

NEWS BRIEFS

IN AN EFFORT TO bring government closer to the people, Governor Jay Hammond has moved to Fairbanks. Arriving yesterday, Sept. 7, Hammond has set up shop here until Friday, Sept. 17th. He will meet with various organizations, businesspeople, Native leaders, and the press, and will discuss issues, such as the haul road and pipeline wind-down, that most directly effect the interior.

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THE CITY OF BETHEL and the State Division of Corrections have come to terms over a contract for state prisoner maintenance at the Bethel City Jail. The contract, signed August 24, had been stalemated since late July when the state appropriated \$130,000 for the contract while the city was asking for \$360,000 for maintenance operations. A compromise of \$150,000 was reached following a restraining order halting the transport of state prisoners to Anchorage, which Bethel began doing on August 1st in the midst of the impasse.

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A NEW STATE agency will begin recruiting personnel in the next few weeks. Formed under the Department of Natural Resources, the new Division of Minerals and Energy Management will have four sections: Administration, leasing, mining and petroleum.

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THE FIRST EXPLORATORY well drilled on a federal oil and gas lease in the Gulf of Alaska is now one week old. Shell Oil Company began drilling on Sept. 1st on Outer Continental Shelf Tract 42, 13 miles off the southern coast of Alaska between Cape Suckling and Cape Yakataga. Shell's tract was one of 29 purchased by bidders in the April 13th lease sale in Anchorage.

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KODIAK CRAB FISHERMEN joined the Bering Sea crab fleet on Sept. 1 in a strike against a cannery price of 45 cents per pound. Bering Sea fishermen are asking 60 cents while the United Fishermen's Marketing Association in Kodiak is holding out for 65 cents per pound.

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THE FIRST PRIVATE phone system at one of the twenty bush villages now capable of phone communications via RCA small earth stations has been installed at King Cove in the Aleutians. The village's first exchange call was made Sept. 1 to a Public Utilities Commissioner in Anchorage.

Unlike the other 19 villages which have one community telephone, King Cove has the first house-to-house service in the system and there are about 60 business and residential subscribers on the exchange.

(Continued on page 11)

Alaska's top speak

Economic workshop

FAIRBANKS—Some of Alaska's top economists will speak at the Fourth Annual Economic Development Workshop for Alaska Communities scheduled for Nov. 7-12 at Alyeska ski resort near Anchorage.

The workshop is being sponsored by the University of Alaska, Fairbanks' (UAF) School of Management, the Alaska Division of Business, Economics and Public Administration at the University of Alaska, Anchorage.

The workshop is designed to provide instruction in the theory and fundamentals of comprehensive industrial development as they relate to Alaska. It will serve the needs of those new to the industrial development field including Native corporations, local development agencies, chambers of commerce, village planners, and others.

Speakers include Bob Richards, executive vice president of Alaska Pacific Bank; Richard Eakins, director of Alaska's Division of Economic Enterprise; and Commissioner Tony Motley of the Alaska Department of Commerce.

Dr. Arlon Tussing of the UAF's Institute of Social and Economic Research (ISER) will discuss "Economics of Alaskan Petroleum Development" and Vic Fischer, also of ISER will discuss "Alaska Industrial Development Relating to Social and Environmental Changes."

The course is accredited by the American Industrial Development Council and upon completion participants may receive one academic credit from the University of Alaska, Fairbanks.

For more information write Dr. Richard Solie, School of Management, University of Alaska, Fairbanks, Alaska 99701.

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**"By the time the pipeline comes on stream
75% to 85% of the costs of operating
state government will come from
taxes and royalties from the oil industry."**



Bob Underwood

"The owners of the Trans-Alaska Pipeline have delivered their 1975 property tax return on the pipeline. The total valuation submitted with this return was \$3.35 billion. To my knowledge this was the largest tax return that's ever been filed — certainly in the United States, and as far as I know in the entire world. The taxes from this will be approximately \$68 million. This income will be shared by the various municipalities and the State."

If you compare the tax structure in Alaska with other states (as it applies to the petroleum industry) Alaska levies the highest taxes of any of the oil producing states in the Union.

In the past four or five years for example, if you total the lease sales, and the taxes and royalties coming from petroleum operations throughout the state, you'll see that the contribution from the oil industry already amounts to some 45% to 50% of the total state expenditures.

Now if you look down the road, to the time when Prud-

hoe Bay production commences, 75% to 85% of total state expenditures will come from the oil industry.

Clearly the oil industry pays its own way in Alaska.

And for that reason we feel the oil industry is uniquely suited to the needs of Alaska. It's a capital intensive industry. It brings large amounts of capital to the state, in lease sales, investments, royalties and taxes — without the need of spending most of this tax income on the industry or its employees.

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