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Box 516

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February 1979

INDUSTRY AND DEVELOPMENT ARE TARGETS OF COMMUNITY ACTION

Communities around the state are showing an increased interest in local development. Many of these communities are urging industry and developers to invest in their areas. Much of this support has come, not just from the private sector, but from local government, as the following examples show.

FAIRBANKS:

— The Fairbanks North Star Borough Assembly approved an extension of the use of seller's agent sales tax exemption cards until next July. The extension came when some assembly members asked for more time to work up a simpler solution to the problem of how companies and individuals outside the borough could be attracted to do business in Fairbanks.

— The borough and city mayors have expressed support for the Chamber of Commerce's plan to form a municipal economic development commission. Such a joint borough-city commission would be a key factor in bringing industry to Fairbanks.

— Borough officials have informally agreed to increase the impact of the few hundred thousand dollars currently spent to promote Interior Alaska.

— The Fairbanks Daily News-Miner, in a recent editorial, urged local leaders to work to get USGS offices located in that community. The paper sold a bid for the offices, using support from the university's scientific community as well as the Chamber of Commerce would hopefully be as successful as the one made for Northwest Alaska Pipeline Company's headquarters site.

VALDEZ:

— The City of Valdez has completed selection of state lands it wants for future growth and

development. City Manager Mark Lewis said the final selections were made to insure that certain areas vital to growth did not become entangled with lands affected by the Beirne Homestead Initiative.

KENAI:

— Kenai Borough Mayor Don Gilman suggested borough and city officials take a look at Valdez' financing plan using tax-exempt municipal bonds to attract industry. Gilman also urged borough authority for port and harbor development in light of future projects. A favorable vote on the borough or service area's assumption of port and harbor powers next October could put the borough in a position to issue the financing bonds.

KETCHIKAN:

— The Ketchikan Gateway Borough has received a contract from the state to get \$150,000 for the first phase of a bottomfish industry study. Phase I allows at least four local vessels to be equipped with bottomfishing gear for 60 days.

— The borough assembly announced plans to urge Congress provide some relief from the Antiquities Act to allow development of the U. S. Borax Mine. The assembly is also seeking funding to develop and improve Creek Street, in the downtown area, and is considering possible industrial uses for the Sunny Point Cannery site.

SEWARD:

— The Seward City Council is supporting a Seward Fisheries study which could result in increased employment at the SFI plant.

— A Public Relations Ad Hoc Committee appointed by the city council released the findings of its 8-month study, some of which were: That the Chamber take over public relations specific

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cally relating to business promotion in Seward, that the Chamber become more involved in promotion of marine industries in Seward, and that a full-time director be hired to promote business and trade and direct tourist-oriented programs.

Recommendations aimed at the city were that it acquire or build a deep-water port, investigate acquiring the Alaska Railroad dock, build a deep-draft harbor and look into means of managing it and continue promotion of fisheries industry, tourism, shipping and development of recreational facilities.

ANCHORAGE:

— Anchorage Mayor George Sullivan is

considering establishment of an Office of Economic Development as proposed in a formal request by the Resource Development Council last December. The office would be under the direct supervision of the mayor and the Economic Development Commission. It would promote new business for communities within the borough among other activities.

KODIAK:

— This community is hot on the trail of becoming a major element of the bottomfish industry and is doing an assessment of facilities, costs and impacts.

"OTHER ALPETCO'S FOR KENAI," SAYS MAYOR

Kenai Mayor Vincent O'Reilly told the Kenai Chamber of Commerce recently that while there was disappointment over Alpetco's choice of Valdez as a site for its petro-chemical plant, there will be other economic opportunities.

"There will be other Alpetco's," said O'Reilly, and the city plans to push for a change in the city charter, which would clarify the community's revenue bonding powers for industrial purposes.

The mayor said the borough's Overall Economic Development Committee should provide support for an "Industrial Prospects Committee" to be spearheaded by local business leaders to recruit new industry to the area. O'Reilly suggest-

ed efforts of the OEDC be directed at introducing new industry rather than bringing public works programs to the borough.

