

Legislators, Black Caucus Tangle Over Oil Tax

When the legislature and oil companies battled over the special oil tax, hostilities flared between Democratic legislators and the Alaska Black Caucus.

The oil tax battle began escalating in April when Louis Overstreet, president of the Anchorage-based caucus, wrote legislators urging them to repeal the corporate income tax on oil companies. Two law-makers reacted strongly with some expressing outrage.

"I am appalled that an organization such as yours has been so snowed by the biased and inflammatory advertising carried on by the oil and gas industry in our state—an ad campaign that you pay for—that you would actually advocate tax relief for an industry whose shameful profit margin comes directly from the pockets of poor people," wrote Fairbanks Rep. Brian Rogers. "Do you honestly believe that offering the oil and gas industry relief will result in lower costs to you as a consumer?" Rogers asked. "If you do, I have a bridge in Brooklyn I'd like to sell you."

Meanwhile, Anchorage Senator Vic Fischer wrote, "the statute that these bills would repeal is the very one that helps provide the state with money necessary for construction projects that are of undeniable benefit to all Alaskans, including the black community, both in jobs and in community benefits."

Overstreet said he was shocked at the bitter responses. "No organization participating in the democratic process should be intimidated by the people they elect," Overstreet said.

In a letter addressed to Rogers, Overstreet said, "for you to presume that our position was influenced by 'inflammatory advertising carried by the oil and gas industry' is ludicrous." He asked, "Are you also suggesting the findings of the Merrill Lynch Group Report on the relationship between the state and oil producers, commissioned by the state's legislative affairs agency was also a snow job? And why is it you, with that typically plantation attitude which tears at the moral fibre of our nation, assume that we are merely interested in more social dole?"

Overstreet said the caucus only backs three programs currently under legislative review and these total only \$700,000. They include a tutoring program, summer jobs for youths and minority business legislation.

Overstreet said repeal of the oil tax and another bill that would give business tax breaks, "will provide a tranquil environment in which decisions to make significant commitments of capital to undertake exploration and development in Alaska will have a degree of confidence."

The Black Caucus leader slammed Fischer for his "threats to hold hostage programs which represent the dreams of an entire community, because the Caucus' opinion differs from yours. . ." As for Rogers, Overstreet concluded, "you can keep the Brooklyn Bridge and the horse you rode in on."

Tax Relief Is Favored

"Should the state enact corporate income tax relief for small and large businesses in Alaska as well as reasonable reforms to end tax discrimination against oil companies?" Two-thirds of those responding to this question taken in a recent poll say they favor income tax relief for Alaska businesses and "reasonable reform to end tax discrimination against oil companies."

Of the 2,793 who responded to the poll taken by People Against State Income Taxes (PASIT), 1,885 answered yes, 799 said no and 109 were indifferent. The group mailed approximately 100,000 questionnaires to Alaska residents in June.

Since the counts were taken and released, PASIT reports having received 800 additional ballots.

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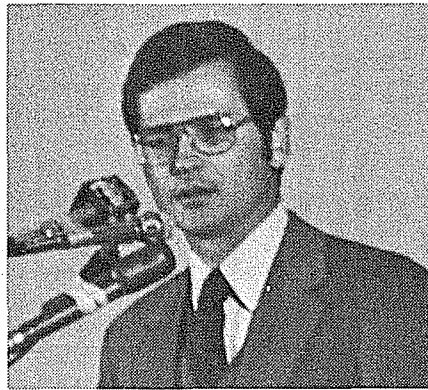
Interior Official Calls For Energy Resource Assessment

Alaska's massive resources and energy reserves must be assessed and cataloged to assure ample supplies of petroleum products and strategic minerals, said a top Department of Interior official in Anchorage last month.

William Horn, Deputy Undersecretary of Interior, said Interior Secretary Jim Watt is opening federal lands to exploration to take an inventory of what resources are there. As part of this multiple-use policy, Watt has opened 400,000 acres between Mount McKinley and the Yukon River to mineral entry, mineral leasing and public entry.

