

Misc. No 1

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ATTORNEYS AT LAW
P. O. BOX 1211
JUNEAU, ALASKA 99801

C.S.H.B. 543
200 NATIONAL BANK OF ALASKA BLDG.
PHONE 586-3340
CABLE ADDRESS: ROMEA

March 28, 1974

Representative Clem Tillion
Alaska Legislature
HOUSE OF REPRESENTATIVES
Juneau, Alaska 99801

Re: C.S.H.B. 543

Dear Representative Tillion:

The subject bill in the substitute form approved by House Commerce passed to your Judiciary Committee on March 22.

The purpose of this letter is to invite your attention to Sec. 2 of the substitute bill. In the original bill, this constituted a flat repealer of all of the language in A.S. 45.50.481(1). The committee substitute would, instead, amend that section, so that it would read in context as follows:

"Nothing in this chapter, relating to unfair trade practices and consumer protection, applies to (1) an act or transaction permitted under laws administered by the state, by any regulatory board or commission, or officer acting under statutory authority of the state or of the United States, unless the law permitting the act or transaction does not prohibit the practices declared unlawful in Sec. 471 of this chapter."
(Emphasis Added)

Sec. 481(1), as presently in effect before the proposed amendment, is somewhat ambiguous and troubling, because of the word "permitted." Statutes do not normally permit specific trade practices. They regulate such practices,

Representative Clem Tillion
Re: C.S.H.B. 543
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normally by prohibiting specific acts, and by setting up investigatory and enforcement procedures. If by "permitted," the present Sec. 481(1) means "affirmatively and specifically declared permitted," then the section as a whole has no effect. This is because few, if any, acts are "permitted" by other statutes, in that limited sense.

If "permitted" in the present section means "not prohibited," then there remain serious problems. The effect of that reading would be to exempt from the operation of the Consumer Fraud Statute, all acts or transactions which are subject to state or federal statute or regulation, which statutes and regulations do not for some reason prohibit the particular act in question. Many state regulatory regimes, however, are presently in a development stage, and may not effectively prohibit or regulate all of the trade practices which should be covered by such statutes and regulations. The result would be that questionable practices would not come under the effective scrutiny of any agency. There is an additional problem as well. The language could be read to exclude from state regulation, any act or practice which fell within the ambit of any federal regulatory agency, such as the Federal Trade Commission. A senior attorney for the Federal Trade Commission, testifying before the House Commerce Committee, expressed concern as to exactly that possibility. Obviously, the Federal Trade Commission could not, and should not, exercise exclusive jurisdiction over all fraudulent practices which could be the subject of that agency's investigation.

As I stated earlier, we do not believe that the language added to Sec. 481(1) by the House Commerce Committee, effectively eliminates the problems above described. In fact, the added language is confusing and probably internally inconsistent. It speaks of state or federal laws which permit an act or transaction, without prohibiting practices declared unlawful by the operative section of the Consumer Fraud Statute. Presumably, then, the section in some way contemplates that a practice could be permitted by a statute that also prohibits it.

Representative Clem Tillion
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The intention of Sec. 481 was undoubtedly to avoid the undesirable effects of overlapping regulation of industries already effectively regulated. For example, the Insurance Code, in its Chapter 36, deals extensively with trade practices and frauds in the field of insurance, and prohibits such practices as "twisting," misrepresentation, false advertising and the like. Furthermore, Chapter 6 of the Code outlines the extensive powers of the Director to regulate the business of insurance in the public interest, and these powers, including the subpoena power, track very closely with the powers given the Attorney General in C.S.H.B. 543. The Attorney General has informally confirmed that he has no objection to a provision excepting the insurance industry from this more general Consumer Fraud Statute.

It is, thus, our recommendation that Sec. 481(1) either be rewritten to except "acts, transactions, or practices regulated under A.S. 21.36," or that the present language be amended to substitute the word "regulated" for the word "permitted," so that the section would read:

"(1) an act or transaction regulated under laws administered by the state, by any regulatory board or commission, or officer acting under statutory authority of the state or of the United States."

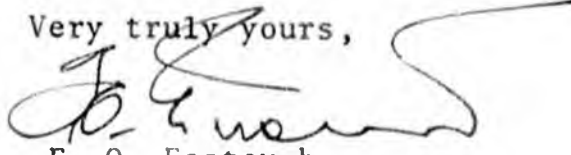
The first, or "rifle-shot," approach would specifically remove the regulation of the insurance industry from the Consumer Protection Division of the Attorney General's office, leaving that regulatory power over insurance with the Director of Insurance. We think this would be an appropriate result, eliminating duplication of government effort and the imposition of requiring the closely regulated insurance industry to meet two levels of regulatory authority. The second alternative would also remove matters regulated under Title 21 from the Consumer Protection Statute's ambit, but would likewise remove an indeterminate number of other regulated industries, and

Representative Clem Tillion
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would not solve the problem of overlapping state and federal jurisdiction.

We would be pleased to present any other information or discussion that you might feel helpful, and would appreciate very much being apprised of any planned hearings on the bill.

Very truly yours,



F. O. Eastaugh

cc: Mr. Norman Gorsuch
Representative Richard Randolph
American Insurance Association

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF LAW

OFFICE OF THE ATTORNEY GENERAL

March 15, 1974

POUCH K--STATE CAPITOL
JUNEAU 99801

HB-543

The Honorable Clem V. Tillion
Chairman
House Judiciary Committee
Pouch V
Juneau, Alaska 99801

Dear Mr. Tillion:

The purpose of this letter is to provide you with a brief statement of the reasons behind the repeal of AS 45.50.521(a), as proposed in HB 543, Amendments to the Unfair Trade Practices and Consumer Protection Act.

This provision concerns the inability of the Consumer Protection Section to turn over evidence of criminality to the District Attorney for utilization in a criminal prosecution. Only AS 45.50.521(a), not (b), is sought to be repealed. Basically, what has occurred on many occasions is that we can secure evidence through our investigators of criminal activity and actually build up a file but are prevented by this statute in turning it over to the District Attorney for criminal action. The most that the office can do is actually tell the District Attorney that there has been a commission of a crime by a person. Under the present provision, the District Attorney must duplicate the entire work of the Consumer Protection Section and obtain its own evidence.

Such a provision flies in the face of all reasonableness and efficiency between Department of Law sections. As you are aware, the Civil Division of the Attorney General's office does not handle criminal actions; this is done by the District Attorney. A free flow of information between the District Attorney's office, State Troopers and the Consumer Protection Section would greatly enhance the effectiveness of the Unfair Trade Practices Act as well as definitely be a greater protection to both the consumer and the business community.

If you have need of any further information on any of the proposed Amendments to the present Unfair Trade Practices and Consumer Protection Act, you may contact Terry O'Connell, Consumer Protection Section in Juneau at 465-3600, or Stanley Howitt, Consumer Protection Section in Anchorage, at 279-0428.

The Honorable Clem V. Tillion
Chairman

March 15, 1974

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I hope that this information will be of some assistance to you in this matter.

Sincerely,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By *James E. Douglas*
James E. Douglas
Assistant Attorney General
Consumer Protection Section

JED:jdg



KENAI PENINSULA COMMUNITY COLLEGE

of the University of Alaska In cooperation with the Kenai Peninsula Borough School District
DEPARTMENT OF VOCATIONAL EDUCATION

P. O. BOX 657 * KENAI, ALASKA 99611

February 11, 1974

The Honorable Clem Tillion
Alaska State House Of Representatives
Pouch "V" State Capitol Building
Juneau, Alaska 99801

Dear Clem:

The Kenai Peninsula Community College Advisory Board would like to submit the following figures which we feel fully justifies a Phase III addition to the Kenai Peninsula Community College campus complex. We feel the Kenai Peninsula Community College Advisory Board is fully justified at this time to make this request since both the University of Alaska planning office figures (see attachment #1) and those projections submitted to the University of Alaska Board of Regents by the Kenai Peninsula Community College staff during their meeting of December 13, 1973, substantiate the need for additional space.

1. Additional space needs for the Community College programs through 1976 are the following:

<u>Number of Units</u>	<u>Type of Space</u>	<u>Square Footage each</u>	<u>Total Square Ft.</u>
a. 4	Lecture Rooms	900	3,600
b. 8	Faculty Offices	100	800
c. 1	Wet Lab-Art & Arts & Crafts Center	1,500	1,500
d. 1	Administrative Area	1,500	1,500
e. 1	Library & Media Center	2,400	2,400
f. 1	Bookstore	800	800
g. 1	Store Room	800	800
h. 1	Shop Addition	2,000	2,000
	TOTAL		<u>13,400</u>

2. Estimated cost of that space recommended above:

ITEMS a,b,c,d,e,f,g - 11,400 Sq. Ft. @ \$75.00 per Sq. Ft. =	\$ 855,000.00
ITEM h----- 2,000 Sq. Ft. @ 60.00 per Sq. Ft. =	120,000.00
20% Escalation Cost	105,000.00
*Equipment Cost	<u>180,000.00</u>
TOTAL	\$1,350,000.00

*The \$180,000.00 equipment cost will cover the completion of a Biology Lab, in Phase I; installation of a separate collection system to handle

the waste from the Chemistry, Petroleum and Water/Waste Water Lab, equipment for the Arts & Crafts area; library stacks and furniture, and classroom furniture.

3. The fulltime student enrollment at Kenai Peninsula Community College fall semester 1973 was 120 F.T.E. and as you can see on Attachment #1, this enrollment coincides with those figures published by the University planning office in October, 1973.

Please note enrollment projection attachment that shows Kenai Peninsula Community College's 1973-74 credit hour projection of 1,784 credit hours. The College has already exceeded that figure and presently estimates approximately 2,000 credit hours will be generated.

Respectfully submitted,



George Day, Acting Chairman
Kenai Peninsula Community College
Citizens Advisory Committee

GD/be

cc: Hugh Malone
Bob Falmer
Jalmar Kertula
Cliff Groh
Oral Freeman
Keith Specking
Office of Planning and Institutional Studies
Provost, Southcentral Region

Testimony Before House Commerce Committee

February 17, 1973

House Bill 187, introduced by the Rules Committee by request of the Governor, represents the best efforts of various departments and agencies of the State over a period of two years to create an efficient and equitable system of compensation for injury arising out of automobile accidents. To this end, it constitutes a refinement of the better elements contained within a number of proposals that received attention in prior sessions of the Legislature, most particularly Committee Substitute for House Bill 464 which was passed in the House during the last session.

The Administration is persuaded that there is a clear and present need for reform in the present system of compensation. Experience has shown that the present liability system has all too often been inefficient, inequitable, wasteful and a significant contributing factor in congested court dockets. Liability insurance, as it is presently conceived and administered, guarantees only that an injured party in a motor vehicle accident has a possibility of some compensation. Even when there is compensation, however, nothing can be guaranteed as to its adequacy.

The following major categories of criticism of the present system of compensation have been identified by the Institute for the Future in a report entitled "The Automobile Insurance System: Current Status and Some Proposed Revisions":

- * There is excessive delay in payment of claims.
- * Many victims are not compensated.
- * Claim settlements are inequitable with respect to economic loss.
- * Net benefits paid to claimants (per premium \$) are low in comparison with other reparation systems.
- * The present automobile insurance system contributes significantly to court congestion.
- * Adequate insurance is not available for many.
- * Fault is difficult to determine.
- * Insurance costs are excessive.
- * It encourages exaggeration of claims.
- * It encourages fraud.
- * The insured is highly uncertain as to the amount of benefits to be received and the delay time involved.
- * The rate classification system is unfair.
- * It is difficult to project claims.

We concur in these conclusions and observations.

House Bill 187 addresses itself to these criticisms and provides a basis for enacting and administering a comprehensive system of compensation for victims of automobile accidents. To a large extent, economic loss which accrues as the result of a motor vehicle accident will be compensated without regard to fault through first-party insurance coverage. Tort liability for such loss is abolished. House Bill 187 does not exclude the possibility of tort recovery entirely. On the contrary, it attempts to limit that possibility to those parties with a legitimate interest in recovery beyond the system of basic first-party benefits.

The insurance system established in the bill is a compulsory system. Every owner of a motor vehicle registered in this State or permissively operated in this State, including the State, its public agencies and political subdivisions, will be required to maintain security for the payment of basic loss, or no fault, benefits and tort liabilities. The minimum required security for tort liability is \$15,000 per person per accident with a \$30,000 total aggregate limit per accident and \$10,000 per accident for property damage.

Basic loss benefits are payable without regard to fault for net economic loss suffered through injury arising out of the maintenance or use of a motor vehicle, subject to certain limits, deductibles, exclusions, disqualifications and other conditions provided for in the bill. Essentially, basic loss benefits will compensate for:

- 1) allowable medical expenses up to \$50,000;
- 2) work loss, replacement services loss, survivor's economic loss and survivor's replacement services loss up to an aggregate total of \$36,000 at a maximum rate of \$250 per calendar week; and
- 3) funeral, cremation and burial expenses up to \$1,500.

Basic loss insurers will also be required to offer, with appropriate premium reductions, certain specified optional deductions and exclusions from basic loss benefits, among which is a deductible of \$1,000 per accident from all basic loss

benefits otherwise payable for injury to a person which occurs while he is operating or is a passenger on a two-wheeled motor vehicle.

Insurers may also make available a range of optional coverages for added loss benefits and for harm to vehicles and their contents.

Damage to motor vehicles or their contents arising out of motor vehicle accidents will no longer be compensable through the fault system. However, basic loss insurers are required under the bill to offer a number of alternative forms of first-party collision coverage, both in full and subject to a deductible of \$100.

The modification of tort law present in this bill is in the form of an exemption from certain types of tort liability. Liability remains, for example, for noneconomic detriment in excess of \$5,000 where the injury is of a specified type; for allowable medical expenses in excess of that compensated for through basic loss benefits; and for work loss, replacement services loss, survivor's economic loss and survivor's replacement services loss which are not recoverable through basic loss benefits after the injured person has been disabled for more than six months or after his death. Automobile manufacturers, repair shops, parking garages and railroads all remain potentially liable in tort when they are involved in motor vehicle accidents.

There are various provisions in the bill designed to achieve maximum compliance with the requirement that security be provided through insurance or self-insurance.

Provision is also made for the administrative regulation of the terms and conditions of insurance policies.

Uninsured claims are provided for through an assigned claims plan. All insurers and self-insurers in the State would be required to participate in the plan and pay claims assigned to them on an equitable basis.

The bill applies to any motor vehicle accident occurring within this State without regard to where any involved vehicle is registered. Any motor vehicle liability insurance policy, including one issued elsewhere, is converted by law into a basic loss insurance policy while the insured vehicle is in this State. Benefits provided through basic loss insurance are applicable to injuries occurring outside the State to an insured and members of his family and to any occupant of an insured vehicle.

With respect to collateral benefits, basic loss insurance is primary as to all other benefits with the exception of social security and workmen's compensation. Subject to the approval of the director of insurance, however, basic loss insurers may offer an optional exclusion of any additional benefits.

The bill also provides for reallocation of loss incurred among insurers on the basis of the injury-causing potential of different kinds of vehicles.

Other provisions relate to an insurer's rights of reimbursement and subrogation, prompt payment of benefits, availability of insurance through an assigned risk plan, and terminations, cancellations or nonrenewals of insurance.



United States Department of the Interior

BUREAU OF MINES
LIAISON OFFICE - ALASKA
Room G-81, Federal Building
Anchorage, Alaska 99501

H3-240

March 1, 1973

Honorable Clem Tillion, Chairman
House Judiciary Committee
Alaska State House of Representatives
Juneau, Alaska 99801

Dear Sir:

I am writing in regards to House Bill No. 240 (Hartig, Miller, Urion) titled "An Act Relating to Architecture, Engineering and Land Surveying; and Providing For an Effective Date". Ammendments to Section 1 AS 08.48.11(b), Section 2 AS 08.48.021(b), Section 3 AS 08.48.031 and Section 08.48.031 will broaden the disciplines of the Board by including a Petroleum Engineer. Previously mining, civil, and other professional engineering disciplines, land surveyors and architects were represented on the Board, Petroleum Engineering was omitted. The petroleum industry has become a major component of Alaska's professional community and should be represented on the Board. As Bureau of Mines Liaison Officer and Society of Petroleum Engineers Secretary-Treasurer, I heartily endorse House Bill No. 240 and urge you, as Chairman of the House Judiciary Committee, to take favorable and immediate action to approve this Bill for enactment into Law.

Sincerely yours,

Alfred L. Service
Bureau of Mines
Liaison Officer

cc: C. Champion

February 27, 1973

The Honorable William A. Egan
Governor, State of Alaska
Pouch A
Juneau, Alaska 99801

HB-243
Collective Bargaining

Dear Governor Egan:

It is my right as a loyal State employee to strongly urge you and the State Legislature to stop and think about the implication of a proposed compulsory union. All people in Alaska seek some type of freedom, such as it is, to pursue an equal footing with everyone else, including friends, acquaintances or someone newly arrived from the South 49 and elsewhere.

I do not think that anyone wants to be forced into non-existent union. It is my right and the rights of others to come forward and say yes or no on this subject. The rights of anyone should not be destroyed by unions or any other form of regulations contrary to the United States and the Alaska Constitution, contrary even to the mythical belief that the more you make, the better off you are. I think that this proposed compulsory union is undemocratic, undesirable, illegal and, most of all, it is definitely expensive. These costs, incidentally, are borne by each taxpayer in Alaska, as well as those in other States. We are rapidly changing from a country of the people to a country run by unions. This is fact not an opinion. Therefore, it is my right to say no. I said no to the Labor Relations Board which was ignored. Why was that?

Any group intending to set up compulsory unions is falsely misrepresenting each and every member, whether or not they choose to join, besides taking away the rights of everyone.

Another point I would like to make is that Federal Civil Service employees (white collar workers) are not compelled to join any union either to procure a job, remain employed, have the right to say yes or no on health insurance and other fringe benefits. Furthermore, the Hatch Act forbids striking. It is my understanding that the Alaska State Employment System is patterned in many ways to the Federal Civil Service. I ask you why should we be different?

The United States, including Alaska, is rapidly becoming a socialistic nation with both Alaska and the South 49 saddled with higher wages and, therefore, higher taxes, I ask you for whom. It is pure irony to shrug it off with the explanation that we are so much better off because we are so much richer. Hogwash! The people are like spawning salmon in that salmon, like people, are heading one way. It is indeed fishy!

Governor William A. Egan
Re: Compulsory Unions
Page two
February 27, 1973

I again urge you, Governor Egan, to quickly reverse this action
as no State employee should ever be forced to join a union.

A copy of this letter will be transmitted to each member of the
State Legislature and other pertinent people.

Sincerely,

John M. Salit

John M. Salit
6511-Imlach Way
Anchorage, Alaska 99502

STATE OF ALASKA

DEPARTMENT OF COMMERCE ALASKA PUBLIC UTILITIES COMMISSION

WILLIAM A. EGAN, GOVERNOR

1100 MACKAY BUILDING
338 DENALI STREET — ANCHORAGE 99501

March 6, 1973

HB-239

Representative Clem V. Tillion
Chairman-House Judiciary Committee
Alaska State Legislature
Pouch "V"
Juneau, Alaska 99801

Re: House Bill 239, Entitled "An Act
Relating to Public Utility Deposits"

Dear Representative Tillion:

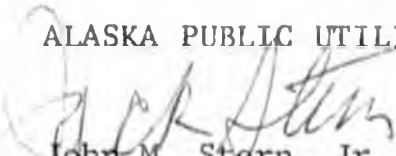
We are enclosing herewith a copy of a communication from APUC to the Commissioner of Commerce relative to the above bill in the event that our comments have not been transmitted to you.

We feel that this bill should not be passed in its present form since it is doubtful that it accomplishes the purpose for which it is intended. Presumably, the legislation has been placed as an amendment to AS 42.30 to include all utilities including municipal utilities, which may be exempted from regulation under AS 42.05. Yet, the annotations in AS 42.30 indicate that that section does not apply to municipalities. Therefore, if you wish to include municipalities, they should be included in AS 42.05 with an appropriate notation in AS 42.05.711(b).

The better course of action would be to wait for the current investigation by the APUC of the entire utility deposit requirements. It may well be that the law would be moot because I can assure you that this Commission is not going to allow the continuation of deposits for good credit risks.

Sincerely,

ALASKA PUBLIC UTILITIES COMMISSION


John M. Stern, Jr.
Chairman

JMS:ljm
Enclosure

MEMORANDUM

TO: Kenneth W. Kadow, Commissioner
Department of Commerce
Pouch "D"
Juneau, Alaska 99801

DATE: February 22, 1973

FROM: John M. Stern, Jr., Chairman
Alaska Public Utilities Comm.

SUBJECT: Comments on HB 239, En-
titled "An Act Relating
to Public Utility Deposits"

It is ridiculous to place this legislation in a section of the statutes apart from the Alaska Public Utilities Commission Act. AS 42.30 is a rather archaic law pertaining to public utilities.

Section AS 42.30 does not define specifically a "public utility" although I note with interest that the label "public utility" in the proposed amendment would cover public utilities regulated under AS 42.05. In other words, the term "public utility" as used in AS 42.30 presumably would be defined in AS 42.05. This immediately raises the question of what public utilities would be covered inasmuch as municipal utilities are exempt from most provisions of AS 42.05. If the authors of this bill intended to have a deposit exemption uniformly apply to all public utilities in the State, there should be some attempt to remove the ambiguity involving municipally owned utilities.

Another loop hole in this amendment would involve public utilities grossing less than \$25,000 which are not regulated under AS 42.05.

Note that the Department of Commerce is designated as the administrative agency for this amendment. Will this now require a public utilities section in the Department of Commerce which will possibly duplicate some of the services which should properly be handled by the Alaska Public Utilities Commission? The Commission is involved in rates, deposits and other tariff provisions on a daily basis and should be the proper agency to administer this bill.

The APUC is presently undertaking a staff analysis of all utility deposit requirements and wishes to propose standard utility rules and regulations in this regard. Hopefully, these will be ready within sixty days and hearings will be held thereon. The better way to handle this entire problem would be to not pass this bill, but to defer consideration of this subject pending hearings by APUC on these proposed new regulations. APUC will make the matter of exemptions for the elderly a subject of the hearings. In other words, I think that we will solve the problem without the need for this legislation in that if a person is a good credit risk, I promise that our new rules and regulations will not require deposits from customers.

In summary, it appears that there are loon holes involving municipally owned utilities and utilities grossing less than \$25,000. This amendment should be rewritten and placed in AS 42.05 where the Commission could properly enforce it. However, it is our position that the act should not be passed in any form and that the matter should be studied by the APUC as presently contemplated by us.

JMS:ljm

sperry-sun



HB-240

POST OFFICE BOX 6207 ANCHORAGE, ALASKA 99502 (907) 277-7992
March 2, 1973

J. A. Fouché
President

Honorable Clem Tillion, Chairman
House Judiciary Committee
Alaska State House of Representatives
Juneau, Alaska 99801

Dear Sir:

I am writing in regards to House Bill No. 240 (Hartig, Miller, Urion) titled "An Act Relating to Architecture, Engineering and Land Surveying; and Providing For an Effective Date". Ammendments to Section 1 AS 08.48.031 and Section 08.48.031 will broaden the disciplines of the Board by including a Petroleum Engineer. Previously mining, civil, and other professional engineering disciplines, land surveyors and architects were represented on the Board, Petroleum Engineering was omitted. The petroleum industry has become a major component of Alaska's professional community and should be represented on the Board.

As District Manager of Sperry-Sun, Inc., Alaskan operation I feel this bill should meet with favorable approval of present Professional Engineering groups. To have a Professional Petroleum Engineer on this Board will be of benefit to the people of Alaska. I urge your backing and immediate action to approve this Bill for enactment into Law.

Sincerely yours,

Ted J. Ashby
District Manager

cc: Chuck Champion

Alaska Chapter
The Wildlife Society
P. O. Box 80746
College, Alaska 99701

SB-182

March 23, 1973

Mr. Clem Tillion
Chairman, House Judiciary Committee
Alaska State Legislature
Juneau, AK 99801

Dear Mr. Tillion:

We represent the Alaska Chapter of the Wildlife Society composed of professional biologists employed by Federal, State, and local governments and private organizations. The Alaska Chapter is affiliated with the national Wildlife Society with headquarters in Washington, D. C. A major purpose of our group is to encourage sound management practices which would benefit Alaska's fish and wildlife and its people.

We are concerned about SB 182, a bill which would result in establishment of exclusive use subsistence hunting and fishing zones around rural villages. We recognize the necessity of the harvest of fish and wildlife for subsistence purposes. SB 182, however, is not needed to provide for subsistence use. In fact, we wonder if exclusive use zones for special groups are in the best interest of the people of the State as a whole.

At present, the Board of Fish and Game, after receiving information from the public and professional Fish and Game Department staff members, has the authority to set regulations which accommodate subsistence needs. We would like to emphasize that the public, through advisory committees, other organizations and as individuals, has a major involvement in setting fish and game regulations.

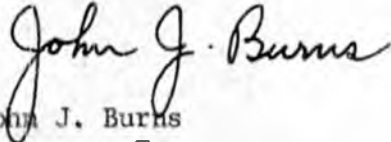
We believe that under present authorities, the Board of Fish and Game has demonstrated an ability to provide for subsistence use. Caribou may be taken year around and without limit and the meat sold or bartered in areas north of the Yukon River. Moose seasons in rural areas are long, and in some cases, allow individuals more than one animal per year. Before the Marine Mammal Protection Act of 1972 stopped sport hunting of polar bears and walrus, regulations were much more liberal for subsistence hunters than for sport hunters. Restrictions on use of aircraft for hunting have benefited subsistence hunters, and this type of regulation can be more effectively used in the future. We recognize that conflicts will develop in the future between subsistence and recreation-oriented users, but, based on past actions, we believe that conflicts can be resolved without establishing exclusive use zones.

Mr. Clem Tillion
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March 23, 1973

The position of the Fish and Game Commissioner must, to a certain extent, be political. We recognize this, but feel that SB 182, which would require the Commissioner to make decisions relating to exclusive use for special groups of people, would subject his position to political pressures far in excess of what is desirable. The Commissioner's position needs stability and decisions must be based on objective analysis, rather than instability brought about by extreme pressures.

We believe the bill does not define, clearly enough, the criteria of eligibility for receiving subsistence permits.

Respectfully,



John J. Burns
Secretary-Treasurer
P.O. Box 80746
College, Alaska 99701

Executive Board

Jack W. Lentfer
President

James E. Hemming
Vice President

For the Executive Board

cc: Governor William A. Egan
John Sackett, Chairman
Senate Resources Committee
Oscar Dyson, Chairman
Board of Fish & Game
James W. Brooks, Commissioner
Department of Fish & Game

John J. Burns
Secretary-Treasurer

Richard H. Bishop
Regional Representative

Dan Timm
Regional Representative

Alaska Chapter
The Wildlife Society
P.O. Box 80746
College, Alaska 99701

March 23, 1973

Mr. Clem Tillion
Chairman, House Judiciary Committee
Alaska State Legislature
Juneau, AK 99801

Dear Mr. Tillion:

The Alaska Chapter of the Wildlife Society includes among its members the majority of active wildlife management and research personnel within the State of Alaska. Our members represent a cross section of state and federal employees, as well as people representing several private organizations. We are keenly aware of the various forces influencing decisions concerning renewable resources, at various levels of the state and federal governments and how some of these decisions have affected the resources involved, and their conservation.

We have carefully reviewed HB 204, "An act relating to the hunting of antlerless moose," introduced by Representative Tillion. In our opinion, such a bill has several serious faults.

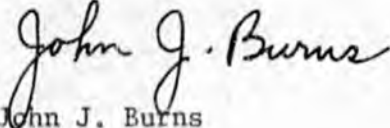
We are concerned about the possibility of establishing statutory regulations affecting use of natural resources on the basis of political considerations, rather than by means of the presently existing system which considers a broad array of factors including species productivity and regional human welfare. In the present system, the actual resource users do influence both regulation and policy via individual and collective input to the Board of Fish and Game and the Commissioner.

Recommendations and proposals based on scientific facts, obtained by professionally trained scientists, are important components of effective management. The necessary input of biological data could be completely overlooked in the proposed general ballot process.

Mr. Clem Tillion
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March 23, 1973

Additionally, numerous past experiences indicate that popularity at any given point in time does not insure (or even provide for) an effective resource management program. How would effective management of the Cook Inlet or Bristol Bay fisheries be achieved on the basis of local popular vote?

Respectfully,



John J. Burns
Secretary-Treasurer
P.O. Box 80746
College, Alaska 99701

For the Executive Board

cc: Governor William A. Egan
John Sackett, Chairman
Senate Resources Committee
Oscar Dyson, Chairman
Board of Fish & Game
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Department of Fish & Game

Executive Board

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Secretary-Treasurer

Richard H. Bishop
Regional Representative

Dan Timm
Regional Representative

PROSPECT HEIGHTS ASSOCIATION, INC.

AN ALASKA NON-PROFIT CORPORATION
SUITE 1, 825 WEST EIGHTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 279-2411

March 14, 1973

Rep. Clem Tillion
Pouch V
Juneau, AK 99801

Re: House Concurrent Resolution No. 3

Dear Rep. Tillion:

It has come to our attention that the above resolution has been introduced, and we finally got a copy today.

There are several misconceptions in the middle of the "whereas" paragraphs.

First, there are no existing service roads and trails in the state parks which are closed. There is no area of any park at all that is closed to the public.

There are some areas of some parks that are closed to vehicle access. Principally this is the City of Anchorage/ Greater Anchorage Area Borough Ship and Campbell Creek Watershed. This area is fully open to public recreation; indeed, thousands make use of it. The entire public is free to use it. This area has been legally closed to motorized vehicles since 1965, and it is just the recent enforcement given that rule that has excited a vocal minority.

The action the Park people have taken to reinforce the "Watershed" classification is to be applauded, not condemned. The damage done to ground cover, and the danger of siltation, was becoming extreme prior to their action in 1971. Some recovery of the watershed was visible by the time snow fell this fall.

We hope the House will not take action in this resolution. Doubtless its proponents mean well, but it seems that they must have been misinformed. Surely, the recreationist who wants to get away from the urban mechanical scene is entitled to have some area set aside for people only.

PROSPECT HEIGHTS ASSOCIATION

By 
E. G. Burton, Secretary

ALASKA HISTORICAL SOCIETY

BOX 80687
COLLEGE, ALASKA 99701

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O. THOMAS BEIRNE 1967
DR. ROBERT A. FREDERICK 1968
GEORGE A. HALL 1969-70
RICHARD MONTAGUE 1971

March 21, 1973

Clem V. Tillion, Alaska State Legislature
Pouch V, Juneau, Alaska 99801

Dear Clem:

As a member of Alaska's Historic Sites Advisory Committee, I am shocked that the House version of the Budget has completely eliminated Alaska's Historic Preservation Program which to date has made such remarkable progress. Championed by Governors Hickel, Miller, and Egan, Alaskan Legislators passed the Antiquities Acts of 1966, 1968, and the Historic Preservation Act of 1971. These measures have qualified Alaska to receive to date \$199,463 for an investment of \$46,400 of State funds. This is a return of \$4.29 in federal money for each state dollar appropriated to the statewide planning and survey program. In addition (see attached), these monies have been used in preservation projects in Alaska. Failure to appropriate the requested \$24,200 in State funds for historic preservation will mean a loss of over \$170,000 in Federal funds. It will also kill the program.

The intent of historic preservation is not the Great Land's economic stagnation. It is not anti-development or anti-pipeline. The Alaska Historical Society and its 43 affiliated Local Societies and Museums are committed to progress and preservation. Historic restoration and preservation in Alaska's cities, towns, and villages will prove an economic boon for Alaskans. Such properties generate local and tourist dollars in a variety of ways. Moreover, they provide tangible evidence of Alaska's Past and an inspiration to its study and appreciation.

Alaska's Constitution (Art. VIII, Sec. 7) holds the Legislature responsible to "provide for the acquisition of sites, objects, and areas of natural beauty or of historic, cultural, recreational, or scientific value." And to "reserve them from the public domain and provide for their administration and preservation for the use, enjoyment, and welfare of the people." Former Legislatures have provided the legislation and the funds to implement this responsibility. Unlike other resources, our Alaskan antiquities are non-renewable. Failure to fund this vital activity will mean an irreversible loss in historic and archaeological values. We urge your restoration of the \$48,400 authorization in the Natural Resources budget for the historic preservation program.

Respectfully,



Robert A. Frederick, Alaskan Advisor and
Vice-Chairman, Board of Advisors
NATIONAL TRUST FOR HISTORIC PRESERVATION

Enclosure

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF REVENUE

OFFICE OF THE COMMISSIONER

POUCH 5 — JUNEAU 99801

SB-2

January 29, 1973

The Honorable W. I. "Bob" Palmer
State Senator
Chairman, Rules Committee
Alaska State Senate
State Capitol Building
Juneau, Alaska 99801

Dear Senator Palmer:

This is in response to your letter of January 26 asking for our analysis and comments on Senate Bill 2. This is the re-introduction of Senate Bill 289 which was introduced by Senator Ziegler in the last Session. That bill was vetoed by the Governor because it did not make provision for the Commissioner of Revenue to require the filing of a consolidated return nor did it address itself to the filing of combined returns. It was the feeling of the administration that the election should be bilateral. The present bill, SB 2, does provide for a bilateral election and does provide for the filing of combined returns.

Generally, combined returns are provided for in AS 43.19.010, Article 4, paragraph 1(a). However, this is only implied by the construction used in that paragraph. It is our belief that explicit authority to require combined returns, or to allow combined returns, would be beneficial. In addition, of course, many local corporations and accounting firms have requested that they be allowed to file consolidated returns. Basically, the difference between a consolidated return and a combined return is that a consolidated return allows companies which are affiliated to use an ownership test to consolidate their net income for purposes of applying the income tax. Combined returns, on the other hand, provide that all activities of a like business nature of related corporations, without respect to any ownership test, shall be combined for purposes of applying the net income tax.

It is our belief that SB 2 will allow more options to both taxpayers and the Department in arriving at convenient and simplified means of taxing affiliated corporations while at the same time making the provisions of the Multistate Tax Compact relating to the filing of combined returns more explicit and thereby clarifying and simplifying the application of this law to multistate corporations.

Yours very truly,

R. D. Stevenson
Acting Commissioner

SB-37

PEOPLES BANK & TRUST

POUCH 7007 • 8TH AVENUE AND G STREET • ANCHORAGE, ALASKA 99510
TELEPHONE (907) 279-7511

R. A. KENNARD
PRESIDENT

February 8, 1973

The Honorable Dick Randolph
Alaska State House of Representatives
Pouch "V", State Capitol Building
Juneau, Alaska 99801

Dear Representative Randolph:

I appreciate very much the opportunity of discussing with you yesterday some of the aspects of the proposed legislation. In response to your request, here are some thoughts from a president of a smaller bank.

I thought it might be of interest to you that when we received a copy of the S. B. #37 we immediately prepared an analysis of what we thought the interest rate structure for our bank might be in S. B. #37 passed both houses and became law. The results were that the prime rate would immediately drop and the rate range would be more in line with the risk involved, whereas at the present time there really isn't a rate range for commercial or real estate loans.

Another interesting fact is that although the rate that could be charged was 10% during the tight money squeeze, here are the percentage figures of our loan portfolio in relation to interest rates: 10% are below 8%, 68% at 8%, 15% at 8-3/4%, 1% at 9%, 1.8% at 9 1/2%, and 3% at 9 3/4%. You can see that there were very few loans made at the higher interest rates, but where the risk so warranted, the higher rate was charged in preference to declining the loan. Should the Legislature pass a statute that would allow an interest rate to be charged that is more commensurate with the market as of today, it is my feeling that the lending institutions would be in a position to show the Legislature in a year or two a heavy increase in loans, and that the funds were not only generated within the State of Alaska, but a large amount would be obtained from outside investment groups. Even our small bank, which only began business in July of 1970, has on the books at the present time over \$9 million in loans; but more interestingly, in this short period of time we are servicing over \$3 million of loans we have made and sold to investors. Of course, the main portion of the loans now sold to investors are home loans. Most of our housing loans now are at 6-3/4, 7 and a few at 8 per cent. The commercial loan market has for all purposes dried up because of our limited rates.

I would also like to point out that many potential borrowers who are unable to obtain loans through Alaska banks turn directly to Outside financial institutions for loans at rates much higher than they would have to pay if the loans could be processed through an Alaska bank. There's evidence that financing was obtained from Outside lenders are in evidence on many local building projects, and these higher financing costs eventually rest on the Alaska consumer. It is paradoxical but true that setting maximum rates lower than the market rates actually costs Alaskans more because borrowers must turn to other, higher rate sources for funds if there is to be progress.



To: The Honorable Dick Randolph
Page Two

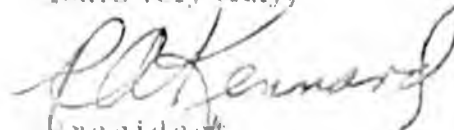
February 8, 1973

* It has concerned me in reading the news papers that the amendments to the interest rate bill have so far only covered housing and commercial real estate loans and chattels; there is no mention of accounts receivable loans, SBA loans, or personal loans, other than that it is my understanding that they would be at 8%. Even as a small bank we have been able to make rather sizeable loans for inventory purposes, accounts receivable purposes, etc., by having the outside commercial banks participate. The larger loans have now become unavailable to our customers because inventory and accounts receivable loans normally carry a higher rate; therefore, our correspondent banks refuse to participate at an 8% rate. Restricting personal loans, accounts receivable loans, and inventory loans to the rate of 8% will only allow the more prosperous borrower to obtain loans, and the marginal borrower, who is usually the smaller businessman, will have to go without.

On the subject of the taxation bill affecting the banks and lending institutions, it is my understanding that the general feeling in Juneau is that it will only affect the two major banks to any degree. I wish to point out that an increase from 2% to 8% has a drastic effect on a smaller bank. It is all relative, as it is just as difficult for us to come up with an \$11,000 or \$12,000 tax payment as it is for a larger bank to come up with its relative dollar amount. In fact, it is more difficult for the smaller banks in that they are not involved with the tax free municipal market to the degree that the larger banks are involved. I think everyone will agree that the shareholder who invests money into a corporation should have a fair return, and quadrupling the tax on banks certainly has a detrimental effect on the shareholders.

I am pleased to have had the opportunity to express my thoughts to you and I would very much appreciate it if you would be so kind as to see that copies which I enclose are given to the Anchorage contingent of legislators.

Yours very truly,


President

RAK:bh

Enclosures

DIVISION OF BANKING, DEPARTMENT OF COMMERCE, STATE OF ALASKA

Kenneth W. Kadow, Commissioner of Commerce

Joseph C. McMurray, Director of Banking

SB-37

COMPARATIVE CONSOLIDATED STATEMENT OF CONDITION OF BANKS IN ALASKA AS OF JUNE 30, 1972

	State Commercial Banks	Mutual Savings Banks	National Banks	6/30/72 Total All Banks	6/30/71 Total All Banks	Comparison Increase + Decrease -
ASSETS						
Cash and Due From Banks	21,052,668	1,119,153	93,405,813	115,577,634	84,131,930	31,445,704 +
U. S. Treasury Securities	19,920,109	1,97,738	31,913,354	53,421,201	55,161,744	1,740,543 -
Securities of Other U. S. Government Agencies and Corporations	15,583,104	9,168,234	41,177,094	66,128,432	49,368,296	16,760,136 +
Obligations of States and Political Subdivisions	23,433,385	2,366,811	141,183,169	166,983,365	141,735,168	25,248,197 +
Other Securities	5,419,544	51,334	2,119,142	7,590,020	4,676,111	2,913,909 +
Federal Funds Sold and Securities Purchased Under Agreement to Resell	16,000,000	1,700,000	4,800,000	22,500,000	13,600,000	8,900,000 +
Loans and Discounts	97,385,741	65,998,098	284,490,142	447,873,981	385,000,266	62,873,715 +
Bank Premises, Furniture, Fixtures and Improvements	4,564,503	2,154,382	15,724,268	22,443,153	17,066,645	5,376,508 +
Real Estate Owned, Not Bank Premises	583,310	152,494	1,273,067	2,008,871	2,622,585	613,714 -
Investments in Subsidiaries not Consolidated	-0-	-0-	-0-	-0-	-0-	-0-
Customers Liability on Acceptances Outstanding	-0-	-0-	966,066	966,066	1,487,326	521,260 -
Other Assets	2,821,585	1,214,828	10,516,329	14,552,742	9,011,236	5,541,506 +
TOTAL ASSETS	206,763,949	85,713,072	627,568,664	920,045,465	763,800,707	156,244,758 +
LIABILITIES						
Demand Deposits of Individuals, Partnerships and Corporations	52,525,780	1,875,702	195,639,004	250,040,486	219,945,829	30,094,657 +
Time and Savings Deposits of Individuals, Partnerships and Corporations	42,145,167	54,082,780	144,156,692	240,384,639	207,463,967	32,920,672 +
Deposits of United States Government	1,868,771	1,345	13,469,959	15,340,375	12,563,515	2,776,860 +
Deposits of States and Political Subdivisions	86,325,116	20,450,447	193,768,716	300,544,279	237,796,857	62,747,422 +
Deposits of Commercial Banks	45,778	20,978	1,247,489	1,314,245	1,454,059	139,814 -
Other Deposits (Certified and Officers' Checks, etc.)	2,753,594	-0-	6,159,796	8,674,390	7,123,363	1,551,027 +
Total Deposits	185,645,206	76,431,552	554,421,656	816,498,414	686,153,177	130,345,237 +
(a) Total Demand Deposits	(62,619,647)	(1,897,121)	(240,697,673)	(305,204,441)	(278,103,895)	(27,100,546) +
(b) Total Time and Savings Deposits	(123,025,559)	(74,544,431)	(313,723,983)	(511,293,973)	(408,249,452)	(103,044,527) +
Federal Funds Purchased	-0-	-0-	10,000,000	10,000,000	1,000,000	9,000,000 +
Other Liabilities on Borrowed Money	-0-	-0-	118,542	118,542	1,122,435	1,003,893 -
Netpage Indebtedness	1,793,961	447,797	176,753	2,415,421	261,307	2,154,114 +
Acceptances Outstanding	-0-	-0-	966,066	966,066	1,487,327	521,261 -
Other Liabilities	4,578,744	1,538,532	16,041,294	22,558,570	19,619,121	2,939,449 +
TOTAL LIABILITIES	192,016,891	78,617,871	581,734,291	852,557,013	709,783,557	142,773,456 +
RESERVES ON LOANS AND SECURITIES	1,340,396	-0-*	5,639,703	6,980,099	6,406,313	573,786 +
CAPITAL ACCOUNTS						
Capital Notes and Debentures	1,574,900	2,874,000	820,000	5,268,900	558,000	4,710,900 +
Common Stock	3,830,770	-0-	13,152,260	16,983,030	12,561,320	4,421,710 +
Surplus	5,491,692	4,021,201	14,462,665	23,975,558	18,670,622	5,304,936 +
Undivided Profits	2,011,340	-0-	11,469,575	13,480,915	12,221,718	1,259,197 +
Reserve for Contingencies and Other Capital Reserves	500,000	-0-	300,000	800,000	3,500,117	2,700,117 -
TOTAL CAPITAL ACCOUNTS	13,408,702	6,895,201	40,204,450	60,508,353	47,520,817	12,987,536 +
TOTAL LIABILITIES, RESERVES AND CAPITAL ACCOUNTS	206,763,949	85,713,072	627,568,664	920,045,465	763,800,707	156,244,758 +

Compiled quarterly by the Division of Banking, Goldstein Building, Pouch D, Juneau, Alaska 99801

*Includes in Surplus

1-23-73
Wall Street Journal

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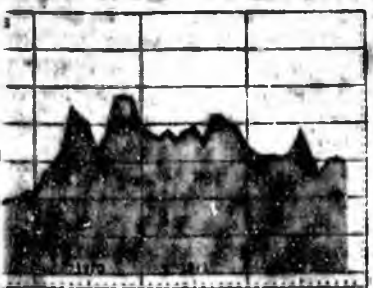
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Y 33, 1973

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Employment Insurance



U.S. CLAIMS for unemployment in an average weekly basis, seasonally adjusted, were 200,000 in November, a 280,000 in October.

