

At the Eye of the Storm:

James Watt And The Environmentalists . . .

Editor's Note: Ron Arnold's book is available at the RDC office for \$14.95. Call 278-9615 to order your copy or write RDC at Box 516, Anchorage, Alaska 99510. Be sure to add \$2.72 for priority mail or \$1.55 for book rate.

Artfully written and lavishly referenced, this remarkable book discusses the background, the experiences and personality of James G. Watt. It traces the tribulations faced by this Interior Secretary after he was recommended for the position he now holds.

Most readers, whose knowledge mirrors the stories contrived by the "news" media, will find surprises on nearly every page of the book. The author quotes friends and foes of Secretary Watt, carefully documenting every statement. He provides detailed background for incidents that have been significant in environmentalist efforts to unseat Watt and dictate policies to the Department of Interior personnel.

According to Mr. Arnold's documentation, it appears that the en-

vironmentalists and the news media have often misquoted Watt, and have nearly always distorted his positions on environmental matters. Included are verbatim sections of the testimony and speeches from which many of those distortions were derived, so readers can compare Watt's actual words with some of the remarkable allegations that have been fabricated by his detractors.

Despite the venomous anti-Watt propaganda, however, the Gallup Poll (June 1981) reported that more than 70 percent of the American people endorsed Watt's basic policies and philosophies, more than 70 percent favor more offshore oil drilling on both coasts and more than 76 percent favor increasing oil exploration and other commercial explorations and uses of federal lands.

Arnold declares in his book that Watt restored common sense management to all public lands, began the restoration of the National Parks and guided the country towards energy self-sufficiency, protecting wilderness areas yet providing for the availability of natural resources in the event of great future needs.

Watt doubled Carter's funding for National Park restoration, he formulated a land protection policy to reduce unjust condemnation methods, and finalized the purchase of 24,349 acres of wetland habitat for migratory birds. He began acquisition of two new National Wildlife Refuges, he initiated recovery plans for 168 endangered species, he uncovered a multi-million dollar black market in endangered reptiles, protected humpback whales in Alaska and engaged in many other wildlife actions.

By J. Gordon Edwards, PhD (Edited for space.)

Alaska, California . . .

(Continued from Page 7)

For the past eight years, Alaska and California have shared a more dubious bond. They have chaffed at the restraints of no-growth administration under which these two giants could not fully realize their potential for growth and economic betterment.

The preservationist policies of the two administrations have prevailed while the people of each state suffered rising unemployment and economic decline. Opportunities for sensible management and development of needed resources have been stifled to the detriment of most in favor of a vocal minority who ardently oppose any form of economic development. Many have experienced financial disaster from the governmental bias of administrations favoring those who would lock up our resources and deny their use for the good of our people.

It appears another common bond is now developing between the two states as each have elected a governor who espouses economic development and returning to sensible ad-

ministration, concerned with the good of all citizens — not just the most vocal.

Both Governor Sheffield and Governor Deukmejian of California have taken steps to curb governmental excesses and exercise restraint. A commitment has been made by each to promote development and change policies which work to the detriment of their states' residents.

In reviewing the state of the state addresses of both governors, one becomes excited at the promising future that both offer. Much is to be gained by each state and the nation if they share ideas and commitments.

For example, Governor Deukmejian proposed to reduce this Energy Commission by 40 percent and his controversial Coastal Commission by 33 percent. He also stated his administration "would not impose impossible or foolish standards" on farmers and that state government "should get out of the way of this most productive industry and give them freedom . . ." Certainly much could be gained by our state if such an attitude prevailed toward our own industries.

