

will sell me a ticket at Sitka this evening, via Juneau, for exactly the same price as they will from Juneau to Seattle, which is about \$17.00 difference. They also upped their luggage allowance for a passenger from Sitka via Juneau to Seattle to 60 lbs. But if I want to go from Juneau to Sitka, it's 40 lbs. Now, that doesn't exactly look like cricket and CAB looks on that with favor; they haven't stopped them. They are trying to squeeze this Totem Airlines out of business and Totem means alot to the community of Sitka. The Alaska Coastal and Pan American will never be able to give the service as they are now giving it, as Totem can now give direct to Seattle. Every once inawhile we have rather critical medical cases and need to get to Seattle right now. Totem picks them up, takes them out without any delay. Now I think that conforms pretty well to the story that Senator Barr has told you.

Barr: In other words, the Totem supplied a new type of service into that community. The other two outfits - Ketchikan and Seattle - were not - they were not flying to Seattle and Pan American couldn't. So that was a new type of service that nobody else had started. And yet the people that started it and wanted to build it up, were not allowed to do so.

Mr. Rhode: Mr. Secretary, I would like to say a word here. I've been involved in this airplane business too, for a long time. One thing these fellows haven't mentioned is that they are only asking for the right to engage in a different, perhaps, service than is being furnished, without subsidy. These scheduled airlines are heavily subsidized - and I mean heavily.

Warne: Do you men literally without subsidy - this little outfit that was serving Manley Hot Springs was doing alright as long as it carried mail, but as soon as the mail contract was taken away, in other words, a subsidy, then it was in trouble. The CAB didn't put them out of business; they just took away their subsidy.

Rhode: No, I was thinking more particularly - I was thinking of the non-schedule operations between Seattle and Alaska. I'll touch the other one. But this particular case, I've been sitting around here and watching these rates, in fact I've flown for commercial operators, both scheduled and non-scheduled, and these rates were astronomical until the non-schedule operators started out. They were something over a dollar - even to Juneau - and much higher at Fairbanks. In fact, you couldn't ship anything by air. Then these people demonstrated that it could be shipped for a much cheaper rate. The scheduled airlines being subsidized, decided, "They've got a good thing here. These fellows have developed a pretty good market and we don't want them to get any kind of a toe-hold, so we'll drop the rate to .15, and if we lose money, well, then we'll ask the CAB for a bigger subsidy" - which they do. Now, these people aren't asking for a subsidy at all. All they are asking for is the right to operate. They are not objecting to CAA regulations as to maintenance and air worthiness, and these accidents, of course, are high-lighted when they are non-scheduled airlines. If it's a scheduled airline, well everybody tries to shush it up; they have them too.

Warne: Well, that's true. I'm not saying it isn't true. It just happens that three out of the last 4 big ones have been non-sched.

Rhode: Well, I don't know.

Warne: Well, that just scares the hell out of people down in the States.

Barr: Well, let's go back a year before that; I think 3 out of 4 were scheduled.

Warne: That's true.

Rhode: I think that these people have an excellent case between Seattle and Alaska - or any point in the States and Alaska, but I don't think they have quite as good a case locally. That is just my personal opinion. For this reason, the CAB is authorizing small operators to operate locally. The thing that hurts them and I think the CAB is wrong, that's my personal opinion again, is to stop them from any kind of a service, for instance, between Manley Hot Springs and Fairbanks. If they have a local operation, these other outfits carry the mail and it simply makes a stop there and these people lose an awful lot of their through traffic and therefore their revenue. When they pick up a fellow at Hot Springs, or we'll say at some small field, and it's only a 10 or 15 minute hop - they depend on that through passenger to pay for the service to this small area. Now when the mail plane comes through and picks up the passenger, this fellow can no longer make it pay on these 15 or 20 minute hops and there lies the crux of that situation, I think. Isn't that about it?

Johnson: Well, I don't think the CAB confines their operations to the airlines industry only; they've been poking their nose into the Railroad business, too. They have taken away the only subsidy the Railroad has - took the mail contract away from the river boats and gave it to a scheduled airlines. And that's the only subsidy we had.

Warne: Let's see - these people represent the coachways.

Greiman: Well, my name is Greiman and I've been in Alaska for 26 years. I was born and raised in Illinois and came up here as a young man. In 1931 we saw the need for a bus service between Fairbanks and College, Alaska, and we started one and called it the College bus. As time developed and it became a University, we re-named it the University Buslines, and operated as such until a year ago we deemed it advisable for outside publicity to name it the Alaska Coachways so we'd be better identified with our operation in the Territory as such. And to make a long story short, our problem is this: We have operated continuously since 1931; we have put on additional equipment, we have always been able to maintain ourselves financially; we have progressed under our own power; we have developed this business and have done alright without any subsidies or favors from anyone, until the last 2 years. About a year ago, we had competition from the O'Hara Bus Lines, which is alright. Competition is alright. We could see our way through that. The competition was not necessary which was proven by the fact that after about 4 or 5 months operation, O'Hara, had to cease operation for lack of proper service. Shortly thereafter, the Army started a post transportation system and that has really been giving us a bad time.

It is peculiar in this way, perhaps. Many of you here know that the Ladd Air Field base is situated near the town of Fairbanks with the main gate right adjacent to the city limits. Such as Fort Richardson, a post-operated bus would not make any difference due to the fact that it is about $4\frac{1}{2}$ miles to the main gate. However, a post transportation, such as operating at Ladd Field, right to the main gate which is on the city limits, is just making our operating almost impossible because they run right to the main gate on very frequent service, on the hour and half-hour, same as ours. They are at the gate when we get there. Sometime they leave before we get there and sometimes they don't.

Anybody permitted on the post has free transportation. If the Army would charge the price we do of course it would be perfectly alright, because people will not walk $\frac{3}{4}$ of a mile or a mile to save twenty-five cents, If they had to walk to the gate and get on the post busses. But as their system operates on Ladd Field it is proving ruinous to our operation. A year ago, this time we had about 83 trips operating to Ladd Air Field per day - that was our regular service. That

Greiman: Between 4:45 and 7 every bus operating as close as 10 minutes together would be at least duplicated every 15 minutes by additional service. That is, a special bus. And at present, as a result of this stepped-up army transportation, we are down to 48 trips, no specials. We haven't run a special for so long, if we had to, we wouldn't have a driver. It's cut our force down from 28 drivers to 8; matter of fact, we are 20 less on driving personnel at this time as against last year so you can see how competition like that we are faced with up there is doing to private operation. Now, had we not invested in this operation it would be alright but we have obligated ourselves to the banks and the RFC(?) to have sufficient equipment to service Eielson Air Force Base and Ladd Field air force base. We went all out to give them good service with good equipment. I don't think anyone can deny that we have good equipment and have given them good service. Why they have seen fit to put on this army transportation, I do not know.

A year ago we were operating in the afternoon on hourly schedules between Eielson Air force base and Ladd. As a result of the post service between the two posts, all who wish to get on the busses to and from Eielson to the Ladd air field base to the main gate and walk into town - that transportation is there for them on the hour. It is not ours and there are about 7 trips a day is what we operate at the present time. And the trip to Eielson is absolutely non-profitable

Warne: Now, you say that anybody can ride. Is it servide personnel only?

Greiman: Army personnel or civilian personnl - it doesn't make any difference. If you have a right to get on the post you can get right on the bus. Nobody will ask you a question.

Kadow: Mr. Secretary, one of the things that Paul forgot to mention was that the expansion of the service in the first place was done at army request and with army backing. The rate structure which he charges was approved by and concurred in by the army and, in other words, there was no complaint by the army of the service rendered, and then all of a sudden they were in business. In competition to them. Isn't that correct?

Greiman: That's correct.

John Prouty: (Coachways) May I inject something here, please. I think possibly to illustrate the point a little bit in terms of dollars and cents it might be helpful. For the first six months of 1948 there was a normal reduction in passenger travel brought about by several things - chiefly the reduction of force on the base and the contract element, and that was expected and we knew that was going to happen. And our records indicate that the reduction in terms of dollars in the first six months of 1948 over 1947 is about \$6,000.00 - for the first six months. I am using that period of time because the first six months of 1949 are available and they are easy to compare. At that time we had this other competition which Paul mentioned.- the other bus line and no army interference whatsoever. And we had a reduction there of about \$950.00 a month revenue - about 2%. Now in the first six months of 1949, a comparable period in this year, in which the army schedule is in full effect and full swing, we find a reduction of a little better than 18% in revenue, or about \$38,000.00. Brought about by the effect of the army's free busses operating right behind or ahead of the Alaska Coachways carrying revenue passengers.

Warne: Did they complain about your service?

Prouty: Never had. Everytime we talked to them, why the service was fine.

Warne: Did the people on the post complain about the rates?

Prouty: No, in the summer of 1948, we knew that the rate than of .20 was not paying fair return on investment. We went out to the Post and we discussed the matter with the Commanding General and suggested he find time to confer with us on the fare situation. We thought we should have a higher rate and he agreed. The fares hadn't been changed for eight years. And so we prepared our case and set up and analyzed our operations from the cost standpoint, showing our increases in gasoline, equipment, etc. It took a period of about 40 days to develop this thing. We were going back and forth and the net result was that we asked .30, he agreed to .25 and we took it. Immediately thereafter we cut our schedules down, cut our payrolls down to attempt to make this .25 rate pay a profit. It hasn't done it; it never will. It did have a chance providing the service was continuing as it was, with no free competition. It had a chance of making a fair return, but now the possibility is long gone. I might say, it's a lost operation. Since 1947, the investment in equipment to adequately service both the Fields and Fairbanks vicinity has been in the neighborhood of \$80,000. The army knew the investment was going to be made, as Ken stated, and agreed that it would be a good thing.

Warne: Now, here in the Territory do you have to get a certificate from anybody?

Prouty: We do now - we have a little CAB in the bus service. The Territorial Bus Transportation Co. has been set up and it's a good thing. It protects the established operator, however, one of the points of the law is that this commission shall set fares and shall set profits and these profits and fares are to be judged by comparison to standards existing in the United States today. You can't do it; you can't compare this industry with the State. We have applied for certificate and it has been granted, as far as we know.

Warne: You have, in effect, a certificate of convenience to operate to the state college and these two bases.

Prouty: All our runs, including the highway.

Greiman: --Anchorage, we also operate to Dry Creek in connection with British Yukon Navigation Co. which operates from Dry Creek clear down to Dawson Creek to Canadian Coastways Limited into Edmonton. From Edmonton we connect with the Western Canadian Greyhound which operates into King's Gate into Idaho.

Warne: Dry Creek. Is that at the border?

Prouty: That's 30 miles inside Y.T.

Warne: Then you have a single ticket you sell at Anchorage and Fairbanks to take highway connections where?

