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SOUTHEAST ALASKA EMPIRE

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Gas Contracts

The Senate has considered and reconsidered. The House is unsettled. The issue is the sale of the state's royalty gas to three gas transmission firms in exchange for political support of the El Paso pipeline route in Washington, D.C.

Final resolution could earn the state hundreds of millions of dollars or cost a like amount, depending on who can be believed.

Never has an issue been more shrouded in fog than the gas sale. Part of the fog is being generated by steamed-up lobbying efforts. Political catchphrases like all-Alaska, all-America and vague allusions to 'national security' obscure the issue.

All the subterranean rumbling and airy pronouncements tend to hide the central theme of whether, as the Hammond administration says, the sale of our gas resources will curry enough support in Washington, D.C. to ensure selection of the El Paso route for the gas pipeline.

Separate that theme from the chaff and the answer is 'no.'

The simple truth is: through the gas sale pacts, Alaska would be allied with 'big oil.' And whether or not the popular image is justified, 'big oil' is synonymous with 'big lie' in the minds of many, many Americans. If the gas sale is approved by the legislature, the integrity of Alaska on the gas line issue will fall to the level most people believe is occupied only by oil and gas firms and Lockheed. In other words, the alliance would be seen as a crass political ploy.

But there are other persuasive arguments against approval of the gas sale pacts. There is no minimum standard of performance required of the three gas-sale beneficiaries who supposedly will lobby for the El Paso route. All three (Southern, Tenneco and El Paso) refuse to commit a specific dollar amount to the lobbying effort for the all-Alaska route. None is willing to describe, except in vague generalities, what efforts would be expended on the state's behalf.

In fact, the state included in the contracts a provision which allows the gas sale to remain valid if the transmission companies follow the state's lead and switch their allegiance to another line.

Canada Turmoil Secession

By Roland Bird

NEA/London Economist news Service
(Second in a series)

Rene Levesque did not sweep the Parti Quebecois into power on Nov. 15 by concentrating on separatism. It was George Bourassa, Quebec's Liberal Party leader, who told Quebecers to vote Liberal and keep the separatists out, while Levesque, having opened his campaign with the promise of a referendum in two years to decide on separatism, went on to slaughter the Liberals with charges of bad government and scarcely another word about separatism.

Since Levesque was never fighting for immediate separatism, it is rather jesuitical to claim that 40 per cent of the popular vote for the Parti Quebecois is tantamount to a rejection of separatism. The party is committed to secession and will seek a mandate for it two years from now. Meantime they will show Canada and the world how much better they can run Quebec than the "corrupt" Liberals and the failing Bourassa, and will embark on the enormous job of trying to teach the majority of Quebecers who are not of the party's thinking what separatism will involve.

Rene Levesque is indeed a nice man; but he has preached separatism for half a lifetime and he is now politically able and compelled to go for it.

Separatism is no longer the subject matter for some exciting romantic seminar, like the hundreds he has presided over. It is tough realpolitik policy, and if he were to show the slightest sign of backing off from it (which he will not) there are determined associates in the party who



would quickly get rid of him and do the job themselves.

There is more to the Parti Quebecois victory than Quebec's possible secession from Canadian confederation. Canada's prime minister, Pierre Trudeau, has been taking a rather lofty line: the people of Quebec chose a new government, not a new country, on Nov. 15. He is not there to negotiate the secession of Quebec. But he has rightly recognized that there is a crisis of decision, not just for Quebec, but for the whole of Canada.

Do Canadians want to live together in one civil society? Can they solve, in this generation, the questions, as Trudeau defines them, of language, rights, regional disparity and social justice? Would the Parti Quebecois be acting illegally, as the prime minister has asserted, if it took Quebec out of confederation?

Voice Of T

Southeast Alaska Empire readers are encouraged to write and express their opinions. Space limitations require that each letter be limited to 350 words. Unsigned letters will not be

day. It seems that's what He intended for me all along. I get up in the middle of the night sometimes and write because I can't sleep until I do a letter that I've been putting off.

I see where our Governor was

The following scenario is...
Due to lack of hard lobbying, the El Paso route is doomed in Washington. The state realizes El Paso is a lost cause and switches its support to the Alcan route. The three firms which have bought our gas switch their allegiance to Alcan in order to retain their share of the gas. The gas transmission firms win either way, so what incentive do they have to push hard for the state's first pipeline choice?

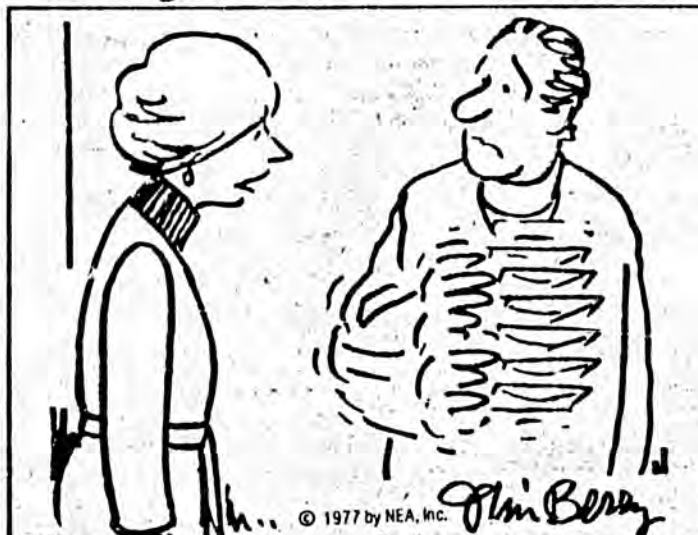
There are also severe doubts about the financial implications of selling the gas now. Legislative consultants conceded the possibility that if the contracts are signed now Congress or the Federal Power Commission may set unfavorably low prices on the gas sold in 1977. This argument becomes more persuasive in the face of reluctance by the other owners of North Slope gas to sell now. The other owners are concerned the FPC or Congress may set the price of the gas on prevailing prices at the time the contracts for sale are signed, not on the value of gas at some future date. It is likely that the value of gas will continue to rise. The state should consider that possibility and not open the door to arguments that the gas prices should be frozen at 1977 rates.

In view of the many uncertainties about the financial and political implications of the gas sale contracts, we feel it would be unwise to approve the contracts. Performance standards and guarantees of prime gas rate structures should be incorporated in the contracts before the legislators give their blessings.

If legislators feel the El Paso route is in the best interests of the state, they should appropriate money for Alaskans to speak for Alaska in Washington, D.C. instead of hiring the tarnished reputations of 'big oil.'

The state then could sell our natural gas resources at a time when financial benefits could be better assessed.

Berry's World



"Open it! Since our thermostat has been turned down, maybe the bill won't be as high as you think!"

withheld in special cases. Letters judged to be in poor taste or libelous will not be published.

Unpaid Debts

Dear Editor:

I hope I can squeeze in several subjects this time.

Many of you old people in this State owe this State a debt you haven't paid. You owe it to all Alaskans whether young or old, till the day you die.

I'm going to be as mellow on the following subjects as I can be—for me!

If I did as many of you are doing—sitting on your butts feeling sorry for yourselves, giving up, I'm sure I would be dead by now. Get active!

You have the years of experience that no young generation has. As you know, education plus experience is a must to get good laws on the books of this nation.

Just think—you have 24 hours a day to sit and write to news editors and legislators about your views. You can do research in public libraries since all the State statutes are there.

Our State needs the knowledge you people are keeping locked up in your minds.

One of the best places I know of to do this is in the Alaska Pioneer homes. Look at the knowledge within those walls being wasted!

I hope that every time you look in a mirror you remember this letter. Some of you can write better than I. God never gave all of us the same abilities—pool yours! It costs nothing to write to the Editors of the papers in our State—it is free.

I made a promise to God I would be a better man if he saved my life in the war—Jan. 11, 1943—in the Bering sea; men were dying all around me. So the rest of my life is dedicated to the best government we can get—for all of us.

In the last several years I have saved this State and Federal government millions of dollars—their oversights.

My wife and I are both disabled. I'll be 60 this fall, she is 59. I first came to this State in 1939 on August 19—to the Chilkoot Barracks.

You people who are 62 and waiting to reach age 65 to apply for Social Security, don't wait—unless the Lord had notified you of the date of your death. Maybe I'm not on his mailing list yet! I was trying to quit writing to newspapers, but evidently the Lord won't let me. I love it 24 hours a

employees to receive cash bonuses for ideas to save our State money. Good! Corporations do it.

To: Governor Hammond
Suggestion—include all Alaskan residents in this cash bonus plan.

(Maybe I could get back pay—retroactive! I'm joking! Who knows, this could be my last letter—but I hope not!)

Help you're legislators help you.

Yours,
Leo A. Lind

Thanks

Dear Editor:

The Lions Club of Douglas would like to thank all those who supported our raffle.

The drawing was held Feb. 22. David L. Johnson won first prize—\$300.00 worth of beef. Emma Paron, Lillian Austin and Nowman Hughes each won a



A partner for Alaska?

Thirty days ago we voiced our misgivings over the Hammond administration's plan to sell the greater part of the state's North Slope royalty natural gas to three gas companies in exchange for their aid in the trans-Alaska pipeline lobbying effort. We felt we needed to know a lot more about the contract and these companies before the legislature approves this move, and we questioned the wisdom of forming such a partnership with the oil industry.

Since then we and many other Alaskans have had the chance to study the gas sales contract carefully, and most agree it is a good contract. It gives the state maximum flexibility in dealings on the Alaskan gas line issue, even to the point that the governor can change the state's position to support of the Alcan Highway route and the three gas purchasers will have to either agree or cancel their contracts.

The contract is for a large part of the gas the state expects from Prudhoe Bay, but not for all the production. It provides for the state to cancel portions of the gas sale as markets develop here.

But our questions of the political decision behind the contract still remain, and today's front-page story by our Washington D.C. correspondent increases our desire to know more about these new allies and just what they're going to do on our behalf.

