

that the average family size of those moving to Fairbanks is 2.5. The exact number of indirect jobs created and the resultant population increase is, of course, impossible to predict. Under varying assumptions it is possible that both figures might be doubled. The important point is that the population will not increase by more than several percent nor will the number of permanent indirect jobs created be in any way comparable to that

experienced during construction phase of the trans-Alaska pipeline."

In contrast to this, Anchorage ISER said direct and indirect jobs and population increases for the Alpetco project would be over 25,000. This from direct employment at the facility of an assumed 2,100.

Private economists and OMAR disagree with both estimates.

which has emerged: A young, highly educated, high-income group composed mostly of professionals or employees of government or non-profit organizations. Kahn said the group, with segments which oppose further economic growth and modern industrial society in general, exerts a "disproportionate influence" on the media, education and government.

Kahn's analysis makes it even more imperative that labor groups, chambers of commerce, and OMAR-type organizations unite in efforts to finding rational solutions for protecting the environment while protecting the economy.

Herman Kahn, director of the Hudson Institute, and considered an international expert on the economics of the North Pacific Rim and Japan, had some interesting words on the d-2 lands issue during an Alaskan appearance.

Kahn predicted a very strong intellectual rejection of the environmental movement in the United States which he felt would result in a congressional vote against pending d-2 legislation. But he warned the rejection would be only temporary — a backlash created by economic recession.

An Anchorage Times story (June 23, 1978) gave Kahn's description of a new class of society

**"THINK TANK"
DIRECTOR
LOOKS
AT
ALASKA
PROBLEMS**

TRANS-ALASKA OIL PIPELINE COLLECTORS' ITEMS

Commemorative plaques and desk weights certified to contain oil from the FIRST BARREL OF OIL received at Valdez, Alaska, from Prudhoe Bay, July 28, 1977:

WALNUT PLAQUES Distinctive and elegantly designed, each plaque is numbered for one of 799 pipeline miles. The map of Alaska is carved in bas relief, set off by inset brass corners and inscribed plate, raised lettering and miniature pipeline containing Prudhoe Bay oil. Size: 12" x 14" Cost: \$200

DESK WEIGHTS Clear lucite desk weight measures 4 1/2 x 3 3/4 x 1 1/2 inches with red base. Tube of oil, pipeline mile and inscription in center. Cost: \$30

True collectors' items, only 799 of each were manufactured. Register of owners maintained at OMAR. Send check or money order to Organization for the Management of Alaska's Resources (OMAR), Box 516, Anchorage, Alaska 99510.

OMAR RESOURCE REVIEW published monthly by OMAR, Box 516, Anchorage, Alaska 99510

**OMAR
RESOURCE REVIEW**

BULK RATE
U.S. POSTAGE
PAID
ANCHORAGE,
ALASKA
PERMIT NO. 377

ADDRESS CHANGE
REQUESTED
Return Postage Guaranteed

ANNUAL SUBSCRIPTION — \$25.00

**OMAR
RESOURCE REVIEW**

Published Monthly by OMAR — The ORGANIZATION for the
MANAGEMENT of ALASKA'S RESOURCES, Inc.

Box 516

Anchorage, Alaska 99510

June, 1978

**SOLVING
THE
ENERGY
CRISIS**

Casey Foss, Inc. Investments has suggested that if Jimmy Carter wants to solve the U. S. energy crisis, he should follow the advice of Sydney Geneen, ITT'S 68-year-old board chairman:

"Everybody is stifled on this whole energy program because they're scared stiff somebody's going to make a profit. That's really the problem. The oil industry is going to make a windfall profit. And my comment is, suppose the hell they did? They're going to spend it on exploration . . . and if they gave it in dividends, it's no great problem. The stock market would go up and a lot of things would happen to keep this momentum going that built the kind of country we have."

When a businessman reaps profits, notes the heretical Mr. Geneen, he builds plants and creates jobs. Lacking profits, he pulls in the roof. "What

the hell is wrong with profits? What the hell is wrong with unconscionable profits? Any business that has profits, generally speaking, goes and builds more divisions, has more R&D, comes up with more products, creates jobs . . ."

"Suppose they have excess profits?" asks Mr. Geneen. "Suppose some guy got a big dividend and bought a yacht? What the hell is wrong with that? The guy is going to put someone to work building the yacht and spend the money while he's got it. When he's dead, you take it away anyway." Casey-Foss concludes: "If the U. S. energy crisis is to be solved in our lifetime, it will be solved under the philosophy he expounds — a philosophy under which we're allowed at least the faint hope we'll someday get stinkin' rich."

