

Making Claims

*How 19th Century Sitkans Worked
the Gold-Mining Business*

By Matthew Hunter

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“Open war will be declared by capital and muscle, against the hills, mountains and valleys of Baranoff Island on or about April 1st. Dynamite will be mostly used against the heretofore stubborn enemy - and it will win.”

The Alaskan, Feb. 20, 1886.

Gold mining in the vicinity of the small Southeast Alaska town of Sitka commenced barely four years after the United States purchased Alaska from Russia. Prospecting activity began in the Sitka area in 1871,^(1 2/13/86) and it soon expanded to hundreds of active claims during the next two decades, most around Silver Bay.⁽¹¹⁾ Although not one was ever significantly productive, the mines employed a majority of Sitkans and were the town’s most important industry from the late 1870s through the end of the century. It was never the production of minerals, but rather the staking of and subsequent sale of worthless mining claims to outside investors that financed the growth of Sitka during its early American years.

Beginning in 1871,^(1 2/13/86) with the initial sighting of gold in Indian River by Mr. Edward Doyle,⁽¹⁰⁾ a retired US soldier who had been stationed in Sitka, an auriferous fever spread through the town. In October 1871,⁽¹³⁾ or in 1872,^(1 2/13/86) Mr. William Dunlap and Mr. Frank Mahoney⁽¹⁰⁾ began the first lode (hard-rock mining) activity in Alaska at an exposed quartz ledge in the Indian River valley, a few miles from Sitka. In the February 13, 1886 issue of the *Alaskan*, Charles Hallock writes that the “first blast ever made in Alaska quartz was exploded” on December 9, 1872,⁽¹⁾ sparking a news story as far away as San Francisco.⁽¹³⁾ The results of the work were not inspiring, but shortly thereafter, various Sitkans made mining claims at the head of Silver Bay, including three placer (surface mining) claims by 1872.⁽¹³⁾ Soon, most Sitkans were prospectors in their

spare time. DeArmond writes: “Major Joseph Stewart and A. H. Prince, stationed at Sitka with the Army, discovered what became known as the Stewart Lode claim on May 29, 1873” at the head of Silver Bay, though the claim was not officially recorded until 1877.⁽¹⁰⁾ Knopf states that the Stewart mine was located in October 1872.⁽¹³⁾ According to Brady, it was around this time that one of the saloon keepers in town hired a man to do some prospecting and displayed some gold-bearing quartz at his bar.⁽⁵⁾ This display caught the eye of a Mr. Nicholas Haley, an experienced miner,⁽⁵⁾ destined to become one of many to make his fortune in a series of shady investment deals concerning Silver Bay mining claims.

The first of the shady deals came immediately with the first official claim made. The Francis brothers made their claim, the Francis Lode, on Lucky Chance Mountain, then referred to as both Bald Mountain and Lake Mountain.⁽¹⁰⁾ On the very day the first claim was officially recorded, December 18, 1874, the owners sold two-thirds of their claim for a quick profit of \$40.⁽¹⁰⁾ One of the investors lived in Canada.⁽¹⁰⁾ The other was Haley.⁽¹⁰⁾ By the end of April 1875, Haley had sold one quarter of his one-third stake in the Francis Lode claim to various Sitkans and soldiers stationed in town for a total \$225.⁽¹⁰⁾ He had also made the first of his many claims at the head of Silver Bay.⁽¹⁰⁾ He soon sold one of his claims to Samuel Miletich, a long-time Sitkan and local saloon owner.⁽¹⁰⁾ Together, the two of them hired a San Francisco miner to evaluate their claims.⁽¹⁰⁾ His thought was that the mines were practically worthless, unless they could be sold.⁽¹⁰⁾ When he heard his claims were worthless, Haley wasted no time. DeArmond writes that Haley “worked his own bailiwick first, selling stock in various claims, most of it to Army men stationed at Sitka, and to their wives and children. An ingenious salesman, he

offered a half-rate for children.”⁽¹⁰⁾ As DeArmond alludes, Haley was limited from making lots of money only by the slim “pickings” that Sitka offered.⁽¹⁰⁾

