



Valdez Creek quietly turns 100

Little-known mining area reaches centennial mark

On August 15, 1903, a group of determined prospectors found gold in Valdez Creek, flowing west out of the Alaska Range mountains, about 100 miles east of Mount McKinley. Their discovery started a 100-year-long mining tradition in the region which continues today.

Valdez Creek, a tributary of the Susitna River, is located in central Alaska northeast of milepost 81 on today's Denali Highway. In 1903, however, this area was remote and not yet widely explored by westerners.

1903's lucky prospectors were four experienced miners, J. C. Clarkson, John M. Johnson, and James S. Smith, led by 38-year-old Peter Monahan, a veteran of both the Klondike and Nome gold rushes. They set out from Valdez in February 1903, determined to find gold. During the following six months, they explored various parts of the Copper River Valley and then the streams running southward from the Alaska Range.

While some traces of gold were found, it was not until they panned a creek first called "Galina," an anglicized version of an Athapaskan name, that they made their big strike. Rich gold was found in gravel four feet down on bedrock. To commemorate their bonanza, they named their claim "Discovery," and renamed the stream "Valdez" in



Early mining was done by hand, but heavy equipment and large-scale mining operations were necessary later to reach the deeper deposits. (top) Peter Monahan

honor of their hometown. When the party finally returned to Valdez in September, they had the equivalent of more than \$50,000 in gold dust and nuggets and countless stories to tell.

The next year, Monahan and party returned for more mining in Valdez Creek, but this time they were followed by scores of other miners hopeful of finding their own bonanzas. By the end of the summer, much of Valdez Creek was staked and the most productive, shallow placer deposits were claimed. While lots more gold would be found in later years, it was soon determined that the shallower gold placer deposits were limited and extracting gold from the deeper deposits would be more difficult.

At best, mining in Valdez Creek in the early years was not easy. Most of the region is around 3,000

feet in elevation or higher. This meant that timber was scarce and had to be hauled in along with supplies at considerable expense and effort. Pack trains hauling gear, food and other supplies into Valdez Creek began at the coastal town of Valdez. From there, it was northward along the Valdez-Fairbanks Military Trail which later became the Richardson Highway.

Within the first few years of mining in Valdez Creek, several hundred hardy prospectors had come into the area, with most only working in the summer and then leaving for winter quarters elsewhere.

After the shallower placer gold deposits were worked out, many of the miners moved on.

At that time, underground mining was becoming the predominate method for gold extraction in the



Valdez Creek Mine

lower part of Valdez Creek in the vicinity of the rich earlier claims. The various hand-dug shafts and adits were tapping into the rich “Tammany Channel” of gold. It had been deposited by a prehistoric river flowing out of the Alaska Range, and finding its source (which arguably never happened) would haunt the earlier miners.

Yet, ironically, as rich as it was, more gold from still another, usually deeper, ancient river channel would go largely unnoticed for many decades. That eventually would become the focus of large-scale mining in Valdez Creek in the later 20th century, long after the earlier miners were gone.

Called the “A Channel,” this rich gold-bearing deposit would become the target of a large open pit mine in the late 1980s and early 1990s operated by the Cambior mining company of Canada. At its deepest, the operation would mine around 300 feet below the surface using massive mining equipment. In its best years, that company’s gold production would reach 70,000 ounces per season. It was the richest and largest gold operation of its time in Alaska. Though the claims worked by Cambior are now mined out and were reclaimed by the mid-1990s, gold still exists in the drainage—and probably lots of it.

By the 1910s, if not earlier, some of the Ahtna men were working seasonally for wages for white miners in the underground mines at



John Babel and fellow miners beside his rock cabin above Lucky Gulch Creek.

Robert King



The Denali Post Office, one of the few remaining reminders of the historic mining area.

Valdez Creek. By that time, a Native settlement of log cabin houses was developing just south of the white settlement. Both areas were never laid out with formal streets or resembled a “normal” town since many people only lived there seasonally. During the summer, many of the white miners occupied tents pitched wherever they could find level ground, adding to the unorganized look of the camp.

The white and adjoining Native settlement made up the lively, if mostly seasonal, mining settlement in Valdez Creek first called Mount McKinley, and later renamed Denali in 1922. Some of the original Denali settlement area and cabins were destroyed or mined away in the later 20th century, though the old log cabin post office from the early 1900s still remains on an unmined side hill near the old Denali cemetery.

