When Malcolm Forbes Jr. addressed the Alaska Pacific Bank Economic Briefing on March 14, he said the cure for inflation was tax and regulatory reform. The Council heard from William McConkey, Executive Director of the Regulatory Reform Program. McConkey stated that Alaskans were currently paying over $52 million in salaries alone for state regulators. (This does not include office rent, utilities or travel.) This, however, is nothing compared to the losses absorbed by consumers because of delays, absurd regulations or over-zealous bureaucrats.

McConkey had been working with regulatory reform for a year and had plenty of horror stories. One example concerned two different divisions within the same department, both examining the same facilities every 90 days without ever running into each other. Another example was a proposed pipeline bridge on the North Slope that had an approved middle span but the two approach spans were tied up in permit hearings. In this latter example, Alaskans stood to lose the royalties from 80,000 barrels per day if the bridge is not built, not to mention the financial advantage to the builders of doing so early and saved the inflationary costs of delays.

But the real horror story is that not much is being done to stop the proliferation of permits - much less turn the tide. Departments within state government are reluctant to correct the problem because it means a loss of prestige as well as staff. As a result, any attempts at streamlining from within the bureaus are generally considered doomed to failure.

McConkey pointed out three paths to resolving the dilemma. First, it would be necessary to conscript as many of the permits as possible under few authorities as possible. Alaskans are an example of water, for instance, should be handled by a single division. Second, it is necessary to let bureaucrats know that it is their function to streamline the current system, not create new stumbling blocks. Third, Alaskans need to stand up and complain very loudly.

Tom Fink, who reviewed the meeting in his Anchorage Times column on March 16, noted that as a result of over-regulation "a lot of money is wasted and we are the ones who pay for it. The cost of every service and commodity is substantially increased to every one of us."

Fink urged that the public become aware of the problem and demand that the legislature and the governor do something about it. RDC's commitments to regulatory reform can only succeed if its thousands of members begin documenting regulatory abuse. Staff and volunteers will help.

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**Resource Development Council**

**ANCHORAGE, ALASKA 99510**

**DATE**

**FIRM**

**FOR**

**ANNUAL MEETING**

**TALKEETNA**

**TRAIN TRIP**

**April 25**

**and**

**May 17**

Ronald A. Zumbrun, President of the Pacific Legal Foundation, Sacramento, California, will be guest speaker at the Resource Development Council's Annual Meeting Luncheon on Friday, April 25.

The Luncheon will be held at the Sheraton Anchorage Hotel at 12 noon following a meeting of the state board of directors. The board will study and adopt policy guidelines for the coming fiscal year and hold elections.

The Alaska Liaison Office of the Pacific Legal Foundation is now open in RDC's building at 444 West 7th, Anchorage, telephone 907-276-1731. Among other subjects, Zumbrun will explain how Alaskans can take advantage of PLF's services through the liaison officer.

May 17 is the final, absolute, unchangeable, definite date for the Council's annual fundraising charter train trip. Talkeetna is the destination, where Alaska Miners Day will be celebrated, and guests are invited to come in Gold Rush costumes.

Folks from the Talkeetna Chamber are rolling out the gold carpet as part of their tourism promotion effort. An exciting array of activities is planned from a camp cookout and squaredancing to a championship softball game. Participants may even have a chance to view the antics of the Talkeetna Royal Air Force.

This year the charter is being limited to 400 paid passengers rather than the previous 600. A word of warning: Get your reservations in before publicity is released. Reservations are being guaranteed only with payment.

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**ALASKA DELEGATION VISITS PORT ANGELES**

At the request of the Port Angeles Chamber of Commerce, a group of Alaskans met in Port Angeles, Washington in late February to discuss oil development impact in Alaska.

The request was made by President Carter’s selection of the Port Angeles pipeline project which would require a marine oil terminal in Port Angeles.

