

LEG. FINANCE - BILLS 1985 - 1986 2281

SJR 32 cont. - SCR 36 2281

entered Budapest. (The Swedish Government addressed a whole series of inquiries to the Soviet Government *re* the fate of Wallenberg, but the Soviet Government always took the stand that it knew absolutely nothing about what happened to Wallenberg—this, in the face of eye-witness reports that Wallenberg was last seen being marched off under Red Army escort.)

Both the Israeli resident and the prisoners whom Shifrin met in Camp No. 7 before his release, told him that the POW's on Wrangel Island were used for medical experiments, some involving the effects of radiation on the human body, others involving the effects of prolonged submersion at great depths. (NOTE: A translation of this statement appears in the Appendix to Part 2, P. 127. The Israeli citizen who submitted it asks that his name not be made public because he still has family in the Soviet Union. His real name has been given in confidence to the subcommittee.)

Stalin's plan for the liquidation of the Jews

From prisoners whom he met in the Tayshet complex, Shifrin heard a bizarre story about Stalin's plan to liquidate the Jews. The prisoners told him that in 1952 (a time which coincides with the peak of the anti-Jewish terror) they had been sent to the Lake Baikal area to help construct a railroad spur. The spur ran from the main line of the TransSiberian railroad for a distance of two or three kilometers to the shore of the lake—to be more exact, to the edge of a vertical cliff several hundred feet high that overlooked the lake.

The prisoners worked overtime every day, seven days a week, on the project—and as a bonus for their special efforts they were told that each day of their labor would be counted as ten days of their term. For the three months that they worked on the railroad, therefore, they were credited with having served thirty months of their terms.

Because the railroad had no conceivable justification, the prisoners asked the officers in charge why they were building a railroad that led to the edge of a cliff. The officers explained to them that Stalin wanted the railroad completed in a hurry because he planned to announce the forcible deportation of all Soviet Jews to the already aborted "Jewish Soviet Republic" of Birobidjan. But, under the Stalin plan the Jews would never get as far as Birobidjan. The railway spur to the cliff overlooking Lake Baikal was being built so that the Jews could be liquidated without the trouble of building crematoria. (Lake Baikal at that point was many thousands of feet deep).

Shifrin was skeptical about the story at the time. But in the course of his travels around the Soviet Union in 1966-67 he made it a point to visit the point south of Lake Baikal which the prisoners had described; and, sure enough, the railroad spur was there terminating on the top of a cliff several hundred feet high. Everything was as the prisoners had described it, except that the roadbed was now overgrown with weeds and the rails were badly rusted.

Political, religious, and national resistance in the Soviet Union

Numerous underground groups and movements are springing up all over the Soviet Union. Many hundreds of freedom fighters have been arrested, and sent to jails and concentration camps for up to 15 years. The civil rights movement in the Soviet Union goes back to before the Hungarian revolution of 1956. Among the early heroes of this

resistance, Shifrin notes particularly the names of Eduard Kuznetsov, Ilya Bokstein, Igor Avdeev, Viktor Khaustov, and Yuri Osipov. They began their resistance with the public readings of poetry in Mayakovskiy Square. First they read the poems of Mayakowsky. Then they began to read some of their own poetry that contained criticisms of the Soviet regime. Then Bokstein one day climbed up on the statues of Mayakowsky and delivered a passionate oration against Soviet tyranny. A battle ensued with the secret police, and scores of those who took part in the demonstration were arrested and imprisoned.

Since that time there have been many similar public protests in the Soviet Union—some of them inspired by the suppression of the Hungarian Revolution, some of them inspired by the desire for more freedom and hatred of the regime of oppression, some of them inspired at least in part by the recurring food shortages. In every case the answer of the regime has been more arrests and more repression. Over the past 16 or 17 years in the Soviet Union there have been riots and even major clashes in a whole series of Soviet cities, including Ryazan, Timyr Tau, Krasnodar, Vladivostok, and Novocherkask. Only half a year ago there was a major riot in which many people were killed in the city of Dnieprodzerzhinsk, on the river Dnieper.

Intellectuals like Galanskov and Ginzburg tried during this period to publish an underground magazine. The *Samizdat* movement became nationwide—thousands of people participating in the laborious copying of documents of opposition. The *Chronicle of Current Events*, chief of the *Samizdat* publications, began to come out on a regular basis—and despite frantic efforts on the part of the regime it continues to come out until this day. A Jewish underground chronicle, *Exodus*, also began to appear on a regular basis. Entire books, like Marchenko's "My Testimony," were circulated in *Samizdat* form.

There were many casualties in this unrelenting battle for freedom—men and women whose names are justly honored throughout the world. Among the best known of these martyrs for freedom were Sinyavsky and Daniel, Pavl Litvinov, General Grigorenko, Anatoli Marchenko, Victor Krasin, and Victor Feinberg. All of these men are still in prison.

One of the principal heroes of the Soviet resistance to whom Shifrin wants to call attention is Vladimir Bukovsky, with whom he spent some time in prison.

Bukovsky was one of the initiators of the Russian democratic opposition. Out of 30 years of his life, 9 were spent in psychiatric prisons and concentration camps. In January 1972 he was sentenced to a total of 12 years for having sent to the West a collection of documents concerning the confinement of healthy dissenters to special psychiatric institutions. [These documents together with other materials were released by this subcommittee on December 4, 1972.]

Igor Ogurtsov, Mikhail Sado, Yevgeni Vagin, and Boris Averochkin, leaders of the *All-Russian Social-Christian Union for the Liberation of the People*, and some sixty of their followers were arrested in Leningrad, Tomsk, Irkutsk, Petrozavodsk, and other cities, because their patriotic appeal for the revival of Russia's spiritual and religious values did not fit into the pattern of the Communist-sponsored policy of "Russification."

The officer sat and watched Shifrin read this with a smirk on his face. He had contrived the entire situation for the satisfaction he derived from watching Shifrin's torment!

A few months later, the sadistic captain permitted Shifrin's mother to visit him—the first visit she had been permitted in eight years. When she came to Potma, the captain harangued her for several hours, telling her that her son was a criminal, that he had been a principal instigator of prison riots and uprisings, and that he would remain in prison until the end of his life. After this lengthy cheerful preface, he permitted Shifrin's mother to meet with him for four hours.

When Shifrin finally saw his mother, she was so upset and broken that virtually the entire four hours she begged him to be good and not to get into trouble. Shifrin tried to explain to his mother that the captain was a sadist who enjoyed tormenting people. But she was too frightened to listen. When she returned to Moscow she had a stroke, was in a coma for several months, and then died.

Concentration Camp No. 7

In February 1963, Shifrin was moved from prison Camp No. 10 to Camp No. 7, which was also in the Potma "Dubravlag," or complex, at a distance of 20 to 25 kms. from No. 10.

Concentration Camp No. 7 had a very strict regime, but here people lived in barracks rather than in cells. Shifrin was initially placed in an invalid barrack, which housed about 400 prisoners. The prisoners in this camp worked in a plant where they made furniture, including cabinets for TV and radio.

In this, Shifrin's last year in the camps, the camp regime became stricter from day to day. The rules governing meetings with relatives became constantly more arduous. There were frequent searches—body searches and barracks searches. When the guards went through the barracks, the prisoners were required to stand outside, sometimes for hours on end.

Returnees to the Soviet Union

In Camp No. 7 Shifrin met a number of one-time refugees from Communism, who had lived in France and Germany and other countries, and who had been foolish enough to believe the propaganda campaign which the Soviet regime had addressed to expatriates all over the world. When the expatriates returned to their "motherland," the press made a tremendous noise about them. But they carried the virus of foreign exposure, and, not very surprisingly, some months after their return quite a number of them found themselves sentenced to 10 years in the concentration camps. In this category, Shifrin recalls the names of Golub and Ponomarenko.

The Translation of Exodus

It was during his stay in Camp No. 7 that Shifrin translated Leon Uris' book, *Exodus* into Russian—a version which was subsequently widely circulated in the Soviet Union via numerous hand-typed *Samizdat* copies. A paperback copy of *Exodus* had been smuggled into the camp. As he read it, Shifrin would translate portions of it aloud to groups of Jewish prisoners. One day he decided to make a written translation. This was an enormously complicated and risky operation. Simply to get the paper on which to write, he had to enlist the aid of all the Jewish prisoners, and many non-Jewish pris-

oners. They brought him sheets of paper, one at a time, or two at a time. Although they all knew that Shifrin was working on something big, no one betrayed him. When the translation was completed, Shifrin decided to make one copy in a hurry—so that there would be a backup copy if anything happened to the original. He divided the translation between 30 prisoners, 20-30 pages per prisoner, and, working together they completed the second copy in very short order. Again, no one betrayed him.

When Shifrin was released on June 6, 1963 (he was informed shortly before his release that his sentence had been reduced from 25 years to 10 years) he was able to smuggle one of the two copies of the translation out of the camp in his baggage. A typewritten copy was subsequently made by a sympathetic non-Jewish girl in Odessa—and this became the beginning of the round-robin *Samizdat* copying operation on a national scale.

Among the signed statements which Shifrin has submitted for the record is one from a fellow-veteran of Camp No. 7 who worked on the translation of *Exodus* with Shifrin. (See Appendix to Part 2, P. 111)

FOREIGN POWS IN SOVIET CONCENTRATION CAMPS

From '53 to '56 Shifrin met many thousands of POWs of all nationalities—Germans, Italians, Frenchmen, Spaniards, etc.—scattered through most of the camps in which he was detained. In '55, 10 years after the war ended, there began large-scale repatriation of POWs—at least of those who had survived. By the end of 1956 the process of repatriation appeared to have been completed, or almost completed. Shifrin no longer met POWs in the long list of camps through which he moved. However, in 1962, 17 years after the war ended, he did encounter a group of some dozen Belgian officer POWs who, he believed, were finally released as a result of the intervention of the Belgian queen on visit to Moscow.

Some weeks before Shifrin's release in June of 1963, some new prisoners arrived in Camp No. 7 who told Shifrin that they had come there from a camp on Wrangel Island—one of the northernmost and bleakest outposts of Soviet territory. Shifrin was surprised at this, because he had not previously heard of a camp as far north as Wrangel Island. The prisoners said that they had served for five years on Wrangel Island, in a special detachment which brought food to three concentration camps in which lived only "fascist generals" and other high-ranking foreign officers. When Shifrin said that all POWs had been repatriated in 1956, they persisted in their statement that high-ranking foreign officers, POWs from 1945, were still on Wrangel Island.

Shifrin was not disposed to believe this at the time, but recently he has had confirmation from another source. He has received a statement from a recent immigrant to Israel, a former concentration camp inmate, who reported that he was interned on Wrangel Island until 1962; that there he met many former POWs, Italian, German, Spanish; that there he also met R. Trushnovich, the NTS leader [NTS is Russian anti-communist organization] who was kidnapped from West Germany in 1951, and Raoul Wallenberg, the Swedish diplomat who was credited with saving many thousands of Hungarian Jews from deportation by the Nazis, and who disappeared when the Red Army

Mr. SHIFRIN. Yes. And when I rest in this cell after this interrogation, also they brought me to Kabulov, Lieutenant General Kabulov, 1st adviser of Beria, and he told me:

You see, I permit to you rest because I see that you are not a person which can push to something with this way. I permit you to rest. Now speak with me openly, because I have in my arsenal such things that you cannot know about. You will talk. Now, it is the best way to tell you, because if another way, you could see what it would mean.

And I answered: "I have nothing to tell." And it was at night, 12 o'clock in the night—they always interrogate in the nights—and he shouted, "Bring him to special cell!" and they put me in Lefortovo in underground cell. It was—I do not remember now how many steps it has, but it was very many staircases underground. And it was a corridor with only nine cells. And in this corridor, I was put in the cell with the No. 3. It was a high cell, but only maybe a meter and half wide, in a square.

Senator GURNEY. Was this in the same prison?

Mr. SHIFRIN. Yes, in Lefortovo prison.

Senator GURNEY. This was after you were transferred—

Mr. SHIFRIN. Yes, from Lubyanka to Lefortovo.

Senator GURNEY. All right.

Mr. SHIFRIN. And when I came to the cell, I was astonished because I stepped in mud, watery mud. It was not deep, maybe 15 centimeters deep only, 10 or 15, but you stay in the mud, in water. And all their walls were moldy, and you cannot lie in this cell. You have not bunk, you have not chair. And I was there 28 days in standing position.

Senator GURNEY. There was nothing in the cell at all except you?

Mr. SHIFRIN. Nothing absolutely. After 12—maybe 12, maybe 14 days—I sat in this mud, because it was impossible. My legs was like numbers.

Senator GURNEY. They were all swollen?

Mr. SHIFRIN. Yes, because it is impossible to stand. And all the day, I asked the chief of the prison to come to me. Why I know exactly 28? Because I make stripes on this green mold. When they give me this piece of bread and glass of water, it is one day for me, because once in the day, such a piece of bread and one glass of water in the morning and in the evening. And that was my calendar on the wall, and with bread.

When the chief came to me and asked me why I asked him to see him, I asked only one question; where is the order of my arrest? And he answered me: I will tell it to the investigators; and he went out.

It was 28 days. Then they released me from this cell and put me in the simple cell in the same Lefortovo prison. And only after 6 months, after a court-martial when they sentenced me to death, I have known that in this day, when they permit me to go to the ordinary cell from this mud, they arrested Beria, Kabulov, Vladimirsky and the other. All these generals were arrested together with Beria.

Senator GURNEY. These are the ones that interrogated you?

Mr. SHIFRIN. Yes, they were arrested and killed.

Senator GURNEY. Why was that?

Mr. SHIFRIN. Why? Ask the Soviet Government. They always kill all these interrogators. Always, they change them. They shot Beria

with thousands of interrogators; they shot Yezhov and Yagoda—they were ministers of the KGB.

Senator GURNEY. This was the purge after Stalin's death?

Mr. SHIFRIN. Yagoda and Yezhov were before Stalin's death, but Communists can't change. They was in the days of Stalin this way, they are now this way. And they shot Beria because they knew that in another situation, Beria would shoot all government. It is only battle inside government. You have here elections; they have the KGB. That is the difference.

Senator GURNEY. You mean they purge their ranks periodically?

Mr. SHIFRIN. Yes, if they want change, they send to KGB not with elections, but with arrests. It is another way of democracy—"Communist democracy."

Mr. SOURVINE. Who shot Beria, if you know?

Mr. SHIFRIN. I do not know this secret, who shot Beria. The Communist government shot Beria and all these generals of Beria. Now we have other killers in the head of this KGB and they put in the prisons other millions of people.

I have here only a little part of prisoners photos. Those are people which are now in the prisons which were arrested in 1969, 1970, 1971, and 1972, and some of them died in the prisons.

Galanskov, Talantov—

Senator GURNEY. These are pictures of whom?

Mr. SHIFRIN. These are new prisoners; I show you new photos.

This woman, Ekaterina Zaritzkaya—they released this woman after 25 years' imprisonment. Her husband, Mikhail Soroka, was with me. He died in prison after 23 years and she was released in December of 1972, after 25 years imprisonment.

This man, Galanskov, died in December 1972 in concentration camp in Potma.

Senator GURNEY. Are these pictures of new political prisoners in the last few years?

Mr. SHIFRIN. Yes. This is photo of man who on the island of Wrangel met Dr. Trushnovich, one of leaders of Russian underground NTS.

This man, Talantov, died in prison now, he was theologian, a Christian theologian.

That is General Grigorenko. Now he is in a mental prison asylum, because he is dissident.

And that is only a little part of photographs. This is Anatoli Marchonko. Maybe you know his book about prisons and concentration camps.

Senator GURNEY. Are these important people in government?

Mr. SHIFRIN. Some of them. Some of them like General Grigorenko, he was very important. He was a head of cybernetics department in the War Academy of Officers in the U.S.S.R. in Moscow.

Senator GURNEY. How do you know about the imprisonment of these particular people?

Mr. SHIFRIN. Because all these people are my friends. I know them personally.

Senator GURNEY. You know each one of them?

Mr. SHIFRIN. I know each one of them personally. I can tell their biographies to you, I met them many times.

signature and I cannot go to another place. But I was in a little special position, because I said that it was "prisoner land." In Karaganda it was maybe a million people living, and 800,000 former prisoners. And that is why they permit a prisoner sometimes to be in a high position. After prison I was their chief legal adviser in the industry of coal mining. And that is why they permitted me to go to another part of the country when I must go with my business, with my work. That is why I was not there only in one place.

Mr. SOURVINE. Mr. Shifrin, just one question. You say you went down there in Kazakhstan and you were free. You were free to go wherever you wanted to go, if you did not leave your cage. That is right, is it not?

Mr. SHIFRIN. No, I was not absolutely free. All former prisoners in exile, they are not free. They must live in one place, or one village.

Mr. SOURVINE. That is what I wanted to get clear.

Mr. SHIFRIN. But I was a little more free because of my position. I also was not free because when I made a special trip to another part of the country, always two KGB came to me in my back, secret service. They came with me.

Senator GURNEY. And you were not free to do what you wanted to, you had to do the work that they assigned to you?

Mr. SHIFRIN. Yes, but they gave me good work in my education. It was very good for me.

Senator GURNEY. And you could only move around at their orders to perform your particular position?

Mr. SHIFRIN. Yes.

Now maybe you would hear these parts of the letters—not all the letters, but parts of the letters, because I cannot tell only my words. You can hear these words of prisoners also. Permit me, please, to have Mr. Boldyreff read them for me.

Mr. BOLDYREFF. Here is a statement of Alexander Krimgold, who now resides in Israel.

In July 1971, I had occasion to visit Potma while escorting Nina Krasnova, the wife of Anatoll Altman, who had been sentenced in prison during the Leningrad trial. A narrow gauge railroad, on both sides of which like so many boils lie scattered the terrible labor camps of Mordovia. This railroad runs deep into the forest from the main junction. Potma is a fearful place which readily evokes Nazi concentration camps—barbed-wire fences, watch towers, dogs set in pursuit of people. These camps are the worthy heirs of Hitler's and Stalin's work.

Senator GURNEY. What date is that?

Mr. BOLDYREFF. This is July 1971. He describes the condition when he says about these boils, describing Potma, the area that Mr. Shifrin has shown first.

Senator GURNEY. If you will just excuse me for a moment, for the purposes of the record, all letters will be received in evidence, but the chairman will make a determination later what letters will be printed in the written record.

(The letters referred to may be found in the appendix, Part 2, p. 107.)

Senator GURNEY. Also for the purposes of the record, all of the maps that have been referred to so far this morning will also be received in evidence and will be printed in the record.

Mr. SOURVINE. May I make a suggestion, Mr. Chairman. It might be, since these maps are being printed in color, that the maps should be

reduced to line drawings in black and white for printing in the record. I also note that the witness has submitted a list of Soviet concentration camps. I wish to suggest that this list be printed in the record.

Senator GURNEY. Yes, that may be done.

(The prison map of Moscow is on p. 41. The other maps referred to may be found on pp. 2 and 3. The list of Soviet concentration camps will be found in the appendix Part 2, p. 105.)

Mr. SHIFRIN. Now another letter.

Mr. BOLDYREFF. This is a letter of December 1972 from Reyza Palatnik. She arrived on the 21st of December 1972 to Israel. She gives her deposition. She said, "This is a womens' camp. The camps were located in a swamp, indicative of special care and concern for women."

She got out herself on December 1, 1972.

A continuously semleold and hungry existence. No medical service. Grippe and quinsy were not considered illness. One had to lose consciousness to be allowed off for a day. Only the prison uniform was allowed—in summer a cotton dress, in winter the same dress and a padded jacket which provided no warmth. The camp had approximately 1,100 persons despite the fact that it was designed for only 700. The result, terribly crowded conditions. I was intentionally placed in the venereal disease ward. Hot water for laundry and bathing was available only once in 10 days. The food—garbage. Pigs are fed better by good masters.

Now, there is a third testimony here. The writer of the following statement could not sign his real name because he still has close relatives in Russia. However, Shifrin knows him and could supply his name confidentially to the subcommittee. Now, he writes here: He was **arrested and located** in Wrangel Island. This is the little island there at the very top, over in the Arctic.

I was arrested again in 1958, thrown into prison, and without any trial, sent to autonomous republic, and from there to the Island of Wrangel, where I remained until 1962. At the camp I made the acquaintance of a former physician, Vasily Ivanovich Polakov, Colonel, of Vlassov Army, a larger number of SS and Gestapo Germans and many Italians, who had long been declared dead but who are actually still living on Wrangel in the Belopolyar'ye.

There follows a list of 17 German and Italian names.

Now I quote further:

The camp of Wrangel Island was an experimental camp where experiments were conducted on living people. The experiments were in the form of injections, diets, oxygen tests on people who were long declared dead but were alive at that time—1962—and were working very hard in the camp. There was also Raoul Wallenberg who was [Swedish] consul in Budapest during the War and who under the German occupation, aided by money, helped Jews escape from Hungary through Switzerland into other countries. When the Soviets entered Budapest, Raoul Wallenberg was immediately arrested at the order of the Commandant of Budapest and sent by special train to Moscow. He was then 27 years old and was a handsome, educated young man.

I think that is enough.

Mr. SHIFRIN. Can I continue?

Senator GURNEY. Yes.

Mr. SHIFRIN. Also my experience about these concentration camps in the U.S.S.R. I can prove with my other trip. After exile, I made a trip in this line. You can see this trip on the map of U.S.S.R. which I made—you see this line to Chita. I made this trip because I was too long in one place and also because I want to see my friends. I have thousands of friends all over the world from concentration camps. I have also many in Hawaii and I have in Japan also, and here also in the

Alaska fears U.S. giveaway of oil reserve Soviets covet

By Bill Kling
THE WASHINGTON TIMES

ANCHORAGE, Alaska — Some Alaskan state legislators fear the United States may be about to settle a long-standing boundary dispute with the Soviet Union by ceding to the Russians a potentially petroleum-rich stretch of the Bering Sea.