Within the next two years, Haley had begun what would be a 20-year pattern of events. He staked a few more claims in Silver Bay and then departed for the states to seek investors in his claims.⁽¹⁰⁾ His success was evident in the creation of the Alaska Gold and Silver Mining Company in Portland, Oregon in March of 1877.⁽¹⁰⁾ Haley and Stewart offered their claims to the company.⁽¹⁰⁾ DeArmond writes that “Since the president and directors did not have mining claims to contribute the presumption is that they were to raise the capital” for the development of the claims.⁽¹⁰⁾ After a year of courting investors, the company installed a 10-stamp mill at the Stewart Mine by the end of 1879.^(10, 13)

By the late 1870s, gold mining activities employed more Sitkans than any other industry. The 1880 census reported that over 40 percent of Sitkans were miners: “Sitka has 82 miners, 16 saloon keepers, 11 merchants, 43 artisans / laborers, and 45 unemployed.”⁽¹²⁾ In addition to the those surveyed by the census, Ted Hinckley writes that “Tlingits flocked in from all parts of Southeast Alaska wanting work.”⁽¹²⁾ With jobs scarce in Alaska, there was open hostility towards Alaska Natives with jobs.^(1 1/8/87) The Portland News published an article that claimed the paper received a letter from Sitka in which the author “warns all white laboring men to keep away from Alaska” because there are no jobs as “Indians have been employed in their places at \$2 a day.”^(1 1/8/87) An 1887 editorial in the Alaskan answers the rhetorical question: “Why are Indians employed at all at the mines? Simply because white men will not work for the same wages, and even when offered higher, they will make no terms to remain any length in the employ but as soon as they have made a little money they “up stake” and go prospecting.”^(1 1/8/87)

Despite letters such as the one published in the Portland News, the mines brought many people north to Sitka. DeArmond writes that when the “Right Rev. Charles John Seghers, Bishop of Vancouver Island” came to Sitka in 1878 or 1879, Haley gave him a tour of the Silver Bay mines, convincing him of their richness.⁽¹⁰⁾ Upon his return to Vancouver, the bishop shared his knowledge of the mines, exciting at least 70 Stikine miners to travel to Sitka.⁽¹⁰⁾ Later, during an 1879 trip, Haley succeeded in convincing outside investors to establish four more mining companies before 1880.⁽¹⁰⁾ On the same 1879 trip, he also met an old mining acquaintance named George E. Pilz, an engineer from Germany.⁽¹⁰⁾

Mr. Pilz’s mining expertise may have been blinded by Haley’s enthusiasm, or perhaps he was not as experienced as he claimed, but either way, he agreed to travel to Sitka.⁽¹⁰⁾ Brady writes that Pilz was not a “practical mining man,” and that he put the company in debt.⁽⁵⁾ But if he did run the company poorly, it was at a loss to himself, as he had paid \$100 in gold for a stake in the claims.⁽¹⁰⁾ DeArmond writes that Pilz ran the Stewart mine, also called the Cache or Cash mine, for the Alaska Gold and Silver Mining Company, and that he managed the employment of more than 50 men in late 1879.⁽¹⁰⁾ Yet Brady claims that Pilz did little to work the claim.⁽⁵⁾ DeArmond writes that an August 1879 letter to a San Francisco newspaper, the Alaska Appeal, claimed that Pilz was supervising 15 white miners.⁽¹⁰⁾ Brady writes that the company hired “Russian Creoles” for the initial works.⁽⁵⁾ It is probable that White and Tlingit men worked the mine together, as they surely did six years later.^(1 1/08/87) In fact, when Commander Beardslee visited Sitka in 1879, he claimed in a letter that 40 Tlingits were employed at the mines in Silver Bay.⁽¹²⁾

