

"LET THE SUN SHINE IN"

by Conrad Hilpert Phd.

Solar power advocates have been telling people that 10% of our electrical energy can come from the sun. When the sun gets hot enough to do this as cheaply as any fossil fuel, nuclear fuel, or hydropower we will all be burned to a crisp.

As an example, people can lay out in the brightest sun for hours and get only tanned. The sun's energy is real nice. These same people would be instantly vaporized in a furnace of a steam power plant.

This brings to clear view the concept of how much bigger the solar collectors need to be to become a close equivalent of a steam boiler. Not just many times, but many thousands of times!

If you are in Fairbanks December 21st, the sun's heat is a joke. Each square foot would be much better heated by a kitchen match.

March 21st on the equator on a clear day each horizontal square foot receives 358 BTU per hour at 12:00 noon. All day it gets 2499 BTU or an average of 104 BTU/sq. ft./hour for 24 hours. Each square foot of grate area in a modern boiler is not unusual at 1,000,000 BTU/sq. ft./hour for 24 hours, not only 21 March and 21 September, but ALL DAY, EVERY DAY, RAIN, SHINE, EVEN MIDNIGHT.

The solar collector needs to be 10,000 times the size of the steam boiler's furnace! Now, if we allow for some rainy days and dust and reflector efficiency, the solar collector is more like 200,000 times as big as the furnace of equivalent capacity. (The steam boiler is about the same capacity in any case.)

COAL  
LEASING  
REGS.

A mining committee of the Resource Development Council has written a new set of coal leasing regulations that will be submitted to the Alaska Department of Natural Resources, with a recommendation for adoption, it was announced today by Paula Easley, Council executive director.

"The draft regulations being circulated by DNR are just a rehash of previous drafts, and still don't meet the needs of the coal industry," according to Easley. "We think ours would."

"For example, the DNR draft states that the Commissioner of Natural Resources may choose either a cash bonus, royalty share, or net profit share, or combination thereof, as a bid variable, when coal lands are leased. The Council has changed this to cash bonus, only," Easley said.

Another important area is royalty payment for mined coal. The DRN draft says not less than five per cent. "This leaves an opening, theoretically, of 95 per cent," Easley stated. "This is ridiculous, and only creates uncertainty. The Council recommends a royalty of no more than six per cent. If the state adopts this, then potential coal operators can plan

ahead," says Easley.

Easley added that the Resource Development Council-sponsored Alaska Coal Marketing Conference in January, which drew more than 400 participants, highlighted three things.

First, there is a growing worldwide demand for coal, and Alaska's resources are being seriously examined. Second, most major coal sales contracts affecting the next 20-25 years could be consummated within the next two years. And, third, Alaska's environmental and economic regulations governing coal development must be clear and concise.

"Because the draft state regulations leave room for doubt as to how the industry will be treated in the future, and because of a desire to help the state rapidly resolve the coal regulation issue, the Council brought together known experts to re-draft the regulations. They are being forwarded direct to Commissioner Bob LeResche," Easley stated.

Persons interested in reviewing the Council's proposed regulations are urged to contact the Resource Development Council, 278-9615.

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# RESOURCE REVIEW

BOX 516

ANCHORAGE, ALASKA 99510

March 1981

## LLEWELLYN KING AT ANNUAL MEETING

Llewellyn King, publisher of The Energy Daily and Metals Daily, influential trade journals relating to the energy industry and mining, will present the guest address at the annual meeting of the Resource Development Council.

The meeting will be held April 10, at the Captain Cook Hotel in Anchorage.

King, headquartered in Washington, D.C. is originally from Zimbabwe-Rhodesia, but has been involved in the international press scene since 1959, first in London and then out of New York.

He has worked for the United Press, Time Magazine, the New York Herald-Tribune, Washington Daily News, Washington Post, and several Fleet Street (London) publications.

After working with energy subjects for McGraw Hill Publishing Company in New York, he began his own series of energy reports, first weekly and then daily, in 1973.