The Undersecretary spoke June 23 at a breakfast meeting coordinated by RDC and co-sponsored by the Alaska Oil and Gas Association, Associated General Contractors, Commonwealth North and the Alaska Miners Association.

Horn said that orderly development now will be much better environmentally than "if we wait until a shortage is upon us." Some environmentalists are upset over easing exploration regulations for the outer continental shelf, Horn said, but OCS rule revisions are needed to "secure an assessment of the resources."



William Horn, Deputy Undersecretary of the Interior, stresses assessment of Alaska's resources at a meeting sponsored by RDC last month.

Regarding the constant attacks on Secretary Watt and his policies, Horn said "environmental groups have used Jim Watt as a fund-raising tool. They're taking the secretary's policies and holding him up as an ogre. I've seen fund-raising letters to that extent."

Horn reported that an out-of-court settlement is near on the state's lawsuit challenging former President Carter's use of the Antiquities Act to create 15 new national monuments in Alaska. He also said money has been appropriated to upgrade the Denali National Park Road, the scene of a fatal tour bus accident last month.

Hydroelectric Development Encouraged

Alaskans will have much to gain if the legislature's hydroelectric development bill becomes law, Kaiser Aluminum's northwest region vice president told a large gathering at a July 2 RDC breakfast meeting.

According to Bruce McPhaden, Alaska's citizens will enjoy low-cost home energy for the next 50 to 100 years if the \$5 billion hydroelectric development plan is implemented. "Five billion dollars is certainly a large sum of money, but when you consider that you are buying cheap power for every citizen in the state for perhaps the next 100 years, then the sum is miniscule," McPhaden said.

"For the last 50 years, people in my area (Pacific Northwest) have been paying the lowest residential electric rates charged in the world, thanks to our reliance on hydroelectric power. You can have that in Alaska, too."

According to McPhaden, hydroelectric development would also have a long-term positive impact on the state's economy. "Industry will come here with the electric rates you'll be charging. You'll be able to pick and choose whoever you want because everyone will want to come."

Such development would stimulate private-sector growth, create new jobs, and improve the standard of living, McPhaden pointed out. He noted there would be sufficient amounts of power for both residential and industrial use. Residential power needs would be satisfied first with "industry using whatever is left over," McPhaden said.

McPhaden added that hydroelectric dams and reservoirs can provide water for irrigation or other uses and create new recreational areas.



Milton Byrd leads the Financial Development Division.

Development Division Formed

Milton Byrd, a corporate vice president for Frontier Companies of Alaska, has been named chairman of the new Financial Development Division of the Resource Development Council.

The division was formed to assure the long-term financial growth of the Council. The division's responsibility, according to Byrd, entails formation of a well-executed plan which will enable "intense long-term planning and budgeting capabilities."

Since its birth six years ago, the Resource Development Council has funded many activities on a project-by-project basis. Byrd says long-term financial commitment would allow the Council to effectively plan strategies promoting the wise management of Alaska's resources and creating a more favorable investment climate in the state.

The division will direct its activities

toward securing individual and corporate memberships as well as planning special events and projects.

Byrd recently moved to Anchorage from Washington, D.C., where he organized the American Association of State Colleges and Universities, a center concerned with enhancing the quality of education in the United States. Prior to his capital stint, Byrd served as Provost for Florida International University in Miami and as president of Chicago State University.

Other members of the Financial Development Division include Fred Boness, Terry Brady, James G. "Bud" Dye, Len McLean, Joyce Munson, Bill Purrington, G.E. "Hank" Schaub, Hameed Ahmad, Dave Rozas, Shelby Stastney and Don Wold.

Persons wishing to serve in the division may call the Resource Development Council.

What Happened In Juneau?

What happened in Juneau besides the passage of a whopping three billion dollar budget? What did the legislature do concerning resource development? some good things, some not so good!