Some time before Pilz was fired in 1880, he realized the mines would not produce and sent company employees out to do some prospecting for him.⁽¹⁰⁾ One of his prospecting groups was successful. Joseph Juneau and Richard T. Harris arrived at the site of present day Juneau on October 1, 1880 and soon discovered gold in a creek.^(1 4/24/86) At this point it seems Pilz ceased to care about mining in Silver Bay. He was set to make some money from the Juneau mines since he had “grubstaked Juneau and Harris.”⁽¹²⁾ (Grubstaking is a term that means one financially supports another’s prospecting in return for an interest in any claim he may make.) When the Alaska Gold and Silver Mining Company ceased its operations in Silver Bay, it dealt a “terrible blow to the Silver Bay district.”^(1 11/14/86) Six years after Pilz was fired from the Stewart mine, an article appeared in the *Alaskan*. It was supposedly written by Haley and had only scathing words for Pilz.

⁽⁹⁾ The closure of the Stewart mine was:

“...the finishing touch to the blow that had been previously dealt by the man Pilz’s dishonest management of the Stewart mine, in which he had recklessly squandered the company’s money, while all the time engaged in a seemingly determined effort to wreck the mine, with the view afterwards of gobbling it up for a fraction of its value. It is charged at this late day that a large proportion of the money furnished him by the company was expended in explorations persecuted on his own account, and an examination of the mine itself will convince any experienced miner that in the selection of rock for the mill the “pay shoot” was avoided with the most scrupulous care.”^(1 11/14/86)

If the allegations are true and Pilz did indeed use company funds for “explorations persecuted on his own account,” then it is quite likely that Alaska Gold and Silver Mining Company funds paid for the founding of present day Juneau. Sitkans were still mad at Pilz in November 1886 when the *Alaskan* gloated in his recent incarceration in California.⁽¹⁾

Soon after Mr. C. A. Alisky, the president of the Alaska Gold and Silver Mining Company, fired Pilz and closed the Stewart mine during his visit in April 1880, the directors decided to give the mine one last chance.⁽⁵⁾ First, however, they hired John A. Faull, a “mining man” from California to study the property and determine how to best continue working it.⁽⁵⁾ Faull determined that the claim was not worthless, but that it needed to be worked differently than it had been under Pilz’s leadership.⁽⁵⁾ Mr. Faull called for a new tunnel up to 300 feet in length with an estimated cost of \$30,000, a report that made “the officers and shareholders sick of the whole venture.”⁽⁵⁾ The company chose to retain only the machinist, a Mr. T. C. Doran, as caretaker until 1883, when “he relocated the claim in his own name, and called it the Cash Mine.”⁽⁵⁾ Apparently Mr. Doran did only the minimum required to keep the claim active until his death in 1893.⁽⁵⁾ Brady writes that he served as executor of Doran’s will, and that after five years of legal action, he secured the mine in Doran’s name.⁽⁵⁾ Brady’s description of the mine workings is close to that of Becker in 1898, who wrote then that the Cache mine site was in ruins,⁽²⁾ with three tunnels for a total of 300 feet of underground workings.⁽¹³⁾ A BLM report of 1999 reports the workings similarly, leading one to conclude that major work on the Stewart or Cache mine stopped once outside resources were withdrawn for good in 1880.

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By November 3, 1885, the date of Haley’s letter to the editor of the Alaskan that appeared in the first issue, there were 13 active mines⁽¹⁾ at the head of Silver Bay, then shown as the Serebrennikof Arm on maps.⁽²⁾ The mines were the Haley and Rodger, the Stewart Mine, Wicked Falls, Eureka, Pinta, Nickle, Porphyry, Lucky Chance, Cleveland, Free Gold, Shamrogue, Bullion, and the Haley & Sons placer claim. The Lucky Chance

mine soon became the central point of the next series of attempts by outsiders to mine gold in Silver Bay.

