

Arnold Defends Burford, Criticizes National Press

Before Anne Burford's departure from the Environmental Protection Agency, noted columnist and author Ron Arnold accused the press of not understanding the legal mission of the EPA and of failing to report the facts about administrator Anne Burford's "good performance."

Replying to a critical editorial in the Bellevue, Washington Journal-American on Burford's performance, Arnold's column said the recent media flap is a study in liberal propaganda with little substance. "The liberal media are shaping image and public perception by smear and innuendo, not facts, because they want Burford 'perceived' out of the office," Arnold said.

"Everybody knows that the EPA is to protect the environment," Arnold continues. "But by law, the National Environmental Policy Act of 1969, that environment includes our economy and its industries, culture and society, resource use and development, as well as preservation, health, safety and nature."

By reading news reports, Arnold said "you'd think EPA's mission is to punish and destroy industry."

In a telephone interview with Arnold, Burford said she believes deeply in the whole mission of EPA, to protect nature, society and economy. Arnold said "those 'professional staffers' she 'induced' to quit all came to EPA directly from lobbying and activist jobs in outfits like the Sierra Club and Friends of the Earth, and brought anti-industry ideology with them."

Arnold wrote that Burford reorganized EPA so its legitimate job of regulating, not eliminating, industry works more efficiently now than before she arrived. "Complaints came only from environmental groups whose cozy symbiotic relationship with EPA is now broken, from their bought-and-paid-for allies in Congress who got millions from environmental Political Action Committees last election, and from the liberal media."

According to Arnold, EPA desperately needed Burford's redirection. It was created by an executive order from Richard Nixon in 1970 for the purpose of consolidating the nation's program of regulating air and water pollution, radiation, pesticides and solid waste.

"Environmental groups immediately launched an aggressive campaign of lobbying and litigation to shape the new agency in their own image," Arnold said.

The environmental movement captured the EPA during the Carter administration with hundreds of former officials of the Audubon Society, Wilderness Society and many other groups appointed to key posts. No-growth economics became policy, Arnold said, as "the Carter EPA ruled with a vengeance."

New York University's Irving Kristol warned in Saturday Review, "if the EPA's conception of its mission is permitted to stand, it will be the single most powerful branch of government . . ."

Even outgoing EPA Administrator Russel Train was alarmed when he wrote in the Wilson Quarterly, "Environmental activists must become more sensitive to the real-life concerns of others, particularly when it comes to jobs, economic well-being and adequate profits."

NOTE: Arnold will be a speaker at RDC meetings scheduled April 25, 26 and 27 in Fairbanks, Anchorage and Juneau. Reservations for either meeting may be obtained by calling 278-9615.

Annual Meetings Set Across State . . .

(Continued From Page 2)

In 1970 Arnold established his media consulting firm, Northwoods Studio, and has since produced more than 125 films and has written more than 150 articles on natural resource subjects. His analyses of environmentalists behavior have been published by the National Academy of Sciences and other scientific societies. His magazine series "The Environmental Battle" won the American Business Press Editorial Achievement Award for 1980.

Arnold has helped foster the pro-industry citizen movement through speeches and seminars, and has managed public relations campaigns for groups promoting private property rights, natural resource development and conservation and free enterprise. He also consults for major agricultural, timber, chemical and energy companies faced with environmentalist conflicts.

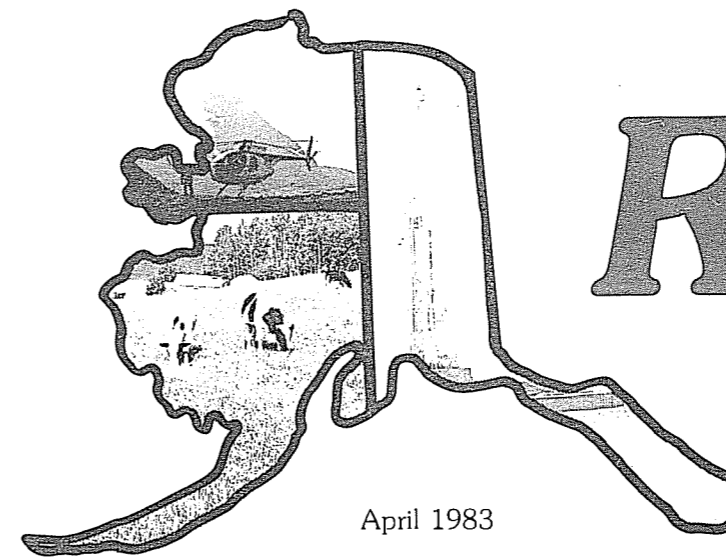
The three luncheon forums are open to the public and reservations may be made by calling RDC in Anchorage at 278-9615, the Fairbanks Chamber of Commerce at 452-1105 or the Juneau Chamber of Commerce at 586-6420.