Reports filed with the Securities and Exchange Commission (SEC) indicate Tenneco Inc., and its subsidiaries made a number of illegal and questionable payments to politicians and public regulatory officials over the past six years. These practices are the subject of a stockholders' suit against the company.

We should ask again: is it proper for the State of Alaska to ally itself so closely to oil companies in making its appeals to Congress?

Tenneco gets half the gas being sold under the proposed contracts, with El Paso Natural Gas Co. and Southern Natural Gas Co. splitting the other half. This newspaper has backed the concept of El Paso's trans-Alaska pipeline proposal since its inception, and we've agreed with many things said and done in their behalf by other Alaskans who have actively supported them before the Federal Power Commission (FPC) and Congress. We don't know the other two companies at all, however, and what we hear is disturbing.

As we said before, a business partnership is a lot different from the political support El Paso has received in the past. Before the FPC now the State of Alaska speaks as a separate intervenor taking a similar position as El Paso for entirely its own reasons. Before Congress next year, if these gas sale contracts are approved, we will appear as a joint lobbying effort seeking both political and business ends.

And as we also pointed out before, we will be appearing at the same time as we're trying to convince Congress that Alaskans can best manage our own resources, that Congress need not lock up 80 or 100 million acres of d-2 land in order to protect it, and that Alaskans are capable of selecting and managing millions of acres more of the state land entitled to us under the Statehood Act.

The SEC reports don't convict Tenneco as a big time pit of corporate corruption, but do raise some questions about whether it's the type of partner to take on for a 20-year financial and political alliance.

It raises questions which should be answered by the Hammond administration, and it applies to political decisions our legislators should be talking with us about before they go to Juneau next month. The royalty gas sale is not an issue which should be decided between them and special interest groups after a few intensive back room sessions in the capitol, but one which should be raised before all Alaskans immediately.

The Hammond administration has put a lot of emphasis on bringing the public in on long-range policy decisions, and now is the time for it to show that the same applies to immediate decisions with long-range impact.

Editorial
Dec. 16
New York Times

Tundra Times

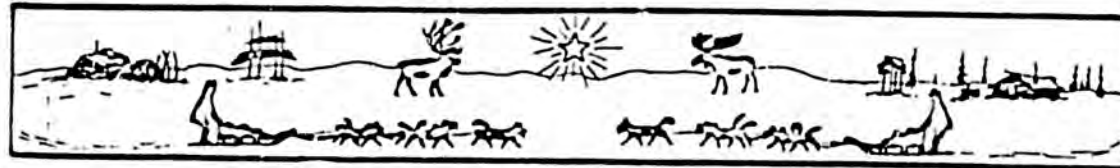
Alaskan newspaper

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Inupiat Paitot People's Heritage

Den Neia Henash Our Land Speaks

Unanguq Tunuktauq The Aleuts Speak



Tlingit
Ut kah neek Informing and Reporting

Vol. 14, No 2

Wednesday, January 19, 1977

Fairbanks, Alaska

editorial —

Gasline route

After several years of closely observing the debate between Arctic Gas and El Paso about the method of transporting Alaskan gas to the populous urban and suburban regions of America and southern Canada, the Tundra Times is relieved to note the emergence of a third, more viable, alternative in the Northwest — Alcan Pipelines proposal.

The Alcan proposal has one highly desirable attribute — it does not have any of the lethal and undesirable deficiencies of the Arctic and El Paso proposals.

Let us note the problems plaguing the Arctic route:

(1) It presents a severe challenge to the subsistence lifestyles of Alaskan and Canadian Arctic peoples — What assurance is there that the people of Kaktovik and the Mackenzie delta will be left undisturbed in the pursuit of their subsistence lifestyles? None, that we may observe.

(2) Let us not force the Canadian Native people to settle their aboriginal claims in the same frenzied, development-based turmoil in which Alaska Natives were forced to reach a land claims settlement during the 1960's and early 1970's. Before any type of Canadian pipeline system should come under serious consideration, Canadian Native claims should be fairly and thoroughly adjudicated without pressure from too-rapid development. We should know this from the Alaskan experience in resolving Native claims.

(3) Although we often do not lend much credence to the conservationist elements (special interest groups which often have little respect for the Native subsistence lifestyles, nor for the property rights of the original Canadian and Alaska Native landlords), many environmental questions about the feasibility of building the Arctic system with minimal impact on our Arctic ecosystems have not been adequately satisfied.

(4) Alaskan and Canadian Inupiat Eskimos are dependent upon migratory patterns of caribou for protein and essential nutrients. In spite of many assurances to the contrary in advance of construction of the Alyeska pipeline, Anaktuvik Pass Eskimos report disruptions in migratory patterns of the Porcupine caribou herd. We believe that there may be no guarantees of avoidance of such disruption where non-indigenous technology is massively applied against the arctic ecosystems. There are no such herds of caribou to be impacted by construction along the highway.

The El Paso route, a favorite of many Alaskans, will find it extremely difficult — we believe impossible — to overcome the lethal objections of the conservationist elements, staff recommendations of the Federal Power Commission, and the demands of more populous mid-western and eastern markets. Sound environmental concerns are concentrated about the uncertainty of implementing a technologically unproven gas transmission system involving a pipeline system, gas liquification system and LGN tanker system. The southcentral Alaska terminus proposed by El Paso has been demonstrated to be highly susceptible to earthquake danger. The El Paso system would increase tanker traffic along sealanes and near ports which state and federal officials worry may become cluttered with unsafe vessels.

Regardless of how Alaskans feel about the El Paso route, odds against its selection are tremendous and increasingly stacked against the proposal. The remaining contenders, we believe, will be Arctic and Alcan. The Tundra Times is hopeful that the decision will (1) not infringe upon the subsistence lifestyles of Alaskan and Canadian Native peoples, and allow them to continue to gather their daily ration of protein in peace, and (2) allow for the adjudication of Canadian Native land claims in a fair and equitable, orderly and comprehensive manner, and (3) allow for intelligently planned development of Alaskan resources with minimal environmental damage.

In our view, the best way to go is the Alcan route.

—T. R. j.

reprinted as guest
editorial for
SE Alaska Empire

2/3/77

Editorial Opinion and Comment of
FAIRBANKS
Daily News - Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

More bad advice

Some weeks ago we noted the Federal Power Commission got some bad advice when its staff endorsed the Arctic Gas trans-Canada natural gas pipeline route. Tuesday the FPC got another layer when its administrative law judge, Nahum Litt, agreed with the staff's queer logic on the three-way pipeline debate.

Like the staff, Judge Litt said the Arctic Gas route is best because it will speed oil and gas development in the Arctic National Wildlife Range—the one part of the North Slope where we are trying to preserve a piece of Alaska free of any massive development.

Like the staff, Judge Litt said the Arctic Gas proposal is best because it's biggest. With the eastern and southern states literally frozen in the results of the catastrophic natural gas policies followed by the FPC during the past 20 years, Judge Litt tells us we in Alaska can only help by pumping out more natural gas to keep the next crisis just a little farther away.

Judge Litt went his staff one better when he dismissed the state's arguments for the trans-Alaska route as "more an advocate on economic grounds than a concerned party merely seeking to protect its environmental heritage."

Even if that were true, the motives of the state shouldn't dismiss credible testimony presented under oath. Did Judge Litt discount Arctic Gas' case because it represented the economic desires of multinational oil companies to piggyback small foreign reserves on Alaskan holdings? If he had, no decision would have been possible.

No matter how many discoveries are made in Alaska, moderate oil and gas production will always be the key to our state's financial stability and to our country's best energy policies. We didn't learn our lesson with the oil crisis four years ago, and gutting Alaska of its vast resources in a few short years won't help either.

Petroleum is a non-renewing resource, and a modest production rate will ease the tendency for our state government to rely on it too much, it will keep the pressure on for new energy developments in other states and it will stretch out the time Alaska needs to get renewable resources up to their full potentials.

As for the Canadian fields in the Mackenzie Delta, that's also something best left for the future. Only 6.5 trillion cubic feet of gas have been discovered in the Mackenzie Delta so far, out of the estimated 50 trillion cubic feet the area holds. Since 1965 oil companies have drilled 130 wells there, finding 17 gas accumulations of which only three are considered major.

If the Canadians are hurting for natural gas, they can use the U.S. exports which will stop when Alaskan gas comes on stream. Alaskan gas could also go to Canada's northern communities from an Alcan highway pipeline with trade-off increases in other exports to the U.S.

Even if we wanted to increase production beyond what current discoveries and the wishes of the Prudhoe Bay operators call for, El Paso can expand its trans-

A minor

By TOM BRADEN

WASHINGTON—This town will miss Sen. James Abourezk (D-S.D.) but not for the reasons he handed out the other day.

At the same time Abourezk announced that he would not run again, he issued a list of his "accomplishments." They were largely parochial (flood relief for Rapid City) and what wasn't parochial wasn't really accomplished.

Oddly, perhaps, Abourezk didn't mention in his list the one thing for which he will be remembered here. He was the Senate's only spokesman for the Palestinians and for the Arab cause in general. There is nobody to succeed him, and so the country will be deprived of the forceful presentation of a minority view.

Abourezk is of Lebanese descent—his father emigrated to South Dakota and became an Indian trader—and he never let anybody forget it. Time after time he rose to deplore what he considered to be the one-sidedness of U.S. policy in the Middle East and to point out that the land which the Jews call home is called home by the Arabs, too.

Not that this was a big issue in South Dakota. When Abourezk came to the House in 1971, he hadn't given a

MAILED



Lette

College Utilities

been possible.

No matter how many discoveries are made in Alaska, moderate oil and gas production will always be the key to our state's financial stability and to our country's best energy policies. We didn't learn our lesson with the oil crisis four years ago, and gutting Alaska of its vast resources in a few short years won't help either.