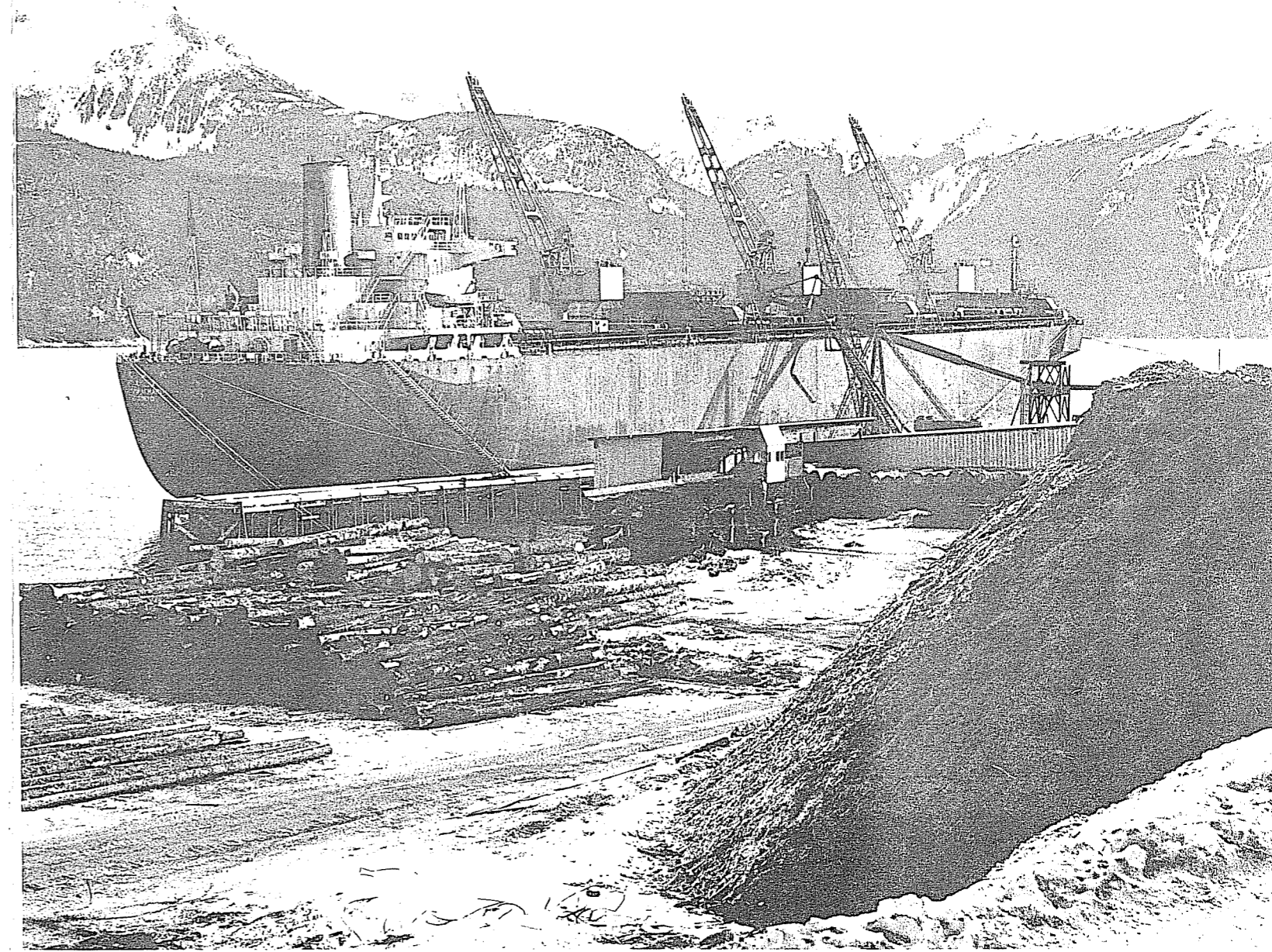
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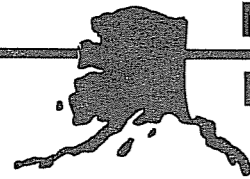
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Resource Review

February 1983





Message From The Executive Director

By Paula P. Easley

1983 Action Plan

It took days of preparation and a marathon session by the RDC Executive Committee to streamline and adopt it, but we now have a 1983 Action Plan!