Thank You

A HUGE THANK YOU TO THE NEARLY 100 PEOPLE WHOSE EXPERTISE WAS CALLED UPON TO DRAFT 25 POLICY STATEMENTS IN RECENT WORK SESSIONS. AFTER REVIEW BY OTHER SPECIALISTS, THE STATEMENTS WILL BE CONSIDERED BY THE RDC BOARD OF DIRECTORS THIS MONTH.

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Resource Review





Dottie Morrison of Phillips Petroleum has donated many hours of her personal time hand-addressing several thousand invitations for RDC's special spring forums later this month. Norma Swartzbacker, at right, has served as a hard-working volunteer at RDC headquarters for over four years. A hardy thank you is in order for both of these fine ladies.

RDC Sets Special Meetings Across State

"A Strategy for Resource Development" will be the theme of the Resource Development Council's annual spring forums to be held in Anchorage, Fairbanks and Juneau later this month.

The Anchorage luncheon will be held in conjunction with the Council's annual meeting on April 26 at the Anchorage Westward Hilton Grand Ballroom. The Fairbanks luncheon forum will take place on Monday, April 25, at the Gold Room of the Travelers Inn while the Juneau event will be held Wednesday at the Lumberjack Room of the Cape Fox Sheffield House. All three luncheons will begin at 11:30 a.m. and conclude by 1:30 p.m.

Two speakers are featured: The Honorable Jim Santini, former U.S. Congressman, 1974-1982, (D-Nevada) and noted columnist and author Ron Arnold.

Santini, a practicing attorney, served as chairman of the House subcommittee on Mines and Mining from 1978 to 1982 and chairman of the Congressional Travel and Tourism Caucus from 1980 to 1982. He also served as a member for the committees on Energy and Commerce, Interior and Insular Affairs, Public

Lands and National parks and Commerce, Transportation and Tourism subcommittees.

During his four terms, Santini was the leading advocate for mineral concerns in the House of Representatives. His legislative history includes passage of the Federal Oil and Gas Management Act of 1982, amendments to the Mineral Leasing Act of 1920 to further the exploration of oil shale deposits, the Deep Seabed Hard Minerals Resources Act and legislation to facilitate and encourage the production of oil from tar and sand and other hydrocarbon deposits.

A Bellevue, Washington writer and consultant, Ron Arnold is author of **The Environmental Battle and At the Eye of the Storm: James Watt and the Environmentalists.**

Arnold's experience in the environmental movement in the 1960s led him to believe that power and politics were more important to environmental leaders than ecology. Arnold left the movement to become a prime critic of its excesses, and fought for reasonable balance between preservation and development.

(Continued Page 10)

COVER: The fishing industry leads all other Alaskan industries in exports to foreign countries. Here a fishing boat heads out into the waters of Kachemak Bay near Homer. See story Page 6.

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Carl Portman
Editor & Advertising Manager

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Resource Review encourages its readers to submit articles, announcements and letters to the editor for publication. Send all correspondence to Resource Development Council, Resource Review, Box 100516, Anchorage, Alaska 99510.

Resource Development Council, Inc.

The Resource Development Council (RDC) is Alaska's largest privately funded non-profit economic development organization working to develop Alaska's natural resources in an orderly manner and to create a broad-based, diversified economy while protecting and enhancing the environment.

RDC invites members and the general public to its weekly breakfast meeting featuring local and nationally-known speakers on economic and resource development issues. The meetings are held on Thursday at 7:15 a.m. in the Rody Room of the Yellow Rose Restaurant. Meeting charge is \$2 and reservations are requested by calling 278-9615.

Membership Information

The Resource Development Council extends an invitation to all persons interested in the responsible development of Alaska's resources to join the Council's efforts. For membership information, contact:

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The RDC business headquarters are located at 444 West 7th Avenue in downtown Anchorage.

Bill English Retires After 37 Years Of Flying

Resource Development Council board member Bill English recently retired from Wien Airlines after 37 years of flying into villages so remote that pilots were often the sole contact with the rest of the world.

