

Willow Creek gold lode district where there is also tungsten mineralization, the start again after several years recess of mapping on the west side of Prince of Wales Island in an area containing iron, copper, gold and other minerals, the start of a systematic study of the geology of McKinley Park, and possibly a zinc lead project at a point yet to be selected in southeastern Alaska. The branch of Geophysics expects to carry on a project of geophysical research in permafrost problems in arctic Alaska. The project, supported by the Office of Naval Research, will be carried out through the facilities of the Arctic Research Laboratory at Point Barrow. The work will include a substantial program of collection of temperature data through measurements made possible by holes drilled in connection with oil exploration by the Office of Naval Petroleum Reserves. The Military Geology Branch is financed largely by funds advanced by the Office of the Chief of Engineers. The work involves terrain studies for military intelligence at a number of localities. The Branch of Engineering Geology is expected to start a systematic project in engineering geology at some locality still to be selected. This work results in pertinent information on terrain conditions, nature of subsoil and rock, distribution and nature of construction materials, including sand, gravel, rip rap, quality of natural foundation materials, and ground water conditions. Under consideration for a locality to begin are the vicinity of Anchorage and a stretch of the Alaska Railroad where it is expected that such work might be helpful. The Branch of General Geology is carrying on, and will continue, a substantial investigation of the volcanos of the Alaska Peninsula and the Aleutian Islands. Several parties will be in the field and the project will also include the study of earthquake possibilities. This program will cost about \$120,000 in fiscal year 1950 of which one-half is to be provided by the Geological Survey and the rest by the Department of National Defense.

Item B of the outline is somewhat difficult to put across. The series of manuscript index maps (which are included in Reclamation's report) on which are plotted some of the data listed in the agenda, but the problems of mineral resources, their complex relationships, the constantly changing relative importance of various minerals, the lack of specific information about Alaska's mineral resources, and other factors make it virtually impossible to discuss the subject in the manner in which the agenda item is worded.

The Committee discussed the cement project. Kadow wondered whether the Survey was prepared to look elsewhere for limestone if the McKinley deposit was found unsatisfactory. Reed said they would do all they could. Kadow stressed that it would be a major error if another summer went by without getting the answers to the cement operation. He felt that neither the Survey or the Mines were going at it as all out as they should be, Jermain felt they would know by

July 1 about the limestone, but he was not very optimistic, and felt that other possibilities, especially shale, should not be overlooked. Nothing conclusive was arrived at.

Kadow wanted to know whether exploratory work for the southeast included work around the Taiya. Reed said it didn't. Kadow said that there was going to be a genuine showing of interest by the Aluminum people there because of the low cost power. The Bureau of Mines regards it as an interesting possibility. He wanted to know what coordination, if any, was needed. Reed said none was necessary; that a great deal was known about the area; that there is low grade iron in the Haines vicinity with some titanium; that if the project goes over, the deposits will be looked over more carefully; that there are a few gold deposits in the old Porcupine area; some mineralization around Bernards Bay, some copper on the other side of Lynn Canal; that this was an area that would not get a high priority unless the power was being developed. Kadow said that this is one of the greatest power potentials in Alaska; that in order to sell the power and to proceed on that front, it was necessary to know everything possible about minerals in the area. He said that some felt that this area has most of the important tools for economic development; that the Survey should take a good look there to help sell the area. Reed said that the Survey feels that it must place its shots depending on the pressure of circumstances in all Alaska; that they were not unaware of Taiya; that after the Geological Survey investigates an area, the Bureau of Mines should follow up.

Jermain said that they were not permitted to develop certain minerals, gold, for instance; that their time could be better spent on other things now. Someone asked why the Survey continued to look for gold. Reed replied because of its importance to Alaska's economy.

Jermain asked whether Reed didn't think Taiya would be more important to the Territory and critical and strategic minerals. Kadow said that whenever a strong basic economic factor was found - and power was a great one - it was highly important to work out all the other economic potentials within the radius of its direct influence. He said that if copper or iron or anything subject to reduction by electricity could be found within the direct range of the power, a tool would be available for selling the power. A market was necessary for the power. Reed said that he could not be influenced by the fact that there was going to be power at Taiya; that although there might be some mineral deposits there, other areas had better potentialities; that they were going to look for them in other areas of southeastern Alaska; that the possibility of finding something substantial was much greater if the problem were approached in that fashion. Kadow said that if substantial deposits of lead, zinc, copper, etc, were found within easy shipping distance, the same purpose had been accomplished although the deposit might not be in the direct power range. Reed said the broad picture would be

helped more effectively by investigating what seemed to be substantial deposits of base metals in the coastal range rather than piddling around with smaller deposits; that it wasn't easy to decide what was going to be best. Johnson said that on the Canadian side of the Taiya there were vast deposits of lead, silver, and zinc; that the only ore they were taking out was that which ran over 150 ounces in silver; that as long as cheap power was available, the ores would be shipped to the power for reduction; that they would like to see Taiya thoroughly explored; that the time spent on gold could be better spent in this area. Reed said that apparently the Geological Survey was the only outfit that could work on gold; that the other bureaus seemed to have been told to lay off. Johnson said that he'd like to have Kadow clarify the Department's gold policy. Kadow said he'd see what he could learn about it and report back at the next meeting.

Reed discussed the mineral resources of Alaska. He stated that gold had been the backbone of the mining industry; that coal and copper had also contributed substantially to Alaskan mineral production. He felt that mining was destined to be a leading factor in Alaskan development; further, that the Territory contained a large number of mineral commodities, many of which are on the strategic and critical materials list (* items on critical and strategic list). Alaska has substantial deposits of:

Antimony* -- Deposits widely distributed in Alaska. Most of the known deposits are small but a few, such as the Stampede deposits are substantial. The wide distribution of antimony deposits, some of which are in little-known regions, suggests that additional reserves may be discovered.

Chromite* -- Has been found at many places in Alaska. The only known significant deposits are on the Kenai Peninsula. Though small in comparison with deposits of similar grade in other parts of the world, the deposits contain the largest known reserves of good quality metallurgical chromite in the United States or its territories. Present knowledge indicates that future investigations might reveal additional deposits.

Copper* -- The mines at Kennecott from which came most of Alaska's copper ore up to this time have been closed for more than ten years. However, copper deposits, many of which are of low grade, are known in many places in Alaska such as the Copper River region, Prince William Sound, and southeastern Alaska. Although these ores are now marginal or submarginal the copper outlook is such that they may be important in the future.

Gold

Mercury* - Cinnabar, the principal ore of mercury, is known or has been reported from many places in Alaska. The principal known deposits are in the Kuskokwim region where the reserves are substantial. The possibilities are exceptionally good that new deposits will be found in the region and it seems possible that southwest Alaska will eventually be established as an important mercury mining region.

Platinum Metals* - The principal American sources of platinum metals are in Alaska. In the period 1920 through 1947, about 95% of the domestic production, which is an important part of our consumption, came from Alaska. The best known and most productive deposits are those in the Goodnews Bay area in southwestern Alaska. Little specific information is available on most other occurrences of platinum metals, but the general geology in several regions indicates the possibility of the presence of other significant deposits.

Tungsten* - Tungsten minerals are widely distributed in Alaska. The principal known areas of tungsten mineralization are the York district on Seward Peninsula, the Fairbanks district, and the Kyder district in southeastern Alaska. Many tungsten-bearing veins are of value primarily for their gold content.

Zinc* - Deposits of zinc minerals, principally sphalerite, are known at many places in Alaska and several areas such as the Coast Ranges of southeastern Alaska, appear to hold promise as possible zinc producers in the future. The data are generally so inadequate that reserve estimates cannot now be made.

Asbestos* - The only known asbestos deposits of importance in Alaska are in the Kobuk district. Asbestos minerals are known or reported from many places but further investigations are necessary before the deposits can be evaluated. At least in the Kobuk district both chrysotile and tremolite asbestos are present.

Barite - Deposits of barite are known only in southeastern Alaska. Two of these, on the basis of present information, appear better than the others - one is at Lime Point on Prince of Wales Island and the other on Duncan Canal.

Fluorite - The largest known fluorite deposit in Alaska is at the Lost River tin mine on the Seward Peninsula. The reserves there are believed to be substantial. Deposits of fluorite are also known in southeastern Alaska, but information to evaluate them is not available.

Graphite*- Graphite deposits are not widespread in Alaska. The only significant deposits are on the Seward Peninsula and in southeastern Alaska. There appears to be an opportunity for the development of a large amount of graphite from the deposits on Seward Peninsula.

Gypsum

Pyrite

Coal

Limestone

Sand

Gravel

Clay

Shale

The Committee recessed for lunch.

February 16 -- Afternoon Session

The same people who were present for the morning session of the Committee meeting were present at the afternoon session.

