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**RESOURCE REVIEW**

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SEPTEMBER 1979

### SUMNER HOLDS BEAUFORT SEA HEARINGS

Bill Sumner, Chairman of the Senate Resources Committee, has scheduled a public hearing for October 3 in Anchorage to give Southcentral residents an opportunity to comment on the Beaufort Sea lease sale. The hearing will be held between 9:30 a.m. and 4:00 p.m. at the courthouse's 4th floor jury selection room. Persons wishing to testify may pre-register by calling Senator Sumner's office at 272-4541, although pre-registration is not re-

quired.

It is expected that industry representatives will be questioned by the committee on such subjects as bid variables, oil spill and exploration technology, the North Slope Borough's coastal management program and impact of development on the bowhead whale.

Research material to assist members preparing testimony is available at Resource Development Council.

### SUPPORT FOR TAX CUT GAINING MOMENTUM

One by one Governor Hammond's arguments against cutting personal income taxes are being refuted. People who at first agreed with his contention that "outsiders" would escape taxation now say "why penalize the 90% of residents who do pay taxes just to get the other 10%."

A tax reduction is equitable even to those who don't pay taxes. For years state services have been funded by productive workers whose wages were taxed. A tax cut would not affect those services -- needy persons would still receive them -- and it would stimulate the private economy so that some individuals now out-of-work could become employed.

No study has been done of the impact some \$125 million a year pumped into the private sector could have on Alaska's ailing economy. But we suggest the impact would be phenomenal. And it could come fairly soon if the legislature takes action soon after the next session convenes and makes the tax cut retroactive to January 1, 1978.

It was with that probability in mind that the Resource Development Council has been working to gather sponsors for a statewide petition drive to reduce personal taxes. If enough registered voters from all over the state support the tax reduction, legislators will have a clear signal that the people of Alaska want tax relief.

Huge, unanticipated revenues from Prudhoe Bay oil royalties take the pressure off wage earners to support state government for the next decade. State revenue surpluses will continue so long as the trans-Alaska oil pipeline operates at capacity. Petroleum dollars can be used to broaden Alaska's industrial base as well -- all the more reason to encourage the petroleum industry to explore for additional supplies for the TAPS line. Most promising possibility is the Beaufort Sea lease sale scheduled for December 11.

Sponsor forms are available by mail or at the Council's office at 444 West 7th, Anchorage. Plans are to gather 50,000 signatures before the next legislative session.

### MOLYBDENUM MAY BECOME HOUSEHOLD WORD

OMNI Resources Inc. may have executed a brilliant bit of one-upmanship with its molybdenum find on the U.S. - Canadian border near Juneau. The firm thinks its moly find is larger than that of U.S. Borax, believed to be the second-largest deposit in the world. OMNI's

property is in Canada but access to the claim site could be from Juneau. Company officials say it would be years before the deposit, discovered after snow and ice melted from a retreating glacier, could be mined.

Continued next page

Meanwhile, at an August meeting in Ketchikan, U.S. Borax officials estimated it would be two years before the firm's environmental impact statement would be ready for public input. Residents were told that process would take three to four years and cost \$3 to \$4 million. Eugene Smith of Borax said production probably wouldn't begin until 1986 or 1987. During the three-year construction phase projected to begin in 1983, some 1,000 people would be em-

ployed. During the 40-year production period employment is estimated to be 700 per year. Borax says it will hire local people. The product is expected to go half to domestic and half to foreign markets.

Development of the project will not proceed, however, if Congress fails to remove the claims from the Misty Fjords National Monument.

#### "MINING -- A LEGAL CRIME"

Did you know mining was a legal crime? You may not, but the Idaho Department of Fish and Game says it is. In fact, the Department has even gone so far as to produce a film by that name. When the Idaho Mining Associa-

tion (IMA) heard of the film it requested a copy. According to viewers, "to say it's full of inaccuracies is a vast understatement." Resource Development Council is attempting to obtain a copy for member viewing.

#### LOUSY OIL COMPANIES

The largest oil spill in history is still spilling. An offshore well in Mexico has pumped 80 million barrels of crude oil into the Gulf of Mexico since June 3, coating beaches for hundreds of miles, and the well operators don't appear any closer to controlling it now than they were when it first erupted. Even Red Adair gave up on this one.

It's the kind of thing that gives oil companies a bad name. They won't say exactly how the well blowout began, but it's easy to see that a high-pressure discovery just overwhelmed all the safety devices drillers brag about and rely on.