Anchorage Mayor George Sullivan, Kenai Mayor Vince O’Reilly, Valdez Mayor Pro-tem Chuck LaPage and RDC President Bud Dye led the delegation. Participants were John Spencer of the Anchorage Municipality, Robert Chidlon, President of the Valdez Chamber of Commerce, Paula Easley, RDC executive director, Mano Frey of Laborers Local 341 and RDC past-president Robert Fleming.

The group was asked to provide Port Angeles citizens to answers to a number of specific questions such as:

- economic changes in the communities;
- what has been the experience with regard to air and water quality degradation;
- specific data concerning tanker and harbor regulations, air emissions control and oil spill measurement and cleanup procedures.

Members of the delegation spent considerable time preparing material for the community and were well-prepared for the barrage of questions presented in a series of public and private meetings.

Timber is a substantial element of the Port Angeles economy; the community has had no experience with all development and, among its concerns, was alarmed with fears of air and water quality degradation.

Those fears were somewhat alleviated by statistics given by the group. In one public meeting, visible relief was noted at the comment that the Valdez...
Coast Guard had given up measuring air emissions after two years of getting zero readings. Emissions are still measured by two other agencies.

Valdez Chamber President Childers gave the manager of ITT Rayonier heartburn when he observed that Valdez had never seen anything like the emissions coming from the Port Angeles pulp mills. Pulp mill operators are justifiably worried that any increase in overall emissions will result in expensive plant modifications imposed by the Environmental Protection Agency.

RDC President Dye told citizens the Council had long sought alternatives to shipping Alaskan oil through the Panama Canal and that construction of the line would hopefully encourage greater interest in Alaskan oil and gas exploration.

RARE II study. The President recommended that some of these be returned to non-wilderness multiple use, HR 6070 directs release of this land for non-wilderness multiple use upon its enactment.

Just a few of the organizations backing HR 6070 are the National Cattlemen's Association, the American Petroleum Institute, the National Association of Manufacturers, the National Forest Products Association, the Brotherhood of Carpenters and Joiners and the National Grange.

RDC will assist Alaskan organizations wishing to research the legislation, take action and convey it to Congress.

Agriculture determines that any of the land is not to be recommended for wilderness designation, that land immediately will be managed for non-wilderness multiple use.

Some current primitive areas were included in the RARE II study. The President recommended that some of these be returned to non-wilderness multiple use, HR 6070 directs release of this land for non-wilderness multiple use upon its enactment.

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The Spokane Spokesman-Review reprinted an editorial from The Oregonian this February which shows how much the author knows about Alaskan agriculture.

The editorial focused on the loss of cropland to "urban sprawl and other farm predators," and stated that when grazing, pastures and forested lands were subtracted, the nation's bank of crop lands contained only 196,397,000 acres. (Only?)

Last year the President's Council on Environmental Quality reported that the nation lost 3 million acres of farmland, including a million acres of prime crop lands, to development.

Alaska's Matanuska Valley was cited as a "tragic example of the misuse of land," with the valley being "gobbled up by sprawl spreading out from Anchorage like a giant oil slick."

"Protected by high mountains from the extremes of the climate, Matanuska Valley is virtually the only land in Alaska where it is possible to do much farming during the state's short growing season.

Food that could have been raised in this fertile river valley must now be imported at great cost and expenditure of energy from the lower 48 states," the editorial added.

Members of RDC's Forestry and Agriculture Division are responding to the editorial, pointing out the real reasons food is imported and that the...
Keni Borough Mayor Don Gilman has taken on development. In past months this has been a major focus of Council activities. Meetings with the Governor, state administrators and legislators have generated optimism and support. However, the construction of the facility on Headquarters Lake would necessitate the filling in of some wetlands.

In a letter to the Corps of Engineers Gilman said, "The principal federal agency responsible for stopping proposed development in 'wetlands' has not been able to identify that its own development actions were contrary to wetlands regulations. Chester Cane, who had been stopped by the Corps from making similar modifications on wetlands on his private property said USFW's actions were "the most blatant violation possible."

