¢ to 69¢ per ounce except in the post World War I years when the price went above 112¢.

Then in 1931 and 1932 with the price of silver falling below 27¢ per ounce at times, a world monetary crisis was in the making over silver. At this time the representatives of eight nations met to agree upon a more stable silver price. These nations were the United States, Canada, Australia, Mexico, Peru, Spain, India, and China. A joint aim of these nations was to establish a higher price for newly mined silver and to take it off the market. China agreed not to sell demonetized silver. On December 21, 1933, President Roosevelt announced that the U. S. had established a statutory price of \$1.29 per ounce for silver. At the same time, he announced that the U. S. would buy newly mined silver in the U. S. at 64-1/2¢ per ounce. This set what was known as the U. S. Treasury price for silver. The original intent was that the statutory price was \$1.29, half of which would be paid to the seller. Half of the metal would go into coins and half would be held.

This statutory price remained in affect until 1965 when for all practical purposes the silver coinage ended in the United States with an order by congress that all American coins except the Kennedy half-dollar would be minted from a copper-nickel alloy. There were changes in the U. S. Treasury price. By 1967, the price for silver started above the old statutory price of \$1.29.

In the 1930's, with the support price on silver, silver mining increased to about 64 million ounces per year. Many mines were operated primarily for silver, and the base metals were important by-products.

In World War II silver, as well as gold mining, was curtailed and by 1945 the production fell to about 20 million ounces. Since 1947 the production has leveled out at about 35 million ounces. Today only two mines in the United States are listed as silver mines out the the leading 25 silver producers. There are the Sunshine mine and the Silver Summit mine of the Hecla Mining Company in Idaho. In nearly all other cases, silver is a by-product of lead, zinc, copper, or complex base metal ores. Much of the silver produced in Alaska was a by-product of either copper or gold mining.

Early in 1968, when the U. S. government was neither buying nor selling appreciable quantities of silver, the price started to climb. On June 12, 1968, the price of silver was 256.5¢ per ounce. Shortly thereafter, the U. S. started a release of 1.5 million ounces per week, which depressed the price of silver. Now that the U. S. has again left the market, where will the price go?

Several important factors will influence both the price of silver and the impact on mining. One is that over the years, especially since 1945, silver has decreased in importance as a monetary metal and has become an industrial metal. Today world industrial consumption of silver is approximately 345 million ounces per year, but newly mined silver meets only part of the demand, about 240 million ounces per year. In fact, the world deficit for the past five years (1965 through 1969) has been 600.3 million ounces. The deficit in the U. S. (newly mined silver plus imports, less industrial consumption, less exports) has been even greater, namely 640.5 million ounces in five years. In 1969, U. S. silver production was 39.8 million ounces, and the industrial consumption was 147.0 million ounces. The factor offsetting an immediate price rise is the store of silver that was mined and set aside prior to 1940 when silver was a monetary metal. Two questions that will require answers in the next few years are: (1) What is the price that will bring silver out of the hoarded stocks? (2) What is the price that will bring new silver onto the market?

In the past, silver, like gold, has been considered a metal that could be mined and produced in remote areas where limited transportation facilities are available.

The price of silver could be very important to the mining industry of Alaska. Alaska ore has produced an estimated 16.5 million ounces of silver. According to the U. S. Geological Survey, "Many of the deposits in the southern Alaskan Range are silver bearing, and more exploration appears to be warranted in this region." Exploration for silver is proceeding in Alaska, and the ALL-ALASKA WEEKLY reports:

"Alkon Metals Limited is currently carrying out exploration on Admiralty Island in Alaska on a 42-claim silver prospect. The program, under the direction of W. G. Stevenson, P. Eng., will include geochemical, magnetometer and diamond drill work.

An outcrop exposed for over a thousand feet on surface has indicated values of 7.3 oz. of silver per ton and 2.2 per cent zinc from a channel sample cut over a width of 50 feet across the zone.

