

was discussed as to whether the Secretary could withdraw land for filing from mining claims. It was believed that the section permitting mining in the Park prohibited that. Reed said that you either had to let private initiative take its course or you had to make it a government proposition. He believed that there was a good reason for government operation here. Fuckett stated that it involved the Committee's faith as public servants; that they had an obligation to the public; that they couldn't discriminate. Kadow felt that it would be wise to ascertain whether there were any regulations concerning mining in McKinley Park. Kushi believed that none had ever been drawn up; that no permit was needed for prospecting. Gruening favored private operation generally; however, he believed a special set of circumstances existed in the cement plant since the Army, Bureau of Reclamation, and the Road Commission would be large users of cement, the loan was going to be made by the Government. He felt that whoever operated the plant would tremendously effect Alaskan economy; that a private group might not reduce prices. Johnson (Reclamation) stated that since this was the only deposit of limestone, whoever controlled it could make a "killing", if no competition came in, and none could, to drive prices down to a sound economic level. He felt that the Government should at least control the limestone. Kadow stated that the motives expressed were noble and justifiable from a factual standpoint. However, he was convinced that it could be set up to permit private capital to operate it without detrimental effects since restraints could be placed upon it. The Government would have to make a substantial loan, and there was no reason why the conditions of the loan couldn't stipulate the profits that would be allowed. The limestone deposit could be leased with some special stipulations. He believed that to recommend Government operation would invite a situation so hot that it couldn't be handled. If it couldn't be done with enough guarantees and restraints, then the Committee would be justified in recommending government action. Germain suggested that it be classed as a defense plant measure and done by the Army. Kadow said that that would be a large consideration in getting the financing. He said that he believed that when the interested groups saw the business prospectus with respect to the known market, they might lose interest unless the Army guaranteed to be responsible for purchases. If such was the case, the Army might have to be asked to do it; however, he felt it was premature for the Committee to recommend government operation now. Gruening said that the element of spread could destroy the value of the plant; that the plant wouldn't do much good if the price at which cement sold was about \$.10 less than the Seattle price per bag. If an understanding could be secured which stipulated moderate profits, that would be all right, but such an understanding wasn't easy to secure. Kadow said that either the Army's or the RFC's aid was needed on this project and that their agreements were usually predicated upon selling price guarantees. He said the cost of production would probably run about \$4.25 a barrel up to as high as \$5.00 per barrel. With a retirement of capital it would be about \$6.25 to \$7.00 a barrel. The present Seattle

price is between \$5.00 and \$6.00 a barrel. The present price at Anchorage is \$51.00 a ton, at Fairbanks \$58.00 a ton. In sacks, the price is much more. It is my belief that prices would be one-third to one-half present prices depending on quantity purchased. Cement purchased by the Government would be purchased for bulk operations and the cost would be about half of the present cost. Gruening stated that there would be tremendous opposition in Congress and elsewhere to a government plant, but the cement plant would not serve Alaska unless the profits were controlled. The plant would be a monopoly since no competition would be available. The government would do the financing; the government would be the chief purchaser. Without cheap cement some of the dams wouldn't be built; the same would be true of some of the other projects. Kadow stated that he was in favor of putting the thing squarely to the people in Washington after he found out whether it had been staked. Fuckett and Kuehl were delegated to see whether the limestone deposit had been staked. After this information was obtained, Mr. Kadow would check on the course of action with Warne and Krug.

REPORT BY THE BUREAU OF RECLAMATION

13. Morgan stated that Alaskan utilities have been charging high prices. When municipalities endeavor to buy the utilities out, their assets are appraised at about four times their value. He suggested that a Territorial Regulatory Commission to regulate rates and appraise property be created. The question of whether the Committee should go on record for such a commission or whether it should request the Federal Power Commission to extend its services to the Territory was raised. Morgan stated that decisions of the Federal Power Commission would be binding upon utilities that operated under licenses or purchased power from a licensee. He said that most states have power commissions; those which don't, can request the services of the Federal Power Commission; that the Territory would probably obtain better service and cheaper rates under Federal Power Commission regulation. Gruening stated that the Territory does not have such a commission; that setting one up would be costly; that in addition it would be difficult to obtain the services of the proper personnel. Further, the majority of the plants were municipal and would not be subject to regulation. Among those privately owned were: Skagway, Haines, Valdez, Cordova, Seward, and Nome. A motion was made and carried as follows: That the Committee request the Secretary of the Interior to call on the Federal Power Commission for assistance in regulating public utilities and the loan of its experts from time to time for the establishment of fair rates and valuation on utilities in the Territory of Alaska.