Greiman: Clear to the States - we ticket passengers into Great Falls, Spokane, Oakland, Cincinnati, Ohio, Chicago - anywhere. We are a member of the National Bus Traffic Association. Wherever a member ticket is brought out, it will be recognized anywhere in the U. S. or any member of the NBA.

John Nichols: Is there anybody else in the Territory as big as you are - in the bus business?

Barr: Well, I think that the Matanuska Valley Bus Lines perhaps is just as large as Alaska Coachways, however, they have never operated any highway service. They just operate to Matanuska, to and from Fort Richardson, and they have a city bus franchise. Prouty: Right now Alaska Coachways is the only bus transportation system franchised by the Territorial Bus Commission to operate on the highways to Anchorage, Valdez, connecting into Haines, to Esther Creek and covering the Alaska, Richardson and Glenn Allen Highway.

Warne: Did you take it up with the military authorities who were up here last week?

Barr: No, it's sort of a local problem.

Sundborg: Personalities are involved in it - I believe it's the personality of the Commanding Officer.

Barr: In March of last year - we believe ourselves that these matters, as they come up, should be settled with the Commanding Officer. We had never experienced any trouble before; when General Gaffney was a Major at Ladd Air Force Base we always got along alright and then he came back up here, for some unknown reason, and he assumed a different attitude. However, I believe he has a case - there's no doubt about it. He's Commander of that Post. We did get together and tried to settle our problems but the situation has become so grave that we have to get outside help.

Warne: What do you figure you are going to have to do - abandon those two fields?

Noyes: Well, isn't that one of your principal source of revenue?

Barr: Well, of course that is what we have built our business up on - the highway business is seasonal.

Noyes: You don't make much money on that.

Barr: No, it's seasonal. We don't make much money on that. In fact, we are just operating as a convenience rather than a profit. We have about 2½ months of tourist business there that are profitable - that doesn't require much equipment. Three pieces is all we need to take care of it. There isn't much business over the highway. We had one trip this summer when we had 38 passengers into Valdez and that was the only double coach operation we had this summer. You see, we operate the Golden Belt Tours in the summer time - that is in connection with the Alaska Steamship Co., the Alaska Coachways and the Alaska Railroad.

Kadow: Is the telegram I showed you from Herb Hilscher a possible solution?

Greiman: That is possibly true, Ken, but we don't want to be subsidized. The thing is self-sustaining. We don't ask for subsidies. As I interpret that, we would be more or less on a subsidy basis. Isn't that your interpretation of it?

Kadow: Read the telegram, Bill -

Warne: We have a telegram here from Herb Hilscher that was filed last nite in Washington. It says: "DISCUSSION STARTED THIS AFTERNOON WITH FLAKNE AND GODDING LEADING TO EARLY RECOMMENDATION INTERIOR DEPARTMENT FOR ALASKA TO BE PLACED UNDER QUOTE MILITARY BUS CONTRACT UNQUOTE SIMILAR TO AGREEMENT BETWEEN MILITARY AND PRIVATE OPERATORS IN 48 STATES. THIS WILL CURE LADD AIR FORCE BASE SITUATION. NO WHERE IN THE STATES DOES THE MILITARY FURNISH FREE OR COMMERCIAL BUS SYSTEM IN COMPETITION WITH PRIVATE INDUSTRY. ALASKA SHOULD BE ON SAME BASIS. AGREEMENT OF YOUR CONFERENCE WILL BE MOST HELPFUL EXPEDITE MATTER PLEASE ADVISE FLAKNE YOUR ACTION.

bus

Now - I don't know what a military/contract is.

Barr: I don't either.

Kadow: Do either of you military men know?

Johnson: No -

Noyes: Unless it's simply a transportation contract for service where no other service exists - that's probably what it is.

Barr: Well, we've operated at Ladd Field ever since the first shovel of dirt was turned.

Warne: What they might mean here is instead of operating those busses themselves, they might contract with you to operate the busses within the reservation but to make no charge for the passage. I don't believe that would be subsidy; it would in effect be substituting your busses for their military busses who are now operating within side of the reservation. Then, perhaps, you would haul them to the main gate free - that is, without charge to them. You wouldn't be giving it free because the military would be paying you for the operation. Then you could charge them the fare from the gate to the town section.

Prouty: One of the main points of the argument which General Gaffney is that his contention is that he has the perogative to establish a military system within his base to better his base operation. Which is true - we would never argue that point with him. In fact, we put it on record that we recognize that right of his to have his own system, but he states that he operates his bus system only as far as his own main gate, which is correct. However, it is a peculiar coincidence that the main gate of Ladd Field is inside the city of Fairbanks. So we on our side say - "you operate your busses to the town limit." He says "No, I don't. I operate it to the main gate." And the city limit and gate are on the same line. And if Ladd Field was the same distance as Fort Richardson - 5 or 6 miles from Fairbanks - there would be absolutely no difficulty because the passengers could be carried to the main gate and picked up by our bus and taken into town. As it is now, they get off the army bus and are practically within 5 minutes from downtown Fairbanks, and, naturally, people are going to hike down 5 blocks and be there.

Sundborg: Well, this service that the Army provides between Ladd and Eielson though is not within any army reservation entirely.

Barr: It certainly is not. We have lost every bit of that business; that is absolutely gone.

Sundborg: That is over your road, John (Noyes).

Warne: Well, I have seen ⁱⁿ the city of Washington busses operating between military buildings - between the Pentagon and the Navy Building, and I presume other buildings. I suppose they carry anyone who has proper credentials.

Noyes: Yes, but before you have proper credentials they have to be either military or naval personnel or have special authorization for the trip. And during working hours only.

Warne: Yes, I'm sure that's it. Take for example a man is working in a place such as the Pentagon. He has to get to the Pentagon. He can't go down to the Navy building and ride down on the bus to the Pentagon.

Noyes: No sir - not to and from work. That is entirely out.

Warne: But after he gets to work, if he is obliged to go to the Navy building, he can get on a military bus and ride over there.

Noyes: If he has authorization.

Barr: This problem, Bill, was put to the Department and picked up by Flakne and Jim Davis about 3 or 4 months ago and at that time Flakne and Davis indicated that they didn't want anything done by the Dept out here because they were trying their hand at negotiating with the military in Washington. Now, evidently this is a possible outcome of that negotiation and certainly before we go very much farther on this, we ought to know about that meeting because that might be just what you are looking for, or it might be a deal which would be highly satisfactory from your point of view, I don't know.

Warne: Well, now let me ask. Are there some people who you carry who couldn't ride the military bus?

Barr: I have never run into one of them yet. Why we get as many passengers as we do is because there are some of them who are just too lazy to walk 12 or 15 blocks or so.

Nichols: May I ask a question? Why is the Army instituting this service to their gate? Where did you drop the passengers?

Barr: Anywhere on the post. We operate but they are operating right alongside of us. Now, you got your contractors out there, they are in a group where the old BJI camp was and they operate through this area and any of those people can get on the bus and ride down to the main gate and walk into town. If our bus gets there first - you know, .25 isn't too much. It's like if a fellow has got .25 in his pocket and happens to be somewhere where there is a slot machine, he shoves it in. That's the way it is with the workers out there on Ladd Field. If our bus gets there ahead of us, they get on that and ride to the main gate. Sometimes they stand and wait until our bus comes through and get on and ride the rest of the way down. That often happens.

Nichols: That telegram says no where in the States do they do this - of course, D. C. might be considered outside of the States, but I know in New Mexico - both Army and Navy run free busses for civilians as well as military personnel.

Warne: Army and Navy - you've really got competition there.

Prouty: One of the arguments in this controversy of ours is the fact that our bus rates are set so high, the military personnel stationed here have to go without their food and clothing to ride on the busses. An illustration was pointed out to us that a Major living at Ladd Field has proven that from the first of the month to the 19th he and his wife live very simply and from the 20th to the end of the month, they live on cereal and that's all carried back to the fact that the bus rates are too high. And so we have illustrated the point that our bus fare from Fairbanks to Mile 26 Air Force Base and back to Fairbanks is 1.50 round trip - a distance of 52 miles. But if you ride from the city of Detroit to () airport and back - a distance of about 60 miles - the fare is \$3.00.

Warne: Now, when you speak of those who live out at Eielson Air Force Base, they don't have to commute, do they?

Prouty: A lot of them do.

Warne: Well, then \$1.50 a day then.

Prouty: For the 52 miles then.

Barr: All contract men get \$4.50 day to take care of what they call subsistence. That's their hourly rate plus - for subsistence and travel.

Puckett: How about school children - do you provide them transportation?

Barr: We take care of them - we have a Territorial school contract.

Puckett: Ladd Field and Eielson?

Barr: No, the military haul their own.

Warne: You have a Territorial school contract, do you?

Barr: We have a contract from Esther Creek - that is 5 miles beyond the University and ----- camp district, which is adjacent to that field, and as a result of activities of Ladd Field, there are alot of Army children that we furnish transportation to outside of the post.

Kadow: Well, what exactly do you think we can do on this case - if anything?

Warne: Well, I'll tell you what I will do. We got a record of this and I'll go over the problem with Flakne in Washington and we'll tell Secretary Krug what our problem is, and if it is practicable I'll take up the matter with the CAB on the basis of telling what the problem is out here and suggesting, as Govenor Greuning proposed yesterday, he had to leave before you arrived, that they get out here and make some kind of a personal reconnaissance of your problem in Alaska. I can do that without shoving into their business. It seems to me that we do have specialized problems here that they can't fully understand or appreciate unless they come to see.

With regard to this matter of the Coachway's problem, I think we can advise them by telegram what we consider an appropriate for them to go ahead and take the matter up with the military, and at least see if working from that end a solution can be found that would relieve you of a rather hopeless problem you have at the present time. I don't know what consideration there may be for the Army to feel that they should have free transportation within the boundaries of those two camps. If I correctly interpret this, it would indicate that they would hire you as operators of the military busses or substitute your busses for the military busses under a contract with the Air Forces, which would take care of your operating costs and reduce the fare charge to the passenger, although not the income to the company. I shouldn't think that would be an ~~tee~~ onerous solution from your point of view if they considered it so important to their personnel that it was necessary to reduce those charges.

Prouty: Well, the difficult part so far is that the military bus operation has inflicted such damage on the financial structure of the Coachways that it will take it some time to catch its breath and get back out, and the longer it continues the worse it's going to get.

Warne: Well, that will have to be taken into consideration if and when they want to make a contract with you, I should think.

Noyes: One point about this bus service is that it is the only service that performs

Noyes (continued) long distance bus service in the Territory and I think that - I know that they are not making a great deal of money. I don't know exactly what their financial status is but I know that they need all they can get and I know that if they have to shut up shop, we'll be completely without bus service on the roads for the long runs.