DeArmond writes that the Organic Act of May 17, 1884 provided Haley with a “new and continuing line of potential prospects.”⁽¹⁰⁾ It didn’t take long for Haley to convince some of the freshly arrived politicians to invest in his mines. In his first report to the president, a letter dated October 1, 1885, barely 15 days since his arrival in Sitka, Governor Swineford already thought it likely that he would see the “...successful inauguration of gold mining on Baranoff Island...” in the “near future.”⁽¹⁾ Indeed, the governor was destined to purchase a mine from Haley in September 1886.^(1 9/4/86) Haley convinced B. K. Cowles, a man who moved to Sitka with Governor Swineford to invest in his Silver Bay mines.⁽¹⁰⁾ (Cowles and another man, Fuller, purchased nine-tenths of Haley’s Lucky Chance, Porphyry, Nickle, Cleveland, and the Haley & Sons placer claim that November.)^(1 11/7/85) Ominously, The Alaskan reports that Haley made “a number of new claims in the Bald Mountain district” in the same issue it reports the sale of his other claims to Cowles.^(1 11/7/85)

The February 13, 1886 Alaskan reports:

“The Lake Mountain Mining Company has been incorporated at Baraboo, Wisconsin, with a capital stock of \$1,000,000, for work in Alaska. This is the company that bought the Haley mines about Silver Bay. Its officers are, president C. A. Swineford, brother of the governor, secretary and treasurer B. K. Cowles, vice president and general manager J. G. Fuller, and these three with M. C. Clark and Nicholas Haley constitute the board of directors... Work will be commenced on the mines next month.”⁽¹⁾

The Lake Mountain Mining Company officers arrived in February and began work setting up an office in downtown Sitka and creating a plan of operations.^(1 2/27/86) The company office was located across the street from Hotel Baranoff and included a “complete assay

outfit.^(1 3/6/86) In March, the company claimed land for the immediate construction of facilities to support mining operations.^(1 3/6/86) Two weeks later the directors decided little work would be necessary to make the wharf and warehouse at the head of the bay useable.^(1 3/13/86) The first Lake Mountain employees moved to the warehouse in the middle of March.^(1 3/20/86) The company had difficulty hiring laborers to pack the supplies up to the Lucky Chance mine, but finally was able to secure the services of “four stout native boys from the Mission Home.”^(1 3/20/86) Two men arrived from Killisnoo in April to seek work at the Lake Mountain mines.^(1 4/10/86) All available help was needed as the trail to the mine was very difficult and snow covered the buildings so that only a chimneys were visible.^(1 4/10/86) The abnormally wet weather was to hold back operations at Lucky Chance through the end of April.^(1 4/24/86) Finally, during the first week of May, the weather “held up” enough to allow the construction of shelters so that work could continue regardless of the weather.^(1 5/8/86) This was a good move, as it snowed more at the end of May that year than it had during the entire preceding winter.^(1 5/29/86) Five feet of snow remained on the ground at Lucky Chance in mid June.^(1 6/19/86)

The Lake Mountain Mining Company made substantial progress during the summer, taking advantage of the readily available and very satisfactory “Indian labor” that Sitka offered.^(1 5/29/86) After the first blast at Lucky Chance on May 7, 1886, the workers extended the tunnel over 15 feet in just 8 days, and others worked in the shaft.^(1 5/29/86) If there was any gold to be found, the Lake Mountain Mining Company would find it.

The first samples of ore were brought to the company offices on May 2, 1886.^(1 5/29/86) The workers at the mine claimed them to be random samples, representative of the “average rock” in the mine.^(1 5/29/86) The company claimed assay results of \$1,760 gold per

ton, rich enough that, if it were true, Lucky Chance would prove to be one of the richest mines in the world.^(1 5/29/86) The company and its shareholders must have believed the assays, because the Alaskan reported that by October 1886, \$175,000 had been spent on the mines at the head of Silver Bay.⁽¹⁾