Although RDC's members never hesitate to disagree with each other, one issue has commanded agreement. The Council's president, executive director and several members have been present on the resolution at a recent Senate. Resource committee hearing. As a result of that testimony and some excellent revisions proposed by Ken Showalter of Sohio and others, we expect the Resolution Committee to agree on a sound policy for economic development. RDC will keep you informed of progress on the resolution and any action needed by members.

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

<table>
<thead>
<tr>
<th>ITEM</th>
<th>DESCRIPTION</th>
<th>QUANTITY MANUFACTURED</th>
<th>COST</th>
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<tr>
<td>PLAQUES</td>
<td>Walnut plaques</td>
<td>100</td>
<td>$200</td>
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<tr>
<td>DESK WEIGHTS</td>
<td>Clear lucite desk weight measures 4 x 3 x 1 inches with red base</td>
<td>799</td>
<td>$30</td>
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Matanuska Valley consists of only 500,000 acres of tillable land of a total 20 million acres suitable for farming in the state. Perhaps the author might go to bat for Alaskans...
ECONOMIC

John Katz, Special Counsel to Governor

ADVISORY

com has proposed a mining advisory committee and would hear miners' problems and questions. Hope-

COMMITTEE

Lt. Governor Terry Miller has endorsed it and is fully the committee members would gain more

IMPORTED

The National Association of Home Builders is concerned over government timber policies which restrict the amount

PROPOSED

working on funding. The committee would be made up of representatives from different governmental departments and is composed of selected Alaskans who have interests in forest management. The Board, however, was not consulted.

MINING

ADVISORY

COMMITTEE

PROPOSED

Alaska Miners Association president J.P. Tangen has proposed a mining advisory committee and Lt. Governor Terry Miller has endorsed it and is working on funding. The committee would be made up of representatives from different state government departments that have an interest in mining. The committee would hear miners' problems and questions. Hopefully the committee members would gain more knowledge of mining in Alaska and communicate that knowledge to their departments.

IMPORTED LUMBER

The National Association of Home Builders (NAHB) reports that the United States imports almost one third of its lumber supply. The NAHB newspaper blames the importation of government timber policies which restrict the amount of timber harvested in the national forest system to "far less than we are capable of harvesting".

LUMBER

And

POND

POWER!

Israelis have developed a solar salt-water pond which can provide electricity year round, day and night, and even on cloudy days. A single pond, 70,000 square feet in area and eight feet deep can produce about 150 kilowatts. In Alaska, salt is pumped into a pond and creates convection currents. Warmer water rises and colder water falls. Salt is removed near the bottom of the pond which creates a layer of denser water which rises resulting in a hydroelectric power plant. Such ponds may never be a reality in Alaska, some Southern California companies are taking the research seriously. Southern California Edison is planning a solar pond at the Salton Sea. Other areas under consideration are Utah's Great Salt Lake and sections of San Francisco Bay.

INFLATION

Sylvia Porter, columnist for the Anchorage Daily News, laments that inflation is not only "real" but has its own government departments. She writes that there are no "real" federal anti-inflation measures that "look good and you can see that we have failed to admit the challenge, much less to tackle it. Look forward - and you are warned that unless we act and act soon, our dollar is doomed to continue the pattern of all paper currency - to "walk and return" to its original value."

COMMENTS ON INFREEST

Terry Brady, the president of forests North, Ltd., and a consultant to RDC, testified on proposed changes in forest laws and regulations at a recent Division of Forest, Land and Water Management hearing in Anchorage. Among the regulations on which he testified was one concerning negotiated sales. He limits sales to 500 m.b.f. and one year duration. This section completely overlooks legislative action of two years ago that directed the Department of Natural Resources to make long term sales at "nominal rates". Mr. Brady said that the provision does not include initial volume guarantees. "This is unfortunate," he said, "to a logger today, to acquire the sophisticated harvesting equipment called for under environmental constraints needs to go to financial institutions with a known stumped volume."

One proposed regulation would require logging firms to supply quotas for certain state personnel. Another regulation would indemnify logging firms who followed forest practice guidelines. Brady pointed out that these regulations would work hard- ship on the smaller logging firms. Small firms cannot afford to build and maintain quarters for state personnel.