70 Millions to Eggs: Spanish Omelets How They Grew

It Cooks 80,000 a Year
Fetters When Not Feeding
Fields at Goldman Sachs

By MICHAEL J. CONNOR
Senior Editor of THE WALL STREET JOURNAL
NEW YORK — In the 1970-72 Broadway musical, "Lauren Bacall played the role of a flamboyant actress, Marge Channing, who decides to study and serve omelets to her guests. If the kid would mind checking why Omelet Man isn't here," Miss Chan-

Spanish liked that line because he is Omelet Man. For some time he has been teaching the art of jet-age omeletry to people in New York, London, Bermuda and other places where omelets are appreciated.

He is the best omelet cooker I've ever seen. Any Vanderbilt, the etiquette expert of three books, including a book on omelets, has retained Mr. Omelet Man for his annual 80-guest omelet party. Spanish omelet is so good, Miss Vanderbilt said, that sometimes she notices guests on a second, third or fourth helping of their choice. "They just love it," she says.

Mr. Omelet Man pleases Mr. Stantak. "Omelets are my therapy."

Mr. Omelet Man is a 60-year-old bachelor whose specialty is the Andrew Mellon family of Pittsburgh. He was a more successful banker than he is now. He was a child—14—when he began working as a kitchen helper in the bank. For the last 20 years he has been the chief executive dining room attendant at the banking firm of Goldman

Labor Letter

A Special News Report on People And Their Jobs in Offices, Fields and Factories

PHASE 3 STIFFENS the resolve of union bargainers to win solid wage gains.
A United Electrical Workers leader predicts General Electric will face higher pay demands this spring than if Phase 2 had continued. United Rubber Workers boss Peter Bommarito warns his union "may have to test" Phase 3's limits this spring, especially with rubber makers posting healthy earnings. A Milwaukee municipal employees union "will certainly feel less (government) pressure to trim demands down," a union official says.

Union bargainers admit they face fresh uncertainties now. The head of Retail Clerks Local 770 in Los Angeles hustles to Washington to try to find out what Phase 3 means for his July talks with drug concerns. "Nobody understands it particularly well," one management man says of Phase 3, "but then nobody really understood Phase 2." Many unionists watch closely to see how the West Coast Longshoremen fare in trying to cancel a Phase 2 cut in their contract.

Workers strike a Smith plant in Missouri, spurning the firm's offer to keep paying the Phase 2 maximum until Phase 3's regulations become clearer.

FOUR-DAY WEEK founders at some firms due to worker fatigue.

Heath Techna Corp. cites rising scrap problems due to more "mistakes at the end of a shift" as it drops the four-10-hour days. Dalton Precision in Oklahoma restored the five-day week after hourly output, maintenance during two 10-hour shifts became problems. Forbes and Field and Stream magazines attribute their switch away from the shorter week to reduced productivity. Some employers fret that supervisors end up working long hours five days a week.

Still, some firms resume short work-weeks after false starts. Mutual of New York, after a 1968 trial, adopts a three-day week for data processors. A New York architectural firm found a 27½-hour week flopped but a 34-hour week shows better results.

Other proponents fear backsliding. If "a-to-b habits creep back in, we go back to the five-day week," warns the president of New York ad agency Carl Ally Inc.

JOBIAIS FIGHTERS attack ethnic, religious discrimination among executives.

The Labor Department issues federal contractors its first guidelines barring bias against employees because of their national origin, religious beliefs. They focus on the executive suite where bias in promotion, pay practices is reported "most likely to occur." The rules also require that work schedules make allowance for workers' religious practices. Employers who disregard the guidelines could lose federal contracts.

The guidelines require employers to make sure ethnic, religious group members receive "fair consideration" in hiring and promotion and urge "positive recruitment" efforts. Some suggestions: contacts with religious groups.

Oil & Money

Western Nations Fret As Arabs Accumulate Massive Sums From Oil

U.S., Other States Worry How Funds Will Be Used, Fear Monetary Instability

'Up, Up Into the Stratosphere'

By RAY VICKER
Staff Reporter of THE WALL STREET JOURNAL.
RIYADH, Saudi Arabia—Thanks to their oil, Arab nations are accumulating undreamed-of wealth—which, of course, makes them happy. And they now have successfully put the squeeze on the West to get even more money for their oil—which makes them even happier.

But not everyone is happy. The flood of dollars and other Western currencies into Saudi Arabia and other oil nations threatens to become the "No. 1 problem of the world monetary system during the next decade," says an international economist for a major New York bank. The key question: How can the money be used? In the most pessimistic view, this new situation could mean monetary instability or oil shortages—or both.

At the very least, major changes in international relationships are likely in the long run.

The huge amounts of money that Arab nations will get from selling their oil could import the world monetary system and end after the U.S. to new political activity in the Mideast. This is the first of two stories examining the situation.

According to officials interviewed in this Saudi Arabian capital; in Jeddah, the nation's diplomatic center; and in Dhahran, its oil center. Western central bankers may have to find a seat for this nation at their councils. Arab money may become a new source of investment in the U.S. oil industry. America's exporters may have to work harder if the U.S. is to stem a dollar drain because of oil imports. And, like it or not, Washington may have to pay more attention to Arab wishes and sensitivities—because by 1985 it is estimated the U.S. will be importing about half of its oil, and most of this will come from the Middle East. (Right now, the U.S. imports 20% of its oil, mostly from Latin America and Canada.)

In another decade, this desert nation of five million to eight million persons is likely to have reserves of about \$30 billion in gold and foreign exchange. That would be more than double the present American total, and it clearly would turn this developing country into a monetary giant. At the same time, Saudi Arabia and other Persian Gulf nations will become industrial giants. They signed an agreement with Western oil companies giving these nations a 25% equity interest in the firms' oil production, effective Jan. 1 of this year. Companies in Saudi Arabia currently produce about six mil-

SB 37

Instead, an organization called Boston Court Resources Project stopped in and made him an offer he couldn't refuse. The project got him a job in a gas station and gave him counseling and remedial reading work. Later, he re-enrolled in high school. After 90 days, his arrest was erased from his record. He hasn't been in trouble since.

Pat Greene is a beneficiary of a new alternative to traditional trial and punishment called pretrial diversion. As administered by groups like Boston Court Resources Project, it consists of selecting good prospects for voluntary rehabilitation and in effect putting them on probation before they go to trial. If they successfully complete their probation, they're spared the ordeal of a prison term and the stigma of a prison record. If they go astray during their diversion period, they can always be called to trial for their original offense.

A Dozen Programs

Courts have long provided alternatives to trial and imprisonment for persons such as the mentally retarded. Now, the concept is gaining broader appeal. "There's a tremendous stream of interest building around alternatives to sentencing," says James Meeker, chief director of the Senate subcommittee on national penitentiaries. Sen. Quentin Burdick (D., N.D.), chairman of the subcommittee, this month will refile a bill providing funds for programs like the one in Boston. (The original bill died when Congress adjourned last year.)

From a pair of pilot projects founded in 1967 in New York and Washington, pretrial diversion has grown to encompass a dozen programs in major cities around the country. Another dozen more specialized projects have sprung up to treat juveniles or drug offenders. Most are financed by one or more federal agencies, though a few draw on state, city or private monies.

Though these programs aren't yet very large, together "graduating" no more than a few thousand persons a year, their importance is insisted upon by many who feel prisons are failing in their function—that, in fact, prisons produce criminals instead of rehabilitating them. "We (judges) don't want to commit kids who haven't yet become criminals," says Franklin N. Flaschner, chief justice of the district courts of Massachusetts. "Most of us have thrown up our hands at the prison system as a rehabilitative tool." Judge Flaschner calls the Boston program "a model example of early or classical probation, a working partnership between the courts and outside resources of rehabilitation."

The Department of Labor, which provides funds for many pretrial diversion programs, reports that 65% to 90% of the "clients" in these programs have the charges against them dropped. The department says that in one program it studied, 17% of these successful "clients" were arrested again within 12 months, compared with 34% of a control group that had been sent to prison.

Cheaper Than Prison

Not everyone looks on these programs so favorably, of course. Some judges refuse to release any offenders to pretrial diversion programs. Some critics, too, feel any program will look good if it limits itself to "clients" who are highly motivated to straighten out their own lives.

Pretrial diversion is unquestionably cheaper than prison. The Department of Labor says the programs it supports cost about \$1,000 per man for a three-month stint, compared with about \$1,200 to keep a man in prison for the same amount of time. Penologists say the real savings are considerably greater, because that \$1,000 figure doesn't include the costs of providing welfare or social services to his family, nor the loss of tax revenue from jobs he might have held if not imprisoned.

Cost of most pretrial diversion services.

November's \$258.3 million, after year-earlier net sales.

(Story on Page 3) 1-23-73

Short-term interest rates took another jump yesterday, increasing pressure for a 1/4-point boost in the prime rate to 8 1/4%. Even higher rates might be necessary, a Federal Reserve official commented, if current business expansion becomes a boom.

(Story on Page 2)

The U.S. dollar fell on some European money markets yesterday in the wake of Italy's introduction of a two-tier system to protect the lira. The Swiss National Bank adopted a stern stand against importing dollars.

(Story on Page 4)

Interest-equalization tax extension for two years beyond its scheduled March 31 expiration was asked by the administration. The 10-year-old "temporary" levy has helped the U.S. balance-of-payments position, the Treasury Secretary said.

(Story on Page 1)

Telex Corp. unlawfully obtained IBM trade secrets and infringed IBM copyrights, International Business Machines charged. Its counterclaims to Telex's year-old antitrust suit against it asks \$25 million in damages. IBM separately introduced a new system for entering data into computers.

(Story on Page 7)

Antitrust challenges to restrictions placed by two British companies on U.S. sales of an antifungus drug were upheld by the Supreme Court. It backed requiring Glaxo and Imperial Chemical to license manufacture and bulk sale in the U.S., and authorized Justice Department attacks on their patents.

(Story on Page 4)

Three accountants and an accounting professor were appointed to the board that will set rules for companies to report financial results. That leaves two vacancies on the Financial Accounting Standards Board, one for a corporate financial officer and one probably for someone from government.

(Story on Page 9)

Trans World Airlines intends to press a campaign for multiyear agreements among competing airlines to limit capacity on many key routes, its chairman said. Such accords, opposed by the Civil Aeronautics Board, are vital for the industry's economic health, he asserted.

(Story on Page 10)

American Financial refined its plan to acquire National General. It will make an immediate tender offer for National General's \$40 common warrants and, instead of proposing a merger, will make an exchange offer to National General holders.

(Story on Page 1)

Norfolk & Western Railway will haul more freight this year than last.

law that allowed residents while requiring two additional doctors to concur with the woman's physician. Justices didn't totally prohibit state abortion laws, but they said the states can't stifle abortions in the first three months of pregnancy, and can only regulate them during second three months.

Only when the fetus reaches the viability stage, where it can exist outside the womb through premature birth or cesarean section, can the state forbid most abortions outright, they said.

Reaction to the abortion ruling ranged from pleasure by pro-abortion groups to disapproval by opponents. Observers said the ruling could affect all but four of the 50 states. State legal officials said they weren't immediately sure of the impact of the ruling.

The President's power to classify documents isn't subject to judicial review, the Supreme Court held. The case involved Congressmen who wanted to see documents relating to an underground nuclear test on Alaska's Chukchi Island. A lower court held a judge empowered to privately examine the documents to see if they fall under provisions of Freedom of Information Act allowing the remain secret. But the high court held it doesn't contain any "means to question a executive decision to stamp a document as however cynical, myopic, or even contrary decision may have been."

State aid to parochial schools will be reviewed by the Supreme Court. The Justice also agreed to decide whether former employees of E. J. Lynch, Pierce, Frazier & Smith Inc. in Florida can sue the firm over a provision profit-sharing plan providing that an employee who voluntarily goes to work for a company loses his vested interest in the plan. A plaintiff says state law bars any contract by which individual is restrained from engaging in lawful occupation.

KISSINGER FLEW TO PARIS

trans might be finalized by Thursday. The White House foreign affairs aide left for a one-hour conference with the President, leaving for what are expected to be final talks with Hanoi's Le Duc Tho. Sources at the White House told UPI that Kissinger is authorized to initial an accord Thursday, but any last minute hitches. Defense Secretary Laird, however, hinted to newsmen the signing may come Wednesday. Asked about prisoners of war, Laird responded: "I told you all we can until after Wednesday was also cited as the initial in Communist high-command documents tured in South Vietnam Sunday.

In Washington, Sen. Hughes (D., I.) asked for an investigation of alleged military physicians that Air Force Lt. James H. Hagan allegedly participated in combat atrocities over Indochina.

A pitched battle is raging at the rubber plantation 40 miles northwest of Field reports strongly indicated that the Vietnamese incursions were defeated but forces systematically ambushed and moved forward. Meanwhile, South Vietnamese commanders, after a series of hasty attacks, rejected a Vietcong offer to a armed helicopters to pick up 120 of the Vietnamese wounded. They said it was to have air strikes in the area called of

A 50% cut in Education Office funds to school and administration was urged president of the 1.3 million-member Education Association. Mrs. Catherine said the money could better be used for school children. She charged that the contribution toward elementary school costs has declined 1% since the year before Nixon first took office. It's

Wall Street Journal

58-37

✓ Mortgage Credit Costs . . . Senator Proxmire indicated concern with mortgage credit costs. He proposed that the Congress authorize the Federal Reserve Board to limit the amount of borrowing by large corporations during periods of tight money. Corporations covered would be confined to those with annual sales in excess of \$100 million. By limiting big business borrowing, more money would be available for other sectors of the economy including housing, state and local government, small business, and agriculture. By restricting demand, interest rates would not rise so much as they would otherwise, according to Senator Proxmire.

✓ Federal Reserve Recommendations . . . Chairman Arthur F. Burns of the Federal Reserve Board cited a number of recommendations of the Board. The Board recommends removal of a number of legislative and regulatory constraints that at times discourage investment in mortgages. If Congress would abolish interest rate ceilings on FHA and VA loans, or tie them directly to market interest rates, the states would be encouraged to take similar action with regard to usury laws which block the flow of funds into mortgages.

The Federal Reserve Act should be amended to permit the Reserve Banks to lend to member bank on the basis of sound mortgage collateral at the regular discount rate. The statutory restrictions on real estate loans by national banks should be eliminated, but the Comptroller of the Currency should be authorized to establish safeguards through regulations. Removal of the geographical restrictions on conventional mortgage loans of federal savings and loan associations would help free funds for investment. Federal action on geographical restrictions could lead to similar liberalization of state laws.

The ability of depository institutions to attract and hold consumer savings should be strengthened. The sharp swings in deposit inflows and in loan activity at these institutions could be moderated somewhat by lengthening the average maturity of their deposits. Perhaps deposit rate ceilings could be adjusted to allow greater incentives for savers to invest for longer periods. Some benefits would also accrue from shortening the average life of the earning assets of thrift institutions. Consideration should be given to enabling all depository institutions to offer mortgages with variable interest rates.

The Board recommends flexible use of the investment tax credit as a means of achieving greater stability in outlays by business firms for machinery and equipment. The Board believes that first priority should be given to the proposed variable investment tax credit.

Comptroller General . . . Elmer B. Staats, Comptroller General of the United States, recommended that the Departments of Housing and Urban Development and Agriculture clearly define the type of housing options that will be made available under homeownership assistance programs in the various areas of the nation. He also recommended that the Departments jointly determine what housing options are appropriate for inclusion in houses being provided in communities served by both Departments. Mr. Staats cited these needs with reference to the Section 235 and Section 502 programs. He said that HUD and Agriculture did not provide their field offices with adequate guidelines defining the type of housing eligible under homeownership assistance programs for low- and moderate income families.

A review of mortgage default rates on the Section 235 and Section 502 programs has been made. Preliminary information indicates that mortgage defaults could become a major problem for the Section 235 program. The number of defaults in the Section 502 program has been low, but Agriculture officials anticipate that increased program activity will result in a marked

THE KIPLINGER WASHINGTON LETTER

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THE KIPLINGER WASHINGTON EDITORS

1729 H St., N.W., Washington, D.C. 20006 Tel: 202-298-6400

Cable Address: Kiplinger Washington DC

Dear Sir:

Washington, Jan. 19, 1973.

What you have is the start of a permanent monitoring system for the economy...gov't assuming the continuing role of a traffic cop. This is not really decontrol, as most of the news stories say. The controls are still there...the enforcement is less rigid. They are now "general guidelines" under which you are to live for the foreseeable future. Thus, a sort of honor system is beginning, to see whether the economy will behave voluntarily or has to be ruled.

You are not really free to do as you please on prices & wages. And profits are still subject to limits...if you raise prices. But these have been sweetened a bit...looser definition of base period. Lets companies use the latest fiscal year in figuring what they can do.

You may go beyond the wage guidelines in certain circumstances... such as "localized shortages," "inequities," "serious market disruptions." But be sure you can prove the need for this...because if not, you may get into trouble. Subject to rollbacks, and perhaps penalties if you persist. So, wise not to assume you have complete freedom.

How will the gov't check up on you? Mostly by indirect means, by monitoring your industry or section of your industry. And watching the giants in the field, the leaders. Also by scrutinizing the prices quoted in financial papers, reports, announcements. And by complaints from one company about another...a method that has worked in the past. It will keep its finger on the cost-of-living index to see what's up, if this starts moving too fast...who's responsible, what justification.

So the key indicator will be prices...YOUR prices in YOUR line. Gov't knows they are likely to go up, whatever they are, but will watch to see that the increases are held "reasonable." What is "reasonable"? Don't know. Gov't hasn't yet decided. Writing regulations on this... so a tricky word that may become bothersome. We got an interpretation when we squeezed gov't officials this week who will write the rulings:

Suppose your costs rise sharply...say you are suddenly faced with a shortage of a certain skill in your line and must raise wages to keep those you have from leaving. Then you have to increase prices. Gov't probably would investigate...and might say that's "reasonable."

Or suppose a commodity becomes scarce and the price skyrockets. Chances are you could justify a price boost in a product made with it. But these are mere examples, unofficial...and uncomplicated. Everyday business operations are seldom as cut & dried as this. Hence, expect plenty of gov't sniffing any time prices jump.

In any event, gov't will continue to keep the pressure on you. Sometimes directly, sometimes indirectly...moving from one to the other.

As for wages, the guidelines stay the same. You may raise wages up to a limit of 5.5% a year, plus .7% on fringes. And probably more... if it's unavoidable, if you MUST to keep going. Also, in the industries where big contracts will be settled this year...going beyond guidelines.

Quite likely that wages will creep up faster under these controls than in past year or so...gov't has virtually promised unions to go easy. Wage negotiations in several big industries will set the pace for all... probably 8% or beyond...prodding other wages higher, even the non-union.

What effect on inflation? Well, MORE inflation...faster pace.
Around 4%, perhaps even up to 4.5% by the time 1973 has ended.
Hard to gauge it with much accuracy at this point, but 4% almost sure.
Prices in relation to wages, close to same proportion as now.
Roughly 4%-plus on prices, 8%-plus on wages. Now about 3.5% and 6%.

Another important effect...on money, interest rates: This year the earlier expectations were for interest rates to rise rather slowly. Now looks like a slightly faster rise, since more of the effort to curb inflation will be thrown on monetary policy. Not blatantly, but enough to cause the Federal Reserve Board to squeeze a bit harder.

Short-term rates, up 1% by July. Prime rate, 7%...from 6% now.
Long-term, not quite as much. FRB will try to keep these fluid so as not to cripple home building. But they will go up, for certain.

FRB doesn't like the new controls system. Chairman Arthur Burns wanted the old kept on longer...he wants to avoid a tight money squeeze. But he's a good soldier and he won't quit...will stay on as chairman.

Some talk in Congress about RE-stiffening controls...mandatory.
Food especially...by controlling farm prices that are now free.
But this will be sidetracked when the farm bloc gets active...
probably killed in committee. (Might pass, if it came to full vote.)

A new law will be voted by April 30 when present law expires. This is the prospect that the leaders talk. The Democrats don't want to be blamed for a hiatus in the law that might lead to sudden upshoot in either prices or wages. So they will vote controls for a year more.

A few specifics: Lumber industry no longer under special curbs.
Food is still under same regulations as before...minor changes.
Physicians, dentists, hospitals, clinics...also same as before.
Construction, ditto...because it has history of wage-rocketing.
Rents are exempt...not even guidelines on rents any longer.
Small businesses, 60 employes or fewer, exempt...as previously.
Record-keeping on wage-price changes is no longer mandatory...
except for firms employing 1000-up or with sales volume over \$50 million.
Write us any questions you have...glad to find out the answers, if we are able. Can on some, can't others. But will be happy to try.

Our mail shows deep concern about labor costs. A recent survey of readers indicates that this is a major problem...chewing at profits.

Many businessmen want to fight further raises, if possible...
especially small businessmen. They want to see productivity increased before they continue handing out more & more in wages. Say they're set to get tougher this year. Disappointed Nixon doesn't tighten wage rules.

Incidentally, want to thank the thousands of readers for writing in response to our request. And for phoning. Appreciate it greatly.

Shoe prices will keep rising all year... world supply of hides is tight, and recent boost in leather shoes didn't fully reflect this. So, another round of increases is coming...up several dollars a pair.

Cough & cold remedies: Federal Trade regards that "evidence" the companies sent in to back up ad claims as bunk. Crackdown coming.

Supermarkets with "lowest food prices in town": Better be true because FTC is going to check, compare and publicize...for housewives.

Little shops in airports are hurting because of security rules. Some airports don't allow non-passengers in, cutting the size of crowds. This also crimps airport restaurants, bars, newsstands, parking lots.

X-rated movies on TV: Gov't fears this will be the next step, and the gov't lawyers say frankly that they have no power to stop them. Each station will decide what's presentable...what people will tolerate.

Sex-talk radio shows are already bringing complaints to gov't. The gov't can not censor. But local stations, and sponsors, CAN censor.

Ads on children's TV shows: Some parents and consumer outfits are pressing gov't to bar them on grounds that they're bad for the kids. Gov't won't, but it may force the ads to drop claims aimed at the kids.

Reminder to employers on safety law: You must fill out and post "Annual Summary of Occupational Injuries & Illnesses"...by end of Jan. For details, check the nearest regional office of the U.S. Labor Dep't.

Temporary employes...a booming business. Typists, office help, bookkeepers, etc. Many companies prefer "tempo" to hold down payrolls and fringe benefits. Usually, temporary help is paid by the agencies.

A cautionary note: Deal with insured agencies for protection in case of injury to a temporary employe...thus avoiding a court fight.

Equal rights for women...RED hot this year... state legislatures in many states will decide whether to ratify Constitutional Amendment. So far, 22 have done so. Thus 16 more needed, for it takes 38 states.

Raging arguments over this...whether it's good or bad for women on education, employment, working conditions, wages, credit, jury duty.

If you want an unbiased discussion, write for a useful pamphlet from Council of State Gov'ts, Iron Works Pike, Lexington, Ky. 40505. Ask for a copy of "All Are Created Equal," RM-496. The price is \$3.

Overlapping state and local taxes still plague interstate firms, but there is now a fair chance that Congress will set some tax standards in a new law this year. A compact is being pushed as an alternative, but fewer than 20 states subscribe to it. So the legal tangle goes on.

On sales & use taxes, the proposal in Congress sets up a system for the states to collect the taxes from the buyer rather than seller.

And as for income taxes, it spells out what the states can tax in such areas as income from abroad, income from patents, royalties, etc. These cause considerable anguish to firms selling in several states.

Chances of passage, pretty good. Depends on loudness of squawks from businesses affected. Congress sees the problem and CAN be prodded.

Recruiting firms that steer executives to jobs: A new directory lists more than 400 such firms and tells what most of them specialize in. Also gives salary ranges. Helpful to companies seeking talent, and execs looking for positions. Write Consultants News, Fitzwilliam, N.H. 03447, and ask for a copy of "Directory of Executive Recruiters." Send \$5.

Big changes are taking place in houses...the way they're built and materials in them. The cost of labor & materials two big reasons. Sent a man to home builders' convention in Houston. Here's a sampling:

Wood substitutes becoming common...steel, aluminum, plastics... because cost of wood keeps rising. Such as steel two-by-fours, beams. Hardwood floors are giving way to plywood sheathing covered with carpet.

And new environmental devices will become standard. Examples... trash compactors in every new kitchen, toilets that use half the water.

Plus a good deal more insulation in house to use less fuel... hold down the cost and keep homes comfortable in case of fuel rationing.

Fireplaces losing popularity in ready-made homes. Brick costly, good masons are becoming scarce, and firewood is getting too expensive.

"Green space" in housing developments...an idea that's spreading. Shave each lot a bit to make room for community pool, tennis court, etc.

Construction of houses is poor...the builders freely admit to it, and they predict worse. Just can't get enough artisans to do a good job. Same for supervisory people. No matter what the pay. Which is a reason builders are going to prefab, precut, modular styles as fast as possible.

On prices, of course they'll keep inching up. More important, people will be paying a bit more for a lot less house. Builders' costs are soaring...labor, land, etc...so they try to hold down home prices via smaller houses, substitute materials, etc. And it's just beginning.

Watergate scandals: What really happened at Democratic hqrs., who was behind the bugging, who ordered it...Senate is planning a probe. Trial here won't turn up anything new...most defendants pleaded guilty.

The Senate can force the witnesses to talk by granting immunity so they can't take 5th Amendment. And three senators were victimized... Humphrey, McGovern, Muskie. They really want blood and they can get it.

Vietnam cease-fire is FAR from peace, no matter who says what.

Just another phase in the long conflict. The shooting will stop, and perhaps for good...but N. Vietnam has no idea of giving up its goal of taking over S. Vietnam. What it couldn't do through force of arms... Hanoi now hopes to get done with more devious and less costly means.

And U.S. will continue to be involved. Going to spend big money for postwar reconstruction in Vietnam, including large sums in the North. So it will appear as though the U.S. will be subsidizing the Red efforts to take the South, and also subsidize South's attempts to prevent this.

We'll keep a fleet and some bombers in the area to make sure Reds don't go too far. Also civilian advisers & observers in Saigon.

Obviously a complicated cease-fire package...great controversy when Congress takes up the spending, especially aid to N. Vietnam.

Best side of cease-fire will be the return of our prisoners... which means the list of missing will be reduced after all these years.

Too soon to tell just how good a TOTAL bargain Nixon will get, but no question the cease-fire will be something to lift the spirit.

Yours very truly,

Jan. 19, 1973

WIN KIPLINGER WASHINGTON EDITORS

Austin Kiplinger

SB-193

xxxxxx Pouch KA
xxxxxxxxx State Capitol
Juneau 99801

March 6, 1974

The Honorable Willard Bowman
State Representative
Pouch V
Juneau, AK 99801

Dear Representative Bowman:

You have asked me to explain the provisions of Senate Bill 193 and to explain how it changes the existing provisions on reckless and negligent driving. The present statute, AS 28.35.040 defines both reckless and negligent driving. The maximum sentence for reckless is \$1,000 and imprisonment for one year or both, and the maximum penalty for negligent driving is a \$100.00 fine. The present statute specifically states that negligent driving is a lesser included offence of reckless driving, even though negligent driving is defined as driving in such a manner as to endanger a person or property whereas there is no such requirement of endangerment for reckless driving.

The principal problem with the existing statute is that there is virtually no difference between some of the definitions for reckless driving and the definitions of negligent driving. Senate Bill 193 is designed to remedy this defect.

Senate Bill 193 basically combines the definitions of recklessness and criminal negligence in the Model Penal Code for the definition of reckless driving. Reckless driving is defined in terms of a substantial and unjustifiable risk of harm to a person or property and in terms of a gross deviation from the reasonable person's standard of driving. Negligent driving is placed in a separate section of the Alaska Statutes and is defined in terms of a simple unjustifiable risk of harm to a person or property and in terms of just an ordinary deviation from the reasonable person's standard of driving. The definition of negligent driving also includes a provision that the defendant must actually endanger a person or property. The section on reckless driving does not contain such a provision.

The Honorable Willard Bowman
State Representative

March 7, 1974

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In the original version of Senate Bill 193, negligent driving is defined as a lesser included offense of reckless driving. During the House Commerce Committee hearing, Mr. Sinkey brought up the issue of the possibility that since negligent driving requires actual endangerment, the State might be required to prove actual endangerment for reckless driving since negligent driving is a lesser included offense. The possibility of deleting the requirement of actual endangerment was mentioned, and I opposed such a deletion on the ground that police officers might be tempted to charge a person with negligent driving in situations where all the driver should be cited for are specific violations of traffic regulations. I stated that I thought a negligent driving charge should only be brought when a driver has actually endangered a person or property. I also stated that I thought the requirement of actual endangerment should be made clear in the statute. The Committee then voted to delete the provision which stated that negligent driving is a lesser included offense of reckless driving. The results of that deletion will be that if a person is charged with reckless driving, he cannot be convicted of negligent driving unless the complaint contains alternative counts charging both reckless and negligent driving.

Since the House Commerce Committee hearing on Senate Bill 193, I have given considerable thought to the wording of the bill in its original and amended form, and I have carefully considered the viewpoints expressed by the various participants in the hearing including the views expressed by Mr. Sinkey and myself. I have come to the conclusion that I was incorrect in supporting the deletion of subsection (b) of the proposed new section defining negligent driving (page two, lines 11-14). I have also concluded the language concerning actual endangerment in lines 25-26 of page one and lines 1-10 on page two of the bill may be deleted without undermining the intent of the statute. The deletion of this language would eliminate any confusion resulting from the apparent addition of an additional element for negligent driving which does not exist on the surface for the offense of reckless driving, even though negligent driving is defined as a lesser included offense of reckless driving.

The reasons why I included references to actual endangerment in the definition of negligent driving in the original version of Senate Bill 193 were because the present statute defining negligent driving requires actual endangerment and because I wanted to make it clear that a person should not be charged with or convicted of negligent driving if he has merely violated some specific traffic regulation without actually endangering any person or property. However, upon a closer analysis of the wording of Senate Bill 193, it is my opinion that some endangerment of a person or property is required by the language of the bill even if the specific references to actual endangerment are deleted. The reason for this conclusion

The Honorable Willard Bowman
State Representative

March 7, 1974

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is that both reckless and negligent driving are defined in Senate Bill 193 in terms of creating an unjustifiable risk of harm to a person or to property. In the case of reckless driving, of course, the risk must also be substantial. Creating an unjustifiable risk of harm to a person or to property is much the same thing as endangering a person or property. Therefore, a person may not be convicted of either reckless or negligent driving unless he has created a risk to a person or property, or in other words, endangered a person or property. Consequently, the language concerning actual endangerment is somewhat redundant and its deletion would not be harmful to the legislative intent of the bill.

If the House deletes the language concerning actual endangerment and retains the language concerning the lesser included offense, I would suggest that the bill be accompanied by a letter of legislative intent specifying that it is the intent of the Legislature that the offenses of reckless and negligent driving should only apply in cases where there is an actual risk to a person or to property, and that it is not the intent of the Legislature that a person be charged with or convicted of either offense when the person has merely violated some specific traffic regulation but has not created a risk of harm to a person or to property. If such a letter of legislative intent accompanied the bill to passage, I would see to it that the letter is distributed to all District Attorney offices and to the various law enforcement agencies.

I am sending copies of this letter to Representatives Randolph and Tillion since I believe that they will be interested in the contents.

Very truly yours,

NORMAN C. GORSUCH
ATTORNEY GENERAL

By:

Ivan Lawner
Assistant Attorney General

cc: The Honorable Richard Randolph
Chairman, House Commerce Committee
Pouch V
Juneau, AK 99801

The Honorable Clem Tillion ✓
Chairman, House Judiciary Committee
Pouch V
Juneau, AK 99801

IL:jp

SYNOPSIS OF BILLS AND COMPARISON
OF PROVISIONS

HB 20, HB 304, HB 415, HB 546, CSHB 257, SB 26
INITIATIVE PETITION #3

HB 546 was introduced by request of the Governor and assigned to State Affairs and Judiciary.

This bill sets campaign spending limits by a formula based on population. Candidates for Governor or Lt. Governor would be limited to approximately \$120,000. Spending limits for the various legislative districts are in the appendix.

The campaign funding disclosure sections of the bill apply to all candidates, including candidates for local office. All must file reports listing the amount and nature of expenditures and the names and amounts of all contributors. Contributors of over \$100 must also file reports.

The bill requires commercial advertisers to file reports listing the name of everyone to whom political advertising was provided and the nature and extent of advertising services rendered.

The Lt. Governor administers the act supervised by a Citizens Committee appointed by the Governor.

INITIATIVE PETITION #3

This bill is an initiative petition circulated by the Alaska Election Reform Committee. The petition has been filed with the Lt. Governor's office and is expected to be on the general election ballot unless preempted by legislative enactment of a similar law. The act sets limits on campaign expenditures and requires disclosure of campaign funding sources.

Statewide candidates are limited to expenditures of \$125,000; \$50,000 in a primary campaign, \$75,000 in a general election. No more than 40% of the amount allowed can be spent on media. The above limits are exclusive of the candidates own living and transportation expenses.

Candidates for the State Senate are limited to \$8,000 for a combined primary and general election campaign. Candidates of the State House are limited to \$6,000.

All candidates for public office in Alaska, including local candidates, must file reports which list all contributions and expenditures and the names of all contributors. No candidate may accept an anonymous contribution.

In addition to reports by candidates, any individual who contributes over \$100 to a candidate must file a report disclosing that fact.

Media spending limits are enforced by a system which requires candidates to obtain media permits before each purchase of advertising time or space. When a candidate reaches his media spending limit he is no longer authorized a permit.

Comercial advertisers who provide media services must also file reports listing the nature and cost of services provided to any political candidate.

The act is administered by the Lt. Governors office. There is also created a Watchdog Committee containing representatives of all political parties. The committee has the power to observe and inspect all records and reports for possible violation of provisions of the bill.

HB 415

This bill was introduced by Representatives Parker, Bradner, Degnan, Malone, Meekins, and M. Miller and referred to the Committees on State Affairs, Judiciary and Finance.

This act would create a State Election Commission which would administer and enforce the provisions of the bill.

Campaign media spending limits of \$50,000 for Governor \$25,000 for Lt. Governor, \$5,000 for the State Senate, and \$2,500 for the State House are established.

There are also limits established on the amount a candidate can spend from personal funds or the fund of members of his immediate family.

This bill also requires disclosure of contributions in excess of \$10. Candidates must file reports listing all such contributions and records of all expenditures.

There is a provision which prohibits anyone holding a contract with the State from contributions to a political candidate or committee.

Contributors of over \$50 to a single candidate or political committee must also file a report with the Election Commission.

This bill was introduced by Representative Mike Miller and referred to the Judiciary Committee.

Candidates for Governor, Lt. Governor and the legislature are required to file reports listing the amounts and sources of all campaign contributions.

Each candidate must also establish a campaign checking account. All contributions must be deposited in the candidates account and all expenditures must be by means of a check drawn on that account. Deposits must be accompanied by statements containing the name for each person providing the funds deposited and the amount each provided.

After the elections, banks must file reports containing copies of each candidates contribution statements and a statement of account for each candidates account.

The bill also prohibits anonymous contributions and requires that all signs, handbills, television and radio ads, etc. be identified as being paid for by the candidate on whose behalf they appear.

HB 304

HB 304 by Representatives Bradner, Bowman, Carrol, Meekins, and M. Miller applies to statewide candidates and candidates for the Legislature.

It sets limits on the total amount of expenditures allowed. Statewide candidates can spend \$50,000 for a primary or special election and \$75,000 for a general election. State Senate candidates can spend \$7,500 for a primary or general and candidates for the State House can spend \$4,000.

Each candidate must file with the courts statements of expenses and contributions including the names and addresses of all donors of over \$100.

This bill also provides that legislators be included under the statutes regarding bribery of state officials.

Provisions of this bill would authorize the Lt. Governor to prepare and mail out election pamphlets which would contain photographs

This bill also contains a conflict of interest section which would require legislators and principal state officials to disclose sources of income, corporate interests, liabilities or debts, etc.

SB 26

SB 26 by Senator Kerttula is a simple expenditures limitations bill.

Candidates for federal office are limited to \$75,000 for a primary or general election; candidates for Governor \$100,000, and the legislature \$7,500. If unopposed in a primary, limits are for combined primary-general campaign. The Lt. Governor is limited to \$50,000 for the primary only.

Candidates are required to file reports listing all expenditures.

CSHB 257

CSHB 257 is an advertising spending limitations bill which limits candidates to spending .50¢ per voter in the area from which they are running. It applies only to candidates for the legislature. The appendix contains an application of this formula to the various legislative districts.

Only candidates who are elected must file reports. The report must contain the amount of advertising expenditures.

APPLICABILITY

INITIATIVE

This bill applies to candidates for Governor, Lt. Governor and the Legislature. Candidates for the U.S. House and Senate are also included if the courts declare such inclusion to be constitutional. Sections covering the disclosure of campaign funding sources also apply to candidates for local government positions.

HB 546

This bill applies to candidates for Governor, Lt. Governor and the Legislature. Sections covering the disclosure of campaign funding sources also apply to candidates for local offices. Political committees are also required to file reports under this act.

HB 415

Candidates for Governor, Lt. Governor, and the Legislature and all political committees supporting candidates for those positions are covered by this bill.

HB 20

This bill applies to every election for Governor, Lt. Governor or the Legislature. Elections for city or borough offices are specifically exempted from the provisions of this bill.

HB 304

Provisions of this bill apply to all statewide candidates and to candidates for the Legislature.

SB 26

Candidates or the political committees of candidates for Governor, Lt. Governor, the U.S. House or Senate, and the Legislature are covered by this bill.

CSHB 257

Applies to candidates for the Legislature, however only successful candidates are required to file reports.

RESTRICTIONS ON EXPENDITURES

Bill sets campaign spending limits as follows:

U.S. Senate or House, Gov., Lt. Gov.- \$125,000
(\$50,000 primary, \$75,000 general)
No more than 40% to be spent on media.

INITIATIVE

State Senate- \$8,000 for combined primary-general
State House- \$6,000 " " " "

Above limits are exclusive of candidates personal living and transportation expenses.

Campaign spending limits are computed as follows:

Gov., Lt. Gov.- \$.40 x the population of the state
State Senate- \$.55 x population of the senate district
State House- \$.80 x the population of the house district divided by the number of seats.

HB 546

Above limits are for combined primary-general election campaign. See appendix for application of formula.

Campaign spending limits on media:

HB 415

Governor \$50,000
Lt. Governor \$25,000
State Senate \$5,000
State House \$2,500

Campaign spending limits on personal funds are equal to 50% of the media spending limits for each office.

- 1. No restrictions on amounts of money expended.
- 2. Expenditures must be made by means of a check drawn on an official campaign account.

HB 20

Total expenses of a candidate must not exceed:

HB 304

Statewide candidates- \$50,000 for a primary
\$75,000 for a general
\$50,000 for a special election.
State Senate-\$7,500 for a primary or general.
State House- \$4,000 for a primary or general.

Spending limits on media advertising:

SB 26

Governor- \$100,000 in both primary and general
\$100,000 for combined primary and general, if unopposed.
Lt. Gov.- \$50,000 in primary only
U.S. Senate and House- \$75,000 in both primary and general. \$75,000 for both combined, if unopposed.
Legislature- \$7,500 in both primary and general.
\$7,500 for both combined, if unopposed.

Media spending limits are computed on a basis of \$.50 per voter in the preceding general election in the district from which the candidate is running. See appendix for application of formula.

