

PE
95-21

CARL M. CLARK CLAIMS

Resurrection Creek - Seward Quad

INTRODUCTION

On September 20, 1960 in company of Martin Jasper, the placer claims held by Carl M. Clark on Resurrection Creek Hope District, Alaska were examined. Purpose of the examination was to determine if the claims were (1) nonmineral in character; (2) if there had been a discovery of valuable mineral deposit within the limits of any of the claims; and (3) if the claims were being held in good faith for mining purposes.

A decision of Graydon E. Holt, Hearing Examiner, Bureau of Land Management, dated August 9, 1960 declared, "the Sourdough Mining claim is null and void and that the Bob Mathison, Cottonwood, Little Nell, Bonanza, Francis Jane and St. Anthony mining claims are subject to the limitations and restrictions contained in Section 4 of the Act of July 23, 1955 prior to patent."

CONCLUSIONS

Based on the results of this examination and observation of the totally inadequate, misleading and prejudicial methods used by the Forest Service engineers to evaluate the claims it is concluded:

- (1) The claims are mineral in character with sufficient gold content to be profitably mined under favorable economic climate or large scale methods. It is possible to obtain several gold colors per each pan from unmined gravels at the surface at many locations along

the toe of the bench (Sourdough Claim) and areas adjacent to the tailing piles in the valley of Resurrection Creek. No competent engineer, geologist, or placer miner would declare an area nonmineral because samples of the tailing or "reject" pile from past mining operations did not carry appreciable values. (Tailing is a mining term meaning the material remaining after values have been extracted). During 1959 in Alaska, the average value of gravels being profitably dredged was only \$0.41 per cubic yard. From the most reliable information obtainable, the gravels on Resurrection Creek will average \$0.75 to \$1.00 per yard. This value is obtainable from the top 6 to 8 feet of gravel--it is reported that testing of the values to a depth of 50 feet by churn drilling has indicated values of \$1.20 to \$2.00 per yard.

- (2) The decision that the "discovery" on the lower three claims has been lost is based on an uninformed, fallacious opinion stating that "gold has no normal market fluctuation."

The statutory U. S. Price of gold is likely to be revised upward in a few years. The world price of gold has fluctuated from as high as \$90.00 per ounce to \$35.00 during the past ten years.

Foreign buyers reduced America's gold hoard by another \$181 million in the past week (the highest weekly withdrawal since 1931), and some officials foresee a heavier drain in the weeks ahead. The Federal Reserve reported on September 23 that U. S. gold stock stood at \$18,758,000,000.

This represents a drop of \$564 million since July 1, compared with a decline of only \$134 million in the first six months of the year. Since \$11.5 billion of gold is required to back the nation's money, there is a surplus of \$7.2 billion which can be used to fill foreign orders.

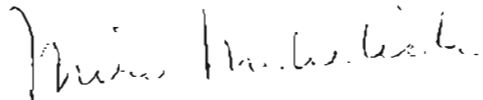
Higher interest rates in Europe attract American dollars, a certain portion of which, in the hands of European banks, buy American gold. The persistent deficit in the U. S. balance of international payments contributes to the accelerated purchase of gold from the U. S. For the third consecutive year, the U. S. is spending, lending, and giving away several billion dollars more than it received from foreign sources. Some of this surplus is also being converted to gold. Until recently buyers were able to buy gold cheaper from London. Now the London price is above the statutory American price, which may prompt more gold purchases from the U. S.

All told, foreign nations have about \$21 billion in short term claims against the U. S. Theoretically, they could turn all these into gold. If and when the Federal Reserve Board decides the time has come to take strong anti-recession measures it will find itself in a new position. It will no longer have the complete freedom it once had to push interest rates down to push business up. In doing so, it might further increase the worrisome outward flow of U. S. gold. It is likely that an upward revision in the U. S. price of gold

will be mandatory as the world is now for all practical purposes on the "gold standard."

- (3) The claims have been held in good faith as evidenced by Mr. Clark's continued compliance with all laws pertaining to annual assessment work and other legal requirements through the years since the Federal government closed gold mines in October 1942.

October 7, 1960



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11/29/65

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note from Carl Clark / 12/1/65
stated he had filed the ²3052 to
at least "qualify" to conduct US work.

wj.