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If the Canadians are hurting for natural gas, they can use the U.S. exports which will stop when Alaskan gas comes on stream. Alaskan gas could also go to Canada's northern communities from an Alcan high-way pipeline with trade-off increases in other exports to the U.S.

Even if we wanted to increase production beyond what current discoveries and the wishes of the Prudhoe Bay operators call for, El Paso can expand its trans-Alaska pipeline from its all-weather workpad easier than Arctic Gas can expand its own system, and El Paso has a far greater flexibility in its liquefied natural gas tankers than its competitor has with a buried overland pipeline.

The Alcan Highway proposal is designed to carry 2.4 billion cubic feet of gas per day, can be expanded to carry 3 billion merely by adding compression and the sponsors of this line are looking at expanding the 42-inch pipe to 48 inches if new demands come up before construction begins.

Before the two trans-Alaska routes are too small for North Slope traffic, we're going to have to discover new gas fields capable of producing more than half the rate of the huge Prudhoe Bay field. They will have to be developed and ready for production and our nation's gas customers are going to have to want new Alaskan gas over cheaper and more convenient new supplies in the Gulf of Mexico and other states.

We hope the commission carefully reviews the facts in the pipeline debate along with the recommendations of its staff and hearing judge. We're lucky that the commission's decision will go through the White House and Congress before it becomes final, because it hasn't gone well for Alaskans so far.

As with most decisions made in Washington D.C., Alaskans are coming out on the short end. We're going to have to redouble our efforts, or see our state and our nation suffer from decisions like these for years to come.



L et

College Utilities

600 University
P.O. Box
College, Alaska
Jan. 25,

Dear Editor:

This letter is a continuation of reply to a paid letter to the Editor Mr. Fred Schikora regarding College Service Area.

College Utilities Corporation hydrants are placed on paths following criteria of modern works systems, and where possible customers exist in the community. Approximately 120 fire hydrants now placed from one end of proposed College Service Area to other. Currently, no College Utilities Corporation customer is more than feet from a fire hydrant, and greater majority are within 300 feet.

All College Utilities Corporation facilities which have been constructed to serve any Alaska Airlines facilities were paid for at full, Alaska Public Utilities Commission regulated approved rates. Mr. Cosgrave and associates currently directing Alaska Airlines were bought out of College Utilities Corporation in 1969 in an adverse stockholder proceeding. He and his associates are no longer associated with College Utilities in any way.

Absolutely no College Service Area tax revenues have any way of accruing to College Utilities Corporation, and others like you, will benefit from College Utilities Corporation hydrant placement as much as our paying customers, as there is a hydrant on your street placed there as a result of hookup of one of your neighbors, the Municipal Utilities System Greenwood Exchange.

In a Fall of 1976 public meeting called by the City of Fairbanks discuss annexation of the Mack Snowball Subdivisions and water service to that area, approximately miles east of Sandvic Road, majority of the people attending meeting were against annexation in fact, the City of Fairbanks could guarantee water in any of that area

FAIRBANKS

Daily News - Miner

200 North Cushman, Fairbanks, Alaska 99701

An Independent Newspaper . . . Established in 1903

Member of
The Associated Press



America's Farthest
North Daily Newspaper

Published Daily Except Sunday and National Holidays
by Fairbanks Publishing Co.

C. W. SNEDDEN

EL PASO'S TANKERS

El Paso Alaska isn't making a big thing of it, but the recent rash of oil tanker accidents and increased worries about tanker safety should add to their case for the all-Alaska natural gas pipeline.

The liquefied natural gas (LNG) tankers El Paso hopes to operate out of Point Gravina are a very different breed of ship than the oil tankers we read about in recent news reports and Noel Mostert's book, "Supership." Although their record is based on far smaller shipping figures, their design is inherently more safe and their operations are quite a bit more safe than what we've seen for oil tankers.

In contrast to the promises of federal officials and oil company executives a few years ago, the oil tanker fleet serving the trans-Alaska pipeline appears now to be deficient in even some of the most basic safety designs. LNG tankers meet or exceed all requirements of those concerned about oil tanker safety, and their operation appears to be a more responsible system as well.

LNG tankers have double hulls and segregated ballast compartments, since the cargo must be kept supercooled to minus 260 degrees during the voyage. They also must have inert gas systems in cargo holds, since LNG becomes hazardous when it vaporizes and mixes with oxygen-bearing air.

A much greater advantage is the different organization of LNG tanker fleets. Oil tankers are largely owned by private shipbuilders and operators, and leased to oil companies for their work. The oil companies have only the slightest direct control over the crew and the details of the ship, and the vast majority of oil tanker accidents have been due to human error which would have been avoidable in better hands.

LNG tankers, however, are owned by the gas companies using them and are under direct control of those companies. There's no trouble in pointing the fingers of blame when things go wrong, and a company like El Paso can insure that safety features meet the standards they promise.

LNG has been transported throughout the world for more than 15 years without a death, serious injury or cargo spill. Some have theorized that an LNG tanker could become a massive floating bomb if certain accidents took place in a populated area, but scenarios of this type can be cooked up for oil tankers and many other potential hazards of society. Safety hazards of LNG tankers deserve more study, especially since we'll be using them more and more, but nothing we've seen to date marks them for great immediate concern.

LNG tankers have been working out of Cook Inlet for many years, carrying gas from a liquefaction plant in Kenai to Japan, and their safety record has been far better than the oil tankers using the same waters.

LNG tankers share one advantage with oil tankers which we have mentioned earlier—they give flexibility to send cargo anywhere it is needed. We're seeing that in the oil exchange proposed for Alaskan production later this year, and we see it again in the state's recent decision to shut off royalty gas sales to Japan and make the state's Cook Inlet gas available for Anchorage utilities. We're learning the hard way that our energy systems need to be flexible and reliable, and the El Paso pipeline-tanker proposal offers the highest standards of both.

Aiding idleness

Teenage gainful employment, whether during the summer months, in the evenings or over weekends during the school term—or over holidays and prolonged vacations from school—is disappearing in the United States.

at all about the only absolutely independent attorney general in this generation.

It is odd because after John Mitchell and Richard Kleindienst, after the Saturday Night Massacre, after the squeezing of Henry Petersen everybody agreed that "independent" was what the attorney general ought to be. Between 1972 and 1975, the country had seen six attorneys general, two of them proven lawbreakers and one who lasted two minutes because he suspected the truth.

Then came Edward Levi, absolutely and totally independent. Nobody liked it at all.

Republicans didn't like it because independence was embarrassing. When Levi kicked out the No. 2 man in the FBI, they shook their heads. When he acquiesced in putting Henry Kissinger on the stand in a wiretapping suit, they wondered if he had political judgment. When he laid down stringent guidelines for domestic espionage on the FBI and the CIA, they asked each other—in private—whether he understood that

Profits and what the

The 1976 profit score is in. Profit is made to sound like a dirty word and it's one thing to hear rumors of high profits. To get them officially is another thing indeed. And the U.S. Department of Commerce officially states that a corporation retains control of just 10 cents on the profit dollar.

We do not live in a profit economy. We live in a profit-and-loss economy.

Henry J. Taylor



That's totally different. It must include the losses—which in the aggregate are enough to make you take up smoking again.

Yet the risk for (profit or loss), and trend of, profits is discussed only when large. There's little thought of enterprise as a job-giving factor and the enterprisers' reward is ignored. The concern for profits and progress are not incompatible. They are indivisible. Yet profits are made to sound like a dirty word.

Business, like individuals, must have a suitable climate in which to develop. This is essential in order to provide the maximum contribution to jobs, payrolls, security, products, etc. Scaring the daylight out of business is a poor way to get the production, employment and wages and the taxes on which Washington and the states and municipalities depend.

Yet U.S. businessmen are the victims of a sort of preventive legislation. These men and women hardly know if their next step is even legal—nor can they readily find out in Byzantium-on-the-Potomac.

The Commerce Department shows profits at \$127 billion. That sounds like a lot—until you make the deductions in even a profitable firm.

Taxes total an appalling \$54 billion. Countless companies pay many times

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Editorial Opinion and Comment of



Daily News-Miner

"Independent in All Things . . . Neutral in None"

Other opinions expressed on this page do not necessarily reflect those of the Daily News-Miner.

Finger pointing

It's taken a whole week for Congress to respond to the natural gas shortages in eastern and southern states, and the response is mostly for a few valves to be turned to transfer gas across some bureaucratic barrier.

While they were at it, the subject of gas price deregulation came up again, but most of the wise old heads have continued to shake the idea off, because of the horrible prospect that someone might make a profit out of it.

They hope the U.S. public doesn't yet realize who is responsible for the gas "shortage." They again point fingers at the gas industry and cry "profits," but they don't have very far to point when it comes to finding who's responsible for there not being enough gas because of their profit-less attitudes.

To beat a dead horse once more, it went like this:

The federal government decided some years ago to put a price limit on gas sold between states, letting natural gas produced and sold within a single state be priced on the open market. They set a gas price which soon became artificially low. Unless a producer struck gas along with an oil field, it didn't pay for him to explore for new gas or put a new field into production or sell it outside his state.

This meant gas sold on interstate markets became in increasingly short supply, because nobody looked for it and nobody did anything with it when it was found. We can't blame the oil and gas companies for this, since no one except congress can expect them to invest money in a loser.

The federal policy also meant people shifted to gas in their homes, because it stayed "cheap" while other forms of energy rose in price. The people who can least afford the current problems are the ones who changed in great numbers, of course.

Since people were paying cheap prices for gas, there was little consumer incentive for developing alternative forms of energy. There will be when Congress is forced to double the price of gas for all these folks, but by then it will be too late.

All this time the intrastate gas markets, those where gas is produced and sold within a state and out of federal jurisdiction, rose to prices three and four times as high as the federal price. It's no wonder now that gas-producing states have plenty of gas for sale within their own borders, but it literally takes an act of Congress to get that gas across a state line to needy areas.