Morgan stated that the first feasibility report on the Klutna Project had been completed. The Dorothy Lake Project had been investigated (about 18 miles outside of Juneau) and a report would be ready by November 15. The Bureau planned on going over to Sitka to prepare a

feasibility report on the Blue Lake Project. These are the areas which the Bureau hoped to service first.

Morgan briefed his memorandum on personnel and space requirements. He said that Reclamation would have 1000 people by 1953 if the above was approved.

Morgan said that the Bureau expected to go into the rail belt area and set up hydroelectric developments at Susitna. This was in addition to Klutna. By the time the Klutna Project was completed, September 1953, the total output would have been taken up in the Anchorage area. Therefore the Bureau was planning on constructing a major power development between Anchorage and Fairbanks at Susitna and combining the transmission system with Klutna for service throughout the rail belt. The Bureau has also been investigating power resources in the Nome area where there are some good sites. Morgan stated that these sites should be investigated further and feasibility reports prepared especially in view of the new interest in mining in that area. By 1956, the Bureau expects to be constructing the Susitna Project and have under consideration Skagway, Cordova, Ketchikan, Naknek, Circle, three lakes at Wrangell as possible sites.

No figures are available on costs since each project is different. Sometimes plants are built at a cost of \$200 per KWH, other times it costs \$500 or \$600 per KWH. The work will be subcontracted; however the Bureau will need large forces to supervise and administer the work.

The Bureau's budget for 1950 will exceed \$1,000,000 on investigations alone. That work will continue for a great many years to come and will include all the areas with power resources.

Read stated that the Bureau of Reclamation was new in Alaska; that its activities hinged on those of the Geological Survey - information on potentialities of certain areas from the mineral standpoint; that it was also related to certain functions for which the Geological Survey was responsible - stream gauging, topographical mapping, classification of public land for water and power potentialities. He felt that there should be a clear and working definition of who was going to do what. He said that in general the situation had developed well; however, there were a few points he was unhappy about. He said he would send a memo to Jack Dixon on the subject. He said that the Klutna situation had worked perfectly; the Survey had carried on the investigations the year before and the Bureau used the data and gave abundant and appropriate credit to the Survey. Read stated that he was unhappy about Dorothy Lake since certain activities had been carried on by the Bureau which normally belonged to the Geological Survey. Although this was a trite incident, he wanted to see the pattern established on a firm basis before the thing went too far.

Morgan said that the Survey had no forces in Juneau at the time the Bureau started the investigations at Dorothy Lake; that they did not ask the Survey to send up crews since the Bureau had them locally and wanted the job accomplished quickly. Reed stated that the Bureau should have requested the Survey to do the work. They might have had to say no; many times they do. They were merely pleading for a chance to say yes or no. Morgan stated that he was sure they would get together on this.

Colonel Johnson said that the Alaska Railroad has released part of a diesel plant at Carlsbad, New Mexico; that they were taking some of the equipment, and leaving the building. He said that in case the Road Commission or the Bureau of Reclamation plans for a shop, they could get this one without an exchange of funds. It would cost money for dismantling and reconstruction. The shop is between 100 to 250 feet long and about 40 to 50 feet high. Its a beautiful steel building with a crane in it. Johnson (Reclamation) said that it might be incorporated into the steel framework of the Klutna power plant. Johnson (Railroad) talked about the interim power plant; that they wanted to put in a plant with 550 KWH diesel generators and 108 KWH standbys. Fairbanks wanted to furnish them power from their power plant, but they must have their steam plant. Morgan wanted to know the possibility of Colonel Johnson's plant providing the Bureau power at Klutna. He said that if power could be obtained from Fairbanks, it would relieve the Railroad of further responsibility.

Morgan said that the Secretary's Office had received a letter from the Federal Power Commission requesting their comment in regard to the application received from the Ketchikan Pulp and Paper Company for power sites. The company plans to construct a paper and pulp mill at Ketchikan in connection with which they investigated a small power site near Ward Cove and decided it was ample and indicated that was all they required. Since then they have filed application asking for a preliminary license from the Federal Power Commission for a number of power sites in and around Ketchikan. Gruening stated that he had written the company to the effect that they should have only the power sites they need. There was no reason why they should monopolize a number of sites they wouldn't have immediate need for. Kadow said the Company should be given rights to sites on which they intend to build at once but not others because it might throttle other industrial development in the area. He stated that the Committee should state its views carefully and let the Federal Power Commission make the decision. Kyller said that he had heard that the plant's contemplated production had been upped from 300 ton a day to 500 ton a day. Further, he said that power consumption depended upon the type of pulp they manufactured. Rhode made a motion that the Committee go on record as opposing the application unless it is amended to justify the three power sites which have been listed; that the Committee was against granting power sites until the need was justified. The Committee agreed to the above recommendation.

