Mining History Association

Annual Conference, June 15-19, 2017
University of Alaska-Fairbanks
Fairbanks, Alaska

FAIRBANKS: GOLDEN HEART CITY

By Rolfe Buzzell

The city of Fairbanks is located in the heart of Alaska's interior, 358 miles north of Anchorage on the Parks Highway and 2,305 miles northwest of Seattle. Fairbanks is Alaska's second largest city (population 32,000) and part of the Fairbanks-North Star Borough (population 99,000). The town's history dates to 1901 when Captain E.T. Barnette established a trading post along the Chena River several miles upstream from the confluence of the Chena and Tanana rivers. In July 1902, Felix Pedro, an Italian prospector, discovered gold about 16 miles north of Barnette's trading post. The rush that followed brought hundreds of stampeders to the area. Barnette convinced local miners to name the gold camp "Fairbanks," after U.S. Senator Charles W. Fairbanks of Indiana who became vice president of the U.S. under Theodore Roosevelt. The town was incorporated in 1903, the same year a post office was established, the Northern Commercial Company opened a branch store, and Fairbanks became the headquarters for the Third Judicial District of Alaska. A bank opened in 1904 as the population swelled to 5,000 people. The military built a trail (which became the Richardson Highway) connecting the town to an all-weather port at Valdez. During the next two decades Fairbanks served as the supply hub for expanding mining operations in the interior.

Gold mining in the Fairbanks district began with open cut methods (including shoveling gold-bearing gravels into sluicing boxes) and drift mining (sinking shafts to bedrock and tunneling to follow the pay streaks). The placers in the area are generally deep with gravel from a few feet to a hundred feet or more in depth covered by silt (locally called muck) up to as much as 200 feet deep. Most of the muck and gravel are permanently frozen. Fortunes were made from drift mining with production peaking at nearly $10 million in 1909. As the rich streambeds were exhausted, production dwindled to around $3 million by 1920 and Fairbanks was on the verge of becoming a ghost town. The first

significant lode gold discovery occurred in 1908, and lode production began in 1911 on the Rhoads-Hall or Cleary Hill mine. That mine produced over 280,000 ounces of gold before it was closed by the War Act of 1942. Other lode discoveries also were made in the 1910s. It appeared that lode production would surpass placer gold until World War I put the competition between “quartz men” and “gum boot men” on hold. Post war inflation, lack of equipment, capital and skilled labor in the 1920s retarded the revival of the lode industry, although many abandoned lode claims were re-staked during the 1930s.

Placer mining around Fairbanks experienced resurgence in the 1920s, driven by the opening of the Alaska Agricultural College and School of Mines (now the University of Alaska Fairbanks) in 1922, completion of the Alaska Railroad from Seward to Fairbanks in 1923, and construction of the Davidson Ditch, which brought large volumes of water 90 miles to enable large-scale mining activity. The introduction of huge dredges by the Fairbanks Exploration Company in the 1920s boosted placer mining by maximizing economies of scale and accessing deeply buried gold deposits. As Alaska’s largest city, Fairbanks was the service and supply center for interior mining in the 1920s and 1930s.

Although mining was largely suspended during World War II, the construction of a major military base, Ladd Field (now Fort Wainwright), helped the city survive the war years. Placer mining resumed after the war, but tapered off in the postwar era as the fixed price of gold and higher operating costs cut into profits, resulting in the shutdown of large dredging operations in the 1960s. Lode development languished after World War II until 1972 when the price of gold was allowed to float on the free market. Fairbanks area miners invested over $25 million in lode prospecting between 1975 and 1985 with little return until City Gold introduced heap leaching in the late-1980s. Gold grades previously too low to be considered viable suddenly became profitable, and City Gold produced over 19,000 ounces of gold before decommissioning its mine in 1990.

In 1987, lode gold was rediscovered on an old prospect on Gilmore Dome on what is now the Fort Knox Gold Mine. Mining resumed on the prospect in 1996, which has become Alaska's largest gold producer. Innovations in geochemical and geophysical methods of prospecting and a State of Alaska program in the 1990s using airborne geophysical surveys to attract exploration spurred mineral prospecting for lode deposits at a record pace resulting in a second Alaska gold rush. These activities increased known lode reserves from less than one million ounces to over eleven million ounces worth an estimated $3.5 billion dollars in 1997 prices.

A gold pour at the Fort Knox Mine. (Photo courtesy Kinross Gold Corp.)

In recent decades, placer and lode mining have played a significant role in the Fairbanks economy, along with military bases, oil development, the growth of the University of Alaska, and tourism. Over time, the Fairbanks district has been the largest gold producing district in Alaska. By 1995, the district had produced 8,022,434 troy ounces of placer gold and 304,548 troy ounces of lode gold. The large open pit lode mine Fort Knox located north of Fairbanks is one of the largest non-government employers in the area. Today, Fairbanks is the transportation and supply hub of the mining industry in interior Alaska. A number of tourist sites commemorate Fairbanks' mining history, including: Pioneer Park, the Chena Pump House, Chatanika Gold Camp, Eldorado Gold Mine, Gold Dredge No. 8, Ester Gold Camp, and the Davidson Ditch (located north of Fairbanks).