

ALASKA LEGISLATURE COMMITTEE FILES 1903-1904

2973

HSA HB 659 - HB 678 (HJR 66)

2973

FORESTS, OVER SCORCHED DESERTS, AND FINALLY, IN THIS LAST GREAT  
GOLD RUSH, TO THE FROZEN NORTH. IT WAS THE KLONDIKE.

WHAT ABOUT DAWSON'S GAMBLING?

WITH THE DISCOVERY OF GOLD ON THE BEACHES OF NOME IN 1899, DAWSON SOON BECAME A VIRTUAL GHOST TOWN. OVER THE YEARS THE ABANDONED BUILDINGS FELL INTO DISREPAIR. DAWSON, AT THE SAME TIME BEGAN TO REALIZE IT'S HISTORICAL POTENTIAL AS A TOURIST ATTRACTION. DAWSON ALSO DISCOVERED THAT THE DETERIORATION OF THE BUILDINGS AND THEIR REMOTE LOCATION WERE MAJOR HANDICAPS TO THE DEVELOPMENT OF A VIABLE TOURISM INDUSTRY.

IN ORDER TO AID IN THE RESOLUTION OF BOTH OF THESE CONCERNS, IN 1971 THE CANADIAN FEDERAL GOVERNMENT PASSED A WAIVER TO EXISTING LEGISLATION THAT ALLOWED THE KLONDIKE VISITORS ASSOCIATION TO RUN A GAMBLING OPERATION IN A CENTRAL LOCATION - DIAMOND TOOTH GERTIE'S. THE PROCEEDS FROM THIS OPERATION WERE TO GO TO THE ENHANCEMENT OF DAWSON'S TOURISM INDUSTRY.

DIAMOND TOOTH GERTIE'S IS THE ONLY ESTABLISHMENT IN CANADA THAT HAS GAMBLING, LIQUOR, AND ENTERTAINMENT UNDER ONE ROOF, AND HAS BECOME THE MAINSTAY OF THE DAWSON ECONOMY. HOWEVER, GERTIE'S WAS NOT WITHOUT PROBLEMS IN HER FIRST YEAR. INEXPERIENCE IN RUNNING A GAMING OPERATION, ON THE PART OF THE K.V.A., AND A LOSS OF BUSINESS TO LOCAL BARS AS PATRONS FLOCKED TO THE CASINO RESULTED IN A NET LOSS FOR SEVERAL BUSINESSES, INCLUDING THE K.V.A..

AFTER THE FIRST YEAR, THE R.C.M.P. SELECTED A PROFESSIONAL PIT BOSS TO MANAGE THE OPERATION AND THE K.V.A. ESTABLISHED A VOLUNTEER GAMBLING SQUAD TO OVERSEE GAMING AND TO REPORT ON ITS PROBLEMS AND BENEFITS. THE RESULT WAS A SMOOTHER, PROFITABLE OPERATION FOR ALL OF DAWSON.

GAMES PLAYED AT GERTIE'S ARE BLACK JACK, CROWN AND ANCHOR, ROULETTE, AND POKER. THE MAXIMUM BET IS \$5. THE K.V.A. EMPLOYS 45 PEOPLE TO RUN THE OPERATION WITH EMPHASIS PLACED ON MAINTAINING AN ATMOSPHERE OF FUN AS WELL AS PROFESSIONALISM. IN 1982 THE NET PROFITS TO THE K.V.A. WERE \$25,000.

FUTURE PLANS ARE TO EXPAND GERTIE'S TO ACCOMMODATE MORE VISITORS, AND TO RAISE THE BET LIMIT TO COVER INCREASED COSTS.

SOUNDS GOOD - BUT AREN'T THERE PROBLEMS ASSOCIATED WITH GAMBLING?

WHenever one mentions gambling, several potential social problems come to mind. Giovanni Castellarin of Dawson's K.V.A. was questioned about these problems. His responses are as follows:

Giovanni Castellarin, President of the Klondike Visitors Association said that there have been a few people who have become addicted to gambling but that welfare provides a facility for treatment. Castellarin felt it was a small problem and that in a small community the size of Dawson (400-500 people), it can be prevented because people know each other and know who is having a problem. Refusing to accept checks or give people credit is one of the ways of keeping people with a problem from spending all of their money. Overall, only a very small number of locals gamble at all; everyone is so busy during the brief summer season. (Gertie's is only open during the summer) Castellarin said that most everyone feels that the positive effect on the community is 100 times greater than the negative effect. Even the local priest approves of gambling, "if it is controlled and done right."

Castellarin also said, "we do not know what crime means in Dawson."

## SKAGWAY TODAY

ON THE AFTERNOON OF JANUARY 14, 1983, ECONOMIC DISASTER STRUCK SKAGWAY. ON THAT DATE THE WHITE PASS CORPORATION ANNOUNCED THAT THE WP&YR NARROW GAUGE "SCENIC RAILWAY OF THE WORLD" WOULD CEASE TO OPERATE UNTIL THE MINES IN THE YUKON REOPENED. THE EARLIEST THAT WHITE PASS COULD SPECULATE ON THE REOPENING OF THE RAILROAD WOULD BE THE SECOND QUARTER OF 1984. THE LOSS OF THE RAILROAD MEANT THE DEMISE OF SKAGWAY'S PRIMARY INDUSTRY. THIS LEFT THE TOWN TOTALLY DEPENDENT UPON ITS SECOND INDUSTRY, TOURISM, FOR AT LEAST THE NEAR FUTURE. THE SITUATION IS NOT DISSIMILAR TO THAT OF DAWSON.

WHAT IS DIFFERENT IS THE ADVANTAGE THAT SKAGWAY ALREADY HAS AS A WELL KNOWN POPULAR TOURIST DESTINATION. THE KLONDIKE GOLD RUSH NATIONAL HISTORICAL PARK, THE CHILKOOT TRAIL, BROADWAY, SOAPY SMITH, A.B. HALL, THE GOLDEN NORTH HOTEL, THE PACK TRAIN, THE RED ONION SALOON, AND ALL THE OTHER AUTHENTIC ATTRACTIONS THAT SKAGWAY OFFERS CONJURE UP THAT GOLD RUSH IMAGE OF THE ADVENTURE OF 1898. SKAGWAY OFFERS A GOLD RUSH EXPERIENCE UNEQUALLED ANYWHERE IN THE KLONDIKE REGION

TO ENHANCE THAT WELL KNOWN IMAGE, WHILE AT THE SAME TIME REAPING THE BENEFITS OF INCREASED VISITATION, INCREASED EMPLOYMENT, AND INCREASED REVENUES EXPERIENCED IN DAWSON, SKAGWAY NEEDS TO CONSIDER A LEGALIZED LIMITED FORM OF GAMBLING SCENARIO THAT WOULD INCORPORATE THE BEST ASPECTS OF THE DAWSON PROGRAM AND ACCOMODATE LOCAL CONCERNS. WITH

STRICT HISTORIC GUIDELINES AND CITY OF SKAGWAY CONTROL, THE TOURISM INDUSTRY IN SKAGWAY CAN BE MAINTAINED AND EXPANDED TO GUARANTEE A STABLE SECOND INDUSTRY TO SEE THE CITY THROUGH CURRENT AND FUTURE ECONOMIC DIFFICULTY. A LIMITED FORM OF LEGALIZED GAMBLING WOULD ADD TO SKAGWAY'S PRE-EMINENCE AS THE KLONDIKE GOLD RUSH ATTRACTION OF ALASKA.

WHAT COULD LIMITED GAMBLING LOOK LIKE IN SKAGWAY?

OF THE UPMOST CONCERN TO THE CITY OF SKAGWAY IS THAT ANY GAMBLING IN SKAGWAY BE CONTROLLED BY THE CITY GOVERNMENT. THE CITY COUNCIL WOULD ESTABLISH REQUIREMENTS FOR THE OPERATION OF GAMING TABLES, THE TYPES OF GAMES ALLOWED, THE LIMITS PLACED UPON BETS, AND THE HISTORIC CRITERIA. PROCEEDS FROM GAMBLING WOULD GO TO THE CITY, WITH 50% OF THOSE PROCEEDS TO BE USED FOR HISTORIC PRESERVATION.

ANOTHER MAJOR CONCERN IS THAT ANY GAMBLING OPERATION MAINTAIN AN HISTORIC CHARACTER. THE INTENT IS TO RECREATE THE ADVENTURESOME ATMOSPHERE OF 1898, NOT TO CREATE THE GLITTER AND STYLE OF A MODERN DAY LAS VEGAS. MAINTAINING THE HISTORIC FLAVOR OF SKAGWAY, AND THE APPEAL OF HAVING FUN, IS IMPERATIVE FOR THE COMMUNITY AS WELL AS THE TOURISM INDUSTRY.

A FINAL CONCERN IS THAT GAMBLING IN SKAGWAY NOT BECOME THE MAJOR ATTRACTION FOR THE COMMUNITY, BUT SIMPLY ANOTHER ASPECT OF OUR HISTORIC ATMOSPHERE. WE DO NOT WANT TO BE VIEWED AS THE TOWN IN ALASKA WITH GAMBLING BUT AS THE GOLD RUSH ATTRACTION OF ALASKA THAT INCLUDES GAMBLING. THIS IS THE DIRECTION OF OUR TOURISM DEVELOPMENT AND BETTER MEETS THE CONCERNS OF THE COMMUNITY OF SKAGWAY.

WITH THESE CONCERNS IN MIND, THE CITY OF SKAGWAY WOULD OPERATE A SINGLE CASINO IN THE ARCTIC BROTHERHOOD HALL. THERE WOULD BE A LIMITED FLOOR SHOW TO ENHANCE THE HISTORIC FLAVOR, BUT NO LIQUOR LICENSE WOULD BE SOUGHT. THE AMOUNT OF BETS WOULD INITIALLY BE LIMITED TO \$5.00 TO MAINTAIN THE SOCIAL, ENTERTAINMENT GAMBLING ATMOSPHERE.

THE AB HALL WOULD ACCOMMODATE ABOUT 84 PEOPLE AT ANY GIVEN TIME. THIS IS A VERY SMALL PORTION OF THE VISITOR POPULATION ON MOST DAYS DURING THE SUMMER SEASON. THE REMAINING VISITORS WOULD BE ENJOYING THE OTHER HISTORIC ATTRACTIONS OF THE COMMUNITY.

INFORMATION PROVIDED BY THE PUBLIC GAMING RESEARCH INSTITUTE INDICATES THAT SUCH AN OPERATION WOULD EMPLOY 34 PERSONS PER 8 HOUR SHIFT WITH POTENTIAL GROSS REVENUES OF \$5,880 PER SHIFT. POTENTIAL NET REVENUE TO THE CITY COULD BE IN THE AREA OF \$200,000 FOR THE SEASON.

THIS LIMITED FORM OF GAMBLING WOULD ENHANCE OUR HISTORIC IMAGE WHILE MAINTAINING A STABLE SUPPORT INDUSTRY. IT WOULD PROVIDE VISITORS WITH THE OPPORTUNITY TO ENJOY A FUN AND EXCITING GLIMPSE OF LIFE IN THE "DAYS OF '98". WITH THESE LIMITATIONS AND CRITERIA, GAMBLING IN SKAGWAY COULD BE CONDUCTED WITH THE LEAST SOCIAL COST AND THE GREATEST ECONOMIC BENEFIT.

## SPECIFIC RECOMMENDATIONS

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY CONTRACT WITH THE PUBLIC GAMING RESEARCH INSTITUTE TO ANALYZE OUR PROPOSAL IN TERMS OF SOCIAL IMPACTS, OPERATIONAL PROBLEMS, AND POTENTIAL REVENUES.
  
- . RECOMMENDATION - ANY OR ALL GAMBLING ESTABLISHMENTS BE LICENSED AND OPERATED BY THE CITY.
  - CRITERIA FOR THE NUMBER AND LOCATION OF GAMES, TYPES OF GAMES, HOURS, LIMITS OF BETS AND PROMOTION SHOULD BE SET BY THE CITY COUNCIL.
  - PROCEEDS FROM THE GAMBLING GO DIRECTLY AND EXCLUSIVELY TO THE CITY OF SKAGWAY, WITH 50% OF THOSE FUNDS GOING TO HISTORIC PRESERVATION.
  - THAT A LOCAL GAMING COMMISSION BE ESTABLISHED TO MONITOR THE GAMING OPERATION.
  
- . RECOMMENDATION - THAT A LIMITED NUMBER OF HISTORIC GAMES BE ALLOWED.
  
- . RECOMMENDATION - THAT THE ALASKA STATE DEPARTMENT OF REVENUE REVIEW SKAGWAY'S OPERATION ON AN ANNUAL BASIS AND REPORT THOSE FINDINGS TO THE STATE LEGISLATURE.
  
- . RECOMMENDATION - THAT GAMBLING ONLY BE CONDUCTED DURING THE SUMMER, WITH POSSIBLE LIMITED WINTER OPERATION.
  
- . RECOMMENDATION - THAT THE CITY COUNCIL HOLD A PUBLIC HEARING ON THIS PROPOSAL.
  
- . RECOMMENDATION - THAT THE PROPOSED LEGISLATION NOT EFFECT THE

STATUS OF ANY CURRENT LIQUOR LICENSE.

- . RECOMMENDATION - THAT THE CITY OF SKAGWAY WRITE TO THE REGIONAL DIRECTOR OF THE NATIONAL PARK SERVICE REQUESTING AN OPINION ON THE LEGALITY OF GAMBLING WITHIN THE PARK.



# ALASKA VISITORS ASSOCIATION

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Canada 0305-25-147  
International 314-25-147

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## 1983-84 EXECUTIVE OFFICERS

President  
ROBERT H. BRENNAN  
P-Incess Tours  
Seattle, Washington  
Vice President/  
Administration  
RAL WEST-HARDWICK  
Alaska West Associates  
Anchorage, Alaska  
Vice-President/  
Government Relations  
CHRIS VON IMHOF  
Alaska Resort  
Girdwood, Alaska  
Vice-President/  
Marketing  
DEAN WEIDNER  
Tra/Alaska Tours  
Seattle, Washington  
Secretary  
DENNIS BRANDON  
Shellfield Enterprises  
Anchorage, Alaska  
Treasurer  
A. K. "KIRK" LANTERMAN  
Westours, Inc.  
Seattle, Washington  
Executive Director  
DALE FOX

## A RESOLUTION IN SUPPORT OF LIMITED HISTORIC GAMBLING IN ALASKA

Whereas, Alaska's Gold Rush History is an attractive and integral part of our tourism appeal; and,

Whereas, the colorful gambling halls and characters of the gold rush era continue to provide a spirited reminder of Alaska's history; and,

Whereas, the recreation of historic gambling in Alaska would enhance Alaska's tourism industry;

Be it therefore resolved that the Alaska Visitors Association supports legislation that would allow local option for municipally-controlled limited historic gambling in communities with a substantial history of gambling during Alaska's gold rush.

