actively in the oil sector, cease leasing oil lands and instead undertake exploration itself. He notes that there has been a wider dispersion of knowledge and technological capability and many functions in the oil industry can be carried out by smaller firms who work "for hire" -- with the big profits going to the purchaser of the service. The Governments of Mexico and India are examples of countries who have spent relatively little for the services of an independent drilling company, and were able to keep the oil profits.

While acquiring knowledge about the oil sector Alaska can play a major role in economic development and thus, as Tanzer points out, can better maintain the interests of future generations than can private industry.

Tom Byrne

D-2 (continued from page 7)

in Washington, D.C. when the group gets under way.

The D-2 issue will be hammered out in Congress; at the state level Hammond appeals to the public interest but meets secretly with Alaska Congressmen to outline special interest strategy. A front group has already been formed to serve the economic goals of commercial interests. Conservationists have submitted their first bill, and it looks as if the working people of the state will be squeezed into the picture somewhere between mining and developer interests and the conservationists. A bill has been proposed in the legislature for the creation of a Department of Renewable Resourses and this may be a planning agency for better use of all state land. At the federal level there is talk of reactivating the homestead law for Alaska. And, as we go to press the Natives are preparing a position paper on D-2 lands. The land score- in millions in Alaska - is 44 for the natives, 103 for the state, and 116 for the feds. This issue deserves further watching.

Ruth Sheridan

SHORT BITS

FRIENDS FOR YEARS

Cecil D. Andrus, newly appointed Secretary of the Interior, acknowledged he went on a salmon fishing trip organized by the Morrison-Knudsen Company, a major pipeline contractor.

Andrus says he is a friend of corporation president William H. McMurren and other MK officers. As head of the Interior Department he would have inspection responsibilities to insure pipeline construction meets federal standards.

Andrus admits "there will be people that'll try and say 'Ah ha, because they went fishing together then they're going to do something under the table'... Well if they believe that, then they don't know Cece Andrus very well, and I think Mr. McMurren would agree with me."

Maj. Gen. Andrew Rollins, a former Army engineer hired by the Interior Department to do pipeline inspection, was also accused of having accepted favors from the pipeline contractor which included fishing trips, Hawaiian vacations and chartered plane rides. Rollins likewise rejected the suggestion of conflict of interest, claiming the favors resulted from a "long-standing friendship with the parties involved."

WILL IT EVER WORK?

New charges concerning falsification of pipeline weld x-rays were raised during House subcommittee investications in Washington in December. Congressional investigators said that federal officials had done little or nothing to check charges by witnesses that up to 200 x-rays in welding yards in Fairbanks and Valdez were falsified.

Federal inspectors responsible for testing the welds and other features of the line testified that they had been repeatedly threatened and some of them assaulted after they reported faults. One told of finding a stick of dynamite with his name on it in the seat of his car the day after he issued a report concerning faulty welds.

More recently, a waiver from the federal government released Alyeska from inspecting and rewelding the 612 "field welds" declared below federal and state standards last year.

Besides weld problems, flaws in the anti-corrosion coating on the pipe made headlines last month. These flaws, discovered when buried sections of the pipe were excavated to allow repair of faulty girth welds, are considered by experts to be a greater threat than the welds.

PET 4: ANOTHER TEAPOT DOME?

The transfer of the Naval Petroleum Reserve No. 4 on Alaska's North Slope to the U.S. Interior Department is being compared to a similar sequence of events which led to the wide-ranging oil scandles of half a century ago.

In 1921, Harding's Secretary of the Interior Albert B. Fall secured an executive order transferring the management of the nation's three petroleum reserves from the Navy Department to Fall's Interior Department. Subsequent investigation revealed that several government officials involved in the transfer personally profited from the granting of leases, including a $304,000 payoff for the oil rights to the Teapot Dome Reserve.

The U.S. Supreme Court eventually ruled those leases invalid and ordered them returned to the government. They remained, with Alaska's Pet 4, under the jurisdiction of the Navy.

In the 1920s Sen. LaFollette of Wisconsin called the Interior Department "the sluiceway for a large part of the corruption to which this government of ours is subjected. Today, a presidential commission calls the Department a "fiefdom", characterized by political patronage and subservient to big business interests.

The transfer of oil reserves to the Interior Department represented, according to Joe LaRocca in an All-Alaska Weekly article, the reversal of a national policy, promptly aborted with the eruption of the scandal. LaRocca adds that current events "reflect yet another assault upon traditional conservation policies in a new attempt to reverse them, this time in the name of national energy independence, but now, like then, private corporate cupidity is the underlying motive in yet another of its many altruistic guises."

--All-Alaska Weekly, 12/10

GOING BUST

The pipeline boom is ending. One indication is the growing number of houses and apartments for rent in Fairbanks and the rising number of arson attempts by those wanting to get the houses off the market. Insurance companies met January 21 in Fairbanks to discuss the problem.

Many insurance companies which flooded into the state a few years ago are now pulling out, citing as one factor the connection between high losses from arson or suspected arson.

According to Fire Marshall Pete Sullivan, boom-bust has always characterized Fairbank's economy and the town is famous for its high percentage of arsons over the years. "It's very unusual to get a conviction," he adds.

Besides arson, the credit market gives an indication of the bust. Paul Wagner of Interior Credit observes that bill paying is alot slower and "we're taking more legal action in suits and executions and so forth, and you have to push them harder .... We're still netting one repossession every four days now I'd say."

--All-Alaska Weekly, 12/24, 1/14