Now a cold winter finally brings the federal gas policies of the last 20 years into their inevitable conclusion. Now factories are shut down, people are freezing to death in their own bedrooms and the nation's economic recovery is in peril. Does Congress admit its past mistakes and remove the restrictions which have brought it all about?

GAS

Letters to

Promote Fisher

Jan. 24, 1977

Dear Editor:

Why not hire Rex Fisher as our new school superintendent? Obviously four of our school board members (Movius, Stetson, Williams, Kniffen) feel he is a top man. Obviously the FEA feels he is great as their two puppets (Stetson and H.O. Williams) support him all the way.

Movius and Fisher would make a SUPER Leadership team. Why waste all this time and money looking around?

This present school board is fast replacing the city council as the best show in the North.

Lois Meller

ask for more restriction. Did you assume that a lot of public hearing variances that more necessary.

Did you have public the people what they

The answer to questions is No statements.

You, for some reason, want to produce 735 produced without people, without gas people and without people, was present long ago and was not been amended in assembly and is still the people.

Do you have the answer, to believe you know the people or is it the people.

You seem to think people that are not the subject of planning those people that are against planning and hungry land development two or three of the attended the Nov. small people who develop but did read

In all of the meetings has been P&Z staff member and an assistant of 75-35 versus invited opponents.

Udall message

(A copy of the following was submitted as a letter to the editor.)

Jan. 29, 1976

Honorable Mr. Morris Udall Re H.R. 39

Why are you so interested in turning most of Alaska's natural resources into an idle national park? Would it be that the strip mines in Arizona with their 0.5 per cent copper would no longer be able to control the copper market in the United States if they had to compete with the 1 to 3 per cent loads in Alaska which can be mined with much less damage to the environment?

I invite the Sierra Club to compare

priced on the open market. They set a gas price which soon became artificially low. Unless a producer struck gas along with an oil field, it didn't pay for him to explore for new gas or put a new field into production or sell it outside his state.

This meant gas sold on interstate markets became in increasingly short supply, because nobody looked for it and nobody did anything with it when it was found. We can't blame the oil and gas companies for this, since no one except congress can expect them to invest money in a loser.

The federal policy also meant people shifted to gas in their homes, because it stayed "cheap" while other forms of energy rose in price. The people who can least afford the current problems are the ones who changed in great numbers, of course.

Since people were paying cheap prices for gas, there was little consumer incentive for developing alternative forms of energy. There will be when Congress is forced to double the price of gas for all these folks, but by then it will be too late.

All this time the intrastate gas markets, those where gas is produced and sold within a state and out of federal jurisdiction, rose to prices three and four times as high as the federal price. It's no wonder now that gas-producing states have plenty of gas for sale within their own borders, but it literally takes an act of Congress to get that gas across a state line to needy areas.

Now a cold winter finally brings the federal gas policies of the last 20 years into their inevitable conclusion. Now factories are shut down, people are freezing to death in their own bedrooms and the nation's economic recovery is in peril. Does Congress admit its past mistakes and remove the restrictions which have brought it all about?

No. Instead it allows a little gas to seep across some state lines, spreads a lot of talk about how the gas producers were hoarding it, and decries the short-term windfall profits a few might make from it.

It's the same old story. Regulate and restrict an industry until it can't do its job, then use that as the reason for a full federal take-over.

And if our neighbors in the smaller states think this winter has been bad, wait until Congress has its hands on more than the price of the gas in their homes.

Shuttle Missions

Although the space shuttle program began with a controversial approval in 1972 and now has unveiled its first flying craft, it will not become operational until the spring of 1979. Much suborbital testing is necessary to prove the vehicle can perform as its designers say it will.

After the shuttle has proved itself, then what? The question is not asked facetiously, because a vehicle with the capability of launching into earth orbit with a payload of 65,000 pounds and returning to an earth landing as many as 100 times obviously has many potential uses.

At this point in the space shuttle's development, it is somewhat like the first locomotive. Even if it works as planned, it is limited by lack of track. Will space stations be lobbed into orbit, with the shuttle acting as a commuter between them for men and equipment?

Will the shuttle service more conventional satellites, perhaps acting as an in-space repair station or post from which to observe foreign satellites? Missions are what the space shuttle will need between now and 1979 to prove its worth.

Promote Fisher

Dear Editor:

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I invite the Sierra Club to the environmental impact of Arizona to that in Alaska.

I wonder who is taking advantage the free ride you or the Sierra all Americans' expense.

Sincerely,
Alaska Prospector
Johnny L. Wilson

Towsley's firing

326 Box
Fairbanks
Alaska

Dear Editor:

It would be ever so good to see written to the editor comment on wonderful things that the Council has accomplished. Unfortunately council seems to botch everything.

The recent firing of Mr. Towsley is a insult to the people of Fairbanks. I dare a representative of the council to attend a meeting after having alcoholic drinks and then expect a frame of mind that would be to analyze various problems to the Council!!! With representatives as unconcerned with the image, it is no wonder that receives so much criticism. I only assume that the recent firing of the councilman's obnoxious was caused by previous resentment toward Mr. Towsley.

Not being familiar with the details of the case, it seems to me that the firing of Mr. Towsley is warranted. Perhaps Mr. Towsley doesn't care to pursue the matter, but he may find it a relief to no longer with the incompetence of the council seems to excel in.

It is my hope, however, that the people of Fairbanks attend the next Council meeting and show DISCOURTESY and unprofessionalism of some Council members. The consolation is the fact that for the councilman in question.

ROBERT B. ATWOOD
Editor and Publisher

WILLIAM J. TOBIN
Associate Editor
And General Manager

CLINTON T. ANDREWS JR.
Managing Editor

Page 4

Wednesday, February 2, 1977

Freezing In The Dark

THE COLD WEATHER that has struck so hard at the Midwest, the East and the South in recent weeks has caused enormous suffering, inconvenience and economic loss, as everybody knows.

Literally, and sadly, people have been freezing in the dark. What would be almost routine winter weather in Alaska has been a disaster for a dozen and more states from the Great Lakes to the eastern seaboard to the Florida citrus groves.

It took a calamity of this magnitude, unfortunately, for many Americans to realize the seriousness of this nation's energy situation.

All the prior talk about the trans-Alaska oil pipeline sailed past the consciousness of many people. All the controversy about environmental considerations was of not much more than academic interest to others. Many who proclaimed the need to preserve the wilderness a few years ago when the winter was mild are locked in blizzard chill today.

For several years the trans-Alaska gas pipeline has been a vital matter of public interest up here. But Outside it has attracted only limited interest. After all, many probably thought, wasn't that just another argument by Big Oil trying to defend its raping of the environment?

NOW, HOWEVER, the awful consequences of a winter more severe than existing energy supplies can deal with are being brought home to millions of citizens and hundreds of state and government officials.

In all of this is it perhaps worth a footnote to history to suggest that:

— Had it not been for efforts to delay and to actually halt construction of the trans-Alaska oil pipeline, crude already would be

flowing to market, and would have been for the past two or three years, and

— Had the oil line been completed somewhere close to the original target date, without all the delays imposed by that opposition to the oil pipeline, the natural gas line very likely would now be under construction or nearing completion, with the promise of putting more energy in the hands of consumers before next winter rolls around.

MAYBE IT DOES no good for Alaskans to display an I-told-you-so attitude.

In no way should this be construed as a lack of sympathy for those now caught in a severe energy crisis. Nor should it be considered to disregard the very real problem that confronts this nation in dealing with energy matters.

It reflects only a little bit of human weakness, perhaps, and a desire to say, "Okay, we warned that this might happen, and it did; now what can we do to help?"

The latter thought is important. Alaska truly is this country's energy hope for the future. It is incumbent upon this state, its political leaders and its people to consider the national interest in helping to resolve the crisis now confronting other states.

In the process, however, Alaska has a right and an obligation to remind those dealing with this situation on the national scene that this state, too, has an interest which properly should be protected. Alaska, as the energy supplier of the nation, should get an adequate share of the resource for utilization within the state, to meet present and future industrial needs.

That's not selfish. That's just fair.

IN WASHINGTON



Hell Has Frozen Over

By Ron Hendren

WASHINGTON — Winter in this and faithful friend who has never



Wishful Thinking

OUR TIMES

The Meaning of Pardon

By Smith Hemp



WASHINGTON — President Carter can, as he has done, grant "a full, complete and unconditional pardon" to those light-footed thousands who fought the Vietnam war from the safety of Canadian bunkers.

But the President lacks the authority to bestow upon those who violated the Selective Service Act the gratitude of their country, the respect of their peers or that sense of honor they sacrificed in the pell-mell pursuit of their own comfort and safety.

These, to paraphrase President Kennedy, were willing to pay any price, employ any loophole, travel any distance, shirk any responsibility to assure their own survival and success.

One can, and must, respect a man who refuses to kill. There is a place for him — and 30,000 found it during the Vietnam war — in the non-combatant medical corps.

IT IS POSSIBLE to esteem those 35,000 who said they would not under any circumstances don a uniform, and dignified that stance by their willingness to go to jail or to perform alternative civilian service.

But it is not possible to admire a person whose most profound statement of belief is a skeddaddle

The worst Canada. The comment a professors and those young and less wise there was involved in evading their betraying the who should have criminals out to listen to the

CARTER'S none of this. and acceptan implies guilt does not. To not to praise. nor forgive.

What the those who dangerous to away until it simply this: home, if you

In so doing, he cannot sacrifice of thousands of fought, died of nam. What the meaning of it untarnished. So the return

SOUTHEAST ALASKA EMPIRE

WILLIAM S. MORRIS III—PRESIDENT and PUBLISHER

KIM ELTON
Managing Editor

JEFF WILSON
Business Manager

TOM BLUMENSHINE
Production Manager

Who R

EDITOR'S NOTE: This article excerpted from a document of the Montonero Party. The previously called the Authentic Peronist Party, went underground before the ruling junta assumed power in that country. The document published last month by the American Congress on Latin America.