King will discuss energy, and its implications for the next decade, in the global sense, at the Resource Development Council meeting.

The annual meeting will elect a statewide slate of directors, an executive committee and new officers for the coming year. Also position papers concerning many important Alaskan topics will be presented for approval.

Those planning to attend the Resource Development Council's annual meeting are urged to make reservations by calling 278-9615.



## AGC & CONSTRUCTION BACKLOG

The Associated General Contractors (Alaska Chapter) have taken a unique approach to solve a nearly \$2 billion-dollar problem facing the State of Alaska and especially the construction industry and those depending on it.

They have placed Woodrow Johansen, a well-respected highway engineer (retired from the old Alaska Department of Highways) in a position with the House of Representatives (the Democratic majority) to untangle the problem of approved, many times funded, but yet to go to bid, projects. AGC will be supplying his salary, less \$1 a year provided by the Legislature. Johansen will be an official "troubleshooter" representing the House Democrats. His contract is officially with House Speaker Jim Duncan.

The AGC in a recent meeting in Juneau, accused the Department of Transportation and Public

Facilities, of being too slow in letting nearly \$1 billion in contracts. A subsequent audit has revealed the figure is closer to \$2 billion.

DOTPF, a conglomeration of the old Departments of Highways and Public Works, was created in the first administration of Gov. Jay Hammond. It has been a controversial department, first headed by Walter Parker, now a private consultant many times to the state, and since by Robert Ward. State Ombudsman Frank Flavin recently scathed the department for misuse of bond funds used to support another Hammond priority, the Alaska Public Forum.

Flavin ruled that bond funds could not be used except for the purposes for which they were approved and sold.

The AGC, publicly backed by the Resource Development Council, has asked Gov. Hammond to

Continued next page

personally untangle the contract problems at DOTPG. In a memorandum to Hammond, prepared at his request by Lt. Gov. Terry Miller, Miller stated the problems result from lack of organization within DOTPF. Others have said the problem is a result of

"no'growth" attitudes within the administration. These critics have accused the administration of playing loose with private needs, while the government is wallowing in excess wealth, created by the sale of state-owned resources.

### MURKOWSKI AT RDC BREAKFAST

In a recent address to the Resource Development Council, at a regular Thursday morning breakfast session, newly-elected Alaska Senator Frank Murkowski made the following observation concerning America's dependence on government.

"At one time our people were known for their independence. Now unfortunately, we have spawned generation after generation that has become dependent on government.

"An example of this is a story related by Alaskan native leaders, commenting on the effect

that food stamps have had in some remote villages.

"Prior to the initiation of food stamps, many of the villagers depended on subsistence hunting and fishing to provide them with the food and cash they needed for necessities. With the introduction of food stamps, some of the need for subsistence efforts dramatically declined, because (for some people) government is now providing the necessities. The cash comes in from various welfare distributions. They would have been better off had food stamps never been introduced. Truly a tragedy of the 'Great Society'."

### BUREAU OF LAND MANAGEMENT DIRECTOR

Secretary of Interior James Watt has named Robert Buford, a Colorado rancher and legislator, to direct the Bureau of Land Management.