English was hired by Wien in 1946 at the age of 23 at a time when natives and whites were segregated in Alaska restaurants and theaters. He looks at the airline's decision to hire him as a big break in his early life.

"I didn't have much experience, but pilots were scarce," English told the Anchorage Daily News last month.

The son of a Kobuk Eskimo woman and a Californian who had bought the general store in Wiseman, English was two years old when Noel Wien landed in the Brooks Range village on the first flight north of the Arctic Circle in 1925. When he was four, English remembers seeing Fairbanks from an airplane window and looking down on "all those tiny cars and tiny people."

It was those two experiences that gave him the desire to fly. After high school, a two-year engineering degree and introduction into the Army, English still wanted to fly.

A Rearwin Sportster was the plane English began his flying career in, and afterwards he bought a two-cylinder Aeronca K.

English spent his early flying days carrying mail from Fairbanks into the Bush. He also flew co-pilot on a DC-2 for Northern Airways and was the first Native pilot to obtain an Airline Transport Rating, necessary to fly schedules and carry passengers.

Eventually English monitored the skills of his fellow pilots and trained many others when he became a check pilot for the airline. He flew throughout Alaska, except for the Aleutian Chain. He even flew supplies onto the ever-moving Arctic ice floe for the Navy Arctic Research Laboratory.



Captain Bill English, Alaska's first native commercial pilot.

At the age of 37, English went back to college, and eventually obtained a master's degree in business which he later found helpful while serving on Wien's board of directors for 15 years.

With his rich background in the airline industry in Alaska, Bill English has bridged the span as a second generation pilot from pioneer days of aviation to the present. In retirement, he will doubtless continue to face the years after 60 with the same high standards and positive outlook that he brought to his 37 years of aviation in Alaska.

Scholarship Established

The board of directors of "The Alaskans" of Santa Barbara, California has designated \$2,000 for a scholarship fund at Alaska Pacific University for Alaska-born students. Persons interested in adding to the fund may send contributions to Fred W. Hand Scholarship Fund, c/o The Alaskans, Box 3128, Santa Barbara, California 93105



Captain Bill English accompanies a Wien Airlines stewardess on the airplane's float in the Fairbanks Golden Days Parade in 1966.

Study Supports Pipelines

The conclusion of a 76-page, \$150,000 draft study on the various options of getting the vast treasure of natural gas in Alaska's arctic to market said that the state should let the market decide which of two multibillion-dollar gas pipelines can be built, because Alaska would benefit from either project.

About 26 trillion cubic feet of natural gas lie beneath Prudhoe Bay, representing about a fifth of U.S. reserves.

In January, a task force headed by former governors William A. Egan and Walter J. Hickel recommended a \$32 billion, 820-mile pipeline be built from Prudhoe Bay to tidewater on the Kenai Peninsula. Gas liquids could then be exported to Japan.

The draft study conducted by the state looked at the proposed Northwest Gas Pipeline and the in-state line as well as others. It concluded that either of the major projects would bring huge benefits to the state, creating thousands of construction jobs and giving the state treasury a big shot in the arm. Royalty returns would rise by \$220 million a year in 1982 dollars for the Alaska Highway project and \$356 million a year for the all-Alaska project.

The study found that the state should support spinoff gas projects for Fairbanks should either of the two major projects be built. Under one of the spinoff projects, Fairbanks would tap the major pipeline to get gas to produce electricity. In the other, methanol would be produced in the interior city by tapping into the pipeline.

Booz, Allen & Hamilton, authors of the study, recommended against con-



Construction of a gas pipeline across Alaska will result in thousands of new jobs for Alaskans. These pipeline welders "tied-in" the final weld for the Thompson Pass section of the oil pipeline in 1976.

structing a 480-mile small-diameter pipeline from the North Slope to Fairbanks for gas fired power production.

The study concluded that the Alaska Highway project involves the least legal and regulatory risks because it has political support and is nearer construction than the all-Alaska project.

"From the state's perspective,

there is no real difference between the two projects despite their significant differences," the study said. The state should back both projects, it continued. "The gas producers, end-use markets, financial community and federal government will be deciding factors as to which project, if any, will proceed, based upon economic and market considerations."