ALASKA ROAD COMMISSION

20. Taylor discussed the six-year development plans and budget requirements, including the effect of the 1950 budget outlook on the program. He said they'd asked for \$33,520,200 cash of which \$17,904,000 was to cover previous contract authorizations. There was a \$6,828,200 cut in cash and the effect of this would be to extend the completion time of the program. The program for the Fairbanks-Chena-Hot Springs Road was cut out. Other projects were left in with some reductions, including a cut in the farm roads appropriation leaving only \$200,000 where \$500,000 had been requested.

Taylor brought up the question of the maintenance of roads by the people living outside towns. At this point a lengthy and controversial discussion took place about building, maintaining and snow removal from streets in communities outside of incorporated towns. Taylor felt that it was strictly a problem of the residents of these areas

involving special taxes, etc while others thought it was a problem that should be studied jointly by the Alaska Road Commission and the Territorial Highway Department, especially since all development is so closely related to roads. Kadow expressed the view that if the problem wasn't being solved satisfactorily now surely someone should bring the problem into focus in order that some satisfactory solution could be found as soon as possible. He suggested that the Alaska Road Commission take the initiative, but Taylor felt that the Road Commission should not advise the Territorial Highway Department where it should spend its road funds. After more discussion, the matter was dropped.

Taylor continued with his budget discussion by indicating they had received funds for thirty miles of the Paxson-McKinley Park Road and would start the program as soon as possible. Johnson indicated that as yet they could not be sure where the lake limits of the Susitna project would come, but he was sure it would not go above the proposed Alaska Road Commission crossing of this river, and Reclamation will have definite information by 1950 so that the Road Commission can adjust the crossing, if necessary. Another discussion of mapping took place which pointed up the urgency of this work. Taylor continued by saying that there had been a cut on the Tok Highway regarding construction and that the paving budget had been reduced \$3,854,000 which would have the effect of reducing the mileage paved by about 100 miles. There would be no cash for paving in 1950. The appropriation would pay for paving done in 1949. Kadow stated that cuts in paving, while serious, would probably not affect the development program. Taylor suggested that the budget might shift funds to provide that farm roads get \$300,000 instead of \$200,000 and that \$300,000 for shops and \$200,000 for residential housing all of which was taken out be replaced. Kadow asked Taylor whether he was interested in temporary housing. Taylor replied that it would depend upon what happened to their appropriations; however they would do some temporary housing work, including several units at Tok and Glen Allen which are mostly C.C.C.-type buildings; that these would be made into apartments. Kadow pointed out that the Road Commission could use the Alaska Housing Authority to help solve their problem if the housing bill passed. Kuehl asked Taylor if the Road Commission got the appropriation it asked for in its entirety. Taylor replied they were cut \$6,828,000 in cash and \$400,000 contract authority; that the one item of real consequence was the \$200,000 cut in maintenance funds which they would try to get reinstated. Johnson said that when the Eklutna project is constructed, there would have to be a change in the Anchorage-Palmer road at mile 34. Taylor said that this would require a change of contract operations. Johnson agreed to supply information as soon as he knew Reclamation was going ahead with the project.

There was a discussion of the Haines Cutoff maintenance outlook. Taylor stated that there was no possible way to get equipment to turn over to the people in Haines to keep the road open in Canada. He said the only answer would be a treaty with Canada; that the chances for such a treaty were slim. The Canadian Army feels that it is infeasible to keep the Haines Cutoff open in winter. Kadow said the outlook for keeping the road open is very bad. However, he was sure that if any way to do so could be found, Colonel Noyes would find it; that the Colonel had worked very hard on this problem.

At this time Kuehl brought up the matter of billboards and other signs on the highways of Alaska. A lengthy discussion of this subject took place, including many ramifications of the right-of-way problem. As a result of the discussion, the following decisions were reached:

To wire Washington immediately the unanimous recommendation of the Alaska Field Committee "Re highway rights-of-way in Alaska, it is unanimous recommendation of Alaska Field Committee that new orders being drafted amend PLO 386 so width of Slana Tok right-of-way may be reduced to 300 feet and PLO 226 Haines Highway be revoked so right-of-way may be reduced from one mile to 300 feet. Both of these roads have been designated by the Alaska Road Commission as through roads."

The Committee again recommended that no special use permits be issued on roads under 300 feet and approval of this as departmental policy be given.

The Committee recommended that the Alaska Road Commission be given complete jurisdiction over all Alaska highways controlled by the Interior Department up to 150 feet on each side of the center line, the additional 300 feet on the Alaska Highway being subject to lease, should be controlled by the Bureau of Land Management and all leases made by them.

It was agreed that the Bureau of Land Management should draw up regulations and make them available in printed form setting forth the terms of lease on the Alaska Highway and including in these regulations information concerning the number of billboards, signs, etc., that the Alaska Road Commission would permit on the Alaska Highway. This should be settled as soon as possible since any policy followed must of necessity be uniform. Kadow urged that territorial views of billboards, etc., be determined before the Road Commission determines its policy since statehood would place all such matters under territorial control. All agreed that this was a good idea.

The matter of trespassing came up and several thought a clear policy statement from Washington was needed at once before taking further action against those now in trespass. Kadow agreed to ask for a policy clarification.

The Alaska Road Commission was requested to take all necessary steps to establish legally the right-of-way for the Alaska Highway through the Indian Reservation. Some thought the right-of-way was established by Public Land Order 386, but Brust did not agree.

It was recommended that the Indian Reservation along the Tok Cutoff be bounded on the west by the Tok River since it would simplify many problems thereby. Apparently only a narrow strip would be involved. Brust represented the only dissenting vote.

Johnson said that Joseph M. Morgan had requested that he suggest that the Committee consider the possibility of a highway from Thane up Taku and across to the Alaska Highway. Kadow said that the Road Commission should study the problem and make a recommendation as to their findings. Taylor said a study had already been made and that the road would involve an international agreement. All the roads on the American side would be in forest area, but it is a feasible route and a car could be driven from Juneau to the highway system except it would be necessary to ferry across Taku about a mile. The cost would be about \$50,000 per mile. The recommendation of the Committee was to gather information and make a detailed statement concerning it at the next meeting. Kadow appointed Morgan, Jermain, and Noyes to serve on a committee to gather this information and recommend a course of action.

The meeting was dismissed until the following day.

February 17 - Morning Session

The following were present at this session:

Hynes	Reed	Brust	Twenhofel
Puckett	Moore	Taylor	Kadow
Jermain	Kuehl	Johnson	

ALASKA RAILROAD

21. Moore discussed the difficulties encountered in trying to finance projects which were considered economically feasible such as those on which Reed Salisbury reported favorably. Money, if available, has a going rate of 8%. Alaskan development hinges on cheap money. It was found that the same projects which were being discussed a few years ago were still being discussed now with no better outlook for getting them financed;

Moore stated that the Lewis Construction Company, the only bidders on the warehouse project, were in Washington trying to complete the project.

Moore stated that the land lease for the housing project had only one bidder, the Lewis Construction Company. The Alaska Railroad has recommended that they be awarded the lease. The matter is now under consideration in Washington.

Moore indicated that the Railroad would reduce rates as rapidly as it could and still operate out of receipts. Taylor felt that rates would not be materially reduced until competition had free play; that with competition from trucks, reductions would take place on the Railroad in order to keep business. Kadow said that transportation cost was a protection and incentive to Alaskan industry; that if high transportation costs did not permit production of goods in Alaska at a cheaper price than the cost of the goods plus the cost of transportation from the States, Alaskan industry would never be developed profitably. Johnson wanted to know the Railroad's policy on backhaul. Moore stated that anything the Railroad made on backhaul was equivalent to profit; that they were trying to develop backhaul and were willing to give shippers every possible consideration. Kadow stressed the fact that it was impossible to talk about transportation in the Territory without getting emotional. Everyone has ideas on it, but few have the facts. He said that the Alaska Steamship Company was criticized severely for giving the salmon industry cheap backhaul rates; however, if the rates were too high, the salmon industry would run its own ships which would result in higher northbound rates. He hoped a sane policy regarding transportation would soon be developed that would be based on a careful appraisal of the facts.

BUREAU OF MINES

22. Jermain said their budget was prepared on a national basis. Kadow stated it was entirely too small for the job before it in Alaska. Jermain said that interest in mining was increasing. People were starting new mines in copper, lead, zinc, and tin; that there was a certain amount of mining in the Territory by Canadians who were more willing to take chances than were American investors; that Canadians do not have S.E.C. regulations against speculation. He said that the U. S. Tin Corporation, an American corporation, was showing a great deal of activity in tin; that their property was on the Seward Peninsula; that the tin and tungsten was low grade and may be profitable due to the fluorite being obtained as a by product. He said there were cartels in mining; that in some instances, such as mercury, the American production was practically wiped out even though the metal was still on the critical list, simply because of inconsistent government pricing policies. Reed volunteered that some metals and minerals were on the critical list not because they were in short supply, but because they might become so in case our foreign supply was cut off.