Warne: Col. Noyes, as the head of the Alaska Road Commission, do you consider the long distance bus service an important service to the Territory?

Noyes: It is. And they are the only people who are furnishing it now and I don't know of any other that would furnish it if they stop. Maybe there would be but any outfit of that kind has to have something that they can make their money off of. These long runs, while they are important to the Territory, they are not money makers as already pointed out. Some of these short lines are the ones they make their money on, and apparently, that is hitting them right where they can't stand it.

Warne: Then, from the point of view of the Alaska Road Commission, which is an important functionary of the Department of the Interior, the problem has importance to us and to the Territory?

Noyes: Yes, Sir.

Barr: We handle quite a few of the employees of the ARC hauling them from one camp to another.

Noyes: It's more than that though. It's a matter of handling through traffic over roads, which is highly desirable to the future of Alaska.

Prouty: The development of over road service, which the Colonel mentions, into a profitable schedule, will still take a number of years. Therefore, the development and you might say an experimental cost on that particular schedule, which is benefitting the Territory has to come from some other source of revenue. And that source of revenue at the moment is being cut off by this military competitive angle.

Warne: If you have to base your rates for over the long haul on the overhead etc. for your entire operation, you are going to have to raise your long haul rates, is that right?

Barr: Well, our long haul rates are as high as they can be. We have the highest mileage rate in the North American continent. We don't say that boastfully; it's necessary.

Warne: Have your rates on these various runs that you make been approved by this new commission?

Barr: Yes sir. They have never contested them. We file our tariff; it has been accepted; it has been acknowledged as on file and that's as far as it has gone. I guess we are probably the only operator in the Territory who has filed a tariff. I don't think there has been any other. I think we put out the first one that was ever published in the Territory. Well, up until a year ago when we were connected with the National Bus Association, there was really no need for filing a tariff.

Warne: Well, I think I have the matter in mind and am entirely sympathetic to the working out of these two problems insofar as we can be helpful.

Prouty: We'd like to point out to you that this matter has been thoroughly and completely discussed with the commanding Officer of Ladd and Eielson Air Force Base, and it has been discussed with General Twining of Anchorage. They have both been completely advised. We haven't skipped any one along the line that we can think of.

Warne: Thank you, gentlemen, for coming down here at our convenience.

End



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
ALASKA FIELD STAFF
JUNEAU, ALASKA

| To | Initial | Date |
|--------|---------|------|
| Davis | JPS | 7/11 |
| Lee | JESh | 7/11 |
| Flakne | J.F.F. | 7/12 |
| Goding | uwg | 7/15 |
| Revs | W.S. | 7-12 |
| FILES | J.S.J. | 7-12 |

INTERIOR DEPT.
RECEIVED
JUL - 5 1949
TERRITORIES

June 24, 1949

MEMORANDUM

Subject: Minutes of Field Committee Meeting.

Enclosed are copies of the minutes of the Alaska Field Committee meeting held in Juneau on June 14 and 15.

(Sgd) K. J. Kadow

Kenneth J. Kadow
Chairman, Alaska Field Committee

CC: Gov. Gruening (2)
Mr. Rhode (2)
Mr. Puckett (2)
Mr. Jermain (2)
Mr. Reed (2)
Mr. Moore (2)
Mr. Kuehl (2)
Mr. Foster (2)
Col. Noyes (2)
Mr. Morgan (2)
Mr. Warne (2)
Mr. Davis (1)
Mr. Goding (1)
Mr. Seymour (1)
Mr. Twenhofel (1)

Identical copy sent to Flakne - Goding 7/5/49

*9-1-89
Adm.
Minutes
of Meeting*

NOTES OF THE ALASKA FIELD COMMITTEE MEETING

The fourth meeting of the Alaska Field Committee was held in the Juneau offices of the Alaska Field Staff on June 14 and 15, 1949.

June 14 - Morning Session

The following were present at this session:

Clarence J. Rhode, Fish and Wildlife Service
Lowell Puckett, Bureau of Land Management
C. D. Jermain, Bureau of Mines
John C. Reed, Geological Survey
Larry A. Moore, Alaska Railroad
Richmond C. Johnson, Bureau of Reclamation
Don Foster, Alaska Native Service
Angelo F. Ghiglione, Alaska Road Commission
A. L. Ransome, Bureau of Mines
Burke Riley, Governor's Office
Reginald Price, Secretary's Office
Kenneth J. Kadow, Alaska Field Staff

Kadow opened the meeting by a resume of action taken on several matters which the Committee had discussed at the previous meeting.

1. Road Rights-of-Way

Kadow stated that the right-of-way on the Slana Tok and Haines Highway had been cut down to 300 feet; that no special use permits would be issued on highways having rights-of-way of 300 feet or less; that special use permits would be issued on the outer 150 feet of each side of the Alaska Highway; that the Alaska Road Commission would have jurisdiction over the right-of-way of all roads up to 300 feet and that those portions of the right-of-way beyond 300 feet would be under the jurisdiction of the Bureau of Land Management who would issue and administer special use permits.

2. Bureau of Land Management

Kadow stated that the Department had been successful in getting the Bureau of the Budget to include \$200,000 of the requested \$300,000 for the liquidation of the survey work backlog. Price said that there had been a hearing in the Senate Subcommittee on the matter.

3. Land Withdrawals

Kadow said that the Department considered withdrawals for agricultural classification a sound policy; that if settlement legislation wasn't obtained, the land withdrawn would be returned to public domain upon completion of the studies.

Tetlin Indian Reservation (Boundary and Road-Right-of-Way)

The Committee's recommendation on this matter was submitted to Washington. There it was decided that the matter of new boundaries for the reservation would be discussed by the Alaska Native Service and the Indian tribe.

Messrs. Foster and Kadow will do so in the fall. In setting the boundaries of the Tetlin Indian Reservation, the Department's instructions were as follows:

It should be bounded on the west by a line on the east side of the Tok-Salina Highway, 150 feet from the center line.

It should be bounded on the north by a line on the south side of the Alaska Highway, 300 feet from the center line.

Land lost by Tetlin Indians on the west of the Tok-Salina Highway and on the north of the Alaska Highway should be exchanged for other lands south or east of the Tetlin Reserve on a comparable value basis and so far as possible on an acre for acre basis.

Special use permits of the outer 150 feet on the south side of the Alaska Highway bordering the Tetlin Reserve shall be issued by the Bureau of Land Management only with the permission of the duly constituted representatives of the peoples of the Tetlin Reserve.

Puckett said that there were some small tracts around Tok, plus Alaska Road Commission withdrawals, which were on the Reserve. It was agreed that all these matters should be straightened out at the same time. Puckett would supply information as soon as possible.

5. Highway Trespass Policy

Kadow read the Committee a letter from Assistant Secretary Warne in which he stated that the Department did not condone or permit wilful trespass; that every effort should be made to facilitate the authorized use and occupancy of public domain; that if trespass occurred, aggressive action should be taken against trespassers. Puckett said that this had been their policy; that presently action was being taken against an unlawful trespass at Big Delta at the junction of the Richardson Highway.

Development of Power Sites in Southeast Alaska

Kadow said that the Department was interested in any power development, irrespective of size, providing a satisfactory public interest in that power existed.

Department-Wide Utilization of Helen M. Bockman's (CAF-5) Services

Kadow read Marion Clawson's letter regarding the possibility of other bureaus utilizing Miss Bockman's services at Nome where she maintains the Bureau of Land Management's Office. It was ascertained that both the Alaska Road Commission and the Alaska Native Service had offices in Nome, but that neither could utilize her services. Puckett said that one of the reasons they hadn't closed the office was that they couldn't afford to ship the records to Anchorage. Rhode thought that either the Civil Aeronautics Administration or the Fish and Wildlife Service could fly them down for him. It was also suggested that Puckett discuss this problem with territorial tax officials since the increased load from new tax laws might require increased personnel. It was decided that the problem was an administrative one which could be

solved by the Bureau of Land Management. Puckett said he would follow through on it.

6. Cement Plant

The matter of raw materials for the production of cement was discussed. Known deposits are now being sampled by the Bureau of Mines who have been drilling for a month, but samples don't look too good. The Geological Survey will soon check for other limestone and cement ingredients to be drilled by the Bureau of Mines in case deposits now being tested aren't suitable. Keed thought the gypsum at Sheep Mountain was not suitable, and could be written off; that the clay deposits (mostly within Mt. McKinley National Park) would be checked by the Geological Survey shortly.

Jermain said that by July 1 the Department could expect an answer as to the main limestone deposit; that by then they'd know whether it was necessary to add more drilling parties to the job so that by the end of summer the Department would know whether a cement plant was feasible in the Rail Belt. Price stated that the Department had not yet decided whether to encourage private enterprise in this project or to develop and prepare plans which would provide a basis for federal construction of a plant. This problem will be solved when all the facts are in. It will be discussed in detail at the September Field Committee meeting.

7. Taiya Project

Kadow discussed the hydroelectric development at Taiya. He told of the present interest of the Aluminum Company who have land and waterfront properties under option and are planning to make engineering studies this summer. He said another group is interested in the possible electrical reduction of iron ore. He brought out the Department's concern on basic policy regarding this project which must be worked out on an international basis; that a project of such significance must be examined carefully in the light of public interests and policies; that he felt it was dangerous for too many people to be handling this project at this stage; that proper liaison between interested groups was of great significance in developing a correct approach to this project. All present agreed that Washington should handle this project at this stage.

8. Army Engineers' Reconnaissance Work

Rhode said that he had been receiving reports from the Corps of Engineers regarding rivers which they were considering damming; that if two-thirds of the rivers which they were discussing were dammed, a large percentage of the salmon run would be lost. Johnson expressed a desire to see these reports; Rhode also said that he felt that Washington would be interested in them. Rhode said that he had written to the Army Engineers regarding a newspaper article, and as a result had been placed on the mailing list for these reports. Rhode said he would make his information available to Johnson and Price and keep them informed.

Alaskan Legislation

A general discussion of Alaskan legislation was led by Price. Each bill was outlined as to its purpose and general provisions and its progress in the Department or in the Congress.

While discussing the Alaska Housing Authority, Price indicated that the Department expects the \$15,000,000 called for in the legislation to be appropriated shortly. At this point Nelso reported on housing developments in the Territory. He said he expected the Alaska Railroad and the military housing project of the Pacific Alaska Development Corporation to be approved in toto within a few days and that 700 other units now pending would be approved for Anchorage also. This, added to the 69 units already approved would bring the total in Anchorage to about 1500 units ready for use by the end of the 1950 summer. He further indicated that a total of 200 units were now lined up for the Juneau area, 75 in town, 96 in West Juneau and about 30 in Douglas. A 60-unit project is lined up for Fairbanks, but the general outlook for that area is not good. He said that the Alaska Housing Authority would be needed to solve the problem there. A lively interest is being shown in Sitka and Ketchikan with indications that projects will follow. All the housing indicated above is contemplated under Federal Housing Administration's provisions. He thought that the Alaska Housing Authority might be needed to solve the utility problem in some of the projects, but not in the housing itself.