Because the area is somewhat removed from Alaska's shores, the issue has not yet attracted wide attention from many Alaska public officials, most of whom are focusing right now on oil development and environmental concerns of their state's Bristol Bay.

But Roger Jenkins, a Republican state representative from Anchorage, has the support of 16 of his fellow Alaska House members as co-sponsors of his pending resolution protesting any giveaway of what they contend is U.S. territory.

With underwater oil exploration of the outer continental shelf a hot political item here, the lawmakers are concerned about the possible deal, which could involve five islands they claim really belong to Alaska, as well as hundreds of thousands of miles of surrounding seabeds.

At the annual meeting of the U.S. Conference of Mayors just concluded here, former Alaska Gov. Jay Hammond concurred that the issue could be an important one, "but right now we have no idea what the oil resources are in that area."

Gerry O'Connor, an Anchorage assemblyman, said Bristol Bay oil development is the dominant factor here right now, and Chip Dennerlein, Anchorage's director of intergovernmental affairs, said Mr. Jenkins' efforts are generating the first information many Alaskans have heard on the issue.

At issue in negotiations already under way between the two superpowers is a part of the off-shore Navarin Basin oil and gas lease area, including Wrangell Island, which the Soviets wrested by force from Nome-based

merchants in 1924, sending 14 Americans to Siberia. The island is believed to be the site of Soviet slave labor camps as well as military installations targeted on the United States.

The boundary is in dispute because of differences in the way the United States and the U.S.S.R. interpret the 1867 convention under which the United States bought Alaska from Russia. The United States believes the boundary is described in the convention as a great circle while the Soviets contend it should follow a constant compass bearing.

Negotiations over the boundary began in earnest last July when a State Department team journeyed to Moscow for talks the Associated Press said were "seen by diplomatic observers as another in a series of steps taken in recent days by the Reagan administration to try to improve relations with the Soviet Union."

Other islands in the negotiations begun several years ago between the United States and the Soviets are Bennett, Henrietta and Jeanette, which were discovered after the Alaska purchase, and Herald, which was discovered by Great Britain in 1849 and later ceded to the United States.

Wrangell Island was discovered in 1881 by a landing party that included the famed explorer, John Muir.

Four energy companies have deposited more than \$21 million with the Interior Department on their bid of \$108 million to lease sections of the Navarin Basin for oil and gas exploration.

Mr. Jenkins, in an interview, said he hopes to generate enough interest in the issue "to win approval of our resolution in the next session of the Legislature next year."

Since the issue arose last year, opposition to ceding the territory to the Soviets has been expressed by the Daughters of the American Revolution, the Military Order of the World Wars and the Young Americans for Freedom. The Conservative Caucus has sought to spread information about it.

26 July 1984

THE NOME NUGGET, T

Soviet boundary talks begin

WASHINGTON (AP) - A team of American diplomats began negotiations in Moscow Monday over the boundary between the two nations in the Bering Sea.

The exact line is in dispute because of differences in the way each country interprets the language of the 1867 convention under which the United States bought Alaska from Russia.

The boundary was described in the articles of the convention but no maps were attached. The United States believes the line is described by a great circle while the Soviet Union says it should follow a constant compass bearing.

The long-standing but generally dormant dispute was brought to the public's attention earlier this year when the U.S. held an oil and gas lease

sale which included tracts in the disputed area.

Although most oil companies stayed away from the area known as the Navarin Basin, a consortium of Shell and AMOCO offered \$100 million dollars for 18 tracts there. The government said before the sale it won't allow any exploration until it is determined who owns the ocean floor.

Although the federal government may decide at any time not to lease the disputed area, the companies won't be able to withdraw their bids or get their money back, with interest, for five years.

The decision to open the talks is seen by diplomatic observers as another in a series of steps taken in recent days by the Reagan administration to try to improve relations with the Soviet Union.

Group claims Navarin, Wrangell are American

An Anti-communist group based near Washington D.C. has accused the State Department of planning to give away U.S. territory to the Soviet Union.

Stockholders for World Freedom has declared its opposition to any settlement which would recognize the 1867 Convention Line as the official boundary between the two nations.

At issue is a part of the Navarin Basin lease area, as well as five disputed islands west of the line, including Wrangell Island which was taken from Nome-based merchants by the Soviets in 1924.

Carl Olson, founder and president of Stockholders for World Freedom, said the convention line was never intended as a national boundary. The 1867 convention simply states that the Russian government was selling its rights in territory east of the line to America, he said.

Olson called for a boundary line either 200 miles off the coast of St. Matthew Island which would include all of the Navarin Basin, or equidistant

between American and Soviet land.

He also called for the U.S. to reassert its claim to Wrangell Island and four other islands in the Arctic Ocean west of the convention line.

The Lomen Brothers Company the Nome-based reindeer herding and mercantile firm, had in the spring of 1924 bought a camp on Wrangell Island, off the northern coast of Siberia, from a Canadian enterprise. The United States and the Soviet Union both claimed the island.

In August of that year, the Red Army landed on Wrangell Island and confiscated the camp transferring its occupants to Siberia and later releasing them.

Olson said the U.S. has never abandoned its claim to Wrangell and the other four islands.

Claiming State Department in Secret Negotiations . . .

Groups Oppose Giving Soviets Wrangel, Four Other Islands

18,000 Square Miles Area Said Rich in Oil and Fishery Resources



Secretary of Interior Donald Hodel, center, talks with Roger Parry, of the Alaska Miners Association, left, and Borough Mayor Bill Allen shortly before speaking at a breakfast meeting Monday at Tarewell Inn.

\$108 Million Placed In Escrow, Lease Fees For Disputed Area

By Tom Snapp
Editor

The national organizations, the Conservative Caucus Foundation, the Daughters of the American Revolution, and the Military Order of the World War, along with seventeen members of the Alaska House of Representatives are urging the U.S. State Department to take a strong stand regarding the U.S.-Soviet Union boundary dispute involving an 18,000 square mile area in the Arctic Ocean and Bering Sea considered rich in oil and fishery resources.

The area includes five islands, Wrangel, Bennett, Herald, Henrietta and Jeanette.

The groups claim the U.S. State Department has been in secret negotiations with the Soviet Union for years and has already made concessions to the Soviet Union, including use of the 2,000-square-mile Wrangel Island.

The groups, which claim the U.S. owns the area in question, vehemently opposes giving any of it to the Soviet Union and instead is calling on Congress to hold hearings to investigate the activities of the State Department.

On May 12 this year, seventeen members of the Alaska House of Representatives introduced a resolution, House Joint Resolution 53, on the subject. While the resolution did not pass this session and was left stranded at the end of the legislative session in the House Resources Committee, reportedly it will be revived at the beginning of next year's session.

The resolution explains the background of the dispute this way:

"The Navarin Basin oil and gas lease sale in April 1984 resulted in total accepted bids of \$631,200,000, of which \$108,174,000 was for an area claimed by the Soviet Union.

"The winning bidders for the 17 tracts in the area claimed by the Soviet Union not only are precluded from exploring for oil and gas in these valuable seabed areas, but their bid deposit money is being held in a suspense account

—Continued on page 3

Man, 19, Girl, 14, Charged With Killing Three Elderly Alaskans

A 14-year-old Anchorage girl and her 19-year-old boyfriend, Cornell Boyd, also of Anchorage, were arrested this week on charges of murdering three elderly Alaskans on April 22.

The pair, who have also been charged with a string of Anchorage burglaries, are charged with killing plumbing supply businessman Tom Faccio, 69, his wife, Ann Faccio, 70, and Ann's sister Emelia Elliott, 76. They were found in their Elm Anchorage home the morning of April 23. All three had been shot through the head, execution-style.

The case which baffled police for quite some time was finally broken when Boyd and the girl were identified through the Crimeoppers program

which at the time was offering a \$50,000 reward.

Court papers describe the young pair as having been living together for two months, crashing in vacant rooms and apartments, and buying food and drugs from the loot of their burglaries.

Both Boyd and the girl have been seen frequently at a state owned housing project near Chester Creek and C Street. Boyd's family still lives there. The girl is listed as a runaway and her parents have moved away.

On May 30 police nabbed the pair in the process of burglarizing two apartments at 907 W 27th Avenue. The girl was captured at the scene but Boyd made his escape.

The girl was taken to police headquarters where she was in the midst of giving a taped confession of participating with Boyd in a series of burglaries dating back to February when Boyd called the station to find out what was happening to her.

Police kept Boyd on the line long enough until the call could be traced to the Sears Mall. Police moved in to arrest him but Boyd spotted them and eluded them in a one-hour chase across town. He was arrested the next day on seven burglary charges and two theft of weapon charges.

Assistant District Attorney Stephen Branchflower said more burglary charges — perhaps as many as seven — will be lodged against the pair.

Giving Soviets . . .

—Continued from page 1
by the U.S. Department of the Interior and a yielding only the U.S. Treasury rate of return.

There are hundreds of American jobs at stake at the drilling sites and at industry support sites.

The question of territorial jurisdiction also has implications for border fishery operations for America's fisheries.

The normal depiction of lines on the globe are by the arc of a great circle, especially when they involve great distances in the open ocean, such as the 1867 Convention Line marking the boundary between the United States and Russia.

The U.S. Department of State's International Boundary Study No. 14 ("U.S.-Russia Convention Line of 1867"), which was published in 1965, depicted the 1867 Convention Line by arcs of a great circle.

"Discussions have been conducted between the U.S. Department of State and the Soviet Government over this issue since 1981, with the latest round being held in Moscow on July 23 and 24, 1984, with the American delegation led by Davis R. Robinson, the Legal Advisor of the U.S. Department of State.

"Article IV, Sec. 3 of the United States Constitution provides that 'The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States.

"The Westernmost limit to the oil and gas leasing program of the U.S. Department of Interior for the Outer Continental Shelf in the Bering Sea has been set by the U.S. Department of State in the U.S.-Russia Convention Line of 1867.

"The leasing program involving the 1867 Convention Line in the Bering Sea includes the Norton Basin and the Norton Basin; there are highly significant oil and gas deposits estimated by the U.S. Department of Interior in three basins; and these potential hydrocarbon energy deposits are a vital part of the future energy production for the United States and as a goal of energy independence.

"The leasing schedule for sales of oil and gas includes the Norton Basin in April last year and March 1986, the St. George Basin in May, this year, and April 1987, and the Norton Basin in December of this year.

The area is estimated to contain about 100,000 tons of sustainable yield sockeye that is presently being fished exclusively by foreign fishing fleets.

"During the announcement of the Norton Basin's April 1984 sale, the U.S. Department of Interior revealed that the Soviet Union was demanding part of the Outer Continental Shelf in the Norton Basin and that the U.S. Department of State was requiring that the proposed oil and gas lease areas in the area claimed by the Soviet Government be held in abeyance, that is, the bids received and retained but the leases not awarded until the matter is resolved.

"The Federal Register announcement described the dispute as follows:

"The differing claims relate to differing depictions of the line established by the 1867 Convention Ceding Alaska between the United States and Russia. The United States depicts the 1867 Convention Line as the maritime boundary by arcs of a great circle while the Soviet Union depicts the 1867 Convention Line as a straight line."

"The area of the Outer Continental Shelf demanded by the Soviet Union between the arc-of-a-great-circle and the rhumb-line depictions in the Bering Sea amounts to about 18,000 square miles."

In their resolution, legislators urge the U.S. Department of State "not to yield to the demands of the Soviet Union" and urge it to adopt a firm stance and aggressively pursue a resolution of the dispute favorable to the interests of the government and the people of the United States.

In a resolution adopted by the 94th Congress of the Daughters of the American Revolution in April this year, one resolution claimed:

"The Soviet Union is now occupying Wrangel Island, without the consent of Congress, and the existence of a special marriage training facility has been discovered on United States Territory.

"The United States is also considering transfer to the Soviet Union of the outer Outer Continental Shelf in the Bering Sea and the Arctic Ocean, which contains some 15,400 square miles of petroleum-rich seabeds with an estimated four to twenty-five billion barrels of oil in addition to vast deposits of heavy metals.

In a resolution passed by the Military Order of the World War in January of this year, it claimed the "Arctic Alaska Islands of Wrangel, Bennett, Henrietta, and Jennette were discovered and claimed in the name of the United States, under international law during the period of 1879-1881 and the island of Herald was discovered and claimed in the

name of Orvel Braun in 1849 and subsequently ceded to the United States."

The resolution claims the Soviet Union invaded the island of Wrangel, taking all Americans prisoner in 1924 and confiscating all property real and personal in violation of international law.

The U.S. State Department, it says, as late as 1973 made the unequivocal statement "The United States has not relinquished its claims to Wrangel Island." But it says the U.S. State Department has been conducting secret negotiations with the Soviet Union, without participation of the Departments of Interior, Energy, or Defense, since at least 1981 on surrender of the sovereignty. And it adds that the Constitution of the U.S. provides that only the Congress, by treaty, signed by the President and debated and ratified by the Senate, may surrender American real estate and seabeds.

The State Department is close-mouthed about Wrangel Island. Scott Hoppa, who has been involved in discussions with the Soviets for many years over the dispute, says information about the talks is classified.

The three islands, Bennett, Henrietta, and Jennette, were discovered and claimed for the United States by Navy Commander George Washington DeLong in an 1879-1881 expedition to which a monument still stands at the U.S. Naval Academy in Annapolis, Md. The three islands are still known as the DeLong Islands.

In 1881 an American flag was raised over Wrangel Island by the U.S. Revenue Marine, but no claim of ownership was made. In 1911, the Russians first visited Wrangel and erected a beacon. In 1921, Canadian explorer Vilhelmine Stefansson tried to colonize the island but that venture ended in disaster, when most of the members died. In 1923, Stefansson tried again but this time the Russians removed the colonists from the island. Neither the U.S. or Canada asserted a claim of ownership, but Stefansson said "whatever interest he had in the island to the Lomen Brothers of Nome."

Mark Seltenberg, a resident of Alexandria, Va., in 1976 arranged with Ralph Lomen, one of the Lomen Brothers that claimed to be owners of the island, to trade a square foot of Alaskan land he had acquired near Anchorage for 33,000 acres on Wrangel so he could challenge the Soviet presence there.

"The U.S. Claim to Wrangel Island," study done for the State Department in 1976, says the island was first sighted by American captain Thomas DeLong in 1867, the year the

United States purchased Alaska. Another American, Calvin Hooper, landed on the island and claimed it for the U.S. in 1881, according to the study.

In the mid-70s, the executor of Mildred Lomen's will filed a claim with the State Department regarding Wrangel Island. The executor was told that U.S. Soviet scientific studies taking place at the time on Wrangel Island involved much ocean and migratory birds and did not affect ownership.

The studies consisted from an agreement, the Protocol of Anchorage, signed September 19, 1974 by the United States and the Soviets.

On August 27, 1974 the U.S. and U.S.S.R. met in Moscow to write up the proposed protocol, which if approved would grant Russia formal use of Wrangel Island without going to the U.S. Congress, with only approval by the Department of State.

At 10:30 p.m. September 19, 1974 at the Westward Hotel

in Anchorage, the proposed protocol was approved and signed by V. Danes and Yevgeny Konstantinovich for the U.S.S.R. and Ronald O. Skog and Harold T. Johnson for the U.S. On November 24, 1974 Gerald Ford, president of the United States, at the direction of Secretary of State Henry Kissinger approved it at Vladivostok, U.S.S.R.

On December 12, 1974, in Moscow, Russian Train signed for the U.S. government a certificate "in the field of environmental protection" which includes the protocol signed in Anchorage on September 19. The memo was also signed by Y. Loral for the Russian government.

On April 14, 1976 there was a ceremony held at the Bethel Alaska airport in which Russia was given the formal use of Wrangel Island in the protocol of Anchorage, signed Sept. 19, 1974. The U.S. made a big concession. For the first time, it referred to the disputed real estate as "Soviet Island Wrangel."

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Chena Flood Control . . .

—Continued from page 2
open 10,000 acre-feet, retained in June 1984.

The project had been operated four times previously once in 1981 and three times in 1984. The Memorial Day week end operation was the first time the Corps used the project to prevent close melt flooding. Rain caused high water in all previous operations.

The Chena's normal volume during the end of May is 1,200 cubic feet per second. The Corps estimates that the melt would

have swollen to 14,000 cfs in downtown Fairbanks if the gates had not been closed on May 25. This compares to 64,000 cfs that flooded Fairbanks in August, 1967 causing property damage worth \$85 million in 1967 dollars.

Though the 1987 flood was the worst it was not the only flood in Fairbanks history. Between 1905 and 1967, more than 14 major floods inundated the city, an average of one every four and a half years.

The Chena River Lakes

Flood Control Project is the Army Corps of Engineer's largest civil works project in Alaska. Its main features are an 11.2 mile-long Tanana River levee and drainage channels.

Except during periods of flooding, there is no pool or reservoir. When the project is activated, the flood gates in the outlet works are closed, impounding excess Chena River water in the floodway behind the dam. During high floods, water in the floodway would

—Continued on page 4

Tiny Wrangell Island embroiled in budding international tempest

by Heidi Fosner
Knight-Ridder Newspapers

Washington — In 1967, when he was 20, Mark Seidenberg opened a savings account at the promotion-minded State Mutual Savings and Loan Association in Los Angeles and, like all new customers at the time, was given title to one square foot of land near Anchorage.

That tiny plot was the beginning of a long and tangled story that now finds Seidenberg accusing the State Department of illegally bowing to the Soviet takeover in 1924 of 2,600 square miles of American-owned property, Wrangell Island in the East Siberian Sea.

But the story — which goes back to the U.S. purchase of Alaska from the Russians in 1867, a century before Seidenberg opened his savings account — is far from over. The Western Hemisphere Affairs Subcommittee of the Senate Foreign Relations Committee has become interested in Seidenberg's crusade and may hold hearings on the subject in 1985.

And there is more to the story than just one American's claim of injustice. The old Senate Internal Security Subcommittee in 1973 heard testimony that the Soviet Union used Wrangell Island during and after World War II as a forced labor camp. There also was testimony that long-lost Raoul Wallenberg, the war-time Swedish consul in Budapest who saved many Jews from the Nazi occupation, was incarcerated there as late as 1962.

Furthermore, the ownership of four other islands in the vicinity is at stake in secret negotiations between the United States and the Soviet Union that have been going on since 1961.

The State Department will not talk much about Wrangell Island, which is 85 miles from the northeast coast of Siberia and 270 miles from Cape Lisburne. Scott Hajost, who has been involved for several years in discussion with the Soviets of the island and the whole question of the boundary between the Soviet Union and Alaska, said information about the talks is classified.

He did say he considered Seidenberg a "fringe-type person" and that the department has no time for him.

Seidenberg, 37, a resident of nearby Alexandria, Va., and himself a middle-level bureaucrat in the Agriculture Department, says of the State Department: "They're gutless and they operate under a policy of detente by appeasement."

Added a colleague, Carl Olson, chairman of something called Stockholders for World Freedom in Vienna, Va., with which Seidenberg is also associated. "The State Department is not empowered to surrender American real estate and seabeds. Only Congress has that power. It must be brought up in the form of a treaty, signed by the president, and debated and ratified by the Senate in order to receive full force of the law."

Hajost's feeling about Seidenberg may stem from Seidenberg's, and Olson's, persistent and dogged course of confrontation with the department.

Seidenberg is a subscriber to Stockholders for World Freedom. He is also the vice chairman of the American Sovereignty Task Force, with Olson as chairman. And Seidenberg is vice chairman of State Department Watch, with Olson as chairman. The Task Force and State Department Watch have the same nine people as participants. Seidenberg is also a member of Americans for a Sound Foreign Policy in Washington. All of these groups, located in the Washington metropolitan area, are hostile to the State Department.

Seidenberg and Olson, who also lives in Alexandria, get some agreement in their crusade for Wrangell Island from an aide to Sen. Jesse Helms, R-N.C., chairman of the Western Hemisphere Affairs Subcommittee.

"It would certainly be worth holding hearings on," the aide said. "I would think there would have to be a treaty. There is a senatorial role and responsibility when American real estate and resources are involved. . . . The (U.S.-Soviet) negotiations follow a consistent pattern of the State Department over the last 30 years. They seem intent on giving things to the Soviets."

The same aide, who asked not to be identified, said the subcommittee staff was already researching Wrangell Island and the U.S.-Soviet boundary negotiations. Seidenberg said at one point that Helms had promised hearings would be held, but the aide denied that and Seidenberg said subsequently that Helms had only urged him to "keep up the good work."

Meanwhile, Seidenberg has a June 23, 1978, letter from the State Department, signed by M. James Wilkinson, deputy director of the Office of Soviet Affairs, that says:

"The United States has never had occasion to formally recognize Soviet ownership of Wrangell Island. The United States, however, has long since adopted the practice of dealing with the authorities in de facto control of territory, and we do not consider that recent scientific cooperative activities with the Soviet Union with respect to Wrangell Island necessarily import any recognition of legal status."

Seidenberg's attention was first drawn to Wrangell Island by the Senate Internal Security Subcommittee's 1973 hearings into forced labor.

"The camp on Wrangell Island was an experimental camp where experiments were conducted on living people," said one witness named "Koslov." "The experiments were in the form of injections, diets, oxygen tests on people who were long declared dead but were alive at that time — 1962 — and were working very hard in the camp. There was also Raoul Wallenberg who was (Swedish)

Soviets may have used Wrangell Island as forced labor camp

consul in Budapest during the war and who under the German occupation, aided by money, helped Jews escape from Hungary through Switzerland into other countries. When the Soviets entered Budapest, Raoul Wallenberg was immediately arrested at the order of the Commandant of Budapest and sent by special train to Moscow. He was then 27 years old and was a handsome, educated young man."