It is difficult to give a complete picture of repression in Argentina today, to come obstacles such as a vacuum of information created by the Junta's censorship of newspapers, the legal measures taken by the government.

Backing A Loser

(Editor's note: the following opinion is reprinted from the Sitka Sentinel.)

As the Alaska Legislature methodically works its way toward a foregone conclusion—an overwhelming endorsement of the El Paso Pipeline Co.'s "All Alaska" pipeline route through the approval of Gov. Hammond's royalty gas sale—the evidence continues to mount that the state is backing a sure loser.

The legislature, by its past actions, has practically locked itself into a commitment to the El Paso route. Yielding to intense pressure to do so, Gov. Hammond has thrown the weight of his administration behind the proposal, though perhaps not so unshakably as the El Paso lobbyists would have us believe.

The officers of our state government have the obligation to give prime consideration to the fiscal welfare of Alaska in making decisions such as this. In supporting the El Paso proposal for getting North Slope natural gas to markets in the lower states they are performing their duty as they see it.

If the final decision were to be made by Alaskans, perhaps this is all that would have to be considered. The decision will not be made by Alaskans, however, and the inescapable fact is that the particular route the state supports is the one that would fail by the largest margin to meet the needs of the greatest number of ultimate consumers.

It is ironic that the hearings in Juneau should coincide with the natural gas crisis in sections of the lower states. What more graphic illustration could there be that the El Paso route that is so highly favored up here would deliver the North Slope gas precisely where it is needed the least—the Southwestern United States.

If it could be shown that the delivered cost of the gas by this route would be the lowest of any of the three alternatives, there would be an arguing point for the Alaskans who will be promoting it before the Federal Power Commission, Congress and—in the unlikely event it gets that far—President

Opinion

as well as the "cautiousness" of the newspapers.

There is no official information on political prisoners in Argentina. A complete list of prisoners has not been published, nor has information been given about their present status. Except in very sporadic cases, there is no official recognition of arrests, motives, location of prisoners, applied in prisons, etc. The number of prisoners is not known either.

Reliable sources, whose information obviously cannot be confirmed or estimated, estimate the existence of close to 10,000 political prisoners. (This clearly does not take into consideration the 6,000 political prisoners who already existed in Isabel Martinez's government.)

Only a small part of that number is composed of officials of the present government. Justicialist Party or union members who have been arrested and are under investigation on charges of corruption. Most of the prisoners are workers — trade union leaders from factories who belong to a new generation of trade unionism and have been involved in the resistance against Isabel Martinez's government, as well as activists and party members.

Almost all political prisoners are held in military garrisons, regimental warships which have been transferred into prisons. And, while political prisoners are treated with the harsh treatment used in regular prisons, those who are under investigation on charges of corruption are comfortably lodged in the ship's staterooms and their meals with the ship's officers. Shortly after last year's Argentine newspapers began to publish lists of people who had been named by the Argentine Anti-Communist Alliance, (AAA), an armed gang created by the Minister of Social Welfare.

The North American Congress on Latin America (NACLA), which publishes a monthly report on Latin American affairs, is located at Box 57, Cathedral Station, New York, N.Y. 10025.

for the Alaskans who will be promoting it before the Federal Power Commission, Congress and—in the unlikely event it gets that far—President Carter.

But there is not even a cost advantage in favor of the "All Alaska" plan. Three independent studies—two done by agencies of the state government—have concluded that the El Paso plan would deliver the highest price product.

Gov. Hammond's Gas Pipeline Task Force, the State Department of Revenue, and most recently the Federal Power Commission Administrative Law Judge have all reached this conclusion.

In what could well be viewed by "outsiders" as evidence of a public-be-damned attitude, the governor's pipeline task force glossed over the discrepancy in the projected delivery prices with the observation that it was probably immaterial to the state's economic future. The wellhead price and the resultant royalty and severance taxes on natural gas, unlike oil, are not necessarily affected by transportation costs, the task force observed, because the FPC regulates gas prices to guarantee a return on the developer's investment. The task force thus dismissed considerations of relative delivery costs. As long as we get our share, Alaskans seem to say, why should we worry about the higher price the consumers in the lower states will have to pay?

The strategy of the state and the El Paso people in holding out the promise of the distribution of Alaska's royalty gas—which of course would be only a small fraction of the total North Slope production—to the gas-short areas of the East and Midwest can be expected to be woefully lacking as an inducement for approval of the All-Alaska, LNG tanker delivery system.

The FPC may be expected to pursue the recommendation that already has been passed through two of its lower levels, favoring the Arctic Gas Proposal.

This is the route that would benefit Alaska the least. But the most ineffective way to combat this proposal, which is as vulnerable as the El Paso project to cost overruns, would be for the state to continue to advocate the opposite extreme.

As soon as it can gracefully do so, the state must abandon its sure loser and throw its support behind the proposal that holds the greatest promise of benefits both to the State of Alaska and to the rest of the United States.

That, of course, is the Alcan route. It has the disadvantage of being unimaginative: no wintertime construction on snowpads; no construction of gas liquefaction plants and LNG tankers on a scale unprecedented in the world; no hair's breadth gambles with the environmental catastrophes that are inherent in the other two plans.

Alcan holds the promise of getting the gas to the markets where it is needed most, using conventional technology and the most efficient and economical manner. At the same time Alaskans could expect development opportunities—apart from the makework project of liquefying the product—at least as great as would be available under the El Paso Plan.

monthly report on Latin American affairs
located at Box 57, Cathedral Station,
York, N.Y. 10025

Did Ju-Neau?

The

(Note: it seems like hardly a week goes by if it would be possible to reprint this story. This story, which was back then, is once again presented, exactly as it first appeared in the EMPIRE in March 1953.)

On Monday, March 2, 1953, the regular meeting of the Skagway City Council was called by Mayor Max Kopanski, to discuss the new ordinance which prohibits dogs from running loose on the streets of Skagway. There was no quorum because only three council members showed up...Occie Selmer, Orrin Edwards, and Mavis Soldin.

However, since a large number of citizens were present to register complaints about the new dog law, City Marshal Bill Cathcart was sent out to try and find the missing council members, and while he was looking, Mayor Kopanski, and Councilmen Selmer, Soldin and Edwards agreed to listen to the complaints from the citizens.

After listening to a number of complaints, and after Marshal Cathcart returned unable to find the missing council members, Mayor Kopanski suggested that perhaps it would be a good idea to raise the dog license fee to \$25. Mr. John O'Daniel suggested that people be tied up instead of the dogs. Much discussion was held regarding the difference between good dogs and bad dogs, and the meeting finally adjourned.

After the adjournment, the citizens present formed the Dog Protective Society of Skagway to protect the rights of the dogs to run the streets. While everyone was milling around, Howard Johnson arrived to report that one of the girls of the town was knocked down by a pack of dogs in his yard and bitten twice. Also, one of the missing councilmen had been bitten on the nose by the dog belonging to one of the councilmen who was present.

The following Monday, March 9, 1953, Mayor Kopanski called a special meeting of the council to get the dog issue settled. Mr. O'Daniel again took the floor and asked if the ordinance could be changed so good dogs could run loose and bad dogs be chained up. Mrs. Soldin said that to the owners all dogs are good dogs. Mr. McGee Brena said he was probably going to run over Mr. O'Daniel's good dog because he was always chasing his taxi cab. Mrs. Barbara Kalen wanted to know why anyone would want to

Judge Litt's Recommendation

By Tom Fink



THE ADMINISTRATIVE law judge for the Federal Power Commission has made his recommendations regarding the method of transporting the North Slope gas. The FPC will make its recommendation by May 1 and the President and Congress will act subsequently.

Contrary to the first reaction, the recommendation of Judge Litt in the overall was a good recommendation. He set the baseline for the President and Congress to evaluate the three proposals.

He did recommend the Arctic Gas route, but cautioned that his recommendation excluded all of the political ramifications. Whether he should have considered the political ramifications or not is debatable, but he certainly limited his approval of the Arctic gas route.

SINCE CONGRESS had determined that location of a gas route carrying Prudhoe Bay gas was to be made by the President and Congress, it had in effect told the FPC and staff to leave the political decisions to them.

Judge Litt established many important points. He stated that the gas requirements of the nation are sufficiently great to outweigh any small environmental degradation which may occur. He stated that the gas line route should be the one which is most economical and most efficient for the United States as a whole, and not just what is most advantageous for Alaska. He recited that the most populous consuming states, which took an active interest in the line determination, prefer the Arctic line. They prefer the Arctic line since they feel they would most likely be the beneficiaries of the gas if the spigot were in the Midwest and not on the West Coast.

He stated that the Alcan line does not support even the possibility of certification. Its design was neither efficient nor economic and it was undersized. This spells the end for Alcan.

He stated that the El Paso line did meet the requirements of convenience and necessity and, if Arctic did not proceed, El Paso could be certificated.

HE ACKNOWLEDGED that the President and Congress would have to evaluate the problems of national security, provincial taxation and control, the balance of payments,

Barbs

When you were 20, you'd write poems about snow; after 40, you write letters to the editors complaining about the cleanup crews.

Build a better mousetrap, and you'll get sued blue for patent infringement.

the U.S. employment effect, the timing of the Canadian National Energy Board decision and the time required to settle the native claims. These items are insurmountable for the Arctic line.

If the President and Congress will delve into the political facts, they can only conclude that the El Paso line is the best interest's of the United States. The single most important fact is that the settlement of the Canadian native land claims will substantially delay construction of any pipeline through Canada.

The job of Alaska is to convince the President and Congress to investigate those political issues. It will be easy for the President and Congress to accept the concept that the spigot in the Midwest is the most direct way to get the gas to the area where most of the congressmen live. It is of the utmost importance that they take the time to review the insurmountable difficulties of building and maintaining a line through Canada.