**THE
INDUSTRY
THAT
WAS**

Alaska's abundant timber resources can't seem to find their way to Haines sawmills, causing continuing economic woes for that spirited community. In a report prepared by the Timber Committee of the Haines Overall Economic Development Plan (OEDP) Committee, the State of Alaska is identified as the only significant owner of timber lands in the Haines Unit. The report says "Since the early 1960's people have invested their dreams, sweat and money in the utilization of the timber resource. The 1960's and early 1970's saw a buildup of hope because the State responded to the needs of both people and resource by formulating a management plan that provided local industry with timber while developing its resource. But something has gone awry. An industry that once . . . supported hundreds of people has finally stopped dead in its tracks after dwindling down to a few stubborn individuals.

John Schnabel, president of Schnabel Lumber Company, is one of those stubborn individuals. In

a May 9 meeting of the OEDP Committee with Gov. Hammond, Schnabel and other residents complained of the area's timber and employment problems. Schnabel pegged the problem, to the fact that timber was not available locally and that financing was difficult to obtain without longterm supplies. According to the OEDP report some attempt was made by the Department of Natural Resources, Division of Lands, to meet timber industry needs by utilizing State-owned timber resources, but the plan met with little success. Mismanagement and insufficient supplies has apparently caused a dramatic reduction in timber industry contributions to the economic base of Haines. Schnabel's mill hoped to obtain logs from the Alaska Lumber and Pulp Company of Sitka, but the Sitka firm is also suffering a log shortage.

Hammond and assistant Jessie Dodson were advised that 15-year timber commitments were needed to assure loan agencies of their invest-

Continued next page

ments; Schnabel said an annual cut of 15 million board feet would do it. The OEDP committee asked that "the State of Alaska give up its present 5-year timber sales schedule and immediately plan for a 15-20 year timber sale in the Haines Unit, the effect of which will be to revitalize an economically depressed community."

Committee members expressed dedication to "rebuilding our local economy" and said they trusted the State would see "the overall sensibility of a self-supporting community." They said such self-support could not be accomplished "until the State of Alaska recognizes its deeper responsibility to the community."

CONSTRUCTION LAWS

An editorial in *Western Construction* (May 1978) lists certain accepted laws governing the construction industry. In addition to such profound laws as Ginsberg's Theorum (1) You can't win; (2) You can't break even, and (3) You can't quit; and Paul's law (You can't fall off the floor), we liked these new laws formulated by Editor Bob Byrne: When you pour, it rains. (Byrne's Law of concreting).

- The failure most likely to occur is the one that is uninsured.
- Just because a job begins does not mean it

will end.

- Falling wrenches never land on the right hardhats.
- Chances of running over a jagged rock are directly proportional to the cost of the tire.
- Wherever a truck is unloaded is the wrong place.
- A critical part will not be found until it is replaced.

Would a reader care to develop appropriate laws for governing legislative sessions?

VALDEZ AND ANCHORAGE APPROVE FUNDS FOR OMAR

A sustaining membership of \$2,000 a month in OMAR was approved by the City Council of Valdez on June 26.

OMAR past-president Robert Fleming and Executive Director Paula Easley met with the council to answer questions concerning the group's current activities.

Valdez resident John Kelsey commended OMAR at the public meeting for "its untiring efforts toward bringing about responsible resource development to benefit all Alaskans."

The Anchorage Municipality had previously

authorized funding of \$4,166.67 a month for six months to enable OMAR to initiate a pilot program involving resource data collection in the municipality. The information service will be patterned after a similar program managed by the Fairbanks Community Information Center, one judged highly successful and of value to Alaskans and non-residents as well. Sue Fison heads that organization.

Once in full swing, OMAR hopes to work with other communities in developing economic and statistical data programs.

ROYALTY OIL SALE CONCLUDED

Governor Jay Hammond signed the Joint legislative resolution for the sale of up to 150,000 barrels a day of royalty oil to Alaska Petrochemical company at a press conference on June 28.

Alpetco officials commended OMAR for its efforts toward educating the public on the petrochemicals issue and working with legislators and the administration to conclude a royalty oil sale.