The State Department's office of Soviet affairs wrote Seidenberg that it couldn't verify that testimony by "Koslov," later identified as E. Moshinskii, who claimed to be an ex-prisoner on Wrangell Island and who now lives in Israel. Moshinskii said he had testified under the "Koslov" name because he had relatives in Moscow who he feared would be persecuted.

Avraham Shifrin, the leading expert on Soviet labor camps, corroborated Moshinskii's testimony to the subcommittee. He said the Soviets held Italian, French, Spanish and German prisoners-of-war on the island and used them for "atomic medical experiments."

Shifrin's book, "The first Guidebook to Prisons and Concentration Camps of the Soviet Union," reported that Moshinskii had access to some of the records of the Wrangell Island camp. Moshinskii's list of Italian prisoners on Wrangell matched some names on a list of prisoners maintained by Italy.

Seidenberg said he received an anonymous telephone call from a State Department employee the year after the subcommittee hearings. He said the caller told him that the Soviet Union, which took over the uninhabited island in 1924 with its gunboat Red October, wanted to discuss the status of Wrangell with the United States. The first talks were Aug. 27, 1974, and led to the secret negotiations that began seven years later.

Seidenberg said that when he asked about the talks, the State Department denied they were occurring. He said the Soviets responded to his inquiry by telling him the subject of the talks.

The chief result of the negotiations to date is an agreement (which the State Department confirms) to use as a U.S.-Soviet boundary in the area the "convention line" that was established in 1867, at the time of the Alaska purchase, to set a boundary between the two nations.

If that line becomes a permanent boundary — and there is some debate over how to establish the line — then the claimants to Wrangell will lose to the Russians. The United States would stand to lose more than Wrangell. It would lose any claim to the nearby islands of Herald, Bennett, Henrietta and Jeanette, all west of the convention line, and some huge seabeds extending from the Aleutian Islands through the Bering Strait and north to the Eastern Siberian and Chukchi Seas that reportedly is rich in oil reserves.

There is some evidence that Olson and, to some extent, Seidenberg are more interested in the oil potential of the seabeds — which Olson says contain 25 billion barrels of oil — than they are in Wrangell.

Olson calls the "giveaway" of literally billions of barrels of America's oil reserves "a situation that makes the Panama Canal fiasco look insignificant in comparison."

Herald Island was first claimed by the British in 1849 and later acquired by the United States, according to Olson and Seidenberg. The islands Bennett, Henrietta and Jeanette were discovered and claimed for the United States, by Navy Commander George Washington DeLong in an 1870 expedition to which a monument still stands at the U.S. Naval Academy in Annapolis, Md. The three islands are still known as the DeLong Islands.

Even before he became interested in Wrangell Island, Seidenberg was an adversary of the State Department. In 1973, he sued Secretary of State Henry Kissinger, unsuccessfully, for refusing to permit him and four lawyer friends to open a trading company in the South Pacific and practice law there.

The anonymous call from a State Department employee, who knew of Seidenberg because of the Kissinger suit, and the Senate hearings heightened his adversarial senses. He said his phones have been tapped and he has been under FBI surveillance since deciding to fight the department over Wrangell.

In 1976, he arranged with Ralph Lomen, last of the Lomen brothers, who claimed to be owners of the island, to trade his square foot of Alaskan land for 93,000 acres on Wrangell so that he could challenge the Soviet presence there. Two years later he sold 30 acres each to the Supreme Rabbi, Court of America, Inc., and the Jewish Survival League, Inc., organizations that are joining his fight for humanitarian reasons. The rest of the island ostensibly belongs to the estate of Mildred Lomen, Ralph's widow.

A contract study, "The U.S. Claim to Wrangell Island," done for the State Department in 1977 says the island was first sighted by an American captain, Thomas Long, in 1867 — the year the United States purchased Alaska. Another American, Calvin Hooper, landed on the island and claimed it for the United States in 1881. More than 40 years later, a Canadian, Vilhjalmur Stefansson, organized a company to live on Wrangell in an attempt to assert British sovereignty there. In 1900 he sold whatever interest he had in the island to the Lomen brothers, American citizens.

In the mid-1970s, the executor of Mildred Lomen's will filed a claim with the State Department about Wrangell. Like Seidenberg, who filed a similar claim, he was told that U.S.-Soviet scientific studies taking place then on Wrangell Island involving musk oxen and migratory birds did not affect its ownership.

The scientific studies stemmed from the Protocol of Anchorage that was signed Sept. 19, 1974, by the United States and the Soviets. In that document, the United States referred to the "Soviet Island Wrangell," the first time such a U.S. concession was made.

Seidenberg makes no bones about the fact that he thinks the concession is permanent.

Wrangell Island: Chronology of a Polar Panama

by Mark Seidenberg

At the Young Americans for Freedom (YAF) national convention in New York City on August 27, 1977, a resolution was passed by nearly 500 delegates requesting President Carter to close down three forced-labor concentration camps operated by the Soviet KGB (Committee of State Security), and a special camp for the training of foreign espionage agents operated by the VKR (Organization for Counter-Infiltration) on Wrangell Island, Alaska.

Wrangell Island, Alaska is a large island in the Arctic Ocean about 270 miles northwest of Cape Lisburne. It was discovered by Captain Thomas Long of the New London, Connecticut whaler 'NILE' and named by him in honor of Admiral Baron Ferdinand Petrovich von Wrangell, IRN, on 14 August 1867. In 1877, the U.S. Department of War transferred jurisdiction of Alaska to the U.S. Treasury Department. Treasury administered Alaska until Congress passed the Alaskan Organic Act in 1884. The Secretary of Treasury placed the duty of administering Alaska in the U.S. Revenue-Marine (known since 28 January 1915 as the U.S. Coast Guard).

In 1880, Captain Calvin L. Hooper was placed in charge of the Bering Sea Patrol, which made him the de facto governor of Alaska. Captain Hooper USRM with a party from the USRM Steamer 'THOMAS CORWIN' landed on Wrangell Island on 12 August 1881 and took formal possession in the name of the United States Government based on the right of discovery by the American Barque 'NILE' in 1867. The U.S. Coast and Geodetic Service then placed this newly annexed island in the district of Alaska. The official survey of the island was carried out by the crew of the U.S.S. 'JOHN RODGERS' between 26 August and 13 September 1881.

Between 1881 and 1910 the island was used only by the American whalers and hunters of walrus. On 8 September 1889 the U.S.S. Thetis went to Wrangell Island to reinforce the U.S. claim of sovereignty. In 1910 the ship 'Adler' of Nome, Alaska with a motion picture company from Hollywood landed on Wrangell Island to make a movie about a polar bear hunt and left an U.S. ensign standing when they finished.

In the summer of 1911, the Imperial Russian Steamer 'Vaigatch' under the command of Konstantin V. Loman made the first Russian landing on Wrangell Island. They anchored at the Bay of Kolchak only long enough to establish the astronomical position of the landing place.

In 1913 the National Geographic Society was planning to finance an expedition in Arctic to look for Harris Land (like Baron Wrangell 90 years prior, Dr. Rollin A. Harris in 1911 hypothesized the existence of Peringia to explain his theory of tidal movements in the Arctic) in the Beaufort Sea. Sir Robert L. Borden did not want U.S. Citizens to find and claim new lands in the Arctic north of Canada for the U.S. Government, because of the past conflicts with Otto Sverdrup of Norway and Adolphus W. Greely of the

United States. Therefore, the Canadian Government offered to finance the expedition if it was headed by a Canadian and under a British flag. The Canadian Government placed the expedition under the command of famous Arctic explorer Vilhjalmur Stefansson. The flag ship of the expedition was to be a whaling ship 'KAR-

LUK' under the command of Captain Robert A. (Bob) Bartlett, a citizen of the United States, who commanded the U.S.S. 'ROOSEVELT' for the Peary & Henson expedition to the North Pole in 1909.



On 26 July 1913 the 'KARLUK' departed Port Clarence, B.C. for Herschel Island. By mid-September the 'KARLUK' was caught in the Arctic Ice Pack far short of its goal. Stefansson departed his ship to go hunting for fresh meat. Before he could return, a strong gale came up and caused the ship to drift.

On January 11, 1914, the 'KARLUK' sank in the ice pack north of Wrangell Island. The survivors began a two month track south towards Wrangell on foot over the polar ice cap. On 12 March they landed at Icy Spit, Wrangell Island. The island was their home until removed by the ship 'KING & WINGE' of Seattle, Washington engaged in hunting of walrus. Bartlett walked across the ice pack to Siberia with an Eskimo crew member to find a ship that would go to the island and remove the rest of his crew. On September 7, 1914, the 'KING & WINGE', transferred the 'KARLUK' party to the U.S. Revenue Cutter 'BEAR', the ship that Captain Bartlett was aboard. The 'BEAR' was on its way to Wrangell to remove Bartlett's crew off the island, but was 75 miles from the island when it met up with the 'KING & WINGE'.

By 1920, Stefansson became worried that the new Soviet state on orders from Moscow might try to take Wrangell Island for herself. On September 15, 1921 the 'SILVER WAVE' of Nome, Alaska arrived at Wrangell Island and raised the U.S. Flag again over the island. Unknown to the crew of the 'SILVER WAVE', a passenger named Allen Crawford took formal possession of Wrangell Island in the name of the Stefansson Arctic Expedition of 1921, based on the occupation of the island by the survivors of the brigantine 'KARLUK' from March 12, 1914 to September 7, 1914.

On April 1, 1924 Stefansson sold Wrangell Island to the Lomen Bros. Company of Nome, Alaska. Then on May 13, 1924 Secretary of State Charles Evans Hughes declared that the Lomen Bros. were the owners of the island.

On August 20, 1924 the Soviet gun boat 'KRASNI OKTYABR' armed with six pound cannon and Soviet soldiers landed at Wrangell Island and kidnapped Mr. Charles Wells, manager of the Lomen Bros. Company, and 13 American Es-

On February 18, 1930, U.S. Navy General William DeWitt Mitchell acknowledged that the Lomen Bros. Company was the owner of Wrangell Island, Alaska and that the Soviet occupation was in violation of international law.

In 1939 the Department of the Navy was planning to build a naval air station on Wrangell Island (in order to protect the Philippines from an attack from Japan, since Wrangell Island lies on the great circle route between Washington, D.C. and Manila), but Secretary of State Hull did not want to bring up the dispute with the U.S.S.R. at that time, so the idea was tabled.

On February 1-2, 1973, the Subcommittee to Investigate the Administration of the Internal Security Laws of the Committee of the Judiciary, U.S. Senate discovered that the Soviets were already operating a special KGB camp for the training of foreign espionage agents, as well as having established three concentration camp zones for torturing Soviet political prisoners on Wrangell Island.

On August 27, 1974 at a meeting in Moscow, U.S.S.R., the U.S. and U.S.S.R. wrote up a proposed Protocol which if approved by the Department of State would grant the Soviet Union the formal use of Wrangell Island, Alaska without going to the U.S. Congress for its approval.

On September 19, 1974 at 10:30 p.m. in the Westward Hotel, Anchorage, Alaska the approved Protocol was signed by V. Denisov & Vytautas Kontrimavichus for the U.S.S.R. and Ronald O. Skoog & Harold T. Jorgenson for the U.S.A.

On November 24, 1974 at Vladivostok, U.S.S.R. President Gerald Ford in the direction of Secretary of State Henry Kissinger approved the above Protocol.

On December 12, 1974 at a meeting in Moscow, U.S.S.R. Mr. Russell Train signed for the U.S. Government a memorandum "in the field of environmental protection" which included the Protocol of Anchorage of September 19, 1974. This memorandum was also signed by Y. Izrael for the government of the U.S.S.R.

On April 14, 1975 in a transfer ceremony at the Bethel, Alaska airport, the formal use of Wrangell Island was given to the U.S.S.R. by the United States Government.

Incredible as it seems, the United States government has sanctioned the forcible takeover of American territory by Soviet Communists! This outrage further justifies the skepticism most Americans have over State Department assurances about American rights in Panama. If the government won't stand up for our rights, we as citizens must protest loudly enough to give our leaders some backbone. If you want to help, contact California Young Americans for Freedom, 1250 Wilshire Blvd., Suite 101, Los Angeles 90017, or call them at (213) 492-822.



Are Russians buying back Alaska from U.S. secretly?

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NOVEMBER 9, 1984

The Story Of Five Islands EDITORIAL

You probably have never heard of five little islands with the funny names of Wrangell, Herald, Bennett, Henrietta and Jeannette. But they and the waters that surround them could be important to you. There is a serious question as to whether they will end up being American — or be part of the Soviet Union.

The issue began before four of the islands were discovered. It was in 1867 that the United States bought Alaska from Russia for \$7.2 million. Though that has turned out to be a tremendous bargain, at the time it was ridiculed by many Americans who opposed the action of Secretary of State William H. Seward, calling Alaska "Seward's Folly" and "Seward's Icebox." Of course, over the years that huge land that was to become an American state has yielded more valuable furs, gold, other products and now oil than Mr. Seward could ever have dreamed. And just think how we would feel if we hadn't bought Alaska and it were a part of the Soviet Union today!

The question involving the five islands and the waters around them arises from the original "U.S.-Russia Convention Line of 1867." It's explained this way: "The wording of the Convention is rather precise. The principal question left unsolved is whether the lines between fixed points should cartographically be expressed as 'rhumb lines' or as 'great circle lines'. It was

decided that great circle lines should be understood by the convention wording as 'straight lines' on the earth . . ."

While this is obviously quite technical, the matter has boiled down to negotiations between the United States and the U.S. State Department. The Conservative Caucus Research, Analysis & Education Foundation is warning that "The State Department appears ready and willing to surrender the five strategic Alaskan islands and hundreds of thousands of square miles of oil-rich Alaskan outer continental shelf to the Soviet Union without full public debate and Senate ratification of a treaty."

Carl Olson, executive vice president of the foundation, says, "This giveaway of literally billions of barrels of America's oil reserves and Alaskan sovereign territory makes the Panama Canal fiasco look insignificant by comparison."

Wrangell Island is the largest of the five, being about the size of Delaware and Rhode Island combined. It was discovered and claimed by the United States in 1881. The four other islands were discovered, claimed or acquired subsequent to the purchase of Alaska from Russia.

Certainly, this is a matter that does deserve extensive Senate scrutiny and general public attention to determine the appropriate U.S. position on these lands, waters and potential mineral wealth.

Sir:
To Secretary of State George Shultz:

As a proud Alaskan and a proud American, I don't want to think that your department could negotiate away five of our strategic Alaskan Arctic islands and tens of thousands of square miles of oil-rich seabeds.

Is President Reagan aware of what you are doing?

Please make public the State Department's plans for giving up our Alaskan islands of Wrangell, Herald, Bennett, Henrietta, and Jeannette and for turning over billions of barrels of probable oil reserves to the communist masters of the Soviet Union.

Your negotiations with the Soviets on this issue have been secret long enough. Now is the time to come forth and let the American people know what losses to expect.

Any deals that you try to make with the Kremlin should be in the form of a treaty so that full public debate can occur in the U.S. Senate.

To Concerned Americans:

Your immediate aid is needed to stop this one dead in its tracks.

How does the State Department think it can pull the wool over the public's eyes?

Its first strategy is to throw a veil of secrecy over the negotiations. Inquiries to the State Department

are met with cries of "top secret" and "sensitive matters" — and then a lot of bureaucratic legalese and smokescreens.

For your information, the chief negotiators of this giveaway scheme, are the State Department's legal adviser Davis Robinson, his staff members Elizabeth Verville and Scott Hajost; Robert W. Smith of the department's Office of the Geographer; and Harry Marshall and Richard T. Scully of the Bureau of Oceans and International, Environmental and Scientific Affairs.

All of these foggy bottom officials traveled to Moscow for negotiations with the Kremlin commissars during the week of July 23-27. Who knows how soon they will spring this surprise on the unsuspecting American public?

Government agencies may obtain additional information and copies of the international boundary study by calling the Office of the Geographer, Room 8744, State Department Building, Department of State, Washington, 25, D.C. (Telephone: Code 182, Extension 4507).

Write to your representatives and senators to get this information.

For much more important information, write: Carl Olson, 450 Maple Avenue East, Vienna, Virginia, 22180.

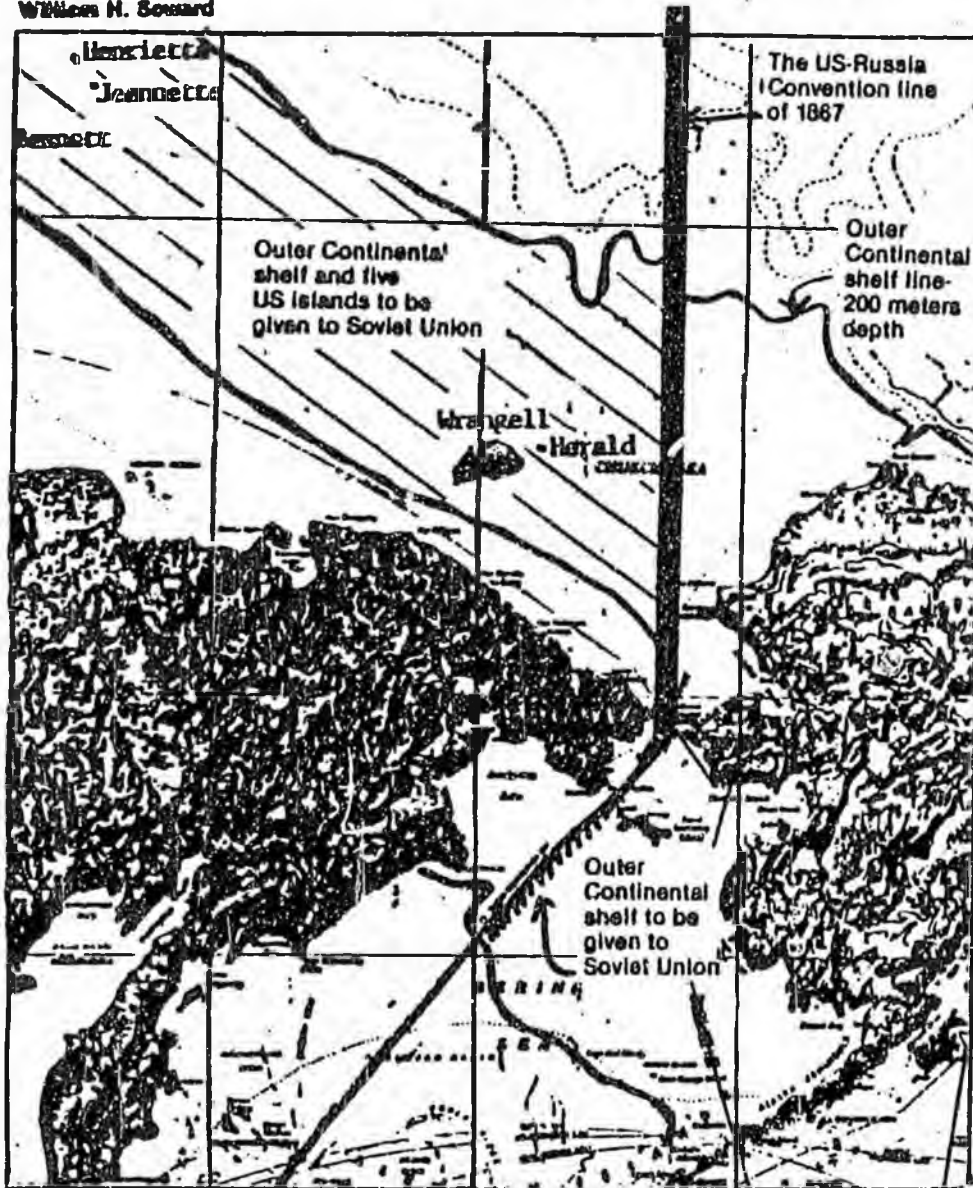
WALTER H. PAUL
Canfield



Negotiations would give rights to Soviets

State Dept. Charged With Oil Give-Away

William H. Seward



WASHINGTON, D.C. - Alaskan State Senator Don Bennett (Rep.-Fairbanks) has indicated he will seek a resolution to "protest the US State Department's plan to give to the Soviet Union five Alaskan islands and tens of thousands of square miles of oil-rich outercontinental shelf."

Spearheading an effort to alert the public to this give-away is Carl Olson, Chairman of Stockholders for World Freedom, headquartered in Alexandria, Virginia. "The US State Department has stone-walled. Their spokesmen refuse to give out any information. Several Senate and Congressional members have been rebuffed in their attempts to get information."

Olson was also severely critical of the failure of Alaska's Congressional delegation to respond. "The absence of any stated position whatever by Alaska's two U.S. Senators and one Congressman is especially disturbing, since their offices were contacted in July with a full account of the State Department's intentions."

State Department officials led a US

delegation to Moscow for the week of July 23 to 27 for the purpose of firming details of the give-away. "Its rationale," according to Olson, "was a new interpretation of the old 1867 US-Russian Convention Line which it decided to elevate to the status of an international boundary."

Alaska was purchased in 1867 from Russia for the price of \$7.2 million in gold. At the time, it was named "Seward's Fo'ly" after Secretary of State William H. Seward who negotiated the treaty.

According to Olson, "this position would surrender not only five Alaskan islands (Wrangell, Herald, Bennett, Jeanette, and Henrietta) but it abandons the valid US claims to tens of thousands of square miles of oil-rich outercontinental shelf. At stake are billions of barrels of probable oil reserves that would go to support the Soviet war machine, losses of 100's of Alaskan jobs, and surrender of military strategic areas."

