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CONSTITUTIONAL CONVENTION
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Mineral Industries, Alaska State Lands

CONSTITUTIONAL COMMENTS
MINERAL INDUSTRIES
ALASKA STATE LANDS

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ALASKA STATE LANDS

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CONSTITUTIONAL COMMENTS

MINERAL INDUSTRIES

ALASKA STATE LANDS

I Initial Assumptions

The following points are considered as being basic to the problem of developing a policy for the mineral industries in the State Constitution.

A. Alaska's mineral resources should be developed from the present low level to a plane where a healthy mineral industry exists. This means that the maximum economic extraction of minerals from deposits should be made, that conservation policies should be fully considered and that the state should benefit from the mineral resources.

B. A free enterprise system for the mineral industries, with a future minimum of subsidies and restriction, is most essential. This concept is very much a part of our democracy which has made the United States a great nation. Our mining industry, which has done a great deal to carry us victoriously through past wars and has given our present standard of civilization, was to a large extent developed in our western states under General Federal Mining Laws. Very little imagination is necessary to visualize a civilization without metals, minerals and fuels.

C. The future of our mineral industry in state land will depend on the overall policy stated in the constitution,

the pertinent laws enacted by the legislature, and the judicious administration of details by competent elected or appointed officials.

II Present Mining Law

At the present time our mining laws that pertain to Federal Public Domain in Alaska are composed of Federal Mining Laws, Territorial mining laws and local rules and regulations. Such laws also generally apply to public domain in about 15 states, for the most part the western states. In addition leasing laws for coal, oil, oil shale, gas, phosphate, potassium, sodium, sand, stone, gravel, pumice, pumicite, cinders and clay are administered in Alaska by the United States Bureau of Land Management.

Federal Mining Laws allow a prospector to follow the two very basic concepts of mining law - discovery and development - in his search for ore deposits. Thus a prospector may enter public domain, make a discovery of mineral or metal, stake a claim and hold the claim by doing annual assessment work. Eventually, by complying with pertinent rules and regulations, he may secure absolute title to the ground by patent.

Leasing laws pertaining to land that contains coal, oil, gas, etc., vary somewhat with the circumstances; but generally, competitive bidding is required, a royalty and/or rental must be paid, and ownership of such leased ground is not possible. Such land is subject to negotiation, and not to staking upon discovery.

At the present time states within the Union also have mining laws for their state lands. The accompanying sheet, identified as Appendix I, gives a brief summary of the types of state laws now in effect. This shows that 11 states have no state regulations pertaining to mining, 8 states have laws which are not considered leasing laws and which are patterned after Federal Mining Laws, and 27 states have leasing laws which in some cases to me are quite detrimental to the discovery of new ore deposits, and in other cases closely resemble the General Federal Mining Laws.

Appendix II gives a brief review of general Canadian mining laws.

In the past several years the Federal Mining Laws have received a great deal of criticism pertaining to the misuse of land staked as mining claims and the staking of mining claims for timber rights. These criticisms were in many cases justified, and as a result, Congress remedied the situation by passing Public Law 167 in 1955. A summary of this is included herewith as Appendix III.

Legislative action will clarify other possible abuses of the current mining laws.

Also, it should be mentioned that the state owns all mining claims until patent is granted.

III Recommendations

The Public Administration Service has recommended a leasing system for state mineral deposits with some provisions which would allow citizens to acquire a limited amount of patented ground.

I do not favor such a leasing system for the metal and mineral deposits commonly staked under present Federal Mining Laws in Alaska. Advantages of such a leasing system are probably meant to keep large areas of ground from being held and not mined, and to assure an income to the state of Alaska. In the first case, statute laws of the new state should remedy such abuses. In the second case, the legislature will have the authority to tax mine production as is done now. A fair tax on a healthy mining industry is desirable; however, before such a tax is levied the mine must have a chance to reach profitable production. Otherwise we will have no private enterprise mines in operation.

Large companies may benefit by a leasing system, although I am sure many would not be too satisfied with such an arrangement.

Further, a dual system of laws pertaining to mineral land (state and Federal) will only add harassment, confusion and discontent to the prospector.

Members of the mining industry in Alaska have felt that we need more prospectors in the hills to locate deposits. Such men need incentives to search for ore deposits. The prospector's dream is to locate a bonanza that will pay from the first strike of the pick; in reality, he is extremely lucky if he is able to find a deposit that can be sold or leased to a well financed company. A leasing system for the type of metals and minerals mentioned will remove the incentive, and as a result, the number of prospectors will be further reduced.