O'Reilly urged that instead of aiming for singular major projects, smaller industries should be the target of attempts to have them relocate in the borough.

The coming year will see possible major changes in the areas of recreation, zoning, and the city's handling of commercial property, said O'Reilly. He also told the Chamber that the city's financial status has been improving, bonded indebtedness was at proper, manageable levels, and that there were sufficient cash reserves to meet operating expenses.

HAPPENINGS IN HAINES

The concern of Haines and Skagway residents over the state's land classification plan has resulted in preparation of a new land-use plan, called the "Haines Plan." It has been the target of much activity from about a dozen community groups. The Haines proposal is based on the multiple-use principle, with emphasis placed on timber, fishing, and future mining

activities. In addition, the plan would preserve the Haines-Skagway opportunities for tourism, recreation and local critical wildlife habitat.

The Resource Development Council has been assisting with solving economic problems of the Haines community. Next month should bring a positive report on the outcome of these activities.

IN-HOUSE NOTES

In addition to OMAR's change of name to RESOURCE DEVELOPMENT COUNCIL for Alaska, Inc., we have a brand new home! The address is 444 West 7th (corner 7th & E). Our box number (Box 516, Anchorage, AK 99510) remains the same.

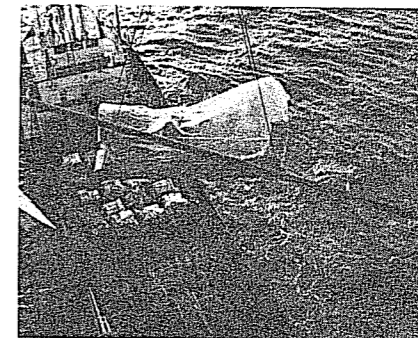
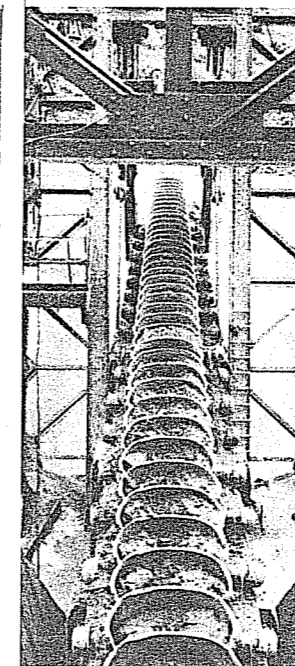
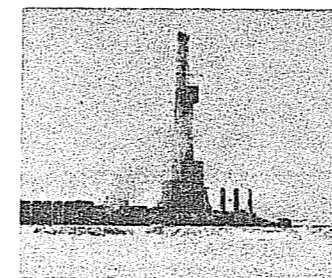
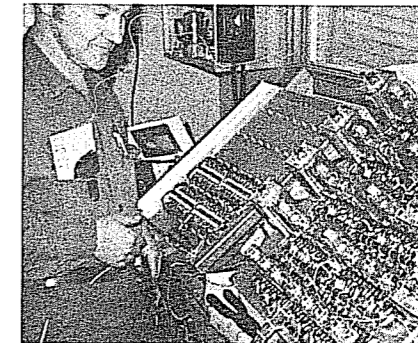
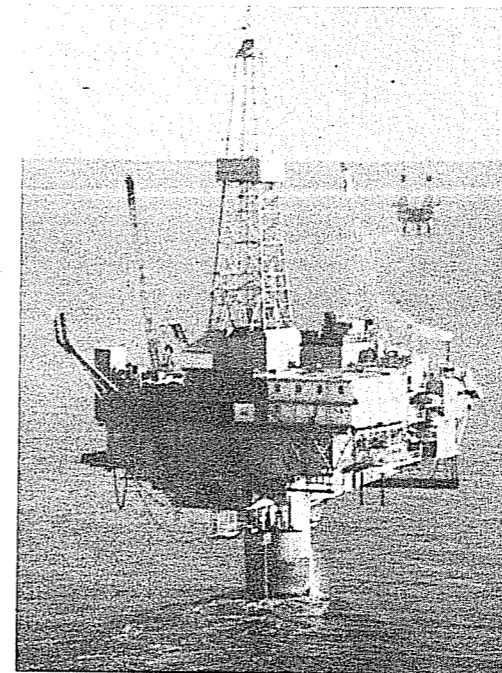
Nicest features of our new location: more room, less rent and BOOKSHELVES. At last we are able to maintain our extensive library on Alaskan resource issues in an orderly fashion. A considerable amount of your membership fees, incidentally, are allocated to collecting and maintaining information on a variety of subjects for