Certainly the members of Congress from east of the Rockies are having brought home to them the importance of supplying new gas to the Midwest and East. Certainly the timing of that delivery will be of utmost importance. Certainly the timing will be more important than the slight cost differential between the Arctic and the El Paso line. In fact, the timing will give a cost differential favorable to the El Paso line.

IT WILL TAKE considerable support from other than Alaskans to get Congress and the President to delve into the line beyond the spigot concept. It is for this reason that the State of Alaska must have strong allies throughout the United States. Our state legislature must speedily approve the gas sales contracts currently proposed by the governor. The contracts should be modified so that the governor cannot change support to another route without legislative approval. The other speculative questioning on the contracts should come to an end and the contracts should be approved.

These three companies to which we propose to sell our share of the gas are substantial suppliers of gas in the Midwest and East. Their support is the best hope that we have that Congress and the President will go beyond the conceptual idea of a spigot in the Midwest.

Judge Litt has provided a baseline document for the final decision to support the American line. The only line that can begin construction immediately after the President and Congress make a decision is the all-American line. It requires no other approvals.

Tom Fink, an Anchorage insurance man, is a former speaker of the Alaska House of Representatives.

He was looking for the Northwest Passage, which isn't here. What he found was land, land, everywhere. And, most importantly, he found the site from whence would arise the largest city in all of Alaska.

It would seem appropriate that he should be looking toward the land from his prominent pedestal in Resolution Park. Besides being appropriate, his face would then be visible to all passersby as well as pedestrian visitors to the park structure. Captain Cook, an English gentleman, would not, we are sure, choose to stand publicly with his back to all the people.

WHICH WAY the explorer should look was apparently duly considered by the Bicentennial committee that was concerned with the park.

Mrs. Gwynneth Wilson, chairman, says that there were two main reasons for having him look toward the sea instead of toward the city.

One reason was that the architects who designed the park wanted it that way because they thought of the park "from the point of view of integrity of design."

That would seem to subordinate the interests of people to concern for the physical structure of the park. Why should the

It is just stand facing on the bridge looked at to be built.

Indeed, patched a somewhere some first sea once was more what's going the sea.

The Ar the only p the honor close att Cook.

The c rity of t should be than the that Cap for passe

Why who pas to look while on ramps g great m

It w subject and s statue And th Captain where

Robb Fisher 40-year

NATIONAL SECURITY

Military Power

By Lt. Gen. Ira C.



CENTRAL TO the current debate on the so-called "threat" to U.S. security is the relative military strength of our country and Russia. It is appropriate, in fact it is critical, that this ongoing controversy establish the relative strength between ourselves and our adversaries as we change commanders - in chief.

We have now an adversary whose leadership is openly dedicated to our defeat and which may also have the necessary power to accomplish that result.

That is why the current debate on relative military strength of the U.S. and the U.S.S.R. is so critical.

HERE ARE the relative military strengths as of last November, as the intelligence communities both here and abroad agree:

	U.S.	U.S.S.R.
Total military manpower active and reserve	4,700,000	25,000,000
Men under arms	2,086,700	3,650,000
Combat divisions	19	168
Tanks	1,280	41,500
Major combat surface ships	176	214
Attack submarines	75	231
ICBM's	1,054	1,527

Editor

ers

not take for granted any volunteers, they are what programs work. is so concerned about the club's board treats its rs, I cordially invite him to board meetings. He can con- club office at 278-9589 for the tion he needs to apply to our board.

Wanda Harris
Executive Director
Girls' Club of Alaska

PEANUTS
AWAY!



Administration Must Act On Sale Of Royalty Gas

6/6/76 By Tom Fink

AT

THE GOVERNOR recently stated that the delay in the sale of North Slope royalty gas is a result of his insistence that the state retain the right to use whatever portion of that gas within Alaska that is needed. For purposes of this discussion, let us assume that this is the basis of the state's refusal to consummate the sale of our gas.

Under the most ideal circumstances, the Federal Power Commission, the Congress and the President would order a trans-Alaska gas pipeline and the state would not sell any of its royalty gas at this time. If the trans-Alaska pipeline were approved, the state could then proceed to determine the best use of the gas from the viewpoint of Alaskans. Currently there is no demonstrated need for the state's royalty gas to be used in the state, except for heating and electrical generation along the pipeline route, which would consume an infinitesimal amount of the state's share.

UNFORTUNATELY, we are not looking at the most favorable circumstances. The Federal Power Commission is currently considering the trans-Alaska line and the trans-Canadian line. If the FPC, Congress and the President all agree that a trans-Canadian line is to be built, there is no possible way that the state can keep any of that gas for use within Alaska. It is also true that if the trans-Canadian line is built, very little employment will occur in Alaska for construction and next to no continuing employment for operations would occur, in contrast to the trans-Alaska line.

It is essential therefore that the state administration take the strongest position it can to insure the building of a trans-Alaska line. It is necessary that we give up some of the flexibility of the use of our Prudhoe Bay royalty gas in order to assure the building of a trans-Alaska line. Certainly there will be no flexibility if the Canadian line is built.

Our delay in consummating a sale of our royalty gas

the State of Alaska, but it may very well be that once we put gas into a pipeline we could not take it out without FPC approval. So the state is running the risk that once it allows its royalty gas to enter that pipeline it will lose control.

The choice appears to be a trans-Canadian line with no facilities in Alaska and no opportunity to use our Prudhoe gas versus the trans-Alaska pipeline with no opportunity to use the gas but with the considerable amount of facilities producing taxes and jobs. If that is the choice, we ought to opt for the trans-Alaska line. Further, once the trans-Alaska line is in place we will have the opportunity to take a crack at any new gas found on the North Slope or along the pipeline if we have a use for the gas in the state. Again, if the line is built across Canada we will have no flexibility whatsoever, we then could only sell the gas in the South 48.

WE HAVE one gas company that has spent a lot of money in applying for the trans-Alaska line. We still have not committed any gas to that company, which has certainly detracted from the credence of that company's presentation to the FPC and to Congress. We have other companies additionally in various parts of the South 48 that wish to share in some of our royalty gas and wish to support our trans-Alaska pipeline.

Our state administration should quit dilly-dallying on consummating the sale of our royalty gas. There is some risk in any action but here is more risk in non-action.

Undoubtedly many people believe what we have and are presently working on is sufficient, particularly with huge revenues forecasted to come when the trans-Alaska pipeline goes on stream. Although activities associated with construction of the pipeline have produced a near-term economic upswing, the absolute promise of great revenues flowing to the state once production begins from the North Slope is founded more in the minds of transient journalists than it is in the pragmatic minds of those

planner and plaintiff. There is far more interest in suing somebody for alleged violation of some order, law or regulation than there is in acting in the role for which the agency was originally established. The order of the day is no permits, no leases, no sales, no nothing.

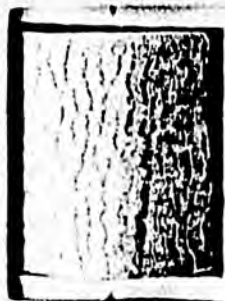
The Department of Fish and Game is more active policing activities throughout the state and in particular harassing fledgling mining operations through misapplication of Title 16 (the anadromous fish act), than it is in trying to manage the fish and game resources per se.

THE SO-CALLED "no-growth" concept is being felt by institutional investors throughout the country as well as potential investors or participants from overseas.

If you think this is an exaggeration, call on the money markets in New York, Houston or the West Coast today and attempt to raise capital for a new development or project. Were it not for the economic clout and credit rating of the native regional corporations, financing of many projects currently under way or on the drawing board would be non-existent.

Open encouragement of new development is an infectious thing. It generally attracts competitive interests with new dollars that lead to more jobs and better economic stability. Similarly an apathetic, ambivalent or outright hostile governmental attitude turns new people away and greatly troubles those who chose to invest at a time when the economic climate was more attractive.

We have all the government we can "say grace" over and then some. If we are destined (and hopefully not) to be saddled with so much government and are saddle sore from being ridden so much, we have to find and attract others to share the burden. More, rather than less, industry is the key.



are not looking at the most favorable circumstances. The Federal Power Commission is currently considering the trans-Alaska line and the trans-Canadian line. If the FPC, Congress and the President all agree that a trans-Canadian line is to be built, there is no possible way that the state can keep any of that gas for use within Alaska. It is also true that if the trans-Canadian line is built, very little employment will occur in Alaska for construction and next to no continuing employment for operations would occur, in contrast to the trans-Alaska line.

It is essential therefore that the state administration take the strongest position it can to insure the building of a trans-Alaska line. It is necessary that we give up some of the flexibility of the use of our Prudhoe Bay royalty gas in order to assure the building of a trans-Alaska line. Certainly there will be no flexibility if the Canadian line is built.

Our delay in consummating a sale of our royalty gas through the trans-Alaska pipeline has encouraged a third filing for a pipeline from Prudhoe Bay through Fairbanks, then east through Canada. If our gas were committed solely to a trans-Alaska line much of the incentive for the highway route would evaporate. It is doubtful whether the proponents of that route would continue if the state would commit by contract our royalty gas to the trans-Alaska line.

IT IS ALSO important that the state commit that gas prior to July, when the FPC intends to close its hearings on the Prudhoe Bay gas. Our chance of maintaining some flexibility with that gas and of having maximum influence on the FPC would be to complete the sale of our royalty gas prior to the end of the hearings.

As contrasted to oil pipelines, the federal law generally provides that once natural gas is in the pipeline it becomes part of interstate commerce. We can take our oil out of the pipeline anywhere in

and any gas to that company, which has certainly detracted from the credence of that company's presentation to the FPC and to Congress. We have other companies additionally in various parts of the South of that wish to share in some of our royalty gas and wish to support our trans-Alaska pipeline.

Our state administration should quit dilly-dallying on consummating the sale of our royalty gas. There is some risk in any action but here is more risk in non-action.