Leasing laws now in existence for such minerals as coal, oil, gas, etc., in general are desirable because such mineral deposits most often require large capital investments to initiate production and to insure efficient and complete mining of the material in compliance with accepted conservation policies. Also, such leasing deposits are usually larger than metalliferous enrichments and their efficient development requires more area than can be conveniently secured under the mining laws. Most prospectors with relatively little financial backing very seldom expect bonanza profits from such "leasing minerals" as compared to "mining minerals" such as uranium, copper and gold.

Appendix IV states the Public Land Policy adopted by the American Mining Congress, October 10-13, 1955.

IV Summary of Recommendations

A. The Alaska Constitution should include provisions that will allow for the complete development of the state's mineral resources, thus creating a healthy mineral industry which will be to the benefit of all the peoples of Alaska.

B. State mineral lands should be open to prospecting and mining under suitable laws enacted by the legislature; such laws should pertain to metals and minerals not ~~now~~ governed under the Federal Leasing Act in Alaska; and such laws should be patterned after the philosophy of discovery, development and patent which now exists in our Federal Mining Laws.

C. That leasing minerals (coal, gas, oil, etc.) on Alaska state lands be disposed of under a system patterned after the present Federal Leasing Act (1920 and amendments).

D. Consideration should be given to assure equitable water availability and distribution for mining purposes.

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A P P E N D I X

APPENDIX I
Comparative Study of State Prospecting & Mining Laws*

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27 States Have Leasing Laws

State	Prospecting Permit Req. Not Req'd	Miscellaneous Information
Arkansas	x	
California	x(\$5.00)	Preferential lease may be obtained.
Delaware		No mining statutes-land available for lease
Florida	x	Leases from Trustees of state Improvement Fund.
Georgia	x	Competitive bid for lease
Idaho	x	Ten year lease, preferential renewal
Indiana		No Mining Statute. Prosp. permitted.
Kansas		Lease from State or county agencies.
Kentucky		Lease from State agencies
Louisiana		Prosp. permitted if land is not disturbed
Maryland		From Board of Public Works
Michigan	x	Bond req'd. 10% royalty
Minnesota	x(\$25 plus \$50)	Rentals and royalties vary
New Hampshire	x(\$5 for 1 year)	Claim staked with approval of Governor. \$100 work/year. Royalty.
New Jersey		Prosp. permitted if land is not disturbed.
New York	x	Royalty. Appl. to Mine to Board of Com. and Governor.
North Carolina	x	Permit to prosp. from N.C. Wildlife Research Commission
Oregon	x	Lease royalty basis.
Pennsylvania	x	Permit by Game Commission
South Dakota	x(\$5 for 1 yr/20 acres)	License \$5, Min. royalty 5%
Tennessee	x	Lease to mine
Texas	x(10¢/acre for designated area)	Lease 5 yr., 50¢/acre. Royalty 1/16 value sold
Utah	x(1 yr., 160 acres with \$250 work/6 months)	10 yr. lease, 50¢/acre plus royalty
Vermont	x	Permission to prosp. from State Treasurer
Washington	x	Permit max. 80 acres. Com. of Public Lands.
West Virginia	x	Leases from Public Land Corp.
Wisconsin	x	Leases from Com. of Public Lands or conservation commission.

8 States Have General Mining Laws

State	Prospecting Req.	Permit Not Req'd	Miscellaneous Information
Arizona		x	Disc. work completed within 90 days
Colorado		x	Claim filed with county recorder
Maine		x	Claim recorded & accompanied with Min. Engr. Report
Montana		x	Filed County clerk 60 days. Disc. shaft required.
Nevada		x	Claim filed within 90 days
New Mexico		x	Claim worked within 90 days
North Dakota		x	Filed within 60 days. Disc. shaft required
Wyoming		x	Filed within 60 days.

11 States Have No Regulations

Alabama	Nebraska
Connecticut	Ohio
Illinois	Oklahoma
Iowa	Rhode Island
Massachusetts	Vermont
Missouri	

2 State Laws Unknown

Mississippi
South Carolina

*Taken in part from original study by Prof. Leo Mark Anthony, School of Mines, University of Alaska, October 1955.

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APPENDIX II
A Study of Canadian Mining Laws*

A study of Canadian mining laws will prove very useful in formulating revisions to American mining law in this respect and others. Note on page 1, for instance, how orderly the mining claims are in a portion of the Porcupine district of Ontario.