## PAST PRESIDENTS

GEORGE SUNDBORG  
1950  
ROBERT E. ELLIS  
1951-1952  
EDWARD D. COFFEY  
1952-1955  
MARSHALL CRUTCHER  
1955-1956  
BEN CRAWFORD  
1956-1957  
EVERETT PATTON  
1957-1959  
ROBERT A. BAKER  
1959-1960  
ROBERT E. ELLIS  
1960-1962  
ROBERT GIERSDORF  
1962-1963  
E.E. SWOFFORD  
1963-1964  
H. JACK MUSIEL  
1964-1966  
JAMES JOHNSON  
1966-1967  
FRANK DOWNEY  
1967-1968  
BILL SHEFFIELD  
1968-1969  
JOHN MONROE  
1969-1970  
RONALD LATIMORE  
1970-1971  
JOHN STEVENS  
1971-1972  
LEN LAURANCE  
1972-1973  
E. AL PARRISH  
1973-1974  
A.E. "BUD" HAGBERG  
1974-1975  
CHUCK WEST  
1975-1977  
CHARLES CONWAY  
1977-1978  
JIM BINKLEY  
1978-1979  
MARTHA EDWARDS  
1979-1980  
ROLF KLUG  
1980-1981  
DAVE PALMER  
1981-1982  
CHRIS VON IMHOF  
1982-1983

Passed by AVA Membership, October 6, 1983, Valdez, Alaska

HT, 25

# S.E. Conference Policy Statement

C

structure to develop, promote, and produce Alaska timber products.

The Southeast Conference strongly supports the provision of P.L. 96-487 which will assure an adequate timber supply to provide employment and enable the continued development of transportation systems, corridors, and recreational access to the Tongass National Forest in Alaska.

The Southeast Conference requests the Governor and the Legislature approve funding for an Alaska state forest management plan in all State-approved forests.

## MINING

The Southeast Conference supports the prompt, expeditious handling of all permits and work-plan approvals by State and Federal agencies necessary for development of mining projects, including reasonable access; and requests that these agencies offer active technical assistance in obtaining such approval.

The Southeast Conference strongly supports the granting of requests for minor boundary adjustments for mineral production to assure maximum utilization of this natural resource.

## WATER, SEWER, AND SOLID WASTE GRANTS

The Southeast Conference continues to support the increase in water, sewer, and solid waste grants and to provide adequate funding for the program.

The conference supports the granting of waivers by EPA from secondary sewage treatment for small communities located along the ocean, as well as waivers requested by Southeast pulp mills.

## TOURISM

The Southeast Conference supports the Southeast Alaska Tourism Council (S.A.T.C.) and their goals in establishing and marketing Southeast Alaska as a regional travel destination. The Conference urges the continued and expanded cooperation among communities in furthering the goals of S.A.T.C.

The Southeast Conference feels the present level of funding provided to the Division of Tourism is insufficient to properly promote the State of Alaska as a whole. The Conference requests the State appropriate additional funding for the Division which is more commensurate with the level of marketing required.

The Conference recognizes the value of local development of attractions and visitor facilities and advocates the expansion of the State of Alaska, Division of Tourism's local community

matching grant program by increasing the present \$2,000 funding limit to a minimum of \$5,000.

The Southeast Conference requests that the Legislature enact legislation to allow a limited form of historic gambling to local governments that have had a history of gambling in their communities during the Klondike and Alaska Gold Rush era.

The Conference supports the traditional use of Glacier Bay as a cruise ship destination and encourages the National Park Service to recognize the importance of this to the Southeast communities by adopting regulations allowing such use.

The Southeast Conference further urges the Legislature to provide additional funding to the Division of Tourism; Department of Transportation and Public Facilities; the Division of Parks; and other appropriate agencies to develop facilities and services with demonstrated visitor value (i.e., information centers, parks, marine facilities, and cruise ship berthing areas).

#### PUBLIC SAFETY

The Southeast Conference endorses the establishment of a treatment-detention center serving Southeast Alaska juveniles facing drug- and alcohol-related problems. It requests an appropriation of State funds to implement this program. The Conference urges the State law enforcement agencies and court system to step up its efforts in enforcing drug laws, with mandatory penalties implemented for convicted violators. It encourages municipalities in Southeast Alaska to support funding positions of family counseling on drugs and alcohol programs as a support for the existing juvenile probation system. The Conference also urges the Department of Education to formulate a drug and alcohol abuse curriculum for Alaska schools.

#### STATE LAND DISPOSALS

The Southeast Conference believes that all State land disposals within the corporate boundaries of a city or borough should comply with all local planning and development ordinances.

The Southeast Conference requests the State of Alaska to take immediate steps to assure the transfer of lands granted under the Native Lands Entitlement Act of 1906 to the Native applicants. These allotments have been pending for as many as sixty years without approval from the U.S. Department of Interior. Further, the Conference requests that legislation be adopted granting the authority to the Commissioner of the Department of Natural Resources to quitclaim land to the Federal Government for transfer back to Native allotment holders.

LAW OFFICES

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REPLY TO Atlantic City Office

April 20, 1983

Mr. Robert W. Ward, Jr., Director  
Skagway Convention & Visitors Bureau  
City of Skagway  
7th & Spring Streets  
P. O. Box 415  
Skagway, AK 99840

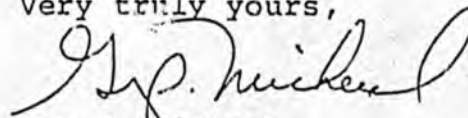
Re: Casino Gambling

Dear Mr. Ward:

Enclosed please find an analysis of the casino proposal prepared by the Skagway Convention and Visitors Bureau, with particular emphasis on the seven questions you posed. This analysis was performed by this firm in conjunction with Duane Burke and the Public Gaming Research Institute.

We and Mr. Burke stand ready to provide any further assistance you may need in this connection or respond to any further inquiries you may have. Thank you.

Very truly yours,



Guy S. Michael

GSM/cp

Enclosures

cc: Mr. Duane Burke

HB 6

1. What would our personnel requirements be to accommodate 300 gamblers, dispersed among the six sites, at the hours listed on the fact sheet?

It is assumed that the purpose of this inquiry is to determine necessary staffing levels for casino games as they might be necessary in a casino proposal for Skagway. In particular, in connection with staffing levels, it is assumed issues of cost and recruitment are critical. In this connection, there is an assumption implicit in the phrasing of the question which might be misleading and might not best be the way to approach the matter. This assumption is that staffing levels should be geared to any specifically anticipated number of gamblers. Although patron size is a factor, staffing levels are best developed by ratio to the number of games offered. It is the determination of the number of games to offer which is contingent on the estimate of anticipated patron demand.

Given this method of personnel calculation, the following is offered as a sound beginning point from which to estimate potential staffing needs.

Any blackjack table would require, at all times while in operation, one dealer. In addition, at the first level of supervision, there must be one floor person for, at least, every four blackjack tables. That first level supervisor should be required to oversee no more than that number. The

second level supervisor, or pit boss, may be assigned the handling of no more than 12 blackjack tables.

These ratios are based on staffing levels utilized in casino operations of some size. Given the dimensions of the operations proposed on your Fact Sheet, those ratios can be slightly modified. In particular, the tables proposed for the Red Onion Saloon, Moe's Frontier Bar, and the Golden North Hotel could be efficiently staffed with one dealer per table and one supervisor overseeing those two dealers. This assumes, in addition, that there would be overall management, such as a casino manager, to whom the blackjack supervisor would report. In the case of the Golden North Hotel, the single supervisor could handle all four tables.

With respect to the Klondike Hotel, its six tables would probably require, in the ideal, a single dealer at each table, two first level supervisors for each set of three tables and one overall supervisor. Application of similar ratios to the Eagle Hall would require a dealer at each table, three first level supervisors, and one second level supervisor. Finally, at A.B. Hall, there would need to be employed one dealer for each table, three first level supervisors and one second level supervisor.

To reiterate, the levels of supervision and the staffing noted here are required to be in place during all operational periods. Obviously, no single dealer can man a table for the entire proposed gaming day. Dealers typically are on the floor for forty minutes out of each hour. Accordingly, the facilities with two tables would require staffing for thirty-six man/hours of dealer time, or, approximately five dealers working 8-hour shifts per day, or, 252 man-hours per seven day week. A similar formula can be applied to the proposed table configurations at the other facilities. This means 504 man-hours per 7 day week at the Golden North Hotel; 756 man-hours at the Klondike Hotel; 1,260 man-hours at the Eagle's Hall; and, with 12 tables for 8-hour days at the A.B. Hall, 1,008 man-hours.

These calculations and estimates have been done on the basis of utilization of the game of blackjack. Obviously, as different games are utilized, the personnel requirements would change. Blackjack has been used here since that is the game you have proposed on your fact sheet. As different games are proposed, we will be happy to supply you with personnel estimates for each

In addition, for your review and analysis, we attach a typical staffing chart outline for dealers and supervision in the games of Craps, Roulette, Baccarat and Big Six Wheel as well as Blackjack.

RELIEF FACTORS

PIT BOSSES

RELIEF FACTOR

BJ	1 PIT BOSS/12 TABLES	1.25
CRAPS	1 PIT BOSS/8 TABLES	1.25
RO	1 PIT BOSS/12 TABLES	1.25
BAC	1 PIT BOSS/12 TABLES	1.25
BIG SIX	1 PIT BOSS/12 TABLES	1.25

FLOORPERSONS

BJ	1 FLOOR/4 TABLES	1.25
*CRAPS	1 FLOOR/2 TABLES	1.25
RO	1 FLOOR/4 TABLES	1.25
BAC	1 FLOOR/1 TABLE	1.25
BIG SIX	1 FLOOR/4 TABLES	1.25

BOXPERSONS

*CRAPS	1 BOX/1 TABLE	1.25
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DEALERS

BJ	1.33
CRAPS	4.00
BAC	4.00
RO	2.67
BIG SIX	2.67

\* 2 supervisors required per 1 craps table (box or floor)

Craps - Box - 1 per table

Floor - 1 per every 2 tables

Plus

(usually) half the number of craps tables

ex: 12 craps tables=  
6 box stations plus  
3 floor stations + 3 supers. = 6

2. What should an organizational chart of these personnel look like to insure the greatest degree of control and audit capability?

As stated in the response to Question 1, and also, in part, in the response to Question 3, levels of supervision and organization of casino operations are essential components in the control of the casino games. Organizational charts in large casinos look very similar to the kinds of tables of organization one might see in any large corporation. They include, for example, critical elements of function segregation to insure that incompatible duties are not performed by individuals within the same or similar departments. This eliminates, as far as practicable, the possibility that an employee is in a position to both perpetrate and conceal errors or irregularities in the normal course of his duties.

Departments typically found within a large scale casino operation would include:

1. A Surveillance Department, whose responsibility it would be to conduct clandestine surveillance of the operation and conduct of the casino. This department would report directly to the Board of Directors.
2. An Internal Audit Department, whose responsibility it would be to review and appraise the adequacy of internal controls. This department would also report directly to a Board of Directors.

3. A Casino Department who would be responsible to a Director of Casino Operations and, in turn, to a Chief Executive Officer. This department would be responsible for the operation and the conduct of the games.
4. A Slot Department, supervised by a Slot Department Manager, who would report to the Director of Casino Operations and, in turn, to the Chief Executive Officer. This department would be responsible for the operation of the slot machines.
5. A Credit Department, supervised by a Credit Manager, responsible to the Director of Casino Operations. This department would handle the credit function including verification of credit references and the establishment of patron credit limits.
6. A Security Department, supervised by a Director of Security, and responsible to the Chief Executive Officer. This department would perform physical safety functions.
7. A Casino Accounting Department, supervised by a Casino Controller and responsible, in turn, to the Chief Financial Officer. This department would handle all recordation of casino transactions.

Clearly, casino operations of the size contemplated in Skagway would not require the elaborate kinds of casino organization outlined above. Some variation of that organization would be necessary in order to insure that the

games in question are properly run. The level and extent of that organization would depend, in large measure, on not only the size of the operation but also the types of games offered and the method of play. For example, no credit department and a more limited accounting department and function would be required if credit were forbidden. In addition, elaborate systems of surveillance, such as closed circuit television cameras and the like, would appear superfluous in a situation in which but two table games are allowed in a given facility.

Therefore, although it cannot be determined at present with specificity what particular levels of organization would be necessary in casino operations in Skagway, it can generally be said that the organizational structure should insure sufficient levels of supervision to permit of adequate control by segregation of function and sufficient diversity of organization to similarly segregate duties and responsibilities which arise from the operation of casino games.

3. What is the best means of hiring personnel, especially supervisory personnel, to assure professionalism and integrity?

Before any discussion of the methods for recruitment and hiring of personnel in a casino is undertaken, it is necessary to understand the critical importance of the identity of those personnel in the overall context of the security of the casino itself. In a casino, unlike the situation prevalent in virtually every other business of any kind, sales transactions are unrecorded. Although elaborate internal and accounting controls can be applied to exchanges of cash for chips and other representatives of value used in the course of casino games, there is no written account kept of the actual wagers themselves. As a result, the real business transaction of the casino is not reflected in any book or record.

For these reasons, the basic control that is used to make sure that casino business is run properly must rest with the integrity of the people involved. In ways which can be described in more detail as necessary, systems of supervision are utilized which insure that a variety of people must concur with the conduct of each individual casino transaction. Misconduct in the course of these transactions, therefore, requires collusion of a variety of employees. The more people involved in those transactions whose integrity can be reasonably insured, the more

confidence there can be that the transactions themselves are conducted in an honest fashion.

Choices in the hiring of personnel must be the result of a diligent screening process. That process must be undertaken in both the public and private sector. On the public side, a government agency should be provided the authority to issue licenses to casino personnel. All persons involved in any way in the conduct of the games or the supporting accounting functions involved in casino operations should be required to be licensed. In a casino business as small as that proposed in Skagway, the creation of a new agency to perform this function would seem unnecessary. An existing law enforcement agency could be given that authority. It is essential, however, that whatever agency is delegated the authority to conduct the licensing process, that agency be an authorized and credible law enforcement body. It will be expected that persons will attempt to become employed in Skagway casino operations from a variety of jurisdictions. In order to develop the most thorough and efficient summary of those persons' backgrounds, the investigating agency must be able to obtain information from law enforcement authorities literally throughout the world. The receipt of that information is greatly facilitated if the requesting agents have some established relationship with the bodies from whom the information is sought.

Statutory criteria should be established within which the licensing agency can evaluate the qualifications of each applicant for an employee license. Those criteria should be broad enough to permit the consideration of all relevant information, but they should also be specific enough to both survive any constitutional challenge and, of equal importance, establish certain specific qualifications about which the licensing agency has no discretion. For example, general standards of good character, honesty, financial responsibility and casino experience should be included. Information received in the course of the investigation of each applicant can be evaluated in accordance with these standards. In addition, the statutory criteria may provide that persons with a specific type of criminal history not be permitted licensure in any case.

No person should be permitted to work unless and until he has received an appropriate license.

On the private side, casino employers should exercise caution and responsibility in both the hiring and the retention of sensitive casino employees. The license screening process administered by the government serves one purpose, but maintenance of the integrity of the casino games must also come from a coupling of that process with private sector responsibility. Even a suspicion of cheating should be

cause for dismissal. Casino personnel should be sufficiently well paid to ensure that quality people are recruited and retained. Since increased employment in the area does not seem to a significant goal of the Skagway proposal, it seems unnecessary to implement any procedures which would give preference to local residents in casino employment. This would be advantageous in recruiting experienced people from other jurisdictions.

4. What types of games would have been common at the turn of the century, and which of these would be the best in terms of economic gain to the City of Skagway, ease of control and audit, and provide the greatest visitor appeal?