The Mexican case is the kind of disaster people point to when they suggest that the public interest would be best served by having government, not private industry, doing our oil exploration and production. It's an idea that's catching on, especially with the government ex-

ploratory drilling now going on in the National Petroleum Reserve-Alaska and proposals for opening the Arctic National Wildlife Range. Keep the lousy oil companies out of Alaska if they can't do any better. We'll get more money if we don't have to share it with them anyway.

But wait a minute. Which oil company is responsible for the Mexican blowout? Pemex, of course. Who's Pemex? We haven't seen its name on the Fortune 500 list.

And we won't see it there, either. Pemex is the Mexican state-owned oil company in charge of oil exploration and development south of the border. The Mexicans don't want to share their oil profits with private industry. The Mexican government drills the wells itself and -- well, we can see the result.

In the United States there has never been a major oil spill from a blowout on an exploratory oil well.

Fairbanks News Miner editorial

#### NOTABLE QUOTES

"EPA's answer to every problem in the mining industry seems to be more regulations. Just once, I would like to see the regulators put into the shoes of those who have to meet payrolls, pay creditors and provide a reasonable rate of return to their investors."

... Representative Jim Santini  
Democrat -- Nevada

"Except for the natives of Alaska, every one of the citizens of Alaska are also citizens of the United States."

... Representative John Seiberling  
Democrat -- Ohio

Speaking of the U.S. House vote on Alaska lands legislation, Georgia Representative Wyche Fowler said: "We succeeded over the objections of the Alaska people who never look beyond

the issue of self-interests."

*Note: If you'd like to let some newspapers in Rep. Fowler's or Seiberling's district know how you feel about their comments, call RDC for their addresses.*

"Alaska has already been the subject of 'midnight' withdrawal orders drafted by an administration leaving office. Therefore, I don't think that it is stretching the point to speculate about whether this or a subsequent federal administration might choose to substitute national monuments for wilderness designations which the Congress does not choose to make . . . I can even foresee the possible use of the Antiquities Act as a threat or punitive measure in states which protest too strongly against federally

Continued next page

#### FREE FIREWOOD FROM CHUGACH AND TONGASS NATIONAL FORESTS

If you are wondering where to get firewood this winter, you might consider the Chugach or Tongass National Forests. This winter in an effort to reduce the dependency on oil as a fuel source, the Forest Service is making a special effort to provide free firewood. Local offices of both national forests are in the process of selecting and preparing firewood gather-

ing areas. Permits will not be required to cut dead and/or downed timber anywhere in the forests, but it is a good idea to check with the local offices to make sure you are indeed on federal property. Forest Service offices will also provide information on the efficient use of firewood in home heating stoves and fireplaces.

#### A BOOST FOR BONUSES AT BEAUFORT LEASE SALE?

This month brought the announcement of the largest oil find in Canadian history. The location was the Beaufort Sea. This may be good for Dome Petroleum Ltd., but it may cause pains in the pocketbook for oil companies gathering to bid on the Alaskan Beaufort leases. Cliff Burglin, Fairbanks independent oil representative, speaking at the Farthest North Press Club, noted that the find in Canada will undoubtedly swell the bonus bids in the

Alaskan lots and make the lease sale here more valuable and exciting. Prior to the Canadian discovery it was estimated that the Alaskan bids would put about one-and-a-quarter billion dollars in the State treasury and an equal amount in the hands of the federal government. But now, Burglin asserts, these figures will swell. The Dome Petroleum strike is about five times the original Prudhoe Bay well and is producing around 12,000 barrels per day.

#### BLIMP MAY MAKE TIMBER ACCESSIBLE

Next time you see a blimp, take a careful look. Recent innovations have resulted in an experimental transportation device that may add up to a billion additional board feet a year to the timber industry.

Called a helistat, the new device is a blimp connected to a rigid frame and four helicopter engines. This device would be especially helpful in areas where access roads are difficult to build or impossible to maintain -- especially in areas such as the Pacific Northwest and Alaska. Although each helistat would only have an effective range of about 6 miles it could carry about

26 tons of timber at a time. It would also save time because timber companies would not have to build logging roads and stream crossings.

Senators Stevens and Robert Byrd have both supported a Forest Service proposal to evaluate the helistat proposal to the tune of \$800,000. Production of the helistat will be done by the Navy with surplus Navy equipment. Total cost of the project will be about \$14 million and take up to 2 years to complete. This cost will be offset, however, by more than \$9 million in the sale of lumber recovered by the helistat.

#### WITH THE SHOE ON THE OTHER FOOT . . .

With the growing resentment of regulations, federal state and local, it appears that the United States Congress finally got the message. Senator Dale Bumpers of Arkansas sponsored an amendment which would reverse the burden of proof in court challenges to regulatory rule-making. This would force agencies to prove that their regulations were valid rather than force challengers to prove that the regulations were

flawed.