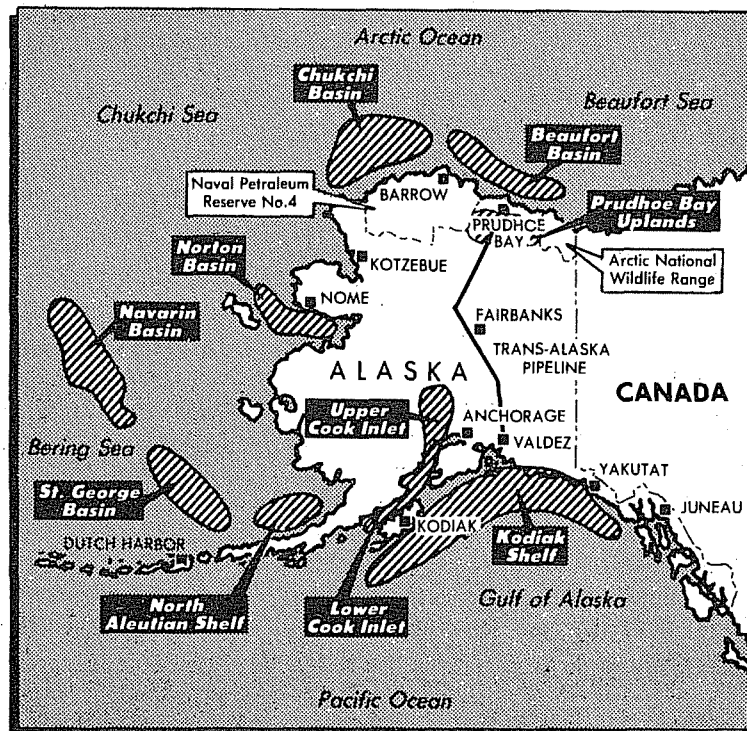
In announcing his choice of Buford, Watt said, "The financial sacrifice Bob Buford is willing to make to join government service is incredible. After a nominee goes through the conflict-of-interest requirements imposed by law, he feels like a 'plucked chicken'."

Preservationists, who strongly opposed Watt's

confirmation, also oppose Buford, who has been running cattle on federal grazing leases in his native state. Buford has transferred his grazing permit to a grown son.

The Bureau of Land Management is a major factor in the federal presence in Alaska. It is responsible for managing lands, and for transferring lands to Native Corporations, the State of Alaska and others. It is also the major wildfire control agency in Alaska.

### ALASKAN OIL



Shown in this map are the relative locations of the most promising oil areas in and near Alaska. Only Prudhoe Bay on the shores of the Beaufort Sea, and Cook Inlet, offshore of Kenai, in addition to the on-shore fields near Kenai, are producing commercial quantities of oil and natural gas at the present time. Some gas is coming from the Barrow area, and locally supporting that community. There is more area, many times over, to work with, than has been explored in detail to date. (Map courtesy of Anchorage Times)

## TIME TO RENEW RESOURCE REVIEW SUBSCRIPTIONS AND MEMBERSHIPS

### MEMBERSHIP CATEGORIES .....

#### Corporate / Business

Two categories of membership are available to businesses which include all publications and service:

- (1) **Sustaining:** \$100 to \$2,000 (maximum) per month payable monthly, quarterly or annually
- (2) **Supporting:** \$100 to \$1,200 per year, payable annually

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Three categories of membership are available to individuals. Members in first two categories receive all membership privileges, are placed on priority mailing list and encouraged to participate in Red Alert campaigns:

- (1) **Sustaining:** \$25 (or more) per month includes monthly **Resource Review**
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(The Resource Development Council is a non-profit trade association which operates under Internal Revenue Code Section 501 (c)(6). Business membership fees are tax deductible.)

#### Red Alert Authorization

The Resource Development Council is authorized to place my name on its Red Alert System. (All membership information, including your name, is confidential and may be released only with your permission.)

I will communicate — at my own expense — with legislators, administrative leaders, and/or members of Congress, etc., when Red Alerts are called. I understand "Red Alert" may come to me by telegram, letter or telephone. I will notify you of address or telephone changes to keep your records current.

Signature \_\_\_\_\_

## ALASKA FISHERMEN TAX BREAK

Alaska fishermen who hold limited entry permits may be eligible for an extra state income tax refund, if they have not already deducted the price of their permit from an earlier return.

The federal government does not allow deductions for purchasing limited entry permits, considering them an asset. However, under little

advertised state legislation in 1977, fishermen are allowed to deduct the cost of the permit, as a normal business expense.

Some permits have sold in excess of \$100,000. Accountants have reported numerous fishermen have not been aware of the deduction, and may have overpaid past taxes.