Fuckett mentioned that rights-of-way along power lines had been previously discussed. He said that it would be better to request easements rather than withdrawals. The regulations under which the Bureau of Land Management operates prohibits the issuance of a withdrawal straddling an existing withdrawal. An easement can straddle a withdrawal.

Johnson (Reclamation) said that they had a considerable land problem; that they had run into difficulty on mineral claims. The Bureau has been criticized for allowing mineral claims to go to individuals. In Eklutna there are streaks of tungsten ore. The Geological Survey thinks they should be withdrawn. If the Bureau builds at Eklutna and hits a pay streak, anyone could file on it and hold the project until the ore was taken out. Susitna is also supposed to have a pay streak and a claim could be filed on it. Reed stated that after a power development is determined, the Bureau should have protection against nuisance claims. The land must be withdrawn to determine which is most important. Johnson (Reclamation) stated when they start a survey, the land is withdrawn; if the project is found infeasible, the land is released. He said that in the Colorado River, the Bureau has allowed the staking of claims; however, a clause has been inserted which does not hold the United States Government responsible in case a reservoir is built and the area is inundated. Johnson said that the Geological Survey would survey the Susitna River after the first of the year; that there was one paying streak there. The Bureau wants to withdraw Big Susitna from Partage to Valdez, Dorothy and Eklutna and would put them back as soon as they determined what the sites would be. Reed wanted to know what would happen if the site were a good power site and had a good ore deposit. Johnson said that was a matter between the Bureau of Reclamation and the Bureau of Mines to settle in Washington.

REPORT BY THE BUREAU OF LAND MANAGEMENT

14. Fuckett presented his budget and plans for five years. The sixth year plans and budget will be submitted shortly. He said that they had five extra survey groups in their regular appropriations to clear up the backlog of land planning, town sites, etc.; and that they hoped to have a new law soon that would permit outright purchase of land. Graening stated that all through the spring the Department had tried to produce a bill on land reform. Finally it got one which lay in the Bureau of the Budget and didn't get to the Hill until the last week of the session; consequently it had no chance of passing. It was the kind of bill which invited opposition. He said that he would like to see it broken into simple bills. For example, you have have a separate settlement bill. Kadow stated that he would like to have the Committee take

the initiative and actually word a bill, not to exceed one page, which would simply say that the Secretary of the Interior at his discretion would be allowed to sell public lands in the amounts provided under present laws to anyone who was willing to pay cash. The values would be determined by the Secretary. Gruening said that a close study of this had been made and he had several proposed bills and would be glad to produce them. When Bartlett finished his campaign, Gruening suggested that they get together to see whether it couldn't be reduced to something practical. Fuckett said that the Bureau of Land Management was also planning to draft a bill. The discussion brought out the fact that it would be wise to get departmental approval of any proposed bill. After that was obtained, it would go to the Bureau of the Budget. If approved there, it would go to Congress. In view of the lengthy procedure, it was wise to get the Bill ready as soon as possible. The delegate could introduce a bill, but it still would be referred back to the Department for comment. Possibly the separate bills proposed might be frowned upon since they did not cover enough. Kadow said that the new Congress doesn't meet until January. He suggested that the Governor's Office supply him with a copy of the bill under consideration; he would submit it to the Committee; and finally send it on for approval.

The subject of land withdrawals was brought up again and discussed in considerable detail. Kadow suggested that the Committee recommend that if a withdrawal is made for a specific purpose and if funds aren't forthcoming in three years to carry forth the purpose, the land should revert to public domain. Reed made a motion to the effect that the Committee believes that withdrawals of the public domain should be just as few and as small as possible. It was recognized that the activities of the various bureaus of the department require certain withdrawals in the public interest. When such withdrawals are necessary and are made, they should be as temporary as possible and should be turned back as soon as they are no longer needed. Everybody agreed except Kadow who wanted a time limit to effect automatic return if not used. Noyes felt that no time limit should be imposed because you couldn't anticipate what might come up. Fuckett felt that the time limit idea had real merit. If five years was too short, then make it ten. During that period of time, progress should be made showing that the withdrawal was advisable and necessary. If progress isn't made during that period of time, it would be evident that the withdrawal wasn't justifiable. Kadow pointed out that some land in Alaska had been withdrawn for as much as thirty years without the purpose being fulfilled. Fuckett's office had been asked to supply Kadow with a list of withdrawals, time of withdrawal, and purpose of the withdrawal. Kadow felt that it would be wise to table the subject until the facts were ascertained. The Committee agreed to this.