Bumpers caught the opposition by surprise by adding the amendment to the Judiciary Improvement Act, a bill aimed at streamlining court administration. Even the efforts of Senators Ribicoff and Muskie were not enough to stop the bill from passing 51 - 27.

Perhaps the slow wheels of progress toward regulatory reform are beginning to turn.

## 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

**DESK WEIGHTS** Clear lucite desk weight measures 4½ x 3¾ x 1½ inches with red base. Tube of oil, pipeline mile and inscription in center. Cost: \$30

*True collectors' items, only 799 each were manufactured. Register of owners maintained at Resource Development Council. Send check or money order to Resource Development Council, Inc., Box 516, Anchorage, Alaska 99510.*

imposed energy development or other policies."  
... Governor Jay Hammond

"I've got the Basket Bay Blowdown Blues --  
I wish someone else was in my shoes  
'Cause we can't build a dump,  
Got to measure every stump,  
And preservationists are giving us the screw."  
... John Schnable

In a speech to the Farthest North Press Club, Governor Hammond responded to political correspondent Joe LaRocca's prediction that he would resign and run for national office. Hammond equated the speculation to the likelihood of LaRocca entering the Miss Teenage Alaska contest.

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**ENVIRONMENTALIST  
WANTS TO "GET  
BACK TO NATURE"**

How about the fellow who checked off his camping list with the following items:  
Nylon tent  
Nylon back-pack  
Plastic plates  
Synthetic rubber boots  
Styrofoam cooler  
Lantern fuel  
Plastic garbage bags

Insect spray  
Charcoal lighter  
Dacron filled sleeping bag

When all items were checked off, he remarked that he was looking forward to a few days in the Wilderness, where he could enjoy the fresh air, sunshine **AND NO OIL WELLS.**  
Nevada Mining Assn. Bulletin, July 1979

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**NOTES  
FROM THE  
TRAIN TRIP**

—A large group of tourists and Alaskans, boarding the Fairbanks train just before the Roaring 20's Express departed was delighted that a railroad would serve coffee, doughnuts and cinnamon rolls to passengers. When the supply suddenly ran out, it dawned on the Seward trip organizers that the wrong crowd made off with the goodies.

—Obie Weeks was the lucky winner of a round trip for two to Honolulu on the Alaska Railroad. There was a roar of laughter when Weeks' name was drawn -- he's chief engineer for the railroad and travels to Honolulu regularly. With reluctance, Obie relinquished his prize to give someone else the opportunity to see Honolulu.

—The "Diamond Studs" nude painting which hung in the Club Paris car appeared in an unscheduled exhibit at the Union Club after the trip. In a traffic-stopping courier scene, it was later returned to its rightful owner, the Alaska Repertory Theater.

—The September trip was an "anniversary celebration" for two great people. Last year on the Seward trip, Katie Shaw did an impromptu number with Wendy Williamson's Dixieland Jazz Band, and the audience wouldn't let her stop. Soon after the trip we learned that she and band member Jack O'Toole had renewed old friendships and subsequently were married. Katie is now the band's lead singer. "Love Boat" couldn't top that one. Wendy's group played non-stop on the return to Anchorage, much to the enjoyment of music-loving passengers.

—We thought someone would object to the irreverent menu placed in passengers' lunch boxes. It featured breast of Peregrine Falcon, snail darter caviar, furbish lousewort salad, Skagway Slush (EPA approved) and soufflé of

migrating caribou, among other delectables.

—Since the football game was cancelled, only a few observers saw the Resource Raiders' team T-shirts. Described as "obscene," the shirts portrayed the Sleeping Lady (Mt. Susitna) wrecklessly adorned with an oil rig and towering factory, a mining operation with attendant spoils piles, an airport, huge tunnels with freeways converging at the base (jammed with trucks belching black smoke), Mt. Susitna Motel and Burma-Shave billboards, and a shopping center with crowded parking lot. The mountain was covered with an appropriate cloud of pollution. Steve Cabrera did the artwork at the committee's direction. It gave us a good opportunity to poke fun at ourselves.

—Alaska Railroad week was so successful it may become an annual event. Many communities participated in Railroad Week activities and saw it as a grand way to extend their tourist seasons. With more lead time next year, communities will have time to develop expanded programs for residents and visitors alike. Jackie Lindauer of the ARR coordinated statewide events, and Bev Isenson of the Municipality of Anchorage spearheaded many activities for that community. A special supplement was produced by the **Anchorage Times** which brought back memories for a number of old-timers and for newcomers a history lesson on early Anchorage.