Here provincial mining laws require prospectors to obtain a \$5 miner's license, good for one year. This entitles him to stake up to nine mining claims for himself in any one mining division. Discovery of mineral is not required. Claims normally consist of 40 acres, with boundary lines generally running north-south and east-west. Applications for claims are filed with the recorder of a mining district, accompanied by a sketch showing position of the claim with reference to known survey points in surveyed areas. Then metal tags impressed with the numbers of mining claims are supplied by the recorder which the recorder must attach to corner posts of the claim.

The claim-holder must perform a given number of days work on each claim each year (generally 40 days, and a total of 200 days in 5 years). Affidavits of work performance must be filed with the recorder each year. In an unsurveyed territory the locator must have his claim surveyed by an Ontario Land Surveyor. After work and survey requirements have been met, the locator may obtain a patent. Cost is \$2.50 to \$3.00 per acre.

Obviously under such well-defined rules where all details become a matter of public record, a prospector can proceed to locate claims with assurance if the rules are obeyed.

*Taken from the article, "Hoover Commission Recommends Modernizing Mining Laws". Engineering and Mining Journal, May 1949.

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APPENDIX III
New Mining Law*

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Public Law 167, approved July 23, 1955, was passed by the last session of Congress and makes the first important changes in Federal mining law to be enacted in many years. It accomplishes the following principal changes: (1) removes deposits of common varieties of sand, gravel, stone, pumice, cinders, etc., from under the mining laws so that they may no longer be staked as such, but must be leased; (2) prevents the use of unpatented claims for any purpose other than prospecting and mining or uses related thereto; (3) guarantees access by Federal agencies for management of timber or other surface resources on unpatented claims if such access does not interfere with legitimate mining operations; and, (4) provides a procedure for clearing up false or unsupported mining claims on Federal land. The new law does not affect claims located prior to July 23, 1955 except for possible limitation of rights which may result from hearings which must be duly publicized well in advance. Also the new law can not interfere with patented claims, regardless of date of patent.

With regard to sand and gravel, etc., a claim may still be located where some other valuable mineral occurs in or associated with said sand or gravel materials which are valuable because the deposit has some property giving it distinct and special value.

On claims located after the Act, the U. S. has the right to use the surface thereof for the management and sale of the timber therefrom provided that such surface use or access does not endanger nor interfere with the prospecting and mining, and provided that if the locator requires more timber for his mining operations than remains after removal of timber therefrom by the U. S., he shall be entitled free of charge to be supplied with timber as needed from the nearest timber which is ready for harvesting. On claims patented under the Act, the locator will receive full surface title as well as mineral title. In other words, locators will not receive surface rights on claims staked after July 23, 1955, until they have the claims patented.

Concerning the use and validity of claims located before the Act, where questionable claims exist in areas of interest to Federal agencies, hearings will be held after a process of notification of the claim holder, publishing in a local newspaper for 9 weeks, and allowing a further period for the claim holder to file a statement declaring his interest in the claims under question. If no statement is filed by the claim holder, the surface rights to his claims will be automatically forfeited. If a statement is filed, a hearing will be set at which time it will be determined whether the claimant has been properly working his claims and if the claims are valid. If not, he will lose the surface rights. In any event, the language of the law indicates that the claimant will not lose his subsurface or mineral rights.

The Forest Service and the Bureau of Land Management are losing no time in making preparations for the administration of the Act. The Forest Service has picked out four "guinea pig" areas in the Western States where they will develop standard operating procedures. In Alaska, they will give first priority to clearing up the old claims in the pulp areas in Tongass National Forest, and plan to start proceedings within the present fiscal year. In the remainder of Alaska, claims will probably be investigated by the Bureau of Land Management at the request of other Federal agencies who desire the surface rights determined in certain areas.

*Taken from TDM Bulletin, Vol. III, No. 10, October 1955.

AMERICAN MINING CONGRESS

A Declaration of Policy

Adopted at Las Vegas, Nevada, October 10-13, 1955

WE commend the present Administration for its persistent and successful efforts to ease international tensions and promote world peace. We of the mining industry recognize only too well, however, that despite improved foreign relations our defenses must be maintained at a level to cope with any eventuality. Production of minerals and metals is essential to the welfare and security of the nation.

We believe the imminent monopolistic merger of the CIO and AF of L, the intrusion upon the American industrial scene of the principle of the Guaranteed Annual Wage—by whatever name it is called—and the aggressive political activity of unions armed with conscripted political funds of vast proportion, are storm signals which must be heeded if this nation is to preserve a sound and stable private-enterprise economy, and if we are to avoid the evils of labor socialism in our Government.

The President of the United States has made a constructive forward step in recognizing the importance of the mining industry by the establishment of Cabinet Committees on Minerals Policy and on Energy Supplies and Resources Policy, to develop national policies relating to the production and utilization of metals, minerals and fuels and the maintenance of an adequate "mobilization base" for the several branches of the domestic mining industry.