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Peninsula Sees A "Vintage Year"

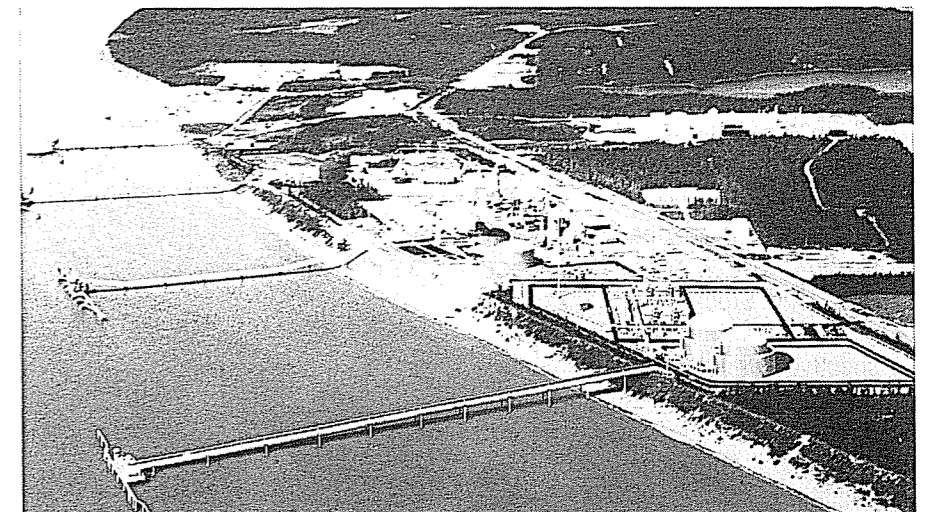
Despite the fact that there were no new industrial developments or expansions within the Kenai Peninsula Borough last year, 1982 was a "vintage year" for the peninsula, according to borough resource development director Frank McIlhargey.

Addressing the March 18 breakfast meeting of the Resource Development Council in Anchorage, McIlhargey highlighted the bright and dark spots of economic activities on the peninsula in 1982 and focused on the 1983 outlook. Carl Hille, Chairman of the Kenai Resource Development Commission and Sam Best, Administrative Assistant to the Mayor, also took part in the 60-minute presentation.

McIlhargey said one of the brightest points of the year was the record Cook Inlet salmon harvest which yielded \$35 million in payments to fishermen and \$20 million in wages to processing workers. Meanwhile, the oil industry on the Peninsula was still going strong after 25 years and showing signs of further expansion despite continuing decline in crude oil production from Swanson River and Cook Inlet fields.

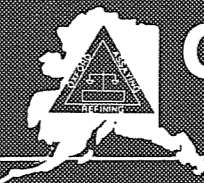
State funding was of major significance in public works construction and in reducing local taxes, said McIlhargey. Gross business receipts and taxable sales were up more than 10 percent to an estimated \$600 million and \$215 million respectively. Property values rose to over \$2.5 billion.

Similar to the rest of Alaska, peninsula population continued to increase in 1982, and major port and harbor developments were underway at Homer and Seward. Prospects for major coal development remained bright with Diamond Shamrock becoming active on leases in the Chuitna area on the West side of Cook Inlet and Sun Eel planning to develop its coal export operation at Seward, McIlhargey said.



The Kenai Peninsula is commonly referred to as the oil capital of Alaska.