The question of the type of games to be offered in any authorized casino is, to be sure, an important one, and one on which we offer thoughts below. However, at the outset, it should be noted that specific designation of particular games is not necessarily essential at this stage of a casino proposal. What is a necessary component in this context in any beginning casino proposal is the recognition that only those games authorized by the regulatory authority empowered to control the casino operation will be allowed to be played in that casino operation. Once this power is established, the public can be assured that the games offered will be fair and in keeping with the general atmosphere intended by the enabling legislation. There is some significant value in leaving open the possibility to introduce new games or remove existing games from play as experience and time dictate success and failure.

For example, New Jersey found it necessary to amend its casino law to broaden the discretion vested in the regulatory authority to authorize new types of games as market demands demonstrated the necessity for modifications and as new games were developed and created. In recent legislation, authorizing casino gambling in Queensland, Australia, the nature and types

of games to be played was left to the discretion of the casino operator to propose and to the governmental apparatus to approve.

With respect to any particular games that might be contemplated and the advantages and disadvantages of them, the game which would probably prove the most popular and be in keeping with the historical ambiance intended is the game of Blackjack. You appear to have contemplated the introduction of this game by virtue of your reference to it in your fact sheet.

Blackjack is a game regularly played in casinos throughout the world, it is familiar to virtually all casino patrons and has proven successful and profitable as a general rule. Supervision and control of Blackjack has been explained, in part, in other sections of this report. There are other specific dealing rules and procedures which may be implemented which can further insure the integrity of the game. For example, Blackjack should be dealt from a dealing shoe and not out of the dealers' hand. Patrons should not be permitted to touch the cards which they are dealt. Specific shuffling and discard procedures should be followed and specific gaming rules can be implemented which can counteract card counters who might otherwise gain the edge in the probabilities of the game.

Another game that might be considered is the game of poker.

Although poker provides an increased possibility for patron cheating, by virtue of the players' handling of their own cards and their playing against one another, poker also presents a virtual certain profit for the house since the casinos' win comes as a price for dealing the game. The house does not gamble at all in casino poker.

A third game for consideration is the game of craps. This is a very American game which would probably be well known to those who would patronize the Skagway facilities. Craps fits well into the barroom sort of atmosphere which Skagway would be creating. It generates a great deal of player interest and excitement in the course of its play. The house advantage in craps depends on the type of wager placed, but, overall it can be expected that the casino would win between 15% and 20% of all chips purchased at the table.

To reiterate, the listed games above are provided only as suggestions. As also noted above, the initial proposal can include discretionary authority to identify, modify, and eliminate authorized games.

5. What would be an initial cost for equipment and operation to get the program started?

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Costs of development are, obviously, a function of the nature of the development itself. The Skagway Proposal eliminates what, in other jurisdictions, has been the most expensive element of casino industry development - construction. The Skagway Proposal, as we understand it, intends to place casino games within existing facilities. As a result, capital costs would be limited to whatever minor alterations to the facility might be necessary for aesthetic, logistic reasons. It is premature to speculate at this point on what types of internal rearrangement might be necessary within any existing facility and, accordingly, the cost of that rearrangement must wait for another day.

However, what can be surmised within some general range is the cost of equipment. We have included in our report for this purpose a brochure prepared by the Paul-Son Dice and Card Company. This brochure is intended for your review as an example of the types of expense that could be anticipated in the purchase of casino equipment.

As one can see from a perusal of the brochure, these costs are not small. In addition, there must be included costs of the equipment which might not typically be realized. For example,

for the game of Blackjack, one must not only purchase the table itself, but the felt layout which covers the table, the locking tray and cover which secures the chip inventory, the drop boxes into which cash received for the purchase of chips is placed, and other similar ancillary apparatus.

One should also carefully consider the significance of items like chips and cards and their associated costs. One takes for granted that chips and cards are an essential element of any casino operation. However, it must be understood that the security over and the integrity of each of those items is critical to the overall honesty of the casino game. Therefore, chips which, in effect, serve as money in a casino, must be specially manufactured to prevent, as far as possible, counterfeiting. In addition, cards must be carefully designed to avoid patterns which lend themselves to easy marking. Cards, and to a lesser degree, dice as well, are regularly destroyed and replaced when they have developed any sign of use or wear that might compromise the integrity of that piece of equipment.

6. What kind of revenue could the city expect to receive?

Speculation on projected revenue is just as difficult in the casino field as it is in any other area, and probably more so. A wide variety of factors must be considered before any specific figure could be deduced. Typically, an analysis of general economic conditions is undertaken as is an analysis of site, location, and supply and demand. Without that kind of information available at the present time, the best projections we might be able to offer can be based in the general experience of existing jurisdictions.

In this connection, we offer you the following experience from Atlantic City, New Jersey. The industry there has estimated that the game of Blackjack typically generates income as follows:

1. A table with a \$2 minimum bet will win (gross profit) between \$68 and \$80 per seat per day.
2. A table with a \$5 minimum bet will win (gross profit) between \$170 to \$200 per seat per day.
3. A table with a \$25 minimum bet will win (gross profit) between \$850 and \$1,000 per seat per day.
4. A table with a \$100 minimum bet will win between \$3,400 and \$4,000 per seat per day.

As another means of comparison, during February of 1983 in Atlantic City, a casino of average performance won approximately \$2,500 per day per craps table, \$1,700 per day per roulette table, \$2,500 per day per big six wheel, and \$6,000 per day per baccarat table.

As has been said previously during the course of this report, the experience of any one jurisdiction will not necessarily coincide with the experience of another. The casino performance figures of Atlantic City provided herein are not those on which Skagway should rely or expect in its situation. There were 21,000,000 visitors to Atlantic City last year. Skagway will experience no such influx. The above figures are provided only so that you have some point of comparison into which you should calculate the variable factors of geography, size, scope, market and the like. As those factors are studied, a clearer picture of expected profitability in Skagway will take shape.

7. Under this proposal, what kind of social problems should we expect?

One lesson we have learned in the course of our having viewed various existing and proposed casino jurisdictions is that each casino environment is distinct. It is impossible to transpose any casino situation from one geographical area to another and assume that precisely the same set of circumstances will apply to each. The economic, sociological and demographic features of a particular region dictate the affect of the introduction of casinos into that region just as surely as they dictate the social effect of any other phenomenon that that region may experience. There are, however, two general categories of lessons which can be learned from the experience of other jurisdictions. On the one hand, certain social impacts can be expected as a general rule, and anticipation of these impacts can greatly enhance the value of the introduction of the casino experience. Secondly, there is a host of misinformation and mythology which surrounds the casino industry and which can be dispelled by a review of what has happened in other parts of the world.

First of all, the most frequent social effect mentioned in connection with the introduction of casinos is the growth of crime in the area. As a general proposition, it can be said that the introduction of casinos on any large scale has, in the past, increased crime rates. However, what must be

clearly understood about this observation is that the associated increase in the crime rate is, in very large measure, not the result of the introduction of casinos per se, but, rather, the result of the resultant enormous increase in the numbers of visitors to the area. For example, the increase in the crime rate in Atlantic City, New Jersey, after the introduction of casinos to that area was no greater and, to some extent, less than the increase in the crime rate in Orlando, Florida which resulted from the introduction of Disney World to that city.

To be sure, there are certain crimes which have typically been linked to casinos themselves. Prostitution and loan sharking are frequently mentioned in this category. However, what must be understood in evaluating the Skagway proposal in this context is the scale of casino operation therein proposed. The kinds of prostitution and loan sharking activity which may tend to arise in 30,000 to 100,000 square foot, million dollar a day casino operations in Las Vegas or Atlantic City will simply not be spawned in the infinitely more subdued and limited casino atmosphere contained in your proposal. For example, one casino activity which has caused some of the most severe law enforcement and social problems in large scale casino operations has been the area of credit. Questions of , untaxed casino proceeds, patron fraud, and compulsive

gambling have arisen from the issuance of credit to gamblers. However, in casino enterprises of the size you propose, it would be both unnecessary and inappropriate for credit to be available. This factor alone eliminates many of the social effects which have been criticized in other jurisdictions.

Another issue often linked with casinos, as mentioned briefly above, is compulsive gambling. The specter of the food money being gambled away at the tables haunts those who propose and support casino legalization. Again, there is an element of validity to this fear. Certainly, the availability of casino gambling, or any form of gambling for that matter, increases the possibility that persons will succumb to whatever psychological factors create the compulsive personality where they might not otherwise succumb if the opportunity to gamble had not been made readily accessible. However, here, too, this problem must be viewed in terms of scope and scale. The more limited the opportunity, the more limited the problem.

Other jurisdictions have dealt with this social effect in different ways. For example, in Great Britain, all casino gambling is conducted in facilities in the nature of private clubs. Patron access is limited to members. One may not become a member, or gamble in the facility, for a forty-eight hour period following application. This

practice is in keeping with the overall British policy that gaming not exist to meet any but unstimulated demand. Another practice in keeping with this policy is the prohibition of advertising by any English casino.

In the Bahamas, they have taken the policy a few steps further. In that country, no member of the local population is permitted to gamble. This clearly limits patron categories to visitors and tourists and severely limits any economic effects which may accrue to Bahamians as a result of the existence of casinos in their country.

Finally, in Malaysia, Malaysian citizens are required to deposit \$200 Malaysian (approximately \$85 American dollars) with a cashier on entering the casino. They are given a receipt for the money. When they leave the casino, on showing their receipt, their money is returned to them. This practice insures that, first of all, persons of some means are those who are gambling and, second of all, no one can gamble away their last dollar.

We do not mention these practices to suggest your adoption of all or any of them. We only note them for your consideration in evaluating the methods which can be utilized to limit what might be perceived as negative social impacts which result from casino gambling.

Finally, there is the axiom that where casinos go, organized crime will follow. Clearly, this impression arises from a combination of both historical fact and media reinforcement. The origins of casino gambling in the United States did have connections with organized criminal activity. The State of Nevada would be the first to admit that the first major casino in Las Vegas, the Flamingo, was owned and operated by Bugsy Siegel, a gangster of significant notoriety.

But history, after all, is history. There is nothing inherent in the conduct of a casino game that makes any association between it and organized crime inevitable. Careful review and oversight in the gaming area can, for all intents and purposes virtually eliminate organized crime infiltration in the ownership and the operation of casino enterprises. This is especially so under the circumstances you propose. Again, one must look first to the size and scope of the casinos envisioned. Skagway is not intended to be Las Vegas; it is not intended to be Atlantic City. Rather, Skagway as we understand it, intends to offer a small, quaint casino atmosphere with limited play and limited patronage. These are not circumstances ripe for any substantial criminal incursion.



Tourism  
is everybody's  
business.

# ALASKA VISITORS ASSOCIATION

Please reply to:

FEB 27 1984

AVA  
Fairbanks Chapter  
GR 70762  
Fairbanks, Alaska, 99701

February 22 1984

Senator Bettye Fahrenkamp  
Alaska State Legislature  
Pouch V (MS 3100)  
Juneau AK 99811

Dear Senator Fahrenkamp:

At our February meeting two important items pertaining to tourism were brought to our attention.

## ONE

H.B. 659 and S.B. 476 on Historical Gambling

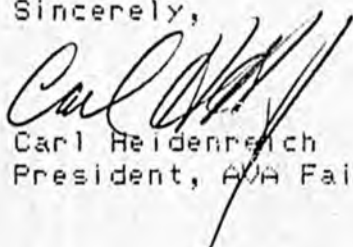
The Fairbanks Chapter of AVA unanimously supports this concept.

## TWO

It was called to our attention that funding for the ARR Employment Program has fallen through the cracks due to the various plans to take over the Alaskan Railroad. Our Chapter feels that this program should stay in the Department of Education budget regardless of what happens to the railroad.

Thank you for addressing our concerns.

Sincerely,

  
Carl Heidenreich  
President, AVA Fairbanks Chapter

"CITIZENS FOR SKAGWAY"  
BOX 384  
SKAGWAY, ALASKA 99840

February 22, 1984

Dear Senators and Representatives,

"Citizens for Skagway" is an organization of concerned Skagway residents who have pooled their resources in effort to keep a Limited Form of Historic Gambling from being legalized in Skagway. Until this year our efforts have been concentrated in Skagway, but with the introduction of House Bill No. 659 and Senate Bill No. 467 "An Act Authorizing Certain Municipalities to Conduct Limited Historic Gambling Enterprises", we are compelled to broaden our fight to the state level.

The "Citizens for Skagway" represent a typical cross section of American life, from independent businessmen and women, clergy, members of organized labor, business executives, and a most valued resource, our retired senior citizens. We have one thing in common that puts aside all other differences--We feel that a limited form of gambling is definitely not in the best interest of Skagway or the state of Alaska.

The objections to gambling as proposed by these bills are as diverse as the opponents themselves, ranging from strong moral objections; fear of the city owned gambling enterprises competing with private enterprise; doubts that the city could properly manage a gambling enterprise; questions concerning the great monetary gains promised the city; fear that the eventual eroding of limitations placed on the gambling enterprise would attract an undesirable element into our community; and a fear of further splitting the citizens of this community and of the state.

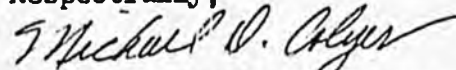
Our community is split, our city council is split and bitterness is already evident.

We ask you to consider this issue from within. It is an issue to take home with you, an issue to consider when dining with your family. Our actions and decisions of today must be lived with tomorrow.

For the good of Alaska, today and tomorrow, we urge you to oppose Senate Bill No. 467 and House Bill No. 659, and other legislation which will broaden the scope of legalized gambling in Alaska.

Thank you for your time and consideration.

Respectfully,

  
Michael D. Colyer, Chairman

Approx  
150  
signatures  
opposed

Proposition No. 1 or any revised proposal.