## COASTAL ZONE

Anchorage Mayor George Sullivan has joined the Resource Development Council's call for repeal of the state's coastal zone management program.

Coastal management is a federal program that allows voluntary state participation. The mayor has said that if the state decides to opt out of the federal program, he would recommend rescinding the recently passed Anchorage coastal zone ordinance.

The Resource Development Council wants repeal of the state plan because it creates more

layers of government at the taxpayers expense, without any corresponding benefit, a council spokesman said.

Alaska's coast can be properly managed and developed by means other than the present program, according to the Council.

A bill introduced in the state Legislature, sponsored by eight senators, would pull the state out of the federal program.

## FARM LOTTERY

15,000 acres of state land near Point MacKenzie north of Anchorage, were awarded to 31 parties, to be used for agriculture purposes, in a lottery conducted at Palmer March 7. Only agricultural rights will be transferred.

The lottery was held despite threats of last-minute litigation concerning alleged fraudulent applications and concerns by local loggers that the timber resource on the potential farmlands will be sacrificed to rapid landclearing.

State officials ruled that while there might be irregularities in the applications (some applicants evidently copied required farming plans from earlier applicants) that any "plagiarism was a matter between private parties."

The state will also allow individual farmers to sell timber from their farmsteads, with the value of the stumpage being deducted from state subsidy for land clearing.

## PIPE MOVES (NOT IN ALASKA)

The first of about 2,200 rail carloads of Japanese-built steel pipe have begun moving eastward from Seattle, Portland and Everett this week for what is destined to be part of the longest natural gas pipeline in the nation.

Burlington Northern will send trains with as many as 40 cars at a time from the three Northwest

port-cities to Glasgow, Mont., said Earl J. Currie, BN vice president.

Northern Border Pipeline Co. is buying 120,000 tons of pipe from a Japanese consortium to build an 823-mile segment of the Alaska natural gas transportation system.

## QUOTES

"Up on the far northwest edge of the United States there is a small island of people, about one six hundredth of the whole, a political subdivision of limited sovereignty, controlling great wealth. This is Alaska." John Havelock, former Alaska Attorney General, speaking at a Resource Development Council weekly breakfast.

"They want to have government where they can

see it, where they can keep control over it, and where they can reduce it to the size that is appropriate to the value of services rendered." Gov. Richard Snelling of Vermont, speaking of the American people.

"Locking up Alaska for the developmental sins of our forefathers is an unacceptable way to repent." Ketchikan Daily News Editorial.

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## EDITORIAL THE STATE OF LEADERSHIP

"The executive power of the State is vested in the governor." Article III, Section 1., Constitution of the State of Alaska.

"The legislative power of the State is vested in a legislature . . ." Article II, Section 1., Constitution of the State of Alaska.

These are rather short paragraphs to explain the division of powers of two of the three major branches of government, under which the people of Alaska agreed to be governed, when approving the State Constitution.

According to the New Webster Dictionary of the English Language, "executive" means: (adjective) "Having the quality of executing or performing; designed or fitted for execution; administering or carrying into effects laws; governing. (noun) The persons (or body of persons) who superintends the execution of the laws; the person or persons who administer the government."

Conversely, "legislative" means: (adjective) Enacting laws; having the power or authority to enact laws; pertaining to or enacting of laws. (noun) The branch of government which makes or repeals laws."

The drift away from these basic concepts particularly in the past six years of the Jay Hammond administrations, is both amazing and tragic.

We now have an administration (Executive Branch) that takes laws and through creating and enforcing regulations based on the laws, strengthens the laws beyond their original intents. The

## WATT and INTERIOR DEPARTMENT

President Ronald Reagan's Secretary of Interior James Watt has taken a stand against more national park acquisitions, and instead has called for park funds to be used to upgrade existing facilities, and to provide access to the parks to the people of the United States.

Watt's position is just opposite that of several recent administrations, where the priority has been on creating new national parks and monuments, and then managing them as wilderness (legislated or de facto).