REPORT BY THE GEOLOGICAL SURVEY

15. Reed stated that the Geological Survey had operated in Alaska for a good many years on a small scale. At present it is carrying on activities through its four main functional branches: (1) Geological survey and mineral investigations; (2) Topographic survey; (3) Stream gauging and underground water resources; (4) Conservation branch activities - carrying out the provisions of the Mineral Lease Act (Minerals under lease on the public domain) - land classification - mineral land, water and power. The mineral resources work has been supported by a special appropriation. The appropriations for the rest of the work comes from general appropriations. In the mineral resources work, the Survey thinks about the needs of not only Alaska but national needs as well. The budget in 1949 was \$1,215,000. \$800,000 of this came from Interior Department appropriations; the rest by advance of funds or transfer from other federal agencies who buy the Survey's services (i.e. Navy, Air Force). The Survey must carry on certain types of basic research (scientific) which must be planned on a long term. In addition, the Survey has the service activities to the public and other agencies (i.e. want to know what is available in Mt. McKinley Park). The Survey's planning is made difficult since they do not know what services other agencies will want. It is not always possible to fulfill requests.

Reed said that they have set up a new section which specialized in engineering problems related to geology and geological problems related to engineering. Noves pointed out that the emphasis in road building seems to be passing from areas already developed to areas that will be developed; consequently, he was interested in knowing whether the Geological Survey's mineral studies could help them determine what areas were likely to be developed. Reed stated that a report was being published which puts Alaska under a spotlight for approximately fifty different commodities and which outlines the present status of knowledge regarding resources in those commodities in a concise fashion. It gives a reasonably proportioned view of what the Survey knows now, including a section on future possibilities. Kadow wanted a preview of the details and suggested that Reed mark on the map of Alaska the areas which are regarded as areas with great potential resources and what those resources are. Reed said that he could mark the areas where he thought minerals would be available. Kadow said that he was stressing coordination of effort. If an area had great mineral possibilities, the Bureau of Mines might be called in to determine whether those possibilities existed. At the same time the agricultural and other possibilities of the area could be looked into. If three or four different possibilities existed in the area, it would pass into an area likely for development and the Road Commission could

begin to think in terms of a road. Reed stated that he thought Kadow's request had been answered in this report. The report had a map of each commodity showing where the commodity was known in Alaska and indicating the importance of the commodity in that area. Kadow stated that he would like to have each member of the Committee get a copy. Further, he would like to have Mr. Reed discuss in detail at the next Committee meeting that phase of the Geological Survey's work which would point out the recommended areas for development and consequently concentrate other investigations on those areas. Reed stated that the vast amount of information which was collected during the war was not yet in published form. The information is scattered through so many different publications that quite an intensive search problem exists before you can get the material together.

Reed distributed a sheet to each member of the Committee covering the Geological Survey's activities the past summer.

Reed stated that the Survey did not like functioning on an advance of funds basis; they preferred doing studies with their own money. He said that his personnel problem created more difficulty than his fiscal problem.

REPORT BY THE BUREAU OF MINES

16. Germain stated that the Bureau of Mines continued to investigate deposits of apparent commercial value as well as deposits of critical strategic minerals. The Bureau has funds for investigating limestone deposits. He felt that if the price of gold were raised, more people would come to Alaska and roads and power plants would become realities. The Bureau is working on the problem of briquetting. Also it is drilling in Matanuska. The program will be increased if they get the funds. The Bureau's activities are presently concentrated in the southeast and along the rail belt; the investigations are confined to spots where the knowledge gained would be used.

Germain submitted his budget and six-year plans.