Undoubtedly many people believe what we have and are presently working on is sufficient, particularly with huge revenues forecasted to come when the trans-Alaska pipeline goes on stream. Although activities associated with construction of the pipeline have produced a near-term economic upswing, the absolute promise of great revenues flowing to the state once production begins from the North Slope is founded more in the minds of transient journalists than it is in the pragmatic minds of those involved in the day-to-day development of Alaska's resources.

The question is whether it is better to rely on a "bet on the come" future and discourage potential new investors to Alaska or whether it is preferable to embrace new ventures warmly in hopes that Alaska's resources will be processed to the fullest practicable extent, thereby establishing a broad-base, long-range, stable economic growth pattern without total dependence on raw resources that are destined to be processed outside of Alaska.

SOME OF US believe that an effort to encourage expansion of processing and manufacturing of Alaska's resources at this time is a prudent and far-sighted approach. Apparently, we are out of phase with the prevailing attitude of the state administration.

The State Division of Lands, once an agency responsible for generating much of the income into the state treasury, is largely acting in the role of

conceding that the state's role of the active regional corporations, financing of many projects currently under way or on the drawing board would be non-existent.

Open encouragement of new development is an infectious thing. It generally attracts competitive interests with new dollars that lead to more jobs and better economic stability. Similarly an apathetic, ambivalent or outright hostile governmental attitude turns new people away and greatly troubles those who choose to invest at a time when the economic climate was more attractive.

We have all the government we can "say grace" over and then some. If we are destined (and hopefully not) to be saddled with so much government and are saddle sore from being ridden so much, we have to find and attract others to share the burden. More, rather than less, industry is the key.

By Thomas E. Kelly

THE DROWSY STARTUP of the 10th Alaska Legislature, if you exclude the free-for-all during organization, will change dramatically commencing tomorrow. For three days, starting Jan. 31, joint Senate and House committee hearings on the proposed state sale of royalty gas will take place in the citadel on the Gastineau.

At the close of the hearings Alaskans should be able to better understand the pros and cons of the question, "Is the proposed contract negotiated between the Hammond administration and El Paso, Tenneco and Southern Natural Gas in the best interests of the state in the long run and has everything been accomplished in full compliance with existing statutes?" My guess is that the special committees will carefully examine all facets of the contract, because for a happy change there are several members on the committees who have in-depth knowledge of gas purchase contracts.

It is a well publicized fact that the majority of Alaskans currently prefer an all-Alaska gas pipeline, as proposed by El Paso. It is also fair to state that the percentage of those in favor of the El Paso route has declined in recent weeks.

FROM THE standpoint solely of political strategy, prompt approval of a gas sales contract for the state's one-eighth royalty share strengthens the argument for the El Paso route. There is no mistake on that.

The decision of the administrative law judge for the Federal Power Commission, as well as the commission's final ruling on the choice of the route as proposed by the three competing groups (Arctic Gas, Alcan, El Paso), will be made in the near future. But the final say-so will be that of the President and Congress.

The harsh winter and accompanying energy shortages in the Midwest and East will no doubt have influence on Congress as it seeks to make sure that Alaskan gas, or an exchange thereof, gets to those areas the quickest and least expensive way possible — regardless of who does the job.

BACK TO the gas sales contract itself — a general statement is that it isn't all bad and it isn't all good. But what negotiated contract is? Despite the ballyhoo from Alaska's commissioner of natural resources that it is the best thing since catfish and hominy grits or the reporting of the Snow Tiger that it is analogous to the "sweetheart" deal cooked up years ago by this author with respect to the existing Tesoro royalty oil contract, a number of provisions of the proposed royalty gas sale need more than rubber stamp approval from the legislature.

The provisions controlling the price of gas, the "take back" provision coupled with replacement of 150 per cent of the "take back" gas, the "fliperoo" provision whereby if the governor switches to a route other than El Paso's the buyers can switch, too, under the same terms of the contract — all need careful review before we are convinced that the long-term best

interests of the state are being served.

A simple question that has been taken for granted, but not necessarily satisfactorily answered, is how come Southern? Facetiously, one could answer that Southern is the company that distributes to bustling Plains, Ga. Presumably the correct answer is that Tenneco, El Paso and Southern have more clout in Congress than other gas transmission companies and have a better chance to successfully lobby the all-Alaska route.

There were several other substantial companies who wanted a place at the negotiations table but were essentially told that there was "no more room at the inn."

THE LEGAL ASPECTS of negotiating a sale as contrasted with selling to the highest competitive qualified bidder needs further examination.

Authority for the proposed sale is cited as AS 38.05.183 (d), which basically says that no state royalty oil or gas shall be sold until the commissioner determines that the royalty share is surplus to the state's present and future domestic and industrial needs. A report of such a finding must be submitted within 10 days of the convening of the legislature.

This columnist questions who (a) of that section, the first provision dealing with royalty sales, was not cited and unequivocally satisfied. It was the express intent of the 1970 legislature, following the negotiated royalty sale in 1969 (at which time there was no restriction on negotiating), that royalty taken in kind would be disposed by competitive bid except where the commissioner determines the best interests of the state do not require it or no competition exists. The latter clearly is not the case, as many were after the gas and only three were selected.

Where is the showing that the best interests of the state do not require it? Only because this action puts pressure on the FPC in favor of the all-Alaska gas line? The brief two-and-one-half page findings and conclusions of the commissioner that there was inadequate competition for a competitive sale doesn't get the job done in one man's opinion. When a finding of fact starts making reference to "subjective judgment" in the decision-making process four letter expletives are sometimes provokable.

Suppose Congress, which has the final decision, decides something other than the all-Alaska route. Is the gas sale as proposed still better than offering the royalty for competitive sale? Maybe so, but I either have been sleeping and failed to get the message or the message hasn't been conveyed. Hopefully, all the data and supporting evidence is in the information packet that was apparently distributed to the legislature. Maybe I'm on the wrong mailing list.

Tom Kelly, former commissioner of natural resources, is a consultant specializing in Alaska resources. He is a past president-elect of the Chamber of Commerce.



Alice Puster

DITOR'S OUTLOOK

e Than Degrees

Lloyd Jones



I make the southward march of the desert by the overgrazing of the parched land.

Food shipments would not have been enough. The wealth of the tribesmen is in their herds and flocks. Could we develop a mechanism to move men and animals, forcibly if necessary, so that they may not intensify a natural disaster? By what authority? And move them where?

As Hamlet said, "Aye, there's the rub!"

When the last fingers of the Wisconsin glacial age moved downward men were already well-formed and beginning to develop tribal cultures. Presumably, those who were frozen out gradually drifted south and, while there may have been some clubbings between themselves and the aborigines, the earth, as far as mankind was concerned, was still a great vacuum.

Even when the last mini-freeze began in the Northern Hemisphere six centuries ago there was much warm emptiness to migrate to, and, indeed, the white colonization of the Americas and South Africa followed shortly.

BUT IF THE EARTH should really be hit with a new climatic wallop, where would the victims go? If the monsoons begin regularly

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What Others Say:

Gasline Route

(Editor's note: the following editorial is reprinted from the Tundra Times.)

After several years of closely observing the debate between Arctic Gas and El Paso about the method of transporting Alaskan gas to the populous urban and suburban regions of America and southern Canada, the Tundra Times is relieved to note the emergence of a third, more viable, alternative in the Northwest—Alcan Pipeline's proposal.

The Alcan proposal has one highly desirable attribute—it does not have any of the lethal and undesirable deficiencies of the Arctic and El Paso proposals.

Let us note the problems plaguing the Arctic route:

(1) It presents a severe challenge to the subsistence lifestyles of Alaskan and Canadian Arctic peoples—what assurance is there that the people of Kaktovik and the Mackenzie delta will be left undisturbed in the pursuit of their subsistence lifestyles? None, that we may observe.

(2) Let us not force the Canadian Native people to settle their aboriginal claims in the same frenzied, development-based turmoil in which Alaska Natives were forced to reach a land claims settlement during the 1960's and early 1970's. Before any type of Canadian pipeline system should come under serious consideration, Canadian Native claims should be fairly and thoroughly adjudicated without pressure from too-rapid development. We should know this from the Alaskan experience in resolving Native claims.

(3) Although we often do not build a wall between us to the conservationist elements (special interest groups which often have little respect for the Native subsistence life-styles, nor for the property rights of the original Canadian and Alaska Native landlords), many environmental questions about the feasibility of building the Arctic system with minimal impact on our Arctic ecosystems have not been adequately satisfied.

(4) Alaskan and Canadian Inupiat Eskimos are dependent upon migratory patterns of caribou for protein and essential nutrients. In spite of many assurances to the contrary in advance of construction of the Alyeska pipeline, Anaktuvik Pass Eskimos report disruptions in migratory patterns of the Porcupine caribou herd. We believe that there may be no guarantees of avoidance of such disruption where non-indigenous technology is massively applied against the arctic ecosystems. There are no such herds of caribou to be impacted by construction along the highway.

The El Paso route, a favorite of many Alaskans, will find it extremely difficult—we believe impossible—to overcome the lethal objections of the conservationist elements, staff recommendations of the Federal Power Commission, and the demands of more populous mid-western and eastern markets. Sound environmental concerns are concentrated about the uncertainty of implementing a technologically unproven gas transmission system involving a pipeline system, gas liquification system and LNG tanker system. The southcentral Alaska terminus proposed by El Paso has been demonstrated to be highly susceptible to earthquake danger. The El Paso system would increase tanker traffic along sealanes and near ports which state and federal officials worry may become cluttered with unsafe vessels.

Regardless of how Alaskans feel about the El Paso route, odds against its selection are tremendous and increasingly stacked against the proposal. The remaining contenders, we believe, will be Arctic and Alcan. The Tundra Times is hopeful that the decision will (1) not infringe upon the subsistence lifestyles of Alaskan and Canadian Native peoples, and allow them to continue to gather their daily ration of protein in peace, and (2) allow for the adjudication of Canadian Native land claims in a fair and equitable, orderly and comprehensive manner, and (3) allow for intelligently planned development of Alaskan resources with minimal environmental damage.