The State Department's reversal of position was revealed in the Federal Register of March 16, 1984. The position had been that the 1867 line doesn't constitute a boundary line. The five islands west of the Convention have been claimed by the United States.

SOVIET GIVE-AWAY is illustrated by broad vertical line which indicates the US-Russian Convention Line of 1867. Islands west of the line were claimed subsequently by the United States. Oil drilling rights would likewise be given to the Soviets east of the line off the southeastern coast of Alaska.

Why hand oil over to the Soviets?

The State Department persists in negotiations to surrender to the Soviet Union vast areas of oil-rich seabeds in the Bering Sea and Arctic Ocean, territory long considered to be under U.S. sovereignty.

Why? Because "the United States never made formal claims," said a State Department spokesman. An unnamed diplomat called it "another step... by the Reagan administration to try to improve relations with the Soviet Union."

Whatever the rationalization, the fact remains that this quiet diplomacy could result in the loss of up to 25 billion barrels of oil reserves very important to national security. Even more damaging would be U.S. surrender to illegal Russian claims.

The argument centers on the interpretation of the U.S.-Russia Convention Line of 1867, established when the United States purchased Alaska. Contrary to historical evidence, the *American Journal of International Law*, and its own geographer, the Reagan State Department would now define this "convention line" as the international boundary between the two countries.

The "convention line," however, is not an international boundary, and in 1951 the State Department's own special adviser in geography, S. Wittermore Boggs, said so in plain language: "Most lines in water areas which are defined in treaties are not boundaries between waters under the jurisdiction of the contracting parties, but a cartographic device to simplify description of the land areas involved..." (*American Journal of International Law*, Vol. 45, April 1951, p. 240).

Mr. Boggs described such a line simply as a "line of allocation" of land. Therefore, the land areas to the east of the convention line of 1867 belong to the United States; and land

areas to the west belong to the Soviet Union without regard to the water areas involved. Moreover, since this line does not constitute a state boundary, the cartographic symbol for an international boundary should never be used.

This principle was reaffirmed by the State Department Office of the Geographer's *International Boundary Study*, Oct. 1, 1965, and again by William E. Butler, professor of comparative law, University

This quiet diplomacy could result in the loss of up to 25 billion barrels of oil reserves important to national security.

of London, in 1978. "The Russo-American Convention Line of 1867 is not regarded as a state frontier, and the continental shelf boundary in the Chukchi Sea and northward remains to be negotiated."

Under quiet negotiations with Moscow in July 1984, Washington would accept the 1967 convention line as the official boundary and eventually draw it as a rhumb line instead of a great circle, thereby giving the Soviets even more oil reserves on the continental shelf. But more important, the State Department would extend this line into the Arctic Ocean as the boundary line and surrender five strategic islands that lie to the westward: Wrangel, Herald, Jeannette, Henrietta, and Bennett—all discovered and claimed for the United States long after the 1867 purchase



of Alaska from the Russians.

The largest islands, Wrangel and Herald, are in the outer continental shelf with vast petroleum potentials. Wrangel was once considered as a prime site for a U.S. air base. U.S. claims to the other three islands; some 900 miles west of Point Barrow, Alaska, resulted from the heroic Jeannette expedition of 1879-81 under Navy Lt. Commander George Washington De Long.

Documents and land records of the state of Alaska, the U.S. Navy, and the Treasury Department (Revenue Cutter Service) trace the American origins of these five islands. An international court ruling in 1959 under the International Claims Settlement Act established U.S. claims to Wrangel Island, and underscored the illegality of Soviet claims.

Thirty-five years earlier, in 1924,

Alfred J. Lomen had filed his claim against the Soviets for confiscation of his property on the island. Mr. Lomen was one of 13 Americans engaged in processing furs in the early 1920s. In 1924 the Soviets sent the gunboat *Red October*, seized the Americans and their property, and sent them to Siberia, 90 miles away. The new Soviet nation claimed the island. However, after a long delay, the court awarded compensation to the Lomen family, thereby providing yet another validation that the island is U.S. territory.

The current State Department negotiations have apparently ignored America's 200-mile economic zone, which would give the United States exclusive maritime resource jurisdiction—meaning maritime oil rights 200 miles offshore from U.S. territory. Further complicating the State Department's surrender plan is the acceptance by the Interior Department of millions of dollars in escrow funds from four U.S. oil firms binding on tracts in the disputed areas.

This scheme for appeasing the Soviet Union whose empire already spreads over one fifth of the Earth's land and controls another 10% would cede 2,900 square miles of strategic islands and oil beds four times the size of California, or 630,000 square miles of energy sources.

This cannot be done constitutionally without the consent of Congress, which alone can dispose of U.S. territory (Art. IV, Sec. 3, of the Constitution). It must not be done without full debate and disclosure.

Do the senators and representatives in Congress understand what the State Department is up to? Or have they been asked to intervene?

Border Dispute

Question: What country was the first to lose territory to Soviet aggression?

Answer: Not Finland, not even the unfortunate Baltic States, but the United States of America.

That happened on Aug. 20, 1924, when the crew of the Soviet gunboat Krasny Oktober (Red October) landed on Wrangel Island off the northeast coast of Siberia and took as prisoners the 14 American fur trappers encamped there. Twelve survivors were eventually released. Two men died in captivity. The Soviets claimed Wrangell and now operate a political prison camp on the island.

On "Face the Nation" last month, National Security Adviser Robert McFarlane indicated that the Wrangell "boundary dispute" will be on the table at the Geneva summit. Some members of Congress believe the State Department wants to finally resolve the island's status—in the Soviets' favor. Resolutions demanding that any agreement be subject to congressional approval have been drafted by Sen. Jesse Helms and Rep. Mark Siljander.

A U.S. irredentist claim to a chilly piece of Arctic real estate might sound like small potatoes. But the congressmen figure that it doesn't make much sense to complain to the Soviets about their expansionist tendencies—as President Reagan clearly intends to do—while at the same time politely forgetting that they once grabbed some land from the U.S. itself.

The U.S. claim to Wrangell and four small nearby islands dates from 1881. A U.S. Revenue Marine (Coast Guard) party that included John Muir, the famed naturalist and founder of the Sierra Club, visited the area that year. Mr. Muir later wrote that they "landed on Wrangell Land and took possession of it in the name of the United States." A czarist explorer, Lt. Ferdinand Wrangell, ad-

mitted in his memoirs that he never actually discovered the island that bears his name. Until the Krasny Oktober showed up, there was no official Russian presence.

Several U.S. oil companies are interested in searching for oil on the continental shelf between the U.S. and the Soviet Union. When last year the Interior Department announced it would begin leasing tracts in the Arctic Ocean, the State Department warned that anyone bidding on tracts to the west of the so-called 1867 Convention Line should be aware that the area might become Soviet territory.

As recently as 1973, the State Department maintained that the U.S. had never relinquished its claims to Wrangell and the other islands, and that the "convention lines" depicted on maps *did not* constitute an international boundary. But in December 1984, after some negotiations in Moscow, the department said it had not "found any evidence that the Government of the United States has ever formally asserted a claim to any of the islands." That seems to contradict the John Muir account. It also ignores a 1959 ruling of the Foreign Claims Settlement Board that the property of the fur trappers was illegally expropriated. *Russian* maps made early in this century show the islands as American.

We've had our own doubts about irredentist claims. The further back in history you go, the greater amount of disputed acreage there is. But the Soviets themselves are among history's most aggressive irredentists. Aside from their grab of the Baltic States and their expansion of the old czarist empire westward to the Elbe and southward to Kandahar, they have border disputes with Norway, Sweden, Japan and China. Whatever the prospects for satisfaction, the U.S. should hang tough over Wrangell Island just to demonstrate its resistance to Soviet imperialism.

THE WALL STREET JOURNAL.

WEDNESDAY, NOVEMBER 13, 1985

WATCH
STATE DEPARTMENT

Reprinted by:

NATIONAL HEADQUARTERS
Post Office Box 46857
Washington, D.C. 20050
703-379-1070



7.

Americans for a Sound Foreign Policy

418 C Street, N.E. • Washington, D.C. 20002

FOR IMMEDIATE RELEASE

Contact: J. ATCHISON FRAZER
202-546-3224

LUCE CALLS FOR STATE DEPARTMENT REPORT AND SENATE RESOLUTION
ON U.S. GIVE-WAY OF WRANGEL ISLAND TO SOVIETS

9 July 1984, Washington, DC--The United States State Department is "giving away" five Alaskan islands--including Wrangel--to the Soviet Union in an attempt "to appease the land-hungry appetites of the Kremlin military bosses," charged Phillip Abbott Luce, President of Americans for a Sound Foreign Policy, here today.

"I demand an immediate and thoroughly detailed report by the State Department before the full Senate Foreign Relations Committee or this mindless give-away of strategic and sovereign U.S. territory," said Luce, adding, "I furthermore strongly urge and respectfully request a Senate Resolution opposing this give-away and also implore all concerned citizens of the Republic to contact their respective Senators and do the same."

The State Department--eager to establish a meaningless maritime boundary in the Arctic--has offered the Soviets five islands in the states of Alaska and an additional 27,500 square miles of territory in the oil-rich Exclusive Economic Zone (EEZ) of the U.S. An agreement is expected later this year.

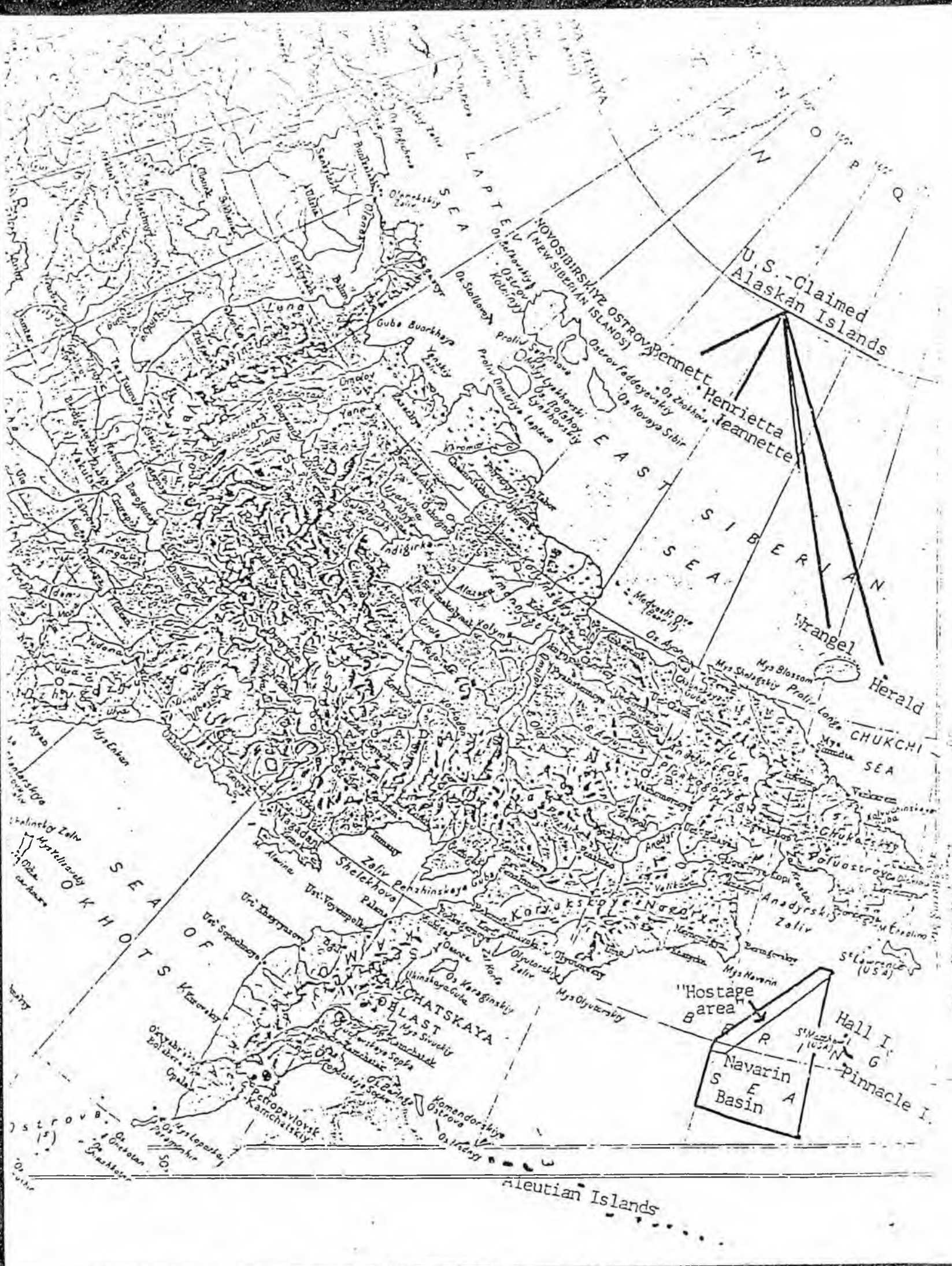
One of the islands to be divvied up--Wrangel--has been so strategically important that columnist Jack Anderson has compared its give-away to the Panama Canal treaties. Indeed, the Soviets

have already constructed submarine bases on the island. In addition, according to The First Guide to Prisons and Concentration Camps of the Soviet Union, Wrangel Island is a repudiated Gulag--or political prisoner-occupied concentration camp--where witnesses have testified that Raoul Wallenberg once was detained. (Wallenberg--a former Swedish diplomat--rescued many Hungarian Jews during WWII. The USSR has officially said that Wallenberg died in a KGB prison in 1947 but eyewitnesses say he is still alive in the Gulag, possibly still on Wrangel.)

"We will assuredly be committing the 'Suicide of the West' if we do not take a stand on this critical issue of national security and territorial sovereignty," Luce said, concluding, "The time is now for the Senate to act--before it is too late."

(Luce--a former Maoist revolutionary--is President of the 70,000-member Americans for a Sound Foreign Policy (AFSP). AFSP--founded in 1978--exists in its belief that the Soviet Union stands as the greatest threat to world peace today.)

#



U.S.-Claimed
Alaskan Islands

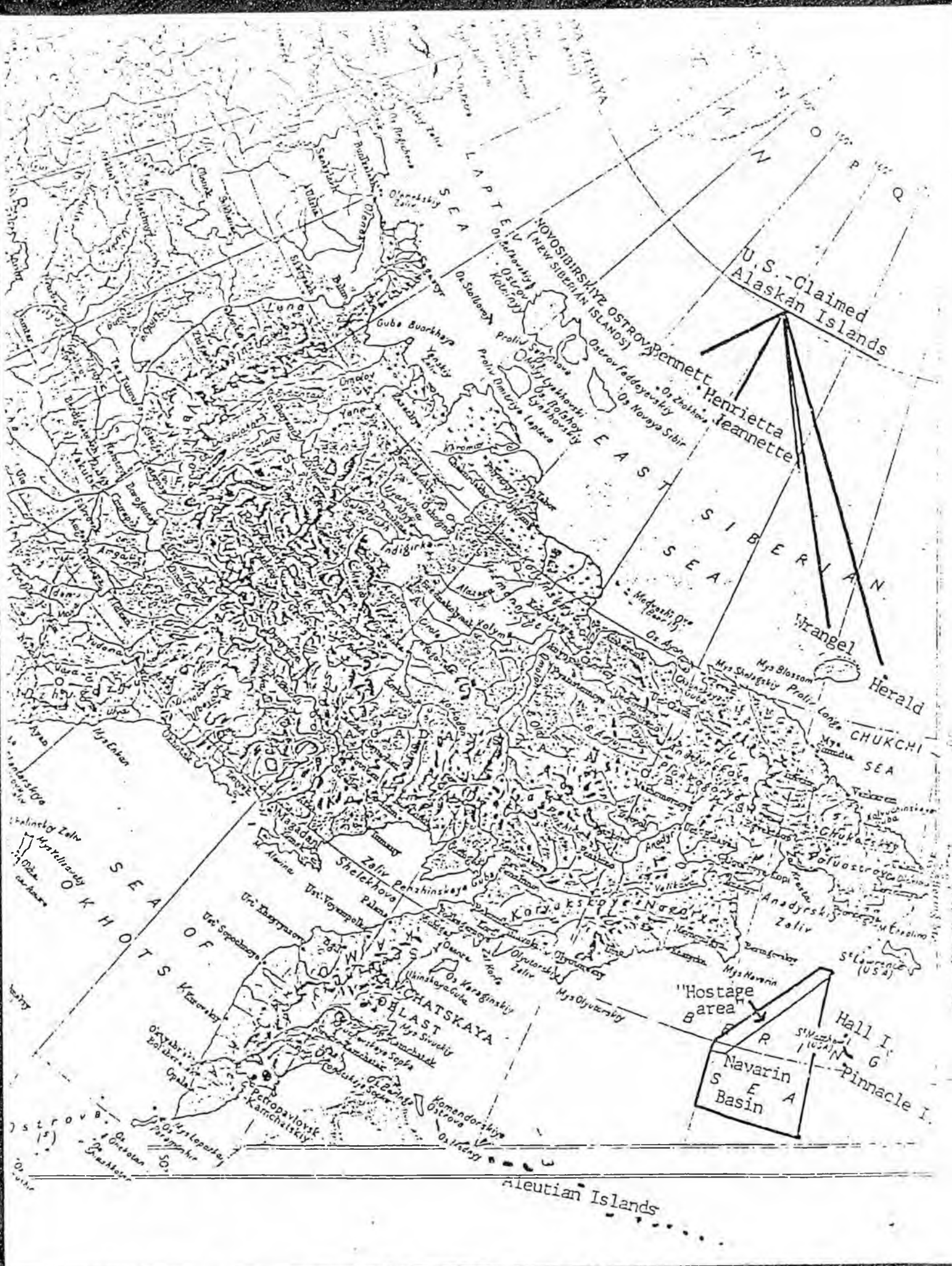
Bennett
Henrietta
Jeannette

Herald
Strangel

Hostage
area
Navarin
SEA
Basin

Hall I.
Pinnacle I.

Aleutian Islands



THE MILITARY ORDER OF THE WORLD WARS
435 N. Lee Street
Alexandria, VA. 22314
703-683-4911

RESOLUTION #2

WHEREAS, the Arctic Alaskan islands of Wrangell, Bennett, Henrietta and Jeanette were discovered and claimed in the name of the United States, under international law during the period of 1879-1881; and

WHEREAS, the Arctic Alaskan island of Herald was discovered and claimed in the name of Great Britain in 1849, and subsequently ceded to the United States; and

WHEREAS, the Soviet Union invaded the island of Wrangell, taking all Americans prisoner in 1924 and confiscating all property, real and personal, in violation of international law; and

WHEREAS, the United States State Department, as late as 1973, made the unequivocal statement "The United States has not relinquished its claim to Wrangell Island; and

WHEREAS, these islands include the oil rich seabeds of the outer continental shelf in the Navarin Basin, estimated at 25 billion barrels of oil; and

WHEREAS, the U.S. State Department has been conducting secret negotiations with the Soviet Union, without participation of the Departments of Interior, Energy, or Defense, since at least 1981 on surrender of this sovereignty; and

WHEREAS, the Constitution of the United States provides that only the Congress, by treaty, signed by the President and debated and ratified by the Senate, may surrender American real estate and seabeds;

NOW THEREFORE, BE IT RESOLVED by the General Staff of the Military Order of the World Wars that its deep concern over the aforesaid action be expressed most strongly to the Congress and the Administration, and that the Congress take immediate action to hold open hearings and debate prior to implementation of any plan to give away the islands of Wrangell, Herald, Bennett, Henrietta and Jeanette, and the seabeds included therein.

Adopted at

1985 Midwinter General Staff Meeting
Arlington, VA. 25-26 January 1985

ADOPTED AUGUST 2, 1985

THIRTEENTH NATIONAL CONVENTION

YOUNG AMERICANS FOR FREEDOM

DENVER, COLORADO

REPORTED BY DOMESTIC AFFAIRS

SUBCOMMITTEE

WHEREAS, YOUNG AMERICANS FOR FREEDOM HAS RESOLVED AT THE SEVENTEENTH ANNUAL CONVENTION IN NEW YORK CITY, AUGUST 1981, THAT THE SOVIETS OCCUPYING WRANGELL ISLAND, ALASKA BE REMOVED FORTHWITH AND THE STATE DEPARTMENT CEASE AND DESIST ITS PLAN TO GIVE PERMANENT CONTROL OF SAID ISLAND TO THE SOVIET UNION,

WHEREAS, IN 1981 THE STATE DEPARTMENT BEGAN MARITIME BOUNDARY NEGOTIATION WITH THE SOVIET UNION OVER A ALASKAN-SIBERIAN BOUNDARY, WHICH DID NOT BECOME PUBLICLY KNOWN UNTIL 1984. DURING THE COURSE OF THESE NEGOTIATIONS THE STATE DEPARTMENT OFFERED TO CEDE TO THE SOVIET UNION FIVE ARCTIC ISLANDS NOW PART OF THE STATE OF ALASKA AND HALF OF THE OUTER CONTINENTAL SHELF OF THE UNITED STATES,

WHEREAS, IN 1973 THE GENERAL PUBLIC BECAME AWARE THAT THE KGB WAS USING WRANGELL ISLAND, ALASKA AS A PRISON CAMP FOR AMERICAN-SOVIET PRISONERS. [SOURCE: USSR LABOR CAMPS. HEARINGS BEFORE THE SUBCOMMITTEE TO INVESTIGATE THE ADMINISTRATION OF THE INTERNAL SECURITY LAWS OF THE COMMITTEE OF THE JUDICIARY, U.S. SENATE, 93RD CONGRESS, FIRST SESSION, FEBRUARY 1 & 2, 1973. WASHINGTON, GOVERNMENT PRINTING OFFICE, 1973]

THEREFORE BE IT RESOLVED, THAT YOUNG AMERICANS FOR FREEDOM CALL ON PRESIDENT REAGAN TO REMOVE FROM FEDERAL OFFICE THOSE OFFICIALS RESPONSIBLE FOR OFFERING THE SOVIET UNION THE ALASKAN ISLANDS OF WRANGELL, HERALD, HENRIETTA, BENNETT, AND JEANNETTE WITH HALF OF THE OUTER CONTINENTAL SHELF OF THE UNITED STATES.