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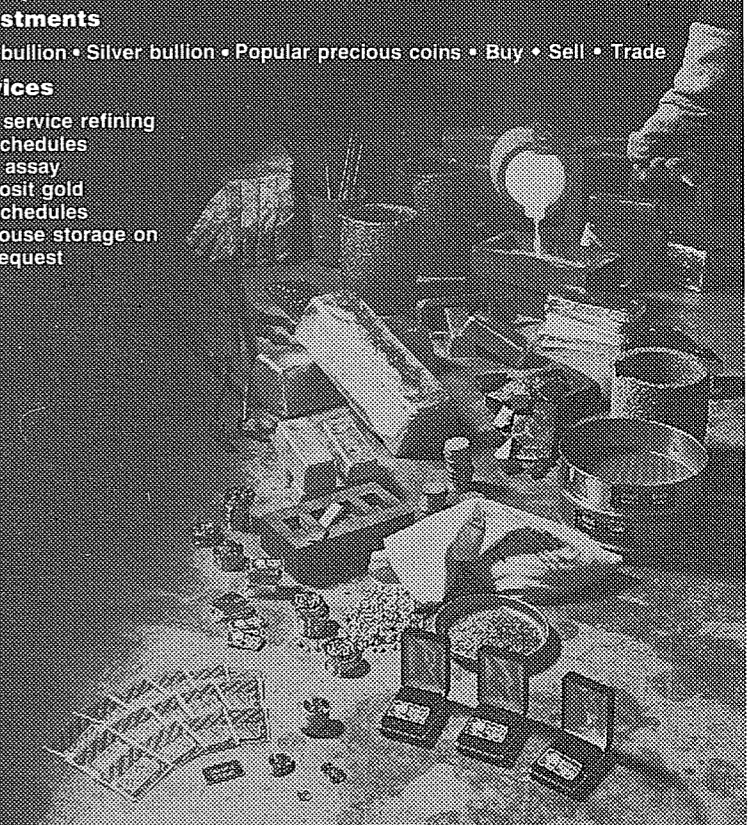
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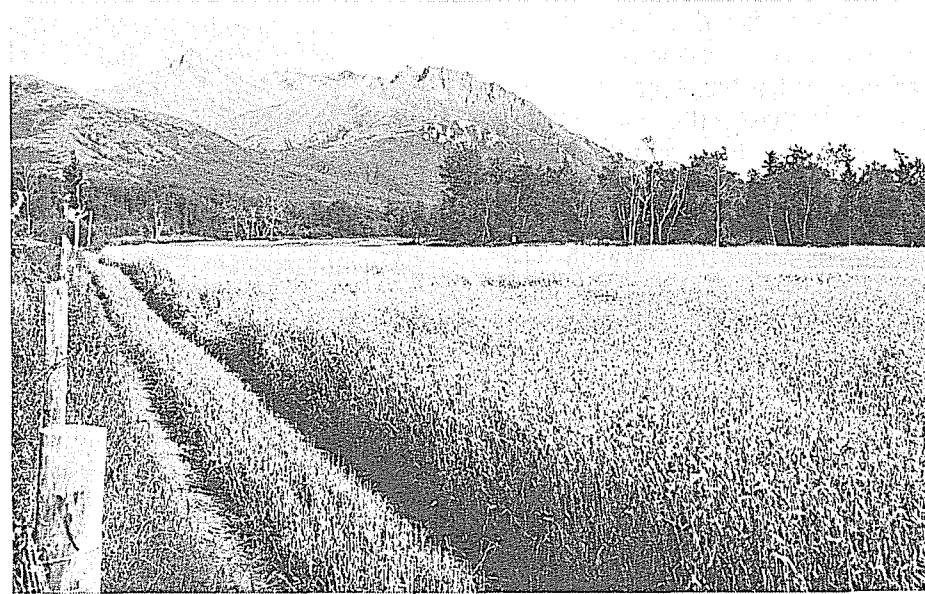
Council Forum Debates Agriculture

Two farmers insisted that agriculture is a feasible industry for Alaska while two critics warned that it's uneconomical in a debate sponsored by the Resource Development Council March 11 in Anchorage.

Kay Lasley, editor of Alaska Farm and Garden Magazine, and Pat Mulligan, President of Alaska Farmers and Stockgrowers Association, represented the farmers' perspective while Harold Pomeroy, economic analysis consultant, and Glenn Briggs, Eagle River businessman, presented opposite viewpoints.

Lasley told the audience that with continued state support, both small and commercial size farms would flourish in Alaska. The Delta Junction farmers pointed out that the state risk in agriculture has been minimal with 86 percent of the \$100 million investment being in loans that will be repaid.

Pomeroy maintained that the economics for large-scale farming do



The success of the state's modest but growing in-state market for barley is dependent on prices remaining competitive with supplies from outside Alaska.

not exist and that the state should not invest heavily in barley until markets such as in-state livestock and export are thoroughly tested. He said the success of the state's modest but growing in-state market for barley is

Pomeroy expressed caution in what many claim as Alaska having an export advantage over the West Coast because of the state's closer proximity to the orient. He said that high volume traffic both ways between the West Coast and the Far East results in lower transportation rates for barley than from Anchorage.

Mulligan pleaded for more state assistance in agriculture research, leading to a broader range of crops and farming stability. He said if farming is to succeed on a large scale, the farmer must have the ability to move grain along the railbelt to a grain terminal in Seward.