CSHB 257

RESTRICTIONS ON CONTRIBUTIONS

INITIATIVE

1. No contribution may be made or accepted without identification of contributor, and his employer or business affiliation.
2. Anonymous contributions cannot be accepted. If donor is not identified, contribution escheats to the state.
3. No person may transfer funds to another to enable the recipient to contribute funds and conceal the true source of the funds.

HB 546

Same as above.

HB 415

1. No person holding a contract with the State or one of its agencies may make a contribution to a political party, committee, or a candidate for public office during the period of the contract.
2. No person shall make a contribution in the name of another person and no person shall knowingly accept a contribution made by one person in the name of another.

HB 20

1. No contributions may be made in a fictitious name or by a person or group in the name of another.
2. Anonymous contributions must be returned to the donor, if he can be found. If donor cannot be located, contribution escheats to the state.

HB 304

No candidate for the legislature may accept a contribution in excess of \$500.

SB 26

No restrictions on contributions.

CSHB 257

No restrictions on contributions.

REPORTING DEADLINES

1. 25 days before an election covering up to 31 days before the election.
 2. 7 days before an election covering up to the 10th day before an election.
 3. 14 days after an election covering from the 10th day before an election through the 14th day after.
- INITIATIVE
4. 45th day after an election, covering any additional contributions, loans, etc.
 5. If above report shows any unexpended balance or a deficit, additional reports must be filed every 60 days until no balance or deficit remains.
 6. Supplemental report must be filed one year after the election.
 7. If elected to office, candidate must file report each Jan. 15 listing all contributions, etc. during previous year.
-
1. 25 days before an election covering up to the 31st day before the election.
 2. 5 days before an election covering the 30th through the 7th day before before the election.
 3. 16th day after the election covering through the 10th day after the election.
- HB 546
-
1. The 10th day of March, June and September of each year.
 2. The 15th and 5th days preceding an election.
 3. January 31st of each year.
 4. Any contribution of \$1,000 or more must be reported within 48 hours.
- HB 415
-
1. Second Monday of each month during campaign.
 2. 6th day preceding an election.
 3. 30 days after an election.
- HB 20
-
1. 7 days before an election covering through 10th day before the election.
 2. By January 10 of the succeeding year covering 10th day before the election through Jan. 1 of following year.
- HB 304
-
1. 7 days before an election covering period up to the 10th day before the election.
 2. 30th day after an election covering from the 10th day before to the date of the election.
- SB 26
-
- CSHB 257 Each representative- and senator-elect shall file an affidavit before the day he takes office.

REQUIRED INFORMATION-CONTRIBUTIONS

1. Total amounts of all contributions, loans, pledges, etc.
2. Amounts contributed and the names and addresses of each person or organization who contributed an aggregate amount of \$50 or more.
3. Total amount of all contributions of less than \$50.
4. Total amount of contributions received from each fund-raising event.
5. Total amount of anonymous contributions.
6. Amount of each loan, promissory note, etc. and full name, address and business affiliation of lender.

INITIATIVE

1. Total amount of all contributions.
2. Amounts, names and addresses of each person contributing an aggregate amount of \$50 or more.
3. Total amount of contributions less than \$50. Candidates must maintain a list of all contributors in this group.
4. Total amount of contributions received from each fund-raising event.
5. Total amount of anonymous contributions.
6. Loans and promissory notes used to finance campaign.
7. Surplus or deficit of contributions over expenditures.

HB 546

1. Cash on hand at beginning of reporting period.
2. Name and address of each person who has contributed an aggregate amount of \$50 or more.
3. Total amount of contributions under \$50.
4. Records of any transfer of funds to or from another committee or candidate.
5. All loans in excess of \$50 with names, addresses and occupations of lenders and endorseers.
6. Total proceeds from sale of tickets to dinners, etc., mass collections made at such events, and sales of items such as pins, banners, etc.
7. Each contribution in excess of \$50 not otherwise listed.
8. Total sum of all receipts during reporting period.

HB 415

All money, loans or other things of value (including transportation) contributed during the period ending on the date of the report. Also the name and address of each person or group contributing and the amount.

HB 20

1. Names and addresses of all donors of \$100 or more.
2. Amount of contributions less than \$100
3. Proceeds from dinners, rallies, etc., mass collections at such events, and sales of items such as pins, banners, emblems, etc.
4. Total amount of all receipts.

HB 304

SB 26

No report of contributions is required.

CSHB 257

No report of contributions is required.

REQUIRED INFORMATION-EXPENDITURES

INITIATIVE

1. Total amount of expenditures made or liabilities incurred.
2. Name and address of each person or business to whom an expenditure was made or liability incurred in the aggregate amount of more than \$50 and the purpose of such expenditure.

HB 546

1. Total expenditures for reporting period.
2. Name and address of each person to whom an expenditure was made in an aggregate amount in excess of \$50.

HB 415

1. Name address and occupation of each person to whom an expenditure was made in an aggregate amount in excess of \$50.
2. Total sum of expenditures made during the calendar year.
3. Amount and nature of debts and obligations.

HB 20

No reports of expenditures are required.

HB 304

1. Amount of expenditures grouped by categories.
2. Name and address of each person to whom an expenditure of \$100 or more has been made and the purpose of the expenditure.
3. Total of expenditures.

SB 26

1. Amount of each expenditure grouped by category of expenditure.
2. Total amount of expenditures.
3. Name and address of each person to whom an expenditure was made in an aggregate amount of \$25 or more.
4. Amount and nature of debts and obligations.

CSHB 257

Candidates-elect for the Legislature must file affidavits reporting the amount of expenditures for advertising on television and radio and in newspapers.

REPORTS OF CONTRIBUTORS

INITIATIVE

Within 15 days after an election each person or organization who contributed an aggregate amount of over \$100 shall file a report.

HB 546

Anyone who makes a contribution in an aggregate amount of \$100 or more shall file a report within 7 days. If made within the 7 days preceding an election, the report must be filed contemporaneously with contribution.

HB 415

Persons who make contributions to a political committee or candidate, in an aggregate amount in excess of \$50, must file a statement containing the information required of candidates and political committees. These reports must be filed by the same dates on which reports by candidates and committees are due.

HB 20
HB 304
SB 26
CSHB 257

None required.

REPORTS OF COMMERCIAL ADVERTISERS

INITIATIVE

1. On the 7th day before an election commercial advertisers shall file reports detailing advertising provided through the 11th day preceding an election.
2. Advertising received for an amount exceeding \$500 shall be reported immediately, if made within the eleven day period preceding an election.
3. A second report shall be filed not more than 10 days after an election covering the period from the 10th day preceding the election through election day.

HB 546

1. On the 5th day before an election commercial advertisers shall file reports detailing advertising provided through the 7th day before the election.
2. Within 10 days after an election a second report must be filed detailing advertising provided from the 6th day before the election through election day.

HB 415
HB 20
HB 304
SB 26
CSHB 257

None required.

ADMINISTRATION AND SUPERVISION OF ACT

INITIATIVE The Lt. Governor is responsible for administering the provisions of this act. In addition there is also created a Watchdog Committee. This committee consists of three members of each major political party plus three persons registered as No Party and one member each from any other recognized political party. All are appointed by the Governor. Members have the power to examine and inspect all records and reports and may place observers in each of the regional elections offices to examine incoming reports. Members also have the right of immediate access to the records of any candidate or committee.

HB 546 The administrative functions of this act rest in the office of the Lt. Governor. There is also a Citizens Committee appointed by the Governor which consists of three members of each political party and three members who are registered as No Party. Committee's function is to observe and inspect reports for possible violations.

HB 415 This bill creates a State Elections Commission which is charged with the responsibility of administering and enforcing the act. The Commission consists of six members, not more than three from the same political party, appointed by the Governor. The Commission is authorized to hire a full-time Executive Director who is responsible for the day-to-day operations of the Commission.

HB 20 Administration of this act is the responsibility of the Lt. Governor.

HB 304 Reports are filed with the Clerk of the Supreme Court in the case of statewide candidates and with the clerks of the superior courts for legislative candidates. The clerks of court are responsible for administering this act.

SB 26
CSHB 257 Administration of this act is the responsibility of the Lt. Governor.

PENALTIES

- INITIATIVE
1. Failure to file reports - misdemeanor, fine of from \$1,000 to \$5,000.
 2. Filing report without including required information - misdemeanor, imprisonment for up to one year or fine of \$1,000 to \$10,000 or both.
 3. Exceeding spending limits - misdemeanors. If limits exceeded by more than 5% but less than 15% - fine \$1,000 - \$10,000. If 15% or more - fine \$5,000 - \$10,000. If found by courts to have exceeded limits by more than 15%, candidate's nomination or election shall be declared null and void.
 4. Any other violation not otherwise provided for - misdemeanor, imprisonment up to one year or fine up to \$10,000 or both.
- HB 546
1. Persons who fail to file are liable in civil actions by the State for up to \$10,000.
 2. Filing a report without including required information or filing false or misleading information is a misdemeanor. Imprisonment up to one year or fine of \$1,000 - \$5,000 or both.
 3. Candidate who exceeds limits by less than 15% is guilty of a misdemeanor. Candidate is guilty of a felony if limits are exceeded by more than 15%.
- HB 415
- Violations of provisions of this bill are misdemeanors and punishable by a fine of not more than \$1,000.
- HB 20
1. Violations of provisions are misdemeanors and punishable by a fine of not more than \$1,000 or imprisonment up to one year or both.
 2. The nomination or election of a candidate who violates a provision is null and void.
- HB 304
- Violations of provisions of this act are misdemeanors.
- SB 26
1. Candidates who fail to file reports will not be issued certificates of nomination or election.
 2. Candidates who are elected and subsequently found to have violated provisions of this bill may be removed from office.
 3. Defeated candidates who violate law may be deprived of running for or holding office for a period of six years.
 4. Above penalties are in addition to any imposed under the elections corrupt practices provisions of Title 15.
- CSHB 257
1. Filing a false affidavit is a felony as provided for under existing election law.
 2. If a member's advertising expenditures exceed the maximum amount, he may be expelled by the appropriate house.

APPENDIX

HB 546

CSHB 257

Governor - Lt. Governor

120,902.40

HOUSE DISTRICT

1. Ketchikan	4,686.80	2,231.50
2. Wrangell	6,017.60	1,298.50
3. Sitka	6,046.40	1,575.00
4. Juneau	6,307.20	3,818.50
5. Prince William Sound	5,948.00	1,510.00
6. Mat-Su	6,136.00	1,860.00
7. Anchorage - NW	6,210.88	4,024.00
8. Spenard	6,160.53	4,273.50
9. Anchorage - NE	6,175.20	3,158.50
10. Anchorage - South	6,215.00	5,691.00
11. Kenai Cook Inlet	5,908.00	2,480.50
12. Kodiak	6,054.40	977.50
13. Aleutians	5,881.60	247.50
14. Bristol Bay	5,888.80	1,031.50
15. Bethel	6,136.80	1,148.50
16. Yukon Kuskokwim	6,108.00	1,080.50
17. Fairbanks	6,088.53	7,359.50
18. Nenana-McKinley	5,935.20	1,064.00
19. North Slope	6,132.80	1,251.00
20. Bering Strait	6,128.00	1,209.50

SENATE DISTRICT

A. Ketchikan	6,444.35	2,231.50
B. Sitka-Petersburg	8,294.00	2,873.50
C. Juneau	8,672.40	3,818.50
D. Mat-Su - Prince William Sound	8,307.75	3,370.00
E. Anchorage	68,103.75	19,147.00
F. Kenai - Cook Inlet	8,123.50	2,480.50
G. Kodiak - Aleutians	8,206.00	1,225.50
H. Bethel - Bristol Bay	8,267.60	2,180.50
I. Yukon - McKinley	8,279.70	2,144.50
J. Fairbanks	25,115.20	7,359.50
K. North Slope - Bering Strait	8,429.30	2,460.50

INITIATIVE

HB 578

CSHB 578

WHO MUST FILE

Governor, Lt. Governor, all legislators, each judicial officer, each commissioner, chairmen and members of all state commissions or boards, and each head of a department in the executive branch. All candidates for state elective office must also file.

Governor, Lt. Governor, all legislators, each judicial officer, each full-time member of a state board or commission and the head of a principal department in the executive branch. Each candidate for state elective office must also file a statement.

Same as HB 578.

TO WHOM

REPORT IS MADE

1. Candidates for elective office, legislators, members of boards and commissions, and executive branch department heads file with the Lt. Governor.
2. Judicial officers file with the administrator of courts.
3. The Governor and Lt. Governor file with the Legislative Council.

Same as Initiative

All those required to file do so with the Alaska Public Disclosure Commission, an independent commission within the office of the Lt. Governor.

ADMINISTRATION
AND INSPECTION

The Lt. Governor prepares the forms on which reports are to be filed. He may also promulgate regulations to implement and interpret the provisions of this act. No official is authorized any investigative powers.

The Lt. Governor shall prepare forms and promulgate regulations. He may also exercise the same investigative powers available to the Department of Revenue to ascertain the correctness of reports. Evidence of probable violations shall be reported to the Attorney General.

The Alaska Public Disclosure Commission has full administrative powers to implement this act and has the same investigatory powers available to the Department of Revenue. Evidence of probable violations shall be reported to the Attorney General.

EFFECTIVE
DATE

If passed by the voters, the bill becomes law 90 days after the certification of the election results.

January 1, 1975

Takes effect on the day after its passage and approval or on the day after it becomes law without approval.

INITIATIVE

HB 578

CSHB 578

ITEMS OF REPORTS

1. Source of all income over \$100 received by official or a member of his family during preceding 12 months. Amounts or categories of amounts are not required.
2. Identity of each business in which he or a member of his household was a stockholder owner, officer, director, partner, proprietor or employee during the preceding 12 months.
3. The identity and nature of each interest owned by him or a member of his household in any business during the preceding 12 months.
4. Any real property, including options to buy, owned by the official or a member of his family.
5. Any trust or fiduciary relationship in which he or a member of his household held a beneficial interest during the preceding 12 months.
6. Any loans or loan guarantees made to him or a member of his household and the identity of the maker of the loan or the loan guarantor.
7. List of all contracts or offers to contract with the state during the preceding 12 months bid or offered by the official or a member of his family or household.
8. List of all mineral, timber, oil or any other natural resource leases or lease offers held by him or a member of his household or family during the preceding 12 months.

1. The amount of each item of income during the preceding calendar year in excess of \$100 from any one source.
2. Same as Initiative
3. Any interest owned by him in any business during the preceding calendar year and as of filing.
4. Any interest in real property, including an option to buy, owned by him or by any entity in which he is a partner, officer, or director during the preceding calendar year and as of filing.
5. Same as Initiative
6. The identity of each creditor to whom he is indebted as of the date of filing.
7. A list of all contracts and offers to contract with the state by the official or by a business in which he is a partner, officer, or director during the preceding calendar year.

Where amounts are required, individual items may be reported by the following category of amounts:
 (1) less than \$1,000 (2) \$1,000-\$4,999 (3) \$5,000-\$9,999 (4) \$10,000-\$25,000 (5) over \$25,000.

If a primary source of income is a partnership or professional corporation, he must include the identity of each person from whom the partnership or corporation received a fee in excess of an aggregate amount of \$1,500.

If the official rendered personal services as a physician, then he need only disclose the amount of income received.

1.-4. Same as HB 578

5. Same except that debts which are incurred as commercial trade accounts in the normal course of wholesale, retail, or manufacturing business are exempt.

6.-7. Same as HB 578

8. The source, nature and value of any gift, the value of which is in excess of \$100, received by the official or his household.

Where amounts are required they may be reported by the same categories of amount as in HB 578.

Income from a partnership or professional corporation is treated the same as in HB 545 only the limit on income to be reported is lowered to \$1,000.

For personal services rendered as a physician or licensed psychologist, the official need only disclose the total amount of income received.

FAILURE TO REPORT

Any non-elected official who refuses or fails to file a report is guilty of a misdemeanor and shall be fined not less than \$500 nor more than \$5,000. He shall not hold office or be confirmed until compliance is made. If compliance is not made within 30 days he shall be removed from office.

Any elected official who refuses or fails to file is guilty of a misdemeanor and shall be fined not less than \$500 nor more than \$5,000. He forfeits and shall not be paid his salary, per diem, and travel expenses from the due date until he complies.

Candidates who refuse or fail to file shall not be certified as nominated or elected.

Criminal charges and fines are removed for refusal or failure to file.

Same as HB 570

Sections on appointed officials appear to apply only to those appointed but not yet confirmed. They may not be confirmed and forfeit salary, per diem, and travel expenses from the due date until compliance.

The Governor, Lt. Governor, legislators and judicial officers who refuse or fail to file forfeit salary, per diem and travel from due date until compliance.

Failure to report by candidates is not covered by this bill.

BLIND TRUSTS

An official may transfer all or a portion of his assets to a blind trust. Those assets placed in a trust must be listed in the official's statement. The instrument creating the trust must be included with the statement. For a trust to qualify:

1. assets placed in trust must be marketable;
2. the trustee must be a bank or other institutional fiduciary;
3. the trustee must have full authority to manage the trust;
4. the trust must be completely confidential from the official;
5. the trustee must report any known breach of confidentiality or termination of the trust;
6. trustee must file a statement as required under this act.

Officials may also set up a blind trust however, assets placed in such a trust need not be listed in the financial statement. For a trust to qualify:

Same as HB 578

1.-5. Same as Initiative

6. Omitted

PROHIBITED ACTS

1. No public official may use his position or office to obtain financial gain for himself, a member of his family, or a business with which he is associated.
2. No person may offer or pay to a public official and no official may solicit or receive money for legislative advice or assistance or for advice or assistance given in the course of the official's employment.
3. No official may represent a client before a state regulatory agency for a fee.
4. Violations are misdemeanors punishable by fines from \$1,000 to \$10,000, up to one year in prison or both.

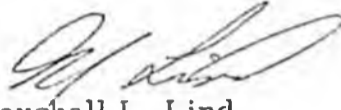
Same as Initiative

Same as Initiative

MEMORANDUM

State of Alaska

TO: Representative Helen Beirne
Alaska State Legislature



FROM: Marshall L. Lind
Commissioner of Education

DATE: April 19, 1974

FILE NO:

TELEPHONE NO: 465-2800

SUBJECT: HCS CSSB 290

I am writing to inform your committee of the Department's support for HCS CSSB 290. We feel that this proposed legislation will be a marked improvement over existing statutory provisions in a number of important respects.

Initially, under current law there exists the possibility of multiple administrative hearings in teacher decertification matters. The proposed act would allow for only one hearing prior to the possibility of judicial review. The elimination of additional administrative proceedings will lead to a substantial saving of time and money, both to the State and the involved teacher without any reduction in fairness. Additionally, the proposed legislation places decertification proceedings clearly under the procedural provisions of the Administrative Procedure Act. This should avoid confusion as to the procedures which apply in decertification matters, thus again increasing fairness and reducing expense to all parties involved.

Another significant provision of the proposed legislation establishes violation of the professional code of ethics adopted by the Professional Teaching Practices Commission as a separate ground for suspension or revocation of a teaching certificate. Since the code of ethics under this bill must be promulgated through APA procedures, it would appear most beneficial to make violations thereof an independent ground for decertification, rather than requiring (as do the existing statutory provisions) that ethical violations be read back into one of the three causes for revocation which currently exist in AS 14.20.030.

While this legislation does provide more or less parallel authority between the Commissioner and the PTPC to investigate suspensions or revocations of a teaching certificate, ultimate authority to approve all decertification decisions is left firmly with the Commissioner. This final check should prove a valuable additional safeguard to everyone involved in such matters. At the same time, the PTPC will be given a clear mandate to act within the area of its expertise.

I trust that this information clearly states the Department's reasons for supporting the proposed legislation.

STATE OF ALASKA

DEPT. OF ENVIRONMENTAL CONSERVATION

WILLIAM A. EGAN, GOVERNOR

POUCH 0 — JUNEAU 99801

February 28, 1974

HB-713

The Honorable Clem V. Tillion
Chairman
Judiciary Committee
Alaska State House
Pouch V
Juneau, Alaska 99801

Dear Representative Tillion:

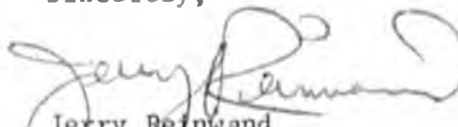
On February 25 House Bill 713 was introduced and has been referred to your Committee.

The Department of Environmental Conservation has some very strong objections to this bill as it has the potential to cause the State some very serious problems with the U. S. Environmental Protection Agency's requirements and national environmental legislation. In addition, we believe the bill would seriously hamper the effectiveness of the Department.

Commissioner Brewer is out of town participating in the Joint Federal-State Land Use Planning Commission meetings, and has asked me to request that the Department be given ample lead time to prepare for any hearings you may hold on H.B. 713.

Thank you very much for consideration of this matter.

Sincerely,


Jerry Reinwand
Deputy Commissioner

News Miner - March 2, 1973

Tillion bill requires catastrophe insurance

JUNEAU (AP)—Rep. Clem Tillion has introduced a bill to require all Alaskans to carry catastrophe health insurance governed by a Health Security Commission.

The Hailbut Cove Republican said, "the burden of meeting the costs of illness and injury... (has)... severely detrimental effects upon the welfare

of many... families in the state."

His bill would create the Alaska Health Security Commission, which would be charged with implementing a workable plan within the broad outline furnished in the bill.

Tillion says the purpose "is to assure persons carrying a specified minimum of prepayment health service or health indemnity insurance that there will be adequate coverage of expenses of loss or illness exceeding the limits of the prepaid coverage."

In other words, Tillion said, the catastrophe insurance would supplement the "normal" costs which are paid under private insurance plans.

If a person had no insurance of his own, the catastrophe insurance could be used only after his expenses exceeded \$10,000 in a calendar year.

Cost of the program, \$4 per month, would be deducted from every Alaskan wage earner's paycheck.

Tillion said he felt the bill might be held over this session for in-depth study prior to the legislature's convention next year.

Fairbanks Insurance Division
Frank B. Hall & Co.

HB-280

SECOND FLOOR, MT. MCKINLEY BUILDING
BOX 1164 • 530 - 4TH AVE., FAIRBANKS, ALASKA 99707 • 452-5161

March 8, 1973

Honorable Clem Tillion
House of Representatives
State of Alaska
Pouch V
Juneau, AK 99801

Re: Alaska Health Security Commission

Dear Representative Tillion:

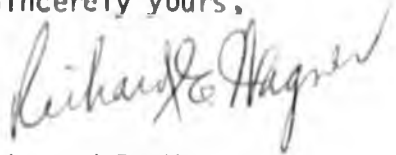
I was intrigued by the attached newspaper article of March 2, 1973, wherein you have proposed a catastrophe medical insurance plan to be carried by all wage earners within the state with a \$10,000 deductible.

For your information I am attaching a brochure from one of our companys indicating that we can write a \$100,000 Major Medical Catastrophe Policy with no internal limits subject to a \$10,000 deductible for much less than your figure of \$48 per year. In fact the average premium would probably work out somewhere between \$27 and \$30 per year.

If you wish we would be happy to furnish this protection to any and all wage earners within the state of Alaska which would then eliminate the need for your bill.

I would appreciate your review of the attached and any comments you may wish to make.

Sincerely yours,



Richard E. Wagner
REW/pw

cc: All Fairbanks Legislators

HB-372
#306 Mendenhall Apts
326 4th Street
Juneau, Alaska 99801

March 21, 1973

Re: House Bill No. 372

Representative Richard Randolph
Chairman of the Commerce Committee
House of Representatives
Pouch V Capitol Bldg.
Juneau, Alaska 99801

Dear Representative Randolph:

As Real Estate appraisers we find several points in the proposed law objectionable; objectionable in that instead of upgrading the appraisal profession it will do the opposite. Not only will the unqualified be licensed, but the State will lend its prestige and support to them by the very act of granting them a license.

Following are some of the points in questions. Sec. 08.89.010(b). Re the Real Estate Appraisal Commission. This only states that three members will be qualified appraisers. On what basis will they be considered qualified? Would it be the mere fact that they have sporadically engaged in the appraisal profession as a sideline to a brokerage business, or that the FIA or VA has certified them? This level of experience does not make appraisers. The three appraisal commissioners should be members in good standing of the American Institute of Real Estate Appraisers or the Society of Real Estate Appraisers with a professional designation of not less than MAI or SRPA.

Sec. 08.89.080 (c). This section attempts to exclude appraisers who are not residents by making it uneconomic for them to accept proposals for occasional work. The better qualified appraiser habitually engages in business in many areas. The attempt to eliminate first rate competition is most glaring here. Since most public agencies utilize federal funds in land acquisition, it is questionable that qualified US citizens can be kept out of Alaska by such a transparent method.

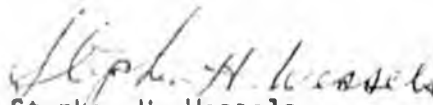
Sec 08.89.110 (2) (b) (c) a minimum of two courses from either the American Institute of Real Estate Appraiser's or Society of Real Estate Appraisers. These two courses being 1A & 1B or 101 and 201 respectively, or instead of 1B or 201, one of the more advanced courses of offered by the above two professional organizations.

(3) Real Estate business should be deleted. Many brokers advertise themselves as appraisers who are not qualified. Unless the paragraph is clarified many unqualified persons will be licensed.

Sec 08.89.100 Any test devised should be standard, given to all applicants. This test should be made by designated members of the Alaska chapter of the Society of Real Estate Appraisers the same as the Alaska Bar makes up the test for lawyers. That a person having passed the American Institute courses 1A & 1B, or 101 & 201 of the Society's, would have qualified as far as any written test is concerned.

Sec 08.89.120 This is purely and simply the "Grandfather Clause" and innumerable professions have lived to regret their inclusion of this in a licensing act. It sometimes takes years to weed out the unfit who "grandfathered" in. There should be no period of grace. All should have to take this exam, including those working for public agencies.

Yours truly,


Stephen H. Wessels

cc: Rep. Clem Tillion
Chairman of the House Judiciary Committee



CITY OF NOME

P.O. BOX 281 - NOME, ALASKA 99762
TELEPHONE (907) 443-5242

March 19, 1973

HB-45

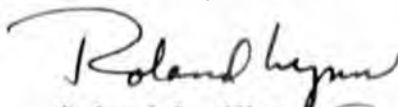

Clem Tillion
Chairman
House Judiciary Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska
99801

Dear Mr. Tillion:

I received a copy of CSHB 45 relating to motor vehicle inspection and am quite concerned. It appears that City owned motor vehicles would be subject to inspection and other requirements set forth in this bill. The City has a vehicle inspection program for City owned vehicles as a part of our regular maintenance program. Passage of this bill would cost the City of Nome a great deal of money when one considers the expense of the driver and loss of use of the vehicle during the time required for the inspection.

I humbly request that this bill be amended so that it will exclude City owned motor vehicles.

Very truly yours,


Roland D. LYnn
City Manager 

RDL/ih

cc: Chuck Degnan
Willy Hensley

HB-187

FISHER & HORNADAY

ATTORNEYS AT LAW

KENAI PROFESSIONAL BUILDING - P. O. BOX 397

KENAI, ALASKA 99511

PHONE: 283-7564

283-7565

JAMES E. FISHER
JAMES C. HORNADAY

21 March 1973

HOMER OFFICE - MADEMOISELLE BLDG.
HOMER, ALASKA

SEDOVIA OFFICE - JACK ENGLISH BLDG.
SEDOVIA, ALASKA

Senator Bob Palmer
Pouch V
Juneau, Alaska

✓ Representative Clem Tillion
Pouch V
Juneau, Alaska

Representative Hugh Malone
Pouch V
Juneau, Alaska

Re: No-fault

Gentlemen:

On behalf of the Kenai Peninsula Bar Association, the following comments are offered in regards to Committee Substitute for House Bill No. 187 which has been passed by the Alaska House of Representatives. At the outset, I would emphasize that I do not consider myself an expert on no-fault insurance. The figures used are approximate and I would hope you would find the information of assistance in your consideration of this legislation.

The concept of no-fault insurance provides an immediate philosophical problem in that it removes the right of an individual to utilize the Courts of the State of Alaska. Further, it appears to be another giant step down the road towards socialism as it very definitely adds another government control. It is quite possible the next step after no-fault will be a State operated insurance system. In spite of the philosophical problems, the Kenai Peninsula Bar Association does believe that a form of no-fault insurance would be appropriate which would realistically reduce the costs of insurance premiums and still retain the basic elements of tort claims. We believe this is in the best interest of the public.

The history of the bill as I understand it, is as follows: The House Commerce Committee originally considered HB 187 which was the Governor's Bill. This bill provided thresholds of \$30,000 for economic loss, \$50,000 for medical and a \$5,000 threshold on medical before suit for pain and suffering. Property damage was excluded.

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The Commerce Committee amended HB 187 and provided a mixed threshold of \$15,000 for economic and medical and a \$2,000 threshold on medical before suit for pain and suffering. This was a substantial reduction in thresholds. However, it was not close to the position of the Bar Association which supports a mixed threshold of \$3,000 for economic and medical and a \$500 threshold on medical before suit for pain and suffering.

We believe that the position of the bar association, if accepted, would take care of a substantial number of accidents and would still retain basic constitutional rights to utilize the Court system on major accidents.

The Commerce Committee Substitute for HB 187 passed to the House Judiciary Committee and passed out of that committee unchanged.

On the floor of the House substantial amendments were made. As the bill now stands, there is a \$15,000 threshold for economic loss, unlimited payment of medical expenses, and property damage is covered.

I am informed that the insurance industry testified that they could not predict costs without experience. At best, actuaries for the American Mutual Insurance Alliance say that a mixed threshold of \$5,000 on economic and medical and a \$1,000 on medical before suit for pain and suffering would probably not cost any more in premiums. If the present bill becomes law, almost everyone agrees that premiums will be substantially increased.

I am informed that some members of the House apparently were not concerned about the costs and that some members readily admitted in debate that no one had any idea how much the package would cost.

Other problems in the bill appear to include the following:

- a. No recovery for the first 7 days for economic loss
- b. A weekly benefit limited to \$250 minus what is received in Social Security and Workmen's Compensation and up to 15% for income tax.

Property damage is now included and if the figures available to me are correct, this type of coverage generally accounts for somewhere between 1/2 - 2/3 of insurance premiums.

No-Fault

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21 March 1973

We definitely oppose Committee Substitute 187 as it was passed by the Alaska House of Representatives as we believe it would be severely detrimental to the people of Alaska. The only realistic figures available on no-fault insurance are those from Massachusetts. Dr. Calvin Brainard of the University of Rhode Island recently did a study on the results of the Massachusetts no-fault plan. His article appeared in a symposium in the Mississippi Law Journal, which included articles favoring and opposing no-fault insurance. It was generally advertised that no-fault would result in increased claims and increased payments to individuals. However, the experience in Massachusetts indicates that claims were down 42%. The probable explanation for this reduction is that the insurance industry is not in total control of this aspect of the insurance business and individuals are not able to receive their full recovery because of this control by the insurance industry. While the number of claims were reduced by 42%, insurance premiums were reduced only 20%. This latter reduction came only after insurance industry was required to reduce premiums. The insurance companies did not reduce premiums voluntarily.

We would urge you to carefully consider each clause of the no-fault legislation as it is now before you. We would urge that you support a mixed threshold of \$3,000 for economic and medical and a \$500 threshold on medical before suit for pain and suffering as well as considering the possibility of including property damage coverage.

Thank you for your attention to these matters.

Very truly yours,

JAMES C. HORNADAY, Chairman
No-Fault Committee
Kenai Peninsula Bar Association

Mr. Clem Gillin

Dear Mr. Gillin

I am going to dedicate this letter to all the pioneers of this great country of ours, past, present and future.

We live in the greatest country in the world and we shouldn't lose sight of the fact that we owe a lot of it to the pioneers that settled on the land and helped build this country of plenty that we live in today.

My Dad was one of those pioneers that crossed the Atlantic in a Viking sailboat and navigated the prairies in a covered wagon. He had a lot of frontier blood in his veins. He owned several farms but after he was 60 years old he figured things were getting too crowded so he moved up to Western North Dakota and built up a nice farm there. So that's where I was born and raised and lived until I came up to this last great frontier in 1946.

So much for the past, I better get on with the present situation.

After I saved up enough money working in Alaska, I went "homesteading" and proved up on some level land about a mile north of Big Lake in 1961. I also bought a couple more pieces of land, one North of Wasilla and another piece a few miles North of Palmer from the State of Alaska, which brings my farm acreage up to 605 acres.

Before I go on any further I would like to go back to the past again a few years and call your attention to something I have in my possession. Its a copy of "The Alaska Sportsman" dated February 1961. In this magazine there is an article, "How to Acquire Land in Alaska," written by Roscoe E. Bell, Director, Division of Lands, Department of Natural Resources, State of Alaska. Let me quote you a few excerpts from this article: "The State enters the land business"--"Acreage limitation 640 acres per person." "If a homesteader elects to buy his homestead on contract (10% down and the balance to be paid in annual payments over the next 1-10 years) he may earn credits by making certain improvements and applying these credits to the annual payment in money.

"The credits a homesteader may receive for the work undertaken in connection with the lands in his contract are as follows:

- (1) Land brought to cultivation (including clearing and drainage when necessary) . . \$40.00 per acres.
- (2) Fencing - \$3.00 per 100 feet.
- (3) Permanent family dwelling - \$4.00 per square ft. not to exceed 1,000 feet.
- (4) Farm buildings \$2.00 per square ft. not to exceed 1000 ft.
- (5) Well producing water for domestic use - \$5.00 per ft.
- (6) Access road - \$500 per mile not to exceed \$1,000."

Well I never did hear of anyone getting in on that program but anyway it is quite apparent the State intended to promote agricultural development on at least some of this 105 million acres that they had bequeathed from Statehood and other acts of Congress.

Last year I spent 6 continuous months on my farm, clearing land, planting, fertilizing and harvesting crops (I put up over 500 bales of hay). I also built some more farm storage facilities, cut fence posts, etc. laid power lines, etc. I own two tractors, a line of farm machinery and a D-6 cat for land clearing. The other 6 months of the year I was out working for wages to pay my debts to the State of Alaska for the land I bought from them.

I have explained all this to the Matanuska-Susitna Board of Equalization and the Assessor but they will not accept the fact that I have a farm, but are assessing my property on some speculator's basis.

When I met with the Board of Equalization, they agreed with me that this was a "bum" farm law you had passed down in Juneau, but ~~it~~ it was the law, there was nothing they could do about it. When I talked with the Assessor he suggested I could sell out.

Things wouldn't be quite so difficult for us pioneers that are trying to develop the natural resources of the country if you people in the government

that make the laws we have to live by would make up your mind in the first place just what you really want to do. First you go along with us in developing the land for agricultural purposes, then a few years later when the speculators come along you decide on a different deal and then slap such exorbitant taxes on our land that we are forced to sell out to them.

Last spring the Mat-Su Borough sent to all of us taxpayers a question and answer brochure informing us about this new system of taxation. Here is one of the typical questions and answers:

"Question: What has caused the increase in values?

"Answer: Any number of things. During the period of our last reappraisal in 1968 the area was in an economic slump. Premier and Jonesville Mines had recently closed and Matanuska Maid had moved to Anchorage. Since that time the road to Anchorage, Fish Hook Road, Goose Bay Road and the Anchorage-Fairbanks highway have all been improved. Snow machines have increased the season for recreational cabin use. More people want a place in the country."

I get the message that the Mat-Su Borough could care less about the development of agriculture in the Matanuska Valley. If one's farm is not in a stage of development where you can qualify for this new farm law, the best thing to do is sell out and see all your accomplishments go down the drain, turn all fields that are producing food and fiber to feed the country back to nature so that people in town can have a place to have fun and run around in their snowmobiles.

Let me give you some figures here for the sake of comparison. My wife owns an acreage of land in Western North Dakota which she recently inherited. She leases this land out and realizes an income from it. I would say offhand about 1/3 is in cropland and the rest in grazing and hayland. Some of the best grazing land in the United States and in the world for that matter is in Western North Dakota and Eastern Montana. I remember we used to turn our horses out in the fall on the open range and probably wouldn't see them again until we rounded them up to do the springs work. We never knew what it was to put fertilizer on the fields like they do here and I helped to thresh many bumper crops.

Taxes in North Dakota on 1240 acres:

1972 due Feb. 15	\$461.15
1973 due Feb. 15	476.51

Taxes in Alaska on 605 acres, which includes approximately 100 acres of swamp lands:

1972 due Feb. 1	\$427.29
1973 due Feb. 1	<u>\$1,359.18</u>

In closing I would like to list 10 good reasons why this farm law we now have should be abolished:

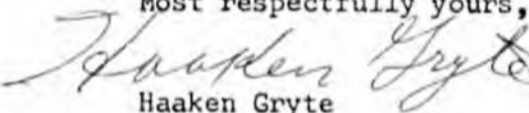
1. Farm bill discourages any development of farming in Alaska.
2. Due to a farmer's way of life, he should not be required to prove every year that he earns a certain percentage of his income from the farm. Crop failures, poor crops, crop rotation for better management and higher yields can affect yearly income. A farmer should not be required to "mine" his farm to meet certain goals.
3. If a farmer is actually engaged in developing his land as a farming unit and his personal property tax forms indicate he has equipment to run a farm, his land could be placed in an agriculture category and he can run his business as he sees fit.
4. We should be more ecology minded. Some of our better farm lands are in the Matanuska Valley and all this land should not be used for subdivisions.
5. Land along the railbelt less suitable for farming, yet ideal for subdivisions, should be made available for that purpose.
6. After the oil boom then what? Farm development has been a slow business in Alaska but lets keep at it. We do need something to stabilize our economy.
7. Look at things on a long-term basis. 100 years from now, will Alaska still be shipping all its foodstuffs from elsewhere as it is today?

8. Money isn't everything and it is really only a means of exchange. True worth is in our natural resources and how we develop them.

9. Too many people in one area is not good for the environment. Leave some farm land. I understand there are now over 1800 subdivisions listed in the Matanuska-Susitna Borough and there will be a lot more if you don't change the laws so the people developing the land for agricultural purposes can survive.

10. Back in 1776 a group of our pioneering forefathers got together and wrote up a document they called "The Declaration of Independence." Here is one clause from that document: "We hold these truths to be self evident, that all men are created equal, that they are endowed by their Creator with certain unalienable rights that among these are Life, Liberty and the pursuit of happiness." Some of them fought and died for that cause. When we make laws, lets keep "The Declaration of Independence" in mind and keep this a free country for people to live in.

Most respectfully yours,


Haaken Gryte

1511 L Street
Anchorage, Alaska, 99501



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ANCHORAGE**



ALASKA

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ANCHORAGE, ALASKA
99510

March 12, 1973

HB-45

Honorable Clem Tillion, Chairman
House Judiciary Committee
Alaska House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Clem:

Subject: CSHB 45, Relating to Motor Vehicle Inspections

I am advised by the City Attorney, John Spencer, that CSHB 45 would subject City-owned motor vehicles to the inspection and other requirements of this bill.

The City of Anchorage has 600 motor vehicles. We have a regular motor vehicle inspection program for City-owned vehicles. To subject our motor vehicle fleet to the inspection proposed in CSHB 45 will accomplish no useful purpose and would put the City to great expense. The expense of the fees prescribed in the bill is only a small part of the cost. The expense of the driver and loss of use of the vehicle during the time required for the inspection would amount to many thousands of dollars.

We request this bill be amended to exclude municipally-owned motor vehicles.

Sincerely,


Robert E. Sharp
City Manager

RES/jry

cc: Chairman Carrol, House Committee on Community and Regional Affairs
Chairman Rader, Senate Committee on Community and Regional Affairs
City Attorney
Dept. of Public Works



Rep. Clim Tillion,

Will you PLEASE support
this petition?

C. D.

Chuck Dix
1426 "O" Street
Anchorage, 99501
Phone: 272-2282

(RETAIL LEVEL ONLY)

RESOLUTION TO CURTAIL THE SALE OF ALL TYPES OF LIQUOR

BECAUSE OF THE EPIDEMIC LEVEL OF PROBLEMS CREATED by the sale and consumption of alcoholic beverages throughout the State of Alaska, we the undersigned do hereby petition the 1974 Alaska State Legislature to enact and pass into law a uniform closing law covering all of the liquor distributors who are licensed in the State of Alaska, and who are under the jurisdiction of the Alcoholic Beverage Control Board of Alaska.

Therefore be it resolved as follows:

1. Monday through Friday.

There shall be no alcoholic beverages sold, served or dispensed during the hours of 1:00 A.M. until 12:00 noon by any liquor distributor who is under the jurisdiction of the Alcoholic Beverage Control Board of Alaska.

2. Saturday and Sunday

There shall be no alcoholic beverages sold, served or dispensed during the hours of 2:00 A.M. until 12:00 noon by any liquor distributor who is under the jurisdiction of the Alcoholic Beverage Control Board of Alaska.

3. Election Days.

There shall be no alcoholic beverages sold, served or dispensed during the hours of 1:00 A.M. until 8:00 P.M. by any liquor distributor who is under the jurisdiction of the Alcoholic Beverage Control Board of Alaska.

Respectfully submitted,

Chuck Dix

Chuck Dix

Clem - Got your vigorous declaration against
flaring - now what are or have you doing or
done to curtail or stop it. Charlie

Richard Bort

warn that it is only a matter of decades before we ruin the oceans unalterably, most scientists remain unwilling to return any cosmic verdicts on the ultimate fate of life in the sea.

Still, the data coming in from various scientific sources during the past couple of years has begun to paint a more alarming picture. Investigations of the effects of various contaminants are beginning to reveal problems of a far wider scope than heretofore realized, regarding not only the sheer volume of marine contamination but its extremely poisonous effects on the environment as well.