In our view, the best way to go is the Alcan route.

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Our views:

Gas deal question

The legislature believes it is debating an issue of great significance in grappling with the questions of when and to whom to sell the state-owned 12½ per cent share of royalty natural gas from the North Slope.

Is it? The psychological impact of gas sales during the Big Freeze in the East will obviously generate a warmer feeling for Alaska among the stricken states. Two of the companies the state administration proposes to sell gas to, Southern Natural Gas, and Tennessee Gas Transmission Co., are in the heart of the cold country this year.

But the reason the legislature is debating whether to sell Alaska's gas is not that gas supplies are drying up in the Lower 48. Instead, the state administration has masterminded a plan under which sales of royalty gas to three distribution companies is supposed to generate support for the "all-American" gas pipeline project favored by the state.

The state is in a difficult position in campaigning for its choice of routes. The route favored by most Alaskans is the one that would enable some of the gas to be used in-state. In order to win national support for the route, the state must put forth the view that the route is the best one for the country as a whole.

In the first round of a series of decisions that will be made in Washington before the final gas pipeline route is chosen, an administrative law judge for the Federal Power Commission termed the route favored by the state administration a viable route, but said a trans-Canadian route was clearly superior.

Equally important, the judge questioned Alaska's motives, discounting environmental arguments put forth by the state because he believed the overriding concern of the state was to promote development within Alaska.

The theory of selling the royalty gas to powerful gas distribution companies so that they will lobby for an Alaska gas pipeline may very well have a similar impact on Washington decision-makers.

Although Alaska may be 80 per cent in favor of the El Paso Natural Gas Co. proposal for a trans-Alaska gas pipeline, the rest of the country has not demonstrated such unanimity. Dr. Arlon Tussing, of the University of Alaska, an economic consultant for the U.S. Senate Interior Committee, made some highly controversial remarks earlier this month when he testified before a state legislature committee hearing that the idea of selling royalty gas to wield political power would get Alaska nowhere.

Many may disagree with Dr. Tussing's view, but he brings to the fore an opinion based on observation from outside the state. It is certainly well worth thinking about.

Meanwhile, the latest testimony to come to light on the proposed sale was contained in a recently disclosed memo by the state's director of the Division of Oil and Gas. O. K. "Easy" Gilbreth, in a memo last year on illegal political contributions by oil and gas companies, suggested there could be grave liabilities in contracting with some industry members for political support. He went so far as to say, "If the political motivation is so important, why not commit to five or more East Coast or Southern U.S. users and get five times the benefit."

Unquestionably, Alaska should commit the major share of its gas to outside gas distribution companies as soon as possible to hold forth the promise of additional supplies to people in the cold.

As state Commissioner of Natural Resources by Guy Martin has pointed out, the rest of the country isn't going to stand for Alaska making plastics with its gas while outside residents deal with declining supplies to heat homes.

Our only question is whether the sale of the royalty gas should be premised on acquiring gas company - lobbyists for the El Paso project. Will it truly do any good?

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Gas Decision

This week attention is focused on the legislature and what they will do with the state's royalty gas from Prudhoe Bay.

Special House and Senate committees will probe the Hammond administration's proposal to barter the state's share of the gas to three large gas conglomerates in exchange for lobbying support on behalf of the El Paso gas line and against the Alcan and Arctic Gas routes.

The contracts, drafted by the Hammond administration, sell Alaska's gas to Tenneco, Southern and El Paso. There are provisions for state withdrawal of gas for development of petrochemical industries and use as an energy source within the state.

In the course of the legislative discussions of the contracts we hope the legislators keep in mind these important considerations.

1) The decision by the state Royalty Oil and Gas Development Advisory Board to accept the contracts was made with unseemly haste. Despite the fact the decision involves several billion dollars, the board rubber-stamped the gas sale contracts after only one day of testimony. The board's decision was made before an in-depth report of the benefits and disadvantages of the three competing gas line routes was completed.

2) Legislative approval of the contracts could have serious repercussions in Washington, D.C. Last year Congress approved a measure which gave Alaska control of its royalty gas. If Congress views the sale contracts as political, a gambit designed to further Alaska interests at the expense of the rest of the country, it could rescind approval of state control of royalty gas.

3) The political realities of the gas line route decision seem to be against the El Paso route. The Federal Power Commission staff has already recommended approval of the Arctic Gas route. Arctic Gas' proposal is the worst possible line for the state since little of the line would be constructed in the state. There is not much likelihood Alaska royalty gas could be used for industrial or consumer use if the Arctic time is approved in Washington.

The state's chances of scoring a political coup and winning approval of the El Paso route are dimming as the cold snap in the Midwest and East lingers. The energy crisis is growing more acute, homes are chilled, schools closed and factories shut down because of natural gas shortages. It grows more unlikely the FPC, Congress and the President will approve the El Paso route which delivers gas to the West Coast over the Alcan or Arctic routes which directly pipes the gas into the stricken Midwest and East.

In light of these considerations, we question the state's all-or-nothing commitment of royalty gas to support the El Paso line. The legislature should closely examine the chances for approval of the El Paso route in the nation's capital and weigh that against the advantages of the Alcan route versus the Arctic Gas route.

The Alcan route proposed by Northwestern, would deliver gas to the lower 48 earlier and more cheaply than the El Paso route. The Alcan alternative would also pipe gas directly to the energy-starved Midwest.

In addition the Alcan route runs for a long distance through Alaska while the Arctic gas route traverses the northern rim of the state for a short distance only. With the Alcan route there is the real possibility of petrochemical industry in Fairbanks. Northwest is also studying the possibility of spur lines to tidewater in southcentral Alaska and southeastern Alaska.

As time passes, the Alcan route, called by state officials a good second choice, is becoming the only route favorable to the state and acceptable to U.S. representatives of the gas-starved East Coast and Midwest.

The state's legislators should be certain they don't step on the toes of those representatives. If the legislature does offend those representatives, there is a chance the state may lose control over royalty gas and end up with the least acceptable gas line alternative—the Arctic Gas Line.

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Tough Talk On Energy

We don't really know what our Republican senator was trying to tell the Canadians in his Thursday press conference.

At one point it appeared he was urging Canadians to expedite their decision on the status of a pipeline carrying Alaska gas through Canada to the lower 48 states. Sen. Stevens derided Canada for the delay in authorizing a Canada pipeline route. That kind of language only helps the Arctic Gas pipeline proposal; the proposal most inimical to Alaska interests.

At another point Stevens used not so thinly veiled threats that Alaska may curb gas production making the Canadian route uneconomical.

Alaska's senior senator was obviously trying the 'kid glove-big stick' tactic. Canadian reporters at the press conference were not impressed.

One reporter said if Canada accepted Stevens' challenge to expedite the pipeline decision process it would virtually guarantee approval of the Arctic Gas project. Another reporter said Canada didn't need Ted Stevens telling them what to do.

Perhaps the third reporter hit the nail on the head when he said Stevens was trying to make someone in Ottawa mad, hoping Canadians will dig in their heels and do nothing in response to him and his assault.

The third reporter's rationale is the only one that makes sense. Stevens must have been hoping his comments would anger Canadian officials and "get their backs up." That would make rapid and favorable action on any Canadian route unlikely and enhance the chances for the El Paso route which Stevens favors.

If that is the case the senator is playing a dangerous game. The gas line deliberations are in a delicate stage. So far the FPC hearing judge has already opted for the Arctic Gas Line. If the El Paso line is not the route selected by the FPC, Congress and President, the U.S. will have to work closely with Canadians during construction and utilization of either the Alcan or Arctic Gas route.

The senator seems to have forgotten many of the Pacific Northwest states are dependent on Canadian gas. His tough language may encourage some form of retaliation. If Sen. Stevens plays energy sheik with Canada they may play energy sheik with us.

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Gas Ruling

It may be cold in the nation's capital but a hearing judge in Washington, D.C., has made Alaskans hot under the collar.

In an opinion written for the Federal Power Commission, Hearing Judge Nahum Litt endorsed the Arctic Gas plan to ship the state's natural gas resources across the northern rim of Alaska and through Canada to the U.S. Mr. Litt's ruling is the decision most inimical to the state's interests.

The Litt ruling went far beyond a simple recommendation—it borders on an attack against the two alternative gas line routes proposed by the Alcan Pipeline Co. and El Paso Natural Gas Co.

In his report to the FPC, Mr. Litt said the Arctic route was superior from an environmental standpoint. That conflicts with a FPC staff report which calls the Alcan route environmentally superior. Mr. Litt conveniently ignored the fact the Arctic route violates the integrity of the Arctic National Wildlife Range. In addition he chooses to ignore the great distance of fragile tundra the Arctic route traverses.

There are other problems with the Arctic line. Arctic Gas contends construction across the Northern rim of the state can be done from snow roads. Mr. Litt seems to agree—nobody else does. Mr. Litt also contends Arctic will be able to deliver gas faster and at a lower price. That is disputed by many.

Not only did Mr. Litt's decision support the Arctic route, the least desirable from Alaska's standpoint, he also attacked the measure adopted by Congress which allows Alaska to take any gas the state owns from the pipeline without FPC permission. Mr. Litt wants the measure repealed. He also hinted that any sale of the state-owned gas must be approved by the FPC.

If Mr. Litt is taken seriously by the FPC, President Carter and Congress, it would mean state loss of all control of our natural gas resources; even gas the state owns. That is a bit like telling President Carter he can grow all the peanuts he wants but can't sell them unless he checks first with the federal government.

Conservation organizations, Gov. Jay Hammond and the state's congressional delegation have all vowed to fight Mr. Litt's recommendation to the FPC. There isn't much time to rectify all the misconceptions in the hearing judge's report before the final blessing is bestowed on one of the routes. Whether we, as Alaskans, favor the El Paso or Alcan routes there is no doubt we should all be united against the Arctic pipeline.