We further petition the City Council of Skagway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
m. Paul Taylor	May 23, 1983	15 <sup>th</sup> Ave and Main Street
Lloyd L. Matthews	May 23, 1983	2nd and Main Street
Gerald W. Spinks	May 23, 1983	21 <sup>st</sup> and Main Street
Charlotte S. Ben	05/23/83	7th between State & Main
Karl M. M. Lull	05-23-83	9 <sup>th</sup> Main
Carlton H. Lockman	5-23-83	1st main
J. A. True	5-23-83	10th + Main
W. C. M. L. L. C.	5/24/83	18 <sup>th</sup> + State
O. S. Selmer (Stan)	May 24 '83	6 <sup>th</sup> E Main
Thomas C. Mason	MAY 24, 83	6 <sup>th</sup> S STATE
Dennis Taylor	May 25, 1983	15 <sup>th</sup> E Main
Ella Sullivan	May 25 1983	12th + State
Anne Lingle	May 25/83	7th + Alaska
Penny K. Sullivan	5/25/83	15th + State
Hoyd Sullivan	5/25/83	17th + Broadway
W. C. M. L. C.	5/30/83	7th + Alaska
Beryl K. Stogard	5/31/83	Mill 10, Rye R.R.
Martin P. Taylor	5/31/83	18 <sup>th</sup> + Main
Evangelina H. Taylor	5/31/83	18 <sup>th</sup> + Main
El. Hancock	6/15/83	15 <sup>th</sup> + State
Ailene Rohlf	6/18/83	8 <sup>th</sup> + Broadway
Chris Rohlf	6/18/83	8 <sup>th</sup> + Broadway
Dorothy Dennis	6/18/83	4 <sup>th</sup> + State
Comes to: Governor Legislators	6/18/83	14th + Alaska
Silva P. Downing	6/18/83	2nd + Alaska
Bob Papuzzi	6/28/83	3rd + Alaska
Randy D. Feers	6/28/83	

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SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Maxine K. Selmer	5-31-83	6 <sup>th</sup> and Main, Skagway
2. Peggy White	5-31-83	6 <sup>th</sup> + Main, Skagway
3. Oscar Selmer (Star)	5-31-83	6 <sup>th</sup> + Main Skagway
4. Shawn Ackerson	5-31-83	6 <sup>th</sup> + State Skagway
5. Stan Seago	5-31-83	4 <sup>th</sup> + ALASKA SKAGWAY
6. Violet Conant	6-1-83	4 <sup>th</sup> and main
7. Brenda Eastham	6-1-83	2 and State, Skagway
8. George Papuzzi	6-1-83	2 and state
9. Edna Papuzzi	6-1-83	2nd state Skagway
10. Alberta Kusler	6-1-83	3rd + main Skagway
11. Elizabeth K. Albrecht	6-1-83	3rd + Broadway, Skagway
12. Gerald E. Beck	6-1-83	3rd + State Skagway
13. Pamela K. Becker	6-1-83	3rd + State Skagway
14. Blodwen Reed	6-1-83	18 <sup>th</sup> + Main Skagway
15. Morgan Reed	6-1-83	18 <sup>th</sup> + Main
16. Roger Spel	6-1-83	5 <sup>th</sup> + Spring Skagway
17. Marcia C. Berry	6-1-83	5 <sup>th</sup> + Alaska Skagway
18. Jim Spencer	6-1-83	3 + main, Skagway
19. Linda Ethel	6/1/83	2nd + Alaska
20. Virginia Cochran	6/1/83	1st Ave
21. <del>Thomas J. East</del> Comes for Governor	6/2/83	2nd + State, Skagway

Legislators

...of any revised proposal.

We further petition the City Council of Skagway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. <i>Liane Knowl</i>	5/30/83	P.O. Box 256 - 8 <sup>th</sup> + 16 <sup>th</sup> 3 mile Dyea Rd.
2. <i>Marilyn Burgoy</i>	5/30/83	P.O. Box 217
3. <i>Chas. J. Mills</i>	5/30/83	Box 112 - 21 <sup>st</sup> + Main
4. <i>Joanne Hamme</i>	5/30/83	P.O. Box 324 - 8 <sup>th</sup> + 16 <sup>th</sup> Bridg + Stet
5. <i>Ann W. Kenna</i>	5/30/83	P.O. Box 327 - 8 <sup>th</sup> + 16 <sup>th</sup>
6. <i>Bruce Boynton</i>	5/30/83	✓ ✓ 163 - 9 <sup>th</sup> + 16 <sup>th</sup>
7. <i>Evelyn Boynton</i>	5/30/83	PO Box 163 - 9 <sup>th</sup> + 16 <sup>th</sup>
8. <i>Emely M. J. Sop</i>	5/30/83	PO Box 336 9 <sup>th</sup> + Spring
9. <i>Don M. J. Sop</i>	5/30/83	PO Box 22
10. <i>John R. Leonard</i>	5/30/83	P.O. Box 41, SKAGWAY
11. <i>Frances Hooford</i>	5/30/83	P.O. Box 452 - 9 <sup>th</sup> + 16 <sup>th</sup> 13 W 383 - 10 <sup>th</sup> + Stet
12. <i>Soldier Dunkill</i>	5/30/83	Box 313 - 9 <sup>th</sup> + 16 <sup>th</sup>
13. <i>Barbara A. Moore</i>	5/30/83	
14. <i>Conda L. Thersault</i>	5/30/83	Box 454 - 22 <sup>nd</sup> + 16 <sup>th</sup>
15. <i>Randy Wentz</i>	5/30/83	Box 128 - 11 <sup>th</sup> + 16 <sup>th</sup> + Main
16. <i>Rochey A. D. Murphy</i>	5/30/83	BOX 217 - 3 mi. Dyea Rd
17. <i>Judy A. Maroney</i>	5-30-83	PO Box 191 - 22 <sup>nd</sup> + Main
18. <i>Thomas E. Hipon</i>	5-30-83	PO Box 272 - 16 <sup>th</sup> + Stet
19. <i>Robert D. Carlson</i>	5/30/83	Box 397 - 8 <sup>th</sup> + 16 <sup>th</sup>

Copies to: Governor

Legislators

PROPOSITION NO. 1 OR any revised proposal.

We further petition the City Council of Skagway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Richard Dick	5-26-83	74th Main P.O. Box 226
2. Alta M. Dick	5-26-83	7th & Main P.O. Box 226
3. William B. Banger	5-26-83	8th MAIN P.O. Box 83
4. <del>Ken Kasper</del>	26 May 83	5th & Spring P.O. Box 138
5. Nancy Halan	26 May 83	5th & Spring P.O. Box 138
6. Mark Allen Kallstrom	28 May 83	4th & Broadway - Skagway
7. <del>Burton K. Kallstrom</del>	30 - May 83	3rd & State - Skagway
8. <del>Lincoln Lane</del>	30 - May 83	10th & E. - Skagway
9. Linnea C. Benjamin	30 - May 83	9th & Main Box 260
10. <del>Lincoln Lane</del>	30 - " 83	
11. Perry Spencer	5-30-83	3rd & Main
12. Victor C. Nelson	5-30-83	5th & Broadway
13. <del>Victor C. Nelson</del>	5-30-83	5th & Broadway
14. <del>Victor C. Nelson</del>	5-30-83	5th and Broadway
15. <del>Victor C. Nelson</del>	5-30-83	8th & Broadway
16. Margaret Emsden	5-30-83	7th & Broadway
17. <del>Victor C. Nelson</del>	5-30-83	Mission
18. Roy O. O'Brien	5-30-83	9th & Alaska
19. <del>Victor C. Nelson</del>	6-2-83	14th & Broadway
20. Paul Knapp	6/2/83	11th & Broadway
21. Jean Ray	6/2/83	14th MAIN
22. G.P. McToney	6-2-83	10th & Alaska
23. Evelyn M. Mayer	6-2-83	10th & Alaska
24. Edward P. Mayer	6-2-83	13th & Alaska state
25. Malcolm A. Moore	6-2-83	12th & State
26. Mary J. Moore	6-2-83	
27.		
28.		

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Legislators

proposition No. 1 or any revised proposal.

We further petition the City Council of Skagway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Andrew Keirley	May 30-83	1st and Main -
2. Janne Beverly	May 30, 1983	1st and Main
3. Jay E. Goble	May 30, 1983	1st and Main
4. Charlotte A. Cable	May 30, 1983	1st & Main
5. Marion A. Kelso	May 31 1983	6th and Alaska
6. Margaret J. Kozicki	May 31, 1983	6th and Alaska
7. Diane Jolley	May 31/83	22 / Main
8. Vickie Lynde	MAY 31/83	6th and Alaska
9. Dennis Sunday	May 31/83	6th & Main
10. John Muth	May 31/83	21st & Main
11. Larry Robinson	May 31. 83	575 State St.
12. Allan Reed	May 31. 83	4th + Main
13. Barbara Spurl	May 31-83	5th + Spring
14. Joyce Knarr	May 31-83	5th Btw State & Main
15. Lauri Diago	May 31-83	4th + Alaska
16. Edith Lee	May 31-83	4th & Main
17. Mark H. Lee	May 31-83	4th & Main
18. Elliot L. Hubbard	May 31, 1983	4th / Broadway
19. Elma K. McMillen	May 31, 1983	4th + Main
Copies to: Governor Legislators		
20. E. Wanda Coring	May 31, 1983	4th & Main
21. Pearl Bristow	May 31 1983	4 + Main

of Skagway to prohibit gambling as proposed on the ballot of May 10, 1983, Proposition No. 1 or any revised proposal.

We further petition the City Council of Skagway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Dorothy M. Barry	5-31-83	Ivory Lodge
2. Sandra Westfall	5-31-83	15th Broadway
3. Nancy B. Ervine	5-31-83	15th + State
4. <del>Legend M. Ervine</del>	<del>5-31-83</del>	<del>15th + State</del>
5. Mary <del>Ervine</del>	5-31-83	15th + State
6. Lola Sullivan	5-31-83	3rd Main
7. Brian Blanchard	5-31-83	20th + Alaska
8. Mona S. Casselman	5/31/83	18th + Alaska State
9. William S. Casselman	5/31/83	18th + State
10. Jimmy Holmes	5/31/83	20th + Alaska
11. John Reed	6/2/83	18th & Main
12. Alean L. Cannon	6/2/83	22nd + Main
13. Ross J. Jiro	6/2/83	22nd + Main
14. Patricia J. Jiro	6/2/83	-
15. Lillian M. Sidmore	6/3/83	2nd + Alaska

Copies to: Governor  
Legislators

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We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Robt. J. Meroney	5/30/83	Box 191 23 <sup>rd</sup> + Main
2. William Selmer	5/30/83	Box 532 2 <sup>nd</sup> + Alaska
3. Dorothy B. Meroney	5/21/83	Box 413 - 11 <sup>th</sup> + Alaska
4. Wanda J. Self	5-31-83	Box 325 - 11 <sup>th</sup> + Alaska
5. May Self	5-31-83	Box 325 - 11 <sup>th</sup> + Alaska
6. J. M. Felt	5-31-83	134 206 - 19 <sup>th</sup> + Sta
7. Kristin L. Jorgensen	5-31-83	Box 282 - 9 <sup>th</sup> + Alaska
8. Jella Blanchard	5-31-83	Box 162 - 8 <sup>th</sup> + Alaska
9. Linda Hume	5-31-83	Box 135 - 3 mile Spent
10. Deborah E. Cogburn	5-31-83	P.O. Box 397 - 8 <sup>th</sup> + Main
11. J. M. Matthews	6-1-83	Box 364 - 9 <sup>th</sup> + Bedway.
12. Ann Kay	6-1-83	Box 275 - 11 <sup>th</sup> + Bedway.
13. Teresa Wentzel	6-1-83	Box 128 - 11 <sup>th</sup> + Btown State Main
14. Susan D. Meroney	6-1-83	14 <sup>th</sup> + Main
15. Mildred E. Meroney	6/1/83	14 <sup>th</sup> + Main
16. Elizabeth Selmer	6/2/83	11 <sup>th</sup> + Main

Copies to: Governor  
Legislators

Proposition No. 1 or any revised proposal.

We further petition the City Council of Skaaway to reconsider the use of public funds on the gambling issue, including lobbying efforts and other related expenditures.

We urge City Council to find a solution that would provide year round employment or enterprises that have the support of the community.

SIGNATURE OF REGISTERED VOTER	DATE	RESIDENT'S ADDRESS
1. Gordon S. Blanchard	5/23/83	8TH & ALASKA
2. Michael D. Colyer	5/23/83	13TH & MAIN
3. Oscar Selmer	5/23/83	7TH Broadway.
4. Winton M. Jones	6/1/83	18TH & ALASKA.
5. Sherrie M. Colyer	6/1/83	12TH & Main
6. G. J. Warner	7/29/83	13TH BROADWAY + MAIN
7. Wanda Harner	7-29-83	13TH " "
8. Larry Jaegunt	7-29-83	9TH & ALASKA
9. Cecilie Matthews	7/30/83	2d & Main

Copies to: Governor  
Legislators

H B

6

78

(HJR 66)

INTERIM OFFICE:  
1024 WEST SIXTH AVENUE  
ANCHORAGE, ALASKA 99501  
(907) 274-2843

IN SESSION:  
POUCH V  
JUNEAU, ALASKA 99811  
(907) 465-4963

# Alaska State Legislature



Representative Mitch Abood  
CHAIRMAN

## House Committee on State Affairs

### MEMO

To: Representative Mitch Abood, Chairman  
House State Affairs Committee

From: Representative Ron Larson, Member *R.L.*  
House State Affairs Committee, and Chairman  
Subcommittee for drafting CSSSHB 678

Date: March 19, 1984

Subject: Subcommittee report for CSSSHB 678

On Wednesday, March 7, 1984, you appointed me to Chair a subcommittee to develop a committee substitute for House Bill 678. Attached is the proposed Committee substitute.

The Subcommittee decided that the intent of the sponsor and the Committee could best be met by writing a CS for the SS rather than for the original bill. This was done by deleting in the SS the phrase "instruments used to wage any war and," thus limiting the bill's intent to just WW II and not other wars, while also removing potentially abrasive language.

By placing the CS in the same place as the SS under AS 41.35 (The Alaskan Historic Preservation Act) rather than with the original bill under a miscellaneous section of the criminal code in 11.76, we make the bill more than just a punitive one. The Alaska Historic Preservation Act not only provides stiffer penalties than the 11.76 section, but also includes language that would provide penalties for destruction of artifacts as well as for their removal. Further, the Act also speaks to preservation, and has enforcement procedures for removal, destruction, and preservation of artifacts already in place.

I respectfully submit to you as Chairman the attached CS for SSHB 678.

# Alaska State Legislature

## COMMITTEES

Vice Chairman — Judiciary  
Vice Chairman — Legislative  
Regulations Review  
Resources  
Finance Sub Committee on Labor



While in Session  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3733

Home - District 15  
Star Route Box 421  
Eagle River, Alaska 99577  
(907) 688-2526

## House of Representatives

John J. Liska

A handwritten signature in dark ink, appearing to be "J. Liska".

March 5, 1984

### MEMORANDUM

FROM: Representative John J. Liska

REFERENCE: HJR 66, relating to removal of WW II artifacts from the State.

The purpose of this Joint Resolution to request the Federal Government not to remove World War II artifacts from the State of Alaska, unless the removal is authorized by the Federal or State Government or if the Federal or State Government determines the artifacts to be hazardous to human or animal life.

The problem of removal of World War II artifacts has been and is an ongoing problem in our State.

Your packets contain:

- A. Pages 30, 31 and 32 from a publication entitled "The Historical "Battle of Alaska" remains". These pages refer to various types of aircraft that crashed in Alaska and where they have been removed to:
1. Douglas - O - 38F - removed to Air Force Base Museum in Dayton Ohio in 1968.
  2. Stinson - A Trimotor - to Wisconsin in 1972 by J.D. Berry.
  3. P - 51H and P - 40 - Steve Myers, Washington
  4. U.S. Navy Vought OS 2U King Fisher - removed to the Smithsonian Institute.
  5. P - 39 Airacobras, on display in Seattle.

Additionally, page 73 shows Japanese artifacts from World War II.

Page two  
HJR 66

In addition in your packets, but not nearly as interesting, are letters from CAVPAC supporting HJR 66 and HB 678 and a copy of a letter from General Talley who was involved in the Alutian Campaign.

Another piece of back up material has been submitted by the North Star Chapter Pearl Harbor Survivors Association. I have made copies of the first three pages - which may or may not be the same artifacts as previously submitted in your packet.

JJL/tm

Besides the public museums such as the Smithsonian Institute and the Anchorage Historical and Fine Arts Museums, there are many small or private collections which display items of Alaskan history. Unfortunately, in many cases, Alaskans have no say in how the collections are handled.

History is repeating itself in the area of aviation history. It is seen in many examples of aircraft downed during World War II which are leaving the state.

A Douglas O-38F had engine problems and crashed in 1941. It was removed to the Air Force Museum in Dayton, Ohio in 1968.