The 1983 Action Plan was designed to identify the specific goals, objectives and RDC actions to be undertaken during the year. With it are descriptions of projects and activities necessary to accomplish the Council's objectives.

Simply stated, RDC's goal is this: **To influence decisions and policies affecting Alaska's future development and to achieve a sound, diversified private-sector economic base for Alaska.**

To accomplish that goal, five objectives were identified:

- (1) **Devise** for submission to the state administration and legislature **an economic development policy** for Alaska by April 30, 1983.
- (2) **Help establish a predictable, healthy business climate** to enhance Alaska's standing and reputation as a preferred place to live, invest and do business.
- (3) **Develop educational and research programs** to achieve public support for removing barriers that inhibit investments in Alaska's economy.
- (4) **Promote capital investments in selected infrastructure projects** designed to access and transport natural resources.
- (5) Promote the **transfer** of significant amounts of **federal and state lands to individual private ownership.**

It's not possible to describe projects and activities under way to achieve these objectives in the space our editor gives me, but the plan is yours for the asking. All I can say is that it is a huge undertaking — one that will require a fresh dedication of effort by all our members and staff.

RDC has retained lobbyist David Gray to monitor legislative activities for us in Juneau. When

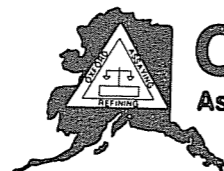
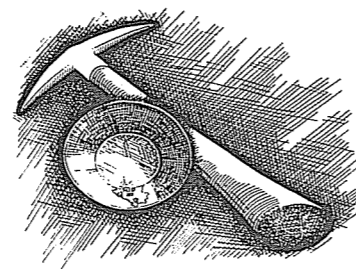
testimonies are needed, many of you will be asked to share your expertise at important committee hearings in Juneau, and we'll help all we can to keep you on top of the issues.

One last note, but an important one. Two good members have been directed to cut back their investments in Alaskan organizations such as RDC because their activities in Alaska have not met corporate expectations. At the same time operating costs are increasing, from equipment maintenance costs to meeting expenses and costs of communicating with our members.

Please consider **at least** a 10 percent increase in your 1983 dues to cover these increases and allow us to undertake the additional activities you've identified as crucial to our concerns.

(P.S. Are you promoting our February 16-17 International Conference on Coal, Minerals and Petroleum???)

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Alaska's Potential RDC Names Deputy Director

(Continued from Page 6)

lot of people don't want it. We need to change the thinking on that issue or we'll be talking "potential" for a long time.

I have two other things I'd like to mention; the first relates to formation of public policy, frequently influenced by environmentalists taking great advantage of fear of the unknown.

When talking about offshore oil exploration or nuclear energy, only "worst case" scenarios of accidents are ever cited — the one in a million or one in a billion chance for disaster. Headline stories about this seldom give examples of the worst case scenarios of life without nuclear or the risks of another oil embargo. It would be interesting to calculate the worst case impact of a complete cutoff of foreign oil, wouldn't it?

My reason for mentioning this is that public policy has for some time been based on worst case scenarios, which often has resulted in what some people really want, a no-risk society with zero energy, zero growth and zero jobs. We need to change this.

The other item we need to concentrate on is the matter of population growth. Alaskans want prosperity and a decent quality of life, but they don't want more people, and that's unrealistic.

Economic development is going to bring more people. Our challenge, then, is to emphasize the tremendous advantages new people bring to our state, whether it be in the medical profession, the arts, shopping, sports, our cost of living or whatever. With a talented, well-educated, active population, there is no limit to what our quality of life can be, and somehow we need to get this message across.

As I said, maybe Alaska's potential will be realized — if we all work at it.

James R. Jinks has been named Deputy Director of the Resource Development Council. The appointment, along with the selection of Michael K. Abbott as Financial Development Director, was announced recently by RDC president Mano Frey.

Jinks, who succeeds former legislator Joyce Munson in the position, expressed "great excitement at having the opportunity to work in a position so vitally concerned with the economic diversification of Alaska."