REPORT BY THE NATIONAL PARK SERVICE

17. Kuehl said that development has been primarily confined to Mt. McKinley Park, Glacier National Park and Sitka. The year 1950 should find improvements in roads and trails, operations and maintenance. A large portion of the funds available would be spent on the development of

lodges, a necessity if the park is to continue to serve tourists. The amount budgeted for roads and trails would be spent primarily for bridges in the Park since the bridge situation there is serious. He felt that if the problem were placed in the hands of a group of engineers, 50% of the bridges in McKinley Park would be condemned and the Park would have to be closed. The funds for bridges come from the National Park Service budget and are turned over to the Road Commission for handling. Kuehl favored access to the base of Mt. McKinley, but it would cost a million dollars to bridge it. Kafoe suggested that Kuehl put in whatever budgetary items he thinks worthwhile. Perhaps a statement from the Geological Survey could justify sufficient interest that would permit a road project. Further, he said that everyone should work toward the goal on the premises that the Park set-up isn't able to get funds. Kuehl felt that it would be desirable. Reed said that he would not like to recommend such a road because others are more definitely needed, but he would be willing to support a Park Service request. Kuehl felt that a road built into the Park should be a usable one. It would cost several million to get the present roads in shape. Fifty-four bridges must be replaced with reasonably permanent structures.

Kuehl would like to establish a beachhead at Glacier Bay in order to make it available to the people. This would require the construction of a dock, utility system and a lodge.

Kuehl on roads and trails. A road from the airfield to Bartlett's Cove where the development is expected. It would take close cooperation with the C.A.A. to swing it. Would provide accommodations for airline passengers, since this is a spot where many are stranded overnight. The program extends over six years and would require about \$3,000,000.

Kuehl said that they do not expect to do too much improvement work at Sitka; that they expect to have a museum there some day. Sitka is considered an important area historically. It was the site of the Battle of Alaska. Pressure is on at the moment to drive a road through Sitka National Monument. He felt it was absurd; there was no reason why the road shouldn't by-pass the monument since it would probably serve the future expansion of Sitka to a better degree.

Kuehl said that they have a small sum for operation and maintenance at Katmoi. By 1951, they hope to undertake some development work there. The budget for 1950 did not permit such work. Katmoi's development will extend over a period of years. Must provide the basic facilities first - minimum accommodations. He did not think it advisable to spend too much money there. Special use permits have been issued to a cannery at Katmoi since they felt there was a definite need for one there.

Katmai is a magnificent area scientifically. The National Park Service took Katmai not because of its scenery, but because of its scientific interest as a result of a tremendous explosion. The evidence is indicated by the deposits which were laid down on the floor of the valley - ash which varies in depth.

The National Park Service hopes to establish a Juneau Office. Requested \$150,000 for this purpose. Would require a planning and technical staff primarily to undertake the construction at Glacier Bay. Selected Juneau since it would be an excellent spot in which to coordinate purchase of materials, etc., as well as serving as an administrative office.

The National Park Service also requested \$100,000 for a recreational resources survey of Alaska. Desire areas along the highway for picnic grounds, tourist facilities, etc. It would be a territorial responsibility to develop roadside parks. There is a definite need for that sort of thing right now.

Noyes said that we had a resolution from the Alaskan Development Board regarding historical markers. The Alaskan Road Commission could fix the markers and put them up. It would make a very interesting story in pointing out the high points. The recommendation that the AFG regulate billboards, etc., was turned back to the Territorial Government for legislative action. Kuehl suggested that he might be able to assist the Territory in the preparation of such a law. Gruening said he'd like Kuehl's assistance.

Kuehl said that the Juneau Office for 1950 and the recreational resources survey were both rather favorably received by the Budget Bureau. The ceiling for Alaska activities of \$4,900,000, but was over his budget due to rise in costs. Said they were behind on some of their estimates. There was an item which appeared in the Eklutna report for the development of recreational facilities in connection with the proposals of the Bureau of Reclamation. He'd go over the ceiling if that item were included. Since it's still in the formative stage can't go into something which ties into something else which is indefinite.

Kuehl said that he was very interested in the development of tourist business. Felt that it had a greater potential than the cement plant, minerals of the Alaska range, etc. Believes Alaska can do \$80,000,000 yearly in tourist business after certain things are provided. Expects 40,000 people a year to come over the highway. By July 1, about 10,000 people came over it which was a 35% increase over the previous year. Noyes said that if the Territory desired to foster tourist trade, he could furnish a lot of information about the highway. Gruening said the Development Board would be interested in the information. Kuehl said there was no use in sponsoring tourist trade until accommodations were available. Hotels were needed in the parks, in the cities, along the highway.

Kuehl said that he expected to need 14 housing units in Juneau.