While discussing power legislation, Price indicated that HR 940 is expected to pass the House shortly; that it has already been introduced into the Senate as S 966. This bill calls for the construction of Eklutna. He said that the bill to extend Reclamation laws to Alaska would soon be introduced as companion legislation to HR 940. He pointed out that the Department wasn't optimistic about the passage of such legislation since Western Congressmen objected to the diversion of Reclamation funds to Alaska. Another power bill is also being introduced by the Department as a companion bill to HR 940 which is not as broad as the Reclamation laws. It provides for power as a principal function with multiple-purpose objectives secondary. The Department expects this bill to have less opposition in Congress than the bill for the extension of Reclamation laws.

Price talked about legislation for statehood, modification of the Jones Act and public works, with very little discussion by the Committee following.

The Public Land Sale Bill was discussed in considerable detail after which the Committee instructed the Chairman to telegraph its views to Washington on the following points:

The bill should be sent to conference between the Senate and the House. The Field Committee felt that the bill is considerably better than existing legislation and prefers it to no modification of the existing laws.

They felt that the certificate of purchase would hinder and in some cases prevent financing and subsequent development. They urged an attempt to eliminate the certificate of purchase. The Committee felt that land speculation could be adequately controlled by administrative rulings of the Secretary of Interior.

The Settlement Bill, as now before Congress, was a compromise between the Department's bill of last year and the Lemke bill according to Price. Several objections to the bill as it exists were noted. They are as follows:

Placing the responsibility for roads in the hands of the Public Roads Administration since the overall development of Alaska is an Interior Department responsibility.

Provision that settlers could settle on lands after withdrawal, prior to designation, invalidates the program.

Provision for land acreage for each individual was much too large.

Special one-year consideration to veterans was considered objectionable.

Large homesteads in the National Forest were considered objectionable.

June 14 - Afternoon Session

At this session Lew Williams replaced Burke Riley: John R. Noyes replaced Angelo Ghiglione.

11. Alaskan Legislation (Continued)

Price discussed legislation for tourist facilities in the Territory, the Recreational Act, protection and conservation of salmon fisheries, construction of public works outside the District of Columbia (which includes eight buildings for the Territory), the Alaska Native Claims Bill and the Alaska Development Corporation Bill. He pointed out that the Alaska Development Corporation Bill has not been introduced as yet.

12. Pay Differential and Vacation Travel

Moore submitted a report of the Pay Differential Subcommittee. As a result of this report and subsequent discussion, it became very clear that the Veterans Administration, the Civil Aeronautics Administration, the State Department and the Alaska Railroad all have different policies regarding pay differential and vacation travel allowances. The matter of taxing living allowances was also discussed. The need for a uniform government policy was stressed. The Pay Differential Subcommittee was asked to study this problem further and to circulate concrete recommendations as soon as possible. Moore indicated that he would "carry the ball" on this problem.

13. Alaska Native Service's Training Program for Pulp, Radar, Etc.

Foster indicated that the training program was in its beginning stages. The Alaska Native Service had worked closely with the Apprenticeship Committee of the Department of Labor, both Federal and Territorial, and the committee established by the Governor's Office. The program provides for training boys at Mt. Edgecumbe. He said the wage levels for such training programs are higher in Seattle than in Alaska and that this matter of wages should be worked out to the satisfaction of the Labor Commissioner here so that they would be more equal. The apprentices are paid \$100 per month at Mt. Edgecumbe which is half of what they are paid in Seattle. Technical

training will now be given in radar. General mechanical training is given with regard to radar and pulp operations. He said that adequate instruction (vocational) cannot be given based on the funds set up to operate the school, such funds being set up on a low per capita basis. Other schools have 15 boys per instructor; Mt. Edgecumbe has 35 or 40. Also there is the difficulty of obtaining good instructors under government regulation. Proper instruction must be obtained if the requirements of industry are to be met. The Alaska Native Service is working toward a special appropriation for the school, and to make this school open to white boys as well as to natives. Foster asked for suggestions for raising the wage levels of the school, as well as for suggestions for obtaining instructors, particularly carpenters and electricians. Several were offered and were to be discussed in detail after the meeting adjourned.

14. Topographic Maps

Reed reminded the Committee of the topographic maps which had been sent to each of them and asked that they be returned with such inclusions as desired so that they might be completed.

15. Water Laws

Johnson stated that a committee to study water laws through the Territory was appointed just as the Legislature was adjourning. He said it is generally recognized that a water law is needed. He suggested consulting the Alaska Bar Association to see what they have in mind on this subject. The Bureau of Reclamation's legal counsel in Washington had agreed to review and make recommendations and assist in the preparation of a water law for Alaska. It was agreed that this law would be prepared and ready for submission prior to the meeting of the next Legislature. Kadow stated that the law should be worked out as soon as possible to assure proper review and study before it goes to the Legislature. Puckett mentioned that several problems would undoubtedly arise in the preparation of such a law and said that it should not be developed in terms of arid land, etc. He also stated that a definition of water rights was needed. Price mentioned that the Hoover Commission was urging the formation of a national water policy. Johnson stated that there was a tendency in the Territory toward a law predicated on beneficial use. Kadow restated the necessity for early submission of material for detailed review so that this law would not be passed without thorough study by all concerned. Johnson agreed to press the matter.

16. Suburban Roads

Kadow brought up the need of a policy decision in the building of roads for suburban developments. He stated that some policy should be adopted establishing a method of obtaining help in building and maintaining roads in heavily developed areas outside city limits since none now existed. Williams recommended that a committee be established for this purpose similar to that working on the water rights problem and suggested a petition to the Legislature through the Territorial Road Commission. Kadow was asked to appoint a committee to draft a recommendation to the Territorial Road Commission. Noyes was appointed chairman, with Puckett and Mocre to serve on the committee. It is planned to petition the Territorial Road Commission officially for a policy decision to broaden the Territorial road policy with

regard to suburban developments outside town limits. Williams reminded the Committee that towns usually put up a certain percentage of the funds in such projects as floats, docks, etc., and that some charge from groups out of town should be suggested in lieu of town taxes.

17. Land Withdrawals along Rivers and Lakes for Public Use

Puckett stated he had written letters to various States asking questions on the operating of such withdrawals, but had received no help from them. He suggested that they be in the nature of easements, rather than withdrawals, such as is done with roads. He mentioned withdrawing sites temporarily, and said the National Park Service could take this over. Kadow suggested postponing this discussion until the next meeting. He also suggested adding the Alaska Road Commission to the committee appointed and asked them for a report at the next meeting. Noyes was appointed to serve on the committee.

18. University of Alaska

Secretary Warne has requested working closely with the University in developing special talent or any possible research facilities. Price stated this had arisen from the Bureau of Reclamation's program for recruitment. Bureaus were asked to draw on the University in their programs. Copies of the bureau replies were supplied to the University and to Kadow. It was generally agreed that working with the University towards development of Alaska, such as along research lines, was a good policy. Reed stated that the Department should adopt a basic policy regarding assistance and cooperation in the development of the University, as there is a mutual need for this assistance and cooperation in the developing of technical skills and facilities. Others agreed. Foster stated that the University's field of activity is not productive to the needs of the Alaska Native Service such as in the supplying of teachers to that Service.

19. Car Ferry Program

Noyes reported on the special car ferry studies just completed by Mr. Danaher on a consultant basis. The purpose of car ferries is to bring Southeastern Alaska into the orbit of the rest of the Territory and connect it with the road system. Danaher's suggestion was that this ferry system should be operated on the level of coach lines and bus services. There are no serious technical difficulties in the way, but there is the traffic angle, the Canadian angle, and the question of who would operate the ferries. It is felt that these ferries would greatly improve the tourist trade in the Territory by putting this form of transportation on a reasonable economic level and attracting people with little money to spend. The Canadians are willing to cooperate on this project. From the military angle, this will open the Haines gateway. From the angle of who will operate these ferries, responsible persons will be contacted, as it is felt there is no necessity for the Alaska Road Commission to operate them even though they have the authority to do so. Mr. Danaher's suggestion was to build two new ocean-going ferries to run on a daily schedule from Prince Rupert to Juneau. He further suggested that a San Francisco Bay ferry, now surplus, could be obtained to run between Haines and Tee Harbor. Noyes indicated every consideration would be given the private group now operating a ferry between these two points if a new ferry was installed. Kadow asked if the Government

could lease the equipment to private enterprise, and was told they could. Price inquired concerning port facilities and Noyes stated that ramps would be needed at each port. He considered that these ramps would all cost about the same and said it was possible that the towns would pay for installing or improving them. Noyes is now preparing a report for submission to the Secretary.

20. Thane-Taku Highway

Noyes stated that this proposed highway would be a connection from the Juneau area to the Alaska Highway. The British Columbia government has appropriated money to build a road from Jakes Corners to Atlin. From there to the mouth of the Taku is 135 miles, 115 of which are in Canada. The road would be brought down to the landing near the mouth of the Taku River, but Noyes does not recommend that it be brought on into Juneau as the car ferry could be used for transportation here, but he said the route is practicable. The whole road seems to be in Public Road Administration's territory and does not come under the jurisdiction of the Committee.

21. Dam and Reservoir Withdrawals

Such withdrawals for power projects were discussed in connection with the list of withdrawals requested by the Bureau of Reclamation. The following recommendations were made as a basis for the Department's policy consideration:

In view of unsettled legislation on power development, it was suggested that the withdrawals be made with wording that would allow their use for power development without regard to any bureau. This would facilitate their use in case Reclamation laws are not extended.

Dam sites and reservoirs should be withdrawn only when there is a reasonable chance of developing them within a six to ten year period.

22. Small Boat Harbor

Kadow told the Committee that he had been asked for his comments regarding the need for improvements to the small boat harbors at Juneau and Douglas. His recommendation was that improvements were vitally needed at both, but if they could be made at one only, that they be made at Douglas. Price stated that this is a job which will be done by the Army Engineers, and they are making a review report on it. He suggested that Kadow request the Secretary's Office to see whether they could expedite this matter.

June 15 Session

Everyone present at the first day's session was present at this session with the exception of a representative from the Governor's Office.

23. Six-Year Report

A rough draft of the six-year report was considered in detail. The final report of the Field Committee will be distributed to the Secretary's Office shortly. The Chairman indicated that in his opinion the report was not well balanced, but no means of correcting this situation was found.