In 1972 a Stinson 'A' Trimotor which crashed in 1947 was removed to Wisconsin by J.D. Berry. Berry wrote to Wien Air Alaska and followed it up with a phone call to try and get the airline to purchase the plane for the cost of its removal, but there was no interest, so it was sent Outside in order to pay the costs for its removal.

Two P-51H's were pulled out near Stevens Village. Two more were found near Kotzebue, and three were removed from across Cook Inlet. One P-40 was removed from Amchitka Island in the Aleutians. All of these aircraft were removed by Steve Myers of Washington.

Another P-40 was removed from a site near Fairbanks in 1977 and was sold to a buyer at an unknown Lower 48 destination.

A United States Navy Vought OS2U Kingfisher which crashed during WW II on one of the small islands near Kodiak, was removed in the early summer months of 1979 for removal to the Smithsonian.

There have been numerous other cases. An ad in Flying Magazine's June '80 issue states that sale of "P-39 Airacobras. Recently recovered from a fresh water lake in the Alaskan Peninsula. Russian armament, 117 hour totals hours each. Make offer, would like aviation museum or same to purchase...Yakima, Washington..." A call from the United States Historical Aircraft Preservation Museum in Anchorage brought no response.

Three B-25 Mitchell bombers have left the state in the past two years, in flyable condition, headed for the Outside.

The United States Historical Aircraft Preservation Museum has been trying for several years to open a museum facility located at Merrill Field, but has been blocked from doing so because it has no planes to put into the facility. At the same time, the Planes of Fame Museum from Chino, California has been soliciting donations of Alaska aircraft on a promise of opening an Alaskan branch museum at some undetermined later date.

It has successfully acquired an A-26 from Dr. Donald Rogers, an H-21 helicopter from Bill Swift to help in removing aircraft downed in Alaska, a B-25 from Fairbanks. A wing insignia was donated to the Air Force Museum by Ted Spencer - the insignia coming from the wing on an

aircraft downed at Nome which was to have been used in reconstructing a P-63 Airacobra.

The Committee contends that Planes of Fame has an established reputation for flying, crashing and destroying one-of-a-kind aircraft, and of selling aircraft and aircraft parts in the Lower 48 and abroad in order to keep itself solvent.

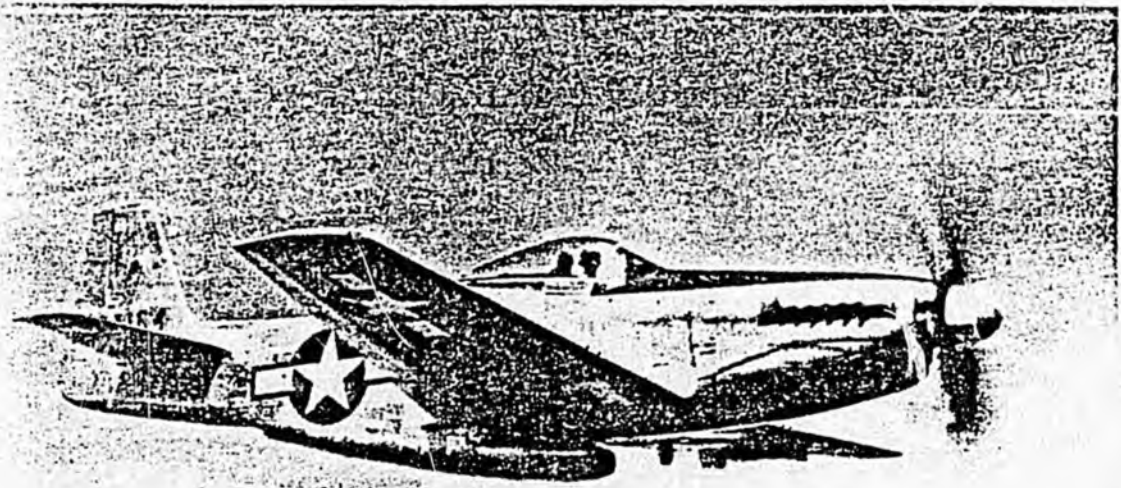
Flying in races and demonstrations for trophies and prize money has taken its toll on the vintage military aircraft.

The Committee feels that if it can adhere to those goals, Alaska will have one of the finest aviation museums in the U.S., preserving that part of Alaskan history.

The United States Historical Aircraft Preservation Museum is currently conducting negotiations for several planes of significant historical value, as well as parts and planes to be retrieved from bush areas.

Access to battlefields in the Aleutians is difficult because of the expense and weather conditions involved, but the area promises to be a fertile area to search.

If the museum has had a difficult time collecting actual aircraft for its displays, there has been no shortage of donations of other treasures. Photographs, blue prints from the Bell Factory which

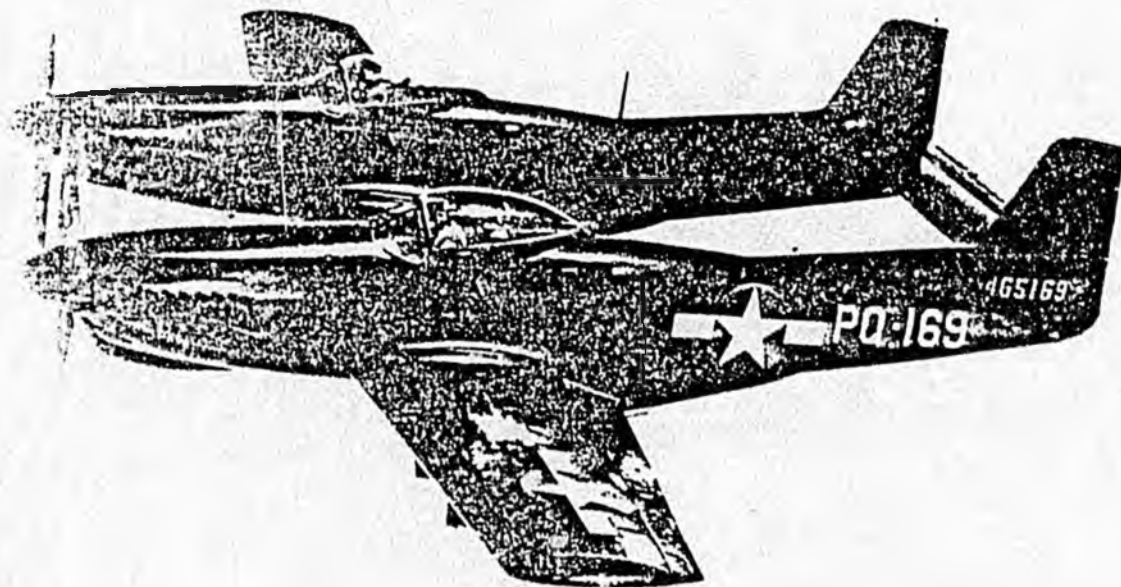


These fighters, P-51's Mustang, were used toward the end of WW II in Alaska. They did not see combat in the Aleutian Campaign. Three downed P-51's were located.

AAHS

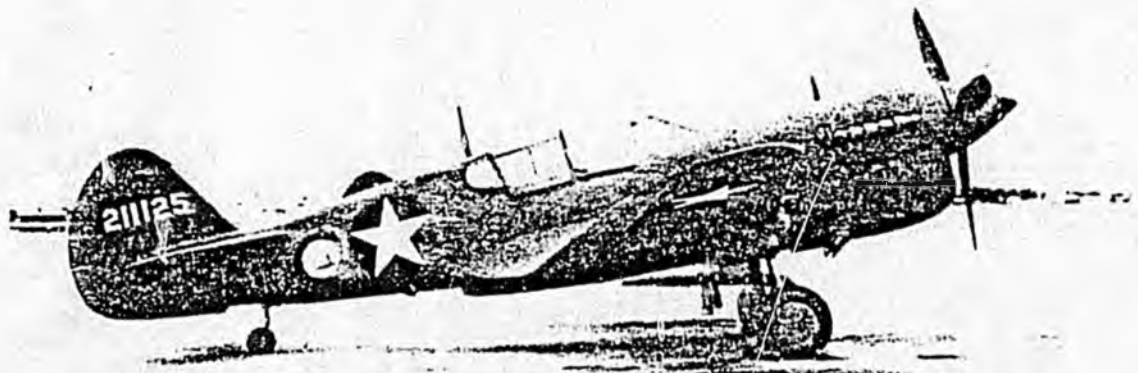
The P-82 Twin Mustang was based in Alaska after WW II. One was located that bellied in and is intact in the Interior.

USAF



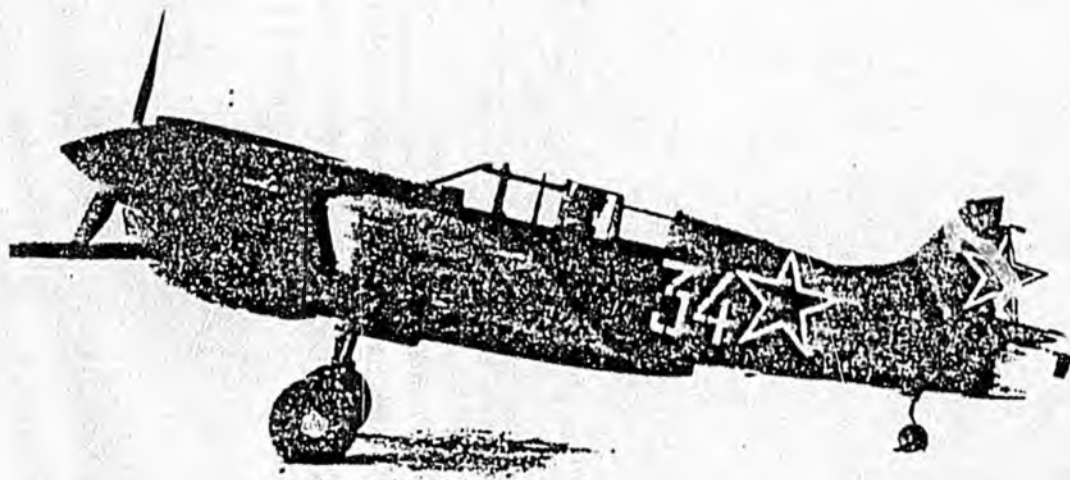
Curtiss P-40 was used by the USAF during the Aleutian Campaign. Eight P-40's were located: Five of them were abandoned, two were downed, and one is in the bottom of a fresh water lake. Also several brand new P-40's were buried in crates in the Aleutians.

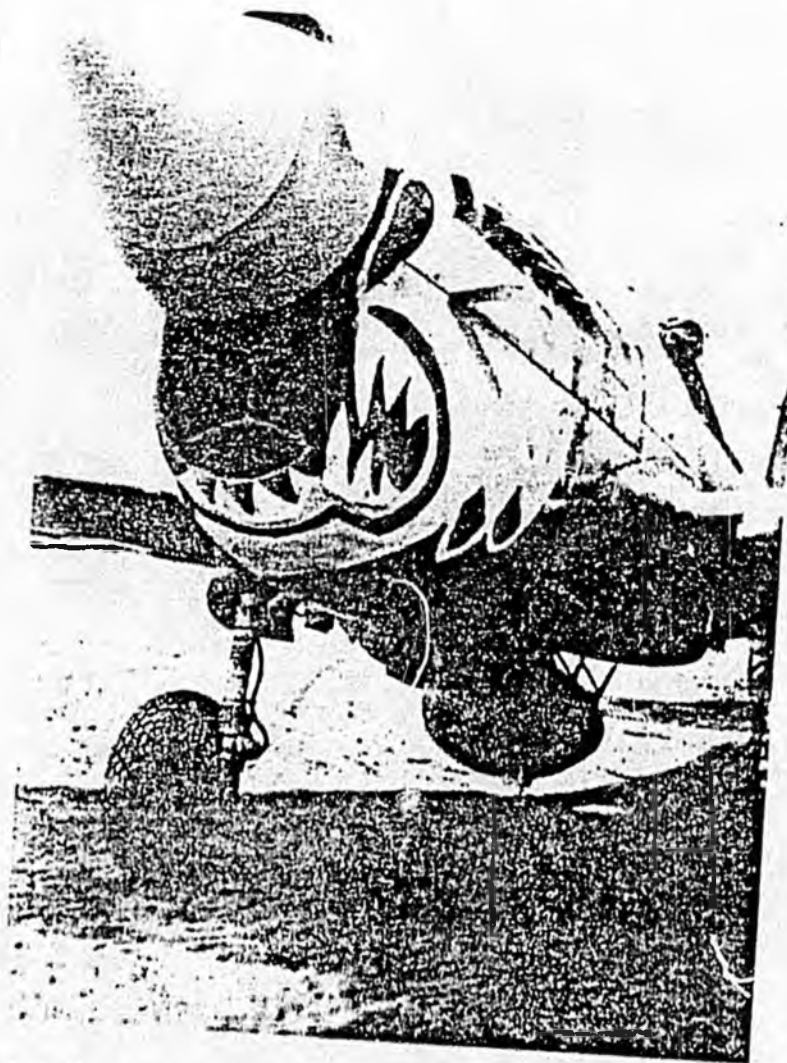
RWT



Approximately 48 Lend Lease P-40's came through Alaska on their way to Siberia. At present Moscow is the only place in the world that has one of the Lend Lease P-40's. Two more were located in the Interior.

GFP





This is a Curtiss P-40 called the "Aleutian Tiger." It was used in combat by the United States during the Aleutian Campaign. Four of them were located.

USAF

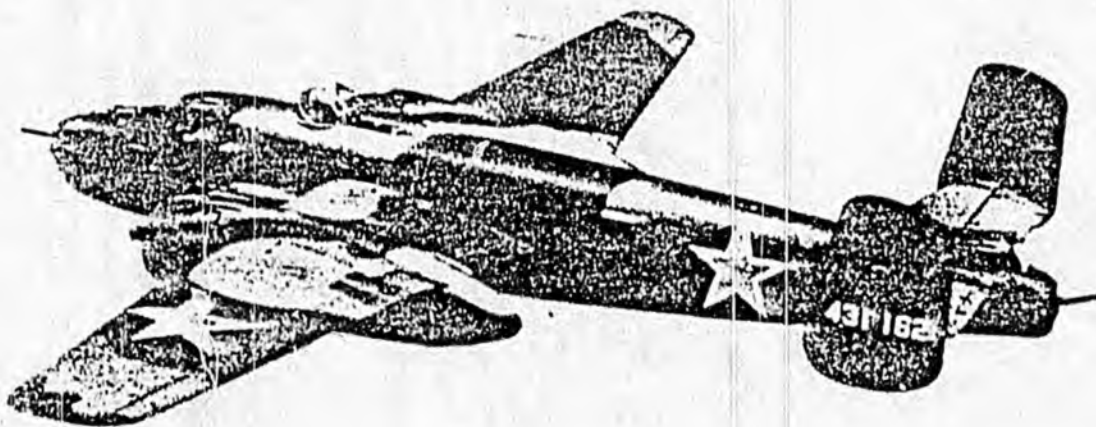


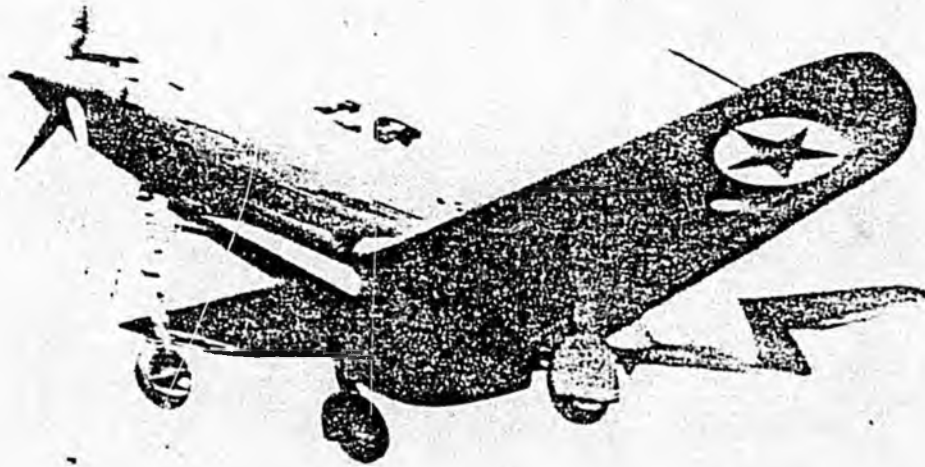
Two of these B-25 Medium Bombers went down in the Aleutians during the Aleutian Campaign.