your use. If you cannot use the library personally, information can be mailed to members at no charge (within reason). You might also like a list of the resource files we keep. Just ask.

Steven C. Levi is the Council's new director of public affairs. Steve came to us from the State Division of Energy and Power, and previously worked for the Alaska Public Utilities Commission and Ernst & Ernst. Larry Hayden also came aboard this month, replacing Mary Downes who now is associate editor of the new ANCHORAGE MAGAZINE.

Continued next page

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THE ALBERTA HERITAGE FUND: DEBATE OVER THE FUTURE

The Alberta Heritage Savings Trust Fund is expected to total \$4 billion next year. The fund, set up two years ago to provide future residents with a chunk of the oil and gas fortune, is fed each year by 30 per cent of Alberta's resource revenue.

Plans for the 1978-79 fiscal year for Alberta call for an expected \$2.4 billion contribution from non-renewable resources to the province's \$4.5 billion budget. (That's after the deduction of \$1 billion for the Heritage Fund and \$63 million to be returned as exploration incentives.)

The fund is also intended to provide a source of ready cash to invest in projects that would diversify Alberta's economy, providing a base for future jobs and generally upgrading the standard of living.

It is in those areas that most of the complaints can be heard. Grant Notley, leader of the New Democratic Party and Social Credit leader Bob Clark have both said the fund was

being misused. The two leaders said investments with the fund's staggering current assets were being poorly chosen and ran against the province's long-term interests. Notley said "the types of things people expected from government" were slipping into the fund. Clark said both he and Notley have unsuccessfully been urging Premier Peter Lougheed to introduce revenue sharing to the municipalities with trust fund money.

Both leaders did not agree on all the fund-related issues however. Clark sides with a government philosophy of not using the fund's current assets to jump into heavy government ownership and dampen the province's private investment climate.

On the other hand, Notley espouses equity investments in private firms, such as a move to "provincialize" Alberta's two largest private utilities, as well as new endeavors.

PARKER URGES LAND-USE PLANNING

Co-chairman of the Federal-State Land Use Planning Commission Walt Parker told the 14th Annual Surveying and Mapping Conference recently that technology and coordination of federal, state, native and private organizations would be the key to land-use patterns in the future.

He said d-2 and the Beirne initiative had obscured other equally important land developments. The Anchorage Times quoted Parker as

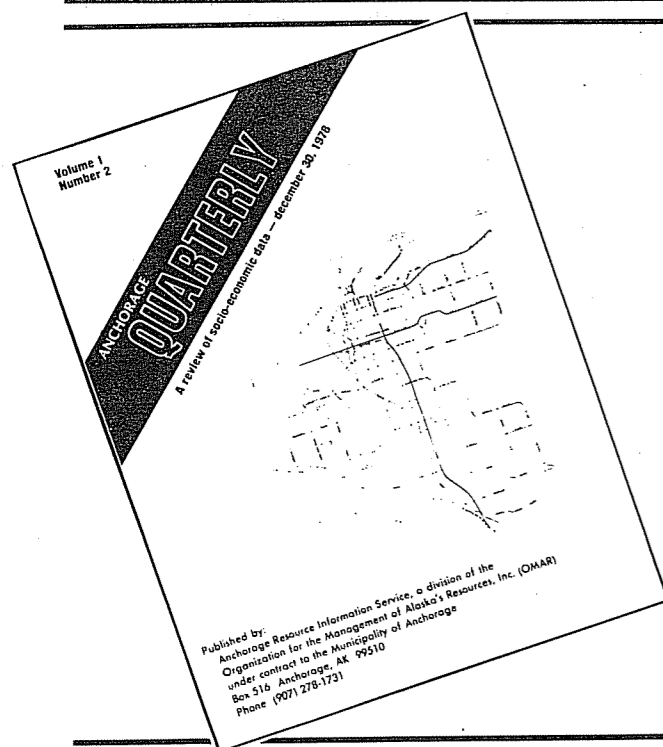
saying "The next era of land-use planning in Alaska will have to recognize as its predominant factor that Alaska will be the leading oil and gas state in the U. S. for the next 50 or 100 years unless absolute artificial restraints are placed to inhibit that development. If Alaska is going to play this role in the national energy development, it is absolutely imperative that it be based upon the finest technical base possible."