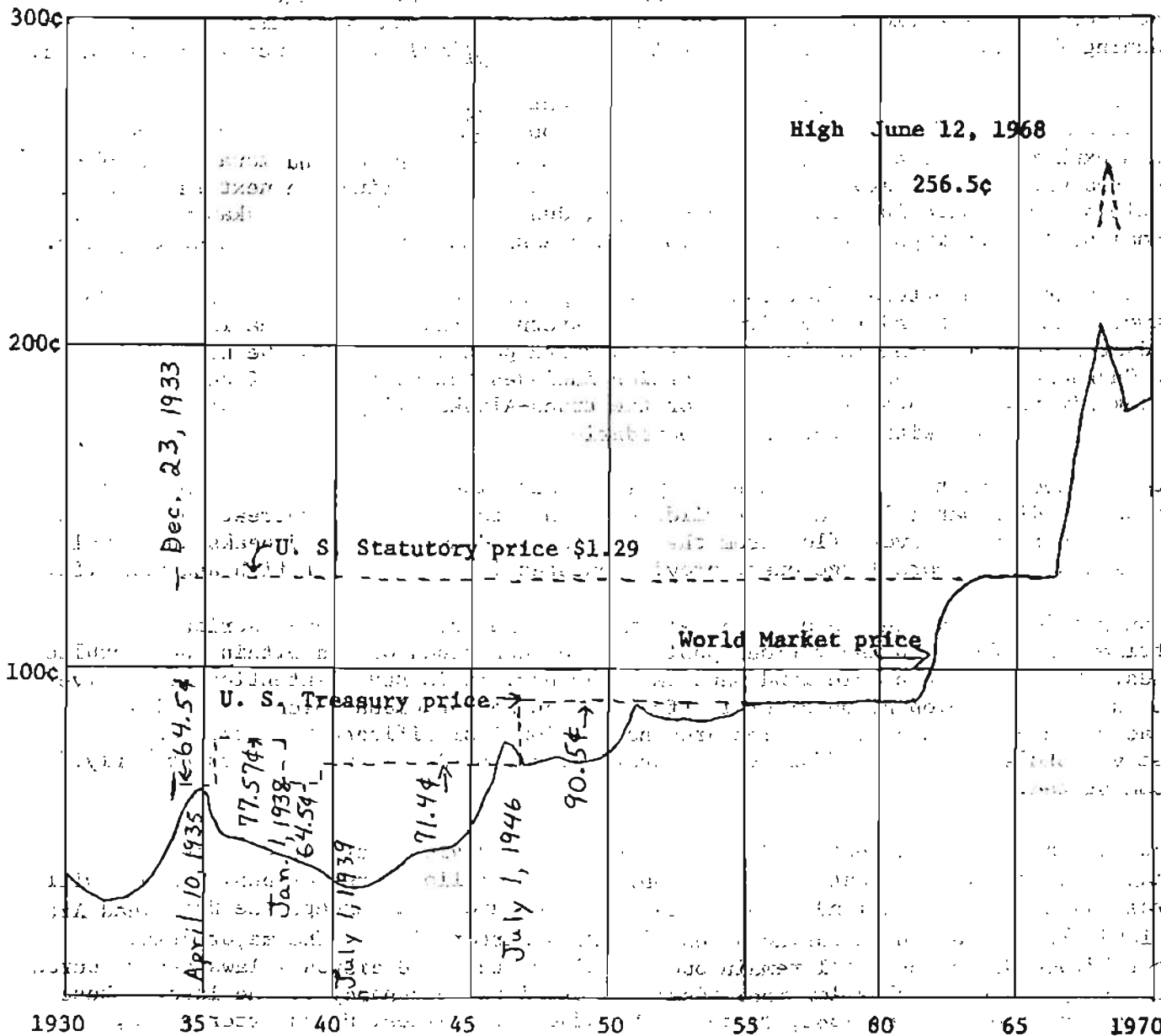
Soil samples presently being assessed indicate the possibility of extending the known zone in both width and length with high readings of silver, lead, zinc and copper.

Several similar mineralized zones are known to exist on the Admiralty Island property. At the conclusion of the present program an application for financial assistance will be made to the United States government, as it is their policy to subsidize development of silver mines."

On the following page is a graph of the silver prices from 1930 to 1970.