24. Topics for Discussion at Next Field Committee Meeting

Topics for discussion at the next Field Committee meeting are:

Development Corporation Bill

Pay differential and vacation travel policy

Land withdrawals along rivers and lakes for public use

Cement plant policy recommendations



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
ALASKA FIELD STAFF
JUNEAU, ALASKA

RECEIVED
MAR 1 1949
TERRITORIES

February 25, 1949

Initial Date

MEMORANDUM

TO: Assistant Secretary Warne
James P. Davis
Will Goding
Walton Seymour

| | | |
|-------------------------------|-----|------|
| DAVIS | JPO | 3/9 |
| LEE | JPO | 3/21 |
| FLAKNE | JPO | 3/31 |
| Extra Copy to Goding FILES | | |

Enclosed is a copy of the minutes of the Alaska Field
Committee meeting held in Juneau on February 15, 16, and 17,
1949.

9-1-99
Adm.
minutes
of meetings

K. J. Kadow
Kenneth J. Kadow

should be carefully read.
JPO

Lee

UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
DIVISION OF TERRITORIES AND ISLAND POSSESSIONS
WASHINGTON 25, D. C.

MAR 14 1949

MEMORANDUM

To: Walton Seymour, Chairman,
Program Committee (Sgd.) J.P.D.
From: James P. Davis, Director
Subject: Required number of copies of minutes of Field
Committee monthly meetings and reports on
matters of Department-wide interest.

9-1-99
Adm.
Minutes
of Meetings
P.D.

This will reply to your memorandum of March 11, on the above subject.

This Division would like to receive three (3) copies of the minutes of the Alaska Field Committee.

HRL:adg
3/14/49

RG 126, Office of Territories
Entry 1-B, Classified File, 1907-51
Box 508



UNITED STATES
DEPARTMENT OF THE INTERIOR
OFFICE OF THE SECRETARY
WASHINGTON 25, D. C.

RECEIVED
MAR 11 1949
TERRITORIES

March 11, 1949.

| To | Initial | Date |
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| Lee | | |
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Memorandum

To: Members of the Program Committee
From: Walton Seymour, Chairman,
Program Committee.

The Field Committees send in regularly copies of minutes of their monthly meetings and reports on matters of Department-wide interest. It would be helpful to know the minimum number of copies of these documents that would be required to meet your respective needs.

(Signed) Walton Seymour

Walton Seymour.

cc - Secretary Krug
Under Secretary Chapman
Assistant Secretary Harms
Assistant Secretary Davidson
Administrator, Bonneville Power Administration
Director, Budget and Administrative Management
Director, Fish and Wildlife Service
Director, Division of Geography
Director, Geological Survey
Commissioner, Bureau of Indian Affairs
Director, Division of Information
Director, Bureau of Land Management
Assistant to the Secretary in Charge of Land Utilization
Director, Bureau of Mines
Director, National Park Service
Director, Oil and Gas Division
Director, Division of Power
Commissioner, Bureau of Reclamation
The Solicitor
Administrator, Southwestern Power Administration
Director, Territories and Island Possessions

MINUTES OF THE ALASKA FIELD COMMITTEE MEETING

The third meeting of the Alaska Field Committee was held in the office of Kenneth J. Kadow on February 15, 16, and 17, 1949.

February 15 - Morning Session

The following were present at this session:

Governor Ernest Gruening
Clarence J. Rhode, Fish and Wildlife Service
Lowell Puckett, Bureau of Land Management
G. D. Jermain, Bureau of Mines
John C. Reed, Geological Survey
Larry A. Moore, Alaska Railroad
Alfred C. Kuehl, National Park Service
George Sundborg, Governor's Office
Reinholt Brust, Alaska Native Service
Ike P. Taylor, Alaska Road Commission
Richmond C. Johnson, Bureau of Reclamation
Kenneth J. Kadow, Alaska Field Staff

Kadow opened the meeting by stating that he was pleased with the progress that had been made on the items discussed at the previous meeting. A resume followed of the action taken on several matters.

1. Road rights-of-way. Washington adopted the recommendations of the Sub-Committee on Roads - 300 feet for main roads, 200 for secondary, and 100 for feeder. Before a Secretarial Order is issued, the matter will have to clear through various channels; however, it should be forthcoming shortly. A discussion ensued on roads and rights-of-way problems.

Taylor wondered what had happened to other recommendations of the Committee concerning special use permits and withdrawals. Kadow said that as far as he knew, no action had been taken, but he'd find out soon.

Gruening emphatically expressed disappointment over the Washington Office's not following the recommendations of the Field Committee on the width of rights-of-way. He recognized the Washington Office's complete jurisdiction over expenditures and national policy, but felt that the Committee's recommendations concerning purely Alaskan matters should not be taken so lightly. He said that so long as officials continue to make arbitrary decisions, the Department's public relations would continue to be bad. He felt the road rights-of-way decision was bad; that it would create much criticism when publically announced. He wanted it understood that he was against the compromise and expected to write to Washington about it.

Kadow said that the Committee wasn't created for rubber stamping Washington's actions and that Washington did not expect that. It was a creative body fighting for Alaska's good and would, as it proved its worth, have more and more influence on Washington's policy decisions; that the Committee's batting average so far had been good; that it had precipitated positive action on many important issues; that there would be times when it would be overruled and that we should not expect otherwise. He expressed dissatisfaction on the road right-of-way decision but thought it much better than the 400 feet proposed for all roads in the first place.

2. Power rates. Kadow next reported on the previous Alaska Field Committee recommendation that the Federal Power Commission assist the Governor's Office on rate problems in the Territory. The Federal Power Commission agreed to do so, but their assistance would have to be limited to desk studies in Washington because of the lack of funds to travel. To get their help, the Governor's Office must officially request it. No comments followed.
3. Pay differential. Kadow reported on pay differential action giving a great deal of credit to Foster, Brust, and Gruening for their presentations in Washington to the Civil Service Commission. Gruening reported that Delegate Bartlett and he had had a special meeting with the Public Service Commission and believed that the favorable attitude of the Commission to date resulted from presentation of Alaska's case at that meeting. Reed felt that the differential should be either post or cost of living dependent upon the circumstances. The question had been raised with the Civil Service Commission who felt that there might be justification for such a procedure, but who hadn't had time to review the case. He said that with a cost of living differential, headquarters of seasonal workers in Alaska must be transferred to Alaska. Conditions in Alaska were frequently bad environmentally. The effectiveness of the Alaska Railroad in obtaining a differential was brought out by Moore. He said that the Railroad had extensive studies comparing costs here and in the States which would be useful to the Committee in preparing a case. It was pointed out that the Civil Service Commission might review Alaskan cost of living at any time through the Bureau of Labor Statistics; consequently facts concerning this problem should be kept current. Appointed to a committee to study the matter of a differential, gather material (taking into account special operating conditions of some of the agencies), etc., in order to present a proper picture for the whole Territory were Moore (Chairman), Sundborg, Brust, and Reed. The Chairman of the committee was to represent the Department with other government agencies and to keep the facts on this subject current. The Pay Differential Committee was to report to the next meeting of the Field Committee, if at all possible.

4. Land Sale Bill. Kadow reported progress on preparation and study of the Land Sale Bill, copies of which were distributed. In the discussion which ensued, various points were raised. The consensus of opinion of the group was that an amendment to the bill should be introduced from the floor of the House which would provide that 50% of the revenue from this bill would revert to the Territory for school purposes. This method was suggested so that passage of the bill might not be delayed. Use of money from this bill for purposes of reclamation and parks was suggested but overridden since the Committee felt it unwise to introduce any controversial use of money since it would probably kill the bill. Section 2, the 160 acre limitation, except at Secretarial discretion, was next discussed. There was mixed feeling in the group. It was finally agreed, after much discussion, that recommendation should be made that the Secretary, in issuing his regulations, should incorporate a statement which would provide for the disposition of Alaskan lands under the same size limitations as exist in the present public land law. In special cases where more land is needed, determination will be made in the Secretary's Office. It would still be possible to lease lands for grazing, fur farming, etc. under existing laws. The question of selling the lands at either private or public auction was discussed. Some members of the Committee felt that abuse might arise from direct sale. In the past such lands have ordinarily been sold at public auction. Kadow indicated that direct sale was one of the urgent needs to meet special situations. He felt that the right of the Secretary to permit such sales should be recognized in the bill. The majority agreed to this point. Puckett pointed out that Section 4 promulgated a policy which was already in effect. Kuehl objected to the wording "other than lands within national parks or monuments, national forests, Indian lands, and military reservations" used in Section 1. It was felt that if the Forest Service wanted to make land available for sale, they should be allowed to do so; also that there wasn't much possibility of the government's selling land from National Parks. The Committee recommended that the wording in quotes above be stricken from the bill while it was in the Bureau of the Budget. Further, it was felt that the term "public lands" should be changed throughout the bill to read "federally owned lands". Kadow stressed that none of the changes suggested were of sufficient importance to justify a delay in passage of the bill and asked permission of the Committee to put the points raised to Washington with the recommendation that nothing be done that would prevent passage of the bill this session. The Committee agreed.
5. Housing. Kadow next gave a resume of progress in the housing field. He stated that a housing bill had been introduced in Congress without any important objections; that it was expected to pass in late February or early March as part of the revised housing act. The bill's provisions cover:

- (a) It raises limitations from \$8,100 to \$10,800 under 608 for apartmental units.
- (b) It liberalizes the square foot allowances thus permitting the building of a smaller house under the \$16,000 allowable.
- (c) It guarantees building in various stages of construction and permits the Federal National Mortgage Association to loan 100% of the money guaranteed by the Federal Housing Administration.
- (d) It permits the Alaska Housing Authority to take up a second mortgage. With the Alaska Housing Authority putting up the second mortgage, private industry still could do the actual building job.

Getting to housing problems of the Department, direct agency requests for housing have, in most instances, been thrown out by the Bureau of the Budget, except in a few isolated cases. If the new law passes, 1,000 apartments will be started at once in Anchorage. By the end of the summer, we could expect at least 100 units to be ready in a development of 734 houses taking place on Government Hill and about 150 others in other locations in Anchorage. We also expect 100 to 120 units to be built in Juneau by the first of the year. Ketchikan housing is dependent upon whether the paper mill goes in; if it does, we will have 350 to 500 units there.

If the Alaska part of the new housing bill doesn't pass, Alaska's housing problem will remain as it is. If it does pass, we will have the tools to lick housing for us all. He said that the House and Senate had agreed to a joint hearing the latter part of the month. Bartlett, Glen Wilder, private contractors and I will be there to speed the passage of the bill.