We commend these Committees for developing recommendations as a basis for sound national mineral and fuel policies. Prompt action should be taken toward making such policies effective.

In the past year a tremendous demand for certain metals has created higher prices to the advantage of some mineral producers. Other segments of the mining industry have not been so favored. We believe the Government should establish a broad policy designed to provide adequate protection to domestic mineral producers.

We urge our national leaders to continue their efforts to combat and eliminate communistic doctrines and influences wherever found.

The Government needs and should have the support and services of experienced business men

for the efficient administration of its widespread activities. We deplore the unwarranted and unfounded attacks on Howard I. Young, a man of the highest integrity and patriotism, who performed a magnificent service for the country in both World War II and the Korean emergency. Such attacks will render it extremely difficult to obtain the caliber of service so urgently needed in mobilization planning and operation.

We express our unqualified confidence in Mr. Young, who has so ably and unselfishly served the best interests of the United States and of the mining industry.

GOVERNMENT EXPENDITURES

Commendable progress has been made in reduction of Government expenditures, but further determined effort should be made and effective action taken so expenditures shall not be more than necessary to meet essential functions of government adequately and efficiently, honestly and fairly, without waste or extravagance and without political favoritism. This applies both to needs for national defense and for peacetime requirements, which are so great that they leave no place for extravagance, waste or unnecessary expenditures. This should be insisted upon by all within and without the Government.

TAXATION

To maintain the system of private enterprise and individual initiative under which our country and the productivity, prosperity and welfare of our people have developed, our tax system must not impair normal incentives for economic growth and development. To yield needed revenues, we must have tax laws which will not, by their tax rates nor their substantive provisions, discourage the investment, risk and effort necessary for income-producing activities.

The new Internal Revenue Code has made many desirable improvements to this end. Some of its provisions, in their wording or application, need revision, particularly as they fail to meet

their real intent, and should be revised to eliminate unnecessary technicalities and give them fairer and more appropriate application.

We commend the efforts which have been made to provide that taxes will be imposed and administered fairly, equitably and honestly. Our tax system must be well organized and administered to carry efficiently the immense load imposed upon it, preventing fraud, dishonesty and tax evasion, but with minimum difficulties and disturbance to honest taxpayers in preparation, examination and settlement of their returns.

With respect to future taxation, we make the following particular recommendations:

Depletion must be fully and equitably allowed to the mining industry,—both cost and percentage depletion. This is essential if we are to maintain an active, going mining industry essential for defense and needed in time of peace.

Present tax rates which leave too little incentive for maximum economic effort and initiative should be reduced, and in no case should the overall tax rate on the income of the taxpayer exceed 50%.

Allowance to stockholders on dividends with respect to taxes paid by the corporation should be further extended and depletion carried through to the stockholder on an adequate and equitable basis. Intercorporate dividends should not be doubly taxed.

The tax benefit rule should be fully applied in determining the property basis for depreciation and for cost depletion.

Limitations on deductibility of exploration expenses should be removed.

Tax exemption should be granted to new mines for three years after beginning of profitable operation.

Capital gains should be taxed at more moderate rates.

The United States taxes on income created abroad should give full recognition to its taxability in the foreign jurisdiction. They should not create an additional tax load to impede or discourage activities abroad, and in no event should our taxes be applied to income which is not or cannot be returned to this country.

Our Government should cooperate, by treaty and otherwise, with any foreign government wishing to attract private investment and private enterprise, to remove or prevent obstructing economic, political or tax barriers. This will be a benefit to us, to our friends abroad, and to the peace and well-being of the world. Efforts should be continued and actively extended, through legislation and bilateral treaties, to eliminate barriers to private investment, to eliminate discriminatory taxes, and to reduce double or multiple taxation.

TARIFFS

We again endorse the Government policy that a strong, vigorous and efficient domestic metal and mineral industry is essential to the long-term

economic development of the United States and that an adequate mobilization base of metal and mineral production for our nation must look to domestic production and ore reserves for the major portion of our mineral and metal supply, despite progressive increase of imports of some of these materials.

Experience has shown that we cannot depend on foreign ore reserves as a source of supply in an emergency, however important it may be to import some metals and minerals to supplement domestic production and to fill our stockpile with materials in which we are deficient. World political conditions, as well as hazards of possible air and submarine warfare, support this conclusion.