ANCHORAGE QUARTERLY - ISSUE NUMBER 2 AVAILABLE NOW

The Anchorage Quarterly, introduced three months ago, is a collection of vital statistical data updated on a quarterly basis to provide you with the latest facts and figures on the Anchorage community.

Using a combination of tables, charts and graphs the Anchorage Quarterly lets the "numbers speak for themselves" on such topics as: COST OF LIVING - POPULATION & VITAL STATISTICS - CULTURE AND RECREATION - RESIDENTIAL & COMMERCIAL REAL ESTATE - GOVERNMENT BUDGET & TAXES - AND MANY MORE TOPICS.

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The second issue of the ANCHORAGE QUARTERLY, a compilation of statistical data on Anchorage, is now available for \$5.00 at the office or \$5.50 by mail. This edition is substan-

tially larger than the first. The two reports were done on a 6-month contract with the Municipality of Anchorage.

FOR A BETTER RESPONSE, AIM COMPLAINTS AT YOUR CONGRESSMAN

Writing your congressman with a complaint may be the quickest way to solve your problem, said a study of how 22 federal agencies handle consumer complaints.

The study, conducted by Technical Assis-

tance Research Programs, Inc., was financed by a \$450,000 grant from the federal Office of Consumer Affairs. The report found that agencies often expended more effort on congressional queries, than on serious gripes.

SYMPOSIUM AND ANNUAL MEETING SET FOR MARCH 31

"Strategy for a Stable Economy" is the title of a symposium to be held in Anchorage March 31 in conjunction with the Resource Development Council's annual meeting. Subjects to be discussed by several speakers are in two parts: The first is "Roadblocks to Resource Development" and the second is "Steps Toward a Stable Economy."

Governor Jay Hammond will discuss implementation of the state's economic development plan and, during lunch, mayors from all over the state will discuss their communities' development problems and plans.

Cost for the program, including lunch, is \$20. Registration at the door will cost \$25, so

please register in advance by sending your check today.

The annual meeting and election of the statewide board of directors will take place from 8 to 9 a.m. The symposium begins at nine and should end around 2 p.m.

Statewide board members should notify the Council office of their plans to attend the annual meeting as soon as possible.

Persons traveling to Anchorage might consider arriving the day before to attend the "Alaskan of the Year" awards banquet. We'll be happy to make reservations for you.

ALUMINUM RECYCLING COMES TO ANCHORAGE (ALONG WITH A CASH BONUS)

The Anchorage Chamber of Commerce and the Alaska Federation of Women have joined forces to coordinate an aluminum recycling drive for the city's annual spring clean-up.

Both groups will be paying 12 cents a pound for the metal, and the chamber will then sell the aluminum to Stano Steel of Anchorage for 20 cents a pound. Profits will go to fund a year-round salaried litter patrol to pick up non-aluminum trash. Litter patrols will be made up of local teenagers salaried at the minimum wage.

The group collecting the most aluminum during the drive will receive \$1,000 in cash or the merchandise of their choice. Second prize is \$750 and third prize is \$500.