USAF

Approximately 732 of these Lend Lease B-25 Mitchell Bombers were ferried from Great Falls, Montana, Whitehorse to Fairbanks to Siberia, Russia to be used against the Germans during WW II. Three of these aircraft went down in the Interior Alaska.

NAA

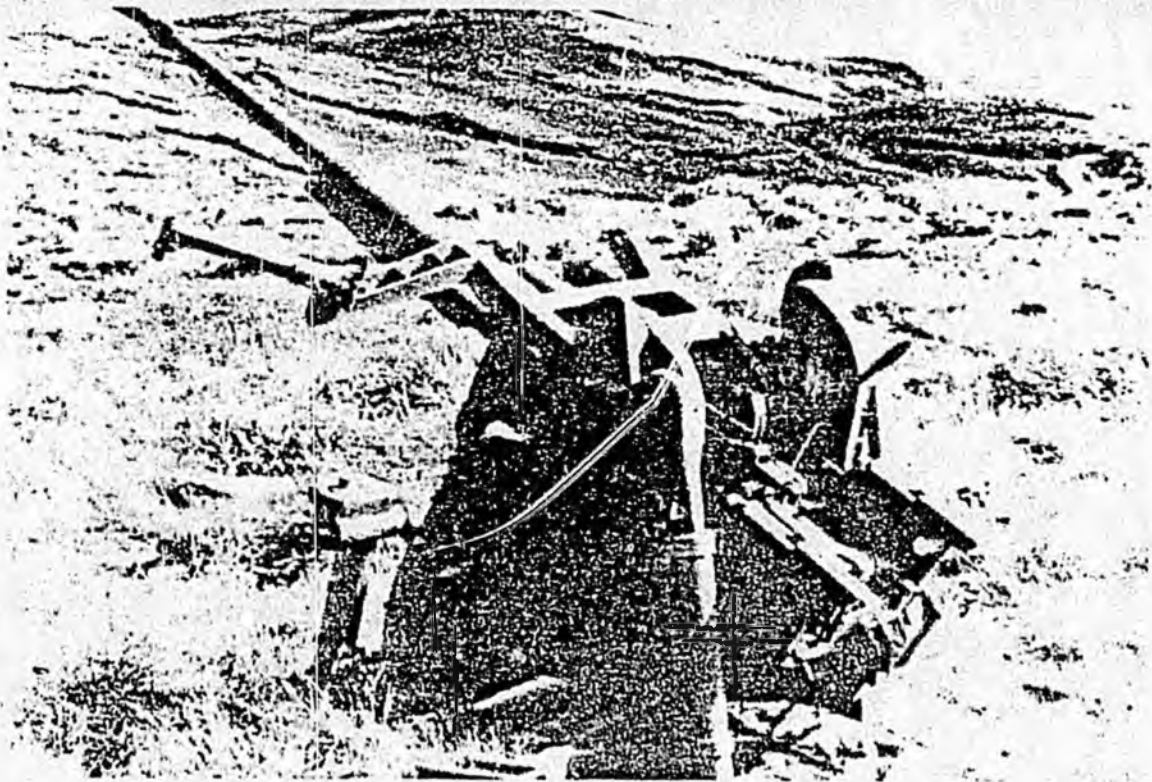




Approximately 2,618 P-39 Airacobra came through Alaska on their way to Siberia under the Lend Lease Program. Eleven of the P-39's went down in the Interior, and six of these are in fresh water lakes.

USAF

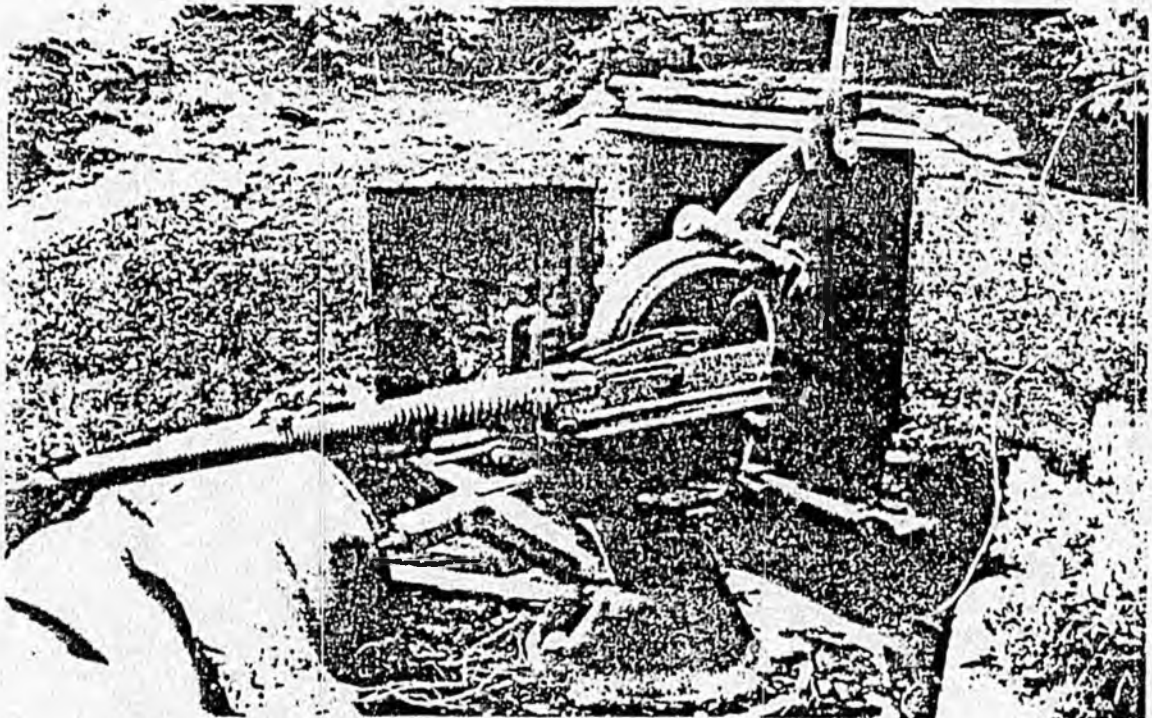




Japanese Model 96 (1936), Type 2, 25 mm Anti-aircraft Gun and Mount.  
This gun is very rare and was not extensively used by the Japanese.

COE

Japanese Model 93 Heavy Machine Gun, 13.3 mm on an Anti-Aircraft Mount.  
USFWS



CAVPAC, P.O. Box 8-901

Anchorage, Alaska 99508



HJR66 and HB678 BACKUP INFORMATION

The Alaska Historical and Transportation Museum and other interested non-government organizations are focusing on long range planning, development, and preservation of pioneer, transportation and military history throughout the State and especially on the Aleutian Island Chain.

The projects of the organizing committees are to: (1) Survey and inventory significant relics, artifacts, and related historical material pertaining to transportation (surface, maritime, and with major emphasis on aviation); (2) Develop plans for the historic preservation and interpretation of these artifacts; (3) Recommend an appropriate museum site(s); (4) Coordinate with other public and private sector museums to insure that all groups interested in aircraft recovery can participate in recovery and restoration of aircraft, and that the restored aircraft will remain in Alaska; and (5) Prepare a presentation for submittal to the Governor and the Legislature in 1985 on a statewide program of cultural and historical preservation, including programs on pioneer, transportation, military, and the historically related areas, which are either not currently included in existing museum services or are inadequate in scope.

These projects and assessments will supplement the existing Statewide Museum Plan and will include recommendations for future museum development in the State of Alaska.

There has been no comprehensive statewide assessment or inventory of Alaska's historical artifacts that are constantly being removed from the State. Although many agencies have worked with each other on various aspects of preservation, an overall coordinated appraisal of the most critical needs in this area has never been possible.

Alaska's military history covers a wide range of topics: the Alaska Purchase to World War II era, aviation, maritime, World War II Aleutian campaign, DEW Line, and post-WW II history, etc. A number of agencies have shown an interest and have done limited statewide planning to locate historical Alaskan artifacts, but have discovered that big money in the lower 48 is stealing many of our WW II aircraft from federal and state land without any interference and are selling them to museums and making a fortune. It's big business. Many of these U.S. and Japanese aircraft have been salvaged almost intact.

It is hoped that HJ166 and HB678 will assist, when implemented, to retain valuable artifacts in Alaska and in 1985 some funds can be made available to improve our historical museums. The Army, Air Force, and National Guard have already assisted in salvaging and restoring some of these artifacts.

CAV Needs You And You Need CAV  
(or

VETERAN POWER

Army Navy Air Force Marines Coast Guard National Guard Reserves

Paid for by CAVPAC, P.O. Box 8 901, Anchorage, Alaska 99508

The historically significant relics, artifacts and other materials are part of Alaska's history and should be preserved before it is too late. Many WWII aircraft, both friendly and enemy, have been literally stolen from the Aleutian Chain and are now in museums in the States of Ohio, Tennessee, Washington and California that we know of. They are a part of Alaska's wartime history and should remain here. They will also be of tourist interest.

Draft prepared by B. B. Talley  
with contribution by  
Col. Evan J. Griffith, USAF

BACKGROUND MATERIAL IN SUPPORT OF HB  
APPROPRIATING FUNDS FOR A COMPREHENSIVE DOCUMENTARY FILM  
OF WWII IN ALASKA

There exist several books and papers, some official, which purport to document the history of WWII in Alaska. In addition, the military services have extensive motion pictures of their operations in Alaska. In recent years there has been a rebirth of interest on the part of individuals and organizations, particularly veterans organizations, in this part of Alaska's history. These individuals and groups have many important visual records which can be obtained for a comprehensive documentary film of WWII in Alaska.

In 1980, on the 40th anniversary of its arrival in Alaska, the veterans of the 11th US AF held a reunion in Alaska. It included a visit to the Aleutians as far out as Shemya. Weather prohibited their going to Attu. Extensive motion pictures and video tapes were made of this celebration, including interviews and oral history from many of the veterans present.

In 1982 extensive motion pictures and video tapes were made by individuals, organizations and by TV stations of the ceremony in dedication of a memorial on Unalaska Island to all those who lost their lives in the Aleutians during WWII. This included the Armed Forces of the United States and Canada, the Aleuts, and the Japanese Armed Forces. The two Japanese officers, now retired, who led the first and second waves of bombers in the attack on Dutch Harbor on 4 June 1942 participated in this dedication. The dedication was preceded by a flight from Unalaska Island to the Umnak Air Base, and to the position of the Japanese carrier from which the attack was launched, thence following the course of the planes to the rendezvous point and returning to Dutch Harbor. The plane was piloted by the Japanese officer who led the attack, flying

in reverse the course flown in the attack. From the rendezvous point, the plane flew the course at the same altitude flown in the actual attack. In the plane were Admiral James S. Russell, USN-Ret. who commanded the US Navy Catalinas in Alaska during WWII, BG B. B. Talley, Corps of Engineers, retired, who was responsible for building the secret air base on Umnak Island from which the US AF P-40s broke up the Japanese aerial attack on Dutch Harbor, and Admiral Hiroichi Samejima, JMSDF (Ret.) who led the first wave of Japanese bombers, and Colonel Zenji Abe, JMSDF (Ret.) who led the second wave which consisted of dive bombers. (Then Lieutenant Commander Abe later transferred to the army, as the reconstituted Naval defense force did not have dive bombers.) Also in the plane were Mr. Ted Spencer who arranged the dedication ceremony and the aerial flight here described. There was also a motion picture camera crew aboard who recorded the flight on film.

In view of the advancing age of the still living participants in WWII in Alaska, delay in the production of this visual history might preclude their participation in this important chapter in Alaska's history.

Inasmuch as the State of Alaska would be the primary beneficiary, the State should be the primary sponsor of the project. Such a project is within the purview of the Alaska Historical Commission of the Department of Education.

The project would include, but not necessarily be limited to, bringing together into a single compilation the best of the existing film, editing it into a single comprehensive historical document. There should be included in this compilation such additional footage as may be appropriate, with commentary by selected veterans who took part in the action.

Upon being instructed to carry out this project and being provided with the necessary funds for its accomplishment, the Alaska Historical Commission formed by AS Title 44, Article 3,

would have power to prepare or to authorize and coordinate the preparation and production by others of a documentary film covering this important portion of Alaska's history. Such a history should include but not be limited to the stills and motion pictures already in existence, but should include additional visual components as may be appropriate. Such a project should be completed by June 30, 1986.

A conceptual organization structure for executing this project is shown in Figure 1.

## C O N T E N T S

### Part I. Facts of Aircraft and Aircraft Parts, Flyable and Non-Flyable, that Left the State of Alaska.

- Page 1. Douglas O-38F Aircraft that left the state of Alaska in 1968.
- Page 2. Flying Magazine add in June 1980 regarding the removal of two P-39 Airacobras from Alaska. Six years ago two P-39 Airacobras were located at Minchumina Lake. In 1982 approximately \$10,000 were spent by a company to retrieve these aircraft. The group found out these were no longer there. We suspected that the aircraft mentioned in the Flying Magazine add are the same ones that were in Minchumina Lake.
- Page 3. A letter to Mr. Aldrich in California who sells vintage airplane parts. He sent to the USHAPM the original letter of Mr. Steve Matthews of Fairbanks who illegally removed airplane parts from state land and was attempting to sell them. The present whereabouts of the parts are unknown.
- Page 4. Photographs of two P-39 Airacobras on state land near Fairbanks. For the past four years illegal salvagings had been done to these.
- Page 5. Alaska Magazine Jan. 1981 two articles about a Stinson aircraft that was removed from the dump at Merrill Field, Anchorage and which is now on display at Seattle. The man who removed the aircraft, J. Berry, also removed in the early 1970's a P-40 aircraft from the Alaskan bush which was later transported to the Lower 48.
- Page 6 and 7. An article from a vintage/WW II aircraft book regarding the removal of a P-40 from the Aleutians.
- Page 8 thru 12. A Flying Magazine article regarding the removal of one P-40, four P-51 Mustangs, and three other P-50 Mustangs that were just removed for parts out of the state of Alaska.
- Page 13. Photographs of the P-40 that was removed from the Aleutians.
- Page 14. Oct. 1978 Alaska Magazine article on donation of a P-39 Airacobra's wing portion to the Lower 48.
- Page 15. Air Classics Magazine 1979 article with photographs of mutilation of a Lend Lease Russian aircraft's wing which is now in Ohio.
- Page 16. A letter from Dept. of Interior regarding the unlawful removal of aircraft parts from Amchitka Island. The two individuals who were involved in this unlawful act were fined \$500 each.
- Page 17 and 18. A letter from the Smithsonian Institution about the removal of a Navy OS2U Kingfisher from Afognak Island. The aircraft is now on loan from Smithsonian to Bradley Museum in Connecticut.