Oil provides a graphic example. Ironically, though the most visible and highly publicized form of marine contamination, oil traditionally has been thought by the scientific community to have little harmful effect on the marine ecosystem. As late as their 1971 meeting in Rome, the Joint Group of Experts on the Scientific Aspects of Marine Pollution (GESAMP) concluded that "a single heavy contamination of the flora and fauna of the intertidal zone has a negligible effect [on marine life]." Most studies of oil spills rely on subjective visual measurements or else on statistical analyses of adult fish; this has led to the belief that spills do little biological damage to the seas. Indeed, since oil spills do seem to disappear after a couple of weeks, many scientists have concluded that a combination of evaporation and biological degradation of the oil rids the water of contamination after a very short period of time.

More recent, sophisticated studies have effectively challenged this view. At the Woods Hole Oceanographic Institution, for example, an interdisciplinary group of scientists has studied over a period of almost four years a small oil spill that took place in Buzzards Bay, Massachusetts. Studying not adult fish but the subtidal organisms that live in the marine sediments and cannot swim away from the contamination, the Woods Hole group established three important findings: The oil persisted in the environment far longer than had been thought possible, it continued to spread over the ocean floor months after the accident, and its toxic effects on wide varieties of marine life lasted not for days or weeks but for months or even years.

The immediate kill in the heavily affected area of Buzzards Bay was, as expected, virtually complete. Some 95 percent of the fish, crabs, lobsters, clams,

and other invertebrates were dead within hours of the spill. What was unexpected was the spread of the oil in the sediments beneath the surface. Immediately after the accident, a control station was set up beyond the area of expected contamination. Within three weeks oil was found at this station, along with a lot of dead marine organisms. A second control station twice as far from the shore was then established, and it, too, was overtaken by oil spreading on the ocean floor with still another kill of bottom-living animals. Eight months after the spill, the polluted offshore area had grown to ten times the area initially affected, eventually covering twenty-two square kilometers of offshore water, tidal river, and marsh.

Thus, although shortly after the accident the area returned visually to its former state of natural beauty, chemically and biologically the ill effects of the spill still were present over a large area of the shore line. A year of evaporation and bacterial action on the oil did not remove many of its most highly toxic components. Young blue mussels that were affected by the spill in 1969 were sterile in 1970; oysters that had been contaminated by the oil were kept in clean, running sea water for six months; yet a substantial residual component of fuel oil remained in their tissues at the end of that time. In all, the evidence added up to a far more incriminating picture of the problems of oil than had been envisaged.

Still, the scientists at Woods Hole steer clear of anything resembling an apocalyptic judgment. "Our understanding of this problem is very meager," says Dr. Howard Sanders. "It's extremely dangerous to make these self-satisfied and assured statements that are way out. It may even be that the economic aspects of this are of overriding importance. But we still have to find out what the effect is. That's the important thing."

BUT ONE NEED be no prophet to see that the problem threatens to get worse, not better. Already signs are evident that certain types of contamination are becoming global in scope. Golf ball-sized pieces of tar, formed from the heavier, more viscous components of oil, have been found in massive proportions throughout the Atlantic Ocean, affecting some 665,000 square miles of surface water. Last summer, widely scattered research vessels on duty between Cape Cod and the Caribbean repeatedly found their



power plant with its harvest of dead fish.

to hear about, but they do not inspire worldwide alarm. Who, after all, can estimate the requirements of the human advance? If every death or environmental dislocation were allowed to stop progress, mankind never would have arisen from the Stone Age. Even now, marine biologists are reluctant to talk of anything except local effects. "The fact is that we don't understand what happens to the ocean when we pollute it with anything," says Dr. Guy McCloud of the New England Aquarium. Though there are some like Jacques Cousteau, who

NOTE: From the above Woods Hole Oceanographic Institute investigation, it appears that oil pollution below the water surface is far more¹⁵ lasting and devastating than is obvious on the surface and beaches.

Charlie Parker, Box 349, Soldotna

(copy sent to Bob Mass & Robinson of Homer)

NOTE: This does not mean we should necessarily ban or discourage new people, but that we should face the consequences more realistically.

history tick? How valid are any predictions?

Although the scope of the social indicators is more modest than that of the state variables, they raise some of the philosophical questions. What really are good social indicators?

There are, however, a number of differences as well, and they were elucidated by one of the participants in the seminar. The state variables are more projective, the social indicators are more normative; the former are more physical, the latter more socio-political; the former are — or at least purport to be — value-free, while the latter, assuming values as well as creating them, are highly political and ideological.

Social indicators are themselves agents or instruments, either of the maintenance of the status quo or of change. Here is a simple example. You can measure the development of nutritional standards in country *x* with two different indicators. One is the consumption of calories per person; the other is the percentage of the population which has its basic caloric needs satisfied. Thus, the relative position of the United States and of Cuba in the Western Hemisphere varies greatly depending on which indicator is chosen. If you choose the first indicator, the United States is at the top; if you take the second, Cuba is superior.

So the search is on for indicators which enhance social, economic, and political development and measure and advance peaceful change. It is being widely pursued not only by governments and intergovernmental organizations but by institutions of learning. It is our hope that a systematic study of world social indicators will help to set concrete goals for world order, and that they will accelerate as well as measure the kind of change that is necessary if we are to survive. But whether we will actually get the type of institutions needed to cope with the current changes in the nature of international relations and the nature of war and peace depends, of course, not so much on scholarly inputs as it does on political will and action.

Mrs. Borgese is a Senior Fellow of the Center.

Tom McCall (Governor of Oregon)

KEEPING OREGON GREEN

Recently the Chamber of Commerce of Salem, Oregon, presented in its bulletin the "value" of one hundred new employees to a community. It recited these alleged gains: 296 more people, 112 more households, fifty-one more school children, \$590,000 more personal income per year, \$270,000 more bank deposits, 107 more passenger cars registered, 174 more workers employed, four more retail establishments, and \$360,000 more retail sales per year.

The "super plus" in all of this is said to be the \$360,000 additional retail sales per year. Obviously the Chambers of Commerce of this land have not been paying attention to the problems created by one hundred new employees, problems that surpass by far the benefit of \$360,000 more retail sales per year.

In Oregon, 112 more households represent three more subdivisions. They put new — usually unexpected — pressures on the schools. Some of these people will require social services offered by their government — vocational rehabilitation, aid to the blind, alcoholism counseling, special care for the mentally ill. More demands are put upon the police, firemen, and the courts.

A study in Denver showed that each new resident in a metropolitan area costs taxpayers already present in the community more than twenty-one thousand dollars in capital improvements alone. Multiply that by the 296 more people accompanying one hundred new employees in a community and the taxpayers are faced with a long-term debt of more than six million dollars. It would be a long time, and perhaps never, before the community could pay the cost of attracting one hundred new employees.

Sometimes, to provide gainful, interesting employment for its own young people — and prevent a brain drain to other states — it is sensible to recruit clean, progressive industry. But only in that context can one defend the increased taxes resulting from new

employees. Given the temper of our time, few people would vote for higher taxes if they understood that they were needed primarily to enable retailers to make more sales.

Aside from the growth-money syndrome, unlimited growth outward from existing centers of population is self-defeating. The core city, and even the concentric circle immediately outside the core, must be preserved. But the inevitable growth is outward and onward. Development comes so fast that sources of gravel required by the cement industry are covered over before the gravel can be extracted. And inevitably economics calls for more and more tract houses and apartments — i.e., instant slums.

The land beneath these projected, but environmentally unplanned, developments is not lost forever. But it has been abused and lost to more valid purpose for our lifetime. The uninhabitable then becomes habitable only by going somewhere else for the weekend, the week, or the month. To retrieve their dreams, Americans have become the leading nomads of the world, thus putting even more pressure on the land where their wanderings take them.

In 1972, Oregon was host to ten million tourists, a number five times the population of the state. It was a record, but even before it was reached we had begun to wonder openly about the limit. How many feet can walk upon a state before the scenery and resources the visitors came to enjoy are trampled underfoot?

As close as we are to zero population growth, there will be an annual population increase until well into the twenty-first century.

As young people become taxpaying, wage-earning adults, they need a place to live. The pressure for land to build a home on will intensify. Unless we prevent it, the first land to be used will be the fertile farmlands. Economically, it is better to build on flat ground and rolling hills than it is in the shaggy rocks, but only in a limited perspective. In the long run, the cost of losing magnificent farmland is immense and eternal.

It is true that people have to live somewhere. But it is not true that they will continue to accept the dullest offerings of vapid thinkers. It is possible

Learning to think small ^{News} 7/15/71

(So what's the hurry about growing too big too fast?)

By ANTHONY LEWIS

© 1971 New York Times

LONDON — One of the most original thinkers in Britain is a sociologist named Michael Young. Sociologist is really too dusty a word: Young is a provoker of new social ideas and organizations.

He started the consumer movement in Britain. His idea for education by television has flowered in the Open University. His book, "The Rise of the Meritocracy," showed in utopian satire how those who rise to power on merit may be as intolerant and stifling as the old aristocracy.

IN A SPEECH the other day Young sounded an important new theme. Or, rather, he transformed an old one by the fresh, almost paradoxical method of his argument. He made the case for smallness in human organization.

For a long time, he said, we have believed that bigness brings efficiency in business and government. To gain economies of scale we have accepted the remoteness and impersonality of large organizations.

"Whenever anything goes wrong," Young said, "growth is the stock remedy." The tilting automobile company is enlarged by merger. Government ministries are combined into a super-department. Local governments are expanded to cover large areas. We build huge schools and universities.

BUT THE remedy no longer works, Young said: "It is fine for computers and other machines. They thrive on size.

Lewis' column

But for a large complex of people the whole has become less than the sum of its parts . . . there is hardly a large organization in the country which has not gone downhill over the last quarter of a century."

He asked: Was the British Post Office as efficient as it used to be? The B.B.C.? The Labor party? The University of London? The Royal Air Force? He knew that his listeners would answer no. And he added some telling American examples: The Bell Telephone Company, the U. S. Army, New York City, the University of California.

"Almost all large bodies," he said, "have become afflicted by a new wasting disease, giantism."

WHY DOES growth bring inefficiency? Young said the answer was simple. The old idea of individual freedom and integrity had grown stronger in our century, he said, and increased civil liberty and social welfare. But that made large organizations hard to manage:

"Bigness can only work if people are willing to accept orders coming from the top. This they are becoming less and less willing to do, orders seem to conflict with the old notions of human dignity in their new, even more individualist form."

Big organizations had become aware of the problem, Young said. They tried to obtain cooperation by communication. But they had to spend so much time "passing information up and down and sideways that nothing much else is done besides just communicating."

ALL THOSE who have been in large bureaucracies will recognize the disease described by Michael Young. But his cure will still be hard for many to accept: "Seize every opportunity to reduce the scale of organization. Make things smaller, not bigger, in industry and in the public services, and often efficiency as well as humanity will be enhanced."

Britain does have some of the symptoms of giantism, especially the tendency of politicians and businessmen to equate size with prestige. But things are not too bad. Local committees and controlling boards in many kinds of public affairs provide a human scale. And the small physical size of the country itself gives her a great advantage in encouraging community.

Young's analysis has more urgent and more poignant meaning for the United States. We are a continental country and have always been so proud of that—what middle-aged American does not remember thrilling in the sweep of America across the map? And in so many ways we have worshipped size: big business, Whitmanesque landscape, even giant apples and strawberries.

AND NOW we know it does not work. The citizen begins to feel what Young articulates. The big businessman tries to find ways of allowing smallness and initiative inside the huge corporate structure. The federal government looks for new relationships with localities and states. There is a vague striving for "participation."

History and the constitution raise obstacles to real reform in the United States. We know that we ought to give more power to local governments, but they are so often the wrong kind of government, in the wrong place. As an alternative to a true return to smaller institutions, we consider such ideas as revenue-sharing, but they founder in the complexities of our illogical political boundaries.

In the end we may have to come to radical change in political structure and business ideology. Right now it is enough to begin by recognizing the renewed truth of what Louis Brandeis taught about the curse of bigness.

Liberals used to think of the Brandeisian view as holy but anachronistic. Only centralized power, we thought, could overcome the lethargy and selfishness and corruption in American life. Well, we have found that small institutions not only encourage human values of an old-fashioned kind but actually work better. And that discovery marks, as Michael Young says, "a profound change in human affairs."

'The More The Merrier' Is An Outdated Adage

"IF YOU QUOTE me, I'll deny it, but I don't want any more people to come to this town."

Two years ago this remark was made to me by the chamber of commerce president in a celebrated Florida resort city.

I was shocked. It was so un-chamber-of-commerce. Indeed, it was contradictory, for I had just been examining some beautiful colored brochures put out by his organization, enticing retired persons to "the good life."

"That's the trouble," he added. "The good life" is slipping away. The beach drive is bumper-to-bumper. The seafront has become a mecca for misbehaving collegians. A mile inland our wonderful ocean breezes are half carbon monoxide and when the bridges over the waterway are raised traffic backs up two miles. Some of us are a little frightened at our success in attracting people."

MUCH HAS happened in the succeeding two years. The chamber president's confidential whisper has now become a very loud cry. Considering Florida's 37 per cent population increase in the past 10 years, Gov. Reubin Askew is calling for "selective growth." State Senate President Jerry Thomas states, bluntly, that "Florida no longer desires to be known as the fastest growing state."

There is now an organiza-

tion in Arizona demanding zero growth. The Colorado River, alas, is not the Amazon. And the clear desert air is beginning to show faint traces of the garbage of civilization.

Southern California is becoming a tragedy. Ten years ago citizens of Pomona could count on the sunlit slopes of Old Baldy smiling at them in the morning. Today they are usually shrouded and the noxious cloud rolls up Cajon Pass and sometimes washes even to San Geronimo.

LAST MONTH Delaware Gov. Russell W. Peterson signed a law banning any new chemical plants, oil refineries, steel and paper mills and other heavy industries from the Delaware coast. The governor, a former Du Pont executive, is by no means anti-industry. It is simply that in little Delaware people-country and factory-country are becoming a matter of either-or.

All this is contrary to the great American tradition of the - more - the - merrier, and the - bigger - the - better. It was a tradition born in an empty land in which merchants, preachers, saloonkeepers and dance hall girls apprehensively counted the wagons moving out and joyfully tallied the wagons moving in.

WE WILL NOT get zero growth in much of America. You have to put the new people somewhere. In the

world's most mobile land, citizens who can live anywhere will gravitate toward pleasant places and eventually threaten them with ruin.

Young Americans, for all their petulance, oversimplification and demands for instant satisfaction, discern the outlines of the great truth. The Establishment has been overwhelmed by some problems it might have foreseen.

The preventable pollution. The lack of parks and playgrounds. The mindless development of suburbia with miles of houses, jammed as tightly as the traffic will bear, laying flat the forests, gouging out the glades. The demand is overdue for oases, quiet places, breathing space.

STILL THERE IS progress. For the well-heeled, there are now whole communities being built around clubhouses, golf courses, swimming pools and riding trails. For the middle class, bright new

towns are on the drawing boards where kids can walk to school and ride their bikes in safety. We are spending billions in clearing open spaces in the old center cities.

Someday soon we will have to face up to the problem of irresponsibility among the poor. It has not been polite to mention it, other than to blame negatively taxpayers for not spending more.

But Europe is full of very old houses that are neat as pins. And America is beginning to see brand-new housing developments filled with rats. Some slums are self-generated. Some people-problems are portable and cannot be cured by relocation. We have much to learn about human engineering.

BUT IT IS good news that the old bigger - and - better, more - the - merrier illusions are fading. We're all going to have plenty of people.

Now, for the quality of life.



STATE OF ALASKA

DEPARTMENT OF NATURAL RESOURCES

OFFICE OF THE COMMISSIONER

POUCH M — JUNEAU 99801

gen
Kachemak Bay
WILLIAM A. EGAN, GOVERNOR

March 15, 1974

Honorable Clem V. Tillion
Alaska State House
Juneau, Alaska 99801

Dear Clem:

You have asked if a one- or two-year moratorium on exploratory oil drilling in the outer portion of State lands in Kachemak Bay is desirable. A moratorium has been urged on the grounds that there is need for additional information on the possible effect of oil and gas development on the very important shellfish industry in Kachemak Bay. In my judgment, an exploration well is necessary before an adequate assessment of the problems can be made.

As you are aware, biologists now have considerably more information on the shellfish life-cycle, spawning, and rearing areas in Kachemak Bay than is true of most of the other productive waters of Alaska. However, the Department of Fish and Game most certainly could profitably use additional investigative efforts to effect a better relationship between the development of oil or gas and the preservation, if not enhancement, of the Kachemak Bay fishery. However, I am absolutely convinced that the proposed moratorium would have little or no value in this respect. On the contrary, exploratory drilling at an early date would make the biologists' studies much more useful.

Consider that:

(1) There may not be either oil or gas in the structure--and the whole controversy will evaporate.

(2) There might be a gas, rather than an oil field, in which case the parameters would differ widely from those that would apply to an oil-shellfish study.

(3) If oil should be found, the drill logs would permit a reevaluation of the seismic work, preparation of a reasonably definite outline of the producible area, and the acceptable locations of platforms and drill holes necessary for development. Thus the specific area that might conflict with the fishery could receive intensive study, rather than the wide area that would have to be studied during a moratorium on exploratory drilling. Final location and time of construction of a platform could be determined after further study of the fishery and ocean currents and at least two years would be available for those studies since steel shortages

and heavy backlogs in design and fabrication orders will prevent early completion of a production platform. Presently, there is an eighteen-month delay in filling orders for well tubing and casing.

(4) The statistical risk of a significant oil spill during exploratory drilling is extremely small since the "target" is deep-- at least 8 to 10 times as deep as the oil-bearing horizon that caused the famous Santa Barbara oil spill. And, according to the California Department of Fish and Game, the very messy Santa Barbara oil spill did not kill any fish. In fact, intensive studies of the Santa Barbara oil spill by the Allan Hancock Foundation of the University of Southern California, under the direction of Dr. Dale Straughan, failed to show any permanent damage to aquatic life and only temporary damage to low-order marine life in the littoral zone.

(5) In Cook Inlet, strong tidal currents, turbulent water, and the presence of petroleum-oxidizing bacteria in a concentration ratio of about 1000 organisms per liter of sea water break up and destroy oil spills. The University of Alaska, Institute of Marine Science, after studying the waters in the oil-producing area of Upper Cook Inlet, concluded that "Evaporation effectively removes components smaller than about C₁₂ (the more toxic fractions in crude oil) within eight hours" and "Accumulated petroleum hydrocarbons in the range C₁₀-C₂₅ were below the limit of detection (i.e., 0.02 parts per billion)."

(6) Boat traffic in Kachemak Bay, and its problems with crab pots and fishing boats, would be increased only slightly--not nearly as much as by the projected increase in pleasure craft.

I think we must compare the very minimal risk involved in exploratory drilling in Kachemak Bay with the risk involved in not drilling.

Again consider:

(1) All Alaskans, from all parts of the State, share in the benefits derived from oil and gas production. Although I am certain no Alaskan would endorse an action that would threaten the livelihood of another Alaskan, it is highly probable that he would resent a loss of possibly important State income where no definable threat to that income can be shown to exist.

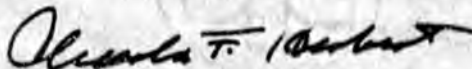
(2) The shellfish harvest in the areas of oil and gas production offshore from Louisiana, where there are about 1000 producing platforms extending from the bayous to distances many miles from shore has increased six-fold from what it was prior to oil and gas development. Sport fishing in the area has had a comparable increase.

March 15, 1974

(3) The national petroleum shortage is real--affecting not only motor fuels but also causing shortfalls in plastics, fertilizers, and petrochemicals. Alaska, so far, has been spared from severe fuel shortages, but we may yet face unpleasant cuts in allocations and, along with all others, pay high prices for petroleum fuels. The Federal Government, to avert a deepening of the energy crisis and to reduce dependency on uncertain highly expensive foreign supplies, is urging greatly increased exploration for domestic petroleum reserves and is using its fuel allocation authority to expedite petroleum development. If Alaska delays development of its petroleum reserves, without good reason, it may happen that Alaska will suffer from reduced Federal allocations of petroleum fuels. Certainly, the arguments of Governor Egan that have been successful so far will be weakened.

(4) The Cook Inlet oil fields have passed their productive peak and have begun a decline of about 10% per year. These fields are extremely important to the railbelt area and they furnish crude to Alaska's only refineries. Although Prudhoe Bay will make Alaska "oil rich" in 1978, it is important to the railbelt economy that Cook Inlet production be maintained.

Very truly yours,



Charles F. Herbert
Commissioner

HB-328

TANANA - YUKON CHAPTER
Alaska Conservation Society

Box 80071
College, Alaska 99701

Mar 9, 1974

Rep. Clem Tillion
Chrmn. House Judiciary Comm.
Alaska State House of Representatives

Dear Mr. Tillion:

We have been urging all our local legislators to strongly support H. 328 to establish a Department of Transportation. It is recently come to my attention that this bill has been sent to your committee for consideration.

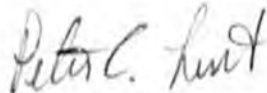
On behalf of our chapter membership I wish to urge you to support this important legislation. We believe that you will agree that such a bill is long overdue. The transportation requirements of our state are diverse and complex and we need an agency with a strong planning authority to deal with these matters and to receive public input.

We do recommend that Sec. 44.42.040 (b) be strengthened with regard to the provision for public hearings by this change (p. 3, line 4):

".... the commissioner shall:"

We believe that the public hearing process is particularly important in transportation planning, especially for rural Alaskans. These people are so frequently out of touch with the administrators whose decisions so profoundly affect their lives.

Yours sincerely



Peter C. Lent
Chap Pres.

cc: Rep. Randolph



Coast Mortgage Company

Alaska Office
711 "H" Street, Suite 100
Anchorage, Alaska 99501
(907) 279-0665

HB-497

March 6, 1974

Representative C .V. Tillion
State House
Juneau, Alaska 99801

Re: CS House Bill No. 497
"An Act relating to interest rates charged in the state; and
providing for an effective date."

Dear Representative Tillion,

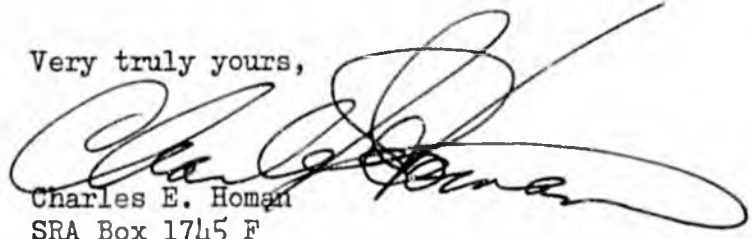
This bill as introduced is more acceptable than the present Act, except the provision for the date establishing the rate. The present Act provides for four percentage points over the annual rate charged by the 12th Federal Reserve District for one to four family dwellings and commercial loans, while the other real estate loans may be at four and one half percent over the Federal Reserve discount rate. The Act also allows the rate to be set on the basis of that rate which existed on the first day of the month preceding the quarterly month end. This at least gave us the ability to predict up to 120 days what the interest rate statute would provide as a maximum without being usurious. Under the new bill we would have this reduced at approximately 95 days. This has created a very serious problem even at 120 days much less the 95 day period. The feature of the bill that seems to be realistic and helpful is the elimination of a usury statute with regards to sums borrowed in excess of \$10,000.00. Certainly this would be most beneficial to the small businessman who has the problem of acquiring capital funds for development of his business enterprise.

The tying of the interest rate to the Federal Reserve discount rate, or as it's stated, "the annual rate charged member banks by the 12th Federal Reserve District," is questionable because it may or may not have any relationship whatsoever to do with actual market rates of interest and is used as a tool for monetary control by the Federal Reserve System. It is entirely possible that the rate might be reduced to a very noncompetitive posture using this criteria, but of greater concern to us in the mortgage lending field is the inability to commit for delivery of loans in the future based upon this statute. If we are to acquire funds to insure monies available for home buyers, particularly for those in planned unit developments, townhouses, and condominiums, we have no assurity that we will be able to use said commitments because the interest rate maximum may change substantially

Representative Tillion
March 6, 1974
Page TWO

In summation, it is my humble opinion that if this legislation is to pass then the only fair and equitable treatment that can be afforded other types of financial institutions would be to allow all such organizations the right to form and operate stock controlled commercial banks, savings and loan associations, and trust companies under corporate ownership if deemed appropriate, either domestic or foreign.

Very truly yours,

A large, stylized handwritten signature in black ink, appearing to read "Charles E. Homan". The signature is written over the typed name and address.

Charles E. Homan
SRA Box 1745 F
Anchorage, Alaska 99507

HB-560

March 6, 1974

Representative C. V. Tillion
State House
Juneau, Alaska 99801

Re: House Bill No. 560
"An Act relating to wholly owned subsidiaries of financial institutions."

Dear Representative Tillion:

The proposed legislation which would provide for means whereby a mutual savings bank would be operating a commercial bank or trust company under its cover seems to me to be an out-and-out case of favoritism and politically inspired. The most obvious concern is that it establishes a special privilege for one class of financial institution over all others. If this type of legislation is to be passed, it seems that the fair and equitable program would be to allow corporate ownership of all types of state and national banks, savings and loan associations, and trust companies qualifying as financial institutions. There seems to be little reason for allowing one particular form of financial institutions such a preferred status, particularly when that institution is so constituted as to have absolute continuity of management by the original incorporators and no means to change the management or direction of the organization unless it actually falls into receivership. The mutual savings bank already enjoys a preferred status that is not afforded private stock controlled corporations. Giving additional power to a small group of men seems inappropriate when, in fact, our purpose should be to increase competition and to decrease the influence of any one group.

Also, the bill allows more than prudent investment activities by a mutual savings bank when it can invest 100% of its entire surplus and undivided profits in corporate stocks. This is an unwarranted risk for the depositors in that organization if the incorporators and directors are allowed to move in this direction, they could place the depositors position in great jeopardy in my opinion.

Representative Tillion
March 6, 1974
Page TWO


within the period of the commitment. Fortunately, we have only suffered minor losses from purchasing commitments in this area at the present time, but it would be entirely feasible that we could lose an entire commitment fee of two or three percent of the commitment amount which ususally runs two to four million dollars, or you could be talking about a loss of commitment fees as much as \$120,000 because you are unable to predict the future statutory maximum rate that can be charged in the State of Alaska. The direct result has been that last year our home buyers suffered losses amounting into thousands of dollars that could have been accrued if we would have provided forward commitments at low interest rates when they were available but were not so inclined to purchase without assurety of being able to deliver under them. This is the effect of the legislation on the consuming public, instead of being a benefit or a protection it has resulted in being a substantial cost to these individuals wanting to buy homes or refinance their dwelling. In the home loan field we know that competition sets the rate because there is a tremendous attitude of competition and the national market rates are very effective here in Anchorage, Alaska.

The bill that was originally proposed which would establish a flat maximum statutory rate of 12 percent interest was much more beneficial to both the consumer and the lender because it gave us a fixed sum from which to operate. Today we are again faced with the possibility of buying forward commitments for home buyers and spending substantial sums because it appears that economically this would be to the benefit of both the company and our future mortgagors, but we will not risk company monies when there is no assurety that interest rates would be at a figure that would allow us to close under those commitments. It is with this thought in mind that I submit to you that the present usury act has been ineffective in helping mortgagors in the State of Alaska, except to the extent that it raises the rates high enough to allow us to continue to provide housing for our populous.

As to commercial credits, of course, the \$100,000 elimination of a maximum usury statute is of tremendous benefit, particularly to the smaller borrower who is trying to develop his business and we must highly support and recommend that particular aspect of the bill. Over the past months I have seen many small loans turned down simply because our usury statute was not of a nature as to permit a more speculative loan to be made and allow that customer the opportunity to compete and develop a new enterprise or expand an existing one in the local area.

Very truly yours,

COAST MORTGAGE COMPANY



Charles E. Roman
Vice President

CEH:ams



drugs

AND DRUG ABUSE EDUCATION NEWSLETTER



Scope Publications, Inc., 1132 Nat'l Press Bldg., Wash., D.C. (202) 347-9288

Vol. 3 No. 12

Washington, D.C.

December 1972

DRUG LAWS, ENFORCEMENT, NATIONAL GOALS SCORED BY CONSUMERS UNION; LEGALIZED POT, HEROIN MAINTENANCE URGED.

Consumers Union, a private consumer advisory and evaluation organization, has urged repeal of all federal and state laws prohibiting marijuana use, possession and sale, and has called for an end to the nation's "goal of stamping out illicit drug use."

The Consumers Union (CU) report, published as a 623 page book, contended that if society and the federal government had attempted in 1937 to "reduce" marijuana use rather than stop it immediately, they might have succeeded.

"Instead, one of the greatest drug explosions in history — marijuana eruption of the 1960s — was triggered.

"Attempts to stamp out illicit drug use tend to increase both drug use and drug damage. Here LSD is a prime example," CU said. "... efforts to stamp out one drug shift users to another — from marijuana to LSD and heroin, from heroin to alcohol."

In November, a report to the Department of Health, Education and Welfare made a similar recommendation about drug education. The report, by MACRO

(Continued on p. 2)

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2-21

Representative Clem Tillion
House of Representatives
Juneau, Alaska 99801

Dear Mr. Tillion:

I see in the local paper that you have supported Mr. Ferguson in his attempts to make some sense of legislation concerning drug use. I commend you for your stand.

This recent report of a new study done by the CONSUMERS UNION may be of interest to you and all legislators. It sounds both valid and informative. I have asked that a copy be Airmailed to the State Library so that it can be available for study in a week or two.

I hope to see the day when young people will no longer be jailed for the same kind of activity adults engage in every day.

An Alaskan citizen,

Mrs. Hering

Millicent B. Hering
Mrs. Don Hering
1041 Pedro St.
Fairbanks 99701

cc: Ferguson
Hillstrand

HB-164
or HB-142

LAW OFFICES OF
FAULKNER, BANFIELD, DOOGAN, GROSS & HOLMES

HERBERT L. FAULKNER (1882-1972)
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TEL. 586-2210
AREA CODE 907

SANFORD SAGALKIN
RANDALL J. WEDDLE
WILLIAM B. ROZELL
JAN VAN DORT

January 30, 1973

Mr. Richard Randolph
Chairman, Commerce Committee
House of Representatives
Juneau, AK 99801

C Re: House Bill No. 142 - Antitrust Bill

Dear Mr. Chairman:

O As a representative of American Mutual Insurance Alliance, I am interested in House Bill No. 164, which would provide an antitrust law for the State of Alaska.

P House Bill No. 142, appears to be identical to House Bill No. 164, which was introduced in 1971. Both the present House Bill No. 142 and prior House Bill No. 164, did not contain an exemption for the insurance industry when they were introduced. I am enclosing a copy of a letter, which Mr. Banfield wrote to Jalmar M. Kerttula, the Chairman of the House Commerce Committee, on March 12, 1971, describing the impact of House Bill No. 164 on the insurance industry and explaining why this industry should be exempt from the bill's provisions.

Y The House Commerce Committee recognized the problems that House Bill No. 164 would create for the insurance industry and therefore, prepared a substitute bill which contained the following exemption:

Persons engaged in the business of insurance, to the extent they are regulated under AS 21, are exempt from the provisions of this chapter.

I would appreciate the opportunity to discuss the subject with your committee when the bill comes up for consideration. Will you please let me know when work sessions or committee hearings will be held on House Bill No. 142?

Very truly yours,

FAULKNER, BANFIELD, DOOGAN, GROSS & HOLMES

By

Jan Van Dort

JVD/bw

Enclosure

cc: Charles A. Brown
Kenneth H. Nails
Clem V. Tillion

SB-298

LAW OFFICES OF
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SUITE 201, 311 FRANKLIN STREET
JUNEAU, ALASKA 99801

TEL. 586-2210
AREA CODE 907

January 31, 1974

SANFORD SAGALKIN
RANDALL J. WEDDLE
WILLIAM D. ROZELL
JAN VAN CORT
LAWRENCE T. FEENEY

Representative Clem V. Tillion
Chairman, House Judiciary Committee
Legislature, State of Alaska
Juneau, Alaska 99801

Dear Representative Tillion:

During the course of this session, I anticipate that several bills will be introduced to amend the recent criminal rules adopted by the Alaska Supreme Court. For instance, I have already seen Senate Bill 298 which is an effort to amend certain of the discovery procedures now applicable in criminal cases. I anticipate there will be additional legislation covering other portions of the rules.

I served as chairman of the committee which drafted the criminal rules which were ultimately adopted by the Supreme Court. The committee which consisted of representatives of the District Attorney's office, Public Defender's staff, Superior Court, District Court, and representatives of the private Bar held extensive meetings throughout the State in preparing the rules. After the rules were completed, they were circulated to every attorney and law enforcement agency in the State. Comments were received, analyzed and many times incorporated into the rules. The committee then met with the Supreme Court and explained the formulation of the various rules and after substantial discussion and analysis on its own, the court adopted a somewhat amended form of the rules.

I would very much appreciate it if at such times as bills which seek to amend the rules are heard in your committee, you would inform me of that fact so that I might appear before the committee and at least explain to the committee the purpose of the rule as it now stands. It may be that many of the suggestions proposed by various legislators were

Representative Clem V. Tillion
January 31, 1974
Page 2

previously proposed to the committee, and there may be some reasons why those suggestions were not incorporated that may not be readily apparent. I would at least appreciate the opportunity to testify on the various bills before committee action. I might also add that Judge Carlson of the Superior Court here in Juneau was the committee's reporter throughout all of its deliberations, and is at least as well qualified as I am to testify concerning various proposals for amendment. Another member of the committee from Juneau was private attorney Gail Fraties, who as you may know was district attorney here for several years. There are in short several people in this community who actively participated in the development of the rules and who are fully cognizant of their content and significance. I am sure all of us would be willing to cooperate with the committee in any way we can in analyzing various proposals for amendment.

I can assure you that an enormous number of man hours and effort went into compiling these rules. Like any other document, it is not perfect and can probably be improved on a continuing basis. I, and I am sure the other members of the committee who drafted these rules would very much appreciate the opportunity to be a part of any process which does seek to improve them.

Thanking you in advance for your courtesies, I am

Very truly yours,



Avrum M. Gross

AMG/bjs

cc: Judge Victor Carlson
Mr. Gail Fraties

Guid. Committee

SB 97

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPARTMENT OF PUBLIC SAFETY

OFFICE OF THE COMMISSIONER

POUCH N — STATE CAPITOL
JUNEAU 99801

March 29, 1973

The Honorable Tom Fink
Speaker of the House
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

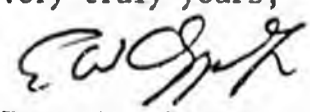
Dear Mr. Speaker:

AS 28.15.070 EXAMINATION OF APPLICANTS was amended by House Bill No. 45 which was passed during the Second Session of the Seventh Legislature. Certain provisions of the new law set forth the requirement for the issuance, by this Department, of a classified driver license after July 1, 1973, to qualified applicants. The new law provided that appropriate regulations be adopted and promulgated by the Department of Public Safety but "before any such regulations are enforced, the same shall be submitted to and approved by the Legislature."

Since the passage of this legislation we have found the issue of regulations concerning classifications and administration of the examining program to be a particularly sensitive one and feel that it is particularly important that this Department have the benefit of input by affected groups prior to submission of even an initial draft of regulations. Quite frankly, we have found ourselves in a time crunch concerning these requirements and, accordingly, beg the indulgence of this Legislature to permit submission of these regulations during the Second Session of the Eighth Legislature. In the interim, we will have had sufficient opportunity to formulate a program, policies and procedures under this new law which, I believe, will withstand the closest scrutiny of your membership.

The standard photo license will continue to be issued during the balance of 1973.

Very truly yours,



Emery W. Chapple, Jr.
Commissioner

STATE OF ALASKA

WILLIAM A. EGAN, GOVERNOR

DEPT. OF HEALTH AND SOCIAL SERVICES

DIVISION OF MENTAL HEALTH

POUCH H — JUNEAU 99801

POSITION PAPER
ON
HOUSE BILL 323

The Act would repeal AS 11.60.080 - 11.60.090.

The Act would make it legal to sell, exchange or give cigarettes, cigars or tobacco to a person under 18 years of age.

The Act would allow easier access to any age child of cigarettes, cigars and tobacco.

Considering the Surgeon General's opinion that cigarette smoking is dangerous to your health, it would be tantamount to allowing our children free access to a dangerous substance.

The Division of Mental Health is opposed to this Bill. We can see no possible good to be gained except remotely as a convenience to some parents who would like to send their children to the store to buy them a pack of cigarettes. One possible argument for this Bill is that cigarettes are usually available to juvenile's in their home or in vending machines making the existing law difficult to enforce. We would be more inclined to the position to tighten the distribution of cigarettes to exclude vending machines in keeping with the national campaign to discourage cigarette smoking.

Approved By: [Signature]
Division of Mental Health

Date: March 16, 1973

Approved By: Fredrick M. Ginnis

Date: March 19, 1973

February 27, 1973

Mr. Waldie

TO ENCOURAGE EARLIER RETIREMENT BY PERMITTING FEDERAL EMPLOYEES TO PURCHASE INTO THE CIVIL SERVICE RETIREMENT SYSTEM BENEFITS UNDUPLICATED IN ANY OTHER RETIREMENT SYSTEM BASED ON EMPLOYMENT IN FEDERAL PROGRAMS OPERATED BY STATE AND LOCAL GOVERNMENTS UNDER FEDERAL FUNDING AND SUPERVISION.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

That section 8332 of title 5, United States Code, is amended by adding at the end thereof the following new subsection:

(L) Subject to sections 8334 (c) and 8339 (b) of this title, an employee or Member shall be allowed credit for any period of service performed by him (unless the employee or Member was certified as being eligible for relief) in the employment of a State, a political subdivision thereof, or an instrumentality of either, primarily in the carrying out of any program authorized by Act of Congress to be conducted in accordance with standards prescribed by Federal law and all or part of which is financed directly or indirectly by Federal funds if--

(1) the head of the Executive agency, or his designee, administering the program or assuming the function or program makes a certification to the Civil Service Commission, in accordance with such rules and regulations as may be prescribed by the Commission, concerning the service under this subsection, or such service is otherwise established to the satisfaction of the Commission;

(2) the employee or Member has at least 5 years of allowable service, under this Act exclusive of service allowed under this subsection;

(3) any such period of service has not and will not be used in obtaining an annuity under any other retirement system, including Social Security; and

(4) the employee retires--at whichever is later--within one year of enactment of subsection (L), or within one year of reaching the age and years of service requirements set forth in section 8336, unless the employee dies or is otherwise separated from the service prior to meeting the provisions of this subsection (4); and

(5) the employee or Member shall have deposited with interest at 4 percentum per annum thereafter, compounded on December 31 of each year, to the credit of the civil service retirement and disability fund a sum equal to the aggregate of the amounts that would have been deducted from his basic salary, pay, or compensation during the period he had been subject to this Act, provided that in determining the amount of such deposit, the term "period of separation from the service" as used in section 8334(c) shall be construed to include a period of service credited under this subsection (L); and provided further that the employee or Member may either make the full deposit within 30 days from the approval of his application for retirement credit under this subsection (L), or make the deposit by twelve equal monthly payments withheld from his annuity as it accrues, each payment comprising one-twelfth of the deposit and interest computed at the rate of 3 percentum per annum. For purposes of this subsection, "State" means the several States and Puerto Rico.

Sec. 2. The annuity of any person who shall have performed service of the type described in subsection (L) of section 8332 of title 5 United States Code, as added by the first section of this Act, and who before the date of enactment of this Act shall have been retired on annuity under the provisions of sub-chapter III of chapter 83 of such title, or prior provision of law, shall, upon application filed by any such person within one year after the date of enactment of this Act and in accordance with the provisions of such subsection (L), be adjusted effective as of the first day of the month following the date of enactment of this Act, so that the amount of such annuity will be the same as if such subsection (L) had been in effect at the time of such person's retirement. Similarly, the annuity of a person qualifying under the deferred annuity provisions of section 8338 and performing service described in subsection (L) shall, upon application filed by such person within one year after qualifying under section 8338, be adjusted effective as of the first day of the month in which he qualifies for the annuity.

4B-164

March 12, 1971

The Honorable Jalmar M. Kerttula
Chairman, Commerce Committee
House of Representatives
Juneau, Alaska 99801

Dear Mr. Chairman:

Re: H.B. No. 164, Anti-Trust Bill

I previously wrote to you on February 23, as a representative of American Mutual Insurance Alliance, stating I would investigate the impact which H.B. No. 164 would have on the insurance industry in Alaska and report to you.

Congress has the right to regulate the insurance industry by reason of the fact that it is engaged in interstate commerce. In 1945, it passed the McCarran-Ferguson Act (15 USCA 1011, et seq), which provides that the business of insurance shall be subject to the laws of the several states which relate to the regulation and taxation of the industry. It also provided that the Sherman Anti-Trust Act, the Clayton Act, the Federal Trade Commission Act and the Robinson-Patman Anti-Discrimination Act would not apply to the business of insurance until June 30, 1948, and after that date said Acts shall be applicable to the business of insurance "to the extent that such business is not regulated by state law." Therefore, the states have the right to regulate monopolies and combinations in restraint of trade in the insurance industry. Many states have anti-trust statutes such as proposed by H.B. 164, but New York is the only state which did not exempt the insurance industry. However, when New York did enact such a law on January 1, 1970, it specifically exempted the setting of rates through rating bureaus. The reason various states other than New York have not attempted such regulation is that the Insurance Departments have complete control over discrimination, unfair trade practices, etc., under the Insurance Code. The Insurance Departments, therefore, have control insofar as they care to exercise it, but they recognize that rating bureaus are an absolute necessity. There are other practices in the industry which might be said to be combinations in restraint of trade, such as formulating and adhering to standard insurance policies, the content of which are, in turn, under the control of the State Commissioners. The State Commissioners have their own

Commerce Committee
House of Representatives
Re: HB 164
March 12, 1971
Page Two

association to which the industry goes for guidance with the result that the standard fire insurance policy is used everywhere and any deviations from it can be used only with the approval of the State Director of Insurance. You can understand what a chaotic situation would be created, especially for the consumers, if you had 200 different types of insurance policies in Alaska and how difficult it would be for the Director to regulate the industry.


