

## Editorial:

### THE RED DOG MINE

The new president and chief executive officer of Cominco Ltd., Bob Hallbauer, has announced the delivery of a letter of credit to the Alaska Industrial Development Corp. Friday.

Hallbauer called a press conference to make the announcement in an attempt to put to rest rumors that Cominco does not have a firm commitment to the development of the Red Dog Mine project in Northwestern Alaska.

The letter of credit is to guarantee payments by Cominco to the state over a 10-year period to cover costs of a road connecting the mine site with a shipping point. The road and the port site are essential first components for the development of the mine.

Hank Giegerich, president and general manager of Cominco Alaska Inc., said all permits are in order for the road to proceed.

The mine has come under fire recently in other newspapers' editorials, as well as from some political candidates. It would be one thing if they criticized the mine based on facts. But they are overlooking some of the key information.

Giegerich has pointed out that there is no hesitancy on the part of Cominco to develop the project. Cominco Alaska has spent more than \$40 million developing it.

But he correctly points out that there are several major hurdles to be overcome, such as securing financing for the project and obtaining sales contracts for the Red Dog concentrates.

Another criticism has been that the state is subsidizing the project and won't get its money back. This is simply not true.

Cominco Alaska has made a firm commitment to repay the state for its investment in the transportation system. The state will get a 6.5 percent return on its investment, guaranteed for at least 30 years and projected to continue to 50 years.

The Red Dog Mine is a world-class zinc deposit. It is the second largest deposit ever discovered in the western world. Once production starts, it will be the largest zinc mine in the world.

It will also be a real opportunity for NANA shareholders and other Alaskans to get good jobs that will last for many years.

We would hope that instead of blasting the project with misinformation and half-truths, Alaskans would get behind it and support it because it will be a real benefit to the entire state.

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