—Train passengers hailed from all over Alaska and from Outside -- Calgary, Edmonton, Los Angeles, New York, Washington, D.C., Minnesota and Oregon that we know of. Some had made the trip the previous year and say they'll do it again next time. For those who spent the weekend at duck shacks or moose hunting, you missed a memorable occasion.

**ENERGY EXPO  
TO BE HELD  
OCTOBER 14 - 17**

On October 14 - 17, the State of Alaska, Division of Energy, U.S. Department of Energy, Anchorage Chamber of Commerce and the Alaska Journal of Commerce will sponsor an Energy EXPO at the Captain Cook Hotel. Purpose of the exposition is to gather companies and government agencies from across the nation for professional discussion on the subjects of energy extraction, conversion, transmission and end use. The companies and agencies involved will provide exhibits that emphasize current state-of-the-art technologies and innovative ideas for the future which they use, or plan to use, to efficiently fulfill their roles as custodians of energy resources.

Participants include the Department of En-

ergy, Honeywell, Alaska Gas and Service, Johnson Controls, General Electric, Owens-Corning Fiberglas, State of Alaska, Division of Energy and Power Development, Alaska Industrial Resources Corporation, Ekono, Tesoro Alaska, Radian Corporation, U.S. Army Corps of Engineers, Graybar Electric Inc., Alaska Journal of Commerce and Atlantic Richfield. Interested architects, engineers, economists, administrators, energy consultants, bankers, educators, contractors or interested members of the public are invited to attend this exposition. For further information members of the Council are urged to contact Grace Pleasants or Winnie Robbins at the State of Alaska, Division of Energy at 276-0512.

**"I'M FROM  
THE FEDERAL  
GOVERNMENT  
AND I'M HERE  
TO HELP YOU."**

**U.S. News & World Report** says the federal government spends more money influencing the way people think than it spends altogether on disaster relief, foreign military assistance, energy conservation and cancer research.

The federal bureaucracy produces propaganda -- speeches, studies, briefings, TV shows and movies explaining its position -- to the tune of at least 2.5 billion dollars a year. Hidden activities could send this figure even higher. In fact, just the paper tide coming out of Washington, D.C. each year could fill four Washington Monuments. The U.S. Government's budget for advertising rivals that of such giants as Coca-Cola and Procter & Gamble and in the field of film production, the outlay of more than 600 million dollars a year has turned the Capital into "Hollywood on the Potomac" -- all in the name of shaping public opinion.

According to **U.S. News**, the campaign may not be worth the effort, let alone the expenditure. Much of the information given out is available through other sources. There also is a tendency for agencies to try to create a public relations victory to hide an agency defeat. And the feeding of the press becomes a delicate ballet of

manufacturing information and creating a lead-in crisis to make the information newsworthy. What better way to highlight the President's speech on law and order than a pre-speech release of the latest FBI figures on the rising crime rate.

Governmental information has become a commodity like toothpaste or Quirst. It isn't the actual information that is important; it's the packaging of the product. Inside it may be the same dull pabulum, but what a bright and gay package it comes in! And the price is rising. Government promotion of food stamps has driven the cost of the program from 30 million dollars in 1964 to 7 billion today. HEW is gearing up for a \$380,000 anti-smoking campaign. (This is after a three year, \$50 million anti-smoking campaign by former Secretary Califano. The result of Califano's efforts? A 4 per cent reduction in the smoking rate per year). Some of the efforts have resulted in typical conclusions. In the triumph of hope over experience, one governmental agency spent \$125,000 on a motion picture. Then it lost the film.

**PURRINGTON  
NAMED  
"MEMBER OF THE  
MONTH"  
FOR  
COORDINATING  
SEWARD  
TRAIN TRIP**

Little did he know, when he volunteered to be chairman of the Council's fundraising train trip for 600 people this fall, that it would turn out to be a night-and-day job, guaranteed to produce gray hair and ulcers.

As coordinator of what Acting Railroad Manager Steve Ditmeyer called the "longest passenger train in North America," we think Bill Purrington now qualifies for the position of manager for the railroad. His committee functioned smoothly and efficiently in its efforts to minimize the nightmare of logistics involved and had fun at the same time. The event was overwhelmingly successful.

Funds derived from the event more than doubled last year's proceeds, making the project well worthwhile. One spinoff benefit was the excellent statewide media coverage received. It helped us through the difficult transition of our name change from OMAR to the Resource Development Council.

A glutton for punishment, Purrington says he learned so much from the experience this year that he'd like to do it again next fall.

Bill is now back at work at the Equitable Life Insurance Society, playing a fast game of catch-up.