Kadow said that they'd been working on a trailer project. We have an excellent trailer constructed to withstand Alaskan weather, completely furnished for \$3200 f.o.b. Saginaw, Michigan. If it can be made available as private housing in Alaska, it would be a wonderful buy. The man who agreed to haul the trailers is already hauling other material over the highway for the Army and could deliver the trailers on the site for \$800. However, he's been unable to get the Army's permission to carry other material within the trailers. If the trailers were hauled by ocean or rail or by truckers without a pay load, it would cost, delivered at the site, over \$5000, thereby making the project uneconomical. The possibility of working out a caravan system whereby people with trucks could go down and haul their own is being studied. Insurance can't readily be obtained for the trailers while they're enroute, but once on

permanent foundations, insurance is available. The possibility of getting trailers financed as housing under the Federal Housing Administration was being worked on.

Moore discussed the allocation of 350 apartments which were to be constructed by the Lewis Construction Company on Railroad ground. First preference - 50% of the apartments - was to be given to Railroad employees, 2nd preference to other Department of the Interior employees, 3rd preference to other government employees, and lastly to the general public. Average rental on these units would be \$112, excluding light and water. Bachelor apartments would rent for \$90; one bedroom between \$110 and \$115; and two bedroom for about \$135.

6. Office Space. Rhode mentioned the very serious problem of space in the Federal Building. The Post Office Department had recommended that three rooms be given to the Interior Department, but the suggestion had so far died in the Department. Taylor stated that he had been trying to get space for some time. Kadow stated that the members of the Committee should examine the problem and the relative needs of each and a positive recommendation sent to Washington from the field. Johnson suggested that the Committee recommend the construction of a new post office (Joseph Morgan's suggestion) as a means of solving the space problem. Puckett stated that the Federal Works Agency would have to construct the building, and that an office building could be obtained as easily as a post office building. Rhode suggested that a wing be built on the present building. Taylor said his needs couldn't await the construction of a new building. He suggested a plan for using legislative space which could be used for drafting, etc., until the next session. Kadow recommended that Reed find out what had been done about the space needs in Washington and inform the Committee. He also suggested that Taylor follow through on his idea and keep him posted of the results.
7. Building Materials. Reed brought up the matter of building blocks made from peat by John Huff in Anchorage. He said that the blocks seemed to have real promise. Kadow pointed out that getting a new building material used was not as simple as it looked on the surface. It would have to be tested by the Federal Housing Administration and other impartial bodies before any builder would use them. After thorough testing, the manufacturer would have to be sure of his market. Regardless of how good the product is, unless used by someone like the Army, the Railroad, or some large contractor, the manufacturer couldn't remain in business. All agreed with this line of reasoning and Johnson indicated their laboratory might be willing to test the product at Everett, Washington. Kadow agreed to look into the matter for

Reed and try to get the product tested by the Federal Housing Administration, the Army, the Bureau of Reclamation, etc., if it looked good enough. Kadow was to ask Washington if Reclamation would be willing to run tests. Johnson said he would ascertain if Reclamation could use the blocks in their expected program.

8. Goose Lake Area. Kadow said that a letter from Warne stated that the Bureau of Land Management had been instructed to withdraw the entire Goose Lake area and the withdrawal was in process now. The area totals 960 acres and has been withdrawn for housing or other uses of interest to the government. The Alaska Housing Authority is interested in using a part of it soon. Puckett asked if the land would be withdrawn for the use of the Department of the Interior and Kadow answered that it was to include territorial and any use for housing, hospitals, etc., of interest to the Government. Puckett asked if housing would be laid out under form of town sites and what it would be used for. Kadow replied it would be used for the development of any project sponsored by the Government, either public or private. Puckett said present statutes don't permit selling or leasing the land. Kadow said that he would check the wording of the withdrawal to make sure it covered all purposes contemplated.
9. University of Alaska. Kadow discussed the University of Alaska and the plans being made to honor Bunnell at his retirement. He stated that a good university was essential for the Territory's development; that the University should be cast on a national scale since the Territory doesn't have the money or the resources to support a first class school. The outlook for the University was brighter due to the advent of the Geophysical Institute; also the possibility of the Public Health Service putting an institute there; also a unit of the Bureau of Mines and the return of the agricultural stations to university administration. Kadow explained the ceremonies that were being planned for Bunnell's retirement; that possibly the President, top cabinet officials, college presidents, etc., would be invited; that Pan American and Northwestern Airlines had promised free passage. Kadow pointed out that the whole plan may fall through because the Board of Trustees was dragging its feet quite badly. The event will probably come through in August at which time a new president would be announced. He said that if the bureaus were building research and laboratory facilities, they should think of locating them at the University, if possible. It would help develop a research and cultural center in the Territory. These ceremonies were to:

sell the university on a national scale

sell the Territory to the people in attendance, particularly from a tourist standpoint.

Moore and Herb Hilscher are to get together on the possibility of special train and hotel rates. A general discussion followed.

- 10. Export of Coal. Kadow explained that the Railroad's plan for exporting coal has washed out since the economics were found to be infeasible at this time.
- 11. Railroad Rates. Kadow explained the results of his Washington conference on railroad rates. He explained that Congress is against the subsidization of the Railroad; that it allowed money for rehabilitation only because it felt this that would make the railroad a going concern and with lower rates feasible. Moore stressed the fact that the Railroad was established for the development of the Territory and its resources. Nevertheless, it has always been stressed it should meet its operating costs and payroll; consequently rates have remained high, loads increased, especially backhauls. The point was raised that we recognize high rates for the Railroad as a necessity, but yet didn't agree that the Alaska Steamship rates had any right to be high by the same token. It seems like our Department is most inconsistent in this matter. If we can't reduce rates on a facility we control than why insist on reductions from those facilities we do not control?

The Committee recessed for lunch. John Reed talked to the Lions Club.

February 15 - Afternoon Session

The following were present at this session:

| | | | |
|---------|-------|----------|----------|
| Rhode | Reed | Sundborg | Johnson |
| Puckett | Moore | Brust | Kadow |
| Jermain | Kuehl | Taylor | Gruening |

Kadow stated that as a result of his request, Bill Warne had arranged a series of very important policy meetings in Washington. There was then a discussion of policy decisions reached in Washington during early December.

- 12. Land Withdrawals, Native Rights, and Reservations. In connection with land withdrawals, native rights and reservations, the Secretary took the stand that we neither acknowledged nor denied that the Indians had any special rights. Recommendations arrived at were:

Permit them a reasonable town site which would be turned over to them for their use. A reasonable town site was defined as a maximum area of 2,000 acres.

Hunting and industrial needs were considered and it was suggested to give them hunting and fishing rights needed for their support

on the basis of residence and not race. Anyone would be able to hunt and fish provided they met the residence requirements.

In a few cases where minerals or timber constituted a recognized economic need, they would be given special rights to these reserves.

Nearly everybody at the Washington meeting seemed satisfied with the above policy, but a few days later it was apparent that they were not. Another meeting was held and the whole matter was rehashed. It was stated that the Department of Interior could not solve the problem and that it was handing it back to Congress. Kadow stated that he believed the problem would never be settled until it was ruled upon by the Supreme Court. He would like to see it taken there at once. However, there would probably be no new Indian reservations until Congress has given new instructions on the matter. Several committee members stressed the necessity of clearing the problem up immediately. Kadow stated that letters had been received by the Ketchikan Pulp and Paper Company and the Alaska Industrial Corporation from Indian lawyers stating that the timber belonged to the Indians, and the companies must negotiate with them. It is imperative that the problem be solved quickly. The Committee requested the Chairman to continue his efforts to bring this problem to a head.

It was pointed out that there was a great deal of strong feeling in the Territory concerning land withdrawals for reservations and agricultural studies. The Committee wanted to know whether the Department was proceeding with its agricultural withdrawals. Kadow replied that additional withdrawals for agricultural activities were coming up this summer and explained the reason for the withdrawals. After considerable discussion the Committee went on record as favoring no more withdrawals for settlement purposes unless the Department is in a position to make studies immediately, and immediately thereafter return the land to circulation. It was suggested by the majority of the Committee that no further withdrawals be made until those now out were put back into circulation. Further if H.R. 7001 is not passed by the 81st Congress, Dunbar and Kenai be returned to public entry. Kadow explained the long range planning policies of the Department. He said that it is necessary to know where roads will go and if the land is suitable for various purposes; that agriculture in Alaska was not the same as in the States; that planned land use had proven its worth in Alaska. He felt that the Department's concept of land study before settlement was definitely justified provided the land isn't held out too long. Sundborg stated that the Development Board was opposed to any withdrawal of land for almost any purpose and never without a public hearing except where defense was involved. He said the Department's policy of land withdrawals

created many unnecessary problems. Further, after the land had been taken out for study and put back, it was open only to veterans for 90 days. Gruening stated when Secretary Krug had been in Alaska, there had been many complaints about land withdrawals and that Krug had promised no further withdrawals, except in the case of emergencies such as for military purposes, without previous public hearing. Kadow stated that the Goose Lake withdrawal had been recommended by the Committee at the last meeting without a hearing. He said that the Committee must assume that there are justifiable withdrawals. Rhode suggested that public hearings be held on all withdrawals. Sundborg made a motion that if the legislation sought in connection with the Kenai and Dunbar land withdrawals is not obtained in the 81st Congress, the committee recommend to the Secretary of the Interior that these withdrawals be restored to public entry and no further withdrawals be made in connection with the legislation. The motion was seconded and carried without opposition.

13. Alaska Inter-Agency Committee. Kadow stated an inter-agency committee pattern was working out well in Washington and that an inter-agency committee had been recommended for Alaska. The principle is recognized as a good one and is being developed in Washington. Reed wanted to know what would be achieved through an inter-agency committee which could not be achieved by informal meetings. Kadow said that he felt such a committee is justifiable if officially recognized; that it couldn't be done satisfactorily on an unofficial basis. He stated that he favored such a committee, regardless of the department which the chairman represented if the committee was set up and blessed by Washington.
14. Displaced Persons. Kadow said the question revolved around whether various bureaus could hire displaced persons with certain specialties. Moore said that the Railroad could hire displaced persons, but that they'd want assurance the displaced persons would remain with them. He said the union problem would be involved since all his employees were affiliated with the A.F.L.; that veteran's preference was a consideration. He felt that he could use about twenty people. Kadow said that the problem had been studied with several groups, all of whom had agreed to use displaced persons on the basis of merit; that displaced persons should compete on the basis of qualifications; that in such a case, objection should not be raised about hiring them in Alaska. The Committee agreed with this approach.
15. Alaska Development Corporation Bill. The Alaska Development Corporation is patterned after the Puerto Rico Development Corporation. The most important bottleneck in developing Alaska was the lack of risk capital. The Alaska Development Corporation would be an instrument of the government; however, it would be independent of government

rules and regulations, administered by a board of three. It would loan money for business development, and would actually run a business if no one else would do it. The principle of the bill has been approved by the President, the Bureau of the Budget and all departments concerned. They are now studying the wording of the bill. Warne hopes to get it passed this session. If it passes, we will really have an Alaskan program.