In 1931, John Babel, an Estonian immigrant, and his mining partners built a rock cabin above Lucky Gulch Creek, the remains of which still survive as testimony to the determined prospectors who worked the rich gold deposits in the Valdez Creek drainage. By the early 1930s, mining in part of the drainage, like elsewhere in Alaska, had changed. The era of individual miners and their partners working their claims alone already had given way in the lower part of the Valdez Creek drainage to larger scale operations

financed from outside the region.

Hydraulic mining had been unsuccessful as early as 1908 in Valdez Creek but was revived in the 1910s when Boston capitalists, who had bought out many of the claims along Valdez Creek, built the previously mentioned water ditch and pipeline system. By the end of 1914, Eastern interests had invested more than \$250,000 in the purchase of gold claims, labor and equipment in hopes of extracting even more gold from the region by massive hydraulic placer mining. More development occurred during 1915-1916, and by 1917, a two-story company-owned bunkhouse housing 24 men and a dining hall to seat 35 was built.

By the early 1920s, the returns from the massive outside investment apparently fell short of expectations and the company was sold to other investors. Still the “company mining” era in the lower part of the Valdez Creek drainage continued but under different owners until mining was shut down in 1942 soon after the start of World War II. Yet throughout this period and even today, some smaller operations continued, with John Babel and his partners working their claims in Lucky Gulch off and on into the mid-1950s.

In the mid-1980s, when I first visited Valdez Creek, mining was

concluded on page 8

Tok BLMers join Canadians for international cleanup

In late June, Tok Field Office employees joined Canadian colleagues for an international river cleanup trip on the Fortymile River, which flows from Alaska into Yukon Territory before joining the Yukon River.

During the eight-day float, five Americans and two Canadians removed trash from 7 miles of river on the American side and 16 miles on the Canadian side, down to the Clinton Creek bridge.

Realty technician Kevan Cooper had approached several Canadian agencies in Dawson City, Yukon with the idea of the joint float trip before finding Janet Bell and Georgette McLeod, both with Tr'ondek Hwech'in First Nation.

"I'm glad Janet and Georgette came along. We learned a lot about the different governing bodies of Canada and how they operate. The two Canadians were a lot of fun and hard workers."

McLeod, a heritage researcher, said discussions with her American colleagues had taught her more about the different land status and regulatory environment on the U.S. side of the border. She was surprised to learn, for example, that BLM manages a land corridor along Fortymile National Wild and Scenic River but not the surrounding lands or the waterway itself. "That was kind of different," she said.

For McLeod the trip also had a satisfying personal dimension. "It was nice to go on the Fortymile," she said. "My ancestors used to travel through this area." McLeod shared with the crew information she had learned about her great-grandmother's travels through the Fortymile region along a traditional route between the Yukon River and villages in the Alaskan interior.

Rusted-out 55-gallon drums, often submerged and filled with gravel, accounted for much of the crew's cleanup efforts. But they occasionally retrieved more interesting finds like car door handles and fishing lures. Cooper motivated the crew by awarding prizes in



The cleanup crew posing at a U.S.-Canada border monument.

different trash categories such as largest item, most unexpected item, and most reusable item.

Some of the trash was placed on a large raft, the 'trash barge,' that Cooper towed behind his own raft. Additional trash was cached next to the river for removal this winter.

Asked whether the trash on the Canadian side appeared to have floated downstream from the U.S., McLeod laughed and graciously pointed out that the crew found a discarded water bottle that was clearly of Canadian origin.

—Craig McCaa

Valdez Creek, *continued from page 7*

continuing throughout much of the drainage, with the big Cambior open pit placer operation soon to appear. At that time, I was also in contact with people who recalled meeting some of the earlier miners, including John Babel. My favorite of all the older mining-related structures in the drainage today are the remains of his old rock cabin.

Since I have come to know the Valdez Creek region, much has changed. This includes the creation of a large lake in upper Valdez Creek from reclamation done at the closing of the giant Cambior mining operation in the mid-1990s. Despite the changes, Peter Monahan and the other discoverers would still find parts of the drainage familiar despite 100 years of mining. And it is likely that gold production from Valdez Creek will continue well past this centennial of the first discovery of gold in this part of the state.

—Robert King



The expedition removed a "raft of trash" from the river.