## C O N T E N T S

### Part I. Continued

- Page 19. A Douglas SBD-5 Dauntless wing which was in the Aleutian but is now in California.
- Page 20. Four photographs of helicopter parts and aircraft parts being shipped by Sealand from Anchorage to California.
- Page 21. B-25 aircraft engines that were donated to an aviation group in Alaska and are now in California.
- Page 22. A letter to Paul Caulkett regarding two B-25 aircraft that were to be used as static display within the state of Alaska.
- Page 23 and 24. A letter from the Alaska Department of Transportation in Fairbanks showing that one of the B-25 aircraft (paragraph 4) was sold to Mr. John C. Morgan by one of the aviation societies in Anchorage.
- Page 25. Two photographs of the B-25 that one of them was sold to Calif.
- Page 26. Alaska Magazine Dec. 1960 article on a Stearman that was in Alaska and is now in the Lower 48. (If interested, a copy of the article can be provided.)
- Page 27. Three photographs of P-38 Lightning which was removed from Alaska and is now in California.
- Page 28. A letter from State of Alaska, Dept. of Natural Resources regarding the attempts of Castle AFB in California to remove the remains of a P-38 from the Aleutians.
- Page 29. Air Classics Magazine April 1961 article on A-26 Invader that was given to California as a donation.
- Page 30. Two photos of the A-26 flyable aircraft that <sup>was</sup> donated to Calif.
- Page 31. Top - photo of the three B-25's which two of them left the state of Alaska. Destination unknown. Bottom - another photo of the A-26 that was donated to California.
- Page 32. Picture of a B-25 flyable aircraft that is now in California.
- Page 33. A Lockheed Constellation that was donated to City of Kenai, later was sold for \$30,000 and is now in Florida.

Part II. Aircraft and artifacts that had left the state of Alaska which cannot be stated as illegally been salvaged. Records at the Air Force Rescue Coordination Center at Elmendorf AFB show these WW II aircraft are no longer in their crash sites, there are no indication of their present whereabouts, or who retrieved them. Reports from bush pilots, who spotted the aircraft earlier, show that the same aircraft are no longer in their crash sites.

## C O N T E N T S

### Part II. Continued

1. Buldir Island in the Aleutians: The crashed P-38 Lightning's complete booms (two) and vertical stabilizer were removed two years ago. Can be verified thru Dept. of Fish and Wildlife.
2. A Lend Lease P-40, which crashed in 1944 in Nome area, was found in 1978. The aircraft was no longer there in 1982. Verified through bush pilots.
3. A Canadian P-40 that was located in 1960 was not there in 1976. The aircraft was completely removed. Only a few remaining parts are there. Verified through bush pilots.
4. P-51 Mustang, which crashed in 1944 at Broad Pass, was removed in early 1970's by an Anchorage resident couple and was shipped to the Lower 48. Also the husband removed P-40 parts of four aircraft that are on Unalaska in the Aleutians. This can be verified through U.S. Hist. Aircraft Preservation Museum.
5. WW II aircraft parts from Nome, Fairbanks and Northway that were removed three years ago and are now in Lower 48. Can be verified through USHAFM.
6. A vintage aircraft that crashed in Ketchikan: Its parts were removed for souvenir and are still in Alaska. Can be verified through USHAFM.
7. There are numerous stories told by state agencies, the local military, bush pilots and individuals that know, had seen, and have been involved in the removal of WW II aircraft, aircraft parts, and artifacts out of the state of Alaska.

If at the present time there were laws protecting the WW II aircraft and artifacts, these individuals and groups of people in the state of Alaska can be checked out and their residences be searched to prove the statements. The USHAFM knows several of these people.

It is difficult to prove that there is illegal salvaging of WW II aircraft, aircraft parts, and artifacts because the individuals who are involved are never caught. The only way we can prove that such a thing is happening is when these aircraft and aircraft parts come to surface in private hands and/or in the Lower 48 when the serial numbers and tail numbers can be verified that they came out of the state of Alaska. This takes time of hours and years. Alaska is slowly being stripped of its WW II aircraft, aircraft parts and materials that the average persons do not realize it till they are actually involved in the research of the WW II artifacts and materials in the state and in the Aleutians.

11.30.070. Repayment to general fund. All money made to the fund from the general fund or a special fund is a loan to the general fund or the special fund. All surplus at the end of a fiscal year over amounts made available to the fund from the general fund or any special fund shall be repaid to the general fund or the special fund until the loan is repaid in full. Repayments need not begin until the first five complete fiscal years after the fund is created. (ASLA 1964)

11.30.080. Transfer of funds upon discontinuance of program of area redevelopment assistance. If the federal program of area redevelopment assistance is discontinued for any reason or if this chapter is repealed, the money within the area redevelopment revolving loan fund shall revert to any special fund to which money was made available, in the amount that was made available, and the remainder to the general fund. (§ 1 ch 83 SLA 1964)

### Chapter 35. Alaska Historic Preservation Act.

	Section
Declaration of policy	prehistoric or archeological remains on private land
110. Historic sites advisory committee	110. Historic sites advisory committee
120. Composition of committee	120. Composition of committee
130. Appointment of members	130. Appointment of members
140. Term of membership	140. Term of membership
150. Compensation	150. Compensation
160. Officers	160. Officers
170. Meetings and quorum	170. Meetings and quorum
180. Duties of committee	180. Duties of committee
190. Powers of chairman	190. Powers of chairman
200. Unlawful acts	200. Unlawful acts
210. Penalties	210. Penalties
220. Enforcement authority	220. Enforcement authority
230. Definitions	230. Definitions
240. Title of chapter	240. Title of chapter

General references. — 72 Am. Jur. on Territories and Dependencies, § 46. — 25 E. States, §§ 138, 145 — 148. Validity and construction of statute or ordinance protecting historical landmarks, 18 ALR4th 990.

11.35.010. Declaration of policy. It is the policy of the state to preserve and protect the historic, prehistoric and archeological resources of Alaska from loss, desecration and destruction so that the historic and cultural heritage embodied in these resources be not diminished to future generations. To this end, the legislature declares that the historic, prehistoric and archeological

of experts and other persons who may be needed. (§ 1 ch 130 SLA 1971)

41.35.200. Unlawful acts. (a) A person may not appropriate, remove, injure, or destroy, without a permit from the commissioner, any historic, prehistoric or archeological resources of the state.

(b) A person may not possess, sell, buy or transport within the state, or offer to sell, buy or transport within the state, historic, prehistoric or archeological resources taken or acquired in violation of this section 16 U.S.C. 433.

(c) A person may not unlawfully destroy, mutilate, deface, injure, remove or excavate a gravesite or a tomb, monument, gravestone or other structure or object at a gravesite, even though the gravesite appears to be abandoned, lost or neglected.

(d) An historic, prehistoric or archeological resource which is taken in violation of this section shall be seized by any person designated in AS 41.35.220 wherever found and at any time. Objects seized may be disposed of as the commissioner determines by deposit in the proper public depository. (§ 1 ch 130 SLA 1971; am § 8 ch 112 SLA 1974)

41.35.210. Penalties. A person who violates a provision of this chapter is guilty of a misdemeanor, and upon conviction is punishable by a fine of \$1,000, or by imprisonment for not more than six months, or by both. (§ 1 ch 130 SLA 1971)

41.35.220. Enforcement authority. The following persons are peace officers of the state and shall enforce this chapter:

- (1) an employee of the department authorized by the commissioner;
- (2) a peace officer in the state;
- (3) any other person authorized by the commissioner. (§ 1 ch 130 SLA 1971)

Cross references. — For definition of "peace officer," see AS 01.10.060(6).

41.35.230. Definitions. In this chapter, unless the context otherwise requires,

- (1) "commissioner" means the commissioner of natural resources;
- (2) "committee" means the Historic Sites Advisory Committee;
- (3) "department" means the Department of Natural Resources;
- (4) "historic, prehistoric and archeological resources" includes deposits, structures, ruins, sites, buildings, graves, artifacts, fossils, or other objects of antiquity which provide information pertaining to the historical or prehistorical culture of people in the state as well as to the natural history of the state. (§ 1 ch 130 SLA 1971)

Title 43  
Revenue and Taxation

Title 44  
State Government

Title 42  
Public Utilities  
and Carriers

# Alaska State Legislature

## COMMITTEES

Vice Chairman — Judiciary  
Vice Chairman — Legislative  
Regulations Review  
Resources  
Finance Sub Committee on Labor



While in Session  
Pouch V  
State Capitol  
Juneau, Alaska 99811  
(907) 465-3733

Home - District 15  
Star Route Box 421  
Eagle River, Alaska 99577  
(907) 688-2526

## House of Representatives

John J. Liska

February 23, 1984

### MEMORANDUM

FROM: Representative John J. Liska

REFERENCE: HJR 66, relating to removal of WW II artifacts from the State.

The purpose of this Joint Resolution is to request the Federal Government not to remove World War II artifacts from the State of Alaska.

Unless the removal is authorized by the Federal or State Government or if the Federal or State Government determines the artifacts to be hazardous to human or animal life.

The problem of removal of World War II artifacts has been and is an ongoing problem in our State.

Your packets contain:

A. Pages 30, 31 and 32 from a publication entitled "The Historical "Battle of Alaska" remains". These pages refer to various types of aircraft that crashed in Alaska and where they were removed to:

1. Douglas - O - 38F - removed to Air Force Base Museum in Dayton Ohio in 1963.
2. Stinson - A Trimotor - to Wisconsin in 1972 by J.D. Berry.
3. P - 51H and P - 40 - Steve Myers, Washington
4. U.S. Navy Vought OS 2U King Fisher - removed to the Smithsonian Institute.
5. B - 25 Mitchell Bombers
6. P - 39 Airacobras

Additionally, page 73 shows Japanese artifacts from World War II.

Page two  
HJR 66

In addition to your packets, but not nearly as interesting, are letters from CAVPAC supporting HJR 66 and HB 678 and a copy of a letter from General Talley who was involved in the Alutian Campaign.

Another piece of back up material has been submitted by the North Star Chapter Pearl Harbor Survivors Association. I have made copies of the first three pages - which may or may not be the same artifacts as previously submitted in your packet.

JJL/tm

Besides the public museums such as the Smithsonian Institute and the Anchorage Historical and Fine Arts Museums, there are many small or private collections which display items of Alaskan history. Unfortunately, in many cases, Alaskans have no say in how the collections are handled.

History is repeating itself in the area of aviation history. It is seen in many examples of aircraft downed during World War II which are leaving the state.

A Douglas O-38F had engine problems and crashed in 1941. It was removed to the Air Force Museum in Dayton, Ohio in 1968.

In 1972 a Stinson 'A' Trimotor which crashed in 1947 was removed to Wisconsin by J.D. Berry. Berry wrote to Wien Air Alaska and followed it up with a phone call to try and get the airline to purchase the plane for the cost of its removal, but there was no interest, so it was sent Outside in order to pay the costs for its removal.

Two P-51H's were pulled out near Stevens Village. Two more were found near Kotzebue, and three were removed from across Cook Inlet. One P-40 was removed from Amchitka Island in the Aleutians. All of these aircraft were removed by Steve Myers of Washington.

Another P-40 was removed from a site near Fairbanks in 1977 and was sold to a buyer at an unknown Lower 48 destination.

A United States Navy Vought OS2U Kingfisher which crashed during WWII on one of the small islands near Kodiak, was removed in the early summer months of 1979 for removal to the Smithsonian.

There have been numerous other cases. An ad in Flying Magazine's June '80 issue states that sale of "P-39 Airacobras. Recently recovered from a fresh water lake in the Alaskan Peninsula. Russian armament, 117 hour totals hours each. Make offer, would like aviation museum or same to purchase...Yakima, Washington..." A call from the United States Historical Aircraft Preservation Museum in Anchorage brought no response.

Three B-25 Mitchell bombers have left the state in the past two years, in flyable condition, headed for the Outside.

The United States Historical Aircraft Preservation Museum has been trying for several years to open a museum facility located at Merrill Field, but has been blocked from doing so because it has no planes to put into the facility. At the same time, the Planes of Fame Museum from Chino, California has been soliciting donations of Alaska aircraft on a promise of opening an Alaskan branch museum at some undetermined later date.

It has successfully acquired an A-26 from Dr. Donald Rogers, an H-21 helicopter from Bill Swift to help in removing aircraft downed in Alaska, a B-25 from Fairbanks. A wing insignia was donated to the Air Force Museum by Ted Spencer - the insignia coming from the wing on an

aircraft downed at Nome which was to have been used in reconstructing a P-63 Airacobra.

The Committee contends that Planes of Fame has an established reputation for flying, crashing and destroying one-of-a-kind aircraft, and of selling aircraft and aircraft parts in the Lower 48 and abroad in order to keep itself solvent.

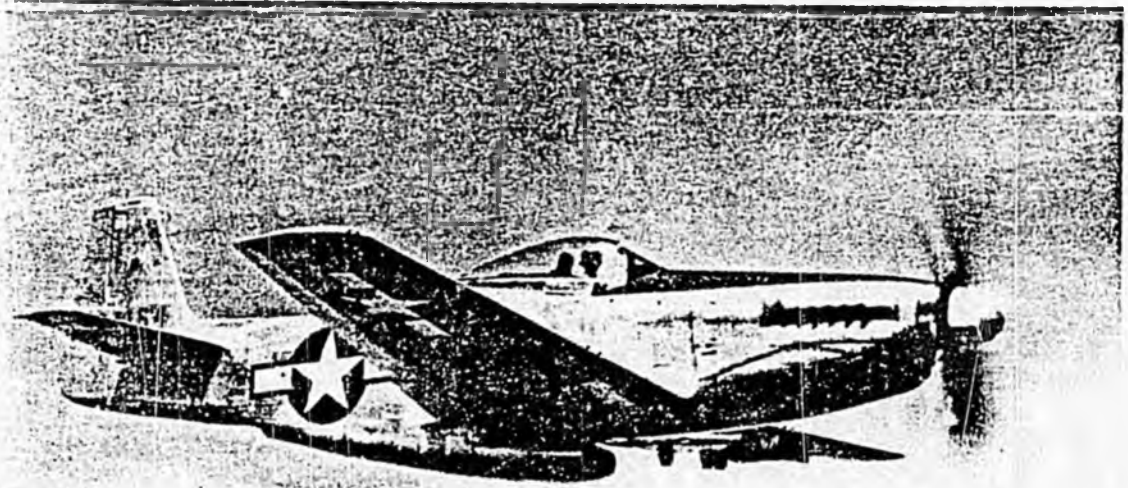
Flying in races and demonstrations for trophies and prize money has taken its toll on the vintage military aircraft.

The Committee feels that if it can adhere to those goals, Alaska will have one of the finest aviation museums in the U.S., preserving that part of Alaskan history.

The United States Historical Aircraft Preservation Museum is currently conducting negotiations for several planes of significant historical value, as well as parts and planes to be retrieved from bush areas.