BE IT FURTHER RESOLVED, THAT THE ALASKAN-SIBERIAN BOUNDARY BE BROKEN OFF FORTHWITH AND PRESIDENT REAGAN REMOVE SOVIET NATIONALS FROM THESE FIVE ALASKAN ISLANDS.

Military Order of the World Wars



435 N. Lee Street
Alexandria, VA. 22314
703-683-4911

RESOLUTION #2

WHEREAS, the Arctic Alaskan islands of Wrangell, Bennett, Henrietta and Jeanette were discovered and claimed in the name of the United States, under international law during the period of 1879-1881; and

WHEREAS, the Arctic Alaskan island of Herald was discovered and claimed in the name of Great Britain in 1849, and subsequently ceded to the United States; and

WHEREAS, the Soviet Union invaded the island of Wrangell, taking all Americans prisoner in 1924 and confiscating all property, real and personal, in violation of international law; and

WHEREAS, the United States State Department, as late as 1973, made the unequivocal statement "The United States has not relinquished its claim to Wrangell Island; and

WHEREAS, these islands include the oil rich seabeds of the outer continental shelf in the Navarin Basin, estimated at 25 billion barrels of oil; and

WHEREAS, the U.S. State Department has been conducting secret negotiations with the Soviet Union, without participation of the Departments of Interior, Energy, or Defense, since at least 1981 on surrender of this sovereignty; and

WHEREAS, the Constitution of the United States provides that only the Congress, by treaty, signed by the President and debated and ratified by the Senate, may surrender American real estate and seabeds;

NOW THEREFORE, BE IT RESOLVED by the General Staff of the Military Order of the World Wars that its deep concern over the aforesaid action be expressed most strongly to the Congress and the Administration, and that the Congress take immediate action to hold open hearings and debate prior to implementation of any plan to giveaway the islands of Wrangell, Herald, Bennett, Henrietta and Jeanette, and the seabeds included therein.

Adopted at

1985 Midwinter General Staff Meeting
Arlington, VA. 25-26 January 1985

ALASKAN ISLAND GIVEAWAY

Whereas, The State Department, during unpublicized negotiations with the Soviet Union, is reportedly agreeing to abandon militarily strategic territory discovered and formally claimed by the United States between 1879-1881, territory located in the Arctic Ocean, including the islands of Wrangell, Bennett, Herald, Henrietta and Jeanette; and

Whereas, In 1867 the United States purchased Alaska and its adjacent islands for \$7.2 million from the Russian emperor and recognized the Demarcation or 1867 Convention Line as the maritime boundary of the great circle; and

Whereas, The purchase of Alaska did not prohibit exploration and sovereignty claims over lands lying west of the 1867 Convention Line; and

Whereas, The Soviet Union is now occupying Wrangell Island, without the consent of Congress, and the existence of a special espionage training facility has been discovered on United States Territory; and

Whereas, The United States is also considering transfer to the Soviet Union of the oil-rich Outer Continental Shelf in the Bering Sea and the Arctic Ocean, which contains some 15,400 square miles of petroleum-rich seabeds with an estimated four to twenty-five billion barrels of oil in addition to vast deposits of heavy metals; and

Whereas, Four of the largest United States energy corporations have submitted to the Department of the Interior bids totalling over a hundred million dollars for leases to drill in the Bering Sea; and \$21 million is in escrow pending State Department negotiations; and

Whereas, The State Department does not have the authority to surrender United States territory and seabeds because Art. 4, Sec. 3, Clause 2 of the United States Constitution states, "The Congress shall have power to dispose of and make all needful rules and regulations respecting the territory or other property belonging to the United States;" and

Whereas, Energy is an essential part of both our national defense and economic well being, and this "giveaway" would be but one more concession in our continuing appeasement of the Soviet Union, a shocking reversal of traditional United States diplomacy;

ALASKAN ISLAND GIVEAWAY (continued)

RESOLVED, That the members of the National Society Daughters of the American Revolution, as individuals, oppose any attempt to transfer to the Soviet Union any territory of the United States in the Arctic Ocean and in the Bering Sea and stress the threat posed to our national sovereignty through the loss of five strategic islands and the Outer Continental Shelf with its oil and mineral resources;

RESOLVED, That members of the National Society Daughters of the American Revolution, as individuals, urge Congress to hold hearings to fully explore and explain the activities of the State Department including the negotiations to transfer property in the Arctic Ocean and the Bering Sea.

FUND FOR
STOCKOWNERS
RIGHTS

8.

THE STOCKOWNERS' NEWS

Post Office Box 956
Vienna, Virginia 22180-0956
United States of America
703-281-9050

Issue Number 4
December 1984
Contact: Carl Olson

Giveaway of Alaskan Islands and Oil-Rich Seabeds to the Soviet Union Imperils Investments of 500,000 Stockowners of ARCO, UNOCAL, Amoco, and Shell

Corporate managements of four major petroleum companies have exhibited extreme dereliction of duty to their stockowners by failing to fight the State Department's plan to give their multi-million dollar oil and gas leases in the Bering Sea to the Soviet Union, it was charged by Carl Olson, Chairman of Fund for Stockowners Rights, headquartered in Vienna, Virginia. "Over 860,000 stockowners find themselves under the gun," Olson noted.

Right now the State Department has these four oil companies' fortunes at risk due to its current negotiations with the Soviet Union over just how much of the Bering Sea outercontinental shelf is to be surrendered in the Navarin Basin. These four oil companies--ARCO, Shell, UNOCAL, and Standard Oil (Indiana)--won the competitive process for these leases at the Department of Interior auction on 24 April 1984, bidding over \$108 million on 17 blocks. All the other block winners were given their leases, but the State Department put a hold on these in the anticipation that these would be delivered over to the Soviet Union.

"To this day, none of these four oil companies has uttered so much as one public peep in defense of their highly profitable oil leases that the State Department wants to hand over to the greatest enemy of the United States and the free enterprise system--the Soviet Union," Olson reported. "On numerous occasions the managements of these firms have been pressed not only for their views on this giveaway of oil-rich seabeds, but for their advocacy plans to stop the impending losses of millions of dollars for their stockowners. All four have, by their silence, become tacit supporters of this incomprehensively unprecedented turnover of American property to foreign enemies. They have betrayed the trust of their stockowners and their larger corporate responsibility to the American public," Olson declared.

NAVARIN BASIN SUMMARY (blocks subject to State Department surrender to Soviets):

<u>Company</u>	<u>No. of Blocks</u>	<u>Total Winning Bids</u>	<u>Stockowners</u>
Shell Oil/Transport	14	\$ 50,975,667	395,000
Standard Oil (Indiana)	14	45,173,333	190,000 (Amoco)
AtlanticRichfield	2	10,138,750	198,000
UNOCAL	1	1,886,250	88,000
		<u>\$108,174,000</u>	<u>861,000</u>

These areas were the subject of a high-level delegation led by the State Department's Legal Adviser Davis Robinson which traveled to Moscow for negotiations with the Kremlin's representatives in the week of 23-27 July 1984. These meetings apparently resolved nothing

(more)

The Fund for Stockowners Rights is a nonprofit educational organization dedicated to advancing the concept of stockowners as owners of corporations and to promoting the free enterprise economic system--which makes ownership of corporations possible. Model resolutions for votes at annual meetings and instructions on submitting them will be sent at no charge. Donations to the Fund, an IRS 501(c)(3) group, are tax deductible.

Permission to reprint is granted, provided the name and address of the Fund for Stockowners Rights is included in the reprint. 1984 12 13 0000

since no word was announced one way or the other, and no further negotiation schedule was announced. Extreme secrecy has shrouded these talks, including the complete refusal of the State Department to reveal who was on the delegation. By other means it was discovered that in addition to Robinson, the delegation included two other members of the Legal Adviser's office Elizabeth Verville and Scott Hajost; Harry Marshall and Richard T. Scully of the Bureau of Oceans and International Environmental and Scientific Affairs, and Robert W. Smith of the Office of the Geographer.

While these negotiations continue without any resolution, the stakes of billions of barrels of oil, billions of dollars of revenue, thousands of American jobs, the loss of a significant part of America's strategic petroleum reserves, and the irreparable damage to American diplomatic prestige become more and more apparent and credible. The leasing of future oil basins in the Bering Sea and Arctic Ocean off Alaska are also imperilled due to the State Department's declared policy of abandoning all Alaskan territory and outercontinental shelf to the west of the 1867 U.S.-Russia Convention Line.

SECRET POLICY PARTIALLY REVEALED

Fortunately for the American public, the State Department had to reveal part of its surrender policy in public last March. When the Navarin Basin was put up for bid on its billions-of-barrel-of-oil blocks, the announcement in the Federal Register for 16 March 1984 (pages 10056 to 10068) disclosed that the State Department could not figure out where the boundary of American territory and outercontinental shelf was in relation to the Soviet Union. Even more startling was the revelation that the State Department was going on a policy that had no basis either in historical fact or international law.

Somehow between 1965 and 1984 the State Department had elevated the old 1867 U.S.-Russia Convention Line (which was used in the purchase of Alaska from Russia for \$7.2 million) from an arbitrary map line up to the status of an international boundary. This creation of an international boundary by the State Department had been done without any treaty being enacted or ratified by the United States Senate. To this day there is no treaty establishing any boundary between the United States and the Soviet Union.

In 1965 the State Department's International Boundary Study No. 14, titled "U.S.-Russia Convention Line of 1867", flatly stated: "Rather than an ordinary boundary per se, this report concerns a convention line which ordinarily appears on official maps in the same manner as a boundary. ...in keeping with the policy that this line does not constitute a boundary, the standard symbol for the representation of an international boundary should never be used." By 1984, the status of this line has been completely reversed by the State Department, as noted in the 16 March 1984 Federal Register statement (page 10065), which declared: "The United States depicts the 1867 Convention Line as the maritime boundary...."

Even more significant than just the Navarin Basin leases, this State Department policy means that it is surrendering to the Soviet Union vast, strategic, and oil-rich Alaskan islands and outercontinental shelf. Incontrovertible historical fact shows the U.S. sovereignty over the Alaskan islands of Wrangell, Herald, Bennett, Henrietta, and Jeannette. Wrangell Island, the largest of the five with 2,800 square miles (the size of Rhode Island and Delaware combined), was found and claimed for the U.S. in 1881 by Capt. Calvin Leighton Hooper aboard the U.S. Revenue Marine (Coast Guard) ship Thomas Corwin; and included in the landing party was the famed explorer John Muir, whose book The Cruise of the Corwin gives a vivid account of the exciting addition to American territory. The three islands of Bennett, Henrietta, and Jeannette are part of the DeLong Islands, which were named after their discoverer U.S. Navy Commander George Washington DeLong, whose expedition aboard the ship Jeannette is memorialized in a statue at the U.S. Naval Academy at Annapolis, Maryland.

Along with the summary jettisoning of American territory, the State Department is in the same act renouncing all of the oil-rich outercontinental shelf--which is equivalent to approximately four times the state of California. The owners of the islands are not even being compensated for this governmental condemnation of property. Many owners have been fighting this non-treaty usurpation by the State Department for years.

"It's now time for the four oil companies to fight for their 851,000 stockowners, so that they don't find themselves abandoned by the State Department to the wolves, too, or should I say, the bears?" Olson challenged.

WATCH STATE DEPARTMENT

NEWS REPORT

For immediate release
14 January 1986
Contact: Carl Olson
818-766-9716

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Washington, D.C. 20050
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CAMPAIGN INTENSIFIES TO STOP THE U.S. STATE DEPARTMENT FROM GIVING AWAY FIVE ALASKAN ISLANDS AND VAST OIL-RICH ARCTIC SEABEDS TO THE SOVIET UNION

The campaign to stop the U.S. State Department from giving away five strategic Alaskan islands and vast oil-rich seabeds to the Soviet Union has spread to both houses of the U.S. Congress and the State Legislature of Alaska, it was reported by Carl Olson, Chairman of State Department Watch, a public interest foreign policy watchdog group.

Specifically naming the Alaskan islands of Wrangell, Herald, Bennett, Henrietta, and Jeannette, Sen. Jesse Helms (R-N.C.) would outlaw any surrender of American territory or ocean rights without a public treaty. Introduced just prior to the New Year's recess of the Senate, Helms' Senate Resolution 279 has already acquired co-sponsorship from Senators Chic Hecht (R-Nev.), John East (R.-N.C.), and Jeremiah Denton (R.-Ala.).

Addressing the Senate, Helms stated, "There is far more at stake here than the ownership of five small islands covered with ice and snow. What is at stake is how, under the rules of international law, the United States will define its Outer Continental Shelf. If we surrender these islands, we will be surrendering an area that amounts to almost half of our entire Outer Continental Shelf.

"Moreover, these islands lie in the Arctic between the Soviet Union and the North Pole. If we surrender the islands to Soviet sovereignty, we may well be surrendering control of the Arctic Ocean to Soviet nuclear submarines."

Legislation to stop this impending giveaway is also contained in a bill introduced by Congressman Mark Siljander (R-Mich.) in November. In addition to requiring all transfers of territory to be disclosed in the form of public treaties, Siljander's bill (H.R. 3766) would prohibit the establishment of land or ocean boundaries without a treaty. The bill has picked up thirteen co-sponsors from coast to coast: Representatives Robert K. Dornan (R-Cal.), William E. Dannemeyer (R-Cal.), G. William Whitehurst (R-Va.), Helen D. Bentley (R-Md.), Ron Marlenee (R-Mont.), William F. Goodling (R-Pa.), George C. Wortley (R-N.Y.), Dan Burton (R-Ind.), Robert C. Smith (R-N.H.), Thomas N. Kindness (R-Ohio), John P. Hiler (R-Ind.), Doug Bernard Jr. (D-Ga.), and Robert E. Badham (R-Cal.).

The two U.S. Senators from Alaska, Ted Stevens and Frank Murkowski, and the Congressman, Don Young, have so far not declared their support or opposition to these measures. Senator Murkowski, however, in a letter to the Wall St. Journal on 2 December 1985, stated, "I am considering legislation to require our government to give the Senate Foreign Relations Committee a full report (on the claims over Wrangell, Henrietta, and the other islands)...." No such legislation has yet been introduced by Sen. Murkowski's office.

Prompting the fears of a unilateral abandonment of this immense stretch of American territory by the State Department to the Soviet Empire have been

---MORE---



FOR IMMEDIATE RELEASE
CONTACT: Carl Olson
(703) 281-6782

GIVEAWAY OF FIVE ALASKAN ISLANDS AND EXTENSIVE OIL-RICH SEABEDS TO THE
SOVIET UNION PLANNED BY THE U.S. STATE DEPARTMENT;
25 BILLION BARRELS OF OIL INVOLVED; PUBLIC TREATY DEBATE REQUESTED

"The State Department appears ready and willing to surrender five strategic Alaskan islands and hundreds of thousands of square miles of oil-rich Alaskan outer continental shelf to the Soviet Union without full public debate and Senate ratification of a treaty," according to Carl Olson, Executive Vice President of The Conservative Caucus Research, Analysis & Education Foundation, Inc., of Vienna, Virginia.

"This giveaway of literally billions of barrels of America's oil reserves and Alaskan sovereign territory makes the Panama Canal fiasco look insignificant in comparison," Olson declared.

This giveaway was the subject of a high-level State Department delegation which went to Moscow for the week of July 23-27, headed by the department's Legal Adviser Davis Robinson and supported by his staff members Elizabeth Verville and Scott Hajost, and by Harry Marshall and Richard T. Scully of the department's Bureau of Oceans and International Environmental and Scientific Affairs, and by Robert W. Smith of the Office of the Geographer.

Secret negotiations over this surrender of sovereignty have been conducted since at least 1981. They came to light in March of this year when the Department of the Interior announced the proposed leasing of oil-rich seabeds of the outer continental shelf in the Navarin Basin off the coast of Alaska in the Bering Sea. At the instruction of the State Department, the Department of the Interior was unable to guarantee that the successful bidders for these oil and gas leases would be able to keep their leases, since this area was being actively considered for turnover to the Soviet Union. As it turned out, four energy companies (Shell, ARCO, Amoco, and UNOCAL) were so certain of rich petroleum finds that they bid \$108,000,000 for leases in the seabed tracts that are currently being held hostage to the State Department's negotiations. Because of the potential giveaway, these companies have over \$21,000,000 tied up in deposits with the Department of the Interior for an indefinite time period, hundreds of potential jobs are imperilled, and hundreds of millions of dollars of revenues and billions of barrels of oil are at stake.

in official Department of the Interior estimates. The portion of the continental shelf off Alaska is equal in area to six Californias--or three-quarters of the entire U.S. outer continental shelf. Seabeds equal to about twice the size of California lie to the east of the 1867 Convention Line, and seabeds equal to about four Californias lie the west in the vicinity of the Alaskan islands of Wrangell, Herald, Bennett, Henrietta, and Jeannette. The estimated hydrocarbon reserves of the seabeds to the east of the 1867 Convention Line are 12.2 billion barrels of oil equivalent. (The Navarin Basin alone contains 1.9 billion barrels of reserves.) To the west of the 1867 Line, which has twice the area, the reserves have not been officially estimated, but it would not be unreasonable to place them at twice the amount for the area to the east of the line. Or, in other words, the State Department is contemplating giving away about 25 billion barrels of oil equivalent to the Soviets.

The State Department's basis for the giveaway involves its novel (and incorrect) portrayal of the "U.S.-Russia Convention Line of 1867", which was used in the purchase of Alaska from Russia in 1867 for \$7,200,000.

This stance by the State Department appeared in the Federal Register notice of the leasing of the Navarin Basin (p. 10065, March 16, 1984). In paragraph 16, under the heading "Jurisdiction", was the following language: "The differing claims relate to differing depictions of the line established by the 1867 Convention Ceding Alaska between the United States and Russia. The United States depicts the 1867 Convention Line as the maritime boundary by arcs of great circles while the Soviet Union depicts the 1867 Convention Line as rhumb lines." There is no question in the State Department's position that the 1867 Convention Line is "the maritime boundary".

Contradicting this characterization is a mass of historical evidence and even the State Department's own words. In the State Department's International Boundary Study No. 14 (revised 1965) on "U.S.-Russia Convention Line of 1867", the language is very clear:

"Rather than a boundary per se, this report concerns a convention line which ordinarily appears on official maps in the same manner as a boundary. ...

"Furthermore, in keeping with the policy that the line does not constitute a boundary, the standard symbol for the representation of an international boundary should never be used."

So far, the State Department has failed to explain how the United States has relinquished its claim to the islands and seabeds between 1965 and 1984. No treaty, agreement, or other public understanding had been cited for this surrender of American sovereignty.

Even as late as 1973 one noted authority on William E. Butler, Professor of Comparative Law at the University of London, wrote in the book International Straits of the World, Volume 1 "Northeast Arctic Passage" as follows:

"The Russo-American Convention Line of 1867 is not regarded as a state frontier, and the continental shelf boundary in the Chukchi Sea and northward remain to be negotiated."

The five Arctic Alaskan islands--Wrangell, Herald, Bennett, Henrietta, and Jeannette--were never considered in the purchase of Alaska. Four had not yet been discovered in 1867. Americans discovered and claimed them on Arctic expeditions in following decades. Herald Island was discovered and claimed by the British in 1849, and was later acquired by the United States.

Bennett, Henrietta, and Jeannette Islands were discovered and claimed by U.S.N. Commander George Washington DeLong aboard the Jeannette in the 1879-81 expedition. The islands still bear his name (the DeLong Islands), and the U.S. Naval Academy in Annapolis has a monument to that expedition.

Wrangell Island, the largest of the five with an area of 2,800 square miles (the size of Rhode Island and Delaware combined), was discovered and claimed on August 12, 1881, by Captain Calvin Leighton Hooper aboard the U.S. Revenue Marine (Coast Guard) ship Thomas Corwin. Among the landing party on Wrangell Island was the famed explorer John Muir, who wrote of his trip in the book The Cruise of the Corwin. Various surveys, expeditions, and settlements were made on Wrangell Island in the next four decades by Americans. This ended when the Soviet Union invaded the island with a landing of infantry from the ship Red October on August 30, 1924, and took as prisoners the 14 Americans of the Lomen Brothers Company's fur settlement and confiscated all the gear, pelts, and other property. The 12 surviving Americans were eventually released from their imprisonment in Vladivostok. The Soviets currently maintain slave labor camps on the island.

It is significant to note that in the State Department's reissue of the book Digest of International Law by Green Haywood Hackworth in 1973, the unequivocal settlement is made: "The United States has not relinquished its claim to Wrangell Island."

Numerous efforts by various parties, including the owners of Wrangell Island, have been made over the decades to take back their property and collect damages for the unlawful occupation by the Soviet Union. Unfortunately, the State Department has not seen fit yet to honor those claims or even the decision by the Foreign Claims Settlement Commission in 1959 in favor of the Lomen Brothers.

-more-

...this impending giveaway of the five islands and the entire, rich, oil-rich outer continental shelf to the Soviets demands the most searching public scrutiny and debate. It must be made an issue for a national decision-making," Olson stated. "The State Department is not empowered to surrender American real estate and seabeds. Only the Congress has that power. It must be brought up in the form of a treaty, signed by the President, and debated and ratified by the Senate in order to receive the full force of law. The Constitution cannot be ignored in this potentially massive cession of strategic American interests so close to home."