16. There was a short discussion about the value of the six-year program of the Alaska Field Committee. All agreed that the budget part would not be very useful, so far as timing was concerned, but that the program would undoubtedly be of real value. Reed stated that the Inter-Agency Committee already had a five-year program for Alaska and asked whether anyone had seen it. None had. He agreed to send a copy to Kadow for his guidance in writing the six-year Department program. Taylor inquired whether the six-year program would be revised from time to time and Kadow answered that the Bureau of the Budget did that yearly.

FISH AND WILDLIFE SERVICE

17. Rhode said that he had submitted a detailed six-year plan for his bureau. He stated that the bureau's budget ceiling and limited appropriations limited his work; that he couldn't change his program much this year because of the budget limitation. He said that only two minor increases had been approved and one major construction item. He broke his operation down as follows:

- Fisheries
- Wildlife
- Law Enforcement

He stated that Alaskan operations were run by the regional office. He said they were starting a program of stream improvement. Funds and equipment this year would be put into weir construction and law enforcement. A limited amount of salmon transplanting might be done in the spring. Eighty-four thousand dollars was requested for a sea otter patrol, but the request was turned down. About \$3400 is presently available for this work which isn't enough to be effective. A certain amount of poaching is going on.

Federal aid to wildlife in Alaska is presently limited to \$25,000; if Alaska were a State, the maximum would amount to \$500,000. The Service has asked for \$75,000 which would be used for transplanting game, restocking, etc. To obtain this money, the Pittman-Robertson Act which limits Alaska to \$25,000 ^{would have to be amended;} herds of buffalo at Big Delta cannot increase because of lack of food; they should be transplanted

to other areas. This work will be done in the next two months as will the transplanting of goats to Kodiak. The predatory program demonstrated last year a practical method of controlling predatory animals; \$100,000 has been appropriated by Congress for carrying out this task throughout Alaska. Next year's budget of \$100,000 will go farther because equipment was purchased last year.

Rhode stated that there should be a cooperative research unit at the University of Alaska to take on research projects.

Rhode asked for a fish hatchery at Anchorage to use for taking spawn from other areas. Federal aid funds cannot be used for game fish. A plan is pending before Congress for federal aid to game fish similar to that which has been appropriated for wildlife restoration; \$35,000 has been requested for this purpose. Chances for passage of this bill are good. He said that transplanting was very necessary for game fish.

Rhode said they have one construction item - an aircraft hangar at Anchorage for \$250,000 which is badly needed. The item is under the ceiling appropriation. It will be used for housing planes and for storage purposes. He said use of surplus equipment has aided operations greatly.

He stated that \$100,000 had been requested for putting weirs into the principal rivers of Bristol Bay, but this was cut to \$75,000. The responsibility of Fish and Wildlife is 50% escapement of the pack. At the present time there is not sufficient escape. He stated that the weir program would continue for a number of years until escapement could be adequately controlled. Equipment for this year's weir program is taken care of, but there is a question about transportation; no one is willing to take freight into Bristol Bay; consequently the Service had to get its own boats. Johnson said the Army had self-propelled barges which they loan on condition that they are returned in as good a condition as when borrowed. Moore indicated the Railroad might have a barge they could use. Rhode said he would follow up both suggestions. If either proved successful, the Service would be saved thousands of dollars.

Rhode said refuge operations are maintained at Cold Bay, Kodiak, and at Kenai. The buildings have been constructed and are in operation. Next year's appropriation for the Alaska program will be \$2,300,000, plus \$250,000 for an airplane hangar which is a total increase of \$310,000. This increase has no relation to the six-year plan request which called for an increase of \$2,000,000. He stated that if the bill on federal aid to game fish goes into effect, as it has for game, it will be very beneficial.

Kadow asked Rhode if he had the narrative written for his six-year program and he said he did.

Moore asked Rhode if anything could be done about the moose problem since they presented a serious danger to the Railroad; that the moose had derailed loaded tank cars. Rhode said they planned to widen cleared areas near bridges; definite plans would be made within a week. He said they wanted to save the moose, as well as prevent damage to the Railroad.

Rhode said that if pink and red salmon were restored to their proper productive level, the economy of Alaska would be greatly affected; if the fisheries of Alaska fail, the economy of Alaska would be adversely affected. Money is needed to continue the work. Rhode said he'd talked to Governor Gruening, Delegate Bartlett and others about the Territory putting some of the money obtained from the fishing industry into a fund for stream guards, and that he had presented a draft of a plan to them. He said they planned to voucher the obligations on territorial funds with unified direction from the Fish and Wildlife Service. He said the equipment purchased from these funds remained the property of the Territory. He said the Territory should go along with this idea since the Federal Government had not seen fit to do so; that the program would insure income from salmon. Governor Gruening and the Alaska Legislature want a Territorial Fisheries Commission entirely independent of the Fish and Wildlife Service. Rhode felt that such a commission would pose more problems than it would solve. Rhode said that such a commission should come only with statehood.

Rhode then discussed stream pollution, stating that they were working up a bill on the subject. Kadow said that the Territorial Department of Health was working on it at Joe Flakne's suggestion; that he had read a bill prepared by Dr. Albrecht in the Attorney General's Office a few days ago; he advised Rhode to read it also and then discuss it with the Health Department and with him since he wanted his views on the matter. Rhode agreed to do so. Rhode said the Service is stationing a biologist at Juneau to work with the Forest Service's research unit on pollution and logging practices.

Kuehl asked Rhode if he got all items under the ceiling. Rhode replied that the five increases granted were under the ceiling items.

Rhode said the hangar would be built on Lake Hood or at the new Anchorage Airport.

The meeting was dismissed until the following day.

February 16 - Morning Session

FISH AND WILDLIFE SERVICE (Continued)

The following were present at this session:

| | | |
|---|---------|-----------|
| Hynes of Fish and Wildlife Service replaced Rhode | | |
| Puckett | Kuehl | Kadow |
| Jermain | Brust | Twenhofel |
| Reed | Taylor | |
| Moore | Johnson | |

Kadow began the meeting by asking for a discussion of the utilization of fish waste. Hynes said that the Department of Commerce gave them \$25,000 two years ago for a study of the possibility of developing the reduction of cannery waste. The study indicated the reduction of such waste was impractical in most cases because of:

Isolated location of most canneries.

Operation of the cannery by large crews of seasonal labor shipped in from the "outside".

Short - three to six week - canning season.

Likelihood of fish occurring in gluts on peak days.

Perishability of salmon waste.

High Alaskan operating costs.

Dependence on shipping which is frequently interrupted by labor troubles.

He said that reduced salmon waste has been turned down for use as human food by the Pure Food and Drug Administration due to the fact that in reducing waste, some of the poisonous portions of fish may be accidentally used. A reduction plant can be successful if there is an adequate amount of waste available and if the plant is run on a fairly small scale. Salmon waste produces an excellent oil and fish meal, but the cost is prohibitive unless there are large supplies of waste. In Ketchikan, the waste situation is well handled; the only other spot where salmon waste is now being processed is near Seldovia. All other areas are considered too small at this time with the possible exception of Bristol Bay.

Kadow asked about the possibility for a tuna trade in Alaska. Hynes said the tuna picture was uncertain since there has never been a complete survey made. He said that the tuna found near here was probably brought here by a freak warm current, but he hoped not.

ALASKA NATIVE SERVICE

18. Brust stated that funds were allowed for the purpose of operating present facilities or for new facilities completed during 1950. He said that allowances had been cut down. They had \$2,000,000 for construction of Anchorage Hospital, and bids were now out. The next big project they have authorized is to enlarge the White Mountain School and replace facilities which were destroyed by fire. There would have to be an expansion of present facilities. Kadow asked how Brust had come out with his budget. Brust stated that they had gotten about what they expected except for one or two items which had been cut out but in most cases some other item had been substituted. He said that more money was needed for sanitation in small villages. They had planned a five year program of actual engineering for sanitation conditions and other improvements, but that the appropriation had been passed for the second year. In connection with schools, they had received only enough money to operate the schools that were operated last year, to open ten which were closed for lack of funds, and for eleven teachers for overcrowded schools now short of teachers. He stated that if the Aid to Public Schools Bill goes through, the Territory may get some money for construction of schools. There are ten areas with 355 children where it was planned to construct schools this year. Two were lost out on and eight others were in areas where the community could furnish facilities themselves, but no operating funds were provided. He stated that they did not receive enough money for relief funds to take care of families of people hospitalized with tuberculosis. They asked for a large amount, but did not get it. The Territorial Legislature might provide relief, but would need to amend laws for relief under Social Security and territorial law. It was very important to get relief for a situation where the breadwinner of a home or the mother is hospitalized. There should be larger programming of decent housing so that an individual leaving the hospital will not go back to the same situation he came from. Brust recommended that they call for engineering, construction, sanitation, and water supply data from other divisions. The main thing was to get behind the appropriation with a share in the house bills. Enough of a grant should be given so that the natives could have proper houses. Kadow asked if the natives could afford to make regular payments on houses. Brust replied that there is a housing unit planned at Kotzebue, with the natives to do the work and the Native Service to supply the material on a reimbursable basis. The house can be paid for in not over a twenty-year period if it is moderately priced.

Kadow asked Brust why they do not coordinate with the Alaska Housing Authority and rehabilitate the natives. Kadow said that he'd discussed housing for natives with the Housing Authority and that they would be willing to work in any situation if there was a suitable arrangement to repay loans. He suggested that the Native Service cooperate with the Alaska Housing Authority to the extent of hauling materials to outlying districts and then getting the natives organized sufficiently to do the construction work. Brust said that the material for a small house on Kotzebue would be about \$3500. Kadow said that if arrangements could be made to get the materials shipped free, the natives ought to be able to support the project. Brust stated that the annual cash income of some of the natives is only \$300 a year which would not permit expensive homes. Kadow recommended that in view of the fact that the Native Service does not have enough funds, they approach the Alaska Housing Authority and decide if arrangements can be worked out with them for native housing, etc. He said he would be glad to work with them on such a deal. He said the Alaska Housing Authority would go into districts where the greatest pressure for housing exists so long as loans can be repaid or rents maintained. The Alaska Native Service should not miss this opportunity. Brust stated that their approach was by an outright grant by the Government of materials and shipping since the income of most of the natives would not allow an attractive investment. Sundborg asked what had been the mortgage experience at Hoonah. Brust replied that so far they are not delinquent, but would probably be unless fishing improved. Kadow stated that he hoped that any subsidy housing that comes into the Territory comes in without regard to race, but rather on the basis of economic need; that there were needs for subsidy housing all over the Territory. He said that a subsidy bill was being introduced in Congress this year, but it did not offer much hope for the Territory.