Accolades to the legislature for passing the hydro-electric bills as this is a true investment in our state's future. A new lands bill was passed. Some changes were made but it still remains a very complicated process to get land in the hands of the people. A nuclear and hazardous waste bill was also passed. The final version was a vast improvement over the House Resource Committee version which would have created havoc with added regulations and duplicated efforts. However, RDC still believes a bill is not necessary.

Legislators passed the "backstop oil tax bill" replacing the special oil corporate tax which at present is being challenged in court as discriminatory. The new tax generates a similar income but does not resolve many of the problems between industry and the State. The suit against the State is still pending.

A change was made in the mineral leasing act and Municipalities were granted State assistance. Loans for business, fishing, agriculture, housing and mining were made available. Overall, 180 bills and resolutions were passed in a record-setting 165 days.

RDC is in desperate need of file cabinets... Your assistance will be greatly appreciated. Please call 278-9615.

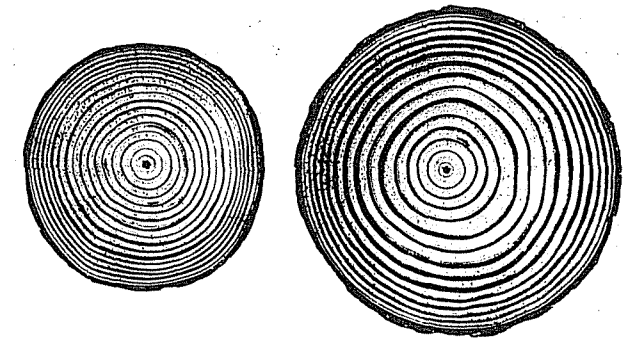
"Alaska Shops" May be Established

Did you know that all photographs and films used in advertising Winston cigarettes in Germany were taken in Alaska and feature the northern state as the main subject? If the Alaska State European Office succeeds in a new marketing plan, Germans will see and hear much about Alaska and its products in 1982.

A German advertising agency whose clients include the R.J. Reynolds Company, producers of Winston, is working with the Alaska European Office to plan and arrange "Alaska Shops" in a large German department store chain next year. The shops would feature Alaska and sell products from the 49th state.

"The Alaska Shops would provide an excellent opportunity to advertise Alaska and to market our products in Germany," said Shari

Look What Happens When Mother Nature Gets A Little Help



These log slices dramatically show the value of modern, scientific forest management. The smaller one grew in an unmanaged, overcrowded stand where it had to compete for sunlight and moisture. The other is from a grove that was thinned to give the best trees room to thrive.

Faced with a predicted doubling of domestic demand for wood and paper products in the next fifty years, the forest industry is investing in new techniques to stimulate tree growth.

Foresters are currently planting superior seeds and seedlings, fertilizing, thinning, protecting against disease and insects and carefully watching the time to harvest in an effort to make the nation's forests grow faster. Forest management is vital because every year Americans need more homes, paper products, packaging and containers, firewood and thousands of other essential products that only the forest can provide.

Currently commercial forests have been able to meet the demand; however trees aren't grown equally fast by all commercial forest owners. Even though industry has made striking advances on its lands, productivity is lower on privately-owned lands and seriously lagging in national forests.

Overall, the U.S. Forest Service estimates average productivity of all commercial forestland is only 61 percent of potential. And at the same time, actual acreage in commercial forests keeps shrinking as land is withdrawn for homes, highways and other needs of an expanding population.

As a nation, the U.S. still has a long way to go if wood and paper products are not to become scarce and expensive.

Gross, director of the Alaska European Office. "An obvious prerequisite for the success of the project is that Alaska producers and the business community express their interest in the project and their ability to supply large quantities of goods for sale in Germany."

Richard Eakins, director of the Office of Special Industrial Development in the Department of Commerce and Economic Development, is reviewing the project. If approved, substantial coordinating and support efforts will be needed from Alaskan producers and the Department of Commerce offices in Alaska and Copenhagen.

Persons interested in supporting this new marketing opportunity should contact Richard Eakins in Juneau at 465-2018 or the Resource Development Council.