In an ironic comparison with the apparent lenient attitude that the State Department has exhibited toward the Soviets over the seabed boundaries, the State Department has adopted a hardline position toward cur ally Canada over the seabed boundary between Alaska and Canada in the Arctic. This position came to light with the leasing on August 22 of the Diapir Field which borders Canada. The Federal Register announcement of July 23, 1984 (p. 29726) noted a "Jurisdictional Dispute" with Canada over some of the blocks being offered. Although the notice did not say so explicitly, the U.S. position is that the seabed boundary should reflect the "equidistant" theory of boundaries, while the Canadians want a more favorable drawing of the line. While this dispute continues, the three petroleum companies which bid on these leases (Union Oil Co. of Calif., Amoco Production Co., and Shell Western E & P Inc.) will have their bid money deposit lie in escrow. Their total winning bids for the four blocks totalled \$5,105,000--a substantial affirmation of the rich nature of the Arctic Alaskan outer continental shelf.

FRANK H. MURKOWSKI
ALASKA

COMMITTEE ON ENERGY AND
NATURAL RESOURCES
COMMITTEE ON FOREIGN
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ON INTELLIGENCE

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JUNEAU OFFICE
FEDERAL BUILDING, BOX 184
(907) 886-7400

February 21, 1986

The Honorable Paul Fischer
Alaska State Legislature
Pouch V
Juneau, Alaska 99811


Dear Paul:

Thanks for your interest in the status of the Arctic islands issue. I have enclosed some information that you may find useful in your consideration of S.J.Res.32.

I have also included a copy of a letter I wrote recently to Secretary Shultz asking whether there are any plans to change the islands' status either by asserting a claim or by relinquishing our right to make one over the islands at some future date. I have also asked for an analysis of what U.S. interests would be served by either course of action. I am awaiting the State Department's response.

I hope this information helps to clarify this issue. Thank you again for contacting me. With best wishes,

Sincerely,



Frank H. Murkowski
United States Senator

Enclosures

FRANK H. MURKOWSKI

ALASKA

COMMITTEE ON ENERGY AND
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January 21, 1986

The Honorable George P. Shultz
Secretary of State
Department of State
Washington, D.C. 20520

Dear Secretary Shultz:

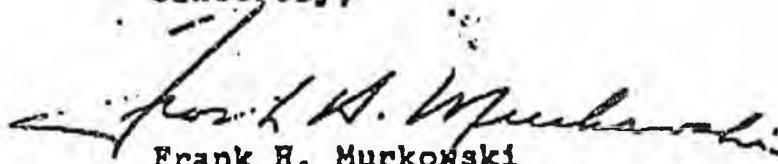
I am writing in regard to the issue of potential U.S. claims to five Arctic islands -- Wrangel, Herald, Henriette, Jeannette and Bennett -- near Alaska's boundary with the Soviet Union. The question of sovereignty over the islands has been raised by some of my constituents in Alaska. In Congress, bills to prevent the State Department from relinquishing a putative U.S. claim to the islands have been introduced by Senator Jesse Helms and Representative Mark Siljander.

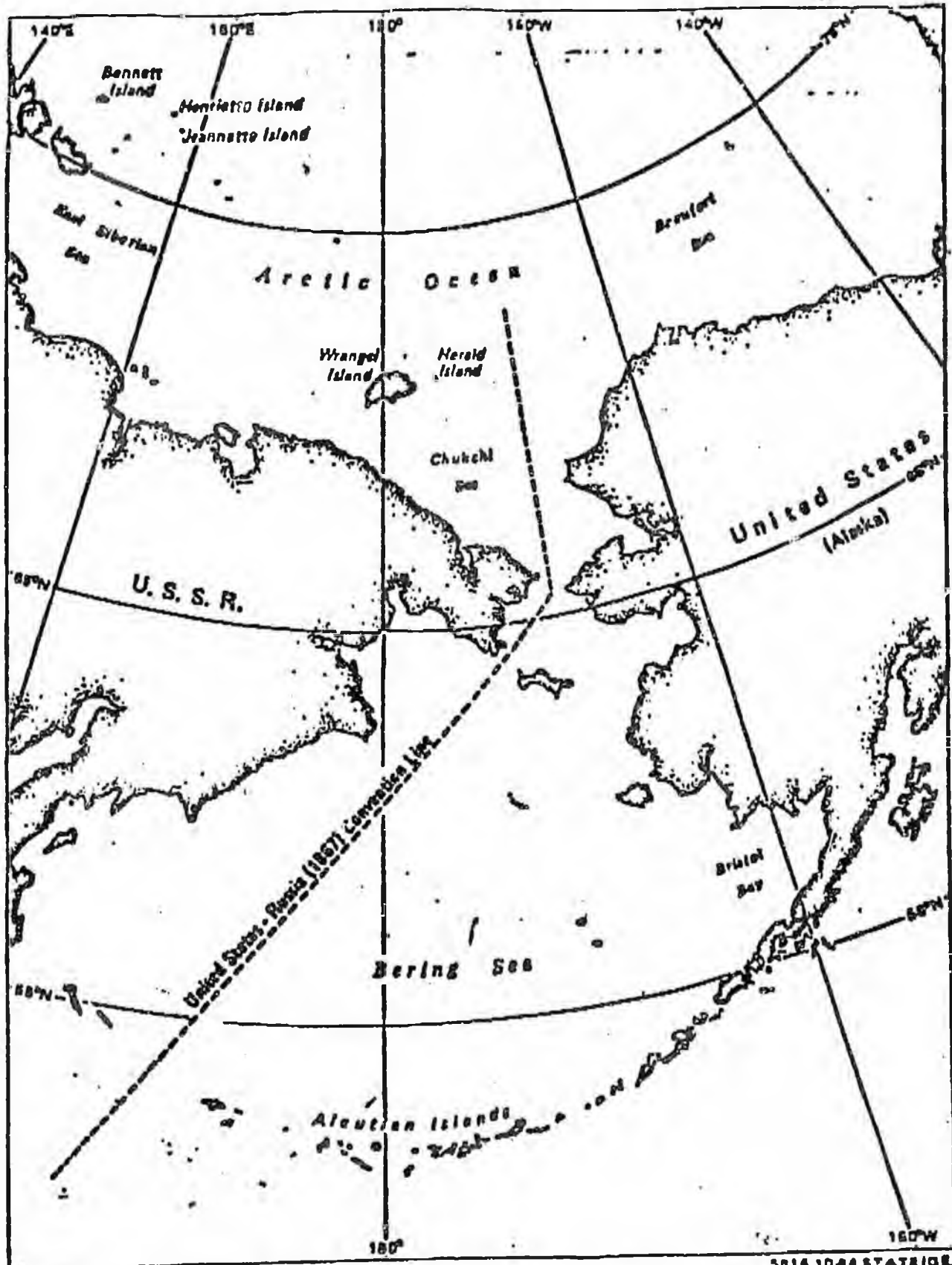
In light of the continuing concern over this issue, I would appreciate a statement from you of the U.S. view of the official status of these islands. A preliminary, unofficial statement by the Legal Adviser's Office has already been most helpful in providing a general background on the complex legal history to this point. I would like to know whether there are any plans to change the islands' status either by asserting a claim or by relinquishing our right to make one at some future date.

I would also be very interested in an analysis by the State Department of whether any specific U.S. resource, strategic, or other interest would be served by either advancing or relinquishing whatever U.S. claim to these islands does exist.

I greatly appreciate your consideration of my request and look forward to receiving your reply.

Sincerely,


Frank H. Murkowski
United States Senator



WRANGEL ISLAND

Wrangel Island is an island of approximately 3,700 square miles found in the Chukchi Sea, north of Siberia, approximately 200 nautical miles west of the line established by the 1867 Russia-United States Convention Ceding Alaska. (This island is not to be confused with Wrangell Island in the Alexander Archipelago of southeast Alaska.) Although U.S. citizens were reportedly involved in the early exploration and discovery of Wrangel Island and the island was listed in some early publications such as the U.S. Geological Survey's 1906 Geographic Dictionary of Alaska, extensive research by the Department of State has not produced any evidence that the United States has ever formally asserted a claim to Wrangel Island, protested Russian and Soviet claims dating from 1916 and 1924, respectively, or protested Soviet occupation of the island dating from 1924.

Wrangel Island is named for the Russian explorer Baron von Wrangell (or Wrangel), who unsuccessfully attempted to locate this island in the early 1800's. Dates of discovery of the island are variously listed as 1849 by a British ship, the H.M.S. Herald and 1881 by Captain Hooper of the U.S. Navy vessel Corwin. The British crew of the Herald reportedly saw Wrangel Island but did not land on it. After several attempts to land on the island by other American vessels and whaling ships, Captain Hooper is reported to have landed on the island and raised the American flag in 1881. Later in 1881, the crew of another U.S. vessel, the Rodgers, also reportedly landed on the island and mapped it.

In 1911, a crew from the Russian vessel, the Vaigach, reportedly landed on the island, surveyed it and erected a beacon which served as an astronomical positioning station. This led to a formal claim to the island by the Russian Government in 1916. The United States reportedly acknowledged receipt of the Russian note but made no substantive response.

In the early 1920's the Arctic explorer Vilhjalmur Stefansson reportedly formed a Canadian company and under its auspices organized a private expedition to occupy Wrangel Island, apparently with the intention of establishing British or Canadian sovereignty. Several successive Stefansson expeditions, including some U.S. citizens, occupied Wrangel Island. Stefansson, however, was unable to interest either the Canadian Government or the British Government in asserting a claim.

After having attempted to assert its claim to Wrangel Island by requiring a 1923 relief ship to call at a Soviet port on its way to Wrangel Island, the Soviet Union in 1924 formally asserted a claim to Wrangel Island by diplomatic note transmitted to the United States and other countries. Extensive research has not produced any evidence of a U.S. reply to this note.

In 1924, an American company, Lomen Bros., of Nome, Alaska reportedly purchased whatever rights the Stefansson group had acquired in Wrangel Island. Representative Sutherland of Alaska wrote to Secretary of State Hughes informing him of the purchase and asked what attitude the United States Government was likely to assume in the matter of sovereignty over the island. In July, 1924, the Acting Secretary of State replied that the Department did not desire to express an opinion respecting the question of the international status of Wrangel Island and that the Department also refrained from expressing approval or disapproval of a project which, it understood, was entirely commercial in nature.

In August, 1924, the crew of the Soviet vessel Red October arrived on Wrangel Island, hoisted the Soviet flag and transported the occupants to Siberia. Since that time, the Soviet Union has occupied Wrangel Island. In addition, the Soviet Union reasserted a formal claim to the island in 1926 via a decree transmitted to the United States and other governments. In the early 1940's, the Senate considered resolutions requesting reports from the Secretary of State concerning whether or not the United States had a valid claim to sovereignty over Wrangel Island. In 1940 and 1941, the Secretary of State responded that the United States had not formally claimed sovereignty over Wrangel Island and that it was desirable to avoid raising the question of sovereignty.

Although the United States has never formally recognized Soviet sovereignty over Wrangel Island and has from time to time indicated that it has not formally relinquished any claim, extensive research has not produced evidence of any formal U.S. assertion of a claim to the island, or of any U.S. protest of the Soviet claims to or occupation of the island.

HERALD, BENNETT, HENRIETTA AND JEANNETTE ISLANDS

Herald Island is an island of approximately 10 square miles located in the Chukchi Sea, north of Siberia, near Wrangel Island. Bennett, Henrietta and Jeannette Islands have areas of approximately 64, 5 and 7 square miles, respectively, and are located in the East Siberian Sea north of Siberia. Herald Island was reportedly discovered by a British Captain, Captain Kellett, in 1849. Bennett, Henrietta and Jeannette islands were reportedly discovered by the crew of the U.S. vessel Jeannette in 1881, although the vessel apparently only sighted but did not land on Jeannette Island. Although these islands were apparently listed in the 1906 Geographic Dictionary of Alaska, and some may have been listed in some subsequent publications of a similar nature, extensive research has not produced any evidence that the United States Government has ever formally asserted a claim to any of these islands or protested Russian or Soviet claims (from 1916 and 1924 respectively) or activities with respect to the islands.

A brief description of events with regard to each of these islands follows.

Herald Island

After the British discovery of Herald Island in 1849, the crews of several U.S. vessels reportedly landed on the island, including crews of the Vincennes in 1855 and Corwin and Rodgers in 1881. Perhaps because the crews were aware of the British discovery, none of them are reported to have claimed the island for the United States.

In 1916, the Russian Government formally asserted a claim to Herald Island via diplomatic note. The United States reportedly acknowledged receipt of the note but made no substantive response. In 1924, there were press reports that two U.S. citizens had landed on Herald Island and claimed it for the United States. The State Department responded to a 1926 Congressional inquiry concerning the expedition by stating that the Department was not prepared to make any statement with regard to the international status of the island.

In 1924 and 1926 the Soviet Government asserted claims to Herald Island by diplomatic note and decree, respectively, which were transmitted to the United States and other governments. In 1926 and again in 1934, crews of Soviet vessels are reported to have landed on the island and planted the Soviet flag. Although the United States has never formally recognized Soviet sovereignty over Herald Island, extensive research has produced no evidence of a U.S. claim to the island or of any U.S. protest of Soviet claims or activities.

- 2 -

Bennett, Henrietta and Jeannette Islands

Crews of several Russian ships reportedly landed on Bennett Island in 1902 (when a Russian expedition is reported to have stayed for approximately three and a half months) and 1913. In addition, in 1914, the Russian crew of the vessel Vaigach is reported to have received orders to survey Henrietta and Jeannette islands and to hoist the Russian flag; however, ice apparently prevented the expedition from carrying out these orders. Thereafter, in 1916, the Russian Government asserted a claim to all of these islands by diplomatic note. The United States is reported to have acknowledged receipt of the note but no evidence has been found of a substantive reply.

In 1924 and again in 1926, the Soviet Government also asserted claims to these islands by diplomatic note and decree, respectively. Research has produced no evidence of U.S. response to these claims. In 1937, the Soviet vessel Sadko is reported to have visited all the islands and to have raised the Soviet flag on Henrietta and Jeannette islands. In addition, in 1956, a Soviet expedition reportedly reached Bennett Island by air and remained there for three to five months. Although the United States has never formally recognized Soviet sovereignty over any of these islands, extensive research has produced no evidence that the United States has ever formally asserted a claim to the islands or protested Soviet claims or activities with regard to them.

CORRECTION

THIS DOCUMENT
HAS BEEN REPHOTOGRAPHED
TO ASSURE LEGIBILITY

- 2 -

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United States Department of State

Washington, D.C. 20520

9/13/85

Dear Senator Murkowski:

Thank you for your letter of July 10, 1985, forwarding to the Secretary a copy of the resolution recently introduced on the Alaska House of Representatives, regarding the U.S.-Soviet maritime boundary. We appreciate the statement of interest by Alaska state officials on this issue. We share their concerns for maximizing United States interests in resolution of the boundary. We have had these concerns fully in mind in our discussions on the Soviet Union as well as in the adoption of the special procedures for the Navarin Basin 1984 Lease Sale. As you requested, I have enclosed a situation paper on the boundary dispute. I hope you and your colleagues find it useful.

In addition to the boundary issue, you asked questions about the Lomen Brothers' claims case. This was one of 1,925 claims awards made by the Foreign Claims Settlement Commission (FCSC) under the provisions of section 305(a) of the International Claims Settlement Act of 1949, as amended. This Act provided for the FCSC to receive and determine, in accordance with applicable substantive law, the validity and amounts, inter alia, of "claims, arising prior to November 16, 1933, of nationals of the United States against the Soviet Government," 22 U.S.C. §1641d (a)(2).

The Lomen Brothers sought compensation for salary and transportation charges and personal property confiscated by the Soviet Government on August 20, 1924 when the Soviet Union first occupied Wrangel Island. In its decision of May 15, 1959, the FCSC denied claims made by the Lomen Brothers for salary and transportation charges because they were not the subject of any taking by the Soviet Government. The claimants

The Honorable
Frank H. Murkowski,
United States Senate.

were awarded \$30,000 plus interest, for the confiscated personal property. This award dealt solely with personal property and had no bearing on the status of the territory of Wrangel Island.

Claimants under the Soviet claims program received partial payment of their claims from funds received by the United States as a result of the 1933 Litvinov assignment under which certain U.S. and Soviet claims were settled. The Lomen Brothers are reported to have received a partial payment of \$3,817.83. We are attaching for your reference a copy of the claims award.

With best wishes,

Sincerely,

William L. Ball, III
Assistant Secretary
Legislative and Intergovernmental Affairs

Attachments:

- 1) 1959 Lowman Brothers Claims Award
- 2) Situation Paper

*Paid \$ 1,000
Plus 9.717% of
balance (\$ 25,177.13)
for total of \$ 30,177.13*

SETTLEMENT COMMISSION
UNITED STATES
Washington 25, D. C.

IN THE MATTER OF THE ESTATE OF
CARL J. LOMEN
1223 Spring Street
Seattle, Washington
RALPH LOMEN, individually, and as
Administrator of the estate of
HARRY LOMEN, deceased
600 McGilvra Boulevard
Seattle, Washington
MILDRED GRACE LOMEN
5748 East 30th Street
Seattle, Washington
Under the International Claims Settlement
Act of 1949, as amended

Claim No. SOY-40,944
Decision No. SOY-5115

Counsel for Claimants:

MABEL WALKER WILLEBRANDT
9110 Sunset Boulevard
Los Angeles 46, California

PROPOSED DECISION

This claim for \$36,184.00, plus interest, against the Soviet Government under the provisions of section 303(a)(2) of the International Claims Settlement Act of 1949, as amended, filed by Carl J. Lomen and Ralph Lomen, is based upon the loss sustained by Carl J. Lomen, Harry Lomen, Ralph Lomen and Alfred J. Lomen as the owners of property confiscated in 1924 by the Soviet Government on Wrangel Island, off the Siberian Coast.

The records before the Commission disclose that during the years 1921 through 1923 the Stefansson Arctic Exploration and Development Company, Limited, maintained a colony consisting of a camp with

goods, wares, supplies, traps and equipment, on the island of Wrangel, off the Siberian Coast, as a reward for the successful trapping of Arctic fur animals. The records further disclose that on April 1, 1924, the aforesaid Stefansson Arctic Exploration and Development Company, Ltd., sold and transferred all of its rights, title and interest in and to the company's property in its entirety on Wrangel Island, to Carl J. Lomen, Harry Lomen, Ralph Lomen and Alfred J. Lomen, four brothers then residing at Nome, Alaska, all nationals of the United States by birth; that the Lomen Brothers took possession of the camp and the goods therein; that they displayed the flag of the United States on the grounds of the camp; and that on or about August 20, 1924, forces of the Soviet Government occupied the camp, arrested and deported all the members of the colony to Siberia, and confiscated the entire property in the camp, consisting of equipment, food, clothing supplies, furs and ivory tusks.

The Commission finds that the aforesaid actions of the Soviet Government in 1924, gave rise to a claim for the confiscated property in favor of the four Lomen Brothers; that in 1930, upon the death of Alfred J. Lomen, his interest in the claim passed to Mildred Grace Lomen, the sole surviving legatee under his Last Will and Testament; and that in 1937, upon the death of Harry Lomen, his interest in the claim passed to Ralph Lomen, Administrator of the Estate of Harry Lomen, deceased. On the basis of this evidence, Mildred Grace Lomen and Ralph Lomen, as Executor of the Estate of Harry Lomen, deceased, are hereby added as claimants in this claim.

Claimants seek compensation for the following property:

(1) Camp equipment	\$ 0
(2) Food supplies	5.
(3) Clothing supplies	3,000.
(4) Salaries to personnel	2,600.00
(5) Expense of chartering ships to bring supplies to Wrangel Island	2,100.00
(6) 314 white fox furs, 80 polar bear furs, 150 seal skins, and ivory tusks	<u>21,950.00</u>
Total	\$ 26,150.00

As indicated above, claim is made for salaries to personnel (\$2,600.00) and expenses for chartering ships to bring supplies to Wrangel Island (\$2,100.00). Such expenditures, made in ordinary course of business prior to confiscation of the physical property on Wrangel Island, were not the subject of any taking by the Soviet Government. Accordingly, a valid claim against the Soviet Government under Section 303(a)(2) of the Act based on these two items has not been established. That part of the claim predicated on salaries and chartering of ships is, therefore, denied.

The evidence before the Commission indicates, however, that the remaining property items, listed above, were confiscated by the Soviet Government on August 20, 1926, and that such confiscated property had a value of \$30,000.00. This determination as to the value of the confiscated property is, among other evidence, supported by a statement made on May 22, 1926, by Carl J. Lomon, on behalf of Lomon Brothers, and addressed to the Secretary of State, that the financial losses of the company by reason of the action of the Soviet Government, total \$30,000.

The Commission, therefore, finds that claimants are justly entitled to an award in the principal amount of \$30,000, plus 6% interest per annum, moreover, from August 20, 1926, the date of the confiscation of the property, until November 16, 1933, the date of the Litvinov Assignment (Section 301(c) of the Act).

A W A R D

On the above evidence and grounds, and pursuant to section 210(d) of the Act, a consolidated award for the principal amount of Thirty thousand dollars (\$30,000.00) plus 6% interest per annum thereon in the amount of Sixteen thousand six hundred and thirty dollars (\$16,650.00) is hereby made jointly to the claimants herein, their respective shares in such award being as follows:

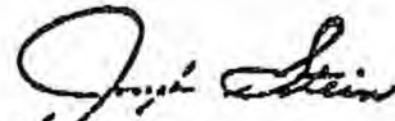
	<u>Principal</u>	<u>Interest</u>
CARL J. LOMEN	\$ 7,500.00	\$ 4,157.50
RALPH LOMEN, individually	7,500.00	4,157.50
RALPH LOMEN, administrator of the estate of HARRY LOMEN, deceased	7,500.00	4,157.50
MILDRED GRACE LOMEN	<u>7,500.00</u>	<u>4,157.50</u>
Total	<u>\$ 30,000.00</u>	<u>\$ 16,650.00</u>

No determination is made with respect to interest for any period subsequent to November 16, 1933.