The state halted construction of the Seward grain terminal earlier this year, but recently the Agricultural Action Council decided to study the feasibility of completing certain portions of the terminal to aid in-state grain distribution.

Briggs was critical of the livestock loan award and said that all land clearing and state-funded infrastructure must stop until the recently appointed agricultural task force has a chance to review the projects.

There Is Another Side

by Cindy A Wilhelm

I have to chuckle a little to myself when I think of my college years in the late 70s/early 80s back in Minneapolis, Minnesota. It reminds me of my 60s counterpart in the hippies, flower children and anti-war crusaders. I was totally involved, hook, line and sinker, in the environmentalist keep-the-reins-tight-on-industry-and-development movement. Please, hold onto your tomatoes and jeers. I plead not guilty on the grounds of my inability to withstand what I now see as a subtle, well-orchestrated, manipulative, emotional brainwashing done by the environmentalist pushers.

Now, I **almost** feel ashamed when I think of the time, effort and zeal I put into manning the anti-Watt booth and collecting all those signatures. I was a total "anti-Watter." I was so thoroughly convinced of his ineptitude and lack of concern for the environment that I still today get a heave in my stomach when I think or hear his name. I never gave the man a chance. He had none with me. My emotions were already tightly strung to the tunes of wilderness preservation and anti-development.

I consider myself an above-average, intelligent human being. I have discovered, to my chagrin, that my intelligence had little bearing on my ability to see through and past the emotional strings pulled by the environmentalist. I tremendously enjoy and cherish nature. My canoeing experience in the Boundary Waters Canoe Area of northern Minnesota gave me a new identity and helped me to build my self-confidence. My love affair with nature will always be an important part of me.

I am greatly angered to find that people I believed in and trusted have **used** this deep, personal and spiritual part of me for their own selfish purpose by feeding me lies and bending the facts. They have taken our basic need to feel attached to the earth and have used it to their advantage. They have made fools of all of us who were unquestioningly taken in by them.

Nature gives us an inner feeling of peace, tranquility and wholeness. It gives us an identity much deeper and more meaningful to our soul than that we get anywhere else in our society, as it is irreplaceable by anything in our society. The environmentalist movement has skillfully manipulated these deep, strong and sometimes subtle feelings to charge up an army for whatever purpose, political, economic or otherwise, it needs power to accomplish.

I am glad that I am now having my eyes opened to the fact that there is another side. I am now pursuing what I hope is a straightforward complete examination of the **whole** story.

Recession Credited For Cleaner Air

According to environmental authorities, cleaner air has followed the recession into the nation's industrial centers.

"It's a mixed blessing. You can breathe cleaner air, but you might not eat this week," said Charles Legges, a section manager in the Cook County Department of Environmental Control. Legges said Chicago air has cleared significantly as the recession cut industrial activity.

In 1981, Legges recorded one of the cleanest years in sulfur and particulates in Chicago since 1954. "We enjoy reporting things like this, but not when it comes from something like this recession."

Similar air improvements are being recorded in Pittsburgh, Los Angeles, Detroit, Cleveland, Birmingham and Buffalo, especially in soot-like particulate and sulfur dioxide reductions.

In the South's major steel center, Birmingham, Alabama, the air is cleaner due in part to plant closings.

Dr. J. Gordon Edwards, an epidemiological advisor to RDC on various environmental issues, commented on the improvements in air quality. Edwards questioned the claims of increases in acid rain caused by increased industrial pollution. "The facts seem to belittle such claims," Edwards said.

Peninsula Development . . .

(Continued From Page 3)

"The 1983 outlook can generally be considered similar to the overall forecast for Alaska; pretty much on par with 1982," McIlhargey said.

Predictions are that construction will remain active due mostly to major publicly-funded school and community projects. Borough projects under contract will represent \$50 million with another \$35 million in state-funded public works. The housing and commercial construction sector appears strong with over 300 housing units set for this summer.

McIlhargey expects another good year for commercial fishermen while the oil industry's activities and employment maintains a steady level, despite a 12 percent decline in production from Swanson River and Cook Inlet fields.

North Slope royalty oil will assume a major role in sustaining and expanding peninsula processing industries in 1983, McIlhargey said. New state contracts will provide the 36 million barrels of Crude per year needed by peninsula refiners over the next ten to twelve years, McIlhargey said. He pointed out that Tesoro will spend another \$90 million to expand its plant, beginning this year. The construction force will peak at 250 and plant employment will increase by 20 to 30 new jobs.