While the outside investors continued to fund the Lake Mountain Mining Company's operations in Silver Bay, results were not as initially hoped. The Alaskan blames this on the "ignorance" of the miners at the company placer claim.^(1 12/25/86) It should be no surprise that in spite of the poor results, the locals soon made "discoveries" to encourage the outside investors. The foreman, a local named Heppner,^(1 5/29/86) reported no difficulty in finding a "good show of gold in a pan of dirt from the ground he was washing if he could get none in his boxes."^(1 12/25/86) The company directors had become wary of Haley, and they practically ordered him off the property when he went to inspect the work at the placer claim.^(1 12/25/86) Worried that the investors might not yet be convinced to continue the mining, Haley made a winter accent to the Lucky Chance mine to gather samples for the investors.^(1 12/25/86) There is little doubt that he chose the very best rocks he could find. The rock was to "tell its own story, and those to whom it is sent wont need to put on their spectacles or resort to a microscope to see that, given the quantity, 'there's millions in it.'"^(1 12/25/86) The editors of the Alaskan did their best to assist local interests, including short phrases in the articles to back-up local miners' claims. The Alaskan all but confesses this in the January 29, 1887 issue: "It is an indisputable fact, and one to which we have frequently called the attention of our readers, that mines, however rich, can never be profitably worked by unskilled hands..."⁽¹⁾ The statement is hardly true for a mine that supposedly assays \$30,000 per ton of ore.^(1 6/11/87)

Governor Swineford, a stockholder in the Lake Mountain Mining Company⁽¹⁰⁾ was either in on the swindle, or sincerely duped by it. In a November 1886 letter that was published in the February 12, 1887 Alaskan, the governor made the following statements:

“Concerning the Silver Bay district near Sitka, I regret being compelled to say that the grand results so confidently anticipated a year ago, have not been realized. Why this is so, I feel impelled by a sense of duty to myself and Alaska not only, but to those who have invested their means in the prospectively valuable mines of that section to explain. I conceive this to be a duty made all the more imperative by reason of the fact that in the absence of such explanation, the apparent failure is due to be ascribed to the barrenness of the ledges, which would be a wholly erroneous conclusion. Nothing has transpired in connection with operations in that quarter to impair the well-grounded belief that they are richly charged with the precious metal.”

When Governor Swineford returned to “the east” in 1886, Haley traveled with him, further evidence of the governor’s involvement in the deception.^(1 6/11/87) Haley peddled company stock and samples of the ore to all they met along the way. The Alaskan highlights one such interaction: “Some Michigan capitalists desiring to test the richness of the quartz, asked Mr. Haley to pound up a portion of it and remove therefrom the free gold. This Mr. Haley did and found that it was assayed to over \$2000 to the ton.”^(1 6/11/87) Clearly this was not as random a sample of ore as Mr. Haley claimed it to be.

Heppner’s and Haley’s frauds, and the governor’s letter must have worked, for in early 1887, the investors pursued the purchase of a 5-stamp^(1 6/11/87) mill for the Lucky Chance mine.^(1 1/29/87) The company steam launch was overhauled as well.^(1 8/13/87) In fact, the investors were happy to see Haley the new superintendent for the company. In May of 1887, Haley took a crew of packers and an ample supply of dynamite up to the Lucky Chance mine “with a view of having an ample supply of ore on hand by the time the mill is set up and in operation, which will be before the end of the summer.”^(1 5/7/87) Haley kept

writing outrageous, but inspiring claims all summer, and the Alaskan continued to print them. In June of 1887, the Alaskan quotes Haley as saying: “As soon as the shaft is reached I expect developments that will astonish the natives of Alaska...”⁽¹⁾ The 20-ton mill finally arrived on the Idaho on July 29th, 1887, and was unloaded at the wharf at the head of Silver Bay.^(1 7/30/87) The steam schooner Leo also delivered 4,000 pounds of dynamite for the mines in July.^(1 7/23/87)

After Haley made his outrageous statements, the work in Silver Bay really took off. Eleven new claims were made in June and July alone, including three by Governor Swineford.^(1 7/30/87) Another 12 claims followed in August.^(1 8/27/87) Many who already owned claims started working them for a time, including John G. Brady.^(1 7/23/87) Some interested Sitkans traveled to the mines for a tour, and all were reportedly awed by the richness of the mines.^(1 8/13/87)