The reason the companies use rating bureaus to recommend how much they should charge and the State Commissioners use the same bureaus to ascertain what they should allow to be charged, is because the loss experience of all the companies in an area especially under standard policies, is more reliable for rate making than individual loss experience. Therefore, our Director is a subscriber to and pays to support the various bureaus which specialize in rate making for particular purposes. These must be continued, but H.B. No. 164 would prohibit such use of, rating bureaus.

From the foregoing, I think it is evident that the industry should be exempt from H.B. No. 164 since it is completely regulated in the same respects by the Insurance Code. If the state should decide to do like New York and prohibit monopolies and regulate the insurance industry under a bill of this type, then it is necessary to work out some specific exemptions such as has been done in New York. Whereas New York is the state in which most of the big companies are incorporated and it is the insurance center of the Western Hemisphere, Alaska is at the opposite end of the spectrum and is in no position to competently regulate the insurance industry except through its Director of Insurance. Therefore, unless the industry is exempt from the provisions of this bill there is a need for specific amendments which can be patterned after the recent New York law. I am furnishing to your staff and particularly Mr. Rhode, a copy of a report made by Mr. Edwin M. Zimmerman, of Washington, D.C., who talked on "Insurance Underwriting Under Antitrust" at a meeting of the 1970 Mutual Insur-

Commerce Committee
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Re. H.B. 164
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Page Three

ance Technical Conference at Philadelphia, last November. It will give him some idea of the complexity of the subject of trying to regulate insurance companies under limited exemptions such as are contained in the New York Act.

Yours very truly,


N. C. Banfield

c.c. Mr. Charles A. Brown
Mr. Kenneth H. Nailb
Mr. F. O. Eastaugh
Mr. W. W. Fritz

NCB:k

KENAI UTILITY SERVICE CORPORATION

A BLUE FLAME COMPANY
BENCO BUILDING P.O. BOX 614
KENAI, ALASKA 99811
(907) 283-7932

HB-12

February 11, 1974

The Honorable Clem Tillion
Alaska State House of Representatives
Pouch V
Juneau, Alaska 99801

Dear Clem:

In reviewing correspondence from the Alaska Chapter of the Associated General Contractors of America it appears that the Committee Substitute for House Bill No. 12 offered February 20, 1973, is still alive (but probably not well) in some committee in Juneau. This bill relates to "liability for damage to underground utilities".

This is a fair and much needed piece of legislation. It presumes only to penalize those who carelessly damage utility properities by failing to confirm the location of those properties. The lessening of such damage will be a significant factor in holding down utility rates to the public. We have tried for three years to encourage the passage of this measure by the legislature. It is high time that this bill is passed and we solicit your assistance in bringing it out of committee and to a vote.

Sincerely yours,

KENAI UTILITY SERVICE CORPORATION



Oscar L. Thomas, Vice-President

OLT:ilw

PROSPECT HEIGHTS ASSOCIATION, INC.

AN ALASKA NON-PROFIT CORPORATION
SUITE 1, 825 WEST EIGHTH AVENUE
ANCHORAGE, ALASKA 99501
(907) 279-2411

March 20, 1973

HCR 70

To: All State Legislators and Senators

Gentlemen:.

We note with interest the transmittal to the Legislature by the Governor of a resolution for changes in the boundaries of Chugach State Park. This resolution is House Concurrent Resolution 70.

The Resolution speaks of:

Conflicts of land ownership, jurisdiction or authority which are unreconcilable or unmanageable other than that at an unreasonable cost or expense to the state;

..... "

and sounds as if pursuant to A. S. 41.20.220. That statute in its entirety reads as follows:

Sec. 41.20.220. Designation of management responsibility. The state lands and waters described in §210 of this chapter as the Chugach State Park are assigned to the Department of Natural Resources for control, development and maintenance, except that the Department of Highways is responsible for the repair and maintenance of all existing public roads within the park. The control of highway access and roadside structures within the Chugach State Park is the responsibility of the Department of Natural Resources. The Department of Fish and Game shall cooperate with the Department of Natural Resources to provide for those purposes under §210 of this chapter relevant to the duties of the Department of Fish and Game. If, in the exercise of management responsibility under this section, conflicts of land ownership, jurisdiction, or authority are unreconcilable or unmanageable other than at an unreasonable cost and expense to the state, the commissioner after public hearing in accordance with A.S. 44.62 may modify, subject to the approval of the legislature, the boundaries of the Chugach State Park not to exceed 20 per cent of the total acreage described in §210 of this chapter. (§1 ch 112 SLA 1970).

To All Members of the House and Senate

Page 2

March 20, 1973

However, much of the land in question belongs to the State of Alaska. How there can be an unreconcilable conflict between the State and the State escapes us. If one department of the state wishes to have land once assigned to its management, again made available for a purpose in conflict with A.S. 41.20.200, the declaration of purpose for the Chugach State Park, then why cannot the park land be simply transferred out of their hands altogether. This is at least argueably already the affect of A.S. 41.20.210 designating the state land as a park. Cannot it be exchanged for other lands in the control of the Division of Lands? In other words, we totally fail to see where an irreconcilable conflict exists, unless it is that one division of the Department of Natural Resources is loath to loose control of some land in order that another division of the Department of Natural Resources may maintain control of some lands. That conflict is readily reconcilable by a simple order from the commissioner that the principality of the Division of Lands be invaded for the benefit of the state park.

Less philosophical and more concretely legal, is our contention that it appears to our satisfaction that the University of Alaska, alleged beneficiary of paragraph 1 of the resolution is not an agency which A.S. 41.20.220 designated as an agency beneficiary of the section. The statute speaks of administrative conflicts under the administrative authority granted to the Division of Parks, the Highway Department and the Department of Fish and Game. It strikes us that most logical that highway rights-of-way problems along the alignment of the Seward Highway were the principle concern in the placing of this language in the statute.

The university lands in question are generally steep lands, not terribly well suited to non-park uses, and affording the people of the state relatively accessable and lower-lying lands for recreational purposes. We suggest that paragraph 1 of the resolution be struck in its entirety from the resolution.

Paragraph 2 of the proposed resolution would delete certain portions of Bird and Penguin Creek valleys which are lands selected by the Greater Anchorage Area Borough. Bird and Penguin Creek valleys likewise afford a beneficial park recreational area to the people of the greater Anchorage area. Indeed, this is one of the generally accepted mechanized recreation areas. We see no particular purpose which could be served in transferring the lands to the Greater Anchorage Area Borough and deleting them from the park. Would it not be far more sensible to allow the Greater Anchorage Area Borough to select other lands of an equivalent quantity from within the Greater Anchorage Area Borough and leave these lands in question in park status?

To All Members of the House and Senate
Page 3
March 20, 1973

The third paragraph of the proposed resolution would delete certain lands in the Girdwood valley from the park. This subject was discussed extensively by the Park and Recreation Council of Anchorage, and the proposal varies from that accepted by the Park and Recreation Council in one significant fact. Section 18 is among those proposed to be deleted, varies sharply from steep alpine territory to low-lying and developable territory. We would suggest that a modification should be placed in this paragraph of the resolution to the same effect as that modification applying to Section 8, to wit, that the portion of Section 18 deleted from the park should only be that part lying below 500 foot altitude.

We are in general agreement with the balance of the resolution, but would urge the defeat of the resolution if it can not be amended as above suggested.

Very truly yours,



E. G. Burton, Secretary
PROSPECT HEIGHTS ASSOCIATION, INC.

TELEGRAM

HCA ALASKA COMMUNICATIONS, INC

PHONE: 533-6440

UNNEAU, ALASKA 99801

1973 MAR 25 AM 10 11

ZCZC 04012 NL ANCHORAGE ALASKA 08 03-25 300A AST

PMS REP HELEN BEIRNE

HOUSE OF REPRESENTATIVES

JUN

BT

RECENTLY HEARD ABOUT RESOLUTION 70 AND FOUND THAT THE
BOROUGH PLANNING PEOPLE HAVE NOT STUDIED IMPLICATIONS
OF THE LEASE OF BOROUGH LANDS FROM STATE PARK. AM
VERY CONCERNED THAT THIS BILL IS BEING RUSHED TO
WITHOUT ADEQUATE KNOWLEDGE. HEARINGS HELD LAST SUMMER
DID NOT DEAL WITH THIS ISSUE OR THE RELEASE OF UNIVERSITY
LANDS FROM THE PARKS. AM CONTACTING AS MANY BOROUGH
AND STATE PEOPLE AS I CAN TO FIND OUT BACKGROUND.
PLEASE HOLD BILL UNTIL WE CAN FIND OUT MORE. THANKS SO
MUCH FOR EVERYTHING

SHARON CISSNA BOX 1036

STATE OF ALASKA

DEPARTMENT OF ADMINISTRATION

OFFICE OF THE COMMISSIONER

WILLIAM A. EGAN, GOVERNOR

POUCH C — JUNEAU 99801

8 February, 1974

HCR-10

Honorable Clem V. Tillion, Chairman
House Judiciary Committee
State Capitol
Juneau, Alaska 99801

Dear Representative Tillion:

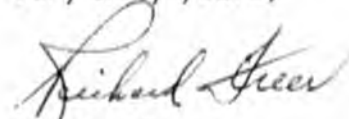
A review of HCR 10 indicates that an error was made in the preparation and the following corrections should be made:

Change line 26, page 1 to read

Anchorage Department of Labor Building	4,300,000
Add, between line 26 and 27 on page 1	
Fairbanks Public Safety Building	1,200,000

The total of HCR 10 is not affected by these changes.

Very truly yours,



Richard Freer
Deputy Commissioner

William A. Greene
Attorney at Law

SB-488

425 G Street, Suite 950
Anchorage, Alaska 99501

March 28, 1974

Representative Clem Tillion
House of Representatives
Alaska State Legislature
Juneau, Alaska

Re: Senate Bill No. 488: "An Act Relating to the
Merger and Consolidation of Corporations."

Dear Representative Tillion:

Senate Bill No. 488, a copy of which is enclosed, was introduced in the Senate last week and hopefully will reach the House and, I presume, your committee in the next few days. May I sincerely request your support of the Bill and its expeditious passage in the House.

The purpose of Senate Bill No. 488 is to expressly authorize triangular or three-party mergers in consolidations in which the stock of a third corporation not a party to the merger or consolidation may be issued in exchange for the merging corporation's stock. (E.G. issuance of a parent corporation's stock to shareholders of a corporation being acquired by the parent's subsidiary corporation.)

The pertinent portions of Alaska's Business Corporation Act have not been amended since their enactment and there presently exists a question whether or not Alaska law permits triangular mergers and consolidations. The Model Business Corporation Act was amended in 1969 to answer the question by expressly authorizing this type of merger or consolidation of corporations.

Triangular mergers are well recognized as an important addition to the flexibility of corporate organization and acquisition. Since 1967 when Delaware authorized triangular mergers and consolidations, thirty-one other states have specifically authorized them. (See attached list.) The desirability of triangular mergers was recognized by the

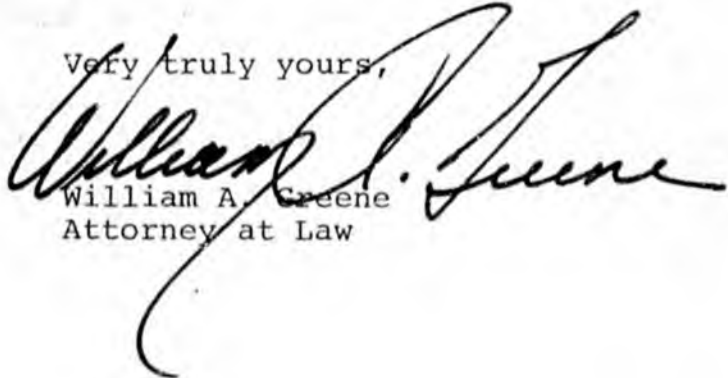
March 28, 1974

Model Business Corporation Act when it was amended in 1969 and as you know, Alaska's business corporation laws were originally adopted almost verbatim from the Model Act. Shortly after the State of Delaware first authorized the three-party merger, Congress amended the Internal Revenue Code to allow triangular mergers the same tax-free reorganization status accorded the more traditional two-party merger. If this type of merger is specifically authorized by state statute, they then may qualify as a tax-free reorganization under the Internal Revenue Code and are less likely to be disqualified from the tax-free treatment. The Congress also recognized the acceptability and necessity for providing for triangular mergers and consolidations.

The language of Senate Bill No. 488 authorizing triangular mergers is taken verbatim from the Model Business Corporation Act. The proposed bill does not delete any provision of Alaska's corporation laws and triangular mergers would have all the safeguards and be obliged to fulfill all the requirements for merger now specified by our current laws.

Your assistance and support in the expeditious committee action and House passage of Senate Bill No. 488 will be most appreciated.

Very truly yours,


William A. Greene
Attorney at Law

WAG/vjb
Enclosure

COOK INLET
CIRI
REGION, INC.

Refer to: #0413
Attn: Ralph A. Johnson

February 12, 1974

Honorable Clem Tillion
House of Representatives
Juneau, Alaska 99801

Dear Representative Tillion:

I am calling your attention to House Joint Resolution No. 69 submitted by Representative Fischer. This resolution relates to the disposal of Federal surplus property. The bill requests the Congress of the United States to enact legislation requiring that in the disposal of Federal surplus property, the point of last Federal use in Alaska be given first priority with political subdivisions on an equal footing with others.

Cook Inlet Region is in the unfortunate position of having most of the land that was similar in kind and character upon which the villages are located, selected by the State of Alaska prior to 1969. Even though we feel that we have lost part of our heritage, we are willing to accept that fact.

However, we are entitled to all surplus Federal lands and some State selected lands as quoted in Section 3(e) of the Act:

"Public Lands" means all Federal lands and interests therein located in Alaska except: (1) the smallest practicable tract, as determined by the Secretary, enclosing land actually used in connection with the administration of any Federal installations, and (2) land selections of the State of Alaska which have been patented or tentatively approved under section 6(g) of the Alaska Statehood Act, as amended (72 Stat. 341, 77 Stat. 233), or identified for selection by the State prior to January 17, 1969."

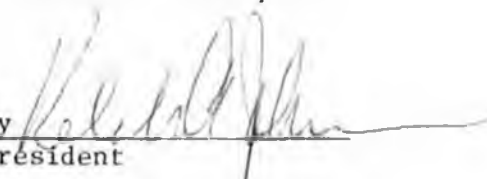
The conflict that the Secretary of the Interior faces in our situation, is having to give us land with one hand and to withhold it with the other. This dilemma has caused our region additional work and legal expense.

....2

We ask your assistance to avoid any such conflict with the State of Alaska. House Bill no. 69, can damage the progress we have made and impede any future selections we may have for land.

We need and ask your support in obtaining all Federal surplus land within the Cook Inlet Region rather than placing stumbling blocks in our road.

Sincerely
COOK INLET REGION, INC.

By 
President

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THE AUDUBON CAUSE



THE AUDUBON VIEW

The Defeat of the SST —A Sign of the Times?

In the past eighteen months we have seen at least four good signs that we may be winning the battle against environmental deterioration. Signs that public concern is getting through to the decision-makers.

The first was passage by Congress of the National Environmental Policy Act of 1969, which established the Council on Environmental Quality—to advise the President and Congress and to provide a focus for conservation planning.

The second was the decision not to build a major jetport in a location that would have polluted Everglades National Park and jeopardized the water supplies of South Florida. Some realty speculators and political bitter-enders are still struggling to reverse the public's preliminary triumph, however, and the victory will not be nailed down until a new site for the jetport is agreed upon.

The third good sign was President Nixon's courageous and unprecedented action in halting construction of the nonsensical Cross-Florida Barge Canal. It was the first time in history that the U.S. Army Corps of Engineers and their lobby of ditch-diggers, dredgers, and barge shippers had a large project turned off after millions of dollars had been poured down the rathole.

Does this mean abandonment at last of the time-honored principle of the Congressional pork barrel—that it is always necessary to send good money after bad? Perhaps. Congress made such a decision in voting to stop sinking tax monies into an environmentally dangerous and socially useless supersonic transport.

The SST vote, in our view, was an imperfect response to the best scientific opinion and to a public demand that America must reorder its priorities and reject its blind subservience to technology.

Imperfect because the vote was so close—215 to 204 in the House of Representatives and 51 to 46 in the Senate. This indicates that Congress is still inordinately responsive to the special-interest lobbies and relatively unresponsive to public opinion on crucial issues. New York Senator James L. Buckley, who voted for further public investment in the SST prototype, revealed that his mail had been running five to one against the plane.

The public simply cannot buy the argument

that, as a matter of national prestige and world leadership, the United States must be first among nations in committing an economic and environmental blunder of global proportions.

It was, yes, an imperfect response by Congress—but highly encouraging. Another good sign that the environment may be winning.

A Threat to a Unique River and to 250,000 Sandhill Cranes

In November 1967, Congress passed and President Johnson signed a bill authorizing the Nebraska Midstate Irrigation Project. It was an action that received almost no political attention or publicity outside Nebraska. Planning is now underway by Bureau of Reclamation engineers, but no funds for construction have yet been appropriated.

So, fortunately, there is still time for the Department of the Interior and Congress to reconsider the project. It must be reconsidered because resources of national and international significance are involved.

Early each March, great flocks of sandhill cranes start concentrating in the Platte River bottomlands between Lexington and Grand Island, Nebraska. They come from wintering grounds in Texas, New Mexico, and Mexico. By the first of April, as many as 250,000 of these stately birds—more than 90 percent of the continental population of the species—are feeding by day in the wet meadows and marshes and in last season's grainfields. At night, they roost in the shallow waters of the multichanneled river.

Wild ducks and geese by the tens of thousands also use this stretch of the Platte as stopover and staging grounds before moving on to nesting areas in Canada and Alaska. And so do the whooping cranes. This most celebrated of America's endangered species is frequently seen in midmigration along this same big bend of the Platte.

Cranes, waterfowl, plus eagles and shorebirds—all combine, each spring, to make this one of the few great wildlife spectacles left in North America.

The central and essential feature of the Nebraska Midstate Irrigation Project would be a diversion dam and canal near Lexington that would take most of the water out of this vital stretch of the Platte most of the time—and all of the water some of the time. In periods of drought, the Platte would be *dry* the year-round. This drastic ecological change could well reduce the sandhill crane to the status of an endangered species, further jeopardize the bald eagle, and conceivably administer the coup de grâce to the remnant flock of wild whooping cranes.

To charges of ecological destruction, the proponents of such engineering schemes characteristically offer a simplistic rebuttal. The wildlife, they say, can move elsewhere. But where? Look at a map. Where else in the Great Plains or the whole Midwest could 250,000 sandhill cranes find the same combination of feeding grounds and roosting security? Where and how could similar habitat be created—even at enormous cost?

And how do the engineers propose to alter the migratory instinct that for ten thousand years or longer has led the cranes to flock and feed here. And to begin their courtship rituals, before follow-

ing the warming sun to northern nesting grounds?

We cannot recreate the Platte River, which in this island-studded stretch of its one thousand-mile course is unique among the rivers of America. We must think long and hard before destroying it. Indeed, we must evolve some special kind of protected status for the Platte and its remarkable concentrations of birdlife.

Alaska Pipeline or Canada Pipeline? Or Keep the Oil in the Ground?

Where Alaska's oil is concerned, questions are piling up faster than answers.

The Corps of Engineers and the Environmental Protection Agency have expressed new concern about the effect a trans-Alaska pipeline would have on the environment. Conservationists have added some new twists to their old—and still unanswered—questions. And Canada has added a new proposal that changes the whole situation.

Canadians have made a "major natural gas discovery" in the Arctic and suggest a joint pipeline route from Alaska's North Slope across to Canada, then up the Mackenzie River Valley and on to the U.S. From the view of minimizing environmental impact on the whole continent, combining the two nations' pipelines into one route, not two, would be an advantage. A pipeline all the way from Prudhoe Bay to Chicago—instead of piping the oil across Alaska, loading it on tankers, shipping it to Seattle, unloading it and piping it again—would cut the risk of spills. There are other advantages to a trans-Canada route, not least of which is that it is outside the Alaskan earthquake zone.

But is Canada equipped to provide effective watchdogging in the lonely Northwest provinces? And if not, have the people of the United States the moral right to risk Canada's wilderness to spare their own?

Indeed, Canada's Minister of Energy, Mines, and Resources, J. J. Greene, recently stated that he is not sure it would be in the public interest to release ecological study reports to the public before a decision on the safety of the Canada pipeline is made. Moreover, our neighbor to the north lacks even a single strong, nationwide citizen conservation group to insist on ecological safeguards.

Canadians, of course, are nervous about the prospect of the U.S. shipping the North Slope oil by tankers. Traveling either by an Arctic route or down the Pacific shore to Seattle, it is Canadian shoreline that the tankers would skirt.

And in their concern about pollution of northern waters, the Canadians have an ally in the Corps of Engineers, which has pointed out that the proposed trans-Alaska route would cross four major rivers and end up in Prince William Sound. As the guardians of our waterways, the Corps says it has doubts whether—at this point—it could issue the permits required for the pipeline. And EPA Administrator Ruckelshaus has asked the Department of Interior to delay a right-of-way permit.

Meanwhile, conservation organizations, including the National Audubon Society, testified at recent hearings held by the Bureau of Land Management, and challenged the validity of the "national security" arguments for immediate exploitation of the Alaska oil find. A number of other embarrassing questions were asked.

Quite simply, there is no immediate need for that Alaskan oil. But there are irreplaceable wilderness areas to be lost if we make the wrong move. The oil won't go away. It can stay in the ground until we are quite certain we can get it out safely.

The Hazard of DDT Is Beyond Imminent, Mr. Ruckelshaus

We are disappointed that the Environmental Protection Agency administrator, William D. Ruckelshaus, did not see fit to suspend shipment and sale of DDT—after the U.S. Court of Appeals directed him to face up to the problem. He made a similar, temporizing decision on the herbicide 2,4,5-T, included in the same court ruling.

Mr. Ruckelshaus could have ordered suspension while EPA goes through the convoluted procedures of deregistration, as prescribed by the obsolete Federal Insecticide, Fungicide, and Rodenticide Act of 1947. Instead, he cited two principal reasons for his go-slow policy.

It is difficult, he said, to ascribe to DDT an "imminent hazard to the public," which is the language of the law that authorizes suspension. The emphasis in interpretation is on the "public health." And perhaps it is difficult to demonstrate that large numbers of people are about to become sick or die because of exposure to any insecticide.

But there is no question that the hazard of DDT to the natural environment—and therefore to the welfare of mankind—is not merely *imminent*, but *past, present, and progressive*. The evidence is overwhelming in the rapid decline of several species of wildlife—some now threatened by extinction—because of reproductive failure induced by DDT contamination.

EPA's other reason for delay was that suspension now of DDT might cause farmers to expose themselves to the highly dangerous parathion, an organophosphate insecticide that is closely akin chemically to the deadly nerve gases. Parathion has been responsible for many deaths in the past two decades, including two youths who were exposed last summer on tobacco farms.

Instead, the fact that parathion can still be purchased by anyone in rural seed and fertilizer stores and applied by untrained workers is further evidence of the weakness of regulatory laws—and the irresponsibility of agriculture agencies that have promoted the use of dangerous pesticides while failing to police them. Parathion should have been removed from the open market years ago.

While temporizing on DDT and 2,4,5-T, Mr. Ruckelshaus did announce the beginning of cancellation proceedings against dieldrin, aldrin, and mirex. All three, like DDT are chlorinated hydrocarbons that persist in the environment and cause widespread ecological damage, for they are concentrated and circulated in nature's food chains. For this action we commend the EPA administrator. Unfortunately, cancellation involves adversary proceedings—similar to that Wisconsin DDT trial—which conservation forces will be obliged to underwrite from all too meager funds.

We also endorse Mr. Ruckelshaus' call to Congress to revise the Insecticide, Fungicide, and Rodenticide Act in order to give him strong controls over the so-called "economic poisons." ■



by CHARLES H. CALLISON

The 92nd Congress convened January 21st, with 67 new Senators and Representatives. In the first few days of the session, the flood of bills was staggering. In one day alone—the second day of the House session—1,954 bills were put in the hopper. It is obvious that there will be more bills on the environment this year than ever before. Even now there are so many that we can only list a few of the more important ones. Here is a brief list, along with the members of the key committees that will be considering them.

Environmental class actions—H.R. 49 by Representative John D. Dingell of Michigan and seven colleagues permits private citizens or groups to sue in court against polluters. Referred to the House Committee on Merchant Marine and Fisheries. Similar S. 1032 by Senators Philip A. Hart of Michigan and George S. McGovern of South Dakota went to the Senate Commerce Committee.

Water pollution control—S. 523 by Senator Edmund S. Muskie of Maine and ten colleagues probably is the measure that will be perfected and reported by the Senate Public Works Committee to strengthen the hand of the Environmental Protection Agency in water pollution control. It proposes markedly increased federal aid to states and municipalities and stronger abatement powers, including enforceable effluent standards. Similar powers are proposed by the Nixon Administration in S. 1012, S. 1013, S. 1014, and S. 1015, introduced by Senator John Sherman Cooper of Kentucky and others. Senator Muskie's Subcommittee on Air and Water Pollution began hearings on these bills in March.

Ocean dumping—H.R. 807 by Representative Michael Harrington of Massachusetts and 19 colleagues empowers the Environmental Protection Agency to regulate the discharge or dumping of wastes into U.S. coastal and other waters. To the House Committee on Merchant Marine and Fisheries. Several similar bills are expected in both House and Senate.

Regulation of pesticides—H.R. 4152 by Representatives W. R. Poage of Texas and Page Belcher of Oklahoma is the Nixon Administration bill to rewrite the outmoded Federal Insecticide, Fungicide, and Rodenticide Act and give the Environmental Protection Agency better control over the sale and use of pesticides. The National Audubon Society supported it, and also the identical S. 745 by Senator Robert W. Packwood of Oregon, when invited to testify in March before the House Committee on Agriculture and a Senate agricultural subcommittee. A similar bill, S. 660, introduced by Senator Gaylord Nelson of Wisconsin, is in some ways better than S. 745. It also is before the Senate Committee on Agriculture and Forestry.

Ban on DDT—S. 272 by Senator Nelson would prohibit the sale or interstate shipment of DDT in the United States. To the Senate Committee on Agriculture and Forestry.

Ban on chlorinated hydrocarbons—S. 232 by Senator Nelson would ban aldrin, chlordane, DDD/TDE, dieldrin, endrin, heptachlor, lindane, and toxaphene. All are long-lasting, environmentally polluting chlorinated hydrocarbon insecticides. To the Senate Committee on Agriculture and Forestry.

Restrictions on pesticide exports—

H.R. 1077 by Representative Ogden R. Reid of New York also prohibits U.S. sale or shipment of DDT, dieldrin, aldrin, endrin, heptachlor, toxaphene, chlordane, lindane, or DDE. It would go further by allowing exports only to countries whose governments specifically request supplies. To the House Committee on Agriculture.

Stream channelization reform—H.R. 200 by Representative Ben Blackburn of Georgia amends the Fish and Wildlife Coordination Act to prevent U.S. Soil Conservation Service watershed projects from destroying the ecology of natural streams and wetlands. To the House Committee on Merchant Marine and Fisheries.

Public Lands Organic Act—S. 921 by Senator Henry M. Jackson of Washington and seven colleagues provides a new "organic act" for administration of the public domain lands, which are chiefly in the western states and Alaska. It repeals the obsolete general mining law of 1872, under which public lands have been shredded, and substitutes a controlled mineral leasing system. Although they probably will recommend strengthening amendments, most conservation organizations—including the National Audubon Society—will support S. 921. To the Senate Committee on Interior and Insular Affairs.

National land use policy—S. 632 by Senator Jackson and six colleagues would broaden the authority of the Water Resources Council and river basin commissions to include land use planning, and also would provide financial assistance to the states for land use planning within federal guidelines. Senator Jackson also introduced S. 992 as recommended by President Nixon to provide planning grants to the states through the Secretary of the Interior. Representative Wayne N. Aspinall of Colorado introduced the Administration measure as H.R. 4332, and also his own H.R. 2449, which is similar except for sanctions in the form of reduced federal aid for highways, recreation lands, etc., for states that fail to complete their planning programs on time. Referred to the Senate and House Committees on Interior and Insular Affairs.

Urban mass transit—H.R. 55 by Representative William F. Ryan of

New York permits a state to elect to use funds from the Highway Trust Fund for urban mass transportation facilities. To House Committee on Public Works.

Protection of hawks and owls—H.R. 5821 by Representative Dingell and nine colleagues extends to hawks and owls the same federal protection now accorded bald and golden eagles. Referred to the House Committee on Merchant Marine and Fisheries.

Rare species—H.R. 3616 by Mr. Dingell and seven colleagues amends the Endangered Species Act of 1969 to extend its provisions to species that are "rare" and need protection although they may not be immediately "threatened with extinction." To the House Committee on Merchant Marine and Fisheries.

Wild predatory mammals—H.R. 689 by Mr. Dingell and six colleagues proposes to reform the predator control program of the Bureau of Sport Fisheries and Wildlife by reducing the army of federal trappers and poisoners and substituting an "extension trapper" system in cooperation with the states. To the House Committee on Merchant Marine and Fisheries. Similar S. 273 by Senator Nelson is before the Commerce Committee.

San Francisco Bay Refuge—H.R. 111 by Representative Don Edwards of San Jose and seven California colleagues authorizes a San Francisco Bay National Wildlife Refuge of 21,662 acres, a plan that has the enthusiastic backing of Bay area Audubon societies. To the House Committee on Merchant Marine and Fisheries.

Western Hemisphere wildlife—S. 249 by Senator Alan Cranston of California implements the long-neglected Convention on Nature Protection and Wildlife Preservation in the Western Hemisphere, a treaty which the United States signed with Latin American countries in 1940. It would prohibit the hunting, trapping, or sale of a number of rare and endangered kinds of wildlife not adequately protected by federal or state law. To the Senate Commerce Committee.

Hunting from aircraft—H.R. 5060 by Representative John P. Saylor of Pennsylvania and 21 colleagues prohibits shooting wildlife from aircraft. The House passed a similar measure

last year but the Senate amended it to death. To the House Committee on Merchant Marine and Fisheries.

Senate Committee on Agriculture and Forestry
Democrats: Herman E. Talmadge (Georgia), chairman, Allen J. Ellender (Louisiana), James O. Eastland (Mississippi), B. Everett Jordan (North Carolina), George McGovern (South Dakota), James B. Allen (Alabama), Hubert H. Humphrey (Minnesota), Lawton Chiles (Florida).

Republicans: Jack Miller (Iowa), George D. Aiken (Vermont), Milton R. Young (North Dakota), Carl T. Curtis (Nebraska), Robert Dole (Kansas), Henry Bellmon (Oklahoma).

Senate Commerce Committee

Democrats: Warren G. Magnuson (Washington), chairman, John O. Pastore (Rhode Island), Vance Hartke (Indiana), Philip A. Hart (Michigan), Howard W. Cannon (Nevada), Russell B. Long (Louisiana), Frank E. Moss (Utah), Ernest F. Hollings (South Carolina), Daniel K. Inouye (Hawaii), William B. Spong Jr. (Virginia).

Republicans: Norris Cotton (New Hampshire), Winston L. Prouty (Vermont), James B. Pearson (Kansas), Robert P. Griffin (Michigan), Howard H. Baker Jr. (Tennessee), Marlow W. Cook (Kentucky), Mark O. Hatfield (Oregon), Ted Stevens (Alaska).

Senate Committee on Interior and Insular Affairs

Democrats: Henry M. Jackson (Washington), chairman, Clinton P. Anderson (New Mexico), Alan Bible (Nevada), Frank Church (Idaho), Frank E. Moss (Utah), Quentin N. Burdick (North Dakota), George McGovern (South Dakota), Lee Metcalf (Montana), Mike Gravel (Alaska).

Republicans: Gordon Allott (Colorado), Len B. Jordan (Idaho), Paul J. Fannin (Arizona), Clifford P. Hansen (Wyoming), Mark O. Hatfield (Oregon), Ted Stevens (Alaska), Henry Bellmon (Oklahoma).

Senate Committee on Public Works

Democrats: Jennings Randolph (West Virginia), chairman, Edmund S. Muskie (Maine), B. Everett Jordan (North Carolina), Birch Bayh (Indiana), Joseph M. Montoya (New Mexico), Thomas F. Eagleton (Missouri), Mike Gravel (Alaska), John V. Tunney (California), Lloyd Bentsen (Texas).

Republicans: John Sherman Cooper (Kentucky), J. Caleb Boggs (Delaware), Howard H. Baker Jr. (Tennessee), Robert Dole (Kansas), J. Glenn Beall Jr. (Maryland), James L. Buckley (New York), Lowell P. Weicker Jr. (Connecticut).

House Committee on Agriculture

Democrats: W. R. Poage (Texas), chairman, John L. McMillan (South Carolina), Thomas G. Abernethy (Mississippi), Watkins M. Abbott (Virginia), Frank A. Stubblefield (Kentucky), Graham Purcell (Texas), Thomas S. Foley (Washington), Eligio de la Garza (Texas), Joseph P. Vigorito (Pennsylvania), Walter B. Jones (North Carolina), B. F. Sisk (California), Bill Alexander (Arkansas), Bill D. Burlison (Missouri), John R. Harick (Louisiana), Ed Jones (Tennessee), John Melcher (Montana), John G. Dow (New York), Dawson Mathis (Georgia), Bob Bergland (Minnesota), Arthur A. Link (North Dakota), Frank E. Denton (South Dakota), Jorge L. Cordova (Puerto Rico).

Republicans: Page Belcher (Oklahoma), Charles M. Teague (California), William C. Wampler (Virginia), George A. Goodling (Pennsylvania), Clarence E. Miller (Ohio), Robert B. Mathias (California), Wiley Mayne (Iowa), John M. Zwach (Minnesota), Robert Price (Texas), Keith G. Sebelius (Kansas), Wilmer Mizell (North Carolina), Paul Findley (Illinois), John Kyl (Iowa), J. Kenneth Robinson (Virginia).

House Committee on Interior and Insular Affairs

Democrats: Wayne Aspinall (Colorado), chairman, James A. Haley (Florida), Ed Edmondson (Oklahoma), Walter S. Baring (Nevada), Roy A. Taylor (North Carolina), Harold T. Johnson (California), Morris K. Udall (Arizona), Phillip Burton (California), Thomas S. Foley (Washington), Robert W. Kastenmeier (Wisconsin), James G. O'Hara (Michigan), William F. Ryan (New York), Patsy T. Mink (Hawaii), James Kee (West Virginia), Lloyd Meeds (Washington), Abraham Kazen Jr. (Texas), Bill D. Burlison (Missouri), Robert G. Stephens Jr. (Georgia), Joseph P. Vigorito (Pennsylvania), John Melcher (Montana), Teno Roncallo (Wyoming), N. J. Bagich (Alaska), James G. Abourezk (South Dakota), Jorge L. Cordova (Puerto Rico).

Republicans: John P. Saylor (Pennsylvania), Craig Hosmer (California), Joe Skubitz (Kansas), John Kyl (Iowa), Sam Steiger (Arizona), James A. McClure (Idaho), Don H. Clausen (California), Philip E. Ruppe (Michigan), John N. Happy Camp (Oklahoma), Manuel Lujan (New Mexico), Sherman P. Lloyd (Utah), John Dellenback (Oregon), Keith G. Sebelius (Kansas), James D. McKevitt (Colorado), John H. Terry (New York).

House Committee on Merchant Marine and Fisheries

Democrats: Edward A. Garmatz (Maryland), chairman, Leonor K. Sullivan (Missouri), Frank M. Clark (Pennsylvania), Thomas L. Ashley (Ohio), John D. Dingell (Michigan), Alton S. Cannon (North Carolina), Thomas N. Downing (Virginia), James A. Hynes (Pennsylvania), Paul G. Rogers (Florida), Frank A. Stubblefield (Kentucky), John M. Murphy (New York), Joseph E. Karth (Minnesota), Walter B. Jones (North Carolina), Robert L. Leggett (California), Speedy O. Long (Louisiana), Mario Biaggi (New York), Charles H. Griffin (Mississippi), Glenn M. Anderson (California), Eligio de la Garza (Texas), Peter N. Kyros (Maine), Robert O. Tiernan (Rhode Island), James V. Stunton (Ohio).

Republicans: Thomas M. Pelly (Washington), William S. Mailliard (California), Charles A. Mosher (Ohio), James R. Grover Jr. (New York), Hastings Keith (Massachusetts), Philip E. Ruppe (Michigan), George A. Goodling (Pennsylvania), William G. Bray (Indiana), Paul N. McCloskey Jr. (California), Jack H. McDonald (Michigan), M. G. Snyder (Kentucky), Robert H. Steele (Connecticut), Edwin B. Forsythe (New Jersey), Pierre S. du Pont (Delaware).

House Committee on Public Works

Democrats: John A. Blatnik (Minnesota), chairman, Robert E. Jones (Alabama), John C. Kluczynski (Illinois), Jim Wright (Texas), Kenneth J. Gray (Illinois), Frank M. Clark (Pennsylvania), Ed Edmondson (Oklahoma), Harold T. Johnson (California), William Jennings Bryan Dorn (South Carolina), David N. Henderson (North Carolina), Ray Roberts (Texas), James Kee (West Virginia), James J. Howard (New Jersey), Glenn M. Anderson (California), Patrick T. Caffery (Louisiana), Robert A. Roe (New Jersey), George W. Collins (Illinois), Teno Roncallo (Wyoming), N. J. Bagich (Alaska), Mike McCormack (Washington), Charles B. Rangel (New York), James V. Stanton (Ohio), Bella S. Abzug (New York).

Republicans: William H. Jarsha (Ohio), James R. Grover Jr. (New York), James C. Cleveland (New Hampshire), Don H. Clausen (California), Fred Schwengel (Iowa), M. G. Snyder (Kentucky), Roger H. Zion (Indiana), Jack H. McDonald (Michigan), John Paul Hammerschmidt (Arkansas), Clarence E. Miller (Ohio), Wilmer Mizell (North Carolina), John H. Terry (New York), Charles Thone (Nebraska), LaMar Baker (Tennessee).

AUDUBON ACTION

The Real Gypsy Moth Problem: Spray Planes with Insecticides

The worst damage done by the gypsy moth is in the minds of men conditioned to seek a chemical solution for every insect problem—and in the ecological devastation caused by frenetic and unnecessary spraying programs. To counter a plan by the Westchester County government to blanket all county parks with the insecticide Sevin (carbaryl) this summer, local Audubon chapters combined forces in an education program.

Scarsdale Audubon Society compiled an impressive fact sheet to explain why the spraying plan was unnecessary and unsound, and mailed it to Commissioner Charles Pound of the county Department of Parks, Recreation, and Conservation, and to all county legislators. Saw Mill River Audubon Society produced an impressive documented report by its vice-president, Dr. Stanley C. Wecker, an associate professor of biology at the City University of New York—a paper that will be published for wider distribution by the National Audubon Society. Finally these chapters, plus the Bedford Audubon Society and Hudson Valley Audubon Society, joined Westchester garden clubs and civic groups in circulating a leaflet entitled, "Do's and Don'ts for Controlling the Gypsy Moths."

Victory at Honey Hollow: Compromise on Powerline Route

A ruling by the Delaware River Basin Commission has removed at last the threat of a 500,000-volt powerline through the heart of Honey Hollow Watershed National Historic Landmark in Bucks County, Pennsylvania. Exercising its authority over "water related resources" and "elements of its comprehensive plan," the commission told the Philadelphia Electric Company to accept a compromise route that will cross a corner of the scenic watershed but leave intact and unspoiled the central portion where Bucks County environmentalists have planned a major conservation education center.

Bucks County Audubon Society has been allied with the Honey Hollow Watershed Association, Bucks County Conservancy, and other local and na-

tional conservation organizations in a long fight to preserve the integrity of the historic landmark (See "Death Row," *Audubon*, January 1970).

Next steps are to acquire the lands and easements required to implement the nature center plan. A feasibility study for the center was made by the National Audubon Society.

Tahoma Audubon Society Fights for Nisqually Delta

"There is not, but there should be, a Department of Solitude. It is one natural resource still undowered by alphabet and is recognized as valuable only by birds, birdwatchers and view-watchers. Along the crest of the west bank of the Nisqually Delta lies a developer's dream. And perhaps an ecologist's nightmare. For people like to build on crests and look across the natural terrain to distant vistas of reach and sound, rivers and islands, woods and wildlife. There, with their own Panavision screen, engulfed in distant solitude, they feel a kinship to the natural environment.

Thus Washington's Tahoma Audubon Society contends that a "view loss" worth at least \$2,120,000 is among the natural resources to be destroyed if the Port of Tacoma succeeds in its plan to turn the delta of the Nisqually River into a deepwater port for industrial development. Other preliminary calculations: Loss of waterfowl, \$18,750,000; loss of ground cover, \$1,097,000; loss of trees, \$6,657,000; loss of soil, \$756,000; loss of CO₂ reduction capacity, \$10,763,000; and loss of estuary to marine ecosystem, great but unestimated pending further study.

To alert local officialdom and the State of Washington about the environmental values at stake in the port plan, the Audubon chapter published a "Prospectus to Retain and Enhance the Nisqually Delta as a Natural Biological Laboratory and Wildlife Refuge." Robert W. Ramsey, landscape architect, was editor, and contributors included Charles D. Bronson III, landscape architect; William A. Daugherty, engineer and former Army officer; Charles Dolan, civil engineer; Mrs. Stanley R. Engle, conservationist and charter president of the Tahoma Audubon Society; Dr. Ernest L. Karlstrom, ecologist; Dr. Fred L. Tobiason,

research chemist, Marty Wade, illustrator, and Dr. Gordon D. Alcorn and John Slipp, naturalists.