Chuck Adams

— Consultant —

Financial Trade

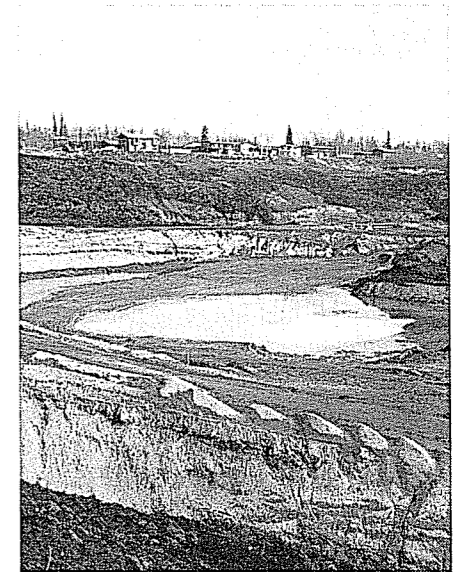
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In the not-too-distant future, homes will rise in these Sand Lake gravel pits in Southwest Anchorage.



Lang Addresses Sand Lake Problem

Herb Lang, President of Anchorage Sand & Gravel, told the Resource Development Council that the Planning and Zoning Commission is on the right track in resolving the Sand Lake gravel pit problem, but that individual cases need more consideration.

Addressing a standing-room only RDC breakfast crowd March 31, Lang said the market is being dislocated and really needs a year or so to adjust. As the Sand Lake pits close, he said other suppliers can and will take up the slack.

Since the early 1950s, the Sand Lake area has been a major source of fill for the Anchorage bowl. However, as the Cook Inlet city boomed into one of America's fastest growing metropolitan areas, the quality of Sand Lake gravel began to fall, and now sandy silt is the predominant remaining material.

Sand Lake pits have not only offered substantial quantities of quality gravel in Anchorage's backyard, they have also served as a major disposal site for peat in its mined-out properties. As a result, trucking has become economical with peat being hauled one way from a building site with fill material the other way.

"This situation does not exist any place else at the moment but Sand Lake, and that is why the shutdown has been so painful," Lang said. "To add to the pain, there are very few other sites that either can or will accept peat."

Lang said he looks at the Sand Lake gravel pits as a depleting resource nearing its end. "I believe that some material can be taken out yet, and some areas can be utilized for peat without damage to the after use which has been decreed residential."

Parts of the Sand Lake area and perhaps other locations in Anchorage should be zoned or otherwise made available for peat disposal, Lang suggested. "It would be a small price to pay to keep the cost of housing down."

Lang said the 1983 season is developing into a strong year with an estimated four million tons of gravel arriving via the Alaska Railroad. Another one million tons is expected to be hauled from the valley by truck while an unknown amount will be mined locally.

Lang said it appears that Sand Lake will contribute some materials to

the marketplace in 1983 and perhaps 1984, after which time mining would probably cease, and plans for residential development started. He said the time of actual construction would be governed by the availability of utilities.

The gravel needs of the Anchorage area will be met on an ever increasing basis by train, Lang stressed. "The Alaska Railroad, coupled with the loading and unloading stations, is far and away the most efficient means of bringing a resource of this type to market, and the quantities already committed make replacement by trucking almost impossible."

For instance, Lang explained that five train loads per day of 6,500 tons are now scheduled for 1983. In order to bring this quantity in by truck, it would require one 25-ton truck every minute night and day for the entire season.

In late March, Lang received the first shipment of 80 new 100-ton gravel hopper cars. "With equipment such as this, we think the construction supply industry can and will meet the required needs of Anchorage for the foreseeable future."

Alaska Exports — Tip of Iceberg

Approximately 30 percent of Alaska's manufacturing jobs are directly linked to exports, according to a study released by the U.S. International Trade Administration of the U.S. Department of Commerce.

Although this figure is partially the result of a low total for employment in the manufacturing sector, Alaska's export figures are impressive by almost any measure. However, the state's economy is dominated by economic activity associated with the export process, including problems of finding distant markets, ocean or air transport and high vulnerability to economies separate from its own.

Like export-oriented undeveloped countries, Alaska suffers from boom and bust economic cycles and "absentee" ownership of production, the report notes. Yet Alaska will continue to contribute significantly to the national export picture.

