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A WILDERNESS OF REGS AND RULES

The July 10 Oil & Gas Journal reports the Rocky Mountain Oil & Gas Association and four other trade groups have attacked Bureau of Land Management guidelines and procedures for determining which BLM-controlled lands will be designated "wilderness" and what activities will be permitted thereon. In a letter to Interior Solicitor Leo Krulitz the associations asked the question that OMAR, the Nevada Mining Association and others have been unable to get answered - what constitutes a "road"? Krulitz was asked to review other terms and phrases critical to the wilderness survey.

According to OGJ, the trade associations contend some of the solicitor's opinions are incorrect and "ignore certain critical policies and requirements of the Wilderness Act the Mineral Leasing Act of 1920, the 1970 Mining & Minerals Policy Act and the Federal Land Policy and Management Act," and "appear to be justification for narrow preservation-oriented policies, previously arrived at, rather than accurate analyses of relevant law." OMAR has analyzed the federal legislation cited and agrees wholeheartedly with the trade associations' charges. Copies of the acts and related material are available for your review at OMAR, 627 West Third, Anchorage. Also, please refer to Resource Review (March 1978).

ALBERTA'S BONUS BABY: NEW GAS SUPPLIES

It wasn't long ago that Canada's National Energy Board projected a shortfall in domestic natural gas supplies by the early 1980's. Supplies to the U.S. were cut and prices raised as a result.

Now in 1978 the situation is reversed. Vast quantities of new gas, primarily in Alberta, are said to be sufficient to meet all of Canada's domestic needs and still allow trillions upon trillions to be exported, thus offsetting Canada's $4 billion trade deficit for imported oil.

The Alberta Energy Resources Conservation Board estimates it could export an additional 14 trillion cubic feet over the next four years and, if higher industry estimates are correct, another 12 tcf could be exported in the 1980's. The National Energy Board will hold gas supply and demand hearings this fall beginning October 11 in Calgary to get to the bottom of the story.

Pan Alberta's application is expected to go before the NEB this fall as well. That project would tie in with pre-building the southern portion of the Northwest Alaskan Pipeline taking 1.04 bcf/d to the U.S.

Petro-Canada and Alberta Gas Trunk Line want to ship Arctic gas as LNG to Eastern Canada and the U.S. These same companies are partners in the Q & M line to the Maritimes which would supply more gas to the U.S. east coast. TransCanada Pipelines may also export gas from Alberta to the U.S.

Unless the export applications are approved and companies able to sell the gas already discovered, there will be little motivation or money for new exploration, so industry agrees to the urgency of new export contracts.

Industry also wants to conclude the sales before the U.S. gets too involved with short-term deals south of the border where Mexico's Pemex is increasing production for export.

The effect of unlimited imports to the U.S. on its energy policies remains to be seen.
NICE PEOPLE!

REVIEW FROM TAXES AND INFLATION?

"Taxpayers are waking up from their eternal tax nightmare. The American people want government off their backs and out of their pockets," Kansas senator Bob Dole told a State Republican Convention in Vancouver, Washington. "They want increased income, lower taxes and a lower rate of inflation."

One proposal before Congress, the Kemp-Roth bill, addresses taxes and inflation. It would provide across-the-board tax cuts "to help restore incentive to every taxpayer in the American economy, to bring about job creation and economic growth - and without inflation," according to one of the bill's sponsors, Rep. Jack Kemp of New York.

The proposal would reduce individual tax rates by 10 percent for three consecutive years and lower corporate rates from 46 percent to 45 percent. The surtax exemption for small businesses would be raised from $50,000 to $100,000, thus generating capital in that area.

 Asked in a U.S. News & World Report interview (July 3, 1978) if Kemp felt the current tax revolt was restricted to property taxes, Kemp said the revolt was against all taxes, "but it is directed more at the rise in taxes arising from inflation - moving property and incomes into higher and higher tax brackets."

Kemp said the plan, in addition to increasing output of the economy and jobs, would produce tax revenues instead of consuming them. "It worked in this country in the 1920s; it worked in England in the 1950s; it worked in Germany and Japan after World War II, and it can work again today."

In his presentation, Rep. Don Young are co-sponsors of the Kemp-Roth bill. Sen. Gavel supports other legislation that would exempt 25% of Alaskans' income from federal taxes.

Another method of dealing with high taxes is " indexing." The Alaska delegation, Kemp, Roth and a host of co-sponsors support legislation that would lift dollar limits of income tax brackets, deductions and exemptions to annual levels of inflation. A 10% inflation rate would result in a 10% upward adjustment of tax brackets.