A struggle lies ahead to save the Nisqually Delta, the last unspoiled area of its kind on Puget Sound—at the mouth of the last unpolluted river flowing into the Sound.

Action Lines

Tucson Audubon Society is challenging the economics as well as the ecological effects of a \$50 million channelization project proposed for the lower Gila River . . . At Jamestown, North Dakota, the new ENPRO (Environmental Protection) Chapter of the National Audubon Society published full-page newspaper ads against a barge canal plan that would turn 600 miles of the James River into a "sterile ditch" . . . Green Mountain Audubon Society was in the thick of campaigns to preserve the Victory Bog and Camel's Hump areas, now owned by the State of Vermont . . . "Happy Birthday, Earthday" letters—printed on recycled paper, of course—were sent in April by Pennsylvania's Valley Forge Audubon Society members to business leaders, politicians, "favorite polluters . . ."

The Ohio Audubon Council compiled and distributed an *Ohio Legislative Guide* listing names, addresses and districts of state legislators and U.S. senators and representatives . . . Merrymeeting Audubon Society at Brunswick, Maine, has published a *Maine Conservation Directory*. It includes citizen conservation groups, state agencies, and educational institutions . . . National Audubon Society was joined by its large Collier County chapter in trying to block a dredge-and-fill development that threatens our Rookery Bay Sanctuary at Naples, Florida . . .

Strip-mine devastation in eastern Kentucky was viewed firsthand by 127 concerned citizens on a tour sponsored by Louisville Audubon Society. The trip got wide publicity . . . At the urging of the Arkansas Audubon Society, the Arkansas Wood Products Association has "requested and implored" its members who own pinelands to preserve nesting trees used by the endangered red-cockaded woodpecker . . . Orleans Audubon Society sells a "Birding Information Kit" for \$1 to members and \$2 to nonmember birders visiting in the New Orleans area . . . One of our newer chapters, Coastal Georgia Audubon Society, was among the parties to a court action that delayed a mirex fire ant spraying program there. The state agreed to halt spraying until after the case is heard, making it too late for any spring program. ■

econotes

edited by ROXANNA SAYRE

The last commercial whaling operation in the U.S. will be closed down if an order by Secretary of Commerce Maurice H. Stans stands. But the Del Monte Fishing Company of Richmond, California, is contesting the decision. The firm argues that it kills only a small number of the whales slaughtered around the world every year.

The U.S. Supreme Court has upheld New York State's endangered species law. Shoe companies had challenged the constitutionality of the Mason Act, which forbids the sale of all alligator and crocodile products. The big cats and several other threatened animals are likewise protected. Having exhausted all avenues of appeal to the courts, the shoemakers were trying to amend the law in the frantic closing days of the state legislature. They want to legalize some crocodilian products.

The bounty system must be finally beaten at the local level. According to Missouri conservationist Charles Laun, who keeps nationwide bounty statistics, there are only seven statewide bounty systems left. But in 23 states, bounties are being paid by at least 400 counties. Thus, unless state legislatures can be persuaded to outlaw all bounty payments, the antibounty campaign now depends on local initiative by concerned citizens. For a 12-page *Guide for the Removal of Wildlife Bounties*, send an eight-cent stamp to: Bounty Information Service, Stephens College Post Office, Columbia, Missouri.

The scenery in our national parks will include more policemen this summer. Director George B. Hartzog Jr. is hiring 40 more men to handle crowds at what the National Park Service considers problem areas. They include Lake Mead National Recreation Area, Cape Cod National Seashore, and Yosemite, Yellowstone, and Grand Canyon National Parks. Meanwhile, the present staffs at these parks will receive special law enforcement training. So will all park ranger candidates, some seasonal rangers, and selected park supervisors.

The Golden Eagle Passport is back after a year's absence—but it may not stay around long. The 91st Congress authorized the return of the family park entrance permit and raised its price from \$7 to \$10. But the Interior Department, watching its budget, has recommended to Congress that annual park passes be discontinued. Instead, higher individual fees would be levied and extended to cover areas now free. Meanwhile, the Golden Passport is good for a year and admits the purchaser, his car, and its occupants to more than 4,000 public land areas.

The new Undersecretary of Interior is Dr. William T. Pecora, chief of the U.S. Geological Survey and a career government scientist since 1939. His was the second name proposed as second in command to Secretary Rogers C. B. Morton. First choice was Dr. James R.

Schlesinger, assistant director of the Office of Management and Budget. He was rejected by powerful Congressmen from Western states; they felt his background in national security and defense matters did not give him expertise to deal with Interior problems.

Who pollutes the Miami River? Miami International Airport is the major contributor. What would have happened if an Everglades jetport had been approved? Instead of the "clean enclave" that the Dade County Port Authority said it could operate, it probably would have proved impossible to control the polluters. The Port Authority admits that "some problems will probably always exist in a facility which . . . is comparable to a city of approximately 30,000 persons . . . and which is comprised of multiple lessee operations, functioning 24 hours a day, 365 days a year, utilizing several thousands of people." A Dade County Pollution Control study of the Miami River showed that storm drains at the airport obviously are being used as sewers, because they contain "excessively high" amounts of oil, detergents, and human wastes. One time, inspectors caught a major airline, Delta, dumping sanitary wastes directly into a storm drain. And findings like a high reading of 1,353 parts per million of oil can be explained by the routine flushing away of jet fuel spillages.

The wonders of Biscayne Bay National Monument could be destroyed in a few years. This warning applies as well to John Pennekamp Coral Reef State Park and to every reef from Miami to Key West—if development of South Florida continues uncontrolled. The prediction comes from writer-diver Bill Barada, who spent a year documenting his charges for *Skin Diving* magazine. More than 50 million gallons of raw sewage are dumped into the sea daily by Miami. The filth lies a foot deep on the ocean floor and washes back on swimmers. North Biscayne Bay is a giant sewage-filled bathtub, fed by ditches and canals that are "open sewers." At low tide this crud is sucked out and spread along the shore and over reefs. In many areas, little life remains. Moreover, south along the Keys sediment from countless dredge-and-fill operations covers and kills corals. And now there's the added threat of a channel and deepwater port—a \$70 million industrial complex—between the national monument and Pennekamp Park. Not to forget thermal pollution of Card Sound from Florida Power and Light's Turkey Point installation. And the state's new bulkhead line ruling that gives developers free rein to destroy mangrove swamps and salt marshes.

A second Panama Canal could change the ecology of the whole Atlantic. Despite this warning from scientists, an Atlantic-Pacific Interoceanic Canal Study Commission has told President Nixon that such a canal should be built and ought to be started by 1975. The warning has come from a National Academy of Sciences panel. It recommends that 12 to 14 years of biological research be carried out to be certain the canal would not prove an ecological and economic disaster. The new canal would be located near the present one but at sea level, without locks. Because the Pacific Ocean is somewhat higher, the opening would allow water to flow into the Atlantic. If the oceans should be connected without some massive barrier, no one knows what might hap-

pen. Pacific invaders like poisonous sea snakes and coral-eating crown-of-thorns starfish could ruin both the ecological balance and the tourist trade in the Caribbean. New fungi and bacteria might disrupt Central American shrimp catches and other fisheries. And, if species in one ocean prove more vigorous than those of the other, they could invade and kill off between 5,000 and 6,000 species of plants and animals.

A copper mine in Puerto Rico that threatens bioluminescent bays and a national forest is the target of a joint environmental action by six large Protestant denominations. The churches—Episcopal, United Church of Christ, United Methodist, United Presbyterian, Lutheran Church in America, and American Baptist—own small blocks of stock in the two companies planning to exploit \$3 billion in copper deposits in the island's central mountain region. And they are campaigning to delay the mining project until environmental safeguards are guaranteed. But the companies—Kennecott Copper Corporation and American Metal Climax Corporation—declined to participate in a hearing held by the churches. Meanwhile, a report to the island's Environmental Quality Board revealed that mining wastes would be piped overland and dumped two miles at sea; ocean currents would carry them to famous (and already threatened) bioluminescent bays 30 miles away. And the smelter would dump 70 tons of sulfur dioxide a day into the air over the beautiful Guanica National Forest. The two firms had engaged in secret negotiations with the Puerto Rican government since 1964—until a newspaper broke the story. The churches have now launched a proxy fight to force the companies to assume environmental responsibilities.

A third bid for an oil refinery site is being made at Searsport, Maine, by a firm that calls itself Maine Clean Fuels Inc. Despite the name, the company has been rejected twice in its search for a place to put a \$150 million refinery for the desulfurization of fuel oil. Its first try was at Riverhead, Long Island, under the name of its parent company, Fuel Desulfurization Inc. Conservationists opposed the plant and the necessary zoning change never was passed. Then, last summer, under the name of Maine Clean Fuels, the firm sought to locate in South Portland, Maine. But the city council voted down the project before the company could even seek approval from the Maine Environmental Improvement Commission. Under a new law, the commission must approve projects of more than 20 acres that could harm the environment. The Searsport proposal is now under consideration. Public hearings were completed early in April and the commission then had 45 days to decide about the company's latest search for a home.

The first ocean dumping ban has gone into effect—in the San Francisco area. Dumping is now forbidden within a big triangle some miles out from the Golden Gate, an area of crab nursery grounds where the catch is showing a drastic decline. Fines for violations range up to \$6,000 a day. The aim of the California regional water board that ordered the ban is to halt all ocean disposal of wastes in the San Francisco area, unless they can be proved harmless. In recent years both private firms and federal agencies have dumped millions of gallons of

wastes into the ocean there—chemicals, cannery garbage, radioactive containers, and explosives.

Thermal pollution curbs have been set for Lake Michigan. The restrictions were adopted in a federally convened conference attended by officials of the four states bordering on the lake—Illinois, Indiana, Michigan, and Wisconsin. The agreement forbids discharge of heated water that would raise temperatures more than three degrees above normal within 1,000 feet of an outlet pipe. This means that both nuclear and fossil fuel power plants will have to install cooling facilities. Before the conference, Northern Indiana Public Service Company broke the impasse by voluntarily agreeing to install cooling towers at its Bailly nuclear plant east of Gary. In Michigan, conservation groups won a victory when Consumers Power Company agreed on both cooling towers and an improved nuclear waste system for its Palisades plant at South Haven. The groups had intervened last May 15th to hold up licensing of the plant, and the delay had been costing the company \$105,000 per day. Similar action is planned against two Wisconsin plants. While the new thermal pollution restrictions were accepted by three states, Illinois refused to comply and the federal Environmental Protection Agency may have to intervene. An Illinois official contended that its one nuclear plant, at Zion, would not heat the water enough to warrant cooling towers, and that it was taking action to ban any more such plants on the lake.

Russia is building six giant nuclear powerplants—three of them more than twice the size of any in this country. The Soviets have not had any heated debates over the environmental effects of atomic power; the delay has been for economic reasons only. Their new five-year plan includes giant reactors of a million kilowatts, larger than any in the West. Three of these will be double that size—two units of a million kilowatts each—at Leningrad, Kursk, and near Kiev. At present the Soviets have only three of the world's 80 nuclear generating stations.

The Soviets have been silent about oil pollution incidents because they are planning a pipeline project even more ambitious and potentially damaging than the one proposed for Alaska. They are thinking in terms of large-diameter pipelines, for both oil and gas, that would stretch from Siberia as far as France, West Germany, and Italy. But the Russians already are having trouble with a 40-inch pipeline running along the Ural River and the Caspian Sea. Opened last year, the 800-mile line—which carries crude oil to a refinery—developed several leaks during the severe winter cold. Bulldozers threw up earthwork banks to contain the spilled oil. But with the spring thaw the oil may escape to damage the rich sturgeon fishing grounds in the Caspian Sea, spread over fertile farmlands, and be carried into the Ural River.

Make-your-own gas and oil projects are being funded by several major companies in anticipation of future shortages. Consolidated Natural Gas Company, a major gas utility already plagued by shortages, wants to build an experimental gassification plant. The plant, when technological problems are solved, would convert coal into pipeline gas. And in anticipation of this breakthrough, Consolidated has options on areas in Pennsylvania and

West Virginia that contain more than 200 million tons of coal. Five oil companies are supporting research into a chemical process that would convert pulverized coal into synthetic crude or industrial grade fuel oil. The crude could then be refined into gasoline and other petroleum products. The five oil companies are: Atlantic Richfield, Continental, Gulf, Sun, and Humble.

Will the ultimate nonpolluting car be a windup model? A few scientists think so and they have a \$190,000 government contract to develop one at Johns Hopkins University—as the automakers stand by scoffing. The developers say it would run by "flywheel energy storage," but in fact it is a sophisticated version of a child's windup toy—without the big brass key. Its motor would be a 222-pound, free-spinning disc or flywheel that would rotate at 2,000 miles an hour, its energy converted into electricity to propel the car. Practical only for city or suburban driving, it would have to be plugged in to an electrical outlet and "rewound" every 100 miles. Automakers claim the high-speed flywheel would be dangerous, especially in an accident, but the scientists say it would disintegrate harmlessly. Two problems they haven't solved: how to generate the extra electricity without more polluting powerplants, and building the actual car, which exists only on the drawing board.

Antipollution compliance will not mean employe layoffs, Union Carbide Corporation has decided. Earlier, the company had warned that it might have to lay off as many as 625 employes and shut down some operations in order to comply with the Environmental Protection Agency's deadlines for pollution abatement at its ferroalloy plant in Marietta, Ohio. It now says it has met EPA's April 1st deadline for a 40 percent reduction of sulfur dioxide emissions by switching to low-sulfur fuel. It has on hand enough higher quality coal to comply with a 25 percent reduction in fly ash by September, and is searching for additional supplies to reduce fly ash emissions by 70 percent by April 1972. Compliance with federal deadlines, the company says, is costing about \$2.3 million this year.

United States Steel faces more pollution charges. The company, which has been in court in both Illinois and Indiana, is one of four concerns that the Justice Department has charged with polluting the Ohio and Monongahela rivers in the Pittsburgh area. Legal actions charging a total of 73 violations of the 1899 Refuse Act were filed in federal district court against U.S. Steel, Jones & Laughlin Steel Corporation, Wheeling-Pittsburgh Steel Corporation, and Pennsylvania Industrial Chemical Corporation. They are accused of discharging such poisons as acid and chrome wastes, cyanide, iron, and oil. Each of the 73 counts carries a maximum fine of \$2,500.

An outlay of \$20 million to stop pulp mill pollution will be made by ITT Rayonier under an agreement that halted a federal suit against the firm. Rayonier was facing charges arising from the dumping of wastes from its Port Angeles, Washington, plant into the harbor there. Action against the firm began when the Environmental Defense Fund requested that the company's contract with Bonneville Power Administration be canceled. The Environmental Protection Agency then investigated the

complaint and prepared a suit. Rayonier buys power from the federal project under a contract that expires in 1983 and which can be canceled if its waste products are found to pollute the waters or harm aquatic life. EDF claimed an extensive four-year study of the harbor showed that Rayonier was contributing about 92 percent of the wastes that "have produced acute and chronic damages to marine life," including salmon, oysters, and a long list of commercially valuable sea life. Rayonier was the only pulp mill on Puget Sound that had fought compliance with an earlier state order to remove 80 percent of the sulfite liquor from wastes before they are dumped. It will build the necessary treatment facilities by June 30, 1974.

A paper company has agreed to close an obsolete mill ahead of schedule in order to halt its pollution of Lake Champlain. The mill, owned by International Paper Company, was scheduled to shut down this summer, but a court order pushed the time up to April 24th. The pulp operations of the mill at Ticonderoga, New York, which the company had said were causing 70 percent of its pollution of the lake, were halted last December. Operations are being shifted to a new mill four miles to the north that has \$5 million worth of pollution-control equipment. The State of Vermont, however, is still suing the paper company, and the State of New York, to force them to clean up the sludge beds in the lake that have been built up over the years from the mill's discharges.

A road through Overton Park in Memphis has been halted again, this time by the U.S. Supreme Court. It was at least a temporary victory for conservationists, who have repeatedly gone to court to reroute Interstate 40. (See "Death Row," *Audubon*, January 1970.) The high court ruled that the case must go back to a federal district court for review to determine whether, in authorizing the route through Overton Park, the decisions of two Secretaries of Transportation, Alani S. Boyd and John A. Volpe, had been "arbitrary, capricious, or otherwise not in accordance with law." The Supreme Court noted it was not clear that Boyd and Volpe had considered all "feasible and prudent alternatives" to using public parkland. Federal law states that funds for roads through parks should be approved in "only the most unusual situations." The route for the six-lane highway was first set in 1958 and would take 26 acres from one of our finest city parks—one that contains 170 acres of forest and an abundance of wildlife. The National Audubon Society was a party to the suit, along with Citizens to Preserve Overton Park and the Sierra Club.

The U.S. Supreme Court will decide the Mineral King case, probably in the fall. The Sierra Club has been attempting for two years to prevent construction by Walt Disney Productions of a giant ski and recreation complex in California's Mineral King Valley. When the case was first heard in U.S. District Court, the judge ruled that the Sierra Club had the right, or "standing," to sue because of its interest in conservation. It also issued a temporary injunction barring the Secretaries of Interior and Agriculture from issuing permits for construction and for a new access highway. The U.S. Court of Appeals later reversed the decision, denying the Sierra Club's right to sue and affirming the validity of the per-

mits issued. The club then appealed to the Supreme Court. The Disney development would occupy more than 13,000 acres of land in Sequoia National Forest and Sequoia National Wildlife Refuge, as well as necessitating an access highway and power transmission lines through Sequoia National Park.

A court ruling has halted work on the Cossatot River dam in Arkansas, a 13-year-old Corps of Engineers flood-control project. (See "Death Row," *Audubon*, September 1970.) This is believed to be the first permanent, or after-trial, injunction ever entered against the Engineers. And it is the first time that such an action, brought under the National Environmental Policy Act of 1969, has reached this point in court. (The recent halting of the Cross-Florida Barge Canal came by Presidential order after only a preliminary injunction had been issued.) The plaintiffs, the Environmental Defense Fund, the Arkansas Audubon Society, the Ozark Society, the Arkansas Ecology Center, and two individuals, brought action last winter to halt construction of Gillham Dam. They contended it would destroy the last major free-flowing stream in the Ouachita Mountains and produce no benefits, not even the flood-control benefits claimed as its justification.

The Corps had spent \$9 million in preliminary construction, but contracts for the Cossatot dam itself were not to have been awarded until last December 22nd. The Corps voluntarily halted further work, pending final settlement of the court case. In his decision, federal District Court Judge G. Thomas Eisele said the Corps' two environmental impact statements fell far short of the requirements of the law, and ruled that such statements must consider all environmental changes resulting from the dam's construction as well as explore alternatives, and include comments from all federal, state, and local agencies that would be affected by the project. While the judge admitted that damming the Cossatot would reduce the "diversity and individual choice" that the act declares to be desirable, he did not agree with the conservationists' view that this gave the courts the power to halt the dam altogether—only the power to see that all the procedural requirements of the act were complied with. The government was expected to appeal.

Half the battle of Joyce Kilmer Memorial Forest has been won—a highway will not go through the famous North Carolina wilderness. The U.S. Forest Service and the Federal Highway Administration announced they had reached an agreement not to defile the memorial to the poet who wrote "Trees." But since no final decision has been made on an alternate routing, the road still could plow through a second roadless area, a move that conservationists also oppose. This second area is the adjacent Slickrock tract, which should be left roadless and combined with the Joyce Kilmer Forest to be set aside as part of the National Wilderness Preservation System.

New York City's Jamaica Bay should remain a sanctuary—not be paved over to make additional runways for Kennedy Airport. This finding by a National Academy of Sciences study group has been accepted by the Port of New York Authority, which operates the airport and which commissioned the study. The findings generally

pleased a coalition of conservation groups that has been fighting to preserve the bay as a wildlife sanctuary and make it part of a proposed Gateway National Seashore for the metropolitan area. Instead of extending the present runways, the NAS study suggested that a combination of better technology and more efficient use could solve the problems of airport congestion that now exist. It recommended a modernized airport traffic control system, consolidation of present flight schedules, and limiting use of the airport by private planes. The more controversial part of the report is a section that recommends the bay not be made part of the national seashore but be retained by the city and developed both as a wildlife refuge and a recreation area—with swimming, fishing, and boating—for nearby inner-city residents. Under the Gateway plan, these people would have to travel some distance to reach a beach.

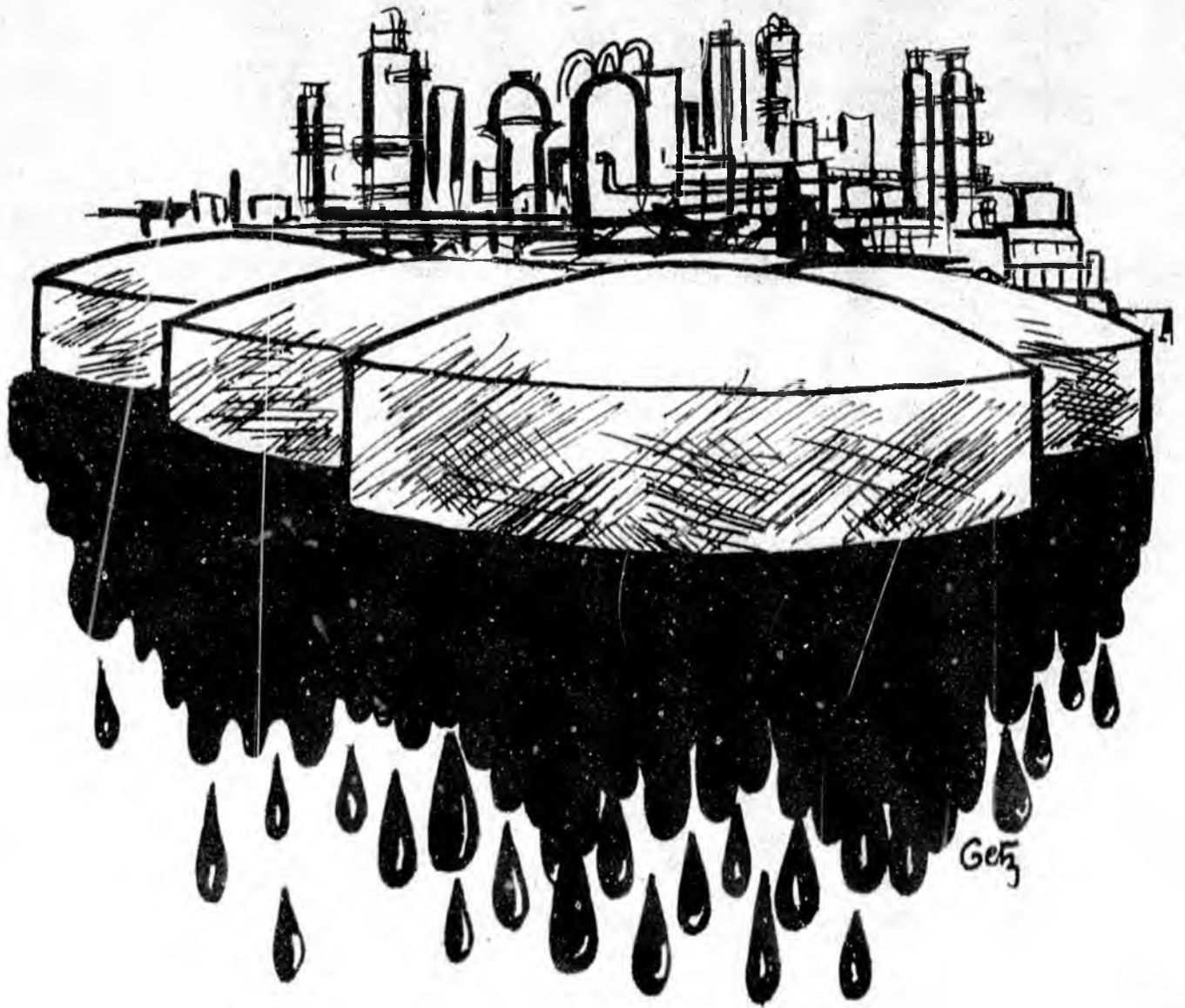
Wild river status for the Middle Snake may be the only way to protect it from the dam-builders. A Federal Power Commission examiner has recommended that a combine of Western power companies be allowed to build the proposed Mountain Sheep Dam there—in contrast to recent advice against it by FPC attorneys. But the recommendation also proposes that dam construction be delayed until 1975 to give time for this area of the river, along the Oregon-Idaho border, to be added to the nation's wild rivers system. Both the Interior and Agriculture Departments favor this. While this latest FPC recommendation recognizes that such a dam would destroy a spectacularly beautiful part of the country, it also claims that future Western power needs would justify its destruction. And it recommends a second dam at a site called Pleasant Valley.

A so-called non-polluting detergent was seized as "toxic," but is now going back on the market after the manufacturer agreed to add a warning to the label. The non-phosphate detergent, sold under the names "Ecolo-G" and "Bohack No-Phosphate," was confiscated by the Food and Drug Administration after tests showed it contained a "hazardous substance," sodium metasilicate, that irritated people's eyes and skin and killed half of the test animals that were fed small quantities of it. The manufacturer, North American Chemical Corporation of Paterson, New Jersey, was allowed to sell the product again after it agreed to put on the package a highly visible warning that reads in part: "Danger. May cause burns. Harmful if swallowed. Eye irritant. Contains sodium metasilicate. Avoid contact with skin, eyes and mucous membrane. . . . Keep out of reach of children."

Studies that might prevent construction of the Tocks Island Dam on the Delaware River have been ordered by the President's Council on Environmental Quality. The dam is another Army Corps of Engineers project long opposed locally and now the object of mounting criticism from national conservation groups. Authorized nine years ago, it is planned as part of a proposed national recreation area. But the dam would create a 37-mile reservoir reaching from Stroudsburg, Pennsylvania, nearly to Port Jervis, New York. This would displace scores of residents and drown the valley's natural beauty, replacing it with yet another giant man-made lake that would have a shoreline often consisting of acres of mud flats. ■

AUDUBON BLACK PAPER #1

OIL POLLUTION



This is about oil pollution of the waters of the world. About inadequate regulation of the production, transportation, and refining of oil and its products. About inadequate, careless, and negligent oil company practices. About inadequate research into the effects of oil pollution on marine resources—and on man. About the growing threat to the seas from pollution by petroleum.

by MARVIN ZELDIN
drawings by Arthur Getz

OIL POLLUTION OF THE WATERS OF THE WORLD

<u>Source</u>	<u>Tons Per Year</u>	<u>Percent of Total</u>
Used motor and industrial oil	3,300,000	67.2
Tankers (normal operations)	530,000	10.7
Other ships (bilges)*	500,000	10.1
Refineries, petrochemical plants	300,000	6.0
Tanker and ship accidents	100,000	2.0
Non-ship accidents	100,000	2.0
Offshore production (normal operations)	100,000	2.0
Total:	4,930,000 tons (metric)	

Source: Environmental Protection Agency.

*Oil from pleasure craft not included.

Casting Troubles on Oiled Waters

Worldwide, more than 2 billion tons, or some 600 billion gallons, of crude oil were produced in 1970 to meet man's seemingly insatiable demand for energy. For gasoline and lubricating oil for the ever-increasing number of cars and trucks on the world's highways. For fuel oil for electric power-generating plants. For oil to heat our homes and offices. For fuel and lubricants for industry, aircraft, ships, and trains. For chemical manufacturing.

But also in 1970, an estimated 5 million tons, or some 1.5 billion gallons, of crude oil or petroleum products were spilled into the waters of the world, deliberately or accidentally. That's the equivalent of a 20-gallon fill-up for 75 million cars.

Half of the major spills of the past have been within one mile of shore, 80 percent within 10 miles of shore. Thus areas most likely to be rich in shellfish and nursery grounds for many fish have been subjected to massive doses of oil pollution—in addition to the chronic low-level contamination from oil and other pollutants which afflicts many estuaries.

Shellfish have been contaminated and killed. Millions of seabirds have been killed. Thousands of miles of shoreline and beaches have been soiled by oil. Recreation areas and values have been degraded. While scientists disagree on the effects of oil pollution on marine organisms, there is growing evidence of oil's destructiveness in the marine environment. Oil can kill marine organisms by coating and asphyxiating them. Toxic components of oil can kill marine organisms on contact. Oil can destroy the food sources of marine life. Components of oil can enter the food chain. Oil can reduce the resistance of marine organisms to infection and other stresses. Oil can interfere with reproduction. Oil can penetrate and remain in sediments. Oil can persist in the sea; more and more oil lumps are being found on the surface of the deepest seas far from land.

In U.S. waters alone, there are approximately 7,500 oil spills each year, an average of almost 21 a day. Not all are the tanker collisions or groundings or offshore well blowouts which make the newspaper headlines as major disasters. Day in and day out, year after year, there is also unheralded oil pollution of our rivers and oceans from tankers dumping oily ballast waters, ships

cleaning their bilges, sloppy loading and unloading of tankers and barges, leaks from wells, refineries, and storage tanks, pipeline breaks, and the disposal of used oils from filling stations and industries.

The collision of two Standard Oil Company of California tankers in San Francisco Bay in January 1971 caused a major oil spill and received nationwide news coverage. Not widely reported, however, were the 110 spills of oil and chemicals into the abused waters of San Francisco Bay in 1968; 186 in 1969; 213 in 1970; and a 12,000-gallon fuel oil spill just 11 days before the tanker crash.

When the tanker *Torrey Canyon* went aground on a reef off the coast of Cornwall, England in 1967, it was en route to Milford Haven, Wales, the largest oil port in the United Kingdom. Milford Haven has a reputation as a "tough" port. It has enforced strict measures to prevent and control oil pollution since it began large scale operations in 1960. Nevertheless, Milford Haven had three major spills in its first seven years and now experiences about 100 slight to moderate spills a year.

Portland, Maine, is the second largest oil port on the East Coast. It too has a reputation as a "tough" port. It had an average of almost one spill a week in 1969. The Coast Guard says most were "nuisance spills, troublesome but small."

The Coast Guard also says that nationwide there has been a 500 percent increase in spills reported in the last five years. And the number of reported spills will continue to increase, not only because the volume of oil used continues to grow but also because federal law now requires anyone who spills oil, offshore or onshore, to immediately report the spill or face a \$10,000 fine, a year in prison, or both. After the law went into effect in April 1970, the number of spill reports began to increase gradually. By the end of 1970, the Coast Guard had received about 4,000 reports of oil spills—a four-fold increase over the 1,007 spills reported in 1969.

Nobody wants oil spills. Aside from the environmental toll they exact, they cost money. Oil companies lose valuable crude oil or refined products. They lose expensive tankers, offshore wells, or refinery equipment. They now face stiff fines and liability for cleanup under a 1970 law. And the oil industry pays dearly in unfavorable public relations.

But despite the ecological and financial costs, oil

spills occur. A Canadian task force report on an oil spill in Chedabucto Bay off Nova Scotia last year observed that "if spills in a kitchen were as frequent as spills in the oil industry, our homes would be pigsties."

The pages that follow describe how and why, and what can be done about oil pollution.



"There are tankers at sea being operated by what I would call unscrupulous individuals who are anxious to keep those ships moving and to cut their turnaround time." (An executive of a major U.S. oil company in an interview with the author.)

Tankers, Tankers Everywhere

Tankers and other ships put about 1.1 million tons of oil into the oceans of the world each year, according to the best available estimates. Tanker contribution to oil pollution includes deliberate dumping of oily ballast water, spills while loading and unloading, collisions, groundings, and sinkings.

Tanker disasters have become so frequent that insurance companies have virtually ceased insuring them. Tanker owners have had to form their own plan for self-insurance. (They call it a "voluntary international indemnification plan.")

Insurance companies and a world growing increasingly concerned about the effects of oil pollution have ample reason to worry.

Consider the tanker *Arrow* which went aground on a rock in Chedabucto Bay, Nova Scotia, on February 4, 1970. Dr. P. D. McTaggart-Cowan, executive director of the Science Council of Canada, headed a special task force which studied and cleaned up the *Arrow* spill. We asked him what caused the wreck.

"There was no excuse for the accident," he said in an interview. "If you read the official inquiry, you will bore yourself to tears. In my own judgment—and this takes nothing away from the official inquiry—it was complete incompetence of the captain, which in the case of most accidents is just the final link of a chain composed entirely of weak links that went all the way back to the owners.

"The radar wasn't working, hadn't been working for some time. I don't think it was working when it left Aruba. The depth-sounder wasn't working. The gyro-compass wasn't working. The standard compass had an error that was sometimes 12½ degrees and sometimes they didn't know. There was really none of the standard navigation equipment in that tanker that had been working.

"As far as we know, the only man in the crew who professed any navigation skills was the captain, and there are doubts about his. As far as we know, there were no up-to-date coastal charts on the ship. All he had was an outdated deep-sea chart stamped all over 'not to be used in coastal waters.' The captain claimed that he

was in fog, but there was a fisherman on an island six miles away who turned to his buddy and said, 'Ahoy, that ship's going to hit the rock,' a few minutes before it hit."

The *Arrow* was an 18,000-ton tanker. The *Torrey Canyon*, in comparison, was 117,000 tons. During 1959, oil tankers lost throughout the world had a capacity of 350,000 tons—equal to almost 20 *Arrows* or 3 *Torrey Canyons*. In the last six months of 1969, worldwide tanker losses amounted to almost 600,000 tons—equal to 33 *Arrows* or 5 *Torrey Canyons*. In the three years before the *Torrey Canyon* wreck, there were 329 accidents involving tankers.

Said McTaggart-Cowan of the frequency of tanker accidents: "This is a disgraceful situation. There's no control. There's no positive control of shipping the way there is of aircraft. An aircraft flying the Atlantic is under control the whole time. They're given a bit of air space, others are kept away from there, and they're guided into airports. In shipping, you have a couple of tankers owned by the same company running into one another in San Francisco Bay. You have this silly ass out in Long Island hitting a rock. That rock's been there a long time and I'm sure it's on every chart. And what's he doing driving blind ahead in some fog? This isn't allowed in aviation."

Meanwhile, the world's tanker fleet continues to grow, both in numbers and in ship size, as more and more crude oil and petroleum products are shipped around the globe. At the end of 1959, there were 3,276 oil tankers in the world with a total capacity of 62.7 million tons. Ten years later, the world's tanker fleet numbered 3,893, an increase of 617 ships. Capacity had more than doubled, however, to 146 million tons—a 131 per cent increase.

At the end of 1959, there were 523 tankers on order, with a total capacity of 19.7 million tons, an average of 37,800 tons per ship. At the end of 1969, there were 570 tankers on order, with a total capacity of 59.3 million tons, an average of 104,100 tons per ship.

Today at least four 327,000-ton supertankers carry oil across the seas. Each is equal to 18 *Arrows* or 3 *Torrey Canyons*. The largest tanker currently on order is a super-super giant of 550,000 tons—equal to 30 *Arrows* or almost 5 *Torrey Canyons*. And tankers as large as 1 million tons are under study.

Many fear the devastating impact on the marine environment of a wreck of a supertanker three or five times larger than the *Torrey Canyon*. Dr. Robert C. Clark Jr., a research oceanographer at the National Marine Fisheries Service laboratory in Seattle, Washington, is one of them. He's been studying the dangers of oil pollution to the Puget Sound area.

The oil pollution situation there is "nowhere near as bad as it is in most of the estuaries on the East Coast," he said in an interview. "What we're very worried about is not the problems we have now, but what might happen when oil is brought into Puget Sound from the North Slope of Alaska. It's predicted that crude oil moving into Puget Sound will increase at least six times within the next five years. Supertankers will arrive in Puget Sound through Juan de Fuca Strait and thread through deep, narrow channels between the numerous islands of the San Juan Archipelago before discharging their cargoes at the north Puget Sound refineries.

"An accident to a single large tanker could result in the spilling of millions of gallons of oil over large portions of the Greater Puget Sound Basin. Currents and wind would carry a large oil slick through the channels and islands of the basin, resulting not only in enormous cleanup and legal problems but also in the threatening of the estuarine nursery grounds of salmon and groundfish as well as the extensive intertidal shellfish beds."

Is there an environmental limit to the size of oil tankers, we asked Kerry King, a vice-president of Texaco, Inc., and chairman of the American Petroleum Institute's committee for air and water pollution?

"To the contrary," he answered, "I think the larger tankers become, the better environmental risk you have. That may sound like an anachronism, but let me tell you why. Energy needs are going to continue to grow about 7 percent a year. This means that roughly every 10 years on a compounded basis, you're getting close to doubling the amount of energy that's being consumed in the world. If you're trying to haul this in 60,000 to 70,000-ton tankers as opposed to 200,000 or 250,000, or 350,000 or even 500,000-ton tankers, you are going to have a much larger number of tankers plying the waters, clogging the ports, moving around. As the density of traffic becomes greater, then the chance of accident becomes greater.

"I don't think we have any problem except human error. When you have a \$30 million piece of property, you're not going to turn it over to some office boy to handle. You're going to have every protective thing you can possibly think of to take care of that investment. There is every incentive in the world to the oil companies, to our marine fleets, to protect these very large investments. I see the advent of the 250,000-ton or even the 500,000-ton tanker as putting an end to the kind of human error that has occurred in the past because the quality of seamanship, the quality of the people running these ships, has not always been as high as you can now afford to have."

What do you think about the trend to larger and larger tankers, we asked Dr. Gordon J. MacDonald, a member of the Council on Environmental Quality? "In general, provided certain safety construction standards are met, I think that this is a move in the right direction. The collision probabilities are even greater when you have more (smaller) tankers moving about. Furthermore, by making them large, then you can insist upon them carrying all the proper navigational safety equipment. I'm not scared by the big tankers provided you compartmentalize, double-hull the thing, take the precautions we're insisting upon. The total amount of oil you would spill from a fleet of 500,000-ton tankers would be less than a fleet of tankers carrying 50,000 tons each."

The problem, of course, is the "human error" King mentioned. Not all tankers which have had accidents were as poorly equipped as the *Arrow*. The two Standard of California tankers which collided in San Francisco Bay in January 1971, for example, supposedly had radar and other navigation and safety devices. How this

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equipment is used is another matter. A Coast Guard investigation found evidence of negligence and charges have been filed against the captains of the two tankers.

Said one observer of that spill and a veteran of many others: "The ships are so big, there is so much momentum, that even if they discover a mistake, there is not enough time to change course."

The two tankers involved in the San Francisco Bay collision were "baby" tankers, incidentally—17,000 tons each.

Despite the assurances from industry and government, the prospects do indeed appear more oily for the world's already troubled seas as tankers grow in size.

As noted earlier, tankers also pollute the seas by dumping their oily ballast water and pumping out their bilges. In 1963, these practices added an estimated 441,000 tons, or more than 127 million gallons, of oil to the oceans of the world. Since then about 80 percent of the world's tanker fleet has adopted the "load on top" technique. Under this system, oily water is kept on board and emptied into receiving tanks on shore, where the oil can be separated from the water and used.

But the system doesn't always work. Shore facilities to handle the dirty water are usually nonexistent. Where they do exist, they are usually inadequate. Too often tankers simply dump as they used to. Here's how an oil industry official (who must remain anonymous for obvious reasons) put it in an interview.

"It used to be, before the load-on-top technique, that all companies, as soon as they were 50 miles away from land and wanted to ballast or clean their tanks, went ahead and did it. Now we see it differently. We hold the oil-water waste on board the ship. When we come into a port, we pump it out, usually into a refinery, where we can rerun it. This takes time. It costs money. It reduces the amount of cargo we can carry."

Consequently, "there is a substantial number of fly-by-night operators who are so buck conscious and are trying to make money so fast, that they cut some corners. They clean their tanks at sea at night. They pump bilges overboard. The thoughtless, careless, or even deliberate act of just a few people is still giving the whole industry an oily name. Frankly, I would be in favor of

anything that could be done to apprehend and prosecute these people."

What do you suggest? "The United States might say that any ship coming into a harbor in this country which is found guilty of discharging oil wastes at sea will be barred from returning, or something of this kind." He suggested using aerial surveillance with sophisticated detection techniques which can pick up any substantial amount of oil on the water, day or night. He said that his own company monitors the cargo and ballast in its own tankers. If a captain dumps dirty ballast water, "he's going to be fired."

Meanwhile, the 20 percent of the world's tanker fleet which does *not* use the load-on-top technique dumps about 500,000 tons, or some 145 million gallons, of oil into the seas each year as a result.

The maritime nations of the world have been attempting to cope with oil pollution on the international level since 1954. In that year, the International Convention for Prevention of the Pollution of the Sea by Oil was agreed to. (The United States ratified the convention and enacted implementing legislation in 1961.) In brief, the convention says that vessels cannot discharge any oil wastes within 50 miles of a country's shorelines and that any discharges of oily water in permissible zones must be entered in logbooks carried on board ship.

The convention was amended in 1962; the prohibited zones were extended and any new ships over 20,000 tons were required to be equipped with facilities which eliminate the need for any discharge. (Carl W. Buchheister, as president of the National Audubon Society, served as an adviser to the U.S. delegation to the 1962 conference which amended the convention.)

However, a Coast Guard officer told us, "the convention is impossible to enforce." The limitations on discharges outside the prohibited zones are "meaningless" unless you can take a sample of the discharge. "We have never had anyone convicted in this country of violating the convention." Furthermore, the maximum penalty under existing law is \$2,500.

The convention was again amended in 1969 to further limit discharges—to about 20 gallons per nautical mile. The United States signed but has not yet ratified the recent amendments. (At a NATO conference last year, the U.S. proposed a no-oil discharge policy anywhere in the world on the high seas.)