Kadow questioned whether it would be advisable for the Committee to recommend that small mining operators be given long term contracts by the Bureau of Federal Supply for the mining of critical minerals; that the small operator always had difficulty getting a contract while the big fellow did not; that a consistent price be offered which would allow the small operator to develop a sound business. Jermain said that Kadow was talking about incentive payments. They had been advocated by a previous Congress, but the President had vetoed the bill; however, such a plan was incorporated in the President's message this year and was very much needed for Alaska.

Next the cement project was discussed. Jermain said that the cement project would be started as soon as drilling water was available. The shale under study had too high a magnesium content and could be used only if the limestone had a low magnesium content; that further drillings would have to be made to ascertain whether the limestone deposit was usable. He said that if everything ran along smoothly that the drillings would be finished by July; that in order to save time, the analysis could be done in either Anchorage or Fairbanks. Reed volunteered that analyses had been made of the claystone, but they did not know whether it would be satisfactory. Kadow wanted to know whether everything was being done that had to be done that would enable us to know by July whether a cement project would be feasible. Reed said a search should be made along the railroad in the Cantwell and Healy areas to determine whether there were other sources of shale. Johnson said he understood that the limestone drilled had the maximum amount of magnesium; that the magnesium content seemed

to increase as drillings of greater depths were made; that he wouldn't count on the deposit being acceptable, therefore, we'd better be looking for others. Reed said that if shale were available which was extremely low in magnesium content, the limestone might make the grade. He said that he felt more sampling should be done in the claystones embedded in the coal formations. He said if that material was acceptable, and if the limestone could get by, the problem would be licked; at least this would be an answer, although a better one might be turned up later. Kadow said that even though the raw materials were found satisfactory, a big job still lay ahead. If the plant wasn't constructed by the 1950 season, the opportunity to make it pay may have been lost. To make the project pay, big orders from the military were necessary. Jernain said there were other limestone deposits to be sampled; the deposit they'd drilled on recommendation of the Survey, was the biggest and closest to the Railroad. Kadow said that he had had an excellent meeting in Washington regarding the operation of the cement plant. The group agreed that this should be a government financed proposition since it was wishful thinking to suppose that it could be financed in some other way due to the fact that only one-fourth of the plant's capacity of 350,000 barrels would find a civilian market; unless the government underwrites a market for four to five years, private industry would not touch it. Secretary Krug felt the project should be handled by private industry with certain government controls; that he & Secretary Forrestal would try to work out a five-year purchase contract for cement. Reed wanted to know whether this discussion wouldn't be academic if the Alaska Development Corporation bill passed. Kadow said that even though the Alaska Development Corporation bill passed, a decision would still have to be made in regard to government versus private ownership. If under private ownership, the Alaska Development Corporation would probably have to put up most of the funds. Puckett volunteered that since the Interior Department had withdrawn the limestone deposit from further staking, the only people who could utilize this deposit were the present stakers; that if they gave up their claim, nobody else could come in and restake. Jernain said that Sheep Mountain gypsum was quite variable; that the man who owned it was thinking of also going into the wallboard business.

Jernain discussed the iron ore situation in southeastern Alaska. He said there were small but high grade deposits; that these deposits could be brought into the Japanese steel operations; that they were working on that angle now. He said that the area hadn't been studied too systematically; that there were high grade deposits of olivine, pyrite and gold. Johnson said that he believed that in order to make iron ore production economical, the ore should be at least refined to pig iron. Reed said that in order to do this you

would have to have huge volume to justify a metallurgical industry. Jermain said that the steel industry always works on a twenty-five year basis; that such supplies of iron ore aren't available here. Reed said that similar deposits of iron ore exist on the mainland and in British Columbia; that they must be thought of as a unit with the Alaskan ore. Jermain said that there was a deposit of iron-titanium at Haines which looks as though it were of considerable size and could be easily mined.

Jermain said that there would have to be considerable research and testing before we went into the construction of a synthetic fuels plant in Alaska. Johnson said that Warne had appointed a committee to look into the matter of a fuels plant. The committee was composed of the Bureau of Reclamation, the Corps of Engineers and the Bureau of Mines. Reed said he doubted whether the committee had actually reached the stage of figuring costs. Jermain said that although the Bureau of Mines has done considerable testing, a great deal more would have to be done in order to determine what methods would be used. Kadow questioned the amount of oil reserves we had. Jermain felt that oil reserves weren't an immediate problem; that they were thinking in terms of a generation away.

BUREAU OF RECLAMATION

23. Johnson said Reclamation came out of the Bureau of the Budget with \$250,000. Reclamation had asked for \$1,250,000 for fiscal 1950; \$2,000,000 for each of the remaining five years.

Johnson said that they were concerned with multi-purpose projects - irrigation, power, navigation, flood control and drainage. The power portion of the project cost draws interest at the rate of 3% per year which amounts to 97¢ on every dollar invested after fifty years. This money can be used in the development of land resources if it is required over and above what the people on the land can actually pay. The reclamation of land is usually on a forty year repayment plan and interest free. Reclamation would like to apply the same principle of development of land resources to Alaska; they would like to use the interest component to develop Alaska. The cost of clearing land is beyond the ability of the average farmer; the average farm of 32 acres has been too small to be economically feasible - at least 100 acres are needed. Irrigation is necessary for the development of lands north of Anchorage.

Eklutna Project. \$20,000,000 of this \$21,000,000 project is for power facilities; the remaining \$1,000,000 is for the development of recreational facilities. The money appropriated by Congress for power facilities has to be returned to the United States Treasury in fifty-two years at a 3% interest rate on the unpaid balance.

Reclamation's program calls for reclamation of land by clearing on a reimbursable basis with repayment to the federal government within a period of forty years at no interest. Johnson said they feel someone has to step into the agricultural picture and assist; otherwise that phase of the Alaskan economy will lag behind the rest. He said the cost of getting into farming is so high in Alaska that even with standard interest loans, farmers wouldn't be able to make enough money to repay them. Consequently subsidy from power users to agriculture, via the 3% interest component seemed an excellent means. He said that a bill is being introduced which would allow Alaska to share the Reclamation Fund with the seventeen western states.

Jermain said that last year there had been quite a bit of discussion in Congress about royalties being received from mines which the Bureau of Mines drilled and which the Bureau was instrumental in bringing into operation. Johnson said that Alaskans pay a royalty of ten cents a ton on coal to the United States Treasury, none of which is funneled back here. Kadow said it doesn't make much difference where the money goes so long as it goes into the United States Treasury and through appropriations finds its way back into development plans, etc. The concept of government moving into development is one which has been accepted with various degrees of emotion and reason. The principle of Reclamation's integrated development program is unchallengable, but the Agriculture Department may have plenty to say before this comes about in Alaska. With the Alaska Development Corporation Bill we'll be able to do a lot of things other agencies want to do but haven't the funds to do. Alaskan development would be speeded greatly if a lot of agencies would function with the authorities they have. Agriculture has authority to make loans, however, it isn't using this authority very much. The same is true of the Reconstruction Finance Corporation.

Johnson asked for the support of the Committee in establishing the fact that the irrigation of lands north of Anchorage is the prerogative of the Bureau of Reclamation. Kadow said the Committee is an Interior Department Committee; that departmental policy on such matters would automatically become the committees; he was sure that everybody at the meeting was for it, but would probably have very little to say about it. He said the fight would occur in Washington, and not out in the field.

Elkutna Project. Johnson said they hope to receive a \$240,000 appropriation in fiscal 1949 which would permit them to let some contracts for access roads and housing for the project. For fiscal year 1950, \$2,440,000 is required for final design, specifications, some contracts, especially the contracts which would take such a long time to execute; namely, the tunnel. Appropriations are scheduled through a construction period of about four years. Studies show that Elkutna will be almost fully loaded by the time it is completed. Reclamation has forecast the need for electrical power

in the rail belt for the next twenty years. Even before Eklutna is finished, that area will need more power; consequently, the Susitna Dam should be started. Transmission lines will cover the synthetic fuels plant and extend southward to the Anchorage area. Transmission lines for the Eklutna Project will be of considerably higher voltage than required because they will eventually be linked with the Susitna Project. Power will probably cost $8\frac{1}{2}$ mills; secondary energy $4\frac{1}{2}$ mills.

Susitna Project. The Susitna surveys will be costly. Topography alone will cost \$400,000. A spur line from the railroad to the site will be needed; this will be paid for by Reclamation. The capacity of this plant, as stated in the report, is 450,000 KW. This power will take care of Fairbanks and development throughout the rail belt. Engineers see no unusual problems of power transmission which have not already been solved in the States.

Rampart Dam Site. There is a distinct possibility that it would take some unusual demand for power by the Federal Government - atomic energy, etc - to utilize all the energy that could be produced here.