Canada does this with the result that people receiving pay raises are not shocked to find their net incomes reduced because they were paying higher tax brackets; the tax brackets move accordingly.

Taxpayers are accustomed to the situation of rising incomes, these increases are tied to higher tax rates leading to stiff state tax payments. Add to that the high cost of living throughout the state and it is easy to see why Alaskans feel unfairly treated and desperate for relief.

Milton Friedman, Nobel Laureate in Economics, in a letter to the Summer 1978 issue of Policy Review, looks at Proposition 13-type efforts to limit government spending. Friedman says we should limit government spending. We the people should decide how much we are willing to pay for government - then it is up to our elected representatives to face the difficult task of dividing the budget among competing proposals.

"The problem was the Baker Lake community's request for a study of environmental impacts of industrial activity in the area. The Indians and the Northern Affairs Minister put on a freeze on land use permits in the area during the study which concluded one year later, that "carefully managed industrial activity had little effect on the wildlife." The result?

Government's solution was to then restrict exploration in the area to the point where it will "be next to impossible for any companies to operate and completely impossible for some others." Both the mining companies and Baker Lake residents were furious, especially since they proselyzed they just wanted development "held off until the land claims are settled and they are presumably in a better position to take advantage of that development."

A similar study conducted by Canadian naturalist Angus Gavin entitled "Caribou Migrations and Patterns, Prudhoe Bay Region, Alaska's North Slope, 1969-77", was done to learn what effect Prudhoe Bay oil development may have had on caribou movements and use at Prudhoe Bay.

The ARCO-commissioned study included yearly and seasonal surveys in the Colville Canning river area and from the Brooks range to the Beaufort Sea. Sue Lewis in the Fairbanks News Miner (June 28) reported on Gavin's findings. He noted that changes had occurred but "so far these changes have not unduly disrupted the movements or upset to any extent the well being of caribou."

While the News agreed the federal government should protect the environment from the ravages of uncontrolled exploitation, it also recognized the need for protecting the public interest with "a large dose of common sense."

"Right now total government spending - state, federal and local - amounts to 40% of the national income. That means that out of every dollar anybody makes or gets, forty cents is being spent for him by the bureaucrats whom he has, through his voting behavior, elected to govern on that percentage. The screws will be put on."

Friedman also supports the Kemp-Roth measures because he believes any form of tax reduction must eventually bring pressure to bear to cut spending. "This is like being spent for him by the bureaucrats whom he has, through his voting behavior, elected to govern on that percentage. The screws will be put on."

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MARK LEWIS, Acting City Manager of Valdez, is in the process of talking with engineering firms to discuss plans for a deep water port facility for Valdez. The firm's will submit cost estimates, review existing studies and develop a schedule for construction.

OMAR executive committee member Bud Dyne and Executive Director Paula Edes discussed the port plans with officials in Valdez recently and were told construction could begin in two years.

Transportation consultant David Stevenson of Schomake, Stevenson and Associates, San Francisco, advisor to the City of Valdez on port matters, spoke to the Fairbanks Chamber of Commerce in mid-July saying that Fairbanks promote use of the port to guarantee its feasibility. Stevenson said freight services to the Interior would be improved and freight costs reduced through utilization of the year-round ice free port.

SPEAK UP ON RARE II

Public comment will be received at U.S. Forest Service offices until October 1 on its recently-drafted Draft Environmental Statement on roadless areas proposed for wilderness classification. Sixty-two million acres of multiple-use Forest Service land are at stake, most of which are in the states of Alaska, Utah, Wyoming, Montana and Idaho.

We like the "open house for public comment" approach offered by the Forest Service as opposed to the usual scheduled public hearing which meets so few public needs. This arrangement allows you to pick up the DES, study it, ask questions and submit a more valuable statement of concerns. The input of OMAR members statewide is needed!
SUPPORT YOUR
MATANUSKA
VALLEY
FARMERS

Everything from veal to broccoli is now being produced by Matanuska Valley farmers for both wholesale and retail customers throughout the state. Customers can pick up Totem eggs that come from the Valley at local Anchorage supermarkets or they can dig their own potatoes at the Mielke farm. Vegetable stands along the Parks and Wasilla Highways make Mat Valley produce available to the public. Those farmers who do sell to the general public include: Royce and Juanita Gurd sell live and butchered pigs at their farm located 21/2 miles outside of Wasilla on the Knik-Gooseby Rd. "Come out any time" says Royce Gurd.