Kadow said that he felt it was essential that most of these budgets be better documented. If they are to be put into the hands of the Secretary through the AFO, they would have to be more detailed. He felt the AFO could be helpful on the bureau's budget problems. He doubted whether much could be done for 1950, although the Governor and Kadow might have a chance to do a little work on the weak spots; consequently detailed information should be available. Everybody agreed that it was worthwhile to prepare the documented budget.

Kuehl felt it was worthwhile to get Kadow's support in Washington in 1950. Kadow said he wasn't sure of the role he'd be asked to play. Would stick his chin out if necessary. Felt that the National Park Service would of great importance to the development of Alaska. Gruening was seriously concerned about the Park budget, or possibly lack of one. Congress, in addition to cutting Parks generally, was likely to cut Alaskan Parks in particular. He believed that if the Sub-committee on Appropriations in Interior could see the Parks, they would be sold. Felt that is someone could be found who would sponsor parks exclusively, would be more successful in selling than would someone who was already supporting a number of other things. Kadow said that with the permission of the Committee, Kuehl, Gruening, and he would map a strategy for the support of the National Park Budget.

REPORT BY THE ALASKA NATIVE SERVICE

18. Foster said that his agency's work centered on education, health, welfare and native resources. The emphasis at present was on health from a different standpoint than ever before. Previously, had been running around in circles. Had been doing nothing about housing, sanitation, water. This year, had submitted a rehabilitation program which had never been authorized here before. The rehabilitation program in effect was inadequate. The health budget for the five-year period runs \$30,000,000. The budget calls for the completion of a sanatorium at Edgecumbe, a hospital at Anchorage with housing, laundry, etc.; eight T.B. units, which are temporary appairs which will give an additional 200 beds. The temporary units would be used as classification centers for advanced cases. The centers will cost about \$500,000 and are being set up with the idea that they would last about five years. Along with the above is housing in the villages which runs about \$14,000,000.

Foster said that they are now stressing vocational and adult education - the need for leadership and community responsibility. They were developing the vocational school at Edgecumbe - within a couple of years there would be only junior and senior high school students there. The program at

Edgecumbe will be tied into the pulp development program. Plan on getting teachers in maintenance and repairs. Have had difficulty getting teachers under civil service limitations; consequently will try to get teacher's salaries waived so that they can get good instructors. The Klutna Vocational School will probably be located at Palmer since that location would give the native children an opportunity to mix with white children. White Mountain School will be expanded to service 200. The Native Service is having an Eskimo program. They are closing day schools in southeast Alaska, and are centering their energies in Central Alaska and the Eskimo territory. There are hundreds of children who have never been in schools. The program would take in all the island areas and other small units. It will cost about \$14,000,000 over a five-year period.

Foster said there were better than 4,000 T.B. cases in Alaska. When they get 1,000 beds, several hundred wage earners and others will be taken out of circulation. The families of these people will have to be taken care of by relief measures by the federal government.

In the north, industrial development is a tough proposition among the Eskimos. Hope to increase the use of stones and minerals in their crafts and have a better organization for their sale. A credit program will handle such things as canneries, saw mills, individual loans for purchase of boats, coals storage units, etc. They think there is a big opportunity for the expansion of cold storage units in each community. Cold storage units and canneries tie in well since they provide year-around employment. Natives can be equipped to fit into the pulp industry - they'd provide timber for the industry. That program would run about \$6,000,000.

The program at Mt. Edgecumbe services veterans. Trying to develop a real apprenticeship program. Can handle about 50 boys a year - put them on a small salary - and give them actual trade experience. Are taking care of the young boys who aren't going to college.

Another portion of our program is the rehabilitation of orthopedic patients and recuperative T.B. patients. Channel these people into spots where they can be trained to do something practical and useful for the time they return to their communities.

One of the items in the 1950 budget calls for free craft centers which would bring natives into a community where they'd be trained in a particular craft. Some of these natives would remain in the community; others would filter back to their own.

The Aleutians are one of the most difficulty people to aid. They are not agriculturalists.

Foster said there were many economic and social problems in dealing with people, especially with kids which you have to take care of but over whom you have no real authority.

Kadow said he'd like to hear a discussion on the bill for turning over all these functions to the Territory. He'd like to know what brought it about. Foster said they were knitting so close with Territorial Officials that they were starting to squirm since they had no money to take over the functions, but they still wanted them. The Native Service would turn over the welfare of southeast Alaska to them right now if they would take it.