The Lake Mountain Mining Company decided to place the stamp mill four miles up the Salmon River, and road construction began in October 1887.⁽¹⁾ The company used burros and mules to drag the heavy pieces of the mill four miles from the beach to the site chosen near the falls during the winter.^(1 1/7/88) Finally, in March 1887, the mill was ready for assembly, a “great pleasure to the stockholders of the Lucky Chance Mine, and the citizens of Sitka, too...”^(1 3/17/88) In April, the company’s sawmill arrived on the Idaho and was being transported up the river.^(1 4/18/88)

On July 23, 1888, at 1:15 in the afternoon, the stamp-mill began operation.^(1 7/28/88) The trail between the mill and the mine had been completed just a few weeks before, with the first transportation of ore reported just one week before.^(1 7/14/88) In the year that followed, the company constructed an expensive tramway along the steep trail before the

Mountain Lake Mining Company permanently ceased its operations prior to the 1890 season.⁽¹⁰⁾ This and previous swindles were soon eclipsed by what happened next.

It would turn out to be the biggest deception of all time in the Sitka area, one that would have national consequences, and it began with the seemingly innocent staking of a placer claim at Glacier Lake in August 1895.⁽¹¹⁾ DeArmond writes that Hans Christian Pande, the primary owner of the claim, was a Norwegian who had previously made his living as a realtor in Tacoma, and arrived in Sitka in May 1895.⁽¹¹⁾ He must have quickly learned how Sitka miners made their money, as he made his claim before he had been in town for two months. The Alaskan reported he had turned away a \$400,000 offer for his claim, which was not true, but which as DeArmond writes was “a fairly common practice in Sitka in those days” to lure investors.⁽¹¹⁾

After two years of stagnation, the Klondike Gold Rush sparked Pande’s customs office boss, a man named Benjamin Moore, into seeing an opportunity.⁽¹¹⁾ He convinced Pande to give him all stock in the claim.⁽¹¹⁾ Then he began to court Wall Street investors.⁽¹¹⁾ The Pande Basin Gold Placer Company was incorporated and 2.5 million shares were created to raise funds.⁽¹¹⁾ Moore set himself up to receive a monthly salary as president of the company.⁽¹¹⁾ Soon propaganda found its way to the eastern newspapers. DeArmond tells us the story: “The mountains rimming Pande Basin, according to the ‘facts,’ were ribboned with gold-bearing quartz. Over the centuries the action of the glaciers had ground away the rock, allowing the gold to wash down into the lake, where it was trapped.”⁽¹¹⁾ One would like to think possible investors would be shrewd enough to see it as an obvious con and too good to be true, but with the recent gold rush in Alaska, most were anxious to invest in any Alaskan gold operation advertised.⁽¹¹⁾

Even with the national gold fever, Moore decided that an expert's favorable report was needed. He sent "Henry I. Willey, a highly reputable civil and mining engineer" to investigate the claim during March 1898.⁽¹¹⁾ After the most harsh hike of Willey's life, he gathered 19 samples, a few pounds each, of the glacial silt below thick snow cover.⁽¹¹⁾ The \$100 to \$900 per ton results of the assays convinced Willey that someone had salted the samples, so he reluctantly returned to Pande Basin.⁽¹¹⁾ This time the samples were accidentally lost when the party fell in Blue Lake on their walk back to town.⁽¹¹⁾ While Willey was never convinced the samples hadn't been salted, the investors in New York started snapping up Pande Basin Gold Placer Company stock as soon as the reports of the assays reached them.⁽¹¹⁾

With the money pouring in, Moore began to plan the development of his fraudulent enterprise. The company decided to build a road from the mouth of Sawmill Creek to Blue Lake and then have a barge cross the lake where a trail would ascend to Pande Basin.⁽¹¹⁾ During the summer of 1898, over 85 men were working on the road to Blue Lake.⁽¹¹⁾ Native packers were employed to carry supplies up to the lake, where a 3-stamp mill and many small buildings were constructed.⁽¹¹⁾