Chena River. This river is a flood menace. If a project were developed here it would provide flood control, a municipal water supply for Fairbanks, industrial water, water for irrigation in the Tanana and power production. If a reasonable dam site can be found on the Chena, a portion of the cost can be charged to flood control. Investigations are scheduled to start in fiscal 1951. In this instance, unless materials for an earthfilled dam can be located, the project would be in serious jeopardy. Permafrost also will be a problem.

Johnson said that Reclamation had further reconnaissance work in central Alaska which wouldn't be too costly.

Copper River. Johnson said there was a dam site in Woods Canyon of the Copper River; that if the Alaska Road Commission utilized the old railroad roadbed for a highway, there would be conflicting interest. He said that investigations are scheduled for fiscal 1952. Taylor said this road was a part of the long range program; that possibly it would be started in the next two to three years; that he hoped the plans of the two bureaus could be coordinated by that time.

Nenana River. Johnson said the development here would be tied in with the synthetic fuels plant; that investigations were scheduled to start next summer; that if it looks as though the synthetic fuels plant will be built, work will be stepped up; if it doesn't, the investigations will be held back. Reed said that the quality of water problem would be encountered; that a flow of water the year

around would be required for the plant. A discussion followed. Kuehl said the Park Service would resist any effort to inundate Park lands by the Wenana project. Johnson said they had worked with the Park Service before and would find mutually acceptable ways and means of solving the problem.

Southeast Alaska. Johnson said Reclamation was interested in approximately seventeen power projects in southeastern Alaska. The sites of particular interest at this time are on the Stikine River and the Taiya River.

Taiya River. Johnson said investigations started here about three years ago. The Alcoa Aluminum Company was allegedly in the picture. Johnson said that he felt that this site was perhaps one of the lowest cost large power producers yet undeveloped under the American flag. The difference in cost of power here to cost of power of projects being developed in the States is so great that little difficulty is expected in selling this power. Because of the low-cost power, materials could be hauled long distances, and still have economic production. The development of the Taiya River is an international matter. A commission exists which was created in 1909 by a treaty between Great Britain and the United States to solve such problems. Johnson felt a board was needed under the International Joint Commission to study the water common to both Alaska and Canada. He said a budget of \$10,000 annually has been set up for the expenses of such a board. Johnson wanted the Field Committee to recommend to Washington that Canada and the United States investigate water resources common to both. Reed wanted to know why it was necessary for the Field Committee to enter in; why the Bureau of Reclamation wasn't in a position to raise the question itself. Johnson stated that he thought a little extra support would be worthwhile. Kadow said that the Committee's support might do any good; however, it couldn't do any harm. Reed said that we'd be trying to influence an international commission who would be willing to accept such a suggestion. He wanted to know whether the international commission would establish a local board to study the feasibility of such a project. Johnson said that the Bureau of Reclamation can do certain things on this side of the line; that they wanted to make certain that the Canadians were doing likewise on their side. Johnson proposed the following motion which was carried:

That the Field Committee recommend to the Secretary's Office that the United States actively seek and negotiate an extension of the existing agreement with Canada to extend activities of the International Joint Commission to an investigation of water resources common to the Dominion of Canada and the United States in Alaska.

A lengthy discussion took place concerning the development of power in southeastern Alaska for the pulp and related industries. Johnson did not know the Department's policy for the development of power in these situations, especially since, in all cases, the amount of power involved was relatively small. Kadow felt that if Reclamation was needed to accomplish a given industrial development, they should go in. By the same token, if they weren't needed, they should not go in unless for the purpose of protecting the public's interest in the project. All agreed that a clear statement of departmental policy was needed and Kadow was asked to get it as soon as possible. Several doubted the wisdom of putting in power for a single commercial group.

Johnson asked Reed whether he was interested in a water law for Alaska. Reed replied that he wasn't vitally concerned. Kadow stated that there was now pending in the legislature a complete law that had to do with the pollution of streams and suggested that Johnson read the law. Johnson suggested that the Committee ascertain whether the Bureau of Reclamation's Legal Division would write a proposed tentative law for Alaska. Kadow suggested that the procedure be reversed and that the Bureau of Reclamation send copies of any water laws they have and that a law be evolved with proper territorial officials as soon as possible, and then send it back to Washington for their suggestions. Kadow appointed Jerry Williams (Attorney General) as Chairman of the committee to do this with Fuckett and Johnson as members of the committee. Kadow agreed that the matter of title and ownership of water and authority to pass such water titles was of great importance. Johnson said the Alaska Railroad, the City of Anchorage, and the Army all are using ship creek water and that the ownership of the water should be legally established. He said that it is usually left to the discretion of the state engineer to allocate the water. Taylor stated that the Territory is limited in the laws it can pass concerning water. Kadow indicated that the problem needs careful study and hoped the committee named above would develop a series of recommendations for action at an early date.

Johnson proposed the following recommendation to the Secretary of the Interior, which motion was carried by the Committee:

That a group of Federal Government administrators, economists, scientists and engineers chosen from those who will be directly responsible in assisting with the development of Alaska's natural resources, be sent to the Scandinavian countries whose present development surpasses that of Alaska so that they may return to Alaska with first hand knowledge of what can and cannot be done with natural resources of

northern countries, what unusual problems are likely to be encountered and what methods and processes will yield the greatest benefits.

The meeting was recessed for lunch.

February 17 - Afternoon Session

Everybody present at the morning's session was there for the afternoon session.

BUREAU OF LAND MANAGEMENT

24. The six year development plans and budget of the Bureau were discussed. Puckett compared his request for funds, his Bureau's request to the Budget and the Bureau of the Budget's actual allowance for 1950. The Washington Office allots monies for Alaska unless certain amounts are definitely earmarked. They received \$150,500 for surveying public lands which was \$45,000 more than last year, but less than half of what was asked for. Forest Service Management received \$129,980 which was \$57,000 more than last year. Except for the money that is needed for timber inventory, it will be put into the station at Fairbanks. Surveys and investigations received \$125,000, less than half of what was requested. Other items were received, but as yet, it is not known what proportion is for Alaska. Fire prevention and suppression received \$140,080 for Alaska which is about \$12,000 more than last year, but only a small portion of what was requested.

In discussing plans of the Bureau for next year, Puckett stated that for 1949 the land would be examined and classified at Kodiak Island east to Ugak Bay for timber, soils, etc. These examinations are made with a view to all around settlement and not in detail for agricultural potentialities. They would collaborate with the Forest Service to classify lands in the Forest Service for settlement. Puckett answered that the chief emphasis would be placed on the small homestead settlement, but they may return some blocks to the public domain.

A vital problem was brought up concerning shore space reserves. An old law reserved 80 rods along all claims. There had been some discussion as to whether the law should be repealed. It was felt that if the land was not suitable for dock purposes, it should be opened to entry.

In connection with town site investigations and planning, there are two bottlenecks - getting the town sites back into circulation and getting the town surveyed. Kadow asked Puckett how much work had been done on these two problems. Puckett stated that the Bureau has a two year backlog of surveys even if it gets the five extra crews it has asked for. Without them, they may never catch up. There are a number of important government requests for surveys, including the railroad's request for a survey of the town site on Government Hill where homes are already occupied and the people would like to have the surveys done as soon as possible. Puckett said they were continuing with a list of surveys for homesteads but there was a very serious question as to what priority the Department would like to have the surveys have. Kadow said all of them were very important and the whole problem should be approached on that basis; however, he felt the key junctions on the Alaska Highway must be given immediate attention. Puckett questioned whether the main purpose was to make some land available immediately there or whether to make a more systematic layout. He said that they had surveyed some additional small tracts in those areas. Additional small tracts would change the layout for a town site at Tok Junction that Kuehl has just finished. Kuehl said that a town plan for Tok Junction is now complete and asked Puckett why he didn't make surveys there at once to make tracts available. Puckett said there were some other town sites which took precedence over Tok Junction; further there were a long list of people waiting for homesteads, some of whose requests were several years old. All agreed that individuals should have high priority. Puckett said there is now a backlog of 785 survey days without regard to new entries or anticipated land return from the Forestry Service. The field season in Alaska is 120 working days. Consequently, with present appropriations, a huge backlog exists. Kadow asked whether some of the other functions such as fire prevention and forest management were as vital as surveys. He suggested that funds be transferred from them to surveys. Puckett replied that this might be possible, but he did not recommend such action. He pointed out that there are no heads of survey parties in Alaska at the present time and the Bureau has an acute personnel problem. Johnson asked whether the work could be contracted out. Puckett felt not because of the need for persons with specialized skills who meet civil service requirements. Kadow felt that this was a situation which required immediate and forceful action. Everyone was willing to give the Bureau and its new management a chance, but their program outlook for the next year did not measure up to the problem. Kadow said the funds had been so short for so long that the survey problem has become one of the most important in Alaska and something had to be done about it. He said the importance of town planning could not be underestimated, but it