Ben VanderWiele sells produce at the Red Barn produce stand at Mile 31/2 on the Parks Highway. The stand is open 10 to 8 daily. Right now they have a good supply of locally grown lettuce, turnips, radishes, Swiss chard, beets and broccoli.

The Bob Mielke farm will be open to the public for "you-pick" after the first week of August. They will have potatoes, peas, cauliflower, carrots and broccoli in the fields ready to be harvested and taken home by the public. They will be open Friday, Saturday and Sunday from 9 to 6 and are located at Mile 2, Old Wasilla Highway.

Kircher Farms offers a variety of locally grown produce at their roadside stand located 1 mile north of Four Corners on the Palmer/Wasilla Highways. They are open "almost always" according to the Kirchers.

A drive up to the Matanuska Valley not only nets some of the best tasting and freshest produce but helps support a truly "local industry."

LABELS

is OMAR a "special interest group" or a "public interest group." The labeling can get confusing - after all, doesn't a group that promotes a sane, progressive approach to growth represent the interests of the vast majority of the public? On the other hand, a group that calls for extreme measures to stop all growth and development represents a fairly narrow and "specialized" point of view, in our opinion.

David Rockefeller, in a column addressing this subject in the July 9 Anchorage Times, said "American business leaders are taking note of this dilemma and are doing something about it. For lobbying or petitioning the government not only is it a First Amendment right but a first-order responsibility...Corporate citizens, as leading employers, builders and producers, have a clear right and responsibility to promote their interests."

THE RAILROAD
AND RESOURCE
DEVELOPMENT

William F. Coghill, plans officer for the Alaska Railroad, told OMAR recently that the railroad was "underutilized" with little outlook for immediate change. Coghill said all transportation modes would grow and improve when resources were developed. "We will continue to need a combination of modes to get our resources to market."

He predicted the railroad would play an increased role as natural resource development becomes more economic. He said, "We know we are 'transportation poor'...Corporate citizens, as leading employers, builders and producers, have a clear right and responsibility to promote their interests."

The Alaska Railroad has used half the 1,000 miles of right of way granted by the federal government in 1914. Since it was built in 1923 only fifty miles of track have been added.

Resource areas which Coghill deemed probable for rail expansion and service were coal, petroleum feedstocks and products, forest products and ores such as copper, lead and zinc. He said, "What we need is a commitment - then we can proceed with a cost-effective rail movement. Even the commitment of 1 or 2 million tons a year would make such expansion possible."

William Dorcy, the Railroad's general manager, participated in the question period. Both representatives expressed optimism that the Alaska Railroad would grow and play a role in facilitating the "economical movement of our great land's natural resources."

Toward that goal the railroad is looking at construction of a link between Anchorage, Kenai and Fairbanks as a top priority. Senator Mike Gravel has asked the U.S. Department of Transportation to study the feasibility of such an extension.
SCHEDULED STIPULATIONS

Gas Line

Office

Administration

ALASKA GETS FARMERS HOME ADMINISTRATION OFFICE

John (Jack) Roderick has been appointed director of the Farmers Home Administration, Alaska was previously served by the agency's Oregon office. The new Alaska office will be in charge of Sen. Mike Gravel, who had urged Agriculture Secretary Bergland to set up a separate Alaskan operation.

The Farmers Home Administration administers a wide range of credit programs for rural development in farming, housing, community facilities, business and industry. Last year loans by the agency in Alaska totaled $16 million.

HEARINGS ON SCHEDULED STIPULATIONS SCHEDULED

Proposed stipulations for construction and operations of the Alaska Natural Gas pipeline will be discussed at four public meetings in August:
- August 7, 7:30 PM-Anchorage Historical and Fine Arts Museum, 121 W. 7th Avenue
- August 9, 7:30 PM-Fairbanks Borough Assembly Chambers
- August 10, 1:00 PM-Tok Multi-Purpose Recreation Center.
- August 15, Barrow.

Copies of draft stipulations are available at BLM and the State Pipeline Coordinator's Anchorage office. Let's hope the final stipulations for the Alaska section reflect more common sense than proposed regulations released for the Canadian section by the Northern Pipeline, Agency this May.

ALASKAN SURF CLAM POTENTIAL

An industry-government survey of the sea-bed resource off Kenesaw Peninsula has discovered commercial quantities of surf clams. It developed it could create a major new fishery and help alleviate the shortage of clam meat for the chowder and strip industry.

The 1977 survey found a resource conservatively estimated at between 236,000 and 324,000 metric tons of Alaska surf clams. This stock may be able to supply an annual yield of 25 to 32,000 metric tons of whole clams. A catch this large would yield 25,000 to 32,000 metric tons of whole clams.