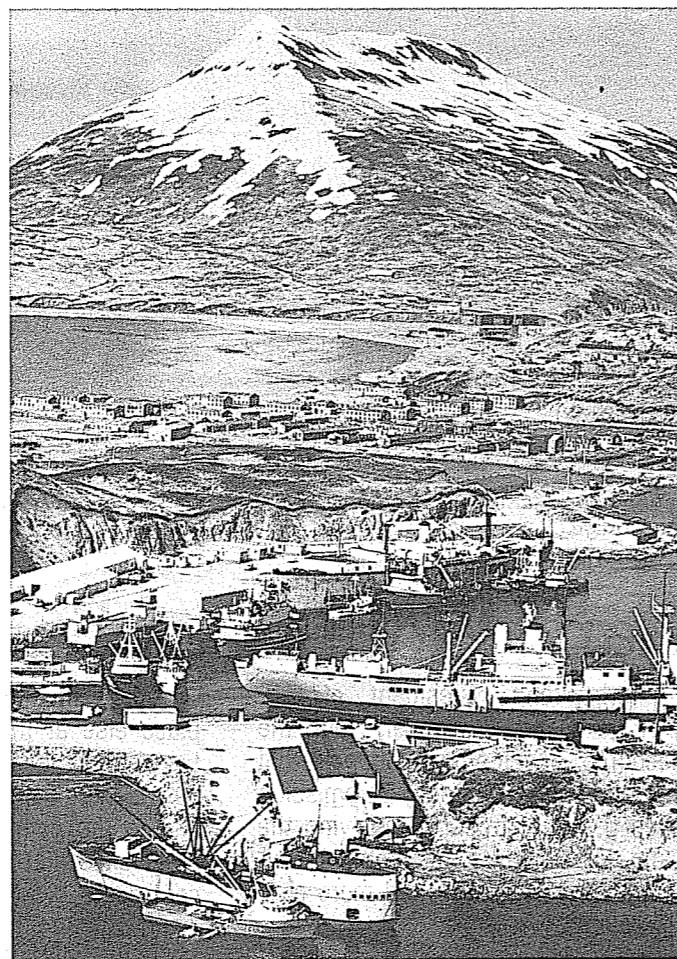
Statistics generated by the U.S. Customs Service shows that fish, timber and LNG are the leading exports from Alaskan ports to foreign destinations. These exports leave Alaska on dedicated ships bound for single foreign markets, usually Japan. Large bulk shipments of fish leave in season on charter flights.

The U.S. International Trade Administration reports that because there are no regular shipping lanes established between Alaska and foreign ports, many goods originating in Alaska are transshipped through other ports such as Seattle. The volume of these indirect exports is difficult to measure, but it is substantial.

For example, seafood exports from Alaska in 1981 totaled \$427.1 million of which \$148 million was for salmon. However, the 1981 statistics show a national salmon harvest of \$503 million, yet an estimated 85 percent of all salmon produced in the U.S. comes from Alaskan waters, thus salmon exports are substantially undercounted. With much of Alaska's seafood being taken to Seattle for processing and redistribution, exports of other species are also undercounted. The report states that total seafood exports of the state may be undercounted by as much as \$500 million.

Similar undercounting likely occurs for other products exported out of Alaska. Products shipped abroad from Alaska follow roughly the same course as seafood, south to Seattle and then to the foreign markets.

"It is clear that were Alaska a sovereign country, it would have a substantial balance of payments surplus," the study said. "As it is, Alaskans make a sizeable contribution to the nation's trade, both in the aggregate and on a per capita basis." Alaska's export share would be



Seafood exports from Alaska in 1981 totaled \$427 million of which \$148 million was for salmon.

substantially larger if the state's most valuable product, petroleum, were allowed to be exported.

Even without oil, the export prospects are bright in the coming years. Coal is rising as a major export and other mineral developments are "just around the corner," the report claims.

"North Slope natural gas must eventually go somewhere, and many hope it will light the lamps of Asia. As the state's ports and other transportation infrastructure improve, other products approach the margin of economic viability."

The report concluded that as Alaska's population increases, foreign suppliers will increasingly seek direct means to serve the market. Coupled with expanded variety and quantity of Alaskan products available for export, this will lead to direct shipping routes to Alaska. Easier access to Pacific Rim markets in turn will stimulate production of still more products for export.

"For a nation beset by growing readjustment pressures forced by changing world economies, Alaska is clearly a bright spot in a sometimes gloomy picture."