is completely senseless to take land out of public entry for town planning and then have nothing happen for years. He felt that town planning and other special requests should either be forgotten or more money and people obtained for the Bureau. Puckett said that office space would also be a large problem since there were so many areas that needed surveys which were already crowded to the rafters. Johnson said the Bureau of Reclamation would loan survey parties to the Bureau of Land Management on a 1080 in the winter when Reclamation couldn't use them. Kadow said that this would solve only a personnel problem. Puckett said that a very definite problem exists concerning priority in surveys in view of the present backlog and that a definite policy should be determined by the Department. Kadow said that the severity of the problem should be fully recognized by the Committee. He said that the Bureau had not effectively met the problem due to factors over which they had no control, but that the Committee should recommend positive action. Puckett said that the problem involved lack of money and personnel; that survey crew personnel was most temporary; that only the two top men were permanent; that they came in during the winter and worked up a set of field notes and then went out again in spring and summer with temporary crews. Kadow asked how much money and how many people Puckett would need to get rid of his backlog within two years. Puckett said with five additional survey crews in the field and \$300,000, he might be able to bring his survey problem current within two years. With ten crews, he could do it in one season. He said this did not include additional work that would come from new entries or pulp mills. His present funds could handle those. Kadow said he would take the Bureau of Land Management's problem up with Wayne when in Washington and make a plea for funds. He said that the Committee should take an emphatic stand on whether to forget town sites and throw the land open immediately for entry or do the job of surveying and town planning immediately. Puckett said that part of two highway town sites have some small tract surveys already completed; that some tracts were already in private hands; that fourteen more tracts have been surveyed at Tok and about the same at Big Delta. If these are released, the town site plan at Toke now finished would be ruined. Kadow said that first he should go to Washington and make a plea for funds and if this fails as an alternate recommendation the town sites should be forgotten. Puckett said that if they could get the personnel, it would speed up the work. Kadow asked whether it would be possible for the Bureau to take out an area as a town and sublet it on a contract basis to a private crew. Puckett said this could not be done as he understood it.

Puckett brought up the problem of a strip of land along navigable rivers and lakes which would be withdrawn from all types of entry.

He quoted from a letter he had received which proposed that certain areas be selected along navigable bodies of water for retention. The letter suggested a sixty foot strip on lakes. Kuehl said the Park Service is generally in favor of preserving space on navigable streams. In the case of a lake, space should be provided for public access around the shore. Most of the Committee was against the strip idea, but favored a plot withdrawal at satisfactory intervals instead. Kuehl gave as an example the fact that the state is fighting private ownership of beaches in California, and suggested that before the Committee come to any decision, that data should be gathered. Puckett preferred to see an area set aside and not a strip around the entire body of water. Kadow suggested that each Committee member gather whatever data he could about the subject and it would be discussed at the next meeting. He cautioned them to remember that the Bureau of Land Management could not take on a great deal more work without funds. Kadow appointed a committee consisting of Kuehl, Rhode and Puckett to report on this subject at the next meeting.

Johnson said that from time to time the Federal Power Commission had made application for withdrawal of land for power sites and in some cases the land should not have been taken out in the first place. The Federal Power Commission land withdrawals should be looked into and that land that we can see no potential development for should be put back. There has been a great deal of criticism by the people in Anchorage about the land which has been taken out by the Federal Power Commission. Kadow said the same is true of every bureau and that a recommendation had been made to Washington after the last Field Committee meeting to put the land that was not being used back. No action had resulted as yet.

NATIONAL PARK SERVICE

25. Kuehl discussed the six year development plans and budget requirements of his bureau as well as the effect of the 1950 budget outlook on the program. He said that his budget was better than last years; that they had asked for \$5,785,000 for the development and for the improvement of national parks and monuments. This had been broken down into within ceiling and over ceiling items. The budget approved a total of about \$500,000 for the Alaska areas. McKinley Park received a large portion of the money, with Glacier Bay and Sitka receiving practically nothing. The Service received \$75,000 for the maintenance of roads in McKinley Park, an increase of about \$30,000 over last year; \$200,000 for the improvement of the McKinley Park road, the bulk of which is to be spent on new bridges; an item of \$140,000 was allowed for the construction of two residences and the development of a water system at park headquarters. Taylor asked if

the road items were set up as special items and Kuehl replied that they were set up on the basis of projects and set aside especially for McKinley Park. They are tied down as Alaska items. The request for McKinley involved \$1,684,000 for physical improvements and \$770,000 for roads. Since the allotment was so much less than asked for and needed, the program would have to be prolonged for many years; that they would have to go back next year and pick up items that couldn't be taken care of this year. Johnson said that the Bureau of Reclamation had asked for \$1,250,000 for the Park Service in connection with the Eklutna project and that a portion of the fund may be available this year. Kuehl said that if and when a road was constructed from the Park to the Richardson Highway that much added importance would be given the Park; that the present road was in bad condition; that the Road Commission had said that the loads going over it would have to be limited. Taylor said that the road might even have to be closed. Kuehl said that if the road was closed, it would practically close the Park. Taylor said the bridges in the Park weren't safe; that a bus might go through a bridge. Kuehl said that upon completion of the approach road, additional visitor facilities such as camp grounds, overnight hotel accommodations and other related services would be needed. Kuehl said that the Park Service's comprehensive program was covered in a report to Kadow, and would not be given at the meeting.

26. Kadow brought up for discussion a letter he had received concerning mail service by boat between Seward and Nikolski. He said that the boat operator wanted information concerning any freight that could be handled by his boat to help lower the cost of the operation; that the man would start mail boat service and would make runs every two weeks to Seattle; that he wants assurance of cargo from Seattle to Seward also. Moore said that the service was up for bids and it was not yet settled; that \$25,000 a year was granted for the service; that the man would have to depend on federal agencies as he couldn't compete with commercial cargo; that he would give service to and from places that had no service. It was suggested that the problem be settled by saying that it was discussed by the Committee and the bureaus represented doubted whether they would need the service for freight. However, the Alaska Railroad agreed to look into the matter. Moore said that they might have some use for the boat.
26. A discussion was held concerning the next meeting place of the Field Committee. Ketchikan and McKinley National Park were considered. Kadow suggested that if McKinley were chosen, they might go by way of Fairbanks and attend the graduation ceremonies since such a stopover might be useful in promoting solutions to territorial problems. Johnson suggested that Juneau be settled on as the meeting place for all the Field Committee's meetings. Kadow felt it important that

the Committee move around the Territory; that it was the idea of the Secretary's Office that the meetings be held in various locations. The Committee decided that the next meeting would be held in Ketchikan and that McKinley Park would be considered at a later date. The meeting dates were not decided upon, but it would be shortly and all members notified. All agreed that once the date is set, it should not be changed if good attendance was desired.

The meeting adjourned at 4:00 P.M.



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

Turn

INTERIOR DEPT.
DEC 9 1948
ASST. SECRETARY

December 6, 1948

To	Initial	Date
<i>Tele. Room</i>	<i>g J F</i>	<i>12/12</i>
<i>Davis</i>	<i>g J O</i>	<i>12/14</i>
<i>Goelitz</i>	<i>g J O</i>	<i>1/10</i>
FILES		

INTERIOR DEPT.
RECEIVED
DEC 10 1948
TERRITORIES

Mr. William E. Warne
Assistant Secretary
Department of the Interior
Washington 25, D. C.

Dear Bill:

I have yours of the 22nd commenting on our Alaska Field Committee minutes. In line with your suggestions, I am making arrangements to keep a complete record of all meetings as indicated in your letter. If members of the Field Committee want copies of the minutes, we will brief them for them.

*9-1-99
Adm.
Minutes
of Meetings*

The points you raised in your letter were clear to me. Apparently they were not well stated in the minutes. I understand that this office can not give actual instructions to any of the bureaus composing the Field Committee, but can make requests and recommendations. In so far as possible all of these requests will be presented at the Field Committee meetings in such a way as to get them properly discussed and cast in their right perspective.

Sincerely yours,

Kadow
Kenneth J. Kadow
Director



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

December 6, 1948

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Assistant Secretary
Department of the Interior
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Sincerely yours,

(Sgd) Ken

Kenneth J. Kadow
Director



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

INTERIOR DEPT.
RECEIVED
NOV 24 1948
TERRITORIES

November 22, 1948

Initial Date

Initial	Date
Alakm JFR	11/24

Air Mail

Mr. Kenneth J. Kadow,
Director, Alaska Field Staff,
Department of the Interior,
P. O. Box 3093,
Juneau, Alaska.