S I L V E R

PRICE FROM 1930 TO 1970



**WILDERNESS AREA MAY LOCK UP 227,000 ACRES**

(As reported in the November 10, 1970 issue of ALASKA INSIDE)

Could more than a quarter of the forests near Yakutat be turned into wilderness area? It could be. The Forest Service has approved formation of the Russell Fjord Wilderness Area within the Tongass National Forest in Southeastern Alaska, but local hearings are to be held before anything definite happens. Under present plans more than 227,000 acres could be locked up. Currently there are four wilderness study areas on Alaskan timberlands totaling about 2-1/2 million acres, 12% of the State's national forest land.

BLM CLASSIFIES BROOKS AREA \*

A proposed classification of 24 million acres of public land in the Central Brooks Range was announced today by Robert Krumm, Fairbanks District Manager for the Bureau of Land Management. Krumm explained that the proposal will allow concentrated planning for management of the many multiple uses available to the public in the area.

Several years of study has preceeded announcement of the proposal which was authorized by the Multiple Use and Classification Act passed by Congress in 1964. Krumm explained that he and his staff will discuss the proposal and management of the area with as many groups and individuals as possible during the next few months. Meetings are planned in Fairbanks, Anchorage, Juneau, and various Alaskan villages. Formal public hearings before finalizing the classification will be held next spring.

The area involved extends from the northern edge of the Brooks Range to the divide between the Koyukok and Yukon Rivers. The eastern portion of the area includes the headwaters of the Chandalar River and the western portion includes the headwaters of the Kobuk and Noatak Rivers. The proposed routes for the trans-Alaska oil pipeline and the arctic slope railroad are within the area's boundaries.

Krumm stated that the area contains very important mineral resources and obviously has outstanding natural values for wilderness and other types of recreation. A dozen, large, clear-water rivers flow from the area and hundreds of jagged peaks and jewel-like lakes, 16 or more large ones, provide outstanding habitat for fish and wildlife.

Uncontrolled or unplanned use and development of the area could have serious detrimental effects on the various public values contained on and within these public lands. "As the responsible land management agency, it is BLM's intention to involve the public in developing meaningful effective management plans which will allow a broad range of resource uses. The area has national significance and the public deserves BLM's concerted effort to see that the coming development occurs properly," Krumm stated.

Under the proposal the Central Brooks Range area is divided into three types of management areas. The southern area, containing 6 million acres of public land, will remain available to all land disposal laws and resource uses except the Homestead Act of 1862, Trade and Manufacturing Sites, and Headquarter Sites. The major area, about 18,500,000 acres, will remain open to all of the land disposal laws and resource uses except those which allow individuals unrestricted occupancy of the land. These are the Homestead Act of 1862, Trade and Manufacturing Sites, Headquarter Sites, Homesites, Native Allotments and unplanned Townsites. The third area, approximately 3,200,000 acres, surrounds the Arrigetch Peaks and the upper Alatna River and smaller areas around 16 large lakes scattered through the Brooks Range.

\*Article taken from the November 28, 1970 issue of the Fairbanks Daily News-Miner.

NEW PUBLICATIONS

The U. S. Geological Survey has released in open file the following report. A copy is available for inspection in the office of the Alaska Division of Geological Survey, University Avenue, College, Alaska 99701. (Material from which copy can be made at private expense is available in the Alaskan Mineral Resources Branch, USGS, 345 Middlefield Road, Menlo Park, California 94025.)

Lead-, zinc-, and barite-bearing samples from the western Brooks Range, Alaska, by Irving L. Tailleux, with a section on Petrography and mineralogy, by G. D. Eberlein and Ray Wehr. 12 p., 1 fig., 1 table.