A 1964 graduate of West Point, Jinks recently retired from the U.S. Army as a Lt. Colonel. He has extensive experience in management, planning, policy development, advertising, public relations and personnel administration. He is a member of the boards of directors for Boys Club of Alaska and Alaska Children Services.

Jinks is a six-year resident of Alaska, currently residing with his family in Birchwood.

Abbott's responsibilities will focus on establishing a financial develop-



Deputy director James Jinks, right, and financial development director Mike Abbott, left.

ment arm for the non-profit Resource Development Council. He is a 1982 political science and history graduate of Claremont McKenna College of Claremont, California.

Prior to joining RDC, Abbott worked as Congressman Don Young's campaign coordinator where his responsibilities included fund raising and office management. Abbott also has previous legislative experience in the Congressman's Washington D.C. office.

Alaska Shares Similarities With California in Many Ways

By James R. Jinks
Deputy Director

Historically, Alaska and California share many common social and economic bonds. Both owe much of their social and economic development to mineral exploration and production.

Gold brought large numbers of people to both states. Most left when the gold was gone, but enough people stayed to make homes and develop the land.

Later, as fisheries developed to feed a growing population, both states provided much of the world's seafood supply.

The most significant petroleum discoveries in recent decades have been found in the coastal waters of the two states. The agriculture capacity of California has met much of the nation's needs for farm products and many believe Alaska can greatly increase its farm production to help feed the world.

Forest and parks cover large areas of both states and together they have more coast line than the rest of the nation combined. Each state holds a deep concern for coastal management and development.

(Continued on Page 8)

Will Alaska's Potential Be Realized?

Editor's Note: The following is an address given by Mano Frey, President of the Resource Development Council, on December 11 to a Common Sense for Alaska forum.



Mano Frey,
President,
Resource
Development
Council.

To the question "Will Alaska's Potential be Realized?," the most correct answer is "Maybe."

From what we've heard today, and with the optimism brought in by the new state administration, I think it's safe to say the political climate in our state is changing . . . for the better.

With that positive note must come a negative: We must never put it out of our minds that there are a lot of people out there who prefer to see our state's potential remain just that, "potential."

We can't just wish that the conflict between those who support progress and those who don't will go away. It won't. We need first of all to realize that environmentalism, for want of a better word, is with us to stay. We can no longer close the door and say, "this project is none of their business." They have made it their business and they, not the producers of resources, have the laws on their side, plus a substantial measure of public opinion.

It is easy to view all environmentalists as "obstructionist enemies" because many of them are. Yet there are some who honestly seek to employ science and technology to the important matter of enhancing the environment as a part of industrial progress.

If Alaska's development potential is ever to be realized, we need to learn who these people are and start communicating with them. And they need to understand that obstruc-

tionism for its own sake or for reasons having no relation to protecting the environment will no longer be tolerated. Environmentalists must begin proposing solutions and economic alternatives if they disagree with the things we support; we haven't had that in the past.

If this present optimism is to become reality, there are several things we must do:

(1) Recognizing that we cannot match the no-growthers in emotionalism, our only course of action is to give people more and more facts and win them over with reason. Ecologists can be brought in early in the discussion stage of projects and their concerns carefully considered. These concerns can then be dealt with publicly in a way that is less adversarial in nature.

(2) It is critical that we mobilize support for development policies and projects from every part of the state. There are many times we can help each other. Too often a community or project lacks the clout it needs to get something accomplished; they need our help. Incidentally, mobilizing that support is a major function of the Resource Development Council.

(3) We need to build strong coalitions to support our projects. There is no need for members of the coalition to agree on anything but the issue at

hand, and the more diverse the coalitions are, the more successful they can be. There is strength in numbers.