The subject changed to reindeer. Kadow asked Hynes and Brust to give him the full story on this. Brust discussed the reindeer situation. He stated that the deer grew to large size herds which overgrazed the land and often mixed with the caribou and wandered off. Allegedly, the reindeer herds were profitable while under private operation. However, one herd cost its stockholders over \$3,000,000. The herds were supposed to be huge, but when these herds were counted by the Government, they weren't as tremendous as they were supposed to be. Now the Alaska Native Service assigns certain ranges to individuals. There is a definite lack of regulations at the present time; however, a concentrated study is being made of the situation and it is hoped that it will be improved tremendously. The reindeer are now either in private hands or under the government. The government will loan a definite number of deer to an individual; he will repay a certain number every year and will be allowed to butcher only a definite

number. Even after the borrowed deer were returned, there was control on butchering. The herds which aren't overrun by wolves or caribou are working out all right.

Kadow then asked how the broad Mt. Edgecumbe program was. Brust said that vocational training with on-the-job training was being emphasized; that work was being done on an apprentice training program; that they were trying to cut down on the number of journeymen needed for each apprentice; that they were interested in placing apprentices in Reclamation and Railroad projects. Kadow said that Turcotte of the Ketchikan Pulp and Paper Company wanted natives trained in the woods and hauling ends of the pulp business. Their concept at present is contract for logs delivered at the factory. They visualize having groups of 50 or more men working in several spots at the same time. He thought it would be advisable for the Native Service to present a definite plan of training natives to the Ketchikan Pulp and Paper Company; such a plan would shape their thinking. Brust agreed and said they would work up such a plan soon.

The critical need for housing in relation to training was discussed. The possibility of building some houses at Sitka as training projects was brought up by Kadow. This was thought infeasible by Brust and others: on-the-job training with private contractors might be criticized as a subsidy of private investors; if the Alaska Native Service put housing up for private sale it might be criticized as another inroad of government into business. The possibility of setting up native boys with real ability as private contractors was brought up and seemed to offer some hope.

Johnson brought out the fact that if their program expanded, they would be willing to take on qualified natives on a proportional basis. Other committee members concurred and said they had done so in the past, and would be willing to continue doing so in the future.

The possibility of allowing white children to go to Mt. Edgecumbe was discussed. Brust stated that white children could attend if facilities elsewhere weren't available; however, the facilities at Edgecumbe were inadequate to handle all native applicants at the present time.

The Committee felt that vocational training could be a tremendous force in Alaskan development; that its possibilities should be explored to the fullest; that a terrific need for the training of men in the building trades existed; that local workmen in this field were essential to a lowering of the high building costs.

Brust brought out the critical need of his agency for funds to take care of families of hospitalized natives. He stated that Dr. Albrecht was helping him all he could; however, he felt that the Territory couldn't meet the situation adequately; that they must obtain federal funds.

GEOLOGICAL SURVEY

19. Reed said that appropriations approved by the Bureau of the Budget for fiscal 1950 were:

Water Resources Investigations - \$154,600 - by allocation from the stream gauging item.

Topographic Mapping - \$600,000 - by allocation from the topographic surveys item

Land Classification - \$26,350 - by allocation from the classification of lands item

Mineral Leasing - \$1,000 - by allocation from the mineral leasing item

Geologic Surveys and Mineral Resources Investigations - \$500,000 - the full amount of the mineral resources of Alaska item plus approximately \$568,000 to be advanced or transferred from other agencies.

The total is about \$1,849,950. The budget estimates at present correspond so closely to those presented at the second Field Committee meeting that we see no reason to change the earlier expectations for the remaining five years of the six-year program.

To obtain maximum results, long range plans are made on a systematic basis. From a long term basis, it would be ineffective to investigate an area for gold one year; copper the next, etc. So all are studied at once. Each year, federal, territorial, and private interests have need for the Survey's services. The national situation regarding certain mineral commodities determines where the emphasis is placed. Sometimes, the various interests coincide and a specific activity receives high priority i.e. petroleum investigations. Other times, various interests are not compatible, i.e. gold investigations which are of primary concern from the Alaskan development angle only.

Close liaison is maintained with Alaska's needs and developments and with federal and territorial interests in order to plan best possible

programs. For that end, various inter-agency subcommittees prove extremely useful. In some fields, formal machinery for such assistance has long existed, as in the Bureau of the Budget facilities for appraisal of topographic mapping needs under Mr. Randall.

Due to the great call for services to perform multitudinous spot jobs, at times it becomes increasingly difficult to make substantial progress on an overall basis.

Then followed an account of the 1950 program which had crystallized fairly well.

Water Resources Investigations. These investigations are divided into surface water, ground water and quality of water. During the past three years, systematic stream gauging had been resumed, although on an inadequate scale. Ground water studies were also begun and reconnaissance investigations made last summer which will result in the initiation of a quality of water program in the spring. From an administrative standpoint, it was found desirable to have the branch field offices of the Water Resources Division report to Washington. In the surface water program, about 40 stream gauging stations are presently in operation, mostly in southeastern Alaska, the railroad belt and the Prince William Sound regions. By the end of fiscal 1949, probably ten more will be installed; and possibly ten more during fiscal 1950. About 50% of the funds allocated for water resources work is likely to go to surface water. About one-fourth of the water resources Alaska money will go to the ground water program in 1950. During 1949, the Fairbanks ground water conditions were studied. The project will be completed and studies made in the Matanuska and areas in the railroad belt. In addition studies are being made of ground water conditions in small communities where the obtaining of potable water is a problem. This program is closely tied in with the Territorial Department of Health program. The quality of water program is still in its preliminary stages. Some planning was done last year. A quality of water laboratory is planned for installation in the spring at Palmer where chemical quality and sediment content will be studied.

Topographic Mapping. There have been issued, and will continue to issue revisions of a general series of Alaska maps, the largest of which is a big two-piece B-map designed for wall use, now long out of date and of which a revision is being made; the smaller C-map, a revision of which was published about two years ago, is probably the most used general map; the still smaller A-map has been completely revised and is available. These maps are planimetric maps without contours. It is hoped that shaded relief editions of the B and C maps can be made available before many years. In addition to the

series of general maps the Survey, with the concurrence of all other principal map-making and map-using agencies, has divided Alaska into quadrangles, in accordance with which topographic mapping is now being done and published. The breakdown is shown on the E-base map. The mapping is being done for publication on two principal scales - a 1/250,000 scale series and a 1/62,500 scale series. All of Alaska will be covered with the 250,000 series by the end of five years. A few of these maps have already come out or will be available in the remainder of this fiscal year, but many more will appear in 1950 as work started a couple of years ago reaches the publication stage.

The choice of areas to be mapped has to be carefully worked out. The needs of various interests must be appraised through direct contacts, through the Inter-Agency Technical Subcommittee on Surveying, Mapping and Charting, and through the Bureau of the Budget. The availability of adequate aerial photographs and geodetic control is also a factor. Furthermore, once an area is selected for mapping, it is more efficient to cover a block of quadrangles rather than to scatter them. In the area around the Susitna, the Survey has neither adequate aerial photographs nor geodetic control.

The Committee discussed the importance of coordinating the mapping requirements of the various bureaus in Alaska since the Survey would probably be unable to handle all requests. If the Survey already had not planned to map the desired areas, they should be mapped as soon as possible. Although the 1949 pattern was established already, Reed said that if modifications occurred, the requests of the bureaus would be considered. Plans for 1950 were still in the formative stage. It was brought out that no Alaskan bureau, other than the Park Service, had been consulted about their mapping requirements. Reed agreed to send to the bureaus copies of the maps on which each bureau would indicate the areas they were most interested in having mapped. Then the Field Committee would get together at the next meeting and determine the relative importance of the various requests. Puckett inquired about the availability of aerial photographs of areas not yet mapped, and Reed suggested that he write him for them.

Land Classification and Mineral Leasing. Survey was responsible for the classification of federal lands as to their mineral or non-mineral character and as to their water and power potentialities, and for the supervision of mineral leases on federal lands. These functions are performed by the Conservation Division. Of the money available for land classification, about one-half is scheduled for mineral land classification. The available funds are expected to be transferred to the Geologic Division to be added to the amount available to the Division for coal investigations so as to insure the acquiring of data required for the classification of lands near Homer on the Kenai.

Peninsula and in the Nenana coal area. The remainder will be used by the Water and Power Branch in surveys of water and power possibilities in areas that have not yet been selected. Under consideration as of high priority are some areas in southeastern Alaska such as Carlson Creek and the Thomas Bay vicinity, a few locations in the Prince William Sound region, and some streams in the Anchorage vicinity. The funds are so limited that extensive surveys cannot be contemplated. The mineral leasing work in Alaska is not extensive. Only \$1,000 is allocated for this purpose. The work is done by the Territorial Commissioner of Mines by arrangement with the Survey.

Geologic Surveys and Mineral Resources Investigations. The activities under this heading are by far the most extensive activities of the Survey in Alaska at present. The Alaskan and Foreign Branch of the Survey will carry on work in petroleum investigations, investigations of non-metallic deposits, coal investigations and investigations of metallic deposits. The Survey expects to have four field parties, one in northern Alaska in connection with work related to Naval Petroleum Reserve No. 4 and 3 in the Alaska Peninsula area, one of which will be in the Tuxedin Bay, Snug Harbor vicinity investigating petroleum reserves. In addition five other petroleum parties will be working at various places in northern Alaska with funds advanced by the Office of Naval Petroleum Reserves. Also the Survey's Office and Petroleum Geology Laboratory will continue in Fairbanks with advanced funds. In connection with the investigations of non-metallic deposits, it is hoped that provision can be made for collecting additional needed information on the gypsum deposits near Sheep Mountain, shale near Cantwell, and clay along the railroad near McKinley Park. A substantial part of the funds for non-metallic deposits may have to be allotted the Branch of Engineering Geology for projects mentioned below. The program of coal investigations will include three parties, one in the Nenana field where investigations have been going on for several years and are expected to be continued until the end of 1952, the other two in the Kenai area where work started two years ago near Homer and will be expanded. The Department is requesting a supplemental coal program through a deficiency bill. If such an appropriation is made, the Survey's part will be about \$400,000 in 1949 and 1950 and would include drillings in the Nenana, Homer, Alaska Peninsula and Matanuska areas. The investigation of metallic deposits is expected to include a continuation and probably the conclusion of the study of the Juneau gold belt from Taku Inlet to beyond Berners Bay, the continuation of the mapping of the geology in the lower Kuskokwim region in an extensive area containing deposits of gold, antimony, mercury, and platinum, the extension northward into the Icy Strait-Glacier Bay area of a mapping project that has been going on for several years on northern Chichagof Island where nickel, gold, tungsten, molybdenum and copper mineralization is known, the investigation for the second of at least a three-year project in the