Dear Ken:

I was pleased to receive with your letter of November 10 the copy of the minutes of the second meeting of the Alaska Field Committee. As you say, they are quite lengthy. However, I appreciate your having supplied them in full and I have this suggestion to make with respect to the future minutes on your meetings. I think that it would be beneficial to have a full set of minutes prepared along the lines of the one that you sent to me and that you retain a set in your files and send me a carbon set. However, I would not distribute such voluminous minutes widely and am sure that for that purpose a briefer record running to no more than three to five pages would be more useful. I think that we could probably use four copies of the official minutes, for Jim Davis, Will Geding, Walton Seymour, and myself.

9-1-99
Adm.
Minutes
J Meetings

In passing, I am sure that the draft minutes misquoted John Reed in connection with his remarks on briquetting, presented in paragraph eight. As you know, Col. Rice's report does not touch the subject of briquetting, but instead deals with synthetic fuel production. Also, the Bureau of Mines has already looked carefully into the possibility of a briquet plant and finds little point for a plant in Alaska which would take solid coal, grind it up, and then briquet it, since there would be virtually no synthetic fuel in the process.

I note also that in paragraph nine of the minutes you indicated your feeling that you had authority to request the Geological Survey to make test drilling of gold ore under certain conditions. I would say that at this time at least, such instruction should come from the Secretariat and that if the need should be established, you might provide an appropriate memorandum for Secretarial signature to accomplish

TERRITORIES
TO SECRETARY
NOV 23 1948
FOR SIGNATURE



that purpose. It should, of course, be accompanied by an explanatory memorandum supporting any case you might submit.

RCP:ejw
11 19 48

((sgd)) William E. Warner
Assistant Secretary.

CC Director, Division of Territories



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

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Davis		
	1948	
	FILES	

November 10 1948

Mr. William B. Warne
Assistant Secretary
Department of the Interior
Washington 25, D. C.

Dear Bill:

I enclose herewith a copy of the actual minutes of the second meeting of the Alaska Field Committee. I appreciate that these are quite lengthy. After you have read them, I would like your advice as to whether or not the entire report in the future should be submitted with as much detail as this one or whether it should be briefed. I started out to brief this one but found that the views expressed were very meaty and that it would be highly desirable to have such a detailed record of our views available. In many cases to brief it would destroy the sound arguments which established the eventual action taken. I am sure that some of the actions recommended at the last meeting do not in every respect conform to departmental policy. Such being the case, I feel that the most important of the detailed arguments presented might help guide policy decisions in Washington.

Although a lot of work is involved, it would be possible for us to make up copies for distribution in the present form. I do not wish to distribute these generally, however, without some hope of their being read. I am quite sure a report of this length would not be read consistently. Please let me have your reaction as soon as possible.

Very truly yours,

[[Sgd]] Ken

Kenneth J. Kadow
Director

cc: James P. Davis ✓

Jim: Would you let us have your views on this matter as soon as possible.

Ken

9-1-49
Adm.
Minutes
of Meetings

NOTES ON THE ALASKA FIELD COMMITTEE MEETING OCTOBER 7 AND 8 IN JUNEAU

The second meeting of the Alaska Field Committee was held in the office of Mr. Kenneth J. Kadow at 9:00 A.M. on October 7 and 8, 1948. The following were present:

Ernest Gruening
Don Foster
John R. Noyes
Clarence Rhode
Lowell Fickett

G. H. Jermain
John C. Reed
Alfred C. Kuehl
J. P. Johnson
Joseph M. Morgan

George Sundborg
Reinhold Brust
R. C. Johnson
Cari D'Epiro
Kenneth J. Kadow

October 7 Session

A few introductory remarks and presentation of small items of business were taken up first.

1. It was pointed out that some bureaus were sending out first class mail from Washington by steamer - especially copies of important matters, and often people in the field needed this information for intelligent action. Considerable discussion followed. It was proposed that the Chairman of the AFC request the Secretary to instruct all bureaus to send all first class mail and copies to the field by air mail.

2. The Alaska Field Staff Director requested a list of all personnel of all bureaus plus their job and address. It was requested to revise the out-of-date roster of Interior personnel and to aid traveling representatives meeting the Department's personnel throughout the Territory, especially in out-of-way places. Discussion followed. It was decided to limit the list to key personnel.

3. A lengthy discussion of public relations took place. The discussion emphasized that the Interior Department did not have a very good one in Alaska. Reasons for this were listed as:

Antiquated land laws which do not make provision for land purchases

Interior's land withdrawal policy. The public feels very strongly against it - so much so in fact that the AFC recommends no further withdrawals for any purpose unless public hearings are held to definitely assure that the project will go forward in a reasonable length of time. The Committee also recommended that all present withdrawals be examined and if they are not being

used to the public benefit, they should be returned to the public domain at least until actually needed. The importance of the above recommendation cannot be overstressed.

Too many inter-bureau differences are aired in the public press, often without justification, to the permanent detriment of the agencies involved. This is also true of inter-department problems. The AFG agreed to work toward better relations. It was agreed that the meetings of the AFG would be confidential with press releases coming only from the Committee Chairman.

4. A short discussion took place regarding eligibility to attend AFG meetings. Objections were raised to George Sundborg of the Alaska Development Board. After considerable discussion, it was agreed that only committee members and their alternates could attend unless specifically invited by committee action. George Sundborg was recognized as Governor Gruening's alternate. A discussion of our relations with the Development Board followed. It was agreed that our objectives regarding development were identical and that every effort should be made to coordinate our actions.

5. A general discussion of project development took place with emphasis on the fact that "Too many cooks spoil the broth". Kadow emphasized this point regarding the development of the cement project. He was afraid that unless efforts to develop the project were properly coordinated, it might not be developed to the greatest public good. Gruening stressed that perhaps the project should be government owned and operated. Johnson (Reclamation) agreed and stressed Reclamation's need for cement if their program developed. Puckett wanted to know whether we were directing this project toward any given private group. Kadow answered "not to his knowledge" but since the interest of the government was so great in this project, we ought to form a company at once to control the limestone and other necessary deposits. He agreed to do so immediately if the AFG would so instruct him. Everyone agreed to the objective, but not to the method. Kadow said he was afraid someone not especially interested in Alaska would get control of the deposit. Reed pointed out that in his opinion anyone could stake a claim without permission from anyone. A lengthy discussion of this point took place and a committee was appointed to study the law setting up the park and report back on the morning of the 8th. The Committee members were Kuehl, Reed, Johnson (Reclamation), and Puckett. A great deal more discussion took place with several voicing the belief that the project should be government controlled. Kadow, Noyes, and Johnson (Alaska Railroad) were very much against government operation and pointed out the position it would put us in. Kadow

reported that he and Reed Salisbury had several groups interested in this project; that in his opinion the money could be raised with proper government support; that the project should not be a government project unless private financing failed. He reported on his talks with American and Foreign Enterprises (Stettinius' group), with Fermanente Cement Company (Kaiser), with Tom Murray (DuPont), and with the Northern Empire Development Company (Alaskan group) as well as the Reconstruction Finance Corporation and the military. He indicated that Salisbury had also contacted Northern Empire Development Company and two others in the States. Kadow stressed once more the importance of unified efforts. Colonel Johnson suggested that Kadow and Reed Salisbury work as a team with Kadow pulling the various strings to best use the services of the whole Committee. Others agreed.

6. Foster stated the development of Alaska calls for cheap transportation. He pointed out the excessively high rates on the Alaska Railroad; that the AFC and the Secretary's Office should petition Congress to subsidize freight rates at once to at least put them in line with rates in the States. Noyes concurred and asked Johnson how the Committee could help him. Johnson said that rates would be the same as those in the States after the railroad is rebuilt and backhauls developed. A lengthy discussion followed with all members participating. The discussion ended with a motion by Gruening that Kadow prepare a resolution in line with Foster's suggestion requesting reduced subsidized rates of the Secretary, and he in turn the Congress, if the latter is necessary. This resolution was seconded by Noyes.

REPORT OF THE ALASKA RAILROAD

7. Johnson submitted figures on a six-year budget. He had not budgeted housing requirements since he thought they might be handled more suitably in some other fashion. Kadow suggested that the agencies budget housing in their own budgets as well as in the overall budget. He felt that housing might be provided in small batches, ^{more easily} than in a lump sum, but possibilities of a large housing project were not to be minimized. Reed wondered whether what this Committee was doing would be at variance with actions taken by inter-agency committees in Washington. Kadow stated that Field Committees are new; the need for them was realized by the Secretary of the Interior; they would have to prove their worth. He said that Washington agencies could not be fully cognizant of field problems; that it was the AFC's responsibility to get sound policy and planning advice to the Inter-Agency Committee in Washington and to the Secretary's Office. Reed explained that he was referring to housing. Kadow said he had received their instructions and would make everything available to them through Bill Warne and Jim Davis; that there was no conflict as he saw it - just keeping the ball rolling.

Hayes questioned whether resolutions of the Committee would be followed through. It was pointed out this was the responsibility of the Field Staff. Kadow pointed out that the Field Staff and Field Committee were new; that he did not know the answer. He said he was pleased with the cooperation he was getting; that as problems were brought in which warranted investigation, he would see to it that it was done. He felt that the AFG would be enthusiastically backed by Krug and Warne if they did good work. It was felt that the AFG's planning should be careful and forward looking.