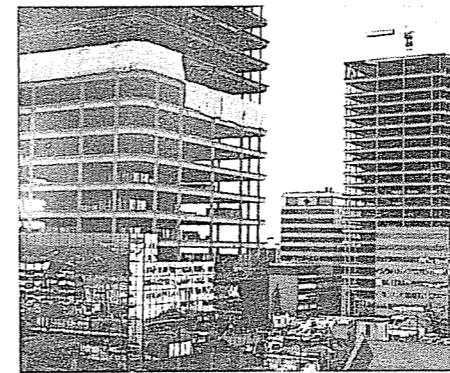
(4) Industry — and by that I mean practically the entire private sector — needs to start telling the public about the many good things it does. When a company lays off employees, that makes headlines. We need the same kind of headlines when a firm adds new employees, installs a new pollution control device, improves safety programs, gets involved in community activities — anything that enhances its image. That means tooting your own horn. It's important that you do.

(5) Business firms need to appoint people whose job it is to research environmental and social issues so that when press inquiries are received, they can respond. Those same people can be the company delegates for working with environmental groups. RDC can help you research any of these issues.

(6) And, of course, we need to be active at the legislative level, giving good counsel to legislators who value our research, experience and knowledge.

The battles for Susitna, the Alaska Railroad, coal development, hardrock mining — you name it — are just really beginning. While we can see, for example, the rationale for extending the Alaska Railroad to support the expansion of the industries we've heard about today, just wait 'til we try it! Or, wait 'til the public hearings on a right-of-way permit through a national monument! Or, heaven forbid, construction of a road from any "Point A" to any "Point B" in the state.

No other state is in the position we find ourselves today. Their transportation networks were in place long before the move to develop resources. But we don't have the network and a



Dividend funds could better be used for capital investments that would encourage private sector growth, resulting in permanent new jobs.

Sheffield's Fund Proposal Gains RDC Support

The Resource Development Council, Inc., has expressed strong support for Governor Bill Sheffield's plan to do away with Permanent Fund dividends.

In a telegram to the governor, the Council explained that at its 1982 Annual Meeting, the 78-member Board of Directors voted unanimously to work for repeal of the law granting dividends to individuals. That action was reaffirmed at a January 4, 1983 day-long work session to establish the Council's 1983 Action Plan.

RDC's executive director Paula Easley said the Council's position on the permanent fund dividends was reached "because it was believed those funds could better be used for productive capital investments that would encourage private-sector growth, resulting in the creation of a wide-range of permanent jobs in various industries."

The Council pledged assistance of its 10,000 members in generating support for the Sheffield proposal that would result in redirection of permanent fund spending. Easley said, "Even though we know it will be a sacrifice for individuals who would like to have the money, the far-reaching benefits of lasting improvements to Alaska and strengthening our image outside the state will be more rewarding."

RDC Charges Sierra Club Members with 'Topfiling' On Holbrook Mining Claims

The attorney and members of the Sierra Club, Knik Chapter, have resorted to topfiling to stop a mining project in Alaska, the Resource Development Council has charged.

The charge relates to gold miner Clyde Holbrook's attempts to build an access road to his placer claims on Crescent Creek in the Chugach National Forest.

Lawyer Geoffrey Parker, on behalf of the Sierra Club, filed strenuous opposition to the access road in November 1982 on grounds, among many, that the claim had no valuable mineral deposit. Sierra's appeal asserted that mining claims in the Crescent Creek area of the Chugach Forest were invalid and out of order because the RARE II environmental impact statement classified the land as a "further planning area" not open to staking of claims.

The Resource Development Council in December requested the Pacific Legal Foundation to represent it in defense of Mr. Holbrook's rights to his mining claims.

An investigation into the facts of the case revealed that Sierra Club attorney Geoffrey Parker, joined by attorney Thomas Meacham and other claimants Eric Smith, Sally Kabish and Toni B. London, (all who gave their address as 545 E. Fourth Avenue, Anchorage — the Sierra Club address —) on November 20, 1982, themselves filed two placer mining locations on the identical ground already owned by Holbrook, using Holbrook's very stakes and monuments.

RDC said that on the same day the Forest Service received the Sierra Club's appeal from its decision to permit construction of the road to Holbrook's claim, the claimants filed location notices on their own behalf on the Holbrook claims with the Bureau of Land Management. The Council says these were illegal filings, because by Sierra's own admission, physical posting did not take place until four days after the initial date of filing.