We continue to recommend, therefore, that the Congress exercise its authority over tariffs, to be administered for the welfare of the American people and provide reasonable tariff protection. In this connection we endorse the recommendation of the U. S. Tariff Commission to the President on the industry's application for increased duties on lead and zinc.

We commend the members of the U. S. Congress who worked tirelessly to fulfill the Tariff Commission's recommendation. The President's alternative stockpiling program, while having certain desirable features which have been of material temporary benefit, is at best a stopgap solution and does not offer any real long-range cure to the problem of the American mining industry.

A reasonable and workable means of maintaining an adequate "mobilization base" in the production of critical and strategic metals and minerals must be worked out promptly. While each metal and mineral has different problems and each must be considered separately on its own merits, this mobilization base can be maintained in most minerals and metals by maintenance of a reasonable price. To accomplish this we favor enactment of excise taxes or flexible tariffs on imports, which may be suspended in whole or in part whenever prices are at an economic level that will permit the domestic mining industry to maintain such adequate mobilization base for national security. We oppose the use of direct subsidies, as leading to eventual government control or being impractical of equitable administration. The nature of mining requires that the industry make long-range plans, and revocable or stopgap measures by the Government contribute little to the real problem.

We recommend that Congress reject participation in any organization which places the power to regulate trade and foreign commerce of the

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United States in the hands of any international body.

The industrial strength of our nation has proved itself to be the unfailing mainspring of defense of the United States and the world's free nations. As a keystone to this industrial strength, we strongly urge governmental policies which will assure the maintenance and encouragement of the fullest possible domestic production capacity in strategic and critical metals and minerals.

INTERNATIONAL AND UNITED NATIONS COMMODITY AGREEMENTS

We have opposed inter-governmental commodity agreements that call for control over industry or involve international regulation of production, distribution and prices of minerals and other raw materials. Consistent with this position our 1952 Policy Declaration opposed United States participation in the International Materials Conference. Again, in 1954, the Declaration expressed concern at the recent establishment by the United Nations of a Commission for International Commodity Trade. It also noted that the agenda of the Rio Conference of the Organization of American States included discussions on the establishment of new inter-governmental commodity agreements among the nations of this hemisphere.

We commend the Administration for having completely rejected inter-governmental commodity agreements at the Rio Conference last fall and for its forthright position in the United Nations Economic and Social Council at Geneva this past summer, where it announced that the United States will not find it possible to participate in the work of the United Nations Commission for International Commodity Trade, and that this Government would welcome the election of some other government on the Commission in its place.

STOCKPILING

We endorse a national policy of stockpiling of strategic and critical materials and the provision of adequate funds at all times for orderly purchases for possible emergency needs. As long as the security of the Free World is threatened, the nation's stockpiles must be filled. The vital necessity for adequate stockpiles remains unaffected by the recent lessening of international tension.

We believe the most efficient and economical procedure is to stockpile at times when output exceeds demand, and that it is in the national

interest to reduce or suspend stockpile purchases during periods when shortage of metals causes dislocation of production in defense and essential industries.

In connection with minerals and metals in which we normally are not self-sufficient, a definitely stated long-term objective should be fixed and adequate domestic prices paid to encourage the development of domestic reserves and the expansion of domestic production.

No withdrawals from the National stockpile should be authorized except in a declared emergency when national security clearly requires release of a particular material. We commend the Office of Defense Mobilization for its recent action in recognizing the clear intent of the Stockpiling Act in this respect. All metals and minerals acquired pursuant to the provisions of the Defense Production Act and the Agricultural Trade Development Assistance Act should be transferred promptly to the national stockpile, and should be subject to withdrawal only under conditions of a declared emergency.

We oppose the purchase or other acquisition of foreign metals and minerals for stockpile when adequate domestic supplies are available.

We believe continued operation of prospectors and small mining concerns is important because these smaller operations provide a pool of specialized knowledge and trained manpower available for the expansion of minerals production in the event of an emergency. Their activities also are the source of new mine discoveries of consequence.

PUBLIC LAND POLICY

The objective of the General Mining Laws is discovery and development of the mineral resources of the public domain by private enterprise. To effect this objective the laws invite citizens to prospect for minerals and upon discovery to locate valid mining claims. The mining laws also provide for protection of valid claims and the possessory rights thereunder prior to patent, and for transfer of legal title to private ownership by patent. The soundness of this system has been repeatedly demonstrated, and we reaffirm our confidence in it.

The Mineral Leasing Act of 1920, which established a system for acquiring rights to Leasing Act minerals, resulted in conflicts with the system for acquiring rights under the General Mining Laws. Public Law 585 of August 13, 1954, to provide for multiple mineral development of the same tracts of public land, was enacted to

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remove this conflict. We commend the Bureau of Land Management for the careful preparation and prompt promulgation of rules and regulations to implement this law.