8. BRIQUETTING. Kadow said that the Army has had an expert studying the possibility of setting up a briquetting plant and that he has reported favorably on the scheme. The Army is sending up more experts to determine whether they should finance such a plant. He said that the Bureau of Mines and the Geological Survey made studies. It is felt that this is one project into which private capital can't be enticed. Reed said that a report by Colonel Rice on briquetting would be released to the Survey soon. A discussion ensued in which it was pointed out that briquets would provide a backhaul for the railroad if made in the Healy Field and shipped to the Orient; that there were coal deposits in the Kenai and Alaskan Peninsulas which could be shipped without briquetting; that briquets would find an Alaskan market if properly developed; that they could be considered a military scheme. A motion was made and carried to the effect that the Bureau of Mines and the Military thoroughly investigate the possibility of a briquet and coal by-product processing plant.

9. GOLD ORE MILL. Colonel Johnson discussed the possibilities of a hard rock gold ore mill to be located near Colorado Pass, for the processing of gold ore concentrates. Reed pointed out that such a mill would probably be infeasible since the character of small lots of gold varied considerably and were hard to handle. Germain stated that his Bureau was limited to investigating critical commodities at the present time. Reed said that if studies were desired of non-critical commodities which were essential to the Territory's development, that the Committee must ask for funds for the purpose. Kadow felt, as a result of his discussions with Krug and Warne, that he had authority to request the Geological Survey to make test drillings if the AFG felt it was desirable for the development of sound business propositions for the Territory; if such tests were promising, the material would be turned over to the Bureau of Mines for further studies. The Committee felt that there was plenty of interest in gold; that gold fields would be developed once the market price permitted them to be worked at a profit. Kadow felt that the project's sponsor should present a much more complete picture of the economics of a project before the Committee was asked to take action. This would enable the Committee to have essential facts on which to base their decision. Ideas were a dime a dozen, but good projects were not.

10. SEA TRAINS. Johnson wanted sea train service from the States to the rail belt. He said that such trains, capable of hauling 80 to 90 cars, could be built at a cost of \$7,000,000; that money would be saved in loading and unloading since sea trains are less expensive to operate than boats. Noyes pointed out the wastage of space on a sea train plus the fact that box cars would be tied up while in transit. After considerable discussion, a motion was made and passed in which Colonel Johnson was requested to supply further information on sea trains for consideration at the next Committee meeting; that Kadow be given the data prior to the meeting so that authorities could analyze ^{the data} before the Committee was asked to take action. It was felt that this might be an excellent project.

REPORT OF THE ALASKA ROAD COMMISSION

11. Noyes submitted his six-year budget for the years 1949-1954 in which his program for the next six years was outlined. Roads were proposed for areas which would be opening up. He outlined the roads which were being constructed

Kenai Lake to Homer (from end of Forest Road)

Alaska Highway - Forty Mile - Eagle (will have a branch to connect existing low standard road from Dawson via Canadian territory)

Improvement of road from Fairbanks to Livengood

Improvement of Tok-Cutoff (Gulkana-Tok)

Proposed road from Livengood to the Yukon River (requested by the Army) with possible extension to Wiseman later

Furnagain Road to connect Anchorage with Seward road system

Funds requested for fiscal 1950 to start construction from Paxson to Mt. McKinley Park (giving access to the Valdez Creek mining area and passing close to the cement plant) and from Fairbanks to Chena Hot Springs

By the end of 1949, the road will be put through from Seward to Portage. The Road Commission has built the section from Anchorage to Potter. A road will be constructed from Portage to Indian and from Indian to Potter; but the Commission wants multi-purpose roads; roads that have either present or future economic justification. The most difficult to obtain are the agricultural and mining justifications.

Kadow stated that at the next meeting of the AFO, specific areas considered to have real value should be discussed with as much supporting data as possible presented. This information should help with overall planning.

Colonel Noyes discussed the question of a road from Fairbanks by way of the proposed Dunbar settlement area, the Army Air Field and Healy to McKinley Park. He thought that this road should be built first, although both would probably be built eventually. Kadow stated that when the Dunbar and Tanana River Projects were opened up, roads would automatically be built to them; he thought it wiser to build the road from Faxon to the Park first. Noyes questioned whether you could defend building a road of secondary importance prior to building one of primary importance. Reed pointed out that the Valdez area has good mineral possibilities and he would prefer to see the southern route built first. Colonel Johnson stated that he would like to see preference given to roads that did not parallel the railroad. Gruening felt the Faxon road should be built first since it would open up far more territory important especially from the mineral and tourist standpoint. He felt that the Dunbar settlement was highly dubious; if it were established, a whole network of roads would be built. He stated that the Army project at Clear had been postponed indefinitely. Since the Interior stressed the railroad's becoming a paying proposition, he felt that a parallel road would not be economic or sensible if fair railroad rates were charged. He stated that tourist potentialities couldn't be overlooked since that was the most important industry in Alaska. Noyes felt that the Faxon-McKinley Park Road shouldn't go to Tok Junction since roads to that point already lead there from two points. It should stop at the cut-off. Morgan stated that hydro-electric facilities that were contemplated should be taken into consideration in establishing roads. Kuehl brought out that Ben Jensen (on the House Appropriations Committee) from Iowa would support the road from Faxon to the Park. Noyes agreed to schedule the road for early construction as it would aid mining, reclamation and tourist trade.

Noyes discussed Canadian road problems. He stated that they were giving Connelly moral support in getting them to improve the Alaska Highway and keep the Haines Cut-Off open; The Army didn't support the approach roads (Haines Cut-Off) to Alberta since they could get in by rail. He felt that Canada was losing sight of the monetary returns from tourist business; the condition of the roads from Edmonton to Dawson Creek made many tourists turn back. The Minister of Alberta couldn't offer any solution. The provinces handled these roads themselves. Kadow felt that if some means could be utilized for making Edmonton and Vancouver aware of and compete for the highway business, the road would be kept in better condition.

Noyes mentioned the Governor's proposal that would solve the situation regarding the Haines Cut-Off. If a swap of land in southeastern Alaska were arranged, you would obtain a continuous land route from southeastern Alaska to the rest of Alaska. By giving Canada Skagway you'd give her an outlet to the sea; also give her a strip of the Yukon in upper Alaska. The swap would entail an exchange of an equal amount of land. He asked the Field Committee to recommend that Krug support a proposal at the Joint Military Board meeting for this exchange. He stated that the Alaska Military Command was supporting this project. Gruening moved that the AFG take up the question of an exchange of land in order to secure for the United States the land, including the highway and from the highway to the southeastern boundaries of Alaska, in exchange for other land in British Columbia and the Yukon. The recommendation was directed to the Interior Department with the request that it be taken up with the proper agency; the Joint Military Board was proposed.

Answering a question about a road to the Seward Peninsula, Noyes stated that he felt that a highway to the Seward Peninsula would open an avenue of aggression; that there was no present economic need for a road to this area. Morgan said there were some desirable power sites in the area for the development of mineral deposits which are supposed to be very substantial. Noyes felt that the thing that was primarily needed was the development of terminal facilities at Haines and roads which tied up the existing road system to coastal towns. He felt that Haines should be subsidized by the United States, if necessary, until it becomes profitable and should be kept open.

Kadow discussed S.I.'s who have a LOT which they plan to operate between Key Harbor and Haines. He believes this ferry service is very important and should be extended between Prince Rupert and Skagway and other points; that the operation would need to be subsidized by A.R.C.; that the Haines operation would fail unless A.R.C. gets behind it until it becomes profitable. Noyes pointed out that this proposition would allow a scheduling of trips; at the present time the ferry service ran only when it had a pay load. Kadow requested Noyes to document the operation with cost, schedules, etc. so that the A.F.C. could get behind the project. All agreed that this was an important project and should be coordinated by Noyes with PRA - ARC and the Territorial Road Office.

Sundberg discussed the work of the Territorial Road Service. He stated that the most they have had in one year was \$400,000; that the Service works well with the Alaska Road Commission and the Public Roads Administration.

It was suggested that Hugh A. Stoddart and Chris Wyler of Public Roads Administration be invited to the discussion in the morning. The suggestion was adopted by the group. Metcalf of the Territorial Road Office was out of town. The meeting adjourned for the 7th.