## AIR POLLUTION RULES

A recent announcement by Vice President George Bush, heading up President Reagan's regulatory relief task force, concerning relaxation of air pollution standards, may bode well for Alaska in the long run.

The announcement said the administration will propose easing of air pollution standards to allow existing plants to be modified. The proposal is aimed directly at major oil refineries and auto production plants in California.

However, Bush's office said the ruling would have effects in all parts of the country. Some observers say it could be a factor in converting

Coastal Zone Management controversy is one small, but good example. Sales of royalty oil is another area where it would appear the Executive Branch is writing law.

At the other extreme, we have a frustrated Legislative Branch that, in attempting to fill a vacuum in operational leadership is, in fact, executing actions that belong to the Executive Branch.

The most recent and probably the most tragic example, is an attempt by the legislature to unwind nearly \$2 billion in approved public projects that have either been funded, or approved for funding-- that the Executive Branch has not been able (or willing) to get to bid in the past six years.

While the legislature must be lauded for "taking the bull by the horns" and attempting to fulfill the will of the people, and getting a major segment of the private economy of Alaska back on its feet-- it must not be overlooked that it is crossing constitutional mandates in doing so.

Thus, the problem in this instance, and probably many more; is a problem caused by the failure of the actions, and even philosophies, of the Executive Branch. And according to the Constitution, the responsibility for the Executive Branch rests with one person-- Gov. Jay Hammond.

It is not enough to blame a commissioner, a secretary, or even consultants, for a \$2 billion boondoggle. The buck must stop where the buck must stop.

Harry Truman would understand.

In a recent address to Congress, Watt stated, "To set these great beautiful parcels aside, and then deny access...frustrates the intent of Congress. I think people ought to have access to the public lands. We must not set parks aside for an elitist community."

In view of Watt's attitude, many Alaskans are wondering how the D-2 legislation, passed in 1980, (Carter Administration-Democratic controlled U.S. House and Senate) would have fared in today's political climate.

military power plants in Alaska back to coal. The plants at Elmendorf Air Force Base and Fort Richardson were on coal until the 1960s, when they were converted to natural gas.

Bush's announcement brought charges from the preservationist community, which through a spokesman stated, "the seemingly technical changes will give away the government's principal tool for encouraging manufacturers in polluted areas to build clean, modern plants."

The cost of building clean, modern plants, when older plants have yet to be amortized, has been cited as a major cause of inflation and decreasing productivity in the United States.

## FISH FARMING

Alaskan interests have been closely following actions in both Washington state and Oregon concerning privately owned ranches wherein the fish are hatched at private facilities, allowed to "graze" the open ocean, and then caught at the private facilities upon return as mature fish.

Oregon began allowing such operations in 1971, but has recently declared a five year moratorium on new facilities, pending biological studies of the carrying capacity of the ocean.

Washington State is still arguing the subject. In Washington the fishermen, those with boats and big individual investments, are thwarting moves toward private hatchery-catcher facilities. The

## SUBSISTENCE CONTROVERSY

The controversy over subsistence priority in use of Alaska's fish and game resources is coming to the fore as the most divisive issue to face state residents.

Recent hearings in Anchorage concerning allocation of Cook Inlet Salmon to commercial fishermen and subsistence users, ahead of sportsmen, is only one small part of the problem. Some 600 sportsmen turned out at a March 7 fisheries advisory board meeting to discuss proposed rules concerning salmon allocation. The sportsmen were angry at being relegated to the bottom of the priority list.

Section 16.05.257 of Alaska Statutes, dealing with fish and wildlife management states, "the protection of subsistence usage of these (fish and game) resources is essential to the health, safety and general welfare of the citizens of the state..."

Title VIII of Public Land Law 96-487, the Alaska National Interest Lands Conservation Act (the so-called D-2 bill), passed with the concurrence of Sen. Ted Stevens, over the objection of many influential Alaskans, sets forth wildlife management policies of the federal government, making subsistence a priority on federal lands in Alaska.

