

DAYLIGHT
19 hours, 23 minutes
Sunrise 2:19 a.m.
Sunset 9:42 p.m.

Anchorage Daily Times

45TH YEAR — 20 PAGES

ANCHORAGE, ALASKA, WEDNESDAY, JUNE 21, 1961

PRICE 10 CENTS

WEATHER
intermittent light rain
tomorrow
high temperature 60

PORT PROBERS ORDER HEARING

ANCHORAGE, ALASKA, TUESDAY, JUNE 20, 1961

Letters To The Editor

Go Slow On Log Export Proposal

Dear Editor:

Your editorial of June 14 regarding the export of logs from Alaska was read with interest, and I might add, some concern. This is a very vital subject for all Alaskans right now. The editorial presented the matter fairly, giving reasons for and against all valid reasons.

However, there are other factors that should not be overlooked. If you ship out the round logs now, you lose the hope of new processing plants for Alaska in the future, as the timber resource will be gone.

If we hold tight, keeping our export restrictions, the plants will come. Our forest resource is not so perishable that we have to take fast action. It will keep.

I was reading in the Juneau Empire the other day in the "Forty Years Ago" column, where Frank Heintzleman of the Forest Service (later governor) was quoted as predicting a great future for Alaska in pulp and paper. Thirty years later the first pulp mill was built in Ketchikan. Seven years after that another one in Sitka, with still others being considered.

Other plants will come if we keep our timber. All of us are anxious to have them come, to bring payrolls and industry and help the economy of our new state. But let us not get impatient. These things take time but are well worth waiting for.

The cutting and shipping of logs would not give us the benefit you might expect. Logging camps would be located in remote areas, serviced di-

rect with little local benefit. The timber in each area would be quickly cut and the camps moved on, leaving only denuded hills and valleys, with no permanent help to our economy. At the same time, you would effectively stop all further development of mills for processing in Alaska.

There is talk of exporting cottonwood and perhaps birch. A sawmill for cutting cottonwood is being built at Palmer, I am told, but would this sawmill be built if cottonwood is to be exported in log form? It's highly doubtful and the same is true of others. We surely do not want Alaska to become one big logging camp.

We have a bright future for Alaska timber if this resource is handled properly. There will be one or more big pulp plants in Southeast Alaska and possibly a paper mill there. That area should see the installation of a plywood plant, a particle board plant and a mill for making insulating wallboards and batt type insulation; Nu wood, balsam wool, etc. There is enough timber to support a big pulp plant at Yakutat, and the possibilities of the Anchorage area should not be overlooked.

There is a fine field here in Anchorage for a plywood plant to process birch and cottonwood, with some core and sheathing stock to come from Prince William Sound. Mahogany and other hardwood veneers could be brought in from Japan for facing. Most of this production would be sold in Alaska but the excess could be successfully shipped to the midwestern states, giving a back haul to the many trucking firms, and at low rates.

With cheap power from the Rampart dam, a pulp mill and a paper mill would be entirely feasible. We have the raw material in abundance from Kodiak to the Brooks Range to support several such plants. The timber is not decadent, but most of it is still young, as forests go. It is still growing and can wait for these mills to come to Alaska.

Cut the timber and export the logs now and it will take a 100 years to grow another crop, under expensive state and federal forest management. If handled by these agencies to supply Alaska plants, our forests will supply them in raw materials in perpetuity.

So I say again, let's not get impatient and make some serious mistakes. Oregon and British Columbia, where exporting of logs has been permitted in the past, are now taking steps to prevent the round material from being shipped out. They are trying to gain the economic benefits of processing the logs locally by instituting export restrictions. This is a condition that we already enjoy, so why not hold the line?

Thomas A. Morgan
Columbia Lumber Co.

ANCHORAGE ALASKA, THURSDAY, JUNE 22, 1961

Probe Ready On Shipping Charges

A Federal Maritime Board-sponsored hearing to air charges filed with the board by the Anchorage port commission begins at 10 a.m. tomorrow in the Z. J. Loussac Library auditorium.

The public session will continue at 10 a.m. Saturday in

the auditorium if additional time is needed, said William Stigler, head of a three-man maritime board investigation team now in Anchorage. Stigler is chief of the board's office of regulations.

ALTHOUGH Stigler has been granted authority to issue subpoenas for the appearance of witnesses, he said the authority has not been used.

"I think everyone concerned is going to welcome the opportunity to appear," he said. The hearing and investigation is the result of a "secret resolution" sent to Washington June 8 by the port commission.

The maritime board, in a session June 16, ordered "a fact-finding investigation into practices engaged in by common carriers by water in the Alaska trade and terminal operators within the state of Alaska, such as those which are the subject of the allegations made by the port commission of the city of Anchorage, for the purpose of determining future board regulatory policies in connection with this matter."