Mr. Stoddart and Mr. Wyller (PRA) were invited to attend the session on the 8th in order that they might present their views on the road situation in southeastern Alaska and other road problems. Wyller stated that the Forest Service had received small funds over the years since 1939; that they hadn't been able to do much other than straighten the roads, routine maintenance, and keep the ditches clear. With the passage of the postwar Highway Act, they received an allocation of \$25,000,000 in 1943 which was to be spent over a three-year period. The most that was appropriated was 11 million the first year, 5 the next. He stated that southeastern Alaska had a lot of worn out roads; no funds were available to keep them in shape; none to build new roads. At the present time about \$1,300,000 was available. Stoddart stated that the last Forest Highway Act cancelled the postwar authorization of 25 million and substituted 20 million for the years 1950 and 1951. Kadow stated that in view of the importance of the road system in southeastern Alaska, the AFU would be willing to do everything possible to help the PRA with its plans and budgets. Stoddart stated that their funds came from the Federal Works Agency; that their operations were a three-way affair - the Department of Agriculture through the Forest Service; Public Roads, and the Territorial Highway Board. He welcomed the help of the AFU and indicated he would call on them soon. Noyes stated that the Alaska Road Commission had been utilizing the services of the Public Roads Administration in connection with the road building program throughout the Territory.

Kadow called for a report by the Right-of-Way Committee (Kuehl, Puckett, Noyes). The report was presented. Colonel Noyes indicated he wanted to put in a minority report. A general discussion on the depth of right-of ways on through, feeder, and local roads took place with strong feeling against the Road Sub-Committee's majority report of 400 feet for through roads and also 300 feet proposed by Noyes. The proposed right-of-way would create the problem of issuing special use permits increasing the difficulty and expense of administration and would surely impede settlement, and create bad public relations. Wyller stated such width would increase isolation in winter; increase cost of shovelling out; also cost money to construct and maintain service roads. The Forest Service used 100 foot right-of ways for third class roads. Formerly they had used 60 foot right-of-ways. Stoddart pointed out that there was a difference between roads built in a reserve and those which the Road Commission builds to encourage settlement. It was stressed that the 400 foot right-of-way might reduce or delay development. Facilities such as gas stations and lodgings, etc. were needed. Special use permits were not too good for getting them. It would not do to set up a system that would tend to increase the populace's exasperation with the Government. Puckett stated that he had received a letter from Washington to the effect that the withdrawal order providing for 400 feet right-of-ways on primary and secondary roads was being prepared. He had requested that this order be

delayed. Stoddart felt that rights-of-way 300, 200, and 100 feet proposed by Noyes would be ample. Withdrawals should be made on the basis of a final survey. Wyller agreed on the 300, 200, 100 foot right-of-way. Kadow stated that he did not know the ramifications of road problems; but was strongly against special use permits. Fuckett indicated his thinking had been influenced by his Washington Office; that he objected to the use of special use permits on rights-of-way, but would go along with Department thinking. He felt that the permit would allow for the clearing of timber in front of places of business, but that people would be responsible for their own access roads and clearing. He stated that the people residing along the Alaska Highway who were on the right-of-way had been told to move back because they were trespassing; they offered no objection so long as everyone was treated alike. He admitted that people preferred sites nearer to the road. Kuehl firmly backed the majority report. Wyller commented that people who received special use permits in Forest areas had not always built according to specifications and that it was hard to get people to understand why a permit was needed. Rhode pointed out that time was lost in trying to get a special use permit; that he was against their use. Kuehl advocated the acceptance of state standards without further discussion. Gruening expressed himself emphatically against the rights-of-way proposed and suggested 200, 200, and 100 feet as absolute maximums. He called for a vote on the subject. The vote on the depth of the rights-of-way was as follows:

Kuehl and Fuckett were for 400, 200, 100 feet
Stoddart, Wyller and Noyes were for 300, 200, 100 feet
Johnson (Alaska Railroad), Rhode, Foster, Brust, Fuckett,
Germain, Gruening, Johnson (Reclamation), Morgan, Kadow, Reed
were for 200, 200, 100 feet

The group recommended 200 feet for secondary roads since they felt that they were likely to become primary roads if settlement plans succeeded. Local roads were not likely to become primary roads, that is through or feeder roads. The question of whether federal aid for highway construction when Alaska becomes a state would be affected by the width of the right-of-way was discussed. Stoddart stated that he believed aid was mostly based on matching money, using certain types of construction, etc., not on the width of the right-of-way.

Noyes next discussed the Slana-Tok Road. He said that the road was going to be relocated; that a new road would be built; that the present right-of way of 600 feet, which was much too wide, would be brought in line with the width of right-of-way discussed. Kadow agreed that the best way to get a road was on an actual survey since this would establish the right of way and would permit it to be of variable width. Fuckett recommended that

the widths of the rights-of-way now in effect should be consistent with the AFC's recommendations. Noyes stated that the rights-of-way of new roads would be established by survey. Thus the withdrawal of the Slana-Lok Road could be cancelled. Puckett said that it wasn't automatic. Noyes said that it could be taken care of in the recommendations of the committee. The question of power transmission lines along the highway was discussed. It was brought out the 100 to 200 feet would be needed for the purpose. The question of whether they should run along the highway (would make for ease in servicing) was discussed. It was agreed to discuss this problem at a later point when it actually becomes one.

Next the Annette Island Road was discussed. Noyes stated that the Road Commission had jurisdiction over the road, but did not intend to do anything down there with their own forces. There was no plan for Annette Island as yet, but he said that he would have it investigated. Foster brought out the fact that the Indian Service was opposed to a road on Annette. Gruening felt it was a good deal because of the major airport there. Foster stated that you could get from the airport to Ketchikan in an hour and fifteen minutes by boat; that there was no justification for spending \$3,500,000 to build a road that would serve so few people. Gruening stated that it was planning for the future; that it shouldn't be condemned offhand.

Gruening stated that in view of the pulp and paper projects coming to Sitka and Ketchikan, it would be wise to try for a special roads appropriation for Alaska, especially the southeast; that the southeast should receive funds comparable to those allocated for the Interior. Wyller said that Heintzleman was in Washington where he would cover pulp highways in Ketchikan and Sitka and here; that the office was receptive to the idea of special appropriations for pulp highways. Kadon felt that the request for appropriations should not be tied down to special projects; that an overall appropriation should be asked for which would permit the opening up of tying together of southeast Alaska with roads and ferries. Gruening felt that there never had been a better time to get money for the forest area; that advantage should be taken of the international situation, the activity in the Interior, pulp and paper plants, etc.

Noyes discussed through roads - Seward to Mile 58, Juneau to Tee Harbor. Each of these could be a link with a through route; they would be vital routes; trucks in large numbers would be using them. PRA should be backed on a request for more funds to improve these roads.

Noyes made a motion that the AFC recommended positive action be taken by the PRA to provide more funds for roads in the National Forest areas; that the Field Committee would support in so far as it could such an action with a view to assisting in promoting the overall development of a highway system in the Territory.

12. The report of the LIMB DEPOSIT COMMITTEE was read by John Reed. It read as follows:

"Your subcommittee has considered the problem given to it and, after investigation, but without consultation with legal or other specialists, believes that land in McKinley National Park is subject to prospecting, entry, and filing of mineral claims in the same manner as public land outside the Park. The Secretary could issue special regulations governing such activities in the Park but as yet has not done so. Such regulations could not deny entry to those qualified for locating mining claims."

The report was dated October 8, 1948 and signed by John C. Reed, R. O. Johnson, Lowell M. Fickett, and Alfred C. Kuehl. Kadow stated that there was nothing much to discuss on this report since nobody but committee members had had a chance to study the law. The report was accepted as a basis for further action. In view of the fact that anyone could stake a claim on this deposit, Kadow delegated Fickett and Kuehl to check to see whether one had been staked. If it had been staked, Fickett was requested to contact Arthur Beaudin to see whether the staking had been done by his group since his group had indicated several weeks ago their willingness to put in \$300,000 to \$400,000 of Alaskan money in such a project. Kuehl stated that he feared someone in the room would call Anchorage and have the deposit staked. He was quite sure that it had not yet been staked. Kadow doubted whether anyone in the room would do so without the Field Committee's permission. He raised the question of what should be done to insure the deposit's being kept safe for the cement company. He didn't want the Park Service to take it out of circulation, since certain regulations would have to be complied with before it could be returned to circulation and these would create real trouble. He suggested the formation of a dummy corporation which would delegate someone to stake it. The majority of the Committee believed that such a course of action was unwise. Kuehl suggested that it be made a public use site. Fickett thought that a withdrawal covering lands withdrawn for further classification and aid to legislation could be slapped on the land. The question was raised that if the Government was drilling, why couldn't the Government own the land and lease the operations to a private individual or company. Reed said that limestone didn't come under the Leasing Act; He read a paragraph from the U.S. Code on the control of the Park which permits mining. He wondered whether the Army could request a permit. Kadow emphasized the need for rapid action. He suggested calling Warne to put the matter to him. He stated that no problem existed so long as the deposit was staked by someone who recognized that the limestone would become one of the assets of the company to be formed. However, if a private individual filed claim, he could demand an exorbitant price and throw a monkeywrench into the whole project. The question