The recycling effort will not be limited to cans. Everything from TV trays to pie tins to ladders will be accepted. One way to insure your litter is aluminum is to test it with a magnet, which will not react to the metal.

About three million cases of canned soft drinks, and an estimated equivalent of beer, comes into Anchorage annually. Recycling the metal requires only five per cent of the energy needed to manufacture aluminum from bauxite, another good reason for recycling.

For more information about aluminum recycling, call the Chamber at 272-2401, or Bob Hartig at 274-3576.

ALASKA CAN REDUCE U. S. TRADE DEFICIT

The U.S. trade deficit was set at \$26.5 billion in 1977. A big jump in 1978 brought that figure to 34.2 billion.

In a December editorial, the Ketchikan Daily News stated it was ridiculous for the nation to be as bad off as it was when "a little common sense in Washington could reverse the trade deficit trend."

Alaska Senator Mike Gravel suggested to

President Carter last August that the deficit could be reduced by \$6 billion per year if Alaska's excess oil were shipped to Japan. The DAILY NEWS said the exported oil would be the 800,000 barrels a day not produced because of a lack of markets and the surplus created on the West Coast.

Three major mining claims in Southeast

Continued next page

Alaska could produce \$200 million in minerals a year, if they are not included in national monuments or wilderness areas. The largest of those claims is the U. S. Borax molybdenum find near Ketchikan, which is expected to produce an initial, annual \$150,000 in minerals. A large portion of these Southeast minerals could be shipped overseas because of its proximity to ocean transportation.

The DAILY NEWS also called for the expansion of the timber industry which could be done without harm to wilderness or parks. Timber cutting and processing should be encouraged as another means of reducing the trade deficit.

Exporting fishery products is yet another alternative to solving the problems of foreign trade. Even though it takes time to develop the

fisheries, the resource is there and foreign markets are waiting for them. The paper said the only setback to Alaskan fishery development was a Carter veto of legislation that would have helped finance aquaculture developments.

While these forms of economic development can take place without damage to the environment, stated the editorial, they are not expected to happen. While Alaska almost alone could offset over half the current foreign trade deficit with a little wise administration and development, instead the United States has a president "who believes the fairy tails spouted by a Washington establishment, in and out of government, more intent on 'getting theirs' than serving the people of the U.S."

COAL AND NUCLEAR POWER TO BE OIL AND GAS SUBSTITUTES

A Bechtel Corp. engineer told the World Energy Conference in Banff, Alberta, that coal and nuclear energy would probably replace oil and natural gas as the major energy sources within 40 years.

D. E. Hart, told the conference in a panel discussion during the fall that by the year 2020, coal and nuclear power would supply over half the total energy requirements. Conventional oil and gas will supply about a third of the total requirements by 2000, but will then decrease, said Hart. Non-conventional oil and gas resources may contribute another few percent of the total supply by 2020. "In total, non-renewable resources would provide more than 80 per cent of the world's energy supply," he said.

Hart had no objections with a conference re-

port on energy conservation which said maximum production of oil would be reached by 1995, and of gas by 2010.

Hart also made predictions about certain renewable resources. Hydroelectric energy production would increase, but would continue to contribute only about five percent. Biomass energy, produced from conversion of wood and animal wastes to synthetic fuels, and solar energy could contribute a significant, absolute amount, but the contribution would remain at about seven per cent of the total.

He called for immediate policy decisions by governments and energy-consuming industries, since the realization of adequate production could be delayed by unfavorable conditions in government and/or the marketplace.

FISHERIES BOARD GIVES APPROVAL FOR HARDSHELL CLAM FISHERY

The Board of Fisheries gave approval in Juneau last December for plans to set up a hard-shell clam operation in Prince William Sound. The fishery will be conducted at the pilot project level for at least the first year.

The pilot project status will mean, in effect, that clams can be marketed both in and out of the state. Only a few boat and hand diggers will be allowed to take part in harvesting the resource.