O. Charles Honig, Chairman of Alpetco's Board of Directors, also told OMAR: "We have a great deal of work yet to do before we produce petrochemicals, but we are confident that, with

the help of OMAR, we will be successful in providing a major increase in gross state product and employment."

Special thanks go to all members who worked on this project.

Alpetco now begins the site selection process and will require a minimum of 1,500 acres for the complex.

OMAR President Lee Fisher expressed satisfaction with legislative approval of the contract and said, "We look forward to culmination of this project and others which process Alaska's natural resources in the state."

state for their comments.

If you're not certain of the purpose for the divisions, it is this: Knowledgeable people from all over the state - not necessarily OMAR members - were asked to assist us in dealing with the multi-

Continued on next page

OMAR DIVISIONS IN ACTION

Members of OMAR's five resource divisions have met over the past few weeks to analyze problems and potential for development of resources within the scope of each division.

Reports of the meetings have been made available to division members throughout the

tude of complex resource development issues facing Alaska. These people know their business and are helping the less technically knowledgeable membership to reach the right decisions on resource questions.

You are welcome and encouraged to have your say by participating in one or more of these

divisions and exchanging pertinent information on subjects of interest to you. Ask us to place you in the Land, Minerals and Energy Division; Forestry and Agriculture; Recreation and Tourism; Transportation or Fisheries Divisions. Your check to help cover printing and mailing costs will be appreciated.

OIL INDUSTRY GETS IT ONE MORE TIME

The Alaska Oil and Gas Association conducted a costly and effective educational campaign on the oil tax question. Industry and OMAR public opinion surveys concluded: The majority of Alaskans believed the oil industry's taxes should not be increased.

But the administration and legislature thought otherwise and disregarded the survey results. Taxes were increased, and we are certain the action will have a dampening effect on Alaska's future development.

For those of you who were disappointed that a red alert of the membership was not called when we had taken a strong position supporting fair taxation policies, this explanation is merited. After

the senate 10-10 vote, OMAR received urgent calls from senators opposing the increases to get telegrams and phone calls to Juneau. To mobilize the forces before the reconsideration vote would have required an expenditure of \$5,000, and the funds simply were not there.

We apologize for this one. Motivating the majority of Alaskans who opposed the increases to communicate with their legislators at the right time most likely would have resulted in killing the legislation.

We've stopped wondering why our Department of Commerce and Economic Development does not publish material, as other states do, on the advantages of doing business in Alaska. What could it say?

MEMBERSHIP LETTER BRINGS NEGATIVE RESPONSE

We were curious why so few professional people in the state had participated in resource development activities throughout the state. A letter signed by the OMAR executive committee was thus sent to accountants, attorneys, architects, dentists, engineers, physicians and realtors to learn the problem.

Our first response was from a Juneau physician, the majority of whose patients are state and federal government employees. He told us: "In

general, I am diametrically opposed to the stands which your organization is making. The more land in Alaska that is not exploited for profit, the better as far as I am concerned. No doubt there are some issues which I would side with you on, but those of us who came to Alaska to live and work in the natural beauty are suspect of big labor and business interests for growth and exploitation. Count me with the Sierra Club 'environmentalists' and 'ecologists'."

No comment.

SERVICES APPRECIATED

Much appreciation is due the individuals and businesses in Alaska who make OMAR's work possible by their contributions of goods and services. Hours on mag card typewriters, mailings handled by others, an extra file cabinet, office supplies, the use of employees of other offices on OMAR projects, discounts on purchases, free hotel

rooms, etc.

Alida and Jim Hendershot (Rapid Action Mailing Service), Helen and Brad Phillips (Columbia Glacier Tours), Chuck West (Westours) and Bill Sheffield (Sheffield Hotels), deserve all our thanks for helping OMAR this month.

UNIVERSITY RESEARCHERS CONFUSE

Conclusions reached by the Anchorage branch of the University Institute of Economic Research on the subject of employment multipliers for a petrochemicals project suggest little agreement with researchers at the Fairbanks branch.

ISER-Fairbanks said in its petrochemicals study for the North Star Borough: "Traditionally applied employment multipliers are not appropriate for Fairbanks because much of the support

sector employment increase generated by basic industry occurs in Anchorage. We assumed that the addition of five jobs in basic industry will result in one additional job in the support sector in the Fairbanks area. The projected population increase is based on the assumptions that two-thirds of the permanent jobs created will be filled by non-residents possessing the necessary skills and

Continued next page