The Resource Development Council's executive director Paula Easley said she was "shocked that the Sierra Club members would resort to such tactics, especially in view of the fact that Sierra has repeatedly stated in formal representations to the U.S. Forest Service that the land in question could not be 'located' under the mining law."

Charles F. "Chuck" Herbert of the Council's Executive Committee said the Sierra Club has done everything conceivable to squelch Mr. Holbrook's mining claims because it opposes mining. Apparently the Sierra Club members do not feel they are bound by the same statute which would allow gold miner Holbrook to realize the fruits of his labor, he said.

Herbert said that "in light of Sierra's anti-mining stance, the RDC seriously questions its good faith in topfiling these claims. The mining law is clear that mining locations can be staked **only for mining purposes**. The Sierra Club seeks to hold others to the letter of the law in order to stop development, but they themselves have treated the law as a plaything, not binding upon them."

The Council has charged that, unless they honestly intended to mine the property, the attorneys' action really constituted a misrepresentation in the public records of Alaska, as Alaska attorneys are specifically prohibited from engaging in conduct involving misrepresentation under the lawyers' Code of Ethics.

Susitna Ad Campaign Sparks Negative Reaction

The Resource Development Council has asked that its name be removed from any further distribution of a special newspaper supplement and a full-page ad supporting the Susitna hydroelectric project because both contained extremely detrimental statements relating to development and use of coal in Alaska.

According to RDC executive director Paula Easley, the Council agreed to participate in the multi-group public relations effort on behalf of the Susitna project with the "precise understanding that we would give editorial approval to any published material before allowing our name to be associated with it."

RDC was not given the opportunity to review either publication and was not aware the material had even been prepared until the articles appeared.

"We do not believe this was intentional by any means but rather resulted from the Anchorage Chamber Energy Committee's enthusiasm for getting the material out to the public," said Easley. "The fact remains that the material contained erroneous, misleading information about coal."

Several other sponsors of the articles have also asked their names to be withdrawn.

10,000 Sign Fairbanks Gas Petition

Over 10,000 signatures have been gathered by the Interior Action Committee on its petition supporting in-state use of North Slope gas and construction of a gas pipeline to Fairbanks.

Endorsements from civic, labor and business groups have been gathered as well, according to John Carlson, chairman of the committee.

Based on 1982 dollars, construction costs of a gas line from Prudhoe Bay to Fairbanks would range from \$2.4 million per mile for an 18-inch line to \$16 million per mile for a 48-inch line to the Canadian border.

The petitions will be forwarded along with additional information to the governor and Legislature.

Development--Environmental Compromise -- The Alaska Chilkat Bald Eagle Preserve

According to Haines Mayor John Halliwill, "nothing is simple, nothing comes easy, but with people working together and planning for the future in a positive manner, we will succeed as will Alaska."

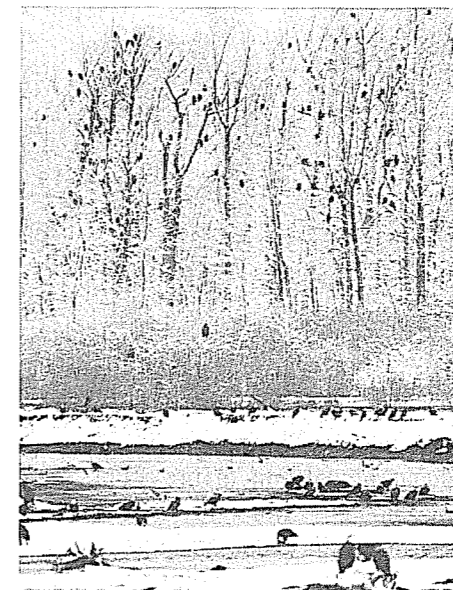
Speaking at a mid-January RDC breakfast meeting in Anchorage, Halliwill detailed how a community working together can overcome environmental obstacles to arrive at a compromise for further development.