Pretended mining locations, made in bad faith, to serve objectives other than mining, with resultant damage to or improper use of timber, forage and other surface resources, made advisable legislation to provide for multiple use of the surface of public lands. Such legislation was enacted as Public Law 167 of July 23, 1955. This law takes nothing from the owners of valid mining claims located prior to its enactment; it provides to the owners of valid mining claims located after its enactment all rights necessary for prospecting, mining and processing operations; and it specifies that upon issuance of patent, the patentee in either instance shall acquire as full title to the mining claim and its resources as theretofore. We commend the Congress of the United States, the Department of the Interior and the Department of Agriculture for their recognition of the importance of the General Mining Laws in developing the mineral resources of the public domain, and for their support in preserving the basic concepts and principles of those laws in the proceedings which led to enactment of Public Law 167.

We commend the Congress of the United States and the Department of the Interior for opening to mining location vast areas that had been closed. We urge application of these policies to all public lands valuable for mineral development except National Parks and Monuments.

We are opposed to any general cession to the various States of rights in public-domain lands within the several States that would interfere with mining locations under the General Mining Laws.

We are opposed to extension of the Leasing Act system to minerals and metals locatable under the General Mining Laws.

Increasing rarity of occurrence of "grass roots" mineral discoveries, and increasing importance of employment of expensive equipment and modern methods in prospecting, point to the advisability of prompt consideration of constructive changes in the discovery provisions of the General Mining Laws which will afford a reasonable period of protection to those who in good faith seek a discovery.

LABOR RELATIONS

The boldest bid for economic and political power ever made by any group since the founding of

the United States is going relentlessly forward throughout the nation. Unsuccessful in their attempts to dictate to the executive branch of the Government and temporarily thwarted in their efforts to attain their objectives through legislative enactment, the labor bosses have opened a "second front" designed to seize and control the source of all power in a democracy, the vote of the electorate. Their programs of political action are being pressed vigorously in all of the forty-eight States. Armed with political funds which have never before been equalled either in amount or in non-accountability, they plan to overwhelm all who seek election to public office without their endorsement.

The people of this nation have always feared and rejected concentration of power in any person or organization. Never has there been greater cause to renew their fears, never more reason to reject the encroachments that are planned against the independence of their legislative bodies and their administrative officials.

In the face of this onslaught complacency on the part of those who believe in the principle of a free society under a democratic system of government will pave the way for the destruction of that principle and the establishment of labor socialism. Affirmative action must be taken to arouse the people of the nation to an awareness of this grab for power. Legislation must be enacted to strip the labor bosses of their most deadly weapon, enforced political contributions. To this end we continue to urge the abolition of compulsory unionism in any form. And to this end we urge a strengthening of the provisions of the Federal Corrupt Practices Act to eliminate the subterfuges whereby vast sums of money extorted from wage earners by power-hungry labor bosses are labeled as voluntary contributions and used to subvert democracy.

Preoccupation with this attack on the ballot box must not divert our attention from the legislative front. The fight to maintain and strengthen the basic principles of the Taft-Hartley Act still requires constant vigilance and affirmative action. We reiterate our convictions that compulsory unionism and labor monopoly are incompatible with the principles of individual liberty and a free economy, that Communism in labor unions constitutes a grave threat to our national security, that democracy in unions and the rights of individual workers must be affirmatively guaranteed, and that recognition of States' rights is essential to the continuation of our system of federated government.

We again urge that the Taft-Hartley Act be amended to:

1. Prohibit compulsory unionism in any form.
2. Prohibit labor monopolies and industry-wide bargaining.
3. Require the President, in threatened national emergency strike or lockout situations, to utilize the provisions of the Act.
4. Safeguard the functions of management from union encroachment by eliminating compulsory bargaining.
5. Protect the rights of workers by requiring supervised strike votes by secret ballot.
6. Effectively outlaw mass picketing, violence, intimidation and similar terroristic devices in labor disputes.
7. Maintain the stability of labor agreements.
8. Preserve to the States their right to regulate strikes and picketing; and
9. Effectively protect freedom of speech.

We again state our vigorous opposition to any of the following suggestions for amending the Act:

1. To permit further extensions of the principle of compulsory unionism under governmental sanction.
2. To outlaw State laws regulating or prohibiting compulsory unionism.
3. To eliminate safeguards against Communism in unions.
4. To permit replaced economic strikers to vote in representation elections.
5. To relax the prohibitions and procedures against secondary boycotts.
6. To qualify the exemption of supervisors.
7. To reduce union responsibility.
8. To relax limitations on the check-off.
9. To permit unilateral administration of welfare funds by unions; and
10. To eliminate the penalties for striking during the prescribed cooling-off period.