Four permits will be required for anyone interested in participating in the fishery in 1979. They are: 1) an interim use permit, 2) commercial vessel license from the Entry Commission, 3) a harvest permit from the Department of Agriculture, and 4) a gear permit from the Alaska Department of Fish and Game.

Clam processors will also have to be certified by the state agriculture division in accordance

with National Shellfish Sanitation Program guidelines.

Careful monitoring of the program will be conducted, using a cautious approach designed to test the unique clam sampling procedures that have been proposed to the FDA and state sanitation officials, and to preclude overharvesting of the little-known resource.

Approval of the fishery proposal ended a three-year struggle for Ken Simpson and the St. Elias Ocean Products, according to the Cordova Times. The paper said 90 per cent of that time was spent trying to convince the FDA and the state that a harvesting and testing plan could be economically feasible in the state while preventing contaminated clams from reaching the marketplace. (See RESOURCE REVIEW, "Alaskan Surf Clam Potential," July 1979).

PETRO-CANADA LIKE ANY OTHER NATIONAL OIL FIRM

Petro-Canada, Canada's national oil company, in acquiring Pacific Petroleum for reason of national energy security, is "pulling the shade down on nobody" says an editorial in the Oil and Gas Journal.

In the first place, private firms are required by government to disclose virtually everything. "Anyone who can keep a secret under those conditions belongs in the realm of romantic fiction," the editorial states. Secondly, Petrocan's acquisition does not give that country "one more drop of oil, does not create one more job, and the addition to net income equals that of other government takeovers: zero." The takeover does demonstrate, however, that a government oil firm will inevitably seek to expand its size and power, regardless of how "lofty the purpose or modest (its) functions."

Instead of doing what it was designed to do — help overcome financial and technological barriers and pioneer in developing frontier reserves and regions containing heavy oil and tar sands — Petrocan has instead invested an immense sum in existing assets.

COUNCIL ASKS FOR RESPONSIVE OIL AND GAS LEASING PROGRAM

The Resource Development Council, in a telegram to Governor Jay Hammond last month, discussed the Administration's proposed oil and gas leasing schedule. The telegram concluded with the recommendation that the program "give adequate consideration to the future oil and gas income declines projected by Commissioner Gallagher in House Finance Committee testimony. Since present law locks future sales into your presentation, we urge you to include sufficient acres and frequency of sales to generate industry interest and re-establish exploration activity in

The Journal said Canada was following the paths of the United Kingdom, Norway and other nations which have established national firms with limited scope, promising not to interfere with private companies, then very quickly violating those pledges. According to the magazine, government firms get first choice of prime acreage, they back into exploration done by others on federal land without sharing prior costs, and "find" oil by purchasing resources.

Canada should look around at those countries, said the Journal. It quotes British National Oil Co. official Tony Benn as saying, "BNOG will protect the interests of Britain." The Journal said the nationalization of the firm is doing just the opposite "by squeezing out the most efficient oil finding/development machine - private enterprise."

"All we ask is that government oil companies stop using a rubber ruler when measuring their own results. If ethics is to mean anything, they must use the same yardstick in judging their performance as they do that of private industry," said the magazine.

Alaska."

Although the Administration is required to present the 5-year leasing program to the Legislature, that body does not approve or disapprove the plan.

Two sales are scheduled this year: The Copper River Basin in July and the Beaufort Sea in December. The second is by far the most important of the fifteen scheduled through 1983, but a multitude of problems may prevent its becoming a reality in the near future.

TRANS-ALASKA OIL PIPELINE COLLECTORS' ITEMS

Commemorative plaques and desk weights certified to contain oil from the FIRST BARREL OF OIL received at Valdez, Alaska, from Prudhoe Bay, July 28, 1977:

WALNUT PLAQUES Distinctive and elegantly designed, each plaque is numbered for one of 799 pipeline miles. The map of Alaska is carved in bas relief, set off by inset brass corners and inscribed plate, raised lettering and miniature pipeline containing Prudhoe Bay oil. Size: 12" x 14" Cost: \$200

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