Even though the state is empowered to manage fish and game on all Alaskan lands, the federal government has set the stage for a management controversy in the event the State does not follow federal dictate concerning subsistence.

The state is attempting to set guidelines that will meet federal concerns, and this indirectly was cause of the anger of sport fishermen at the recent Anchorage meeting.

Subsistence priority also surfaced in the federal Marine Mammals Protection Act, which gives Alaskan natives sole rights to hunt sea mammals. Unlike the D-2 action, which does not set

fishermen say, and the hatchery-catcher promoters agree, that the new facilities will be able to catch, process and market salmon cheaper than the traditional boat/net system can. The good old (now outlawed) Alaska-style fishtrap would come back in Puget Sound, if the Washington proposal is adopted.

Alaska allows private hatcheries for rearing fish, but harvesting is still done by boats. These hatcheries are co-operative in nature. The Prince William Sound and Cook Inlet Aquaculture groups are good examples. While progressing, the overall effect of these facilities is yet to be measured.

racial criteria as a means of determining subsistence users, the marine mammals act did. It has been reported that the intent of the marine mammal legislation has been subverted, as some Eskimo hunters, in cahoots with non-native interests, have been killing, processing and selling valuable hides and ivory, and in many cases meat has been wasted.

Some say the marine mammal act was a failure, and predict problems for the D-2 and state subsistence prioritization too.

Others state that subsistence is an integral part of the Alaska life-style and economy, and must be protected. However, there has yet to be a generally accepted definition of subsistence. The rural hunter, killing game, but also using food stamps, is a subsistence hunter. The professional guide, making his living as a hunter, though letting clients make the kills, is not considered a subsistence hunter. An urban Alaskan native, or descendant of a non-native homestead family, undoubtedly wants to view himself as a subsistence hunter; as does the young family, or single, new to Alaska, who might depend on a moose or caribou kill for food during lean economic times.

Sportsmen, and those who support them, see fish and game as the catalyst that creates a large part of Alaska's economy--and thus all who share in the sportsmen's efforts feel the game provides a part of their subsistence.

The more the controversy rages, and those in the middle say it is just getting started, the more confusing it gets. It is an issue that not properly handled will pit Alaskan against Alaskan, and the federal government against the state. The way it is now going, say some, it is an issue in which there will be no winners--especially the fish and game.

## OUTSTANDING YOUNG FARMER

Pat Mulligan, 29, who lives in the Butte area near Palmer, was named Alaska's Outstanding Young Farmer of 1981, in a contest sponsored by the John Deere Company.

Mulligan was picked by a panel of Jaycees, who handled the judging for the farm equipment firm.

Alaska's Jaycee president Ron Cupples says of Mulligan, "He has fought hard for his farm, fought hard for financial backing, and will fight hard for success."

Mulligan has been developing a grass farm to raise seed for in-state reclamation projects. He feels that native Alaskan grasses are best for such efforts. The problem is to grow them in a controlled fashion, to provide seed fast enough for the needs of land reclaimers.

While the market in Alaska is presently restricted, it is expected to grow as pipeline construction, roadwork, and open pit mining increase.

## NEWS BRIEF FROM CHUCK GIBSON, REPRESENTING THE STATE OF ALASKA

In order to avoid congestion and confusion in coal loading operations in Australia because of a lack of facilities, the Japanese steel, electric power and cement industries have decided to extend financial aid to increase loading facilities at Newcastle Harbor, in the state of New South Wales.

The Japanese firms are reported eager to switch plants over to coal fueling in view of the

ever-increasing cost of fuel oil. They have definitely decided to import ordinary steam coal for this purpose.

The main export facility for Australian coal to Japan in Newcastle, and the Japanese are concerned that by 1985 the present facility will not be able to handle the tonnage desired. The present total capacity of the port is about 20 million tons per year.

## TRANS-ALASKA OIL PIPELINE COLLECTORS' ITEMS

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