Payment of the award herein, in whole or in part, shall not be construed to have divested claimant herein, or the Government of the United States on their behalf, of any rights against the Government of the Soviet Union, for the unpaid balance, if any, of the claim.

Dated at Washington, D. C.

FOR THE COMMISSIONER



Joseph Stein, Director
General Claims Division

MAY 18 1950

Conservatives attentive to who owns Wrangel, 4 other islands

By PAUL MONAGHAN
News-Miner Bureau

WASHINGTON—One item not on the agenda of the recent superpower summit continues to attract attention from conservative political groups.

It involves ownership of five little-known islands in the East Siberian Sea between Alaska and the Soviet Union. The largest of the islands is Wrangel, about the size of Delaware and Rhode Island combined. The others are Herald, Bennett, Henrietta and Jeannette.

The outer continental shelf surrounding the islands may or may not contain oil reserves. More importantly, it seems, the islands are an opportunity to contest Soviet expansion.

The Virginia-based Conservative Caucus, which traces U.S. sovereignty over the islands back to 1851, had predicted the U.S. State Department would "give away" the islands when President Reagan and Soviet Premier Mikhail Gorbachev sat down in Geneva. It didn't happen.

The Wall Street Journal joined the conservative chorus, writing that the United States "should hang tough" over Wrangel Island "to de-

monstrate its resistance to Soviet imperialism."

Sen. Frank Murkowski, R-Alaska, responded to the newspaper article. He pointed out that there is a much more important dispute going on between the two countries—the ownership of thousands of square miles of undersea lands in the Navarin Basin.

This "wrangle" is rooted to the 1867 sale of Alaska to America. When Russia sold Alaska to the United States, a map line was drawn through the Bering Sea as a boundary line.

Only when the two nations began undersea oil development did they notice that they interpreted the original boundary line differently. Quiet negotiations have been going on for four years to resolve the dispute.

The State Department doesn't appear interested in challenging Russia's claim to the five islands. It notes that the United States never has formally claimed sovereignty over the islands. Neither did it object when the Soviet Union claimed ownership in the 1920s.

The State Department, however, says it is committed to holding on to as much Navarin Basin territory as

possible. The Conservative Caucus disputes this, saying the State Department will turn it over to Russia along with the five islands.

In April 1984, the U.S. Interior Department held a lease sale to award oil and gas drilling rights within the Navarin Basin. Oil companies bid a total of \$693 million for the undersea tracts. Of that, \$108 million was bid for tracts on disputed lands.

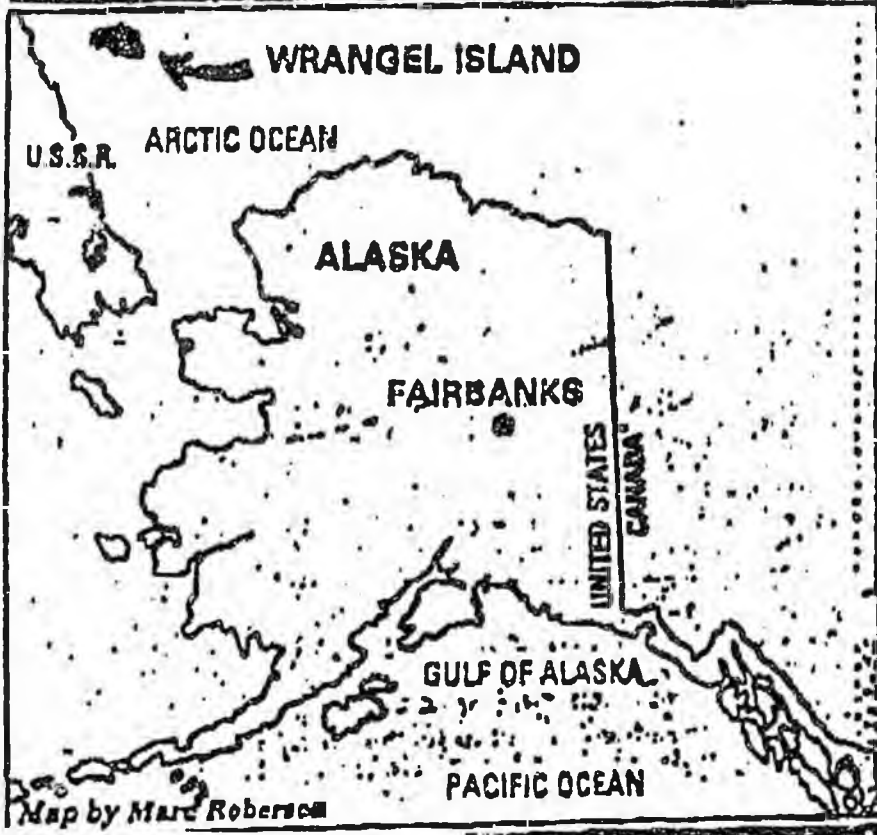
The U.S. has placed the \$108 million in an escrow account until a settlement is reached with the Soviet Union.

The drilling moratorium within the disputed area has been criticized by lawmakers in the Alaska Legislature. They have passed a resolution urging the State Department to take a firm stand in negotiations with the Soviets. The resolution doesn't mention the separate issue of the five islands.

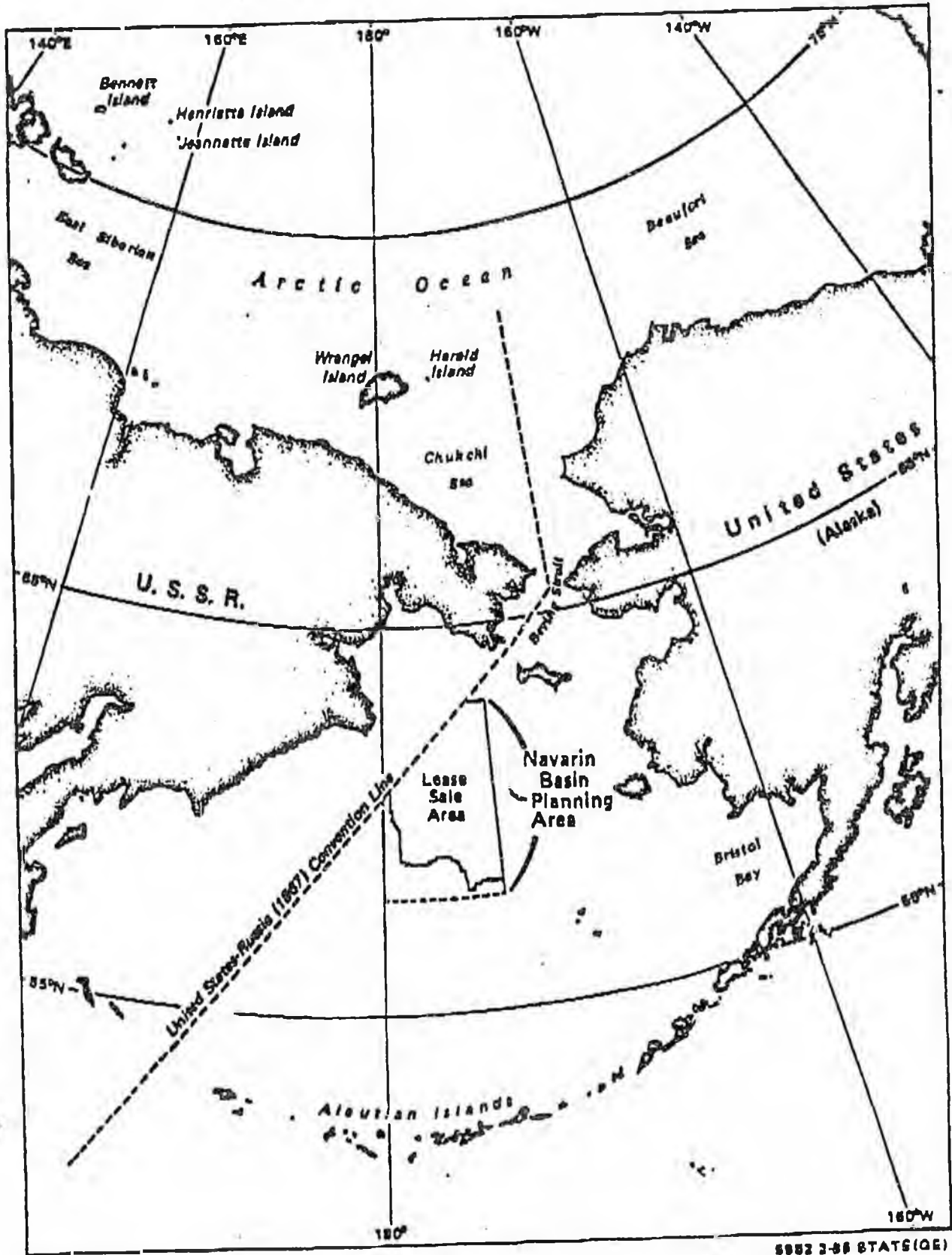
Murkowski says he is monitoring those negotiations. "The Navarin Basin issue requires our immediate attention because Soviet activities in the waters off Alaska have become increasingly worrisome. This summer, the Soviets deliberately harassed U.S. drilling rigs involved in energy exploration in the Navarin Basin area."

As for the five islands dispute, Murkowski acknowledges that "the record is not clear." Any treaty negotiated with the Soviets that gave up territory claimed by the U.S. would be subject to Senate review, Murkowski said.

Rep. Mark Biliander, R-Mich., has submitted a bill in the House to require a treaty to be ratified before any U.S. claim is relinquished.



page 3



COMMITTEE REPORT

SENATE

FURTHER:

4/4/86

Date 5/6/86

Mr. President

The Committee on FINANCE considered SJR 34

Proposing an amendment to the Constitution of the State of Alaska relating to the use and expenditure of state money.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SJR 34 (Fin)
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- E SFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

James NR
Rich Helford do not pass
Paul Fink. N per

Chairman
 Co- do pass
 Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : _____

REQUEST

Bill/Resolution No. : CSSJR 34 (Fin)
 Title : Proposing amendment to AK
Constitution re use & expenditure
of state money
 Sponsor : _____
 Requestor : _____
 Date of Request : _____

FISCAL DETAIL

Agency Affected : All
 BRU : _____

 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS						
TOTAL OPERATING	0	0	0	0	0	0

CAPITAL	0	0	0	0	0	0
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REVENUE	0	0	0	0	0	0
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FUNDING : (Thousands of Dollars)

GENERAL FUND						
FEDERAL FUNDS						
OTHER						
TOTAL	0	0	0	0	0	0

POSITIONS :

FULL-TIME	0	0	0	0	0	0
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : _____
 Division : Senator Jan Faiks, Co-chairman
Senate Finance Committee

Phone : 465- 523
 Date : 5/6/85

Approved by Commissioner : _____
 Agency : _____

Date : _____

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Cook
5/5/86

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 34 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 the use and expenditure of state money.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in Sections [SECTION] 15 and 17 of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.18 * Sec. 2. Article IX, sec. 16, Constitution of the State of Alaska, is
19 amended to read:20 SECTION 16. APPROPRIATION LIMIT. Except for appropriations to
21 the permanent fund or for Alaska permanent fund dividends, appropria-
22 tions to the budget reserve fund, appropriations of revenue bond
23 proceeds, appropriations required to pay the principal and interest on
24 general obligation bonds, and appropriations of money received from a
25 non-state source in trust for a specific purpose, including revenues
26 of a public enterprise or public corporation of the state that issues
27 revenue bonds, appropriations from the treasury made for a fiscal year
28 shall not exceed appropriations made for the preceding fiscal year
29 [\$2,500,000,000] by more than five percent plus the [CUMULATIVE]

1 change, derived [FROM FEDERAL INDICES] as prescribed by law, in popu-
2 lation and inflation since the beginning of the preceding fiscal year
3 [JULY 1, 1981]. WITHIN THIS LIMIT, AT LEAST ONE-THIRD SHALL BE RE-
4 SERVED FOR CAPITAL PROJECTS AND LOAN APPROPRIATIONS]. The legislature
5 may exceed this limit in bills for appropriations [TO THE ALASKA
6 PERMANENT FUND AND IN BILLS FOR APPROPRIATIONS FOR CAPITAL PROJECTS,]
7 whether of bond proceeds or otherwise, if each bill is approved by the
8 governor, or passed by affirmative vote of three-fourths of the mem-
9 bership of the legislature over a veto or item veto, or becomes law
10 without signature, and is also approved by the voters as prescribed by
11 law. Each bill for appropriations for capital projects in excess of
12 the limit shall be confined to capital projects of the same type, and
13 the voters shall, as provided by law, be informed of the cost of
14 operations and maintenance of the capital projects. [NO OTHER APPRO-
15 PRIATION IN EXCESS OF THIS LIMIT MAY BE MADE EXCEPT TO MEET A STATE OF
16 DISASTER DECLARED BY THE GOVERNOR AS PRESCRIBED BY LAW. THE GOVERNOR
17 SHALL CAUSE ANY UNEXPENDED AND UNAPPROPRIATED BALANCE TO BE INVESTED
18 SO AS TO YIELD COMPETITIVE MARKET RATES TO THE TREASURY.]

19 * Sec. 3. Article IX, Constitution of the State of Alaska, is amended
20 by adding a new section to read:

21 SECTION 17. BUDGET RESERVE FUND. (a) Money received by the
22 state that is subject to the appropriation limit under Section 16 of
23 this article and that exceeds that appropriation limit, shall be
24 deposited in the budget reserve fund. Additional appropriations may
25 be made to the budget reserve fund.

26 (b) Money in the budget reserve fund shall be invested so as to
27 yield competitive market rates to the fund. Income from investment of
28 the fund shall be retained in the fund.

29 (c) If the legislature determines that the money subject to the

1 appropriation limit received by the state in a fiscal year is less
2 than the maximum amount that may be appropriated under Section 16 of
3 this article, up to twenty-five percent of the budget reserve fund
4 balance may be appropriated to the general fund.

5 (d) Notwithstanding the appropriation limit in this section and
6 in Section 16 of this article, additional amounts may be appropriated
7 from the budget reserve fund to meet a state disaster declared by the
8 governor as prescribed by law.

9 * Sec. 4. Article XV, Constitution of the State of Alaska, is amended
10 by adding new sections to read:

11 SECTION 29. EFFECTIVE DATE. If a majority of those voting in
12 1986 on the reconsideration of the 1982 amendment limiting appropria-
13 tion increases approves the 1982 amendment, the 1986 amendment repeal-
14 ing and readopting Section 16 of Article IX takes effect forty days
15 after the certification of the 1986 general election returns by the
16 lieutenant governor. If a majority rejects the 1982 amendment, the
17 1986 amendment repealing and readopting Section 16 of Article IX takes
18 effect thirty days after certification of the 1986 general election
19 returns.

20 SECTION 30. RECONSIDERATION OF AMENDMENT LIMITING INCREASE IN
21 APPROPRIATIONS. If the 1986 amendment limiting appropriation increase
22 (art. IX, sec. 16) and establishing the budget reserve fund (art. IX,
23 sec. 17) is adopted, the lieutenant governor shall cause the ballot
24 title and proposition for the amendment to be placed on the ballot
25 again at the general election in 1990. If the majority of those
26 voting on the proposition in 1990 rejects the amendment, Sections 16
27 and 17 of Article IX are repealed and the reference to Section 17 of
28 Article IX is deleted from Section 7 of Article IX.

29 * Sec. 5. The lieutenant governor shall include on the ballot for the

1 1986 general election an explanation that an affirmative vote on the con-
2 stitutional amendment providing for the budget reserve fund and revising
3 the appropriation limit will supersede an affirmative vote on the reconsid-
4 eration under art. XV, sec. 27, of the Alaska Constitution, of the 1982
5 amendment establishing the appropriation limit.

6 * Sec. 6. The amendments proposed by this resolution shall be placed
7 before the voters of the state at the next general election in conformity
8 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
9 tion laws of the state.

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Sectional Analysis
for
Proposed Senate Finance Committee Substitute
for SJR 34

Proposing an amendment to the Constitution
of the State of Alaska relating
to the use and expenditure of state money

Section 1. DEDICATED FUNDS. Amends this section of the Alaska Constitution so that the Budget Reserve Fund is an exception to the prohibition against dedicated funds.

Section 2. ALASKA PERMANENT FUND. Amends this section of the Constitution which will enable 10% of the fund's interest earnings be deposited in the Budget Reserve Fund as stipulated in Section 17(a).

Section 3. APPROPRIATION LIMIT. Amends the existing constitutional appropriation limit by providing that an appropriation for a fiscal year can not exceed the amount appropriated the preceding fiscal year by a change in population and inflation. The limit, however, can be exceeded in bills for appropriations which are approved by the voters.

Section 4. BUDGET RESERVE FUND. Adds a new section to the Constitution establishing the Budget Reserve Fund.

(a) Provides that any money which exceeds the appropriation limit shall be deposited in the Budget Reserve Fund. Also provides that after the amount necessary for payment of permanent fund dividends is calculated, 10 percent of the remaining interest earnings shall be deposited in the Budget Reserve Fund. The Legislature can make additional appropriations to the fund.

(b) Money in the fund shall be invested to yield competitive rates and that its income shall be retained in the fund.

(c) If the Legislature determines that there is less than the maximum amount permitted under the appropriation limit, it can appropriate up to 25% of the budget reserve fund balance to the general fund.

(d) Provides that additional funds above the limit can be appropriated to meet a disaster as declared by the Governor.

Section 5. Adds the following new sections to the Constitution:

Section 29. EFFECTIVE DATE. If the voters approve reconsideration of the 1982 appropriation limit, the 1986 amendment repealing and readopting the limit takes effect 40 days after the election is certified. If the voters reject the 1982 amendment, the 1986 amendment repealing and readopting the appropriation limit takes effect 30 days after certification of the returns.

Section 30. RECONSIDERATION OF AMENDMENT LIMITING INCREASE IN APPROPRIATIONS. If the 1986 appropriation limit and budget reserve fund is adopted, the two measures will be again brought before the voters in 1990. If the voters reject the two sections in 1990, Section 16 (appropriation limit) and Section 17 (budget reserve fund) are repealed.

Section 6. The 1986 ballot will include an explanation that an affirmative vote on the budget reserve fund and revisions to the appropriation limit will supersede a yes vote on the reconsideration of the 1982 appropriation limit.

Section 7. Provides that the constitutional amendments shall be before the voters at the next general election.

Sectional Analysis
for

CS SJR 34 (Finance)
(5/5/86 draft version)

Proposing an amendment to the Constitution of the State of Alaska relating to the use and expenditure of state money

Section 1. Amends this section of the Alaska Constitution so that the Budget Reserve Fund is an exception to the prohibition against dedicated funds.

Section 2. APPROPRIATION LIMIT. Amends existing constitutional appropriation limit by providing that an appropriation for a fiscal year can not exceed the amount appropriated the preceding calendar year by a change in population plus inflation plus 5%. Excluded from the limit are appropriations to the Permanent Fund, to the Budget Reserve Fund. The limit can be exceeded for appropriations approved by the voters.

Section 3. BUDGET RESERVE FUND.

(a) Provides that monies received above the appropriation limit shall be deposited in the budget reserve fund and that additional appropriations to the fund can be made.

(b) Provides that the fund shall be invested to yield competitive market rates and that investment income shall be retained in the fund.

(c) If the Legislature determines that there is less than the maximum amount permitted under the appropriation limit, it can appropriate up to 25% of the budget reserve fund balance to the general fund.

(d) Additional funds above the limit can be appropriated to meet a disaster as declared by the Governor.

Section 4. Adds the following new sections to the Constitution:

Section 29. EFFECTIVE DATE. If the voters approve reconsideration of the 1982 appropriation limit, the 1986 amendment repealing and readopting the limit takes effect 40 days after the election is certified. If the voters reject the 1982 amendment, the 1986 amendment repealing and readopting the appropriation limit takes effect 30 days after certification of the returns.

Section 30. RECONSIDERATION OF AMENDMENT LIMITING INCREASE IN APPROPRIATIONS. If the 1986 appropriation limit and budget reserve fund is adopted, the two measures will be again brought before the voters in 1990. If the voters reject the two sections in 1990, Section 16 (appropriation limit) and Section 17 (budget reserve fund) are repealed.

Section 5. The 1986 ballot will include an explanation that an affirmative vote on the budget reserve fund and revisions to the appropriation limit will supersede a yes vote on the reconsideration of the 1982 appropriation limit.

Section 6. Provides that the constitutional amendments shall be before the voters at the next general election.

Original sponsor: Rules/Governor

1 IN THE SENATE

BY THE FINANCE COMMITTEE

2 CS FOR SENATE JOINT RESOLUTION NO. 34 (Finance)

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 the use and expenditure of state money.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7. DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in Sections [SECTION] 15 and 17 of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.

18 * Sec. 2. Article IX, sec. 15, Constitution of the State of Alaska, is
19 amended to read:

20 SECTION 15. ALASKA PERMANENT FUND. At least twenty-five percent
21 of all mineral lease rentals, royalties, royalty sale proceeds, feder-
22 al mineral revenue sharing payments and bonuses received by the State
23 shall be placed in a permanent fund, the principal of which shall be
24 used only for those income-producing investments specifically desig-
25 nated by law as eligible for permanent fund investments. Except as
26 provided in Section 17(a) of this article, all [ALL] income from the
27 permanent fund shall be deposited in the general fund unless otherwise
28 provided by law.