Because all the gold was supposedly at the bottom of the lake, the workers had to make a tunnel to drain the water.⁽¹¹⁾ After computing that draining the entire lake would require over 1000 feet of tunnel, they decided to just drain the top 50 feet or so to start.⁽¹¹⁾ When the lake was drained 50 feet on New Years Day 1899, total expenditures had reached 50-75 thousand dollars.⁽¹¹⁾ After a Moore made a failed attempt to lease the property for a large profit, (the stock owners in New York didn't want to lose the promised profits), the company decided to continue work at Pande Basin.⁽¹¹⁾ No gold was found. The company stock crashed, and Moore moved from Sitka with last few years pay

in his pocket.⁽¹¹⁾ Work at Pande Basin had virtually stopped by the end of 1899.⁽¹¹⁾ The understandably incensed stock owners were fed an elaborate story about a chunk of the hillside collapsing and taking all the gold with it.⁽¹¹⁾

Despite the long history of hoaxes and many less than favorable government geological reports,^(6,7,8 and 13) many new claims were made in the Silver Bay and Sitka area, and new companies were formed to develop them during the next three decades. One such company formed in 1928 claiming “unlimited capital” to develop its 33 claims in Silver Bay.⁽³⁾ The Ostland-Preble Mining Company as it was called appears to have never amounted to anything significant.⁽³⁾

The last big company to work in Silver Bay was the Edgumbe Exploration Company, which operated in the early 1930s.⁽¹⁰⁾ The company had many mines in Silver Bay and Haley’s daughter, Charlotte was the one who started the company.⁽¹⁰⁾ Nothing significant came of any of the company’s mines, but some new work was done.⁽¹⁰⁾ The current owner of one of the Edgumbe claims, Mr. John Burgess of Sitka, only recently removed the remaining mill equipment left by the company as it faded away in the late 1930s.^(3,4)

In conclusion, mining did more for Sitka in its first 30 years as an American possession than any other industry. At times, more Sitkans were employed at the mines than not, though no mine ever did produce enough gold to warrant the effort that went into developing it. Many companies were incorporated to harvest the minerals in Silver Bay, most of them funded by investors from the states, and all of them went bust, usually making a few Sitkans rich in the process. In the 1880s and 1890s, the heyday of mining in Sitka, virtually the entire town was actively involved in misleading outsiders to invest in the mines. The Alaskan never once referred to the mines in Silver Bay in less than

reverent terms during the first three years of its publication, 1885-1888. Any failure of a company was due to its mismanagement or the outside directors' ignorance. When Pilz, a trained mining engineer, said the mines were worthless, he was run out of town. Even the governor may have been in on the plot, as he wrote many letters of support, including some addressed to the President of the United States. Today, Sitkans remain largely ignorant of the extent of Sitka's mining history, despite many recent articles by DeArmond. Have Sitkans forgotten the history by accident, or chosen to because the past is too incriminating?

- (1) Alaskan. [Sitka] This weekly newspaper began Nov. 7, 1885.
This paper cites articles through Oct. 28, 1888. (For the reader's convenience and the author's sanity, the date of each individual article is included in the in-text citation instead of there being hundreds of endnotes.)
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- (3) "Big Company to Develop an Alaska Mine." Alaska Weekly [Seattle]. 6 July 1928. 1.
- (4) Bittenbender, Peter E., Jan C. Still, Kenneth M. Maas, Mitchell E. McDonald, Jr. Mineral Resources of the Chichagof and Baranof Islands Area, Southeast Alaska. BLM-Alaska Technical Report 19. US Dept. of the Interior, BLM. Anchorage. February 1999.
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- (10) DeArmond, Robert N. "Haleys and Silver Bay," in Around and About Alaska; Notes and Comments by Robert N. DeArmond: Daily Sitka Sentinel. Series of 29 articles, April to October, 1997.
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