Access to battlefields in the Aleutians is difficult because of the expense and weather conditions involved, but the area promises to be a fertile area to search.

If the museum has had a difficult time collecting actual aircraft for its displays, there has been no shortage of donations of other treasures. Photographs, blue prints from the Bell Factory which

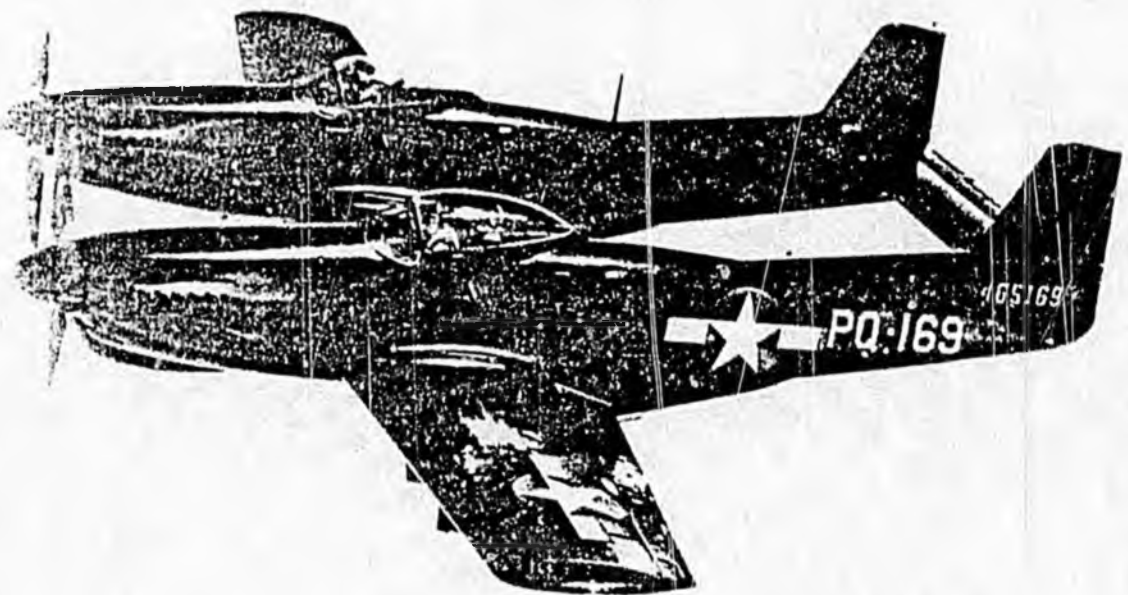


These fighters, P-51's Mustang, were used toward the end of WW II in Alaska. They did not see combat in the Aleutian Campaign. Three downed P-51's were located.

AAHS

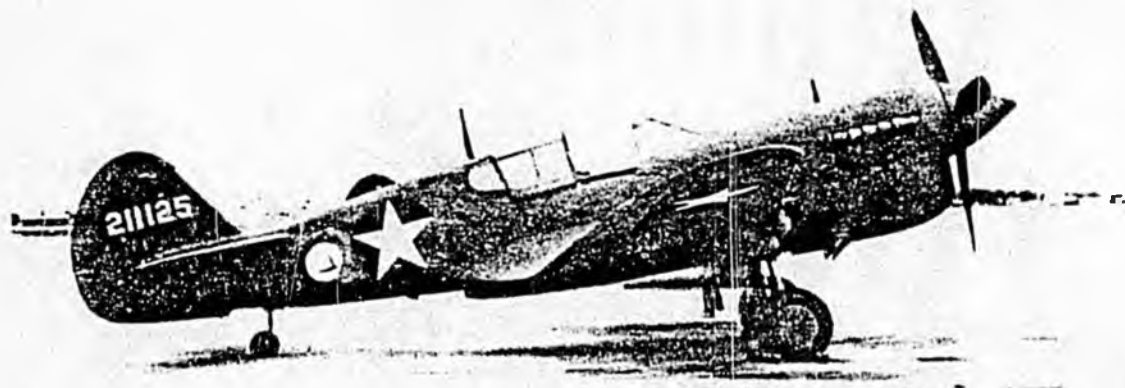
The P-82 Twin Mustang was based in Alaska after WW II. One was located that bellied in and is intact in the Interior.

USAF



Curtiss P-40 was used by the USAF during the Aleutian Campaign. Eight P-40's were located: Five of them were abandoned, two were downed, and one is in the bottom of a fresh water lake. Also several brand new P-40's were buried in crates in the Aleutians.

RWT



Approximately 48 Lend Lease P-40's came through Alaska on their way to Siberia. At present Moscow is the only place in the world that has one of the Lend Lease P-40's. Two more were located in the Interior.

GFP





This is a Curtiss P-40 called the "Aleutian Tiger." It was used in combat by the United States during the Aleutian Campaign. Four of them were located.

USAF

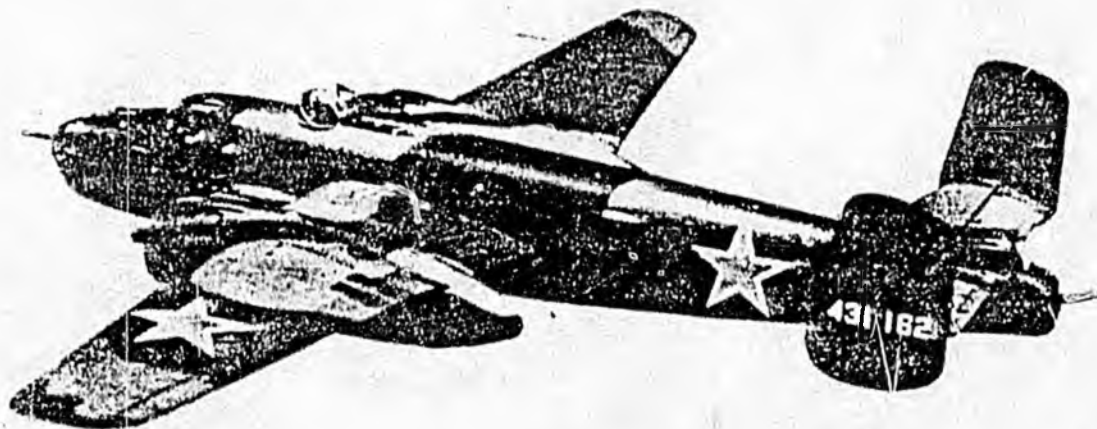


Two of these B-25 Medium Bombers went down in the Aleutians during the Aleutian Campaign.

USAF

Approximately 732 of these Lend Lease B-25 Mitchell Bombers were ferried from Great Falls, Montana, Whitehorse to Fairbanks to Siberia, Russia to be used against the Germans during WW II. Three of these aircraft went down in the Interior Alaska.

NAA





Approximately 2,618 P-39 Airacobra came through Alaska on their way to Siberia under the Lend Lease Program. Eleven of the P-39's went down in the Interior, and six of these are in fresh water lakes.

USAF



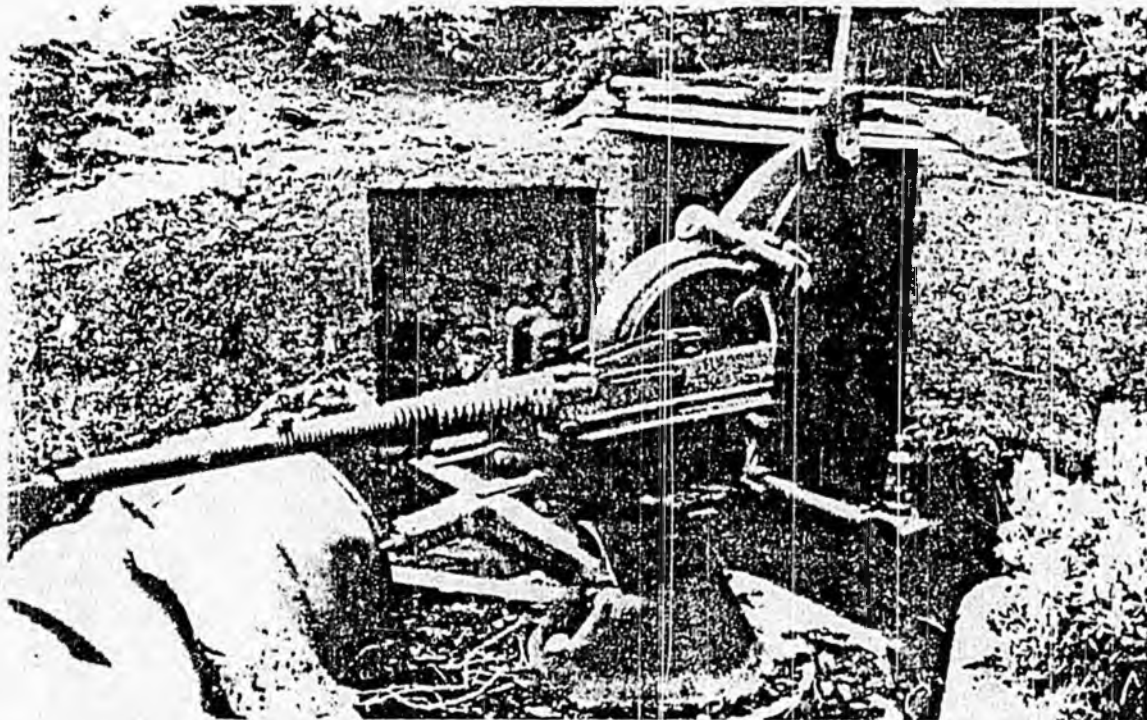


Japanese Model 96 (1936), Type 2, 25 mm Anti-aircraft Gun and Mount. This gun is very rare and was not extensively used by the Japanese.

COE

Japanese Model 93 Heavy Machine Gun, 13.3 mm on an Anti-Aircraft Mount.

USFWS





HJR66 and HB678 BACKUP INFORMATION

The Alaska Historical and Transportation Museum and other interested non-government organizations are focusing on long range planning, development, and preservation of pioneer, transportation and military history throughout the State and especially on the Aleutian Island Chain.

The projects of the organizing committees are to: (1) Survey and inventory significant relics, artifacts, and related historical material pertaining to transportation (surface, maritime, and with major emphasis on aviation); (2) Develop plans for the historic preservation and interpretation of these artifacts; (3) Recommend an appropriate museum site(s); (4) Coordinate with other public and private sector museums to insure that all groups interested in aircraft recovery can participate in recovery and restoration of aircraft, and that the restored aircraft will remain in Alaska; and (5) Prepare a presentation for submittal to the Governor and the Legislature in 1985 on a statewide program of cultural and historical preservation, including programs on pioneer, transportation, military, and the historically related areas, which are either not currently included in existing museum services or are inadequate in scope.

These projects and assessments will supplement the existing Statewide Museum Plan and will include recommendations for future museum development in the State of Alaska.

There has been no comprehensive statewide assessment or inventory of Alaska's historical artifacts that are constantly being removed from the State. Although many agencies have worked with each other on various aspects of preservation, an overall coordinated appraisal of the most critical needs in this area has never been possible.

Alaska's military history covers a wide range of topics: the Alaska Purchase to World War II era, aviation, maritime, World War II Aleutian campaign, DEW Line, and post-WW II history, etc. A number of agencies have shown an interest and have done limited statewide planning to locate historical Alaskan artifacts, but have discovered that big money in the lower 48 is stealing many of our WW II aircraft from federal and state land without any interference and are selling them to museums and making a fortune. It's big business. Many of these U.S. and Japanese aircraft have been salvaged almost intact.

It is hoped that HJR66 and HB678 will assist, when implemented, to retain valuable artifacts in Alaska and in 1985 some funds can be made available to improve our historical museums. The Army, Air Force, and National Guard have already assisted in salvaging and restoring some of these artifacts.

CAV Needs You And You Need CAV  
for

VETERAN POWER

Army      Navy      Air Force      Marines      Coast Guard      National Guard      Reserves

The historically significant relics, artifacts and other materials are part of Alaska's history and should be preserved before it is too late. Many WWII aircraft, both friendly and enemy, have been literally stolen from the Aleutian Chain and are now in museums in the States of Ohio, Tennessee, Washington and California that we know of. They are a part of Alaska's wartime history and should remain here. They will also be of tourist interest.

Draft prepared by B. B. Talley  
with contribution by  
Col. Evan J. Griffith, USAF

BACKGROUND MATERIAL IN SUPPORT OF HB  
APPROPRIATING FUNDS FOR A COMPREHENSIVE DOCUMENTARY FILM  
OF WWII IN ALASKA

There exist several books and papers, some official, which purport to document the history of WWII in Alaska. In addition, the military services have extensive motion pictures of their operations in Alaska. In recent years there has been a rebirth of interest on the part of individuals and organizations, particularly veterans organizations, in this part of Alaska's history. These individuals and groups have many important visual records which can be obtained for a comprehensive documentary film of WWII in Alaska.

In 1980, on the 40th anniversary of its arrival in Alaska, the veterans of the 11th US AF held a reunion in Alaska. It included a visit to the Aleutians as far out as Shemya. Weather prohibited their going to Attu. Extensive motion pictures and video tapes were made of this celebration, including interviews and oral history from many of the veterans present.

In 1982 extensive motion pictures and video tapes were made by individuals, organizations and by TV stations of the ceremony in dedication of a memorial on Unalaska Island to all those who lost their lives in the Aleutians during WWII. This included the Armed Forces of the United States and Canada, the Aleuts, and the Japanese Armed Forces. The two Japanese officers, now retired, who led the first and second waves of bombers in the attack on Dutch Harbor on 4 June 1942 participated in this dedication. The dedication was preceded by a flight from Unalaska Island to the Umnak Air Base, and to the position of the Japanese carrier from which the attack was launched, thence following the course of the planes to the rendezvous point and returning to Dutch Harbor. The plane was piloted by the Japanese officer who led the attack, flying

in reverse the course flown in the attack. From the rendezvous point, the plane flew the course at the same altitude flown in the actual attack. In the plane were Admiral James S. Russell, USN-Ret. who commanded the US Navy Catalinas in Alaska during WWII, BG B. B. Talley, Corps of Engineers, retired, who was responsible for building the secret air base on Umnak Island from which the US AF P-40s broke up the Japanese aerial attack on Dutch Harbor, and Admiral Hiroichi Samejima, JMSDF (Ret.) who led the first wave of Japanese bombers, and Colonel Zenji Abe, JMSDF (Ret.) who led the second wave which consisted of dive bombers. (Then Lieutenant Commander Abe later transferred to the army, as the reconstituted Naval defense force did not have dive bombers.) Also in the plane were Mr. Ted Spencer who arranged the dedication ceremony and the aerial flight here described. There was also a motion picture camera crew aboard who recorded the flight on film.

In view of the advancing age of the still living participants in WWII in Alaska, delay in the production of this visual history might preclude their participation in this important chapter in Alaska's history.

Inasmuch as the State of Alaska would be the primary beneficiary, the State should be the primary sponsor of the project. Such a project is within the purview of the Alaska Historical Commission of the Department of Education.

The project would include, but not necessarily be limited to, bringing together into a single compilation the best of the existing film, editing it into a single comprehensive historical document. There should be included in this compilation such additional footage as may be appropriate, with commentary by selected veterans who took part in the action.

Upon being instructed to carry out this project and being provided with the necessary funds for its accomplishment, the Alaska Historical Commission formed by AS Title 44, Article 3,