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Name and place: Meeting of the Alaska NORTH Commission [Northern Operation of Rail Transportation and Highways Commission]

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Notes:

The recording begins with a man's voice introducing the head of the field committee, Mr. Joseph Fitzgerald. Mr. Fitzgerald addresses the members of the commission. He thinks that the establishment of the commission is very important, since the time is ripe for the development of the State of Alaska and for finding solutions to some of their pressing problems. He wants them to concentrate their use of funds in order to make the most out of them. They want to work with the state, hoping to establish development programs that are essential for the future of Alaska. Fitzgerald thinks that they have a good and open working relationship.

3:35 Fitzgerald tells that he is faced with problems of trying to explain in Washington why the United States should be concerned with Alaska. He thinks that the commission can help make America understand the meaning of Alaska in the context of American power. "If Russia can do it, we can do it." He acknowledges that people are working on specific programs but they have North Commission's support. [Fitzgerald closes his speech. Applause.]

5:30 A man's voice says that they have asked members of governor's staff and cabinet to come back because some of the members of the commission might have questions. He invites the audience to ask questions from Mr. Williams concerning Mr. William's paper, and states that copies of the paper will be distributed.

6:58 [Unclear talking.] Someone asks if they know enough about mineralization of the north to justify DOT's [Department of Transportation] study of the railroad [unclear] or if they should have more research before making a request. Williams

[?] says that they know enough to initiate the request now but they also should begin investigation. They know enough to know the potential and there are indications that there's more to be found.

Someone asks how much Williams [?] knows about the marketability. He tells that he hasn't looked too much into it since he's more concerned with field investigations to find the deposits. Simpler things like copper have no question about marketability and they have to base their prognosis on the base metals that they know to be marketable.

9:07 Another man says that with marketability research [unclear]. Williams says it certainly should. Another man mentions some interesting paper that was presented that morning and asks if the University [of Alaska?] will start cataloging materials concerning the proposed route and if so, if they want the state to participate. He wonders if they will have a preliminary feasibility study to the secretary of transportation by late fall. Unclear voice says that Dr. Wolf has made preparations to do that. [Unclear talking.]

10:28 A man's voice says that the purpose of the proposal is to bring into one report what is known now. They don't know much about the geology of some of the areas, but their idea is to bring together what they do know. In the future, there should be more mapping and the route should be flown over with geophysical equipment. There should also have a geological mapping program.

They are going to catalog what is known, which means that they are going to go through the literature and interview people who have worked in the country. The other man asks if they are able to make it into a report by late fall, and the speaker says that he believes that by that time they would have some kind of an inventory but all parts wouldn't be ready. [Unclear talking.]

12:28 Another question is presented concerning oil and sedimentary basement [unclear]. A man's voice says that drilling at Arctic Fault has found it to be quite shallow and the speaker doesn't have the figures of the gravity of oil at hand. They have all the information about Kenai Peninsula. [Unclear talking.]

A man's voice asks for more questions for Mr. Williams. Mr. Williams says he wants to comment on a recent report out of the Department of the Interior's office

that is titled Alaska's Natural Resources and Rampart Proposal in which they come up with \$50 million dollar mineral investigation proposal. He says that the federal agencies should stay away from work that the state needs to do and that appointments to the institution will be made jointly by the University [of Alaska Fairbanks] and the Department of the Interior.

14:58 He hopes that state's Division of Mines and Minerals is able to work in the program to consult with the people and have a certain amount of influence in the work that is going on. He says that field investigation is the first step in mineral development and he hopes that they can work with the federal agencies in going to the field. [Unclear talking.]

[Unclear question about utilizing aerial survey equipment.] Mr. Williams [?] says he hasn't investigated this but has done proposals for airborne surveys for legislators. They have a vast area to cover and the costs are high. Legislators aren't ready to consider that work on state's expense. The instruments need more refining too. [Unclear question. Unclear talking.]

18:59 Mr. Chairman says that their committee could authorize the executive secretary to explore the possibility of doing that and report back to the North Commission so that they could decide whether to go ahead with that or not. They need to discuss whether the state could do it on its own or if they should try to get federal dissipation.

20:43 A man's voice says that if "you," Dr. Wolf, and Earl Beistline cooperate on [unclear].

Mr. Williams [?] talks about the improved technology of aerial surveys but says that they need to be tied to ground surveys and that they can't reliably indicate lode deposits. One still needs ground reconnaissance, but aerial surveys are a good tool. [Unclear talking. Discussion.]

22:36 Mr. Williams [?] says that different types of instruments are needed and that primary one is aerial magnetometer. Another one is electromagnetic [unclear] that is more expensive but it indicates electromagnetic conductors. Then there are scintillators that look for radioactivity. Williams also says that space agency is

developing highly refined tools to see what's on the moon and he thinks it's their time to look into instruments that would "do a more complete job."

There is a question about Dr. Wood's paper that talked about the railroad route that was drawn through the easiest route without considering [unclear]. Now the university is exploring the useable resources. [Unclear talking.]

A man says that if they took the route as it was outlined in 1942 army survey and cut off the highly mineralized area, they could also build spurs. [Unclear talking.]

26:26 A man asks Governor if there is any information available on how much aerial exploration has been done over the state. He says that Mr. Williams could do a better job but that the oil companies have done considerable aerial geographic studies that might not be available to the cmmission. They could find out in a general way what the companies found and whether they would share the information. [Unclear discussion about delegating tasks.]

28:20 [Unclear talking about how much information the University shares with other research projects.] A man's voice says that they received University of Colorado's publication. [Unclear. Unclear talking.]