Foster said a nice job had been done in the health program in cooperation with the Territorial Health Department. The Native Service is financing public health nursing. There are no Native Service nurses left in southeast Alaska. All except three or four schools in southeast Alaska are being financed by the Territory, which without question is a territorial responsibility.

Foster submitted his budget and plans.

REPORT OF THE FISH AND WILDLIFE SERVICE

19. Rhodes said his Bureau has the economy - the salmon industry - which supports Alaska completely within their province. Either the economy falls down or it doesn't. Feels that they know the answer and are taking drastic steps to rebuild the salmon run. One of their big troubles has been an almost complete lack of finances to set up biological stations which would provide answers to some of the problems. He said that the Service was almost completely reorganized within the past six months. Now they have all been combined in this region - biology and fisheries - having one man in charge of both. This change gave more personnel which could devote their time to biological work and management studies. Feels that their Service is woefully undermanned. They have only eight stations and are trying to prevent complete depletion with them. They are losing ground fast. When the game, fish, and fur is gone, there won't be any economy left. Need someone to back them in Congress. The organic law prevents the Territory from doing anything about it. Have a new problem, the pulp industry. Are afraid the industry won't be adequately supervised. Are afraid that they will destroy the salmon run with chemicals in the water. They can't make any regulations touching the Forest areas, but they need to badly. Rhodes felt that when the Fish and Wildlife budget came up, the Alaska Field Committee should give it a lot of support. He stated the the food from big game and the cash return that many natives in the Interior get from the fur industry is the income many people have. Plan on taking drastic measures to rebuild the salmon run - a job which would take only two years to do. Plan on cutting down fishing drastically. Expect a lot of opposition to such action. Grusning said they did not get much help from the salmon industry since the smaller the run, the greater the price. Rhodes said that he was afraid the salmon industry

would maintain a lobby working toward a cut in the appropriations of the Fish and Wildlife Service unless they handled the matter to their satisfaction.

Rhode submitted his budget and plans.

GENERAL MATTERS

20. Noyes said he was very much interested in the housing situation. The Alaska Railroad supplied housing to 50 per cent of its people. The Alaska Road Commission provides housing for practically nobody. He said that he was pushing hard to get housing for Glen Allen. If successful, it would affect people in other places. He wanted to know what other people are doing and plan to do about housing. Reed wanted to know whether the committee members were cognizant of Warne's memo of September 24 on housing. He read it to the group. Cruening said there had been a housing bill ready to go to Congress. It had been approved at the last moment due to its being held for approval of the Taft-Blender Bill. Expect to pass some territorial housing bills. Kadow said the problem was not only the number of buildings involved, but whether there should be a subsidy of housing, whether they should be rented at cost. Kadow said that the committee should know what it was going after for its people; what was needed; what method should be used. He said the housing bill was one way. He felt that in southeastern Alaska, could start building almost immediately and make it pay. Noyes said that he needed housing in Glen Allen, etc. These were places where no town sites had been surveyed; if they were surveyed some of the people would build their own homes. Fuckett said that they had an application for a withdrawal of considerable acreage for the Road Commission. He wanted to know whether it would be the policy of the Commission to permit the erection of private homes within that area. Noyes said he didn't have any policy yet; he hoped to find one. Reed felt it was better to ride along on the general housing bill. In addition the Bureau should have an item in their budget providing suitable housing for their employees. It was generally felt that government housing should be supplied all employees, or it should be done away with completely. Kadow said the Committee was talking about getting the buildings one way and the bills they were putting in Congress were another way; private financing was yet another way. That wasn't the problem which was being discussed. He said some employees were furnished housing by the government at practically no cost; another employee might have to pay \$100 a month rent. More than one agency has the same problem. Wanted to know what the Committee thought about this as a starting point. He thought that as an inducement to get people to move out of the city and into outpost areas, it might be wise to supply housing in the outposts; none in the city. Fuckett said he'd requested housing units in Anchorage.