While 49 nations were represented at the 1969 conference which drafted the amendments to the convention, only 19 signed and thereby indicated their intention to ratify. Twenty-nine nations did not sign the amendments—including countries whose flags fly on many tankers, such as Liberia, Greece, and Japan. Panama and Honduras, which also provide flags of convenience for many tankers, did not participate in the 1969 conference. Thus there is a loophole as mammoth as a supertanker in the international regulations which seek to reduce oily discharges into the oceans.

Liberia, for example, accounted for 22 percent of the world's tanker tonnage at the end of 1968. The *Torrey Canyon* was registered in Liberia and flew the Liberian flag. It was owned and chartered by U.S. nationals and manned by an Italian captain and crew, and was carrying oil for Union Oil Company when it went aground in 1967. The *Arrow* was also flying a Liberian flag when it went aground in Chedabucto Bay in 1970, although it

was owned by a Panamanian company and was carrying oil for a Standard Oil of New Jersey subsidiary.

The Canadian task force report on the *Arrow* oil spill summed up its views on tanker operations in these words: "We are appalled by the callousness and sloppiness that we find in the operation of the world's tanker fleets, particularly those which sail under 'flags of convenience' . . . There are unquestionably many fine masters of tankers who have highly qualified crews, who operate their ships with prudence and a regard for others, and have ships that are well maintained, with adequate equipment. But the operation of the so-called 'flags of convenience,' representing over a third of the world's total tonnage of tankers, is at the other end of the spectrum, and is exemplified by the *Arrow* . . ."

"Even with regard to the operation of non-tankers, it would appear that far too many masters are still living in the days of sail and go blindly ahead at full speed with none of their navigation equipment working. Unreasonable pressures brought to bear on masters by the ships' owners concerned only with profits are an important factor in this problem.

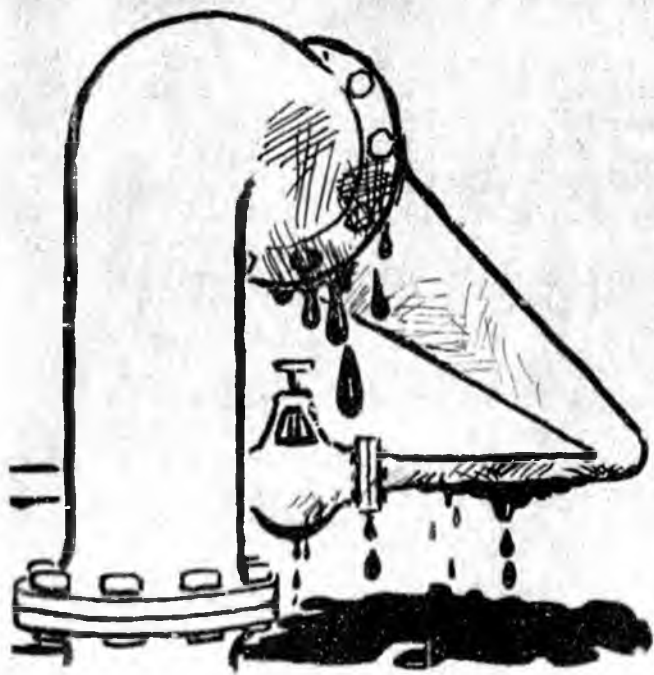
"We also find that with very few exceptions international law in marine matters seem to be written to protect the mariner and his ship from being molested by hostile natives at the ports at which he calls. This too may have been valid a century ago, but if the appalling safety record of tankers is to be drastically changed and the rights of those who stand to suffer from unnecessary marine accidents are to be protected, an entirely new approach to an international maritime convention will have to be taken."

The Canadian task force then called for a new international convention for the operation and control of shipping throughout the world.

(The *Arrow* went aground on Cerberus Rock in Chedabucto Bay in February 1970. Among the coastal areas fouled with oil was a beach at Arichat. Said the task force report, in a final comment on ship practices: "It is still almost unbelievable to us that a ship passing Cerberus Rock in June 1970 would deliberately pump its tanks or its bilges and as a result re-oil a beach in Arichat that had just been cleaned.")

The question, of course, is how much longer will the nations of the world tolerate oil pollution of the seas by tankers and ships? Meaningful international regulation apparently is not in sight. Individual nations—including the United States—which are major importers of crude oil and refined products could act unilaterally. They could close their ports to tankers and other ships which are not equipped to retain oil wastes, are not equipped with proper navigation safeguards, and are not manned by competent crews. However, the economics and politics of oil being what they are nationally and internationally, it will require a massive campaign by aroused environmentalists to shut off this major source of oil pollution of the oceans.





"I'll tell you this. If I walk around a refinery of ours and I find that kind of a situation (oil going down storm drains directly into waterways), we'd have a new plant superintendent the next day." (Kerryn King, vice-president of Texaco, Inc., and chairman of the American Petroleum Institute's committee for air and water conservation, in an interview with the author.)

Refining the Refineries

If Mr. King makes those words stick—and if other oil company officials follow up on their proclamations of purity—there would be considerable turnover in the ranks of oil refinery management, considerable changes in industry practices, or both.

For according to the men who work at the terminals and tank farms and who run and maintain the equipment which breaks down crude oil into gasoline, jet fuel, motor oil, fuel oil, and dozens of other products, "pollution control is far down the ladder" in refinery operations. As a result, refineries and petrochemical plants contribute an estimated 300,000 tons of the oil which pollutes the waters of the world each year.

Refinery workers we interviewed tell of chronic low-level spills in loading and unloading tankers and barges. While he praised U.S. ships, a refinery worker told us: "The foreign flags are bad. They don't take any particular precautions. One of them told me, 'What the hell do I care. It's not my country. I don't live here.'"

Refinery workers also tell of oil draining into waterways from constantly leaking valves.

Of retaining ponds between refineries and rivers which don't retain oil.

Of skimmers which don't skim oil off the top of storm waters.

Of separators which don't separate oil-water wastes.

Of equipment running and running without proper

maintenance despite oil and gas leaks and the loss of products. "They figure cost over loss and find out that the loss isn't as great as the cost. It's as simple as that," said a refinery worker.

Of oily sludges dumped in marshes and fields.

Of washing oil off equipment and letting the dirty water go into the river.

Of pollution control devices failing but production continuing. "They're not going to curtail production to repair it. They run as long as they can get away with it if the community doesn't holler or scream," said another oil worker.

Of steam disguising emissions of pollutants into the air. "Steam is the biggest agent that they use to hide all their sins in a refinery."

Of caustic chemicals going directly into rivers.

Of poor or no treatment of refinery waste water.

Of unmanned loading of barges without automatic cutoff devices.

Of pollution control equipment not being used at night and on weekends. "Some of our guys who were off work over the weekend called the police because of the terrible odor in the community from the refinery."

Of flanges requiring six or eight bolts having only three to hold a connection together.

Of disdain for the health and safety of refinery employees. "In one pump house, the company's solution to fumes and gas gathering there was to take the windows out to ventilate the place," said one refinery worker. "We've had that for years," countered a man from another refinery.

Of underground leaks from storage tanks.

Of birds killed by waste oil and refinery fumes.

Of toxic lead spread on the ground to weather.

Of refinery wastes sterilizing the soil and preventing even the toughest of weeds from growing.

Of company rejection of employee efforts to enforce pollution abatement. "The people in the community are the ones who will have to do the job. The company won't listen to us."

Of full-time pollution control people in some refineries, none in others.

Of inadequate enforcement of pollution control laws. "We never see an inspector," said a refinery worker.

A. F. Grospron, president of the Oil, Chemical and Atomic Workers International Union, says that some operations in oil and chemical plants "are being conducted under cover of night in order to obscure smoke, mist, dust, and other pollutants." He adds that toxic wastes are impounded "until sufficient rain falls to furnish dilution, at which point the impounded wastes are released into the local drainage system. We believe also that weekends are used in certain instances because of lessened surveillance."

Grospron also points out that "in recent years, there has been a noticeable increase in the number of fires and explosions involving petroleum. We believe this is because (1) the oil companies are less careful in the maintenance of their equipment than they used to be, (2) there often is inadequate manpower on duty to cope with emergencies, and (3) sometimes the safe capacities of refinery equipment are overloaded."

What about this, we asked King of Texaco. Are plant managers under such tremendous pressure to produce that they cut corners on safety and pollution control?

"That's an entirely possible situation," he said, "because human beings being what they are, people are inclined to take shortcuts if they think that's the most expedient thing for them to do and if they're not convinced that either they are going to be reprimanded or faulted or in some way taken to task for having operated in such a way.

"That's the reason why in our company, instead of having our refinery department monitor itself, we put the responsibility with our research and technical department. And our research and technical engineering people are the ones who go around and look over the refinery and how it's being operated and confer with the refining department management and with the plant management."

King added: "The thing that you have to install to get clean air and clean water is money, to give you the kind of equipment that can recapture either the emissions that go into the atmosphere or the emissions that go into water. It's this capital investment that's the answer, although I must say that if you're going to operate it properly and efficiently, people who are in charge of the operation must be trained how to do it. They must be convinced that you mean business. And they must be convinced that this is not just lip service when management says we are going to be good citizens and operate this plant properly. They've got to know you mean it. And I think our people do."

Perhaps. But some of the refinery conditions described above were related to us by Texaco employees.

Federal officials confirm many of the sloppy practices in the oil industry. "It's common knowledge that good housekeeping can reduce the frequency of oil spills by about 50 percent," said one specialist on oil pollution prevention and control in the Environmental Protection Agency's Water Quality Office.

Richard T. Dewling, chief of research in the Water Quality Office, summed up what can be done in testimony before a Senate committee last year: "It is our opinion that a modern oil terminal and petroleum refining or other petroleum-associated industry can be designed and operated utilizing advanced technology to eliminate or minimize the risk of pollution. Such techniques include use of better port safety procedures, establishment of additional navigation aids, fail-safe design concepts, and operational control systems for refineries and petrochemical complexes."

He said it is possible "to operate industrial plants that do not pollute." The technology is available "to allow no discharge, or essentially none, of pollutants at some cost which is as yet uncertain and has not been completely demonstrated in any American refinery." For example, he continued, "in combination with water reuse and by-product recovery, an appropriate distillation system can be designed to close the loop in a refinery and protect the environment." And while "advanced waste treatment alternatives are available for utilization where especially high levels of pollution control are required," at present "this high level of treatment of petrochemical wastes is not commonly practiced."

Dewling added that "net discharges of potentially harmful pollutants can be reduced to zero under commercial operations encountered in refineries" and that "a refinery or petrochemical complex can be designed to effectively contain, collect, and recover pollutants

caused by spills, runoff, loading, and other nonprocess plant operations, within the boundaries of the plant." However, he said, "this would require that the best available technology be designed at the outset and applied on a continuing basis."

From an enforcement point of view, federal water pollution fighters do not have the authority to enter an oil refinery or any other private property except if there is an imminent and substantial threat of massive pollution. What is needed, they say, is the right of entry for pollution prevention, abatement, and inspection, and the right to require companies to maintain records and the right to review those records, including the amount and content of discharges into waterways. Legislation to give the federal government this authority is now pending in Congress.

The Coast Guard, however, does have authority to enter and inspect any private property that is "part of a waterfront facility"—any place a tanker can tie up. Commander Dan Charter explained in an interview: "In most major port areas, the facility would probably be inspected once a day. In New York Harbor, the Coast Guard runs a daily helicopter patrol. In most port areas, there's a daily waterside patrol by small boat. In most major port areas, boat patrol is made twice a day or even more frequently. In addition, there are shore inspections, by vehicle and foot patrol. Where petroleum is handled, we would try for a daily inspection if a vessel was in port transferring fuel."

He added that the Coast Guard now has a target of boarding at least 25 percent of bulk oil carriers that come into U.S. ports—to physically board and inspect them, before or after they dock. In addition, Commander Charter said, regulations now require that during loading or unloading of oil, there must be a man in charge on the facility and on the vessel. It is "now illegal to have an unmanned loading or unloading operation. These two people have to be in direct communication with each other. They can't start the operation until there's clearance. The fellow on the receiving end has to give clearance that they're ready for operation."

Kenneth E. Biglane of the Environmental Protection Agency's Water Quality Office told us he hopes to see the end soon of what he calls the "shout and holler" technique. "That's when you're off-loading fuel oil onto a landside storage facility or taking fuel oil from a landside storage facility. The chief means of communication is to shout and holler 'Cut it off!' That and the good old eyeball method."

Why don't oil companies use automatic cutoffs in loading and unloading operations at docks, as they do at filling stations? "I don't know all of the technological reasons," Biglane said, "but I will say that when such suggestions are offered to industry currently, we get more than amused musings as a reception. There's an effort to explore within their own shops why something as self-evident as this cannot be evolved."



"Oil is, gallon for gallon as thrown out, the most destructive to aquatic life of all the foreign substances now entering our coastal waters." (Thurlow C. Nelson in "Effect of Oil Pollution on Marine and Wildlife," 1925.)

West Falmouth Fallout

On September 16, 1969, a Northeast Petroleum Company barge carrying 625,000 gallons of No. 2 fuel oil, the type used for home heating, went aground off West Falmouth, Massachusetts, in Cape Cod's Buzzard Bay. About 170,000 gallons of oil spilled into the water. Strong winds carried the oil toward shore and heavy seas churned much of it into the water column.

The spill did not generate much press coverage outside of the immediate area. It was not terribly large compared to the major oil pollution disasters which have plagued a pollution-conscious world in recent years. (The *Torrey Canyon* spilled 29.4 million gallons of oil. Union Oil's Santa Barbara spill, 4.2 million gallons. Chevron's Gulf of Mexico spill, 1.3 million gallons. Standard Oil of California's San Francisco Bay spill, over 1 million gallons.) And virtually no seabirds were involved.

But the West Falmouth spill has become extremely significant to the oil industry and to governments, scientists, and environmentalists here and abroad.

The reason: West Falmouth is just a few miles from Woods Hole, home of the Woods Hole Oceanographic Institution. Within hours, top scientists with the liberty, ability, and inclination to act were on the scene from Woods Hole. Led by Dr. Howard Sanders, a biologist, and Dr. Max Blumer, a chemist, they launched the most thorough study ever made of the effects of oil pollution. The study combined the most modern methods of chemical analysis and biological observation. The study began immediately after the spill and is still going on.

While the final report is not yet in, the findings already released have shaken those—including the oil industry—who have been saying for years that the effects of oil pollution on the marine environment and marine organisms are generally minor and of short duration. Some findings:

On September 17th and 18th, the water was a brown coffee-colored emulsion and the shoreline was littered with thousands of dead and dying fish and marine invertebrates. "It was clearly evident that we were viewing a massive and immediate kill," said Sanders. He noted that the carcasses of the great majority of animals lacking hard parts rot and decompose so that no remnants of their presence remain.

On September 19th the tide pools "were literally filled with dead and decaying or moribund bodies" of worms, clams, other invertebrates, and fish. But "a week later only the shells of clams and snails were still present. Thus there would be little evidence for the massive mortality if the survey were carried out more than 10 days after the oil spill," said Sanders.

Two days later, the wind shifted and oil still floating on the surface was dispersed out to sea. But while oil was no longer visible in the water, the effects of the spill remained and continued for months.

The Woods Hole scientists put it this way in late 1970, more than a year after the spill: "Oil from the accident has been incorporated into the sediments of

the tidal rivers and marshes and into the offshore sediments, down to 42 feet, the greatest water depth" in the area. "The fuel oil is still present in inshore and offshore sediments. . . . The pollution has been spreading on the sea bottom and now covers at least 5,000 acres offshore and 500 acres of marshes and tidal rivers. (The original spill covered only about 500 acres.) Bacterial degradation of the oil is slow; degradation is still negligible in the most heavily polluted areas and the more rapid degradation in outlying, less affected, areas has been reversed by the influx of less degraded oil from the more polluted regions.



"The kill of bottom plants and animals has reduced the stability of marshland and sea bottom; increased erosion results and may be responsible for the spread of the pollution along the sea bottom. Bacterial degradation first attacks the least toxic hydrocarbons. The hydrocarbons remaining in the sediments are now more toxic on an equal weight basis than immediately after the spill. Oil has penetrated the marshes to a depth of at least one-to-two feet, bacterial degradation within the marsh sediment is still negligible."

The scientists also noted that "where oil can be detected in the sediments there has been a kill of animals; in the most polluted areas the kill has been almost total. Control stations outside the area contain normal, healthy bottom faunas." Moreover, affected areas had not been repopulated nine months after the accident.

They continued: "Mussels that survived last year's spill as juveniles have developed almost no eggs and sperm. Oil from the spill was incorporated into oysters, scallops, soft-shell clams, and quahogs. As a result, the area had to be closed to the taking of shellfish. The 1970 crop of shellfish is as heavily contaminated as was last year's crop. Closure will have to be maintained at least through this second year and will have to be extended to areas more distant from the spill than last year. Oysters that were removed from the polluted area and were maintained in clean water for as long as six months retained the oil without change in composition or quantity. Thus, once contaminated, shellfish cannot cleanse themselves of oil pollution.

"The tidal Wild Harbor River, a productive shellfish

area of about 22 acres, contains an estimated four tons of the fuel oil. This amount has destroyed the shellfish harvest for two years. The severe biological damage to the area and the slow rate of biodegradation of the oil suggest that the productivity will be ruined for a longer time."

The Woods Hole team concluded: "All crude oils are poisons for all marine organisms; many crude oil distillates are more severely poisonous because they contain higher proportions of the immediately toxic compounds. Long-term toxicity may harm marine life that is not immediately killed by spills, and oil can be incorporated into the meat of marine animals, making it unfit for human consumption. Crude oil and oil products may cause cancer in marine organisms and in man; even at very low concentrations, oil may interfere with processes vital to the propagation of marine species.

"The most immediately toxic fractions of oil are water soluble; therefore, recovery of oil slicks is often futile, except for the esthetic improvement. Treatment with detergents, even the 'nontoxic' ones, is dangerous because it exposes marine organisms to higher concentrations of soluble and toxic hydrocarbons and because it disperses oil into droplets that can be ingested and retained by many organisms. Natural bacterial action eventually decomposes spilled oil; however, the most toxic fractions disappear much more slowly than the more harmless ones. Within the lipids of marine animals and in sediments, petroleum hydrocarbons are stable for long time periods."

To say that the West Falmouth findings created great consternation in the oil industry is an understatement. The oil industry officials we interviewed asked that their comments *not* be quoted. However, their off-the-record comments covered quite a range.

Said an executive of one major oil company: "Oh, God, Dear Dr. Blumer! He can hold opinions and that's all he has. He has no scientific facts to back them up."

Another oil company spokesman put it more politely: "A wide body of knowledge developed over many years refutes the speculations made recently by Blumer."

Still another industry official: "Most of his research and findings are based on a fuel oil spill, not on crude oil. Fuel oil is very toxic. From this, Blumer has extrapolated and reached conclusions that cannot be supported."

And another: "Unless Dr. Blumer has carbon-dated his hydrocarbons, he is indeed shooting from the hip when he states that hydrocarbons found in the marine life of the sea came from petroleum."

What about these accusations? Based on interviews with many experts and digging into many documents, these conclusions are possible:

- The oil industry notwithstanding, the West Falmouth findings are based on an abundance of facts. Not one critic we talked to could or would cite a specific error. Blumer, Sanders, and their colleagues have impeccable credentials in the scientific community.

- Fuel oil is indeed more toxic than some crude oils. However, fuel oil is part of petroleum and is therefore contained in crude oil. If crude oil is spilled, it carries with it whatever fuel oil is in it. Furthermore, fuel oil loses some long-term poisons in the refining process—such as carcinogens—which are present in crude oil. A crude oil spill contains even more poisons than a fuel oil

spill. Thus attempts to denigrate the West Falmouth findings because fuel oil and not crude oil was spilled do not hold up. If anything, crude oil might have even more serious long-term effects. (Said one scientist: "Every spill that ever comes out is an exception to the industry! This is a standard ploy of the oil industry. If there's any damage, they say, 'Well, this is atypical. This is a special case.' But we have 10,000 special cases each year.")

- We asked Dr. Blumer about carbon-dating and "shooting from the hip." He replied: "If that person came to me, we could discuss this very unemotionally and I could prove to him that those hydrocarbons came from petroleum. There are hydrocarbons there which never occur naturally in marine life." Blumer added that carbon-dating is really not necessary, but if anyone in the oil industry wants to do the carbon-dating, Blumer would be happy to supply samples.

- The West Falmouth findings are also supported by bits and pieces of evidence in other studies. But those studies have generally been down-played. As Dr. Thomas A. Murphy of EPA's Office of Water Quality put it in a paper in July 1970:

"The larger and widely publicized spills have been remarkably free of documented environmental effects of great severity, other than, of course, the damage to birds and beaches." After *Torrey Canyon*, "everyone seemed to heave a great sigh of relief that the effects of the oil were essentially negligible compared with the effects of the chemicals used to 'clean the oil up.' Again with the *Ocean Eagle*, off San Juan in 1968, and last year's Santa Barbara incident, biological damage was observed, but not to the extent feared."

However, Murphy continued, "behind these publicly discussed events were a number of incidents where biological damage was substantial." He added that "sometimes the biological damage was massive and the recovery slow." Murphy also pointed out that "lesions and cancerous growths on marine organisms have long been associated, although somewhat tenuously, with oil pollution."

But "most of these reports of severe biological damage were dismissed, in view of the relatively minor effects of massive spills of crude oil, as being due to unusual circumstances."

Murphy added: "Thus, these disturbing observations from the West Falmouth spill are not that surprising; they are supported by other observations, albeit less direct, made during the past 40 years. They seem to be less the product of a unique set of circumstances than of the proper set of observations."

Murphy called the West Falmouth findings "very disturbing" and then asked: "Are they unique or are they something we now see because we have begun looking for it? I think the latter."

The West Falmouth findings raise obvious questions about the research methods used in the past to determine the effects of most major oil spills. We put this to some oil company people and received this candid response from one official: "Almost everything has been based on the visibility of oil."

(There are also indications that the "visibility of oil" is a prime consideration in the minds of too many in industry and in government, in the U.S. and abroad. This has led to the use of chemical dispersants to break

up the oil and get it out of sight, away from recreation areas, as fast as possible. This also leads to a denial of any possible ecological consequences, for if you can't see the oil, what harm could it do, after all!

In an interim appraisal of the effects of the 1970 Chevron oil spill in the Gulf of Mexico, Dr. Leslie L. Glasgow, then Assistant Secretary of the Interior, wrote: "To date there have been no confirmed reports of environmental damage which can be directly attributed to this oil spill," and "there has been no detectable impact on commercial fishery catches."

Glasgow added: "Very little effort, however, was made by either public or private agencies to evaluate the impact of the spill on species other than those of direct commercial or recreational importance. Damage to other species, which may be essential to the fishery, either directly by serving as a food source, or indirectly through ecological interrelationship of the biota, could have occurred and not have been detected. Because of the chronic oil leakage which has occurred in the area over many years and the rapid biological turnover, it is unlikely that damage, if indeed it did occur, could now be detected. The same would be true of the possible longer-term effects, such as an accumulation of hydrocarbons in the marine food chain."

Studies of the effects of most major oil spills have concentrated primarily on damage to shorelines, to adult fish, birds, whales, seals, etc., and on the size of fish catches. Little or no chemistry has been used.

Thus the Plymouth Laboratory of the Marine Biological Association of the United Kingdom was able to report in 1968: "Pollution by the *Torrey Canyon* oil was found to have little biological effect apart from the tragic destruction of seabirds."

Thus a report by A. D. Little, Inc., in 1969 was able to declare: "A review of the literature indicates that in deep water, whether in the open ocean or a mile or so offshore, no significant damage to marine life is encountered from even large oil spills because pelagic fish avoid the spill and few other marine species are present."

And a Dillingham Corporation report in 1970 to the American Petroleum Institute's committee for air and water conservation was able to conclude: "The effects of an oil spill on the environment are most significant with regard to harm to seabirds and their habitats resulting in loss of bird life. Shellfish beds, inshore fish spawning areas, and high-use coastal property may also be affected. However, in most instances the effects appear to be temporary. Damage to the environment from oil spill control activities appears to be linked primarily to the indiscriminate use of chemical dispersants with the danger limited to marine life in the nearshore or intertidal zone and to possible adverse effects from application of dispersants to beaches."

But despite these reassuring words, the oil industry is becoming concerned. In November 1970, Esso Research and Engineering Company announced it had awarded a \$380,000 contract to Battelle Northwest Laboratories "to determine the long-term fate of oil spills on the sea and their long-term effects on marine life." Esso Research and Engineering is a subsidiary of Standard Oil of New Jersey, the world's largest oil company. Esso Research Vice-President Frank Feely explained: "To date, information on the effects of oil and oil tracing

agents at sea has been mainly derived from short-term laboratory experiments. It is our aim . . . to secure data on the long-range effects of oil spills in order to fill the gap in the present body of scientific knowledge on this subject."

And the American Petroleum Institute itself has been considering a study of "the fate of oil in water and its effect on ecology." API's subcommittee on oil spills cleanup last year proposed such a study, to begin in 1971 at a cost of \$100,000, saying: "There is a strong feeling that the API should support studies dealing with the ecology as a result of oil spills." The subcommittee said it had "no defined program at that time." As of early 1971, API was considering "a real comprehensive program which will be a tremendous contribution to the field," according to a spokesman. He said "nobody has really made an intensive study" of the environmental effects of oil spills. It will be "very, very expensive."

Why this newfound interest in the effects of oil pollution? Here's how API's Committee for Air and Water Conservation explained it in material prepared for public use by an industry spokesman in December 1970: "In past years, it had generally been assumed that natural processes, including degradation by micro-organisms, would break down petroleum oils into benign substances. Observation of large volume, long-term naturally occurring seepage . . . provided no evidence to the contrary. However, in recent months, there has been speculation, on the basis of early tests, that some hydrocarbon oil fractions might be unusually resistant to degradation and also toxic to certain life forms. Our advisors in the biological fields recommend that this question of petroleum toxicity be resolved as quickly as possible, one way or another."

(Note the use of the word "speculation"—it's consistent with the industry's response to questions about the significance of the West Falmouth findings.)

The API spokesman then added: "A major portion of our current budget is now dedicated to research on this problem."

API's attention to the long-range effects of oil spills on the environment is certainly welcome. But the budgetary claim was premature, to say the least. In 1969, API's subcommittee on oil spills cleanup spent \$600,000. In 1970, estimated expenditures were \$1.2 million. Nothing was spent in either year to determine the effects of oil spills. (API's total budget, for all activities, was \$12.2 million in 1969, and \$13.7 million in 1970.) What 1971 will bring will be disclosed when API announces a decision on its contemplated research on the environmental effects of oil pollution.

Different researchers may come up with different conclusions about the effects of oil pollution, of course. A case in point is the 1969 Union Oil spill in Santa Barbara Channel. Dr. Dale Straughan of the University of Southern California, Allan Hancock Foundation, looked into the effects of the spill in a \$150,000 study financed by the Western Oil and Gas Association, an industry trade association. Dr. Straughan reported in 1970 that "3,600 dead birds were collected by March 31, 1969" and that "mortality occurred among animals that were covered with a thick layer of oil." She said there was no evidence that any whales or seals were affected or killed by the oil. Dr. Straughan concluded that "the damage to flora and fauna was not as great as

predicted by pessimists after the spill" and "the biota of the area is recovering rapidly."

Dr. Michael Neushul of the University of California, Santa Barbara, also investigated that spill, under a \$7,000 contract from the Federal Water Pollution Control Administration. In a report kept under wraps for more than a year by FWPCA, Neushul said: Statements that "there was no extensive ecological damage" seem "overoptimistic." He said "conclusions obtained a few months after a pollution incident of this sort should not be held as proof that there will not be long-term effects and gradual erosion of natural resources which we have seen in other locations."

Neushul added: "Man-made pollution has obviously influenced the complex communities of marine plants and animals in the study area. There is clear indication that a subtle and gradual erosion of this natural resource has begun . . . Whether repeated or continuing oil pollution contributes to long-term ecological degradation in the Santa Barbara area remains to be seen."

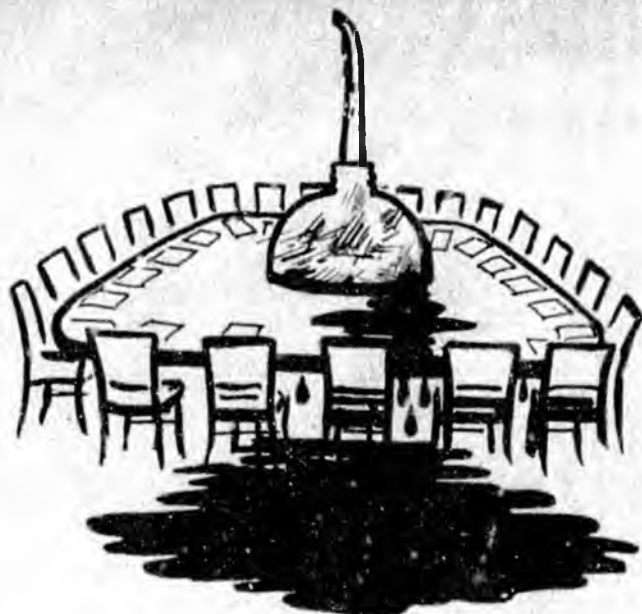
He found the "main effect" of the oil seepage caused by the Union Oil blowout "will be to reduce the availability of intertidal surfaces for the attachment and growth of marine organisms. The effects may also be long-term, influencing the growth and reproduction of various marine organisms."

Neushul called for "more effective environmental monitoring in order to detect situations where our physical and biological resources are being taken from us, monitoring which continues not just during major environmental crisis, but for years."

We asked Dr. Gordon J. MacDonald, a scientist and a member of the Council on Environmental Quality, about his reactions to the West Falmouth oil spill findings. "Basically, I agree with them," he replied. "I think the evidence on which they are based is still controversial, some of it." He added: "We suspect that what Blumer says is right, but the evidence isn't that secure." He also noted that "Blumer has done more in chemical analysis, as far as I know, than anyone else."

The Water Quality Office of the Environmental Protection Agency (formerly the Federal Water Quality Administration) is carrying out research of its own at its laboratories. At least one project underway parallels Blumer's work. The researchers were reluctant to discuss details because the project was not concluded, but one scientist said the conclusions "probably will confirm most of Blumer's findings."

We also asked Dr. P. D. McTaggart-Cowan, executive director of the Science Council of Canada, about Blumer's work. "It's careful work," he declared. "I think it will stand up to the scrutiny of his peers. It is certainly worrisome. He's entitled to draw what conclusions he thinks he should because he's a careful scientist. I think others will have to respect his work because this is a difficult field. I think they will find what Max Blumer has found."



"The nonpolluting disposal of used oil presents an increasingly important problem as the quantities of these oils increase, disposal grows more costly, and public pressures increase to eliminate or reduce pollution from all sources." (American Petroleum Institute report on used oil disposal.)

Berks' Black Friday

Friday, November 13, 1970, was not a good day for Berks Associates, Inc., a company which re-refines used oil, such as the oil drained from your car's crankcase when you pull into your neighborhood filling station for an oil change.

Berks, a small company in a dwindling industry has a plant at Douglassville, Pennsylvania, about 40 miles north of Philadelphia. Berks had about 20 million gallons of oily sludge, the residue of used oil after reprocessing, in five lagoons on company property. Rain-weakened walls of two lagoons broke and 3 million gallons of sludge spilled into the Schuylkill River. Attempts to contain the sludge failed and it oozed down the Schuylkill and into the Delaware River. Fifty miles of the Schuylkill and 15 miles of the Delaware were contaminated. The sludge entered the water supply intakes of several towns, and water supplies were promptly shut off. Containment and clean up operations got underway immediately, under the National Contingency Plan for oil and hazardous materials pollution.

Meanwhile, back at the plant, there was a threat of more trouble. The rain-soaked walls of the lagoons were in danger of collapsing and releasing the remaining 17 million gallons of sludge into the Schuylkill. This posed an "imminent and substantial threat to the public health or welfare" from an "actual or threatened discharge of oil" under the Water Quality Improvement Act which was signed into law on April 3, 1970. For the first time, that provision of the act was invoked by Secretary of the Interior Walter Hickel. (Water pollution control has since been transferred from Interior to the new Environmental Protection Agency.)

The government went to court to abate the threat. The company agreed to shore up the walls of the la-

goons, to build an emergency lagoon, to purchase and install an incinerator to burn the sludge, to remove the sludge from the lagoons, and then to landfill the empty lagoons, all under federal supervision. The agreement has since been carried out.

Berks' Black Friday was the first test of the 1970 law which gave the government new legal tools to prevent and control oil pollution. The tools worked well. There was no doubt about the "imminent and substantial threat." The National Contingency Plan, a system to coordinate federal agencies' spill control and clean-up activities, also worked well. The Federal Water Quality Administration (now the Water Quality Office in EPA) provided the on-scene command and other personnel. The Coast Guard headed the clean-up operation. (The company is liable for the costs.) Other federal agencies also participated.

But there is more to the Berks story. The state of Pennsylvania had been aware for some time of the danger of oil pollution from the Berks plant. It had cited the company for violations 8 times in some 11 years prior to the spill—and fined the company a total of \$300. Earlier in 1970, the Pennsylvania Department of Health had named Berks the fifth worst water polluter in the state. Beyond that, however, nothing had been done to prevent a Black Friday. Once again, a spill was required to dramatize the inadequacy of state and federal efforts to prevent pollution.

A recent investigation by *The New York Times* exposed one of the basic causes of this deplorable nationwide situation. As *The Times'* national environmental correspondent, Gladwin Hill, put it: "Most of the state boards primarily responsible for cleaning up the nation's air and water are markedly weighted with representatives of the principal sources of pollution." *The Times* probe revealed that "the membership of air and water pollution boards in 35 states is dotted with industrial, agricultural, municipal, and county representatives whose own organizations or spheres of activity are in many cases in the forefront of pollution," Hill wrote. In California, for example, "for years a board member dealing with pollution of Los Angeles harbor has been an executive of an oil company that was a major harbor polluter."

The Times' discovery prompted Environmental Protection Agency Administrator William D. Ruckelshaus to write the governors of the 50 states and remind them that "it is imperative that the men and women who sit on these boards—and who are empowered to set and implement reasonable standards of pollution abatement—be influenced only by the general public interest and not by any vested interests." Ruckelshaus added: "The credibility of our efforts at every level to restore environmental conditions rests on our ability to pursue a rigorously independent course."

David D. Dominick, EPA's Acting Commissioner for Water Quality, cited the Berks spill in a letter to the heads of state water pollution control agencies early this year. "One need only fly across our nation to know that many of the elements present in the Schuylkill River event are repeated at hundreds of points," he wrote. "All types of materials, from industrial and mining wastes to raw chemicals, are stored in lagoons often directly adjacent to rivers, streams, and lakes. This practice may have been acceptable and tolerable in the

past. Times have changed, however, and I believe that we must take whatever measures we can to guard our waters against these potential damages."

Dominick urged the states "to determine the extent to which your water may be threatened and to seek the cooperation of your municipal and industrial leaders in adopting remedial measures which will prevent environmental damage from this source."

The Berks spill also drew attention to another problem. Immediately after the spill, with the plant shut down, the collection of used oil from filling stations and industrial plants stopped in parts of the area. Slicks of used oil began appearing in some rivers and streams in Pennsylvania and in Delaware Bay. Slicks coming directly out of storm sewers were observed from the air. After the Berks plant went back into operation in early December, the oil slicks largely disappeared. Some collectors, filling stations, and industries had simply dumped their waste oil into sewers and streams to be rid of it.

They were not alone, for getting rid of waste oil is a national and international problem of vast dimensions. According to the American Petroleum Institute, an estimated 450 million gallons of used oil are disposed of each year in the U.S. "without complete assurance that some pollution potential doesn't exist." That is, says an API report on used oil, it is either put in sewers or is dumped on the ground or falls in the "mysterious category" of "fate unknown."

Worldwide, it is estimated that a total of 957 million gallons (3.3 million tons) of oil used in motor vehicles and industries winds up in the rivers and oceans each year. Used oil thus represents about two-thirds of the 5 million tons of oil added to the world's waters annually.

In the U.S., the capacity of re-refining plants which process used oil has dropped almost 50 percent in the last six years. The number of reprocessing plants has declined from about 150 to fewer than 50. Capacity of the plants still operating is estimated at 100 million to 125 million gallons a year.

"The re-refining industry is simply disappearing," a government official told us, for three basic reasons. First, re-refined oil no longer enjoys the excise tax subsidy—and consequent price advantage—it used to have. Second, the Federal Trade Commission requires the oil to be labeled "re-refined." This has reduced buyer acceptance. Third, the "virgin" lubricating oils manufactured by oil companies now contain many chemical additives to enable them to stand up over 4,000 to 6,000 miles. The days of an oil change every 1,000 miles are long gone. While this is a boon to the motorist, the additives and suspended solids in the used oil are a bane to the re-refiners. Many of the re-refining plants are old and cannot handle the additive laden used oil.

As a result, some used oil collectors have gone out of business. More and more oil is being dumped into sewers and streams. In addition to its direct pollution effects, used oil also decreases the efficiency of sewage treatment plants and at times causes fires in the plants. Some disreputable collectors mix used oil with fuel oil and sell it for home heating. They don't get many repeat sales, however, for the mixture generally clogs the burners.

Research is currently underway on converting waste crankcase and industrial oil into usable products—for

home heating, for fueling industrial and powerplant boilers, etc.

The reuse of waste oil would mean conserving a valuable natural resource and eliminating a major source of oil pollution of the waters of the world. "Waste oil is a tremendous resource for energy in an energy-short world," a pollution controller told us. "Something's got to be done to put it to use and keep it the hell out of the environment."

One of the most likely markets for recycled and purified waste oil would be large consumers of fuel oil, such as electric utilities. But sales of refined waste oil to utilities would reduce the major oil companies' sales of their own residual fuel oil to those customers. Thus the API report is more concerned with disposal rather than reclamation of used oil. The report concludes:

"Based on the studies conducted by this committee, it seems that the task of assuring nonpolluting disposal should be handled on a high priority basis by individual companies rather than the industry as a whole. While the problem of used industrial oil disposal is generally handled by the users, and is not likely to bring immediate discredit to the petroleum industry, oil companies have a more direct responsibility for pollution problems caused by service stations bearing their name."

A variety of proposals have been made which go far beyond the oil industry's limited approach. It has been suggested that an excise tax be imposed on "virgin" lubricating oil to finance a system of collecting and reprocessing used oil into readily useful products. It has also been suggested that legislation might be necessary to require systematic, licensed collection and disposal of used oil. And it has been suggested that the oil industry, as the producer of a product which adds so greatly to water pollution, itself initiate a national used oil conservation program.

Companies manufacturing and using aluminum cans and glass bottles are recycling more and more of those discarded products. They are conserving natural resources, reducing the solid waste burden—and enjoying public relations dividends. One wonders why an industry as public-relations conscious as the oil industry does not go and do likewise.



"The possible effects of oil pollution of the various waters on the public health cannot be ignored." (U.S. Public Health Service report, 1924.)

Who's Minding the Fish Market?

Dr. Richard Backus is chairman of the biology department at Woods Hole Oceanographic Institution. He has been studying the distribution of deep-sea fishes in the Atlantic Ocean. In the process he has also studied the occurrence of lumps of congealed crude oil floating on the surface of the open sea.

He first noticed the oil lumps about six years ago



while using a surface-skimming net that picks up samples of marine life in the top few inches of the sea. He's found tar lumps varying from "golf-ball size to crumb size, and sometimes as big as baseballs," he said in an interview. He's found them in the eastern, western, and north Atlantic, and in the Mediterranean Sea. He's found tar lumps containing the most toxic parts of crude oil.

He's found amounts of oil lumps equivalent to "a pencil eraser per square yard for thousands and thousands of square yards." In some areas of the open sea, "it's unusual to tow one of these nets for a half-hour and not find at least some tar in the net," he said.

The surface-skimming nets also pick up a small fish called the saury. And Backus has found crude oil lumps in the stomachs of the saury—in one sample, in 3 out of 10. "The saury," Backus explained, "is a very abundant surface deep ocean fish in the North Atlantic. It's not a commercial fish but it's fed upon by larger fishes, including commercial fishes such as tuna. Then the tuna is ingesting the tar. What effect the tar has on the fish or upon man eating a tuna's sandwich made from a tuna that ate a saury that ate the tar, I have no idea. Nobody knows. The fact is that the tar ingested by the saury is a toxic substance. Whether that means it's toxic to the ultimate consumer in a saury-tuna-man chain, I have no idea."

We talked about this with Dr. Max Blumer, a chemist at Woods Hole and an expert on hydrocarbons. "We don't want to scare people," he said. "However, it is known that compounds of the type that cause cancer—for instance, that are present in tobacco smoke—are also present in crude oils. They have been isolated. It is known that these are cancer producers. It is known that such fractions produce cancer in laboratory test animals. We know how persistent the oil is in the marine environment. We know that once it is in marine organisms, in the fat of marine organisms, it will stay forever, almost.

"These two things coupled together raise this question: If such compounds are present in oil, if they are taken up by marine organisms, is this something that we should be concerned about in marine foods? It is not

a question of somebody eating a polluted oyster and becoming ill the next day. This is *not* the question at all. Are we adding to the body burden that man already has?—that is the question. We get carcinogens from air pollution, from tobacco smoke, from heavily smoked foods, from sunlight. Is oil pollution of fishery products one additional factor that might contribute?

Is it? We asked Dr. Gordon MacDonald of the Council on Environmental Quality. "Petroleum contains carcinogenic compounds," he replied. "These compounds have been identified in barnacles and other sea life. Whether this represents an acute public health problem or not, is, in my mind, a very open question."

MacDonald added; "We are putting a lot of oil into the sea. The estimates vary considerably. My best estimate is somewhere around five million tons a year. We take six million tons of fish from the sea each year. This is a substantial problem and we really have to deal with it. It is potentially a very great problem in areas of the world that depend on fisheries for a major source of their protein—Southeast Asia, Indonesia, 85 percent of their protein comes from fish. Yet we have tankers going along in these waters that are deballasting. They could adversely affect the fisheries of these countries."