Alaskan conchuling that the proposed regulations which re- quired the timing of environmental endowment would require state primary manufacture if that primary manufacture were necessary to protect existing industry or to establish a new industry. Round logs should be ex- ported only if such timber is surplus to current or officially projected statewide needs.

Commenting on the hearing itself, Brady made clear that the time period between the announce- ment of the hearing and the decision was too short. There was not enough time to do proper re- search to testify at the hearing. Notice of the hear- ing was received less than a week before it was held.

President of the Board of Forestry should have been asked to comment on the regula- tions before there was ever a hearing. The board was set up by the state to review proposed regulations and is composed of selected Alaskans who have interests in forest management. The Board, however, was not consulted.

U.S. SENATE WOULD LOCK UP IDAHO'S COAL-L"FEDERAL

OWNERSHIP OF THE OIL INDUSTRY

The Federal Bulletin of the NorthWest Mining Association (NWMA) reports that the Central Idaho Wilderness Act passed by the U.S. Senate in Novem- ber included the richest known cobalt area in the United States. The area which the bill would place in wilderness is 2.3 million acres. "We currently depend on foreign supplies for cobalt, a strategic mineral used as an alloy in the manufacture of jet engines. There is no substitute." Forty-two percent of our current domestic supply comes from the unstable country of Zaire," NWMA said.

The bill, formally known as the River of No Return Wilderness Act was introduced by Sen. Frank Church, D-Idaho. In early December, Sen. Church took the bill to the House Subcommittee on Public Lands chaired by Congressman John Seiberling, D-Ohio. Miners are looking to Congressman Steve Symms, R-IDaho, for positive leadership in the sub- committee which has completed hearings and is ready to mark up the bill. According to Joe McAulay, chairman of the Central Idaho Wilderness ad hoc committee, if the bill passes the House in its present form, it will become the largest single area in the lower 48 ever to become wilderness.

The senate passed the bill in spite of testimony by NWMA and industry witnesses who pointed to the existence of old mineral districts and mining camps. The bill was passed in spite of known cobalt and other critical minerals. NWMA said the definition of wilderness as an "area of scenic, cultural and other values" has been totally disregarded - most of this area has already been developed and mined in the past. The bill even includes the National Park Service, which is currently legislating for nonminerals by the administration.

Nationalization of the oil industry, creation of a Federal Development Corporation (FOGCO) and giving oil import authority to the federal government are current proposals for solving America's petroleum supply and price problems. However, when these proposals are examined it becomes clear that the solutions are far worse than the problems they are meant to solve.

Nationalization would require compensation to stockholders of the oil companies. That compensation would be equal to one-quarter of the national debt, according to the American Petroleum Insti- tute. A government operation would be subject to continual political interference. A government oper- ation would operate much less efficiently than pri- vate companies. A Federal Energy Administration that of six U.S. private and six foreign government-operated oil companies found that the six private companies averaged 44.2 barrels of daily production per employee, compared to 26.8 barrels for the government companies. Finally, the federal government did not provide the oil industry with assets and would not permit greater public participation in energy production and provide a yardstick to measure the performance of private companies. Actually, there would have to be a moratorium on all imports of foreign oil. FOGCO would be given exemptions, privileges and preferences which would give it a competitive edge in its operation of domestic and foreign oil companies. FOGCO would be subject to continual political interference. Decisions would be made for reasons of political expediency and bureaucratic empire-building rather than to increase efficiency.

The proposal to vest importing authority in the federal government assumes that the federal government would be more effective in bringing the private oil industry under control than the oil companies themselves. There would be no increase in efficiency in the control of the oil industry which would have no more influence on FOGCO than they do on the U.S. Postal Service or Amtrak. As for the "yardstick" argument, FOGCO would be given exemptions, privileges and preferences which would give FOGCO a competitive edge in its operation of domestic and foreign oil companies. FOGCO would be subject to continual political interference. Decisions would be made for reasons of political expediency and bureaucratic empire-building rather than to increase efficiency.

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