MINING CLAIMS

<u>NUMBER OF CLAIMS</u>	<u>CREEK OR AREA</u>	<u>QUADRANGLE</u>	<u>DATE NOTICE POSTED</u>
1	Willow Creek	Anchorage	September, 1970
7	Little Susitna River	Anchorage	October, 1970
1	Glacier Creek	Bendeleben	August, 1970
2	Mina Creek	Bendeleben	June, 1970
2	Kugruk River	Bendeleben	July, 1970
1	Pinnell River	Bendeleben	August, 1970
1	Munson Creek	Big Delta	August, 1970
1	Mist Creek	Big Delta	August, 1970
117	LaTouche Island	Blying Sound	July, 1970
11	Bradfield Canal	Bradfield Canal	October, 1970
30	Texas Creek	Bradfield Canal	September, 1970
1	Montana Creek	Circle	September, 1970
3	Mosquito Fork River	Eagle	August, 1970
3	Barney Creek	Eagle	September, 1970
4	Ester Dome	Fairbanks	September, 1970
1	George's Run	Fairbanks	September, 1970
1	Windy Creek	Fairbanks	September, 1970
14	Winchester Mountain	Goodnews Bay	September, 1970
8	Bryn Mawr Creek	Healy	September, 1970
10	Tongass Narrows	Ketchikan	September, 1970
14	Livengood Creek	Livengood	October, 1970
1	Granite Creek	Livengood	September, 1970
1	Canyon Creek	McCarthy	October, 1970
15	McCarthy Creek	McCarthy	Aug. & Sept., 1970
63	McLaren River	Mt. Hayes	August, 1970
6	Eureka Creek	Mt. Hayes	August, 1970
7	Last Chance Creek	Mt. McKinley	September, 1970
2	Busia Mountain	Mt. McKinley	July, 1970
2	Lucky Gulch & Eureka Ck.	Mt. McKinley	September, 1970
26	Cooper Creek	Nabesna	June, 1970
8	Monte Cristo Creek	Nabesna	July, 1970
4	Lamb Creek	Nabesna	August, 1970
8	Black Bear Creek	Nabesna	Sept. & Oct., 1970
44	Cold & Manila Creeks	Nome	October, 1970
4	Bangor Creek	Nome	October, 1970
11	Christian & Rocky Mtn. Cks.	Nome	September, 1970
230	LaTouche Island	Seward	June & July, 1970
2	Summit Creek	Seward	September, 1970
3	Grant Lake	Seward	Aug. & Sept., 1970
10	Dollar Creek	Talkeetna	September, 1970
1	Chulitna River	Talkeetna	September, 1970
2	Sourdough Gulch	Talkeetna	July, 1970
2	Ruby Creek	Talkeetna	September, 1970
10	Gemuk Mountain	Taylor Mountain	October, 1970
1	Lost River	Teller	August, 1970

<u>NUMBER OF CLAIMS</u>	<u>CREEK OR AREA</u>	<u>QUADRANGLE</u>	<u>DATE NOTICE POSTED</u>
4	Black Mountain	Teller	August, 1970
1	Boulder Creek	Valdez	May, 1970
14	Hammond River	Wiseman	September, 1970
6	Grotto Mountain	Wiseman	September, 1970
1	Pasco Pass	Wiseman	September, 1970

**METAL MARKET**

	<u>November 30, 1970</u>	<u>Month Ago</u>	<u>Year Ago</u>
Antimony ore, stu equivalent European ore	\$14.29-16.96	\$16.96-18.70	\$11.61-11.83
Barite (drilling mud grade per ton)	\$12-16	\$12-16	\$12-16
Beryllium powder 98% per ton	\$54-66	\$54-66	\$54-66
Chrome ore per long ton	\$31-35	\$31-35	\$31-35
Copper per lb.	56.0¢	56.0¢	52.0¢
Gold per oz.	\$37.90	\$38.70	\$40.65
Lead per lb.	14.5¢	15.0¢	15.5¢
Mercury per 76# flask	\$360-375	\$340-345	\$490-495
Molybdenum conc. per lb.	\$1.72	\$1.72	\$1.72
Nickel per lb.	\$1.33	\$1.33	\$1.03
Platinum per oz.	\$120-122	\$122-127	\$120
Silver, New York, per oz.	167.5¢	172.6¢	187.2¢
Tin per lb.	169.7¢	174.0¢	166.6¢
Titanium ore per ton	\$30-35	\$30-35	\$20-21
Tungsten per unit	\$55.00	\$50-53	\$43.00
Zinc per lb.	15.5¢	15.5¢	15.5¢

SEASONS GREETINGS  
FROM THE DIVISION OF GEOLOGICAL SURVEY

Merry  
Christmas



Ho  
Ho  
Ho



Happy  
New  
Year