Is anyone monitoring these rich fishery areas? "No," said MacDonald. "There's been very little monitoring. What are the detailed effects of the various fractions of oil on shellfish, larvae, on the food chain? On plankton? What is the lifetime of oil in the water? We don't know. We've got to find out just how oil travels in the food chain, what components of the oil actually move up the food chain. Certainly not all the components of crude oil are carcinogenic, but we've got to determine if those that are, do they move up and are they concentrated?"

We put some of these questions to other federal agencies. Does the Food and Drug Administration check fish and shellfish for oil contamination, for toxic hydrocarbons from oil? No, said the FDA. They might check a batch of shellfish at times by a "sniffing" test, if there's a suspicion that they were harvested in an area hit by an oil spill. But there is no routine testing for petroleum hydrocarbons in seafood.

What about the National Cancer Institute? No, said an NCI spokesman. They are not doing any research on the carcinogenic effects of oil.

What about the National Institute of Environmental Health Sciences? No, said a spokesman. NIEHS "has not gotten into the question of the effects of oil in the environment on humans or animals."

What about the National Marine Fishery Service, formerly the Bureau of Commercial Fisheries in Interior and now part of the National Oceanographic and Atmospheric Administration? No, NMFS does not examine fish for oil contamination, said a spokesman.

No one, it appears, is minding the fish market.

And to compound the problem of oil on the sea, consider this finding by a group of scientists, as recorded in the invaluable book *Man's Impact on the Global Environment*, MIT Press, 1970.

"Chlorinated hydrocarbons such as DDT and dieldrin are highly soluble in oil films. Measurements of the effects of a natural slick in Biscayne Bay, Florida, showed that the concentration of a single chlorinated hydrocarbon (dieldrin) in the top one millimeter of water containing the slick was more than 10 thousand times

higher than in the underlying water. About half of the pesticide in the water column was dissolved in the slick. We know that the smail larval stages of fishes and both the plant and animal plankton in the food chain tend to spend part of the night hours quite near the surface, and it is highly probable that they will extract, and concentrate still further, the chlorinated hydrocarbons present in the surface layer. This could have seriously detrimental effects on these organisms and their predators."



"I'm sure you're all familiar with the bad run of luck the petroleum industry has had with oil spills over the past few years."—(L. P. Haxby, manager, air and water conservation, Shell Development Company, in a speech to an oil industry meeting, June 1970).

Gulf Coast Caper

A few days after Walter Hickel took office as Secretary of the Interior in January 1969, a Union Oil Company well blew out in federal waters in the Santa Barbara Channel off the coast of California. Some 4.2 million gallons of oil spilled into the sea before the blow-out was contained. Hickel promptly ordered a review of all federal regulations governing oil and gas leasing and operations on the U.S. outer continental shelf, from Maine to Alaska. The regulations were subsequently strengthened. Environmental considerations were given greater emphasis. Safety provisions were improved to reduce the chance of human error.

On August 17, 1969, Hurricane Camille hit the coast of Louisiana and Mississippi, killing some 200 people and inflicting damages in the millions—including damage to oil facilities. Camille also forced a curtailment in offshore production. After Hurricane Camille, the state of Louisiana—which then set the rate at which oil could be pumped from wells in federal offshore waters—allowed oil companies to make up for lost production.

On August 28, 1969, the U.S. Geological Survey, part of Interior, issued revised orders for the Gulf of Mexico as part of the department's strengthening of offshore regulation. Among other things, the revisions tightened the requirements for storm chokes and other subsurface safety devices which prevent uncontrolled oil flows or blowouts on wells.

On February 5, 1970, Robert F. Evans, Interior's oil and gas supervisor in charge of overseeing oil and gas company operations in the Gulf of Mexico, sent a letter to an industry group, the Offshore Operators Committee. Evans complained of "weakness" in the "pollution control aspect of the offshore operation" involving "alarm systems, high and low level shutdown controls, platform shutdown equipment, and other similar equipment."

Evans told the industry organization that "there appears to be a certain hesitancy among some company field personnel to rely on such equipment for one reason or another." Evans reminded the offshore operators

that "appropriate controls should be in service at all times." He also noted that not using controls "to insure continued operation is undesirable and could result in pollution."

In an interview with Dr. William T. Pecora, director of USGS, we asked why Evans had written that letter. "We had introduced a new set of orders," he said. "The inspectors were finding out that either some companies weren't getting the word to get with it, or they couldn't get the things they needed shipped to them to make the changes necessary. Whatever it was, he was giving the companies the opportunity to get with it, because we were going to start to close in on them. You have to give them a certain amount of time to comply."

Five days later, the companies ran out of time. Evans' concern about oil company "hesitancy" to use pollution control safety equipment erupted into national concern. On February 10th, a Chevron Oil Company producing platform some 75 miles southeast of New Orleans caught fire. When the fire was snuffed out one month later, oil which previously had been consumed in the flames poured into the Gulf. An estimated 30,000 barrels spilled into the sea before the last wild well was shut off on March 31st. At one point the spill created a 52-square-mile oil slick on the Gulf.

The fire and spill also created a huge stir in the federal government. On the Gulf Coast, the Geological Survey supervisor immediately shut down 20 Chevron platforms which were not involved in the fire.

Why? "Because," said Pecora, "he had reason to believe that the records being kept on the platforms were not consistent with the records we had in our district office. An immediate search was made on each of these 20 platforms and it was found that the down hole safety chokes were *not* in the wells that were producible."

Pecora explained that oil companies continually mail required records to the USGS district office, where "they are looked at, stamped, and filed." The records in the district office showed that the wells contained safety chokes. But, said Pecora, "our inspection showed they were *not* in the wells and that we had *not* been asked permission to have them removed."

Had the safety chokes been put in originally? "Yes," said Pecora, "they had been put in under our witness."

Had the company removed them without getting USGS permission? "That is correct," he said.

USGS inspectors then checked a number of platforms operated by other oil companies. And they found "a similar situation had developed on other platforms in the Gulf of Mexico," Pecora said.

Thus began the most intensive investigation ever of oil company offshore practices. The investigation produced a moral indictment of inadequate funds and manpower and inadequate regulation by the Interior Department of offshore oil operations. The investigation also produced a criminal indictment—the first ever under the 1953 Outer Continental Shelf Lands Act—of Chevron Oil Company, which is a subsidiary of Standard Oil of California, and criminal charges against eight other oil companies.

On May 5, 1970, a federal grand jury in New Orleans indicted Chevron on 900 counts of "knowingly and willfully" failing to have storm chokes or similar subsurface safety devices on 90 wells in the Gulf off the coast of

Louisiana—90 wells without the devices for 10 days each.

On November 13, 1970, Humble Oil & Refining Company, a subsidiary of Standard Oil of New Jersey, was charged with 150 counts, involving 33 wells.

On November 20th, three more oil companies were charged:

Shell Oil Company, 170 offenses involving 40 wells. (Eleven days later, on December 1st, a Shell platform containing 22 producing wells burst into flames in the Gulf. The fire raged for 133 days before finally being extinguished on April 12th. By then, a million gallons of oil had been burned or spilled, and the oil was still flowing into the sea.

Continental Oil Company, 121 offenses on 26 wells.

Union Oil Company, 12 offenses involving 8 wells.

And on December 22nd, four other oil companies received pre-Christmas tidings:

Gulf Oil Corporation was charged with 125 offenses on 12 wells.

Mobil Oil Corporation, 75 offenses on 8 wells.

Tenneco Oil Company, 16 offenses on 4 wells.

Kerr-McGee Corporation, 10 offenses on 2 wells.

All charges against the nine oil companies were for allegedly failing to have a storm choke or similar subsurface safety device in the wells, as required by the Interior Department regulations under the 1953 Outer Continental Shelf Lands Act.

Chevron pleaded "no contest" to 500 of the 900 charges and was fined \$1 million, \$2,000 on each count, the maximum under the 1953 act.

The other eight oil companies also entered "no contest" pleas and paid maximum fines: Humble, \$300,000; Continental, \$242,000; Union, \$24,000; Gulf, \$250,000; Tenneco, \$32,000; Keer-McGee, \$20,000; Mobil, \$150,000; and Shell, \$343,000.

What had happened? How did nine oil companies—among them major firms which spend millions of dollars a year to advertise their devotion to the environment and to extoll their antipollution efforts—get into this fix?

Did USGS know of the alleged Chevron violations, for example, before the fire? "No," said Pecora. "We did not know of these. Our records were clear on this and our people were not surprised as everybody else was when this came out in the investigation. Our people were completely surprised when they found out that this had been going on."

When had the Chevron platform which caught fire been inspected last before the fire? "In the fall previous to the fire," said Pecora. "There had been four inspections of this platform in the previous two years. There were not violations at that time. The obvious conclusion is that they took out the safety chokes to increase their production for a given purpose."

How could more than 1,500 alleged offenses pile up? Doesn't this point the finger at USGS? "I think some people might want to come to that conclusion," said Pecora. "I would say that you're dealing with another problem. Here we had a single event in a period of a few months where for extenuating circumstances, the companies did something and they got caught as a result of an event which permitted us to sense what was going on. The extenuating circumstances as reported to us in the trade was that there needed to be a sudden increase in production. And they moved quickly to do



this. Obviously they were getting away with it. The trade conversation we have picked up is that the companies had to increase their supply of oil to make up for a deficit largely due to Hurricane Camille. They cut a corner and took a calculated risk. They were caught with their pants down."

Most of the charges against the nine oil companies were for alleged violations of the August 28, 1969, USGS order in the fall and winter of 1969-1970. But the counts against two companies included alleged violations before August 28, 1969. Ten counts against Chevron were for alleged violations in 1967, 8 others in 1968, and 43 others in early 1969. Don't these early dates raise questions about the inspection program that had been going on before the fire?

"I see what your point is and I'm not so sure it's a valid point," said Pecora, "unless you can show that this is what a record proved. It's possible that some wells escaped notice. It's also possible that the records were pretty clean until we made a search following the Chevron fire and found certain things that were not supposed to be so. Rather than get into that too deeply, I would say:

"(1) That there was a shortage of inspection force, no question about it. We've been arguing this for years; (2) That the company practice, the rig practice, was really not up to full compliance and we caught them at it; (3) We did not overreact. The fact that they were doing this is bad. We had never encountered this before. And the fact that it was tied into a fire made it such a crisis that people finally listened to us and gave us more inspectors."

Interior's Geological Survey was indeed seriously understaffed for years. There were about 50 to 60 people in the USGS oil and gas section before the Santa Barbara blowout. It took Santa Barbara and the Chevron fire in the Gulf to awaken the Administration and Congress to the need for more funds for better regulation. There are now about 100 men in the oil and gas section, with 40 assigned specifically to safety regulation.

But even this is inadequate, for the 40-man inspection staff is responsible for 1,023 leases offshore Louisiana, Texas, and California on some 4.3 million

acres of outer continental shelf lands. There are five offshore platforms containing some 150 producing wells in the Santa Barbara Channel, and more than 1,700 platforms containing some 8,000 producing wells in the Gulf of Mexico off Texas and Louisiana, plus miles of underwater pipelines and shore facilities.

The size of the federal enforcement staff is not the whole problem, however. The oil and gas conservation branch of USGS has been accused of clientism by some observers. Some critics have called it an arm of the oil and gas industry, we reminded Pecora, who recently was named Undersecretary of Interior by Rogers Morton.

"I've been aware of this," he said. "As a matter of fact, when I was out in Santa Barbara, they accused me of being in bed with the oil companies. As far as the Alaska pipeline is concerned, oil companies accused me of being in bed with the conservationists. I don't know how to respond to this. If I had to go down the Survey rolls, I'd find a hell of a lot more extreme conservationists than I would developers." If the oil and gas division of USGS was ever too close to the industry, Pecora added, "then it must have been changed under my administration."

What about this, we asked Stewart L. Udall, Secretary of the Interior from 1961 to 1969? "I know nothing that would indicate there was any kind of corrupt relationship," he replied. "But they regarded themselves as doing a good thing for the country by promoting more oil and gas exploration. In that sense, I think that they saw a common identity of interest with the oil companies that wanted exploration, you see. There was, without a doubt, a rather cozy industry relationship with these people who were supervising them. It's the sort of thing you get in the federal government, in state government. People settle in and they get in a nice little groove and it seems that everything's going well and so everybody becomes very chummy. You get a kind of slack attitude towards enforcement."

We asked Dr. Gordon MacDonald about the criticism of USGS. He's now a member of the Council on Environmental Quality but was vice-chancellor of the University of California, Santa Barbara, when the Union Oil blowout occurred. Said MacDonald: "This was an accusation that was made, perhaps with some validity, prior to the Santa Barbara oil spill and subsequent events. I think this is no longer true. Actions brought against Chevron in the Gulf, and other oil companies, show that they are really going after them. I expect this is a practice that will continue."

The Gulf Coast caper also raises questions about enforcement of the 1953 Outer Continental Shelf Lands Act under four Presidents—Eisenhower, Kennedy, Johnson, and until February 1970, Nixon. In announcing the federal grand jury action against Chevron on May 5, 1970, Attorney General John N. Mitchell said it was the first indictment to be brought under the 1953 act. Asked if this was the first time a violation had been found or if it was just the first time a case had been taken to court, a Justice Department spokesman replied: "Obviously, there were other violations, a number of which we found when we started looking for them."

But the Chevron case was the first time the federal government had gone to court against a company accused of violating the 1953 act.

Until the Chevron case, the Geological Survey had

used the shutdown procedure. If he found a violation, a USGS inspector could immediately shut down a well and put a seal on it. The company could not start up the well until the necessary corrections were made and approved by the inspector. "This is a tough thing to do," Pecora explained. "When you shut down a production well they're relying on ashore, this hurts." This has been done frequently, said Pecora.

But why wasn't court action ever taken before the Chevron case? "The procedure requires going to the courts after the fact," he said. "It requires getting the Justice Department involved. The shutdown itself hurts more than the fine that comes out of this. The fine is \$2 000 per day per violation. The on-the-spot action of a shutdown and a seal is the way to accommodate compliance immediately. They either comply or they don't go any further. Our insistence was compliance with the regulations. A violation going to court had not been supported before by the Interior Department because that is a punitive measure after the fact."

Isn't that true of any punishment for violation of a law? "That's right," he said. "But unless you can show that it was willful and negligent, the punitive character of a shutdown is a lot more forceful to get compliance."

One still cannot help but wonder why the criminal penalties provision of the 1953 law was not used until 1970. "This was a departmental policy," said Pecora. He added that in his five years as director of USGS, the Chevron case was the first considered "willful" because the records "showed it to be such. We knew we could prove it. So Justice demanded that we search all the records and come up with an analysis. And this is what we did."

While no one will talk on the record, what apparently happened is that after Hickel learned of the enormity of the case, the great number of alleged violations against Chevron and the other oil companies, he decided that the companies had to be taught a lesson. Attorney General Mitchell and the Nixon Administration apparently agreed, for the grand jury indictment of Chevron and the charges against the eight other companies followed.

Former Interior Secretary Udall offered this observation. "You see, this was embarrassing to Hickel. When Santa Barbara happened, that was on my doorstep, not his. He moved in and saw that the old regulations were too lax. He tightened them up. They did a pretty good job of tightening them up. Then a year later, the big Chevron spill occurs—after he's tightened the regulations."

Did the Geological Survey ever bring you information about alleged violations of the 1953 act during your eight years as Secretary of the Interior? "I don't want to be categorical, but I have no recollection of anything of this kind," Udall replied. "The fact of the matter is, though, that the attitudinal change has been so pronounced in the last few years. It was all evolving and changing. The companies that went out on the continental shelf were regarded back in the 1950s as people who were pioneering. They were developing a new technology. I think the people supervising the continental shelf—the Geological Survey field people—developed a very lenient attitude. This is my surmise. You know, 'okay, so they have spills, so there's a pollution incident; well, they're out there bringing in all this oil, they're bringing in these revenues. So don't be tough on them;

kind of take it easy.'"

(The federal government received \$275 million in royalties from oil and gas production on the outer continental shelf in 1970—\$265 million from production in the Gulf of Mexico and \$12 million from Santa Barbara Channel production. Total value of the 376.6 million barrels of crude oil and 2.4 trillion cubic feet of gas produced on outer continental shelf lands last year was \$1.7 billion.)

"I was appalled myself to learn that the whole administration (of the 1953 act) was as slack as it apparently was," said Udall. "The Geological Survey people will tell you, I'm sure, that they were undermanned. They had to assume the companies were following the rules. That was the sort of administrative attitude that had developed. Then, when some big outrageous thing occurs, you suddenly look at it."

(Udall called his decision as Secretary of the Interior to permit leasing in the Santa Barbara Channel his "conservation Bay of Pigs" and said he considers it "one of the worst mistakes that I made and I regret it.")

The Gulf Coast cases also involved a numbers game of sorts. The indictment against Chevron listed 900 counts—90 wells allegedly without subsurface safety devices for 10 days each. Does this mean the wells operated without the safety devices for only 10 days each?

"Obviously we picked on an arbitrary number," a Justice Department spokesman replied. "You have to in these things. You've got to cut it off someplace."

He added that "because of the fact that we charged them with 10 days, that does not mean that only 10 days were involved."

The charges against Union Oil are a good example of picking an "arbitrary number." Union was charged with 12 separate offenses involving 8 wells. But USGS records show that those 8 wells produced oil without the safety devices installed for a total of 490 days. The "arbitrary number" game therefore meant, for Union Oil, 12 x \$2,000, or \$24,000 in fines, instead of a possible 490 x \$2,000, or up to \$980,000 in fines.

The full story of the Gulf Coast caper would have been opened to public scrutiny if the cases had gone to trial. But by pleading "no contest" and paying the fines levied by the court, the oil companies avoided having the details spread on the public record. (The government also avoided having its oily linen washed in public.) The Chevron settlement—a "no contest" plea and a \$1 million fine—came first and set the pattern for the other cases. According to the Justice Department, the Chevron settlement was "in the interests of the government, since it rendered unnecessary a complex and costly trial." Also, said Justice, the Chevron case "serves notice upon other companies conducting oil drilling operations in the Gulf that the government intends to require strict compliance with the regulations of the Department of the Interior."

A Justice Department spokesman added that the Chevron settlement was also "consistent with the policy we use in any other criminal case." He added that "we usually get the better part of half" the counts. (Thus Chevron pleaded "no contest" to 500 of the 900 charges; the other 400 were dropped.) Besides, he said, "we might have gone into trial and lost it for one reason or another."

Maybe. Maybe not. But if the government had refused to accept Chevron's *nolo contendere* plea and had taken Chevron to court, the grand jury proceedings would have come to light. The full story of the alleged violations would have unfolded in open court. The public would have learned exactly what Chevron did and did not do. By pleading *nolo*, Chevron neither admitted nor denied guilt. It simply accepted the punishment handed down by the court—the \$1 million fine. The details of the grand jury investigation remain shrouded in secrecy.

This much is clear, however: The 1970 Chevron fire and oil spill exposed the inadequacies of federal regulation of oil and gas company offshore operations. There was unwarranted reliance by the Interior Department on oil company records—a poor substitute for do-it-yourself enforcement. The Gulf Coast cases also point up the inherent problems of a system which permits one government agency to be both the promoter and the regulator of an industrial activity.

There is little doubt that the U.S. Geological Survey believes its mission includes stimulating development of offshore resources. Consider the recent words of Dr. Russell Wayland, chief of the USGS conservation division: "Since about 75 percent of total energy requirements for the United States are met by oil and gas, there can be no cessation in the effort to find and develop new and larger sources of oil and gas for the nation's economy. The greatest undeveloped potential area available to the United States is its outer continental shelf. Manifestly this exploration, drilling, and production must continue."

But should it continue under the supervision of the Geological Survey? Or should offshore exploration, drilling, and production be supervised by an agency responsible for safeguarding the environment, such as the Environmental Protection Agency?

When EPA was created by Presidential executive order in 1970, one of the objectives was to consolidate within one independent agency many of the environmental control activities previously spread among several different departments and agencies. One of the affected agencies was the Atomic Energy Commission, for example. The AEC had been both the promoter and the regulator of peaceful uses of atomic energy. The AEC continues to promote the development of nuclear power. But the AEC's authority to set radiation standards and emission limits to protect the environment was transferred to EPA. (The AEC retained its responsibility for implementing and enforcing radiation standards, however.)

EPA has already been given the Interior Department's water pollution control responsibilities. It would indeed appear logical now to complete the consolidation of water pollution control activities by transferring authority to regulate offshore mineral exploration and production from Interior's Geological Survey to EPA.

"One of the biologists in England at the time of Torrey Canyon observed that the best thing to do was to wring their bloody necks. Well, of course, he did not receive sympathy from bird-lovers across the world." (Kenneth E. Biglane, director, division of oil and hazardous material, Water Quality Office, Environmental Protection Agency, in an interview with the author.)

Fouling Our Feathered Friends

Oiled birds are undoubtedly the most tragic and pathetic symbols of man's carelessness and negligence in handling petroleum. While no one can say with any certainty precisely how many birds have been killed by oil pollution over the past 60 or 70 years, wildlife experts believe the casualties run into the hundreds of thousands, at a minimum, and perhaps even into the millions each year. There are kill counts for specific spills, of course. But the figures include only those oil-soaked birds washed ashore, and the experts believe those are only a small fraction of the total loss in each spill. Uncounted seabirds, covered with oil, unable to fly, sink or drift helplessly at sea until they disappear without a trace, either eaten by predators or decomposed by the elements.

Some known bird kills from oil pollution: Approximately 7,000 birds perished in the San Francisco Bay oil spill in January 1971. A minimum of 10,000 and possibly as many as 100,000 seabirds died off Kodiak Island, Alaska, in an oil spill in February 1970. About 7,100 birds died in the oil spill in Chedabucto Bay off Nova Scotia in February 1970. At least 3,600 seabirds were killed in the Santa Barbara spill in 1969. In that same year, from 15,000 to 25,000 oiled eiders were washed ashore in the Netherlands and about 1,500 guillemots and razorbills were caught in an oil spill on the coast of north Wales. The *Torrey Canyon* disaster killed at least 30,000 birds in England and France in 1967. Earlier, an estimated 100,000 birds were killed by oil pollution on the coasts of the British Isles in the winter of 1951-52.

The Royal Society for the Protection of Birds believes oil and other pollution of British coastal waters is threatening the existence of two seabirds—the guillemot and the razorbill. The society says guillemots declined by almost 25 percent between 1967 and 1969, and that both species declined even more dramatically in 1970. The society estimates that as many as 100,000 birds have vanished and that oil is largely responsible.

Since the early 1900s, ornithologists have noted an appalling loss of seabirds in many regions of the world. Breeding colonies of some species have disappeared in chronically oil-polluted areas such as Kent and Sussex in England, and Normandy in France. When the tanker *Thomas W. Lawson* went aground on the Isles of Scilly off the coast of England in 1907, its 2 million gallons of crude oil severely affected a colony of puffins then believed to number about 100,000. Sixty years later, when the tanker *Torrey Canyon* went aground off the same Isles of Scilly, the colony contained only about 100 birds. Nearby seabird colonies had been similarly decimated in the 60 years.

R. B. Clark of the University of Newcastle upon Tyne notes: "By mischance, the species most vulnerable to



oil slicks have an exceptionally low reproductive rate. Auks, which are probably the most important casualties in the North Atlantic, do not breed every year; they produce only a single egg and the loss of eggs and fledglings in a colony may be as high as 50 percent."

Diving birds are the most vulnerable to oil. Oil kills them in two ways. It coats a bird's body, damages the plumage, and prevents it from flying. Oil breaks down the bird's natural insulating oils and waxes which shield it from water and prevent the loss of body heat. Oil may also displace the air between the feathers and the skin, or disrupt the structure of the plumage, thus depriving a bird of insulation from cold. When the oiled bird preens its plumage, it ingests the poisonous oil. Many birds are blinded by oil. Indirectly, birds can be affected by oil pollution of their nesting grounds or damage to their food chain by destruction of marine life on which they feed.

Efforts to clean and rehabilitate oiled birds have generally been unsuccessful. Rarely do more than 10 percent of treated birds survive. Dr. John W. Aldrich of the Interior Department's Bureau of Sport Fisheries and Wildlife sums up the problem: "Salvage efforts have been made in different parts of the world and have involved a number of species of water birds of widely divergent habits, different tolerances to captive conditions, and different degrees of contamination. A few of the results have been encouraging, but none have resulted in salvaging more than a small fraction of the treated birds. However, the experiences have revealed the main problems to be overcome. These are:

"(1) Curing the initial poisoning from ingestion of oil; (2) preventing chilling due to the loss of thermal insulation by the plumage; (3) removing the oil from the plumage; (4) renewing the waterproofing characteristics of plumage; (5) developing proper housing, feeding, and other care designed to keep that particular species in captivity long enough to rehabilitate it."

While "oil of varying sorts can be cleaned from the plumage of birds with several kinds of cleaners," Aldrich notes, "so far there is no convincing evidence that the natural water-repelling qualities can be restored to the cleaned feathers." If a bird survives the toxic oil, the stress of oiling, handling and captivity, and the danger of disease, it must usually be held in captivity until it molts—until its damaged feathers have been replaced with new, naturally waterproof feathers. It may take six months to a year for a bird to molt. Without its natural waterproofing, a bird becomes waterlogged and sinks and drowns.

Aldrich believes research is needed on: "(1) Methods for cleaning plumage and renewing waterproofing characteristics; (2) toxicological and physiological effects of oil on birds and treatments for these effects; (3) methods of caring for recuperating birds in captivity after rehabilitation (care varies greatly among species); (4) induction of premature molt to replace affected feathers as soon as possible."

Philip Stanton, a biologist at Massachusetts State College at Framingham, has been experimenting with different techniques for treating oiled birds at his Wildlife Rehabilitation Center in Upton, Massachusetts. The process is expensive. Oil-contaminated birds have to be collected, transported, and washed; pens, pools, food, heat, and caretakers are needed for six months or

longer. "I wouldn't even want to think about the cost per bird," Stanton says.

Others estimate it can cost \$1,000 to try to save a single bird. With a success ratio of only 10 percent, only 100 of every 1,000 oiled birds treated are likely to survive. Thus the cost could run to \$10,000 per surviving bird. The American Petroleum Institute gave Stanton a \$10,500 grant in 1970 to enable him to expand his center.

But costs aside, Stanton and other researchers are seeking to develop techniques to assure at least a few survivors in event of a catastrophic oil spill that might threaten the existence of an entire species or race.



One of the most promising developments in the treatment of oiled birds occurred early this year following the collision of two Standard Oil of California tankers in San Francisco Bay. Spurred by the nonprofit Ecology Centers in the area, volunteers by the hundreds turned out to help clean up the spilled oil and to collect and treat oiled birds.

Bird care centers were established under the guidance of veterinarians. Using mineral oil instead of the usual detergents to clean the birds, and other innovative techniques, they achieved a survival rate of about 28 percent, according to preliminary results. In contrast, the survival rate of oiled birds treated at the San Francisco Zoo, where conventional methods were used, was substantially lower. The Ecology Center plans to document its findings in a handbook on bird care when all the evidence is in.

Meanwhile, while we await the development of new, more successful techniques of rehabilitating oil-fouled birds, what should the concerned wildlifer do if he finds oiled birds? With the very low survival rate to date, is it worth trying to save them?

Conservationists disagree. Some say yes. They reason that even though no technique has been developed to deal with the problem in event of a large oil spill, the effort has to be made. "It's humanely necessary to try," says one. "You have to encourage the amateur societies to do what they can," says another.

Others say no, it's not worth it. It's a waste of time.

As one wildlife management official put it: "While the strong humanitarian motives are worth something, is it a reasonable conservation effort? Especially while money is so short for other conservation efforts?" He conceded, however, that he wasn't sure what advice he would give publicly if an oil spill hit birds in his area.

For those who feel an effort must be made to try to save oiled birds, the experts suggest reporting or taking the birds to emergency treatment centers which are often set up after large spills. Or if no treatment center is operating, report or take the birds to the nearest wildlife agency, Audubon Society, zoo, or similar organization. The experts also advise that amateurs resist the temptation to try to clean and treat the birds themselves. It's difficult enough for the professionals.

It's also suggested that greater attention needs to be paid to preventing birds from becoming contaminated by spilled oil. Some researchers think birds are unable to distinguish oil-polluted waters from unpolluted waters. Others think seabirds are attracted by dead and dying marine life on oil slicks and oil-covered beaches.

It's therefore suggested that it might be worth experimenting with noisemakers and other techniques to scare birds away from oil-polluted areas.



"I would urge you not to judge our industry only by what we say, but judge us by what we do." (Kerryn King, a vice-president of Texaco, Inc., and chairman of the American Petroleum Institute committee for air and water conservation, in an interview with the author.)

Prevention When?

When large oil spills occur, it is virtually impossible to get the oil out of the water before it wreaks its ecological and esthetic havoc. Kenneth Biglane of EPA's Water Quality Office told a government-industry conference on oil spills in December 1969:

"After nearly three years since the *Torrey Canyon* casualty, this nation—and I suspect this is true worldwide—still cannot mount sufficient technical or operational responses to positively control large spills of oil once it has been spilled to the aquatic environment."

Today, more than four years after *Torrey Canyon*, that's still true, as another industry-government conference on oil pollution will undoubtedly be told this June. We have the technology to find oil and drill thousands of feet beneath the sea floor to get it out of the earth. But we do not have the technology to clean it up promptly and properly when it spills.

Booms—barriers used to try to contain spilled oil—generally fail in the open sea and in swift-running rivers. Skimmers, suction pumps, and other devices employed to get oil out of water cannot cope with large amounts of oil. Chemicals used to disperse oil are usually more toxic than the oil itself. Burning spilled oil has not been successful; besides, it would be a fire hazard as well as

Federal law now requires anyone spilling oil, offshore or onshore, to report the spill immediately or face a fine of up to \$10,000 or one year in jail, or both. Notification immediately sets in motion containment and clean-up operations under the National Contingency Plan for pollution by oil or other hazardous materials.

Why not a national seabird contingency plan, perhaps spearheaded by the National Audubon Society, to immediately set in motion protection and rehabilitation procedures? Major breeding colonies and migration patterns are already well known. Bird-scaring equipment could be stored and maintained in those areas by local Audubon Societies and promptly put to use when an oil spill occurs. An expert team of veterinarians, biologists, communications people, and professional organizers could be kept on standby, to be flown to any emergency. As cleaning and rehabilitation know-how improves, supplies and facilities for caring for oiled birds could also be maintained near the most significant colonies. At a minimum, the results could well be a dramatic reduction in the number of birds contaminated by oil in the first place. And if a catastrophic spill should strike and endanger the very survival of a species, a national seabird contingency plan could prevent its extinction.

a source of air pollution in harbor areas. Attempts have also been made to sink spilled oil; fortunately they have not worked well either, for it's a cosmetic approach only and could do more damage by driving oil onto bottom organisms and sediments than leaving it alone.

In sum, "present technology for handling major oil spills, especially in the open sea, is primitive," in the words of L. P. Haxby, manager of air and water conservation for Shell Development Company and chairman of the American Petroleum Institute's subcommittee on oil spills cleanup. Haxby says the "most effective cleanup technique is to spread straw as an absorbent and pick it up with rakes and pitchforks—as was done at Santa Barbara. But dependence on hand labor to spread and harvest straw is certainly an anachronism in the space age."

Another veteran of oil spills, a federal official, says: "There is a total feeling of helplessness. You throw all your assets into the situation. You wind up using straw."

Or relying on fate. As then Assistant Secretary of the Interior Dr. Leslie L. Glasgow said in a report on Chevron's offshore well spill last year: "Although Chevron developed the most extensive and sophisticated oil containment and recovery system ever assembled, its success was at best marginal because of the rough seas. Only about 15 percent of the oil spilled was recovered. . . . It was not the human efforts expended, but the fortunate circumstances of favorable, abnormal, offshore winds and season of the year that combined to prevent a serious pollution incident."

(Nevertheless, the government urges anyone seeing oil in water to report it to the nearest Coast Guard station or EPA Water Quality field office.)

Both the government and the oil industry are attempting to develop new equipment and techniques to contain and remove oil from water immediately after a spill. But, according to David Dominick, EPA's Acting Commissioner for Water Quality, "we don't see anything on the horizon that's going to give us a rapid breakthrough. I think the emphasis has got to be on prevention."

"Prevention" has been delayed, however. The 1970 Federal Water Pollution Control Act requires the government to issue regulations establishing "procedures, methods, and requirements" to prevent oil spills from vessels, onshore and offshore facilities. More than a year has gone by since the act was passed—and EPA has not yet issued the performance standards. Why the delay? The oil industry and the government have been negotiating for months on how tough the standards should be and how much time industry should be given to comply. As an EPA spokesman put it, "The regulations are going through the bureaucracy." In one of its moves through the bureaucratic labyrinth, a draft of the regulations finally made it to the office of EPA Administrator Ruckelshaus last month.

At any rate, the government hopes the standards to be issued under the 1970 act and the act's liability provisions will bring oil pollution under some sort of control. Dominick explained in an interview:

"The element of human error appears to be the largest single source of oil contamination. We feel that the best way to get at this problem of human error is to impose very strict requirements on the oil companies so they in turn will see fit to impose strict requirements on their employees. The strict liability provisions of the act are going to give us the greatest payoff in the long run, because you cannot as a regulatory effort prevent people from doing something stupid. What you can do is make it so onerous in a financial sense that they will see to it that their own practices improve. The liability provisions of the act are going to prove to be the greatest deterrent to unnecessary spillage of oil or hazardous material that we have."

The act makes anyone spilling oil liable for clean-up costs—up to \$14 million or \$100 per gross ton, whichever is less, for vessels, and up to \$8 million for cleanup of oil spills from onshore facilities or offshore wells. (Union Oil Company paid \$7.2 million to the British and French governments for clean-up costs after the *Torrey Canyon* wreck.) Liability for cleanup is unlimited in cases of "willful negligence or willful misconduct." In addition, anyone who knowingly discharges oil in violation of the act may be fined up to \$10,000.

The government has other legal tools to use against oil polluters. One is the 1899 Refuse Act, virtually ignored until recent years. That act prohibits discharges into navigable waters without a permit from the U.S. Army Corps of Engineers. By Supreme Court decision, oil is considered a prohibited discharge under this act. But the maximum penalty under the 1899 law is only \$2,500 and this law is generally used only when the stricter 1970 act is not applicable. (From July 1969 through October 1970, 181 criminal cases were filed under the Refuse Act.) Offshore oil production in federal waters is regulated under the 1953 Outer Continental Shelf Lands Act; again, the maximum penalty is small—only \$2,000 per offense.

The increasing frequency of oil spills, the adverse

publicity they evoke, a growing public mood of outrage over environmental pollution, and tougher legal penalties are spurring the oil industry to action. The American Petroleum Institute says the industry spent \$288.3 million in 1970 for the "control or prevention of water pollution in the United States" and \$271.2 million in 1970 for "control or prevention of air pollution." In total, says API, "the oil industry's yearly antipollution expenditures have more than doubled in the past five years," rising from \$271 million in 1966 to \$559 million in 1970, or to \$1.5 million a day.

A Texaco newspaper ad last year asked the question: "Is the oil industry making only a token effort to solve the pollution problem?" The ad went on to say, of course, that "the answer is no" and that Texaco spends "more than one million dollars each week on air and water conservation."

In 1969, the U.S. oil industry had total income of \$65.3 billion. The industry's spending for air and water pollution control thus amounts to 9/10th of 1 percent of its gross income. Texaco's gross income in 1970 was \$6.78 billion. Texaco's spending for conservation thus amounts to 7/10th of 1 percent of its gross income.

It has been suggested that oil companies stop advertising their products and devote their ad budgets to pollution prevention and control. (Nine major oil companies spent a total of \$130 million for advertising in 1968, the latest year for which figures are available.) After all, people need gasoline and oil for their cars, etc. They'll buy whether the companies advertise or not.

The effectiveness of the 1970 federal anti-oil pollution law and of industry's efforts to reduce spills also remains to be seen. If the past is indeed prologue, oil spills—small, medium, and large—are likely to continue to occur because of carelessness and negligence in the oil and marine transportation industries and because of inadequate regulation to prevent spills.

Not that the government and oil industry aren't trying. They are. There are many devoted conservationists in government at all levels. Many in the oil industry are as concerned about pollution and environmental quality as the most ardent member of the National Audubon Society. Many are attempting to reduce their company's and the industry's adverse impact upon the environment, while at the same time continuing to supply the energy needs of our motorized, industrialized society.

Texaco's Kerry King summed up the industry's dilemma: "Energy consumption goes up and up and up and up. We have to find ways and means to satisfy this energy need and do it in such a way that we are not doing irreparable harm to the environment. And in fact, what we've got to do is help improve the quality of the environment and we are perfectly prepared to do that."

How well the oil industry succeeds will be reflected by the oil it spills upon the water—an occurrence usually as frequent as tomorrow morning's headlines. The oil industry will indeed be judged, as Mr. King urged, not by what it says but by what it does. ■



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First came the Blue Book—a thoroughly documented report explaining government policy. Called a Blue Book because it is bound in blue covers. Next came the White Paper—no less authoritative a report, but usually less extensive in scope, summarizing perhaps the results of a recent investigation.

British Parliament gave both terms to the diction of bureaucratese. Now, Audubon contributes a new phrase. Black Paper. Black not because of its binding. Black because the subjects of these investigative reports will so often be grim. And the resolution of the problems they discuss will weigh heavily upon the quality of life on Earth—if not its very survival.

It is apropos that our first Black Paper focuses on the frightening issue of oil pollution of the waters of the world. This 21-page report, part of the expanding and vitally important section which we call "The Audubon Cause," reveals for the first time the appalling scope of oil pollution, the sad state of our technology for dealing with oil spills, and the sheer irresponsibility which breeds these frequent disasters.

Yet there is a chapter even more sinister. For science is just beginning to unravel the hidden ecological effects of oil pollution. And the early evidence suggests that we are faced with a poisoning of our waters, both fresh and salt, as grave as the death wrought by decades of callous drenching of our planet with pesticides.

These Audubon Black Papers will appear frequently, but irregularly. They will be thorough, documented, accurate, and fair. They will, obviously, be controversial, for few "facts" are incontrovertible. An industry's views of its inherent environmental ills (if it admits they exist) will rarely agree with the interpretation of a conservationist or an involved scientist.

These reports will also, unlike most government papers, be eminently readable. For they will be the work of highly qualified environmental writers, consulting with experts on both sides of a question. The author of Black Paper #1, Marvin Zeldin, spent months in research, traveled

thousands of miles, and interviewed dozens of people, from respected scientists to oil company executives to refinery workers to government officials. (For that matter, we consider the credentials of all Audubon authors to be impeccable. As for our bias in favor of nature, we admit it with pride.)

Additional copies of the report on oil pollution can be obtained for 30 cents each by writing this magazine.

To continue on the subject of black gold, there is growing suspicion that most of that oil from Alaska's North Slope is really destined for Japan. Despite all those protestations that the tundra reserves must be exploited immediately for "national security" reasons.

The oil could be shipped to Japan either directly from Prudhoe Bay or from Valdez at the end of a trans-Alaska pipeline. The net economic benefits to the oil companies run as high as \$3.21 a barrel when compared with the costs of shipping the oil south to West Coast markets.

Indeed, the president of Phillips Petroleum has proposed an import-for-export plan that would bring an extra barrel of Venezuelan or Persian Gulf oil to the East Coast market for each barrel of Alaskan oil sent to Japan.

There is ample historical precedent for such a scheme. It's not generally realized that every board foot of lumber cut in the national forests of Alaska—and nearly 80 percent of the pulp—is shipped to Japan. This amounted to 561 million board feet of logs in 1970 alone. Meanwhile, lumber and paper prices continue to soar in the Lower 48, and the timber industry demands the right to ravage what is left of our national forest wildernesses.

Moreover, the U.S. Forest Service has not dedicated a single part of the magnificent forest of southeastern Alaska as a wilderness preserve. The trees, it argues, are promised to the local mills that supply Japan with wood and paper. Now, Americans may be forced to bear the tremendous environmental costs of supplying Japanese consumers with Alaskan oil.

More on oil . . . One of the frequent problems in placing blame for oil pollution is determining the source. For instance, an oil slick fouling a sandy beach could have come from any of several tankers passing at sea. But scientists are developing ways of "fingerprinting" oil. It is now possible to tell by chemical composition whether oil originally came from Kuwait, Venezuela, or even a local area in Texas. In one study of 222 oil slicks, no two oils were identical. Ultimately, samples of all oil shipments would be filed with an international agency, much like human fingerprints are kept on file by police, to help in solving and prosecuting pollution crimes . . .

The British, meanwhile, have lost patience with oil shippers. After the fourth in a series of recent tanker mishaps in the English Channel, Parliament passed emergency legislation giving the government power to seize or sink any oil tanker threatening to pollute Britain's shores—even if the ship is outside territorial waters.

An exclusive story in this issue details how the grey jungle fowl of India has been slaughtered, and its feathers smuggled into the U.S. and England, to satisfy the whims of elite trout and salmon fishermen. Detective work by agents from U.S. Customs and the Bureau of Sport Fisheries and Wildlife, with help from the National Audubon Society, led to a stiff fine against one of the largest mail-order sporting goods firms, Herter's. Now, similar criminal charges have been filed against Fireside Angler Company on Long Island. Three hundred trout flies can be tied with the neck feathers from a single jungle cock.

We note with sorrow the passing, shortly before his 96th birthday, of Samuel H. Gottscho, for more than half a century one of the leading photographers of gardens and flowers, both wild and domestic. His pictures frequently appeared in Audubon, among the many magazines and books that featured his work. He took his final photographs only a week before his death. L. L.