STIGLER SAID the maritime board has jurisdiction in offshore domestic trade between the continental 48 and Alaska and Hawaii through the Merchant Marine Act of 1920 and the Intercoastal Shipping Act of 1933. The jurisdiction was granted while Alaska and Hawaii were territories, and was preserved in the states' statehood acts.

The maritime board can, under certain circumstances, issue cease and desist orders against water carriers or terminal operators who engage in unlawful acts, Stigler said.

Both the board and other parties to such orders have recourse to federal courts if further action is needed, Stigler added.

The port commission resolution alleged: That certain common carriers by water submitted through tariff schedules with the maritime board that included both water and land haul charges and that the board lacks jurisdiction because of the land haul factors.

THAT CERTAIN terminal operators have failed to live up to stated tariff rates and charges;

That certain common carriers and terminal operators have entered into agreements involving preferential and exclusive arrangements;

That the Alaska Railroad and certain common carriers by water in the Alaska trade have entered into arrangements whereunder the Alaska Railroad absorbs certain terminal and handling charges.

D. J. SMITH, railroad general manager, said the railroad has published tariff schedules on record and that the railroad abides by its published documents. A railroad spokesman yesterday said the railroad will have representatives at the hearing.

Stigler said this morning he was informed that Henry Roloff, port director for the city, will be present at the meeting. Roloff has been in the East for the last two weeks in connection with port business.

Maritime Body Seeks Local Facts

Session Scheduled Friday Morning In Library Auditorium

A fact-finding public hearing is scheduled Friday, at 10 a.m. by a Federal Maritime Board, a three-man investigating charges leveled by the Anchorage Port Commission.

"I think a public airing of the facts would be of help to all concerned," said William Stigler, head of the investigating team.

THE FMB TEAM arrived in Anchorage Monday to study allegations by the port commission that the Alaska Railroad and certain common carriers had arrangements which freed some freight cargoes of terminal charges. The Alaska Railroad, a government agency, owns and operates terminal facilities at Seward.

Stigler said the public hearing will begin at 10 a.m. Friday in the Z. J. Loussac Library auditorium. If there is sufficient interest, the hearing will continue Saturday beginning at 10 a.m. he said.

When asked about the current investigation, Stigler said he could not comment on the situation. He explained that the purpose of the investigation is to gather facts regarding alleged freight rate discrimination.

An ultimate result of the study could be the issuance of a cease and desist order by the Federal Maritime Board if the allegations are substantiated.

STIGLER explained that the board, under the Shipping Act of 1916, has the jurisdiction to "issue cease and desist orders against a port locality or shipper by a common carrier or terminal operator engaged in foreign commerce."

He said any ultimate action by the maritime board would depend on whether any "undue" discrimination could be found. He added further that Alaska and Hawaii, while territories, were considered as in foreign commerce. They have preserved that status as states, thus giving the maritime board authority.

The maritime board cannot force a common water carrier to call at a port, or set up a schedule of service in direct fashion, but can assure that a port is receiving the benefit of reasonably equal rates and tariffs.

STIGLER said he felt that if facts show there is discrimination against the port of Anchorage, that the maritime board would act within its jurisdiction and that the Interstate Commerce Commission would begin action within its authority as a regulatory body for motor freight carriers.

As for the Alaska Railroad, which is also a federal agency, Stigler said he could not answer whether the maritime board or ICC would have any regulatory authority.

THE PORT commission allegations were made in a

secret resolution passed June 8, and were made public by the Federal Maritime Board in Washington. "I can't understand why the charges were not made public," Stigler commented.

He said anyone or any party interested in the freight rate hearing is invited to attend.

City Manager Chet Hostetler said Henry Roloff, port director, and Dr. R. D. Livie, city councilman, will represent the city at the public hearing. He added the meeting would be postponed if the two men do not return to Anchorage by Friday.

Stigler said, however, the meeting will be held as scheduled. Also representing the maritime board at the hearing will be Frank Gormley and Vernon Nightengale.

A spokesman for the Alaska Railroad said the railroad will definitely be represented at the hearing.

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Thursday, June 22, 1961

State Asks Tariff Data From U.S.

A determination of tariff policies of the Federal Maritime Board and the Interstate Commerce Commission is being sought by the Alaska Public Service Commission.

The state commission has also asked the federal agencies for a clear definition of their jurisdiction, said William Meehan, director of the Alaska Division of Motor Transportation.

THE COMMISSION requested the information from the Maritime board and received an answer last May 16 that the board's legal counsel was preparing a reply. In April, a similar request was made to the ICC through a local representative.

To date, no tariff policy or schedule information has been received from either agency, said Meehan.

He explained that the state will soon accept tariff schedules filed by truckers and motor freight within the state on an intrastate basis.

THE PUBLISHED tariffs available from the FMB and ICC do not differentiate the motor freight costs from the water freight costs on through tariff schedules, he said.