At issue was the Alaska Chilkat Bald Eagle Preserve, established last year after a bitter fight with environmentalists gave way to an acceptable compromise, resulting in the lifting of a moratorium on development in the Chilkat Valley.

Halliwill praised RDC for spearheading a speedy resolution to the problem. The Council was involved with the issue for several years, coordinating a statewide lobbying campaign, providing expertise in formulating a workable land use plan, testifying at public and legislative hearings and sponsoring public forums featuring international experts on eagle behavior.

Halliwill said the controversy over the creation of the world's largest eagle preserve began in 1977 when the Alaska Legislature authorized the State Division of Land and Water Management to negotiate timber sales on state lands where there was an existing mill, high unemployment and an under-utilized forest. Haines qualified on all counts with an unemployment rate of over 50 percent!

The Haines/Skagway Land Use Plan was drafted shortly afterwards by the Department of Natural Resources, but the people of Haines were "outraged" as the plan, Halliwill said, "had everything in it except land we needed for an economic future."



The Alaska Chilkat Bald Eagle Preserve, 22 miles from Haines.

Various organizations, including local chapters of the American Legion, Chamber of Commerce, Alaska Visitors Association, Alaska Miners Association, Alaska Loggers, Audubon Society, Schnabel Lumber Company and Klukwan Indian Village, joined together to form the Haines Coalition and forge a new plan. Intense negotiations took place for nearly a year before a compromise was reached between the community and local environmental organizations.

However, the Southeast Alaska Conservation Council, backed by the California Sierra Clubs, filed suit. But the court ruled in favor of Schnabel Lumber company, the state and Haines and assessed the Sierra Club \$25,000 in court costs. (The \$25,000 remains unpaid!)

Meanwhile, other actions were also taking place in the Chilkat Valley, Halliwill told the RDC audience.

Legislation was introduced into the D-2 lands bill to annex all the Chilkat Valley into the Glacier Bay National Monument.

Halliwill said local leaders were forced to travel to Washington, D.C. to negotiate a compromise between traditional development opportunities and the bald eagle habitat.

"Those who have lived and worked in Haines knew that a \$2 bounty paid on eagles up to 1959 didn't run them off, neither would logging or mining; or other developments," Halliwill stated.

A three-year study had begun in 1978 by Audubon to research effects on eagles as a result of development. Halliwill said local residents wanted the study to also include fisheries, mining, goats, moose and recreation. Meanwhile, a moratorium against development in the valley was having a dramatic effect on the cost of logging and on future mining development.

"The people of Haines, this time led by the city of Haines, marched to Juneau and presented a local plan which is now known as the Alaska Chilkat Bald Eagle Preserve and the Haines State Forest Resources Management Area," Halliwill revealed.

This legislation included 49,000 acres of eagle preserve and 166,000 acres of multiple use forested lands where reasonable access was provided for traditional uses, including woodcutting, trapping, hunting, fishing, subsistence, recreation, boating and mine tailing areas.

"Much of the credit goes to the Audubon Society whose full cooperation during the study was appreciated by all of us involved," Halliwill said. "After three years of study, their findings, indicated that the only thing that would greatly impact this bald eagle phenomenon would be the drastic reduction in feed stocks from the spawned out salmon."

Watt Cites Progress Over Past Two Years

Secretary of the Interior James G. Watt reported last month that the Reagan Administration's natural resource policies are heightening the quality of America's environment and freeing the energy resources necessary to America's growth.

Watt said that the national parks, wildlife refuges, coastal barriers, wetlands, national forests and other public lands are managed better today than they were two years ago.

"Our emphasis on managing wisely **what we already have** has enhanced the quality of our public lands and unlocked for orderly development many of the mineral resources crucial to our Nation's economic and military security," Watt said. "We can both protect our environment and develop the energy resources needed for a strong America."

Watt pointed out that the Interior Department is now aggressively pursuing programs to protect our coastal barriers. Advice and assistance has been solicited from the private sector in procuring wetland habitat for migratory birds and programs have been implemented to manage public land more efficiently.



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