The forces of labor socialism are now openly on the march. Professional unioners who purport to speak for the wage earners of America are in fact using the wage earner as a stepping stone in their drive to achieve political and economic domination of the nation. The preservation of our system of government and of our individual liberties is up to every citizen. The need for united action by all freedom-loving individuals and groups is urgent. We dedicate ourselves to such action.

GOLD, SILVER AND MONETARY POLICY

We deeply regret that no steps have been taken during the year to terminate the policies with

regard to gold that are bringing about the extinction of the domestic gold-mining industry. The few surviving mines are faced with diminishing profits as costs expressed in depreciating paper dollars continued to rise while the producers must sell their gold at a price fixed over twenty years ago when the dollar had twice its present purchasing power. The right to own gold is still denied to the American citizen, and the gold miner is allowed no protection whatever against inflation.

Furthermore, with the Treasury acting as a middleman, gold in quantities greater than the entire annual production of the country is supplied to the so-called industrial consumers at \$35 per ounce, thus providing them with an unneeded subsidy at the expense of the miners.

Correction of this gross inequity by restoring to the American citizen the right to own, to buy and to sell gold, accompanied by termination of the sales of gold by the Treasury to industrial users, would be a simple step, involving no change in monetary policies with regard to gold, that would go far toward relieving the increasingly difficult plight of the gold-mining industry.

On broader grounds, however, we also urge that the gold standard be restored and the dollar made freely convertible into gold, domestically as well as through foreign agencies, with the gold content of the dollar fixed at an amount that reflects the existing depreciation of the currency.

The place of silver as a monetary metal for appropriate uses is well established, and we commend the policies of the Federal Government that have contributed to this desirable end. Consumption of silver for both industrial and monetary needs is now absorbing available stocks at an accelerated rate. We recommend continued acquisition of domestic silver by the Treasury for monetary needs and urge that the stocks of silver so acquired be held inviolate for such purposes.

In accordance with these views, we recommend:

1. That the restrictions on the purchase, sale and ownership of gold by American citizens be immediately removed.
2. That the monetary stocks of gold and silver be held exclusively for this dominant purpose, and that neither metal be sold by the Treasury for industrial uses.
3. That Congress fix the ratio at which the dollar and gold are to be made fully convertible and determine other technical procedures involved in the restoration of the gold standard, after receiving the recommendation of a Commission of its creation, to which men skilled in appraisal of the world's potential gold supplies as well as

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men of competence in domestic and international finance and trade should be appointed by designated Government authorities.

4. That the restoration of the gold standard, with the dollar and gold made convertible at the specified ratio, be accepted as a policy and every effort be made to achieve this objective at the earliest practicable time.
5. That the existing Federal policy be continued with regard to the acquisition, by the Treasury Department, of newly-mined domestic silver, both for its beneficial influence upon the base-metal mining industry and for its traditional service in providing a base for a portion of the nation's currency; that Congressional action recognize the increased cost of producing silver by reducing the seigniorage now charged by the United States Treasury upon newly-mined domestic silver; and that the silver purchase program be retained.

ENERGY RESOURCES

The forward movement in the development of the American industrial economy means that there will be a tremendous corresponding rise in the need for energy in the years ahead. Such expansion will draw heavily upon the nation's energy supplies and fuel resources. The nation has a high stake in the maintenance of the productive capacity of the coal industry as insurance against future energy needs.

The general welfare and the defense potential of the United States require the establishment of a sound national fuel policy which would encourage conservation practices and achieve balance in the present use of our energy resources, with the aim of strengthening the national defense, providing orderly industrial growth, assuring energy supplies for our expanding economy and providing for any future emergency.

URANIUM

The U. S. Atomic Energy Commission should be highly commended for its continuing efforts to encourage the establishment of maximum domestic reserves of uranium ores, thereby enhancing our nation's security. In order that these objectives may be more rapidly and efficiently realized and the orderly development of the comparatively new uranium industry fostered, present systems and methods of encouraging production should be continued, with adjustments to meet conditions as operations in this field expand.

We further recommend that the Atomic Energy Commission assure the domestic uranium raw

materials industry that an adequate purchase program will be continued through such period beyond the present termination date as the Government retains monopoly of the purchase and use of uranium ores and concentrates. Public announcement to this effect should be made promptly. The Commission should advise the industry upon reaching any decision to terminate the purchase plan and the use monopoly, and it should provide a reasonable and adequate plan for the transition to the period when industrial requirements will be dominant.