The published through tariff, for example, on freight going by water from Seattle to Seward and then by highway to the interior is "often less" than the separate water and freight tariffs to the same location.

He said this could mean that there is an absorption of costs somewhere along the line. "We don't want the intrastate tariff to be 'subsidizing' any of the interstate service through tariff," Meehan explained.

Since the intrastate and interstate service will be similar, the rates should also be similar, he declared.

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EDITORIAL PAGE

Tuesday, June 20, 1967

Port Must Compete To Be A Success

THE PORT COMMISSION used a shotgun last week when it fired charges at virtually all the transportation agencies serving this area.

Principal target was the Alaska Railroad. Additional targets were competing docks on the Anchorage waterfront and some truckers.

It is hard to determine what has been accomplished. The only certainty is that something has started. The Federal Maritime Board has sent three men here to look into it.

The shotgun blasts from the commission hit the Maritime Board as well as the others. It is to be hoped that possible wounds will not create a hostility in the agency upon which the commission is depending for relief.

MARITIME LAW is a specialty that is understood only by the experts, if at all. Just what the goal of the port commission might be is a moot question. Perhaps time will tell.

It appears that the commission is disturbed because, as it says, the Alaska Railroad is rendering free terminal services at the Seward dock and thus putting the Anchorage dock at a disadvantage.

If this proves to be true, and if it is improper for the railroad to do so, the terminal charges might be added to local freight charges. Nobody would like that, except perhaps the members of the port commission. It was not the intent of anyone to force other rates higher so that the new city dock could

The commission also hints that the railroad and the Alaska Line may be conspiring to maintain a monopoly on trade. This could happen, we suppose, through secret

privileges or advantages extended under their joint tariffs.

The Maritime Board was asked to order the steamship line to serve Anchorage directly from Seattle. We doubt that the board has authority to do so. Ocean operations are not certificated like an airline. It is our understanding that the firm can call at any ports it chooses, with whatever schedules it desires.

WHEN THE ANCHORAGE PORT was built there was no proposal to eliminate competition to make it a success.

The charges compiled by the commission are aimed at the other two docks on the local waterfront. Apparently, it is hoped that some means can be found to compel those docks to increase their charges.

The commissioners can depend upon widespread support in making the new port an economic success, provided they make it fit into the existing pattern. That support will narrow rapidly if the port requires less competition through higher rates elsewhere.

The public interest is usually served best when competition is greatest. Artificial factors by regulation rarely make prices lower.

What the Anchorage port needs most is a shipping line to use it. The operator who has the courage and foresight to be the first should win the favor of many large local shippers.

This should be an economic war, not a war of regulation. But now that the law and regulation have been brought into the spotlight, it will be interesting to see who is right and who is wrong.

Plan To Export Logs Raises An Old Problem

THE EFFORT of the Port of Anchorage to open the way for export of raw cottonwood logs from the rail belt revives an old problem that has been the center of controversy.

The question is: Should Alaska's resources be sent to other areas for manufacture, or should it be required that some of the processing be done here?

Present policy of the state and the federal government is to require some processing here. Raw logs cannot be exported. They must be cut to specifications set by the Forest Service, or by the state.

The port commission has asked the state to waive the requirement on cottonwood. It is believed that the raw logs could be exported to Japan.

ARGUMENTS FOR the waiver are that immediate economic development could take place. Cutting the logs would provide employment. Contracts for supplying the timber would open new opportunities for logging companies to be formed.

The movement of the logs would provide revenue traffic for the Alaska Railroad or truckers, as well as for the Anchorage port.

The logs would build up the traffic for Japanese ships operating between Japan and Alaska, thus bolstering the budding international trade of this state.

The prospect looks attractive from this point of view. Japan is said to need the cottonwood and the U.S. wants Japan to have what she needs without increasing trade with Iron Curtain countries.

In Alaska, the trade would broaden the base of the economy, create new wealth that would be subject to taxes and would bring general economic benefits to the state.

Proponents point out that the attraction is strengthened by the fact that the cottonwood trees, now untouched, are growing old and dying as windfalls. They say the resource is being wasted by neglect.

THE OTHER SIDE of the argument also has some compelling points.

If the raw logs are exported the door will be closed on the possibility of attracting investments in plants to process them here.

This was the argument that was heard for many years in Southeastern Alaska. Before the Ketchikan and Sitka pulp mills were built pressures were brought to waive the processing requirements. The Wrangell sawmill was built because of the requirement.

The trees were "wasted" until the mills were built. It is now contended that if the waiver had been granted, the logs would now be going to the pulp mills of Puget Sound instead of to the plants that are providing employment and tax values in Alaska.

The difference with the cottonwood is that there is no prospect of a plant — such as a pulp mill — that would use it.

Somebody must evaluate the problem as it is related to cottonwood. The principle of requiring processing is a good one. But it is not good if it means that a resource is wasted indefinitely.