Foster said they were building a 400 bed hospital in Anchorage. They had requested housing for every person who would be employed there and had received authority up to 35%. Rhode said he'd prefer to support a Federal Housing deal in the cities. Felt that the Bureaus would have to build and support their own in the outposts. Kadow said that the bill could be supported as a means of getting housing. Rhode was against furnishing individual housing units. Puckett said they hadn't gotten a single employee into any of the housing units at Anchorage. Kadow said that housing was needed in every community in Alaska. If the bill went through, it would permit the building of housing in the area. He felt there would be no advantage to public housing in southeast Alaska if it would be done privately. Felt that private housing was a sound investment in the southeast. Felt that housing would be obtained quickly for the southeast. Felt that housing would have to be subsidized in the Anchorage and Fairbanks area, otherwise private housing would run about \$200 a month. Gruening felt there was a great advantage in building units like the Channel Apartments. Kadow said that housing that a man could afford was needed. If you are going after housing, you should go after it in such a way that if the federal government supplies housing, they should charge no more than a certain amount. He said he would take all the data the Bureaus had given him and would put it into the form that Warne wanted. Kadow said that the subject of outfits which furnish some housing, but not all of it, still had not been discussed. Rhode said that when housing was furnished, it should cost somewhere near what it would cost for a like house under private ownership. A recommendation was made that in out-of-the-way places where housing was not otherwise available and where employees had to be stationed the year around, that housing be constructed by individual agencies as part of their budgetary items. The Committee agreed with the recommendation. It was also agreed that where sewerage, water, and light facilities and housing is not available, housing should be made available by the cheapest means possible. Gruening suggested that a committee be set up to discuss the matter. Kadow said the the Committee should see that rental housing was available in the cities and that people weren't forced to buy. Foster said that some 300 trailers were available for housing which were fully equipped with furniture, gas stoves, water. Some even had toilets. He wanted to know whether anyone was interested in some, and if so how many.

21. Kadow said that he had met with the head of the Public Works Administration on the problem of office space for Alaska and was told that the big problem here couldn't be approximated in one year and that it was essential that we go on record as to where we wanted the lightning to strike. On the strength of his report, I indicated that the number one bottleneck was Anchorage the number two was Fairbanks, and the number three was Juneau. We might get Anchorage this year and possibly Fairbanks. They want an accurate estimate of what space is needed in Anchorage and Fairbanks and Juneau.

22. Gruening said that there formerly had been an Office of Field Counsel which had been most useful. Would like to have the Interior Department allocate such a position again. Novas said that he was hiring a lawyer. He requested the other members of the committee to inform him what type of services they would like performed and the amount of time they could use such a man. He thought that something might be worked out for the cooperative use of a lawyer. All agreed to do so.

23. Gruening said that for some years people in federal employment have received a 25% differential in Alaska. The latest directive allows the differential only if you can show terrific hardship. We don't know what is going to happen on January 1, but to discontinue the differential would raise havoc. You have other factors which are not apparent. If you have an ailment, it can't always be treated in Alaska. You may have to pay transportation costs, etc. to the States. If the differential is dropped, it would demoralize the entire Service. Gruening suggested that a request be addressed to Krug to take the matter up with the President. Kadow said that one of the arguments was that you could hardly hold them now. It was suggested that IVERSON draft the request.

24. A discussion took place on the water situation in Fairbanks. It was felt that there was a possibility of an outbreak there which would require emergency aid and assistance of somebody who has a knowledge of water supply. It was felt that the Committee shouldn't wait until an outbreak had occurred. It was felt that agencies such as the U. S. Public Health Service, the Geological Survey, and the Bureau of Reclamation should develop a safe water supply for the town. The danger of outbreak should be pointed out. If the town doesn't have sufficient funds available, the situation should be met in some other fashion before a number of people lose their lives. Fairbanks is in a permafrost area. You have underground water channels going every which way through the town. There is no town water system and no town sewerage system. Water is pumped out of a well by one person, and the next person may pump sewerage down a cesspool. This is a most serious situation. The basic data regarding the matter is well in hand. The Geological Survey can't do anything but come up with recommendations. Kadow suggested that it might be appropriate for the Committee to make a request of the Secretary that this thing be put before the proper agency for action. Gruening made a motion that the Commissioner of Health, Dr. Albright, be asked what the AFG through its various agencies could do to help the situation in Fairbanks. The committee agreed to this recommendation.

25. Johnson (Reclamation) said that he would like to have a part of the next meeting set aside for the consideration of some of Reclamation's legislative problems.

26. Gruening stated that he would like to have Bartlett present at the next meeting. This was agreed to if he were in town.

27. Kadov stated that the Field Committee was slated to meet every three months. He felt that it would be wise to start the next meeting at the beginning of the week and continue it until everything had been covered. This would make for a greater understanding of various problems. He suggested that when Committee members had items which they thought were the business of the Committee which cut across the lines, they should jot them down and send them in. By bringing problems to the combined attention of the Committee, could obtain more intelligent guidance and coordinated action. The next meeting is to be held the week of the 11th of January in Fairbanks.