In order to achieve maximum recovery of known reserves, the AEC should absorb penalties now being imposed for high-lime content of ores—a characteristic of many of the larger deposits in the United States. These penalties have the effect of reducing the tonnage ultimately available by rendering uneconomic the removal of other than high-grade ores.

More mine-to-market roads should be planned and completed with all possible speed.

GEOLOGICAL SURVEY—BUREAU OF MINES— BUREAU OF LAND MANAGEMENT

The Geological Survey, the Bureau of Mines, the Bureau of Land Management are the three bureaus of the Department of the Interior most intimately concerned with the administration of public lands in their relation to the mining industry.

We have noted with satisfaction that the bureau chiefs have put into effect many of the administrative recommendations of the Department's survey teams, and that as a result there has been improved service to the public while operations have been more economic and efficient.

We again compliment the fine technical and administrative personnel of these three bureaus on their many valuable services to the mining industry, including their research, explorations, and publications—maps, scientific papers and reports.

While expressing gratification that appropriations for geologic and topographic mapping have been increased for the current fiscal year, we again emphasize the vast backlog of unmapped terrain needing attention and urge such further increase in funds for this vital work as a sound budget policy will permit.

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We urge that further efforts be made to transfer all Federal responsibilities affecting mineral resources which have been scattered among various other departments and agencies to the Department of the Interior, through its Geological Survey and Bureau of Mines, so that such functions will be the responsibility of the two bureaus best qualified to administer them.

MINE FINANCING

We recommend that Congress reconsider the whole question of Securities and Exchange laws, rules and regulations, to the end that the desirable objectives of the present law be maintained and that obstructive or unnecessary features be corrected by appropriate amendment or repeal.

We recommend that the Small Business Administration liberalize its qualifications for granting loans for worthy mining enterprises, and that the loan activities of the Defense Minerals Exploration Administration for defense metals and minerals be continued and adequately financed.

MINE SAFETY

We firmly believe that the health and safety of men working in mining operations are the primary responsibility of the mine operator. We believe that any necessary safety regulations should come from within the governmental structure of the States. The steady yearly decline of accidental deaths and injuries within the mining industry has demonstrated the effectiveness of this approach.

We heartily commend the U. S. Bureau of Mines for its excellent service to the mining industry in developing and disseminating improved techniques in mine accident prevention and in recognizing, by granting awards, outstanding safety performances. This important work deserves adequate financial support.

WATER AND AIR POLLUTION

Problems having to do with water and air pollution, in their very nature, are local not national in scope. Because of a knowledge and understanding of local conditions the solution of pollution problems can best be achieved by the cooperative effort of all concerned. Where local conditions require the solution of pollution problems that affect two or more States, the appropriate end may be achieved by interstate compacts.

We urge the Congress in its consideration of water and air pollution legislation to fully respect

local and State jurisdiction in the field of control laws, standards and regulations, to provide accelerated amortization for pollution control facility installations, and to provide for research on basic causes of pollution which can be used by industry and communities in evaluation of such control measures as may be needed in specific area problems.

RADIO FREQUENCY ALLOCATIONS

We urge the Federal Communications Commission to allocate additional radio frequencies for the use of the mining industry.

Effective radio communication is vital to the operations of the industry.

There are presently over 8000 stations, most of them crowded into only 5 channels which must be shared by mining with such unrelated activities as: farmers, ranchers, manufacturing plants, crop dusters, and refrigeration servicemen. Other industries have frequency allocations of their own, such as 39 for the railroads, 7 for motion pictures, 9 for petroleum and forestry, and 9 for the public utilities.

The present inadequate frequency allocation to our industry is already depriving many mining operators of the benefit of effective radio communication needed for efficient operation, and the situation is rapidly becoming worse.

GOVERNMENT REORGANIZATION

We wish to commend all those who have participated in the work of the Commission on Organization of the Executive Branch of the Government, popularly known as the Second Hoover Commission.

We strongly urge that favorable action be taken to implement the Commission's sound recommendations concerning the proper functions and policies of the executive department. It is only by such considered appraisal and evaluation that competing and overlapping responsibilities may be eliminated to achieve economy and efficiency in the operation of our Government. We are in accord with the principle that Federal Government intervention should be limited to those matters which the people themselves, through private enterprise or their local or State agencies, are unable to undertake or carry out.

The essential functions of government must be conducted without waste, extravagance, or unnecessary expenditure if we are to bring about reduction of the cost of government to those who must support it.

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