29 * Sec. 3. Article IX, sec. 16, Constitution of the State of Alaska, is

1 amended to read:

2 SECTION 16. APPROPRIATION LIMIT. Except for appropriations to
3 the permanent fund or for Alaska permanent fund dividends, appropri-
4 tions of revenue bond proceeds, appropriations required to pay the
5 principal and interest on general obligation bonds, and appropriations
6 of money received from a non-state source in trust for a specific
7 purpose, including revenues of a public enterprise or public corpora-
8 tion of the state that issues revenue bonds, appropriations from the
9 treasury made for a fiscal year shall not exceed appropriations made
10 for the preceding fiscal year [\$2,500,000,000] by more than the [CUM-
11 ULATIVE] change, derived [FROM FEDERAL INDICES] as prescribed by law,
12 in population and inflation since the preceding fiscal year [JULY 1,
13 1981. WITHIN THIS LIMIT, AT LEAST ONE-THIRD SHALL BE RESERVED FOR
14 CAPITAL PROJECTS AND LOAN APPROPRIATIONS]. The legislature may exceed
15 this limit in bills for appropriations [TO THE ALASKA PERMANENT FUND
16 AND IN BILLS FOR APPROPRIATIONS FOR CAPITAL PROJECTS, WHETHER OF BOND
17 PROCEEDS OR OTHERWISE,] if each bill is approved by the governor, or
18 passed by affirmative vote of three-fourths of the membership of the
19 legislature over a veto or item veto, or becomes law without signa-
20 ture, and is also approved by the voters as prescribed by law. Each
21 bill for appropriations for capital projects in excess of the limit
22 shall be confined to capital projects of the same type, and the voters
23 shall, as provided by law, be informed of the cost of operations and
24 maintenance of the capital projects. [NO OTHER APPROPRIATION IN
25 EXCESS OF THIS LIMIT MAY BE MADE EXCEPT TO MEET A STATE OF DISASTER
26 DECLARED BY THE GOVERNOR AS PRESCRIBED BY LAW. THE GOVERNOR SHALL
27 CAUSE ANY UNEXPENDED AND UNAPPROPRIATED BALANCE TO BE INVESTED SO AS
28 TO YIELD COMPETITIVE MARKET RATES TO THE TREASURY.]

29 * Sec. 4. Article IX, Constitution of the State of Alaska, is amended

1 by adding a new section to read:

2 SECTION 17. BUDGET RESERVE FUND. (a) Money received by the
3 state that is subject to the appropriation limit under Section 16 of
4 this article and that exceeds that appropriation limit, shall be
5 deposited in the budget reserve fund. After the amount of income
6 necessary for payment of the Alaska permanent fund dividends as pro-
7 vided by law is made available for that purpose, ten percent of the
8 remaining income from the permanent fund shall be deposited each
9 fiscal year in the budget reserve fund. Additional appropriations may
10 be made to the budget reserve fund.

11 (b) Money in the budget reserve fund shall be invested so as to
12 yield competitive market rates to the fund. Income from investment of
13 the fund shall be retained in the fund.

14 (c) If the legislature determines that the money subject to the
15 appropriation limit received by the state in a fiscal year is less
16 than the maximum amount that may be appropriated under Section 16 of
17 this article, up to twenty-five percent of the budget reserve fund
18 balance may be appropriated to the general fund.

19 (d) Notwithstanding the appropriation limit in this section and
20 in Section 16 of this article, additional amounts may be appropriated
21 from the budget reserve fund to meet a state disaster declared by the
22 governor as prescribed by law.

23 * Sec. 5. Article XV, Constitution of the State of Alaska, is amended
24 by adding new sections to read:

25 SECTION 29. EFFECTIVE DATE. If a majority of those voting in
26 1986 on the reconsideration of the 1982 amendment limiting appropria-
27 tion increases approves the 1982 amendment, the 1986 amendment repeal-
28 ing and readopting Section 16 of Article IX takes effect forty days
29 after the certification of the 1986 general election returns by the

1 lieutenant governor. If a majority rejects the 1982 amendment, the
2 1986 amendment repealing and readopting Section 16 of Article IX takes
3 effect thirty days after certification of the 1986 general election
4 returns.

5 SECTION 30. RECONSIDERATION OF AMENDMENT LIMITING INCREASE IN
6 APPROPRIATIONS. If the 1986 amendment limiting appropriation increase
7 (art. IX, sec. 16) and establishing the budget reserve fund (art. IX,
8 sec. 17) is adopted, the lieutenant governor shall cause the ballot
9 title and proposition for the amendment to be placed on the ballot
10 again at the general election in 1990. If the majority of those
11 voting on the proposition in 1990 rejects the amendment, Sections 16
12 and 17 of Article IX are repealed and references to Section 17 of
13 Article IX are deleted from Sections 7 and 15 of Article IX.

14 * Sec. 6. The lieutenant governor shall include on the ballot for the
15 1986 general election an explanation that an affirmative vote on the con-
16 stitutional amendment providing for the budget reserve fund and revising
17 the appropriation limit will supersede an affirmative vote on the reconsid-
18 eration under art. XV, sec. 27, of the Alaska Constitution, of the 1982
19 amendment establishing the appropriation limit.

20 * Sec. 7. The amendments proposed by this resolution shall be placed
21 before the voters of the state at the next general election in conformity
22 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
23 tion laws of the state.
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Introduced: 1/24/86
Referred: Judiciary
and Finance

BY THE RULES COMMITTEE BY
REQUEST OF THE GOVERNOR

1 IN THE SENATE

2 SENATE JOINT RESOLUTION NO. 34

3 IN THE LEGISLATURE OF THE STATE OF ALASKA

4 FOURTEENTH LEGISLATURE - SECOND SESSION

5 Proposing an amendment to the Constitu-
6 tion of the State of Alaska relating to
7 the use and expenditure of state money.

8 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

9 * Section 1. Article IX, sec. 7, Constitution of the State of Alaska,
10 is amended to read:

11 SECTION 7 DEDICATED FUNDS. The proceeds of any state tax or
12 license shall not be dedicated to any special purpose, except as
13 provided in sections [SECTION] 15 and 17 of this article or when
14 required by the federal government for state participation in federal
15 programs. This provision shall not prohibit the continuance of any
16 dedication for special purposes existing upon the date of ratification
17 of this section by the people of Alaska.

18 * Sec. 2. Article IX, sec. 16, Constitution of the State of Alaska, is
19 repealed and readopted to read:

20 SECTION 16. APPROPRIATION LIMIT. Appropriations of money from
21 state sources for a fiscal year may not increase by more than 15
22 percent of the amount appropriated from state sources during the
23 preceding calendar year, except as authorized by sec. 17 of this
24 article.

25 * Sec. 3. Article IX, Constitution of the State of Alaska, is amended
26 by adding a new section to read:

27 SECTION 17 BUDGET RESERVE FUND. (a) Money received by the
28 state from state sources, which is not dedicated to the Alaska perman-
29 ent fund and which exceeds the appropriation limit imposed by sec. 16

1 of this article, must be deposited in the Alaska budget reserve fund
2 until the balance of the reserve fund equals the amount appropriated
3 from state sources during the preceding calendar year.

4 (b) A portion of the money received by the state, described in
5 (a) of this section, which exceeds the maximum balance of the fund
6 must be deposited in the Alaska permanent fund, as provided by law.
7 The remainder of any excess money must be deposited in the general
8 fund. Notwithstanding the appropriation limit imposed by sec. 16 of
9 this article, the excess money deposited in the general fund may be
10 appropriated.

11 (c) Money in the budget reserve fund must be invested so as to
12 yield competitive market rates to the fund. Income from investment of
13 the fund must be retained in the fund.

14 (d) If the governor determines that the money received by the
15 state from state sources in a fiscal year is less than the amount
16 appropriated from state sources during the preceding calendar year,
17 money may be spent from the budget reserve fund, as provided by law.
18 Except as otherwise provided in this section, not more than 25 percent
19 of the budget reserve fund balance may be spent for any fiscal year.

20 (e) Notwithstanding any spending limitations in this section or
21 in sec. 16 of this article, the governor may spend additional amounts
22 from the budget reserve fund to meet a state emergency declared by the
23 governor, as prescribed by law.

24 * Sec. 4. Article XV, Constitution of the State of Alaska, is amended
25 by adding a new section to read:

26 SECTION 29. FIRST YEAR OF 1986 REVISED APPROPRIATION LIMITATION.

27 In determining the limitation under art. IX, sec. 16, as amended in
28 1986, an appropriation to the permanent fund, made in calendar year
29 1986, is not to be included.

1 * Sec. 5. The amendments proposed by this resolution shall be placed
2 before the voters of the state at the next general election in conformity
3 with art. XIII, sec. 1, Constitution of the State of Alaska, and the elec-
4 tion laws of the state.

BILL SHEFFIELD
GOVERNOR



STATE OF ALASKA
OFFICE OF THE GOVERNOR
JUNEAU

SD R 3-1
SB 362

January 24, 1986

The Honorable Don Bennett
President of the Senate
Alaska State Legislature
P. O. Box V
Juneau, AK 99811

Dear Senator Bennett:

Under the authority of art. III, sec. 18, of the Alaska Constitution, I am transmitting a joint resolution proposing amendments to the Alaska Constitution relating to a budget reserve fund and an appropriation limit, and a bill to implement the joint resolution.

I am placing the bill implementing the proposed constitutional amendments before the legislature during this session to ensure that legislators and voters facing that proposal in the 1986 general election understand the scope, details, and implications of the amendments.

The bill would take effect following voter approval of the constitutional amendments. At that time, AS 37.05.159, establishing what is commonly known as the "rainy day fund," would be repealed and replaced by a new statute establishing the budget reserve fund. The balance of the money in the rainy day fund would follow the constitutional and statutory change and would be transferred to the budget reserve fund at that time. The budget reserve fund is designed to meet revenue contingencies contemplated by the rainy day fund as well as broader revenue stability needs.

At the outset, it must be emphasized that the budget reserve fund is very different in purpose and function from forward funding and cash-based budgeting proposals. We have carefully evaluated all these options, and we believe that the budget reserve fund is the fiscal management tool that is best suited to the State's situation. This fund seeks to

dampen annual budget swings. Neither forward funding nor cash-based budgeting protect us from annual budget fluctuations caused by volatility in world oil markets.

The budget reserve fund works in the following manner. In years of rising revenues, as specified in the constitutional amendments, appropriations are limited to 115 percent of appropriations made during the preceding calendar year. Any surplus money above the 115 percent limit is used first to replenish the budget reserve fund; any remaining surplus is then divided between deposits to the permanent fund and to the general fund. In years of revenue decline, as specified in the constitutional amendments and proposed statute, money is made available from the budget reserve fund in an amount that brings appropriations up to 95 percent of the appropriations in the preceding calendar year, or an amount that equals no more than 25 percent of the fund's balance, whichever is less.

These two operations of the budget reserve fund will provide a smoother expenditure pattern over the years than would result from the fluctuations of petroleum revenue alone. This is because, in high revenue years, revenue increases will flow into the budget reserve fund for subsequent appropriation during years of revenue decline, buffering fluctuations in the state's revenue stream caused by petroleum price variations. The upper limit to appropriations (the 115 percent level) will provide an effective appropriation limit, in contrast with the ineffective limit now in our constitution. We will therefore have a meaningful constitutional spending limit as desired by the people of Alaska.

Both the joint resolution and the bill specify that the appropriation limit applies only to unrestricted general fund money and to expenditures from the undistributed income account of the permanent fund (except for a deposit of that money to the permanent fund made in 1986). In turn, "money received" by the state includes only money in the undistributed income account and unrestricted general fund money. Excluded from both, for example, are federal receipts. The joint resolution and bill also specify that appropriations for a fiscal year are limited to 115 percent of appropriations made during the preceding calendar year. The calendar-year basis is used to ensure certainty in the determination of allowable appropriation levels for the coming fiscal year. It also avoids problems caused by supplemental appropriations late in a fiscal year.

New AS 37.05.156(c), in sec. 1 of the bill, addresses the question of how reappropriations should be treated for purposes of the appropriation limit. The intent of that provision is to distinguish between "old" and "new" money. This distinction is needed because it is sometimes difficult to determine whether a reappropriation consists entirely of money appropriated in a prior year, or exceeds the amount of money actually available from those prior appropriations, thereby entailing an appropriation of new money. Any reappropriation not clearly identifiable is also considered a new appropriation.

The maximum balance of the budget reserve fund in any fiscal year equals the amount of general fund appropriations enacted during the preceding calendar year. Money in excess of the 115 percent limit is used to bring the fund balance up to the fund's capacity. A portion of the money in excess of the budget reserve fund capacity must then be deposited in the permanent fund as savings. The bill specifies that that portion is 75 percent. The remaining excess (25 percent) must be deposited in the general fund, and is available for appropriation (effectively increasing the 115 percent limit). Any of that excess money subsequently appropriated from the general fund becomes part of the calculation of the base for the next fiscal year.

The bill specifies that if general fund revenue in a fiscal year falls to a level below 95 percent of appropriations made during the preceding calendar year, an amount may be transferred from the budget reserve fund into the general fund. That transferrable amount is limited to the lesser of (1) the amount needed to bring appropriations up to the 95 percent level, or (2) the maximum amount of the fund that may be spent in a fiscal year, which is 25 percent of the budget reserve fund balance.

As specified in the joint resolution, the budget reserve fund retains its income earnings to help ensure an adequate level of capitalization to meet appropriation demand in years of revenue decline.

The constitutional amendments permit expenditures from the fund beyond the 115 percent appropriation limit and the 25 percent fund expenditure limit to meet declared states of emergency. The bill cites existing statutory language to provide further clarification of "emergencies."

The constitutional amendments proposed in the joint resolution and the implementing statutory provisions together can

provide elected officials with the tools of sound fiscal management, and promise to the citizens of the state a means of avoiding the social and economic shocks that may result from extreme volatility in our revenue stream.

Article XV, sec. 27, of the Alaska Constitution now requires the lieutenant governor to place on the ballot in 1986 the proposition for the existing appropriation limitation, which was approved by the voters in 1982. Since that vote will occur at the same election as the vote on the attached proposal, there is the possibility that both constitutional provisions would be approved -- resulting in a direct conflict between them. To avoid confusion and to preclude legal questions arising as to this later amendment, while still having the lieutenant governor comply with art. XV, sec. 27, the attached bill (see sec. 2) requires the lieutenant governor to include an appropriate explanation on the ballot. It is expected that this explanation will be brief, with some amplification in the voter pamphlet.

Sincerely,



Bill Sheffield
Governor

COMMITTEE REPORT
SENATE

FURTHER: FINANCE

1/24/86

Date 4/3/86

Mr. President

The Committee on JUDICIARY considered SJR 34

proposing an amendment to the Constitution of the State of Alaska relating to the use and expenditure of state money.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for _____
- new title
- same title and recommends _____
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

Tim Kelly - Do not pass
until the Governor agrees
to fund properly.

Rich Halford. NO REC

Ernie N/R

Jan Lusk N/R

Patrick Ryden
Chairman

NO REC.
Chairman recommendation

COMMITTEE REPORT
SENATE

FURTHER:

4/1/86

Date 4/22/86

Mr. President

The Committee on FINANCE considered SCR 36
establishing a joint special committee on mental health trust land; efd.

and (a majority of the committee) (the committee) reports it back with the following recommendations:

- do pass
- do pass with attached amendment(s)
- replace with/or adopt CS for SCR 36 (HESS)
- new title
- same title and recommends "DO PASS"
- and attached a "LETTER OF INTENT" NEW FISCAL NOTE
30.6 SFC
- reports it back without recommendation
- recommends referral to _____ Committee

MEMBERS SIGNING
DO PASS

MEMBERS HAVING
OTHER RECOMMENDATIONS

[Signature]
Rich Halford
[Signature]
[Signature]

Paul Frit. N. Ken

[Signature]
co Chairman
do pass.
Chairman recommendation

STATE OF ALASKA 1986 LEGISLATIVE SESSION FISCAL NOTE

Revision Date : 4-21-86

REQUEST

Bill/Resolution No. : CSSCR-36 (HESS)
 Title : Joint Special Committee
Mental Health Trust Lands
 Sponsor : Josephson, Sackett, Rodey
 Requestor : Senate Finance
 Date of Request : 4-21-86

FISCAL DETAIL

Agency Affected : Legislature
 BRU : Legislative Affairs
 Components : _____

EXPENDITURES/REVENUES : (Thousands of Dollars)

OPERATING	FY 86	FY 87	FY 88	FY 89	FY 90	FY 91
PERSONAL SERVICES						
TRAVEL						
CONTRACTUAL						
SUPPLIES						
EQUIPMENT						
LAND & STRUCTURES						
GRANTS, CLAIMS						
MISCELLANEOUS		30.6				
TOTAL OPERATING						

CAPITAL						
---------	--	--	--	--	--	--

REVENUE						
---------	--	--	--	--	--	--

FUNDING : (Thousands of Dollars)

GENERAL FUND		30.6				
FEDERAL FUNDS						
OTHER						
TOTAL						

POSITIONS :

FULL-TIME						
PART-TIME						
TEMPORARY						

ANALYSIS : Attach a separate page if necessary

Prepared by : Senate Finance Committee
 Division : _____

Phone : 465-3753
 Date : 4-21-86

Approved by Commissioner : Sen. Sackett
 Agency : Senate Finance Committee

Date : 4-21-86

Distribution (by Agency preparing fiscal note) :

- Legislative Finance
- Legislative Sponsor
- Requestor
- Office of Management and Budget
- Impacted Agency(ies)

Offered: 4/1/86
Referred: Finance

Original sponsors: Josephson, Sackett,
Rodey, et al

1 IN THE SENATE
2 CS FOR SENATE CONCURRENT RESOLUTION NO. 36 (HESS)
3 IN THE LEGISLATURE OF THE STATE OF ALASKA
4 FOURTEENTH LEGISLATURE - SECOND SESSION
5 Establishing a joint special committee
6 on mental health trust land.
7 BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:
8 WHEREAS the United States Congress granted 1,000,000 acres of land to
9 the Territory of Alaska to be administered as a public trust for the neces-
10 sary expenses and support of mental health in the territory; and
11 WHEREAS in October 1985, the Alaska Supreme Court determined that the
12 1978 decision of the Alaska Legislature to redesignate mental health trust
13 land as general grant land had breached the trust established by the Con-
14 gress; and
15 WHEREAS the funding level for the mental health programs in the state
16 is one of the lowest in the nation on a per capita basis; and
17 WHEREAS the legislature, the administration, and mental health advo-
18 cates agree that the state must comply with the intent of the Congress that
19 mental health programs in the state receive sufficient funding; and
20 WHEREAS it is not in the public interest that continued litigation
21 over the mental health land trust divert attention from the underlying goal
22 of increased funding for mental health programs and care in the state; and
23 WHEREAS present state statutes do not explicitly provide for the
24 management of mental health trust land for maximum revenue production; and
25 WHEREAS the return of mental health trust land to trust status pre-
26 cludes management of mental health trust land for its highest and best use;
27 BE IT RESOLVED by the Alaska State Legislature that a Joint Special
28 Committee on Mental Health Trust Land is established under Uniform Rule 21;
29 and be it

BY THE HEALTH, EDUCATION AND
SOCIAL SERVICES COMMITTEE

1 FURTHER RESOLVED that the Joint Special Committee on Mental Health
2 Trust Land is composed of three members of the Senate appointed by the
3 president of the Senate, three members of the House of Representatives
4 appointed by the speaker of the House of Representatives, and two public
5 members interested in the mental health trust land issue; the public mem-
6 bers shall be selected by the other members of the Joint Special Committee
7 on Mental Health Trust Land; and be it

8 FURTHER RESOLVED that the Joint Special Committee on Mental Health
9 Trust Land develop, after public hearings, a proposal to resolve the mental
10 health trust litigation and recommend a level of appropriations adequate to
11 provide sufficient funding for mental health programs in the future; and be
12 it

13 FURTHER RESOLVED that the committee is authorized to meet during and
14 between sessions of the legislature and is to report its recommendations
15 and findings on the first day of the First Session of the Fifteenth State
16 Legislature; and be it

17 FURTHER RESOLVED that the committee terminates on the 10th day of the
18 First Session of the Fifteenth State Legislature.

Introduced: 2/18/86
Referred: Health, Education and
Social Services and
Finance

BY JOSEPHSON, SACKETT, RODEY,
V. FISCHER, FAIKS, FAHRENKAMP
AND KERTTULA

1 IN THE SENATE

2

SENATE CONCURRENT RESOLUTION NO. 36

3

IN THE LEGISLATURE OF THE STATE OF ALASKA

4

FOURTEENTH LEGISLATURE - SECOND SESSION

5

Establishing a joint special committee

6

on mental health trust land.

7

BE IT RESOLVED BY THE LEGISLATURE OF THE STATE OF ALASKA:

8

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1 FURTHER RESOLVED that the Joint Special Committee on Mental Health
2 Trust Land is composed of two members of the Senate appointed by the presi-
3 dent of the Senate, two members of the House of Representatives appointed
4 by the speaker of the House of Representatives, the commissioner of natural
5 resources and the commissioner of health and social services, or the desig-
6 nees of the commissioners, and two public members interested in the mental
7 health trust land issue; the public members shall be selected by the other
8 members of the Joint Special Committee on Mental Health Trust Land; and be
9 it

10 FURTHER RESOLVED that the Joint Special Committee on Mental Health
11 Trust Land develop, after public hearings, a proposal to resolve the mental
12 health trust litigation and recommend a level of appropriations adequate to
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