30:23 Another voice asks Dr. Wolf if it would be possible to add an item that would give the structural outline of the 50-mile area as they go up gravel basins and permafrost areas, so that they would have an understanding of the ground in places other than at lode deposits. [Unclear talking.]

Dr. Wolf says that the basin of the south slope of the Tonsina River and the north slope of the Indian River would be put into October's report. They need to show to the people in Lower 48 that the line is on basic foundation and not just on frozen muskeg. [Unclear talking. People are able to do that from aerial photographs.]

33:46 A speaker says that they will have to have a central person to act for them and he'd like to hear comments about what the Commission thinks about establishing such a center. He wants people to understand that he's not an

empire builder as far as offices and clerks go but he thinks that they will have to have a person to do "this". [Unclear talking about geological reconnaissance.]

36:45 A man's voice addresses Mr. Chairman and says that he suggests that the subject material at their report would be based at the University, but as far as the North Commission and the economic development of the north goes, it should be close to the headquarters of the governor in Juneau. He suggests that they would use the office of the Secretary of State as the focal point. He would also like to have a person there who would work in keeping the North Commission going. They need to work with the governor in order to get the material formalized. The governor is a busy man and in order to make the project be successful, the speaker suggests that it should be based in the office of the secretary of state.

Another man addresses Mr. Chairman and says that he agrees with Mr. Coghill and it should be in department of economic development that has research material and staff that is trained in economic development. Other man's voice says that they are, by law, assigned into the office of the governor.

[Unclear discussion.]

39:40 A speaker tells that he brought it [what?] up so that everybody would have a chance to express their feelings on it. He, personally, agrees that it [NORTH Commission?] should be in Juneau and says that they are already asking people for materials and reports. It should be directly under the office of the governor because it's his brain child.

Another person moves a motion that the office is moved to an appropriate section of the Governor's office. Somebody seconds the motion and the office is decided to put wherever it seems to fit. [Unclear talking. There are many ayes, one nay, and the motion is forwarded.]

42:01 A man asks if they have resources from the department of economic development and someone replies that they have the full support of any department of the state government, because they are not going to spend a lot of money but just to get the job done. They are going to ask many departments'

assistance and the speaker notes that the North Commission is spending any money for the first time that day.

Another man says that the department of economic development will aid the North Commission greatly in the progress of their efforts and goals. [Unclear talking.]

Someone introduces Bill Sanders who has been observing the meeting and asks him to brief the Commission about the survey they are considering. Sanders addresses the commission and says he could talk for several hours. He was talking about development in Brazil seven years ago and one of the industrial leaders there said in sad tone that they are a country with a perpetual future. Sanders says the NORTH Commission is clearly action oriented and it strikes him that that is important for doing the job. As a consultant, he wants to say that commission has an opportunity “to telescope history by the approach you seem to be taking,” since they are looking at new transportation capacity in a way that America hasn’t often attempted to do.

He suggests that they should consider how USA has considered other areas. He tells that those ways should be considered in their report because some of the guidelines for development that they have developed over 15-20 years will provide insight to how Alaska might benefit from improved access to world markets. Resources have no value where they are and they need to get into a place where they can meet a demand. The task of the commission is to find a system that puts the goods in hands of consumers who make value from them. To accomplish that, they need an optimum distribution system.

47:37 Making the distribution system effective requires looking how to make the transportation system effective. In last 10 years, there has been a revolution in management thinking and they are looking at total distribution costs instead of mere transportation costs. Total distribution costs include mining of the resource, physical handling, which includes loading and unloading, inventory costs, packaging and processing. North Commission should plan for an integrated system with rail plus highway link or rail plus water plus air producing the optimal

system. Sanders hopes that they consider this in their studies and closes his speech.

49:30 A man's voice asks members of the commission to pose questions to Sanders. [Unclear question.] Sanders says that commission is action oriented, and that in order to be action oriented and effective, they have to invest in research that will lead to further action.

Sanders suggests that they should come up with an estimate about what the railroad would do, and what it would cost to build and operate. He says that it's feasible to set up a first stage of research to estimate the cost of building a railroad and design a series of programs for various levels of activity. He would construct practical operating model of railroad with price tags on each function, which would tell them the costs of operation for different volumes of freight. With the studies, he would go to potential resource development companies and find out whether they would be willing to pay the cost that the NORTH Commission would need to operate the railroad. That way they could also find out if they would have potential traffic when the railroad would be in operation.

Without railroad, people aren't doing exploring in Alaska because it would be expensive to get the material to the market. They could present the survey to Department of Transportation and present it as a potential development of Alaska, as it would be with expanded transportation capabilities. [Unclear discussion.]

56:48 Sanders says that he read the discussion of dates and notes that they aren't doing badly. He says that if the plan could be developed with the University of Alaska and with the experience of Alaska Railroad in maintaining a railroad, it would be feasible to have a report by October 15th. [Unclear talking.]

Sanders continues that the cost estimates could be contemplated, as well as working with industry. He thinks that it would be good to talk with corporations, like Kennicott and Union Carbide, who might be interested in development. He suggests that if the Department of Economic Development or the mining and natural resources folks have a list of people who have done exploration or have

indicated interest in exploration, that list would be good to have because with that they could formulate a preliminary questionnaire that they could take personally to a selected group of people.

59:26 It's a zone of sensitivities as far as corporate management is concerned and Sanders thinks that having means of transportation would increase corporate interest in lodes with lesser grade minerals. [By doing the survey] they would get a feel for the possible magnitudes of traffic that might be generated by various freight structures. [Unclear discussion.]

A man's voice says that he wants the consent of the commission prior to spending money. [More unclear talking.] A committee should be a committee from Alaska.

[End of the recording.]