Yukon MP Erik Nielsen, after reading the 380-page, two volume draft, said some recommenda- tions were simply absurd. "All motor vehicle traffic on the highways must yield the right of way to wildlife. That means everything from field mice to moose. You'd be committing an offense if you ran over a gopher.

It is ridiculous to think that people are going to argue with a moose."

Nielsen said there was no way to estimate the costs involved in meeting the stipulations, but he was certain it would require a small army of private bureaucrats to check all the data for Foothills which governments required.

And even more government bureaucrats to review it.

Surveyors found evidence indicating that the organisms which cause PSP do exist in the area. However, after initial studies, they were optimistic that PSP will not pose serious problems.

The National Fisherman article concluded that prospects for a new major U.S. Clam fishery appeared bright. (Source: National Fisherman, April 30, 1978.)

The 1978 Bering Sea Surf Clam Joint Venture is being conducted as an expansion of the 1977 survey. Participants in the study are: New England Fish Co., Borden's Snow Foods Division, Campbell Soup Co., Gortons Division of General Mills, Peter Pan Sands Co., Dutch Harbor Seafoods, Gilford Packing, Nor- west Underseas Harvesters, National Marine Fisheries Service, Alaska Dept. of Fish & Game, Alaska Dept. of Commerce and the North Pacific Fisheries Council, according to Jim Branson, Executive Director of the NPFMC.

The study is aimed at assessing surf clam resources in the Bering Sea and determining potential impacts to the benthic community within areas of clam harvest. Al- though additional biological and PSP studies need to be addressed in 1978, the tasks for this year's research are establishing commercial production potentials of the grounds and determining impacts of commercial scale fishing on the benthic environment.

The North Pacific Fisheries Council is providing $107,000 for environmental impact studies. The cost of conducting these studies, exclusive of the $107,000, has been estimated at about $320,000.

NORTHERN TIER PIPELINE OPPONENT OFFERS NEW PROPOSAL

From Pacific Northwest Waterways Association's July 1978 Newsletter:

Tavern owner John Hall, who opposes construction of the Northern Tier Pipeline to move crude from Port Angeles to Montana refineries and farther east, has a humerous side. He is promoting construction of a refrigerated beer pipeline from Milwaukee, Wisconsin to Port Angeles where a keg farm and suns port would be constructed. Hall would help relieve the British Columbia beer shortage problem by shipping the brew to BC via super tankards known for their deep draft. EPA re- quirements are negated under the proposal because environmentalists wouldn't report any beer spills. In fact, they're in support of Hall's heady idea. Hall also isn't worried about the potential beer spills. He proposes to line the route with bar towels.

ANCHORAGE RESOURCE INFORMATION SERVICE

The Anchorage Resource Information Service has been named Director of the Service, an OMAR project partially funded by the Municipality of Anchorage. The Service was designed to provide a reference library of economic development and resource information. Ms. Morrow will also be pre- paring quarterly reports and periodic reports on topics of interest to the community.

Ms. Morrow is a graduate of the University of Washington with a degree in English and Journalism. She has worked for financial news-

CMAL-OMAR LETTER CAMPAIGN BRINGING RESULTS

Two letter campaigns organized by OMAR and CMAL are being carried out by thousands of supporters of the two groups.

One campaign involves letters sent by Alaskans in other states urging them to write their U.S. senators. The project can be termed an "overwhelming success" judging by the number of letters copies received back in Alaska. The letters are well-written, concise and effective.

McGuire's decision, expected the end of July, has been postponed to mid-August. Regard- less of the outcome, it is expected the court will decide the EIR may proceed.

Randolph, in a July 12 Ketchikan Daily News interview, said "We are prepared to play the game with the Sierra Club for quite a few years."

He observed that opponents were wrong for opposing the project on the basis that there was an overabundance of molyb- denum. He said it takes ten years to develop an ore deposit, and if the country waited for an emergency, it would be too late.

BORAX VOWS TO FIGHT

Dr. Carl Randolph, president of U.S. Borax and Chemical Corporation and Eugene Smith, manager of environmental affairs for the firm, were welcome visitors to Alaska this month. From Ketchikan to Fairbanks, Alaskans learned first hand the firm's plans for exploring what may be the world's second largest molyb- denum deposit to determine whether mining is feasible.

Randolph and Smith brought OMAR up to date on testimony being presented to Chief forester John McGuire by the Sierra Club. (Sierra opposes construction of an 11.5 mile gravel road to the mine site, preferring bulk